SECTOR STUDY | MARCH 1 2026

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RELIEF

Research Team

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Introduction

- Relief sector provides items and materials used for humanitarian aid by national and international relief and aid agencies, governmental authorities as well as Non-Governmental Organizations (NGOs).
- Relief items consist of a large variety of products including tents, tarpaulins, mosquito nets, sleeping mats, blankets, basic kitchen utensils, jerry cans, and buckets. Tents, tarpaulin, and mosquito nets, also known as insecticidal nets, make up the largest segments within the Relief Sector products.
- The need for these products arises due to natural calamities such as floods, wildfires, and earthquakes, or man-made crises like wars, regional conflicts, and industrial accidents. Moreover, Relief items are used to address problems that arise as a result of income inequalities in various parts of the world such as malaria, aids, and malnutrition. Lately, recreational use of certain items (mainly tents, nets, portable lights etc.) has been increasing in eco-tourism and outdoor activities.
- International organizations such as UNHCR, UNICEF, WFP as well as national organizations (NDMA) purchase the required Relief materials from various manufacturers who meet specific quality criteria. Procurement by such agencies is often done through a bidding process in order to receive best price.

Source: UNICEF, UNHCR, NDMA

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Global | Overview

- The global Relief Sector falls under a wider category of the emergency and disaster response market, which encompasses various segments including threat detection equipment, protective gear, medical equipment, and emergency notification systems, among others. The demand for disaster Relief and management has been rising due to the increase in unpredictable natural disasters in recent years as a consequence of climate change globally as well as regional conflicts.
- The UN, through its various organizations and bodies, remains one of the largest procurers of Relief goods. Total UN procurement of goods and services, through its ~32 organizations increased by ~2.9% YoY in CY24, reaching USD ~25.7bln.
- The UN responds swiftly to escalating global conflicts and extreme weather conditions. In Lebanon alone, ~249,000 people received relief items by mid CY25, including water, hygiene kits, baby kits, clothing, and blankets. Moreover, following flash floods in Pakistan in CY25, different UN agencies along with local organizations carried out relief efforts particularly in Punjab and KPK province. UNICEF delivered essential medicines, oral rehydration salts, and insecticide treated nets, reaching more than ~650,000 people in the country.
- By the end of CY25, ~305mln people around the world were projected to require urgent humanitarian assistance and protection, as multiple crises escalate with devastating consequences for the people affected.
- In CY25, the UN and its partner organizations have appealed for over USD~47.0bln to assist nearly ~190mln people across ~72 countries. Escalating crises particularly in the Middle East and North Africa has increased the funding requirements. Moreover, in CY25, global humanitarian partners are improving delivery for people in crisis, majorly by promoting locally-led humanitarian and expanding cash assistance, among others.

Source: UNICEF, UN Global Marketplace

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Local | Overview

- There are, at present, ~70 tent manufacturers and exporters operating in Pakistan. However, only a few of these are involved in manufacturing and providing supplies for the purpose of disaster Relief.
- While there are a number of Pakistani firms on the United Nations' list of registered vendors (as of Oct'25), there are only three manufacturers of Relief items, including tents, tarpaulin, and mosquito nets. These include H. Nizam Din & Sons (PVT) Limited, Paramount Tarpaulin Industries and Zahra Tents Industries (PVT) Limited.
- In the wake of CY25 floods in Pakistan, more than ~5.8mln of the population was affected including ~985 deaths. Almost ~39,200.0 sq. km. of area was submerged into water damaging ~7,851 houses and several kilometers of road infrastructure. As of Sep'25, ~300,00 people still remained in tents. The NDMA distributed ~36,000 tents in Punjab alone.
- Similarly, in the aftermath of torrential floods that hit Pakistan in Aug'22, a minimum of ~664,000 people moved into Relief camps and unofficial locations out of a total of ~7.9mln displaced persons. The GoP, distributed ~600,000 tents, ~400,000 tarpaulins, and ~3.5mln mosquito nets in the wake of these floods.
- By CY50*, as identified by the National Action Plan, annual expected damage from riverine floods is expected to surge by ~47.0%. The riverine floods are particularly severe in Punjab and Sindh provinces, which have experienced exceptional flood damage on an almost yearly basis in recent years.
- Apart from local sales, the Sector also caters global demand. During FY25, Pakistan's exports of tents, canvas, and tarpaulin increased by ~9.3% YoY in volumetric terms. In value terms, these increased by ~2.7% YoY.
- The Sector is represented by the Pakistan Canvas and Tents Manufacturers & Exporters Association (PCTMEA). Pakistan has a three-tier disaster management system. The National Disaster Management Authority (NDMA) leads at the national level, while Provincial and District Disaster Management Authorities oversee Relief measures at their respective levels.

Sourced from Disaster Management Reference Handbook, 2025.

Source: PES, Relief Web, NDMA, PCTMEA, PBS, UN OCHA

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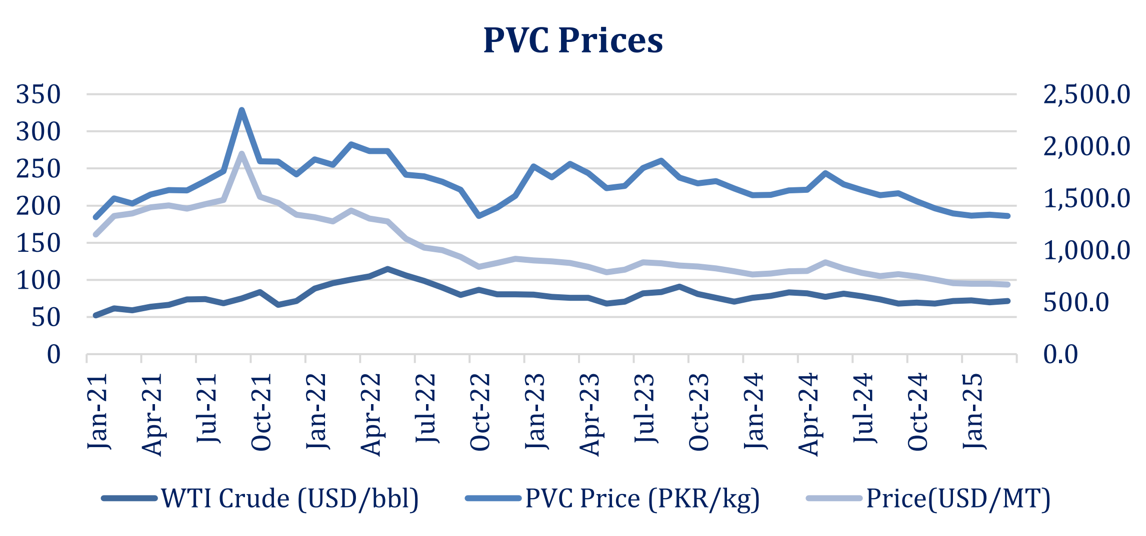
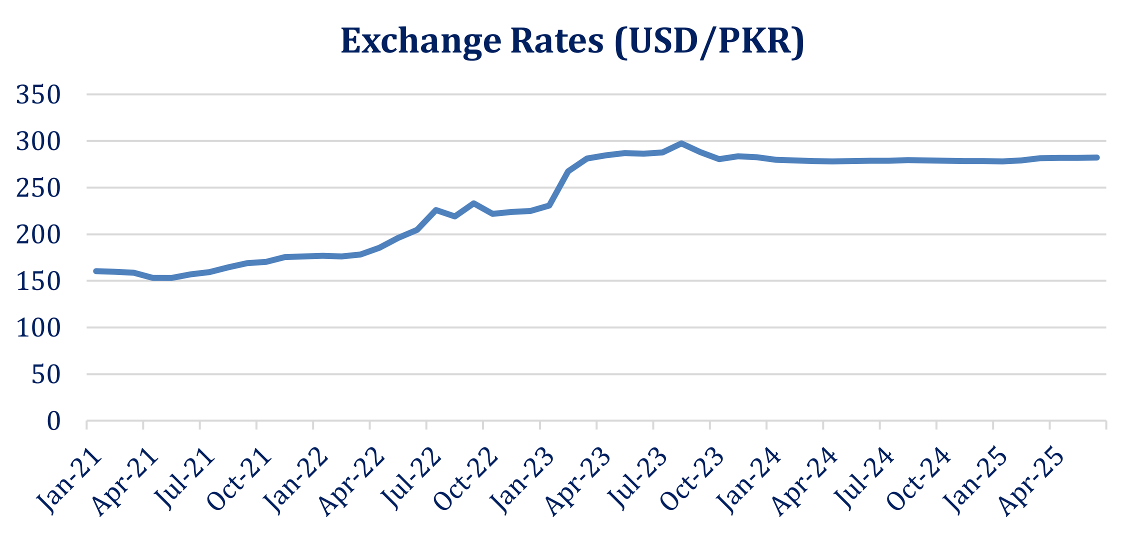
Raw Material | PVC

- An important raw material for the production of canvases, tents, and tarpaulins is Polyvinyl Chloride (PVC), a derivative of crude oil. Crude oil and PVC prices, therefore, tend to trace similar trends. During CY25, PVC prices generally exhibited stable trend declining compared to later half of CY24 due to global oversupply, subdued construction demand.

- During 3MCY25, the average local price of PVC declined to approximately PKR 186.7/kg, reflecting a moderation in international PVC prices amid softer global oil markets. As Pakistan relies heavily on imported raw materials, movements in global commodity prices and exchange rate dynamics remain key determinants of domestic PVC pricing. Notably, during CY25, the USD/PKR exchange rate remained broadly stable, helping limit additional price volatility in the local market.

- The primary producer of PVC in Pakistan is Engro Polymer & Chemicals Ltd. with annual capacity of ~295,000MT as of CY25. Engro produces both rigid and flexible types of PVC. The Country is also reliant on imports from countries such as USA, China, Indonesia, Sweden, and South Korea which made up ~72.3% of the total PVC imported in FY25 (FY24: ~63.0%).





Note: *HS code for PVC imports 3904.*

Source: Investing.com, EIA

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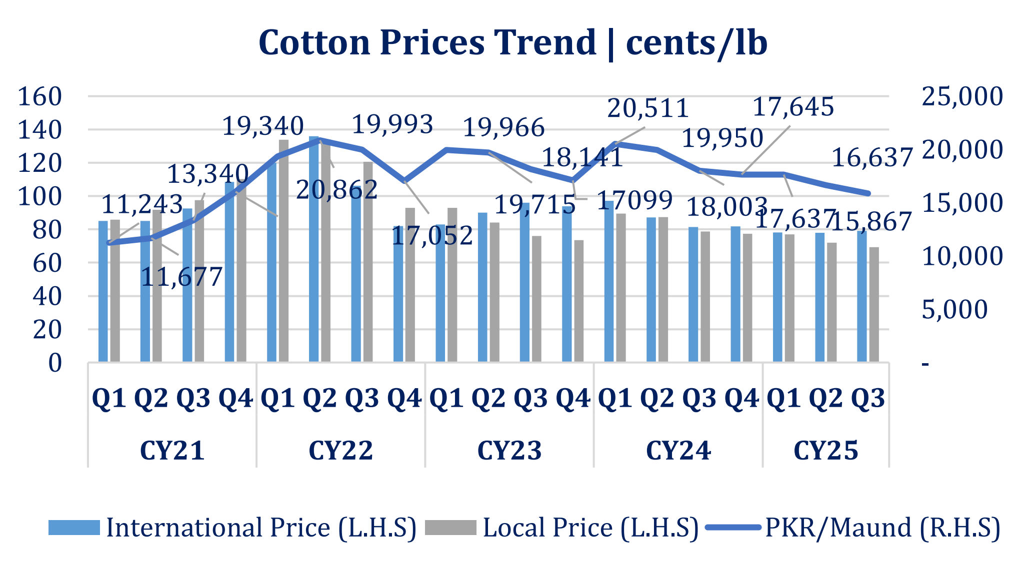
Raw Material | Cotton

- Cotton serves as another raw material for the manufacturing of canvases and tents. Pakistan's cotton production decreased by ~30.7% YoY in FY25, owing to a decrease in area under cultivation and lower yield, primarily due to unfavorable weather conditions. Extreme temperatures in Punjab hindered boll formation, reducing yield.
- Cotton arrivals for FY25 were ~7.1mln bales, against the production target of ~10.8mln bales. For FY26, the target for cotton production is set at ~10.2mln bales. On the other hand, a ~234.0% YoY increase in cheaper cotton imports was observed during FY25 to meet the domestic demand (FY24: ~70.0% YoY decline).

Pakistan's Cotton Supply (000 Bales)					
	FY21	FY22	FY23	FY24	FY25
Opening Stock	3,200	2,175	1,925	1,525	1,625
Production	7,064	8,329	4,910	10,223	7,084
Imports	5,043	4,636	4,023	1,206	4,028
Supply	**15,307**	**15,140**	**10,858**	**12,954**	**12,737**

- The global cotton prices increased to ~113.0cents/lb in FY22 from ~76.0cents/lb in FY21. However, FY22 onwards, the prices have trended downwards. During 3QCY25, average global cotton prices were ~80.0cents/lb (SPLY: ~89.0cents/lb), down ~12.4% YoY. This decline reflects strong competition from synthetic fibres. The subdued cotton demand has added downward pressure on global prices.
- The average local price of cotton during 3QCY25, was recorded at PKR~15,867/maund (SPLY: PKR~18,003/maund), down ~11.9% YoY. This is mainly attributed to 18.0% sales tax imposed on domestic cotton production while the imported cotton remained duty free in the first half of FY25. This reduced the demand for locally produced cotton, ultimately reducing prices. However, this exemption was withdrawn in Finance Act 2025 to encourage local production and reduce import dependency. While the 18.0% sales tax on domestic production is still in place, the import advantage for ginning and spinning industries is now eliminated. This is likely to increase demand for local cotton since price disparity is eliminated. During 3MFY26, the cotton prices followed the same declining trend due to an increase in cotton arrivals. As of Sep'25, domestic cotton arrivals were up ~40.0% YoY



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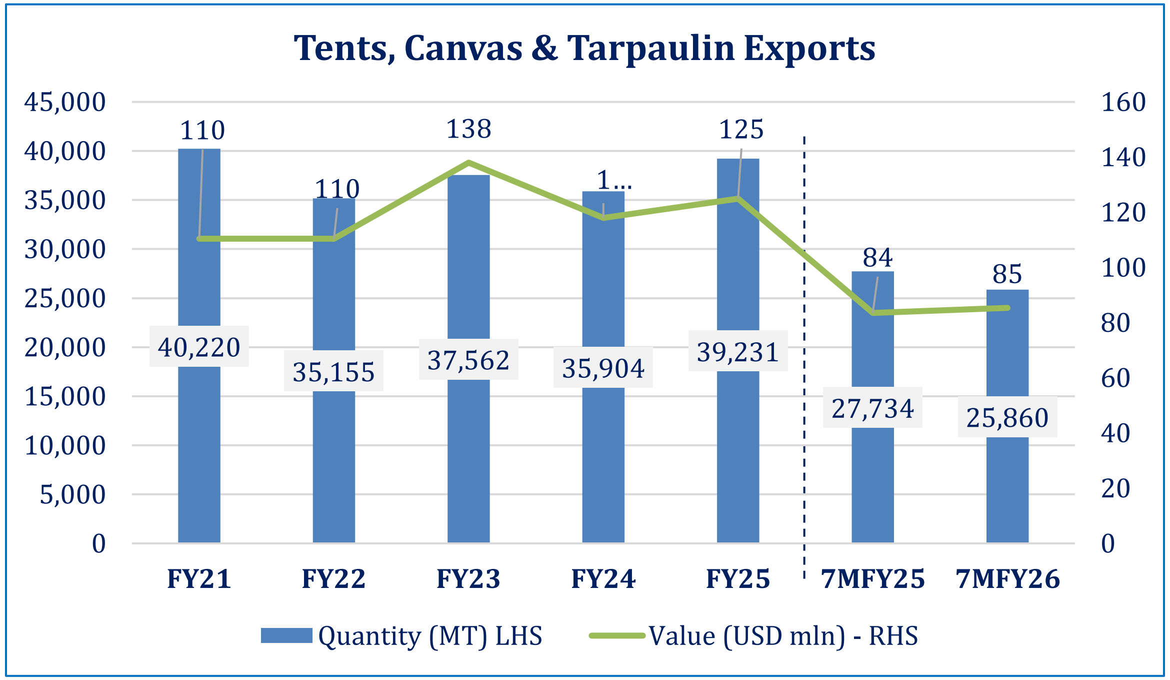
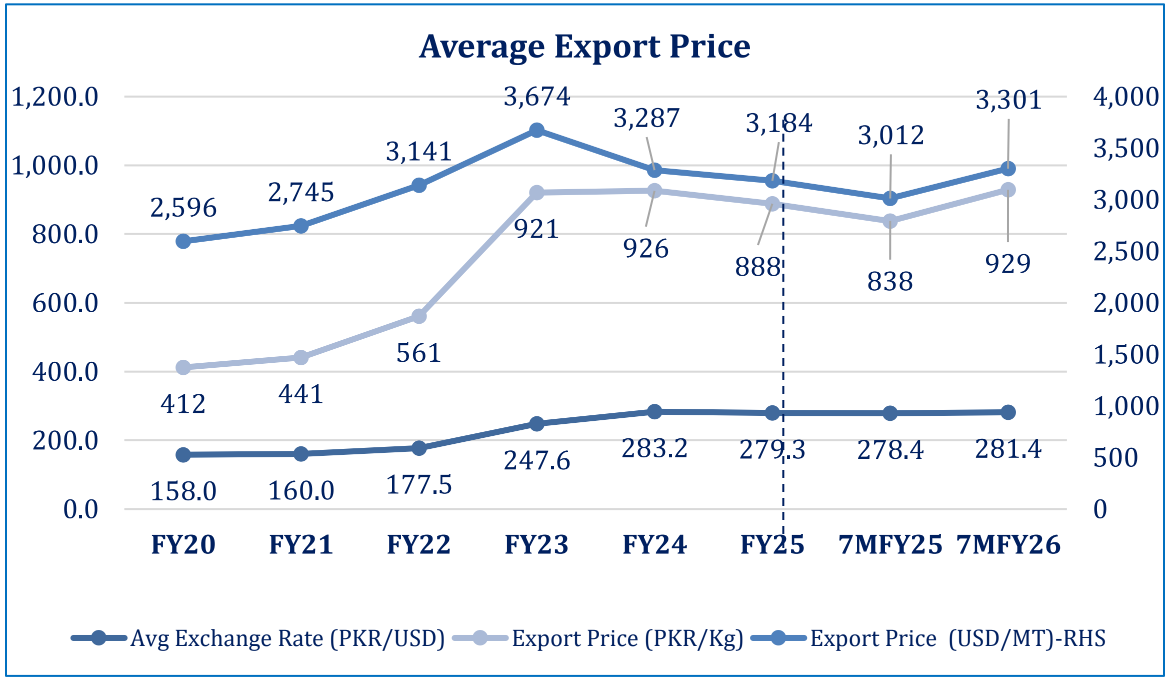
Local | Exports

- During FY25, exports of tents, canvas, and tarpaulin increased to ~39,231MT, up ~9.3% YoY from 35,904 MT in FY24. During 7MFY26, exports decreased by ~6.8% to ~25,5860MT (SPLY: 27,734 MT).

- Average export price of tents, canvases, and tarpaulins declined to USD ~3,184/MT in FY25 compared to USD ~3,287/MT in FY24, reflecting a ~3.1% YoY decrease. However, during 7MFY26, the average export price improved to USD ~3,301/MT, up from USD ~3,012/MT in 7MFY25, showing a ~9.6% YoY increase.





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Local | Export Destinations

- Pakistan's exports of tents, canvases, and tarpaulins are primarily concentrated in the Middle East. The Middle East is a region where Relief activities have been highly concentrated in recent years due to prevalence of regional conflicts as well as presence of a growing numbers of refugees, particularly Yemen, Syrian, and Palestinians. Major export destinations include Saudi Arabia, which comprised ~17.1% of the total export proceeds in FY25. Other export destinations include U.A.E. (~16.4%), Jordan (~16.3%), U.S.A (~6.5%), and Turkey (~2.7%). Exports to Jordan increased by ~10.8% YoY, due to a growing tourism industry and Relief efforts.

- Collectively, the top five export destinations constituted ~59.1% of total exports of tents in FY25 (FY24: ~56.0%).

Export Destinations	FY21		FY22		FY23		FY24		FY25	
	USD '000'	%	USD '000'	%	USD '000'	%	USD '000'	%	USD '000'	%
Saudi Arabia	25,223	21.2%	18,149	15.8%	19,736	15.1%	25,825	21.2%	21,442	17.1%
U.A.E.	21,475	18.0%	20,732	18.1%	12,326	9.4%	27,514	22.6%	20,546	16.4%
Jordan	3,846	3.2%	3,115	2.7%	3,929	3.0%	6,706	5.5%	20,424	16.3%
USA	9,589	8.0%	13,429	11.7%	8,445	6.4%	5,899	4.8%	8,196	6.5%
Turkey	10,981	9.2%	10,118	8.8%	18,191	13.9%	2,341	1.9%	3,429	2.7%
Others	48,022	40.3%	48,985	42.8%	68,334	52.2%	53,715	44.0%	51,218	40.9%
Total	**119,136**	**100.0%**	**114,528**	**100.0%**	**130,961**	**100.0%**	**122,000**	**100.0%**	**125,255**	**100.0%**

Note: *Data reflects HS Code 6306.*

Source: SBP

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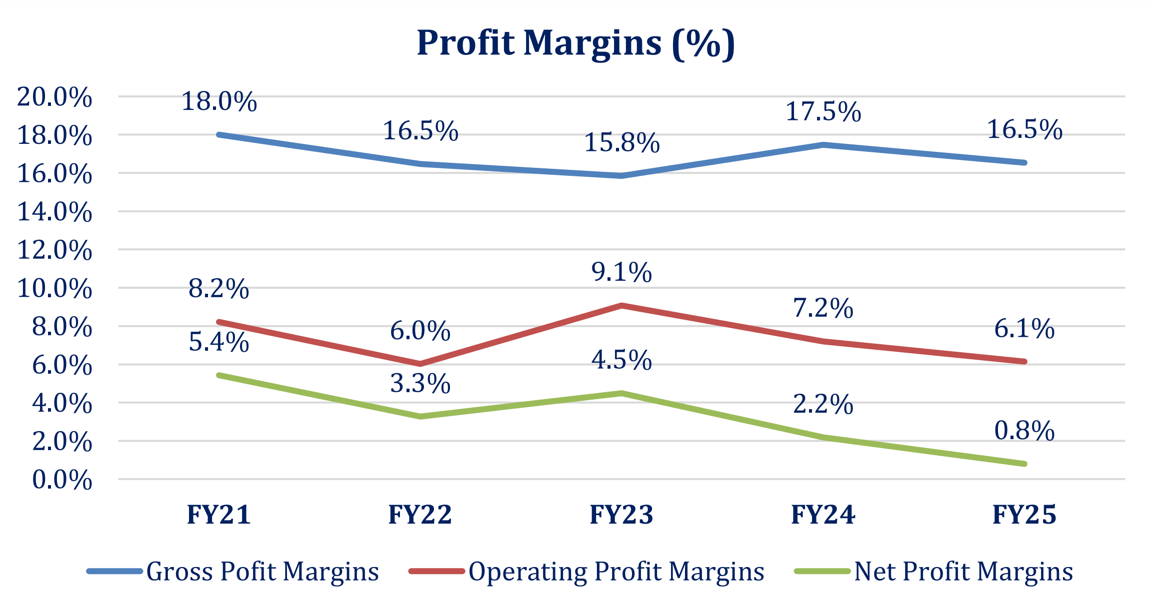
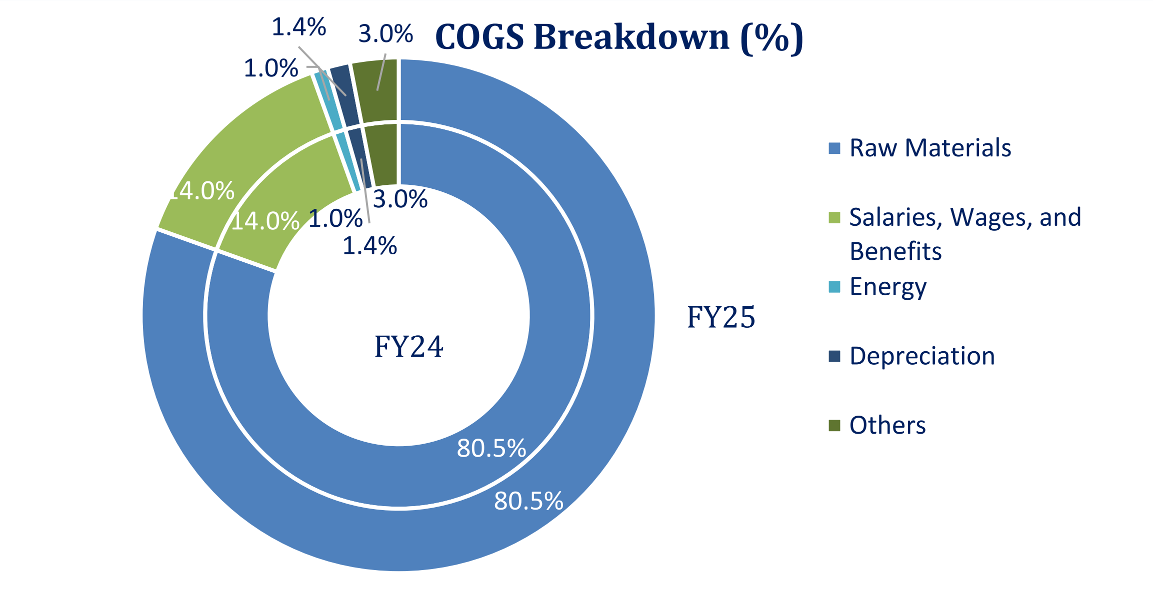
Business Risk | Margins & Cost Structure

- During FY25, gross margins declined to ~16.5% from ~17.5%, reflecting pressure at the production and procurement levels and the Sector's limited ability to fully pass increased costs to its clients. Operating margins also decreased to ~6.1% from ~7.2% in FY24, primarily due to a ~30% rise in selling and distribution expenses undertaken to support expanded sales activity during the year. Net margins recorded a sharp decline to ~0.8% compared to ~2.2% in FY24, mainly attributable to elevated finance costs arising from higher working capital requirements necessitating external financing.

- Raw materials constitute the largest component within the Sector's direct costs, making up ~80.5% share during FY25 (FY24: ~80.5%). Raw material comprise cotton and PVC, as discussed earlier in the report.





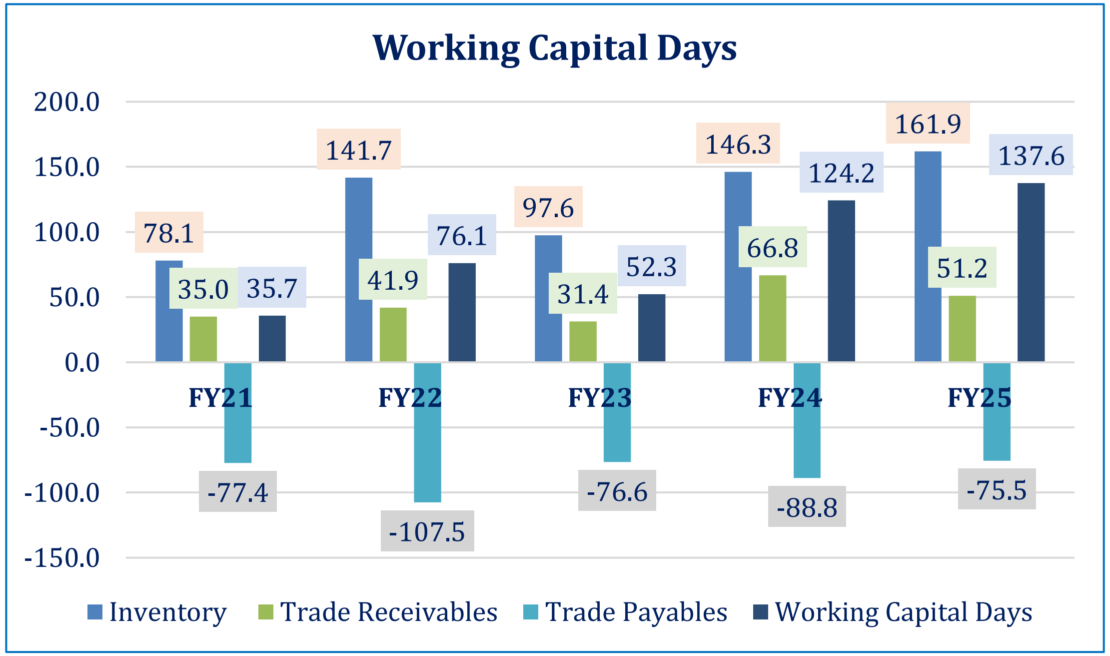
***Note**: Margins and cost breakdown is reflective of 1 PACRA rated players.*

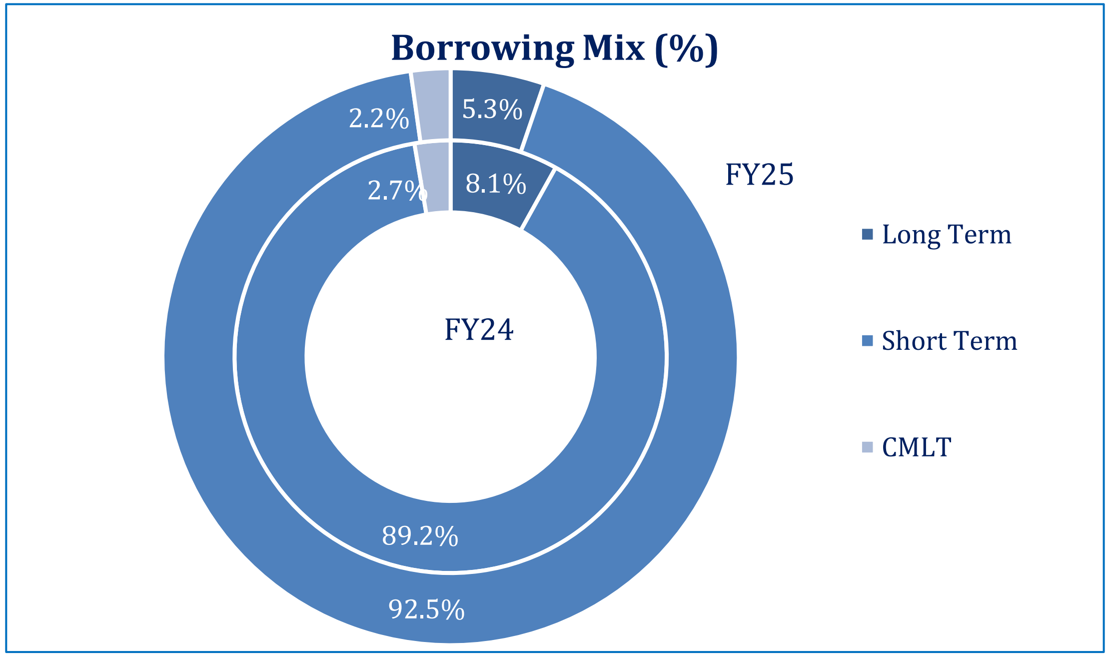
Source: PACRA Database

Financial Risk | Borrowing and Working Capital Management

- Relief Sector's total borrowings stood at PKR ~4,183.0mln in FY25 (SPLY: PKR~2,945.0mln), up ~42.0% YoY. These were largely dominated by Short-term borrowings (STBs) which formed ~92.5% of the total borrowing mix (SPLY: ~89.2%). Meanwhile, Long-Term Borrowings (LTBs) constituted ~5.3% (SPLY: ~8.1%) of total borrowings.

- The Sector's working capital is largely a function of inventory, trade payables, and trade receivables. The Sector's average net working capital days during FY21-25 have averaged ~85 days. However, they significantly stretched from ~35.7 days in FY21 to ~137.6 days in FY25. As compared to FY24, the inventory days increased by ~15.6 days implying relatively higher stock levels. Trade payable days, however, reduced by ~13.3 days in FY25. This reflects a longer cash conversion cycle within the Sector.





Note: Borrowings Mix is reflective of 2 rated players.

Source: PACRA Database

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Local | Climate Mitigation and Adaptation

- The GoP has taken Disaster Risk Reduction (DRR) measures. In this regard, a National Disaster Risk Management Framework (NDRMF) has been developed with the NDMA. The Framework includes measures to enhance disaster preparedness, improve early warning signs, and enhance response/ recovery.
- Additionally, the National Disaster Risk Management Fund (NDRMF) completed ~17 DRR projects during CY22-24, while total disbursements made by the Fund till date amount to USD ~355.5mln (inception: CY16), against USD ~420.0mln portfolio. The complete portfolio comprises funding from various multilateral organization such as The World Bank, The Asian Development Bank, along with The GoP.
- Moreover, efforts to mobilize funds through the Global Climate Fund (GCF) have been initiated, while the GoP is also engaged with the UNDP Adaptation Fund for the development of climate-resilient infrastructure. There are also Community-Based Disaster Risk Management (CBDRM) committees operating in vulnerable communities.

Past Natural Disasters & Their Estimated Impact

Disaster	Year	Estimated Impact
Flood	**CY25**	~5.8mln of the population were affected including ~985 deaths. Almost ~39,200 sq. km. of area was submerged into water damaging ~1,500 kms of road infrastructure, ~7,851 houses, and almost ~1.3mln Ha of farmland.
Flood	**CY22**	~66.7% of area came under water with ~1,700 deaths and ~8.0mln displaced; Damage & loss estimated at USD ~14.9bln, and USD ~15.2bln, respectively, with USD ~16.3bln re-build cost.
Bushfires	**CY22**	USD ~41.0mln worth pine nuts lost; USD ~18.6mln loss in year to come due to burnt trees.
Smog	**CY16**	Increased health costs with millions of people suffered respiratory and eye infections owing to poor air quality.
Heatwave	**CY15**	~1,200 people died due to heatstroke and suffocation, while over ~80,000 people were brought to nearby hospitals for treatment.
Flood	**CY10**	Over ~1,800 lives lost; ~20.0mln people affected (loss & damage) and displaced; Resulted in ~5.0% loss of GDP.
Earthquake	**CY00**	Fiscal costs of relief and rehabilitation of over USD~5.2bln; over ~80,000 casualties; ~4.0mln people affected; Loss to buildings, bridges, and other infrastructure

Source: PES, MoF, NDRMF

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Duty Structure

PCT Code	Description	Custom Duty		Additional Custom Duty		Regulatory Duty		Total	
		FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26
52.01	Cotton, not carded or combed	0%	0%	2%	0%	0%	0%	2%	0%
52.03	Cotton, carded or combed	0%	0%	2%	0%	0%	0%	2%	0%
52.05	Cotton yarn (other than sewing thread), containing 85% or more by weight of cotton, not put up for retail sale	11%	5%	2%	0%	0%	0%	13%	5%
52.06	Cotton yarn (other than sewing thread), containing less than 85% by weight of cotton, not put up for retail sale	11%	5%	2%	0%	0%	0%	13%	5%
52.07	Cotton Yarn (other than sewing thread) put up for retail sale	11%	5%	2%	0%	0%	0%	13%	5%
39.04	Polymers of vinyl chloride, in primary forms	2-16%	10-15%	4-11%	0-2%	0%	0%	6-27%	10-17%
63.06	Tarpaulins and tents (Of textile materials and synthetic fibres)	20%	20%	6%	4%	10%	10%	36%	34%

Source: FBR

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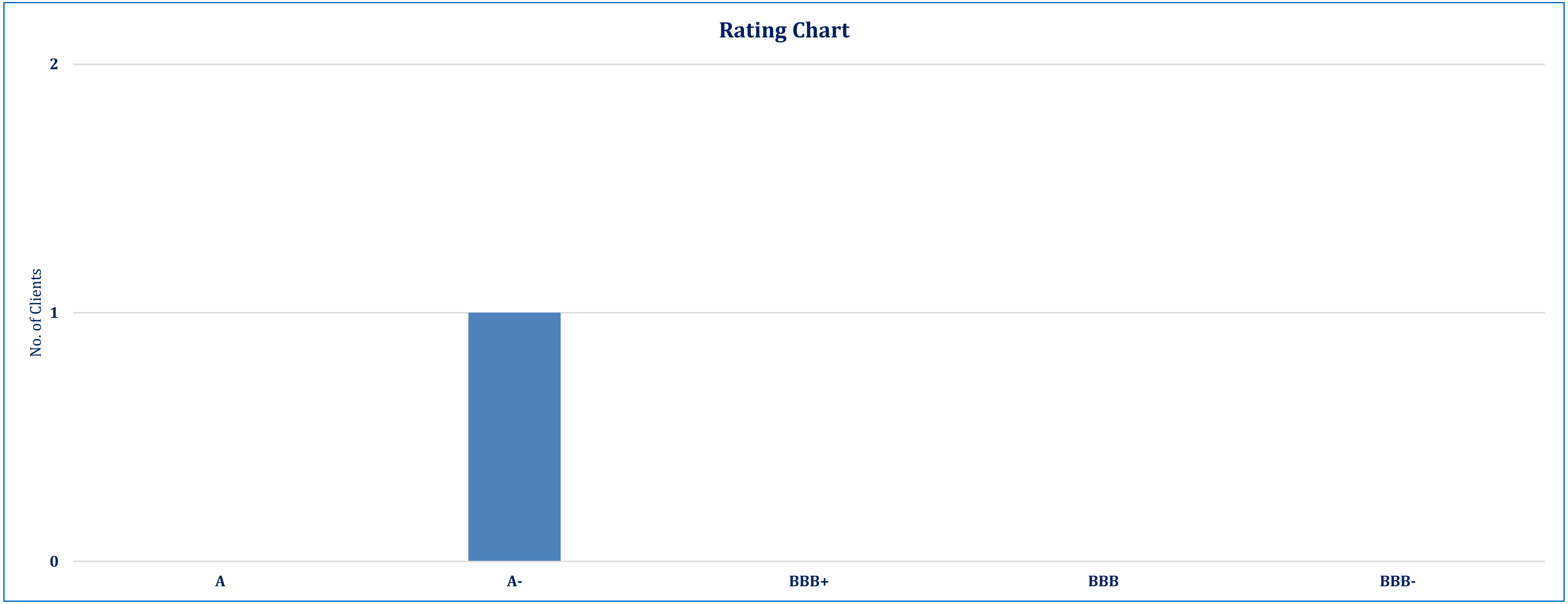
Rating Curve

- PACRA rates 1 player in the Relief Sector with a long-term rating of A-.



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SWOT Analysis

Strengths

- Government support in the form of favorable duty structure.
- Strong reputation with status as verified vendors for the United Nations.

Weaknesses

- Volatility in demand as natural disasters cannot be predicted.
- Inefficient production.

Threats

- Price sensitivity and supply constraints as Cotton production is sensitive to climatic conditions and the imported PVC prices move in tandem with global oil prices.

Opportunities

- Increase efficiency and improve quality through technological upgrades.
- Frequent occurrence of natural disasters due to climate change and failure to resolve conflicts leads to greater demand of relief items.

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Outlook: Stable

- Pakistan is among the top five countries most vulnerable to climate change, frequently experiencing riverine floods, heavy rainfall, earthquakes, and disease outbreaks. The Relief Sector plays a critical role in addressing humanitarian needs during such events. Notable instances include the COVID-19 pandemic, the flash floods of CY22, and more recently the CY25 floods. During the CY25 floods, over ~7,851 houses were damaged nationwide, with the NDMA distributing ~36,000 tents in Punjab alone to support affected communities.
- The COVID-19 pandemic, while causing widespread economic distress, temporarily boosted demand for Relief items such as tents, canvases, and tarpaulins. These materials were critical for establishing temporary shelters, field hospitals, testing sites, and quarantine centers. However, demand for such items is typically event-driven, tapering off once the immediate disaster subsides. Conversely, regional conflicts, particularly in the Middle East, create persistent demand, making exports of Relief items a steady revenue stream for local manufacturers.
- The Sector's cost structure is heavily influenced by raw materials, particularly PVC, which constitutes ~80.5% of total sales costs (FY25: ~80.5%). With declining international crude oil prices, PVC costs are expected to remain low and stable, providing some relief to manufacturers. Cotton, another key input, is projected at ~10.2mln bales for FY26, with a ~40.0% YoY increase in production as of 6MFY26 despite flooding. This indicates reduced import dependency and enhanced cost competitiveness for local producers.
- Despite favorable raw material trends and stable export demand, net profit margins in the Relief Sector are under pressure. The decline in profitability is primarily driven by higher finance costs and taxation, which outweigh the benefits from lower PVC prices and improved local cotton availability. The event-driven nature of local demand, coupled with operational and distribution challenges, further constrains sustained earnings. Nevertheless, earnings in USD from exports and cost efficiencies from local raw material availability may partially offset these pressures. Overall, while the Sector remains crucial in humanitarian efforts and export markets, net profits are expected to remain under pressure in the near term.

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- PACRA Database

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