

FERTILIZER

Sector Study Report by VIS

Pakistan's fertilizer sector has long been a strategic sector for its agrarian economy, supplying the bulk of the nation's nitrogenous and phosphatic fertilizer demand. It benefits from an established manufacturing base, synergy with agricultural policy and government support (e.g. subsidies). However, in recent years it has faced structural constraints like gas supply interruptions, softening demand, regulatory distortions and rising feed costs. The industry remains critical not just for food security but also for large-scale manufacturing employment, trade, and energy linkage.

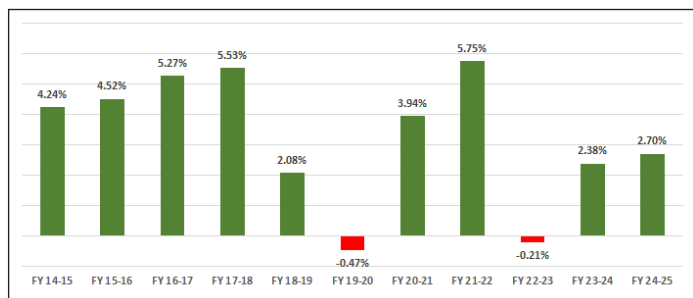
November 10, 2025

Pakistan Macro-economic Overview

Pakistan has made notable progress in pulling back from crisis, with inflation easing significantly, the current account recording a temporary surplus, and the fiscal deficit narrowing. However, the economy continues to grapple with high debt, import dependence, and a persistently narrow tax base. While short-term conditions indicate relative stability, medium-term sustainability will depend on comprehensive reforms—expanding the tax net, restructuring the energy sector, and diversifying exports beyond traditional textiles.

Growth, Prices, and Employment

GDP Growth: Pakistan stabilized growth at 2.5% in FY24 following near-stagnation in FY23. In FY25, growth inched up to 2.7%, supported by a gradual recovery in agriculture and certain service sectors. For FY26, multilateral institutions such as the IMF and World Bank project growth in the range of 3.5–3.6%, conditional on sustained policy discipline.



Inflation: Inflation was the dominant challenge in FY24, averaging above 23%, primarily due to elevated energy costs, currency depreciation, and supply disruptions. A sharp disinflation followed in FY25, with average CPI declining to 4.6%, and further easing to 3.6% during July–August FY26. This improvement reflects currency stability, moderation in food prices, and a tight monetary stance.

Employment: The official unemployment rate stands at 6.3%, based on the 2020–21 Labor Force Survey. The absence of updated surveys obscures the current labor market dynamics. Anecdotal evidence suggests limited job creation, rising underemployment, and continued informality, despite a stable headline unemployment figure.

Implication: While growth recovery is progressing, it remains fragile, with employment gains lagging behind. Inflation is now firmly under control, creating scope for monetary easing and potential adjustments in interest rates.

Fiscal and Debt Dynamics

Fiscal Deficit: The consolidated deficit remained elevated at 6.9% of GDP in FY24 but narrowed to 5.4–5.6% in FY25, supported by record FBR collections and curtailed federal development spending. The FY26 budget sets an ambitious target of 3.9% of GDP.

Tax Revenues: FBR collections rose from Rs 9.3 trillion in FY24 to Rs 11.9–12.0 trillion in FY25, with a target of Rs 14.1 trillion for FY26. Despite this improvement, the tax-to-GDP ratio remains in single digits, significantly below emerging-market benchmarks.

Public Debt: Debt sustainability continues to pose the most significant macroeconomic risk. Public debt increased to 73.2% of GDP in FY25, compared to 72% in FY24, with the nominal stock reaching Rs 74.9 trillion by April 2025. Domestic debt forms the majority, standing at Rs 54.5 trillion as of June 2025.

Debt Servicing: Interest payments now absorb over 60% of FBR revenues, severely constraining fiscal space for development and social sector spending.

Implication: Fiscal consolidation has shown progress, but debt dynamics remain highly vulnerable. Without meaningful tax base expansion, dependence on borrowing will persist, keeping debt ratios elevated.

External Sector and Balance of Payments

Remittances: A key positive, remittance inflows rose from USD 30.3 billion in FY24 to a record USD 38.3 billion in FY25, largely driven by strong contributions from the Gulf region. Momentum continued in July 2025, with inflows of USD 3.2 billion.

Exports & Imports: Exports of goods and services increased modestly from USD 38.9 billion in FY24 to

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Indicator	FY24	FY25	Commentary / Direction
GDP Growth (%)	2.4%	2.7%	Gradual recovery driven by agriculture and stabilization policies.
Inflation (CPI, % avg)	23.4%	4.6%	Sharp moderation but still elevated vs peers.
Policy Rate (%)	20.5% (Jun-24)	11.0% (Jun-25)	Tight stance easing slightly with inflation fall.
Exchange Rate (PKR/USD)	278 (Jun-24)	284 (Jun-25)	Relative stability post-IMF SBA, but pressure persists.
Fiscal Deficit (% of GDP)	6.9%	5.4%	Some consolidation via revenue measures.
Current Account Balance (\$ bn)	-2.0	+2.1	Slipped back into deficit as imports rose.
Trade Balance (\$ bn)	-24.0	-29.0	Import rebound outpaced exports.
Exports (Goods & Services, \$ bn)	30.7	40.7	Modest growth, led by textiles & IT.
Imports (Goods & Services, \$ bn)	54.7	70.1	Stronger import demand with partial recovery.
Workers' Remittances (\$ bn)	30.3	38.3	Steady inflows, supporting FX reserves.
Foreign Direct Investment (\$ bn)	1.4	2.3	Still weak but some uptick in energy & telecoms.
Foreign Exchange Reserves (\$ bn, SBP)	9.4 (Jun-24)	14.5 (Jun-25)	Import cover 1.7 months, still thin.
Public Debt (% of GDP)	70%	73%	Rising burden amid high interest payments.
Energy Prices (Avg Power Tariff, Rs/ kWh)	29.8	36.0	Significant rise, eroding industrial competitiveness.
Gas Price (\$/MMBtu)	5.0 to 11.0	10.0 to 11.0	High regional disadvantage.
Unemployment Rate (%)	6.3%	6.3%	Latest official LFS 2020–21 figure

USD 40.7 billion in FY25. However, imports expanded more sharply, rising from USD 64 billion to USD 70 billion, thereby widening the trade deficit. July 2025 reinforced this trend, with exports at USD 3.5 billion against imports of USD 6.3 billion.

Current Account: Despite the widening trade gap, record remittances drove the current account into a surplus of USD 2.1 billion in FY25 — a rare outcome after years of persistent deficits. However, July 2025 saw a return to deficit (USD 254 million), underscoring the fragility of this balance.

Implication: The external sector has strengthened due to robust remittances, but remains exposed

to import dependence, elevated energy costs, and vulnerability to global oil price volatility.

Future Outlook (FY26 and beyond)

Growth: GDP growth in FY26 is projected to improve moderately to 3.5–4%, contingent on political stability and continued progress in power sector reforms.

Inflation & Monetary Policy: With CPI easing to around 3–4%, the central bank has scope to gradually reduce policy rates, which could support investment and credit expansion. Nonetheless, risks persist if fiscal slippages erode market confidence.

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Fiscal and Debt: Meeting the FY26 fiscal deficit target of 3.9% appears challenging. Pressures from energy subsidies and weaker petroleum levy collections may widen the gap, necessitating additional borrowing. Public debt is expected to remain elevated, near 77% of GDP, raising concerns about long-term sustainability.

External Accounts: Remittance inflows are likely to remain strong, but exports will require structural reforms in value addition and market diversification to accelerate meaningfully. Imports are expected to rise alongside growth, potentially straining the current account. Adequate SBP reserves will depend on sustained support from the IMF, EU, and China.

The macroeconomic outlook remains finely balanced. Political uncertainty — whether in the form of contested reforms, governance slippages, or delays in decision-making — poses a key risk to investor sentiment and external financing flows. Similarly, slow or incomplete implementation of energy and tax reforms could reverse the recent stabilization gains by perpetuating fiscal imbalances and structural inefficiencies. Externally, Pakistan remains vulnerable to global commodity price swings, particularly oil, which could quickly widen the import bill and reignite inflationary pressures.

On the upside, steadfast adherence to the IMF program and continued engagement with bilateral and multilateral partners would help secure external financing and maintain reserve adequacy. Robust remittance inflows are also expected to provide a vital cushion to the current account, partially offsetting the structural trade deficit. If complemented by credible reforms in taxation, energy pricing, and export competitiveness, these factors could not only consolidate short-term stabilization but also lay the foundation for a more durable growth trajectory.



Global Fertilizer Industry

The global fertilizer industry is a large, mature, and critical link between agriculture and food security. It includes nitrogenous, phosphatic, and potassic fertilizers, and in recent years has been under pressures from input cost volatility (notably natural gas), environmental and regulatory constraints (emissions, runoff), and evolving demand dynamics (precision farming, specialty/slow release, biofertilizers). Growth tends to be modest but steady, tied closely to agricultural expansion, yield intensification, and subsidy regimes in key markets.

Market Size and Growth

The global fertilizer market was valued at USD 381.7 billion in 2024 and is projected to reach USD 541.2 billion by 2030, reflecting a compound annual growth rate (CAGR) of approximately 5.99% over the forecast period. This estimate encompasses a broad spectrum of fertilizer types and applications across key global regions.

Growth is supported by rising food demand, ongoing agricultural intensification, and increasing adoption of enhanced-efficiency fertilizers, particularly in developing markets. The market also reflects an evolving focus on sustainability, digital integration, and improved nutrient use efficiency.

Key Regions and Players

Asia-Pacific: This remains the largest consumption region (over 50 % share), led by India, China, and Southeast Asia. Growth is driven by cropping intensity,

rising food demand, and supportive subsidies.

North America / Latin America: Strong in nitrogen and potash segments, with robust corn/soy rotations underpinning fertilizer demand. Producers like Nutrien are influential.

Europe / Middle East: More volatile due to gas pricing, regulatory pressure (emissions, nitrogen runoff), and declining margins.

Key Players: Global fertilizer majors include Yara, Mosaic, Nutrien, EuroChem, ICL, CF Industries. These firms operate integrated supply chains from feedstocks to distribution.

Technologies and Processes

Haber-Bosch and Ammonia-Urea Synthesis: The core backbone for nitrogenous fertilizers; essentially mature but incremental efficiency improvements via catalysts, heat integration, and carbon capture.

Controlled-release / Slow-release Fertilizers: Growing in adoption to reduce nutrient losses, improve efficiency, and minimize environmental impact.

Biofertilizers & Microbial / Organics: A niche but growing component, especially in developed or premium markets, to supplement or replace chemical inputs.

Precision / Digital Application Technologies: Use of sensors, GIS, drones, and variable-rate application systems helps optimize fertilizer usage and reduce waste.

Emerging Trends:

Decarbonization and low-carbon ammonia: Pressure to reduce emissions is pushing R&D into “green ammonia” (via renewable hydrogen) and carbon capture + reuse.

Input volatility risk: Gas and phosphate feedstock price swings are a persistent risk, leading to supply shocks or margin compression.

Shift toward specialty fertilizers: More demand for micronutrient blends, foliar, water-soluble, and controlled-release products, especially in premium and precision agriculture markets.

Regulatory tightening: Stricter environmental controls (e.g. nitrogen runoff regulation, emissions standards) are influencing design and adoption.

Consolidation and vertical integration: To secure feedstock access and distribution reach, major players are pushing consolidation.

Challenges

Energy / feedstock cost volatility: The reliance on natural gas and phosphate imports exposes margins.

Capital intensity & fixed costs: New plants are expensive and long gestation, making reversals in demand painful.

Environmental / regulatory risk: Stricter emissions rules, carbon pricing, and nutrient runoff regulations can penalize conventional fertilizer.

Trade & subsidy distortions: Subsidized imports or changes in policy can disrupt local markets.

Technology lock in / transition risk: New processes

(e.g. green ammonia) may require massive investment and face adoption barriers.

Opportunities

Green / low-carbon fertilizer technologies present a pathway to enter future oriented markets and premium pricing.

Export potential in regions with deficit: Producers in lower-cost jurisdictions (e.g. Middle East, North Africa) may serve import-dependent markets.

Nutrient efficiency / precision farming tools: Bundling fertilizers with advisory/digital services can be a value-add.

Blends / specialty / new formulations to target crop-specific or micronutrient-deficient soils.

Pakistan Fertilizer Industry

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Market Size and Export Performance

Historically, Pakistan's fertiliser offtake had been on an upward trend: for example, in 2023 urea sales remained broadly stable while di-ammonium phosphate (DAP) sales surged by about 34 % year-on-year. However, in 2025 the sector continues to face notable headwinds. For instance, in July 2025 urea offtake remained near 608,000 tons (down ~0.6 % YoY) while DAP offtake fell sharply to ~107,000 tons (down ~34.6 % YoY).

Through the first ten months of 2025, urea offtake accumulated to ~4.55 million tons (down ~8 % YoY) and DAP to ~936,000 tons (down ~25 % YoY).

The offtake weakness is attributed to weak farm economics and liquidity constraints, deferred purchases and elevated inventories. While the sector is often identified as having export potential, actual exports remain modest and are constrained by global competitive pressures and local capacity dynamics.

Capacity and Structure

As of FY25, Pakistan's fertilizer industry has an installed production capacity of approximately 9.4 million tonnes per annum. During the first nine months of FY25 (July 2024–March 2025), production reached around 6.8 million tonnes, translating to a utilization rate of roughly 72%. This utilization reflects ongoing operational constraints, particularly disruptions in natural gas supply and plant maintenance challenges, which continue to limit full capacity exploitation.

Recent Price Trends

During periods of excess inventory, ex factory urea prices in Pakistan have shown modest downward adjustments. For example, domestic urea bag prices declined from PKR 4,705 in July 2024 to PKR 4,365 in July 2025, a drop of ~7.2 % over the year.

Nonetheless, subsidy regimes and price controls still constrain market dynamics. Local urea continues to trade at a discount relative to international levels, compressing margin pass through and limiting pricing flexibility, especially under weak demand conditions.

Key Challenges

- High sensitivity to gas supply disruptions and pricing mismatches (e.g. discriminatory feed/fuel gas pricing)
- Weak farmer liquidity and macroeconomic constraints reducing demand
- Ongoing concerns related to market competitiveness and occasional supply irregularities
- Regulatory uncertainty / outdated policies (e.g. Fertilizer Policy 2001) limiting dynamic reform
- Inventory overhang and demand slumps constraining cash flows
- Capital constraints and operating inefficiencies in older plants
- Competition from subsidized imports or trade distortions

Opportunities

- Exporting to neighboring markets or global demand pockets when feedstock advantage exists
- Upgrading plants to energy-efficient and emission compliant technologies
- Introduction of specialty fertilizers, blends, micronutrients, precision kits
- Integration of advisory or digital agronomy services to enhance margin

Pakistan Fertilizer Industry

- Policy reforms (gas pricing parity, subsidy targeting) to improve viability
- Collaboration or joint ventures for feedstock sourcing (e.g. LNG, alternate fuels)

Future Outlook

Over the next 3–5 years, Pakistan's fertilizer sector may go through a consolidation and restructuring phase. If gas supply is stabilized (via LNG or infrastructure improvements) and regulatory reforms (policy upgrade, subsidy rationalization) are enacted, utilization can recover. Demand might rebound as macro conditions ease and farmer liquidity improves. However, cyclical swings will remain. Some firms may invest in green ammonia or decarbonization to access future premium markets. Exports may grow modestly, but Pakistan is unlikely to become a leading exporter absent major feedstock advantage.

Pakistan Fertilizer Sector – Key Statistics

Indicator	Latest Figure	Commentary / Direction
Contribution to GDP	0.9% (fertilizer sector)	Moderate contribution; sensitive to agriculture performance
Employment (direct / indirect)	NA	The sector is a moderate employer in manufacturing, logistics and input supply
Annual Production	7.2 million tonnes (Jul–Mar FY2025)	Below full installed capacity
Installed Capacity	9.4 million tonnes per annum	Geographic plants in Sindh, Punjab, etc.
Capacity Utilization	75–80 %, depending on season / gas availability	Utilization is constrained by gas supply and demand cycles
Domestic Consumption / Offtake	Sharp decline: in March 2025 urea + DAP down ~54 % YoY	Cyclical and currently under stress
Exports (major markets)	Modest / limited	Export ambitions exist, but actual trade is constrained by competitiveness
Number of Producers	5–7 major ones (e.g. FFC, Fatima, Engro, Agritech, EFERT, FFBL)	These dominate market share
Energy Dependence / Source Mix	Highly dependent on natural gas; also uses electricity / auxiliary fuels	Gas price and availability are key risk vectors
Carbon Emissions Profile	Fertilizer industry accounts ~7% of industrial GHG emissions; direct CO ₂ emissions from ammonia production are the major source	Compliance with EU CBAM is negligible currently; if exports to EU or carbon pricing emerge, risk arises

Sector Risk Profile: HIGH TO MODERATE

The fertilizer sector in Pakistan is strategically critical (food security, agriculture linkage) but inherently risky due to its reliance on cost-sensitive inputs, regulatory and policy exposure, and demand cyclicity. The risk is tempered by government alignment and subsidy support, but structural constraints and volatility remain significant. Risk Rating: **High to Moderate** (4.0/highest risk score of 5.0).

Cyclicity

Score: 4.0/5.0 | Risk Rating: High to Moderate ●●

- Fertilizer demand is tightly linked to the agricultural cycle, weather, crop prices, and farmer liquidity.
- Offtake swings can be steep: October 2025 urea dispatches were about 351,000t (-2% YoY) and DAP 140,000t (-55% YoY). On a cumulative basis for the ten months to October 2025, urea offtake stands at 4.55 million t (-8% YoY) and DAP at 936,000 t (-25% YoY).
- The sector has limited cushioning capacity during downturns, making margins volatile.

Overall Cyclicity Risk Assessment: While the sector is cyclical, baseline agricultural demand provides a floor; thus “High to Moderate” rather than extreme cyclicity.

Competition

Score: 4.0/5.0 | Risk Rating: High to Moderate ●●

- The market structure is concentrated, with a limited number of incumbents and high barriers to entry restricting new competition.
- Homogeneity of core products (urea and DAP) results in price-based competition, particularly during periods of weak demand or elevated inventories.
- Sector dynamics are influenced by government pricing interventions and gas allocation policies, which can alter competitive positions among players.

Overall Competition Risk Assessment: Competitive pressures are persistent within the existing player set, driven by product similarity and periodic demand softness. While high entry barriers limit new competitors, intra-sector rivalry remains material, especially when pricing flexibility is constrained or

when individual players seek to protect market share through volume retention.

Capital Intensity

Score: 5.0/5.0 | Risk Rating: HIGH ●

- Establishing or upgrading plants (e.g. ammonia synthesis, gas compressors, emissions controls) requires very high CAPEX and long gestation.
- Fixed costs are large; underutilization can lead to margin stress.
- Exit or scaling down is difficult due to asset specificity.

Industry Medians	2012-14	2017-19	2022-24
Capex/ Sales	2.81%	2.97%	3.97%
Asset Turn-over	0.50x	1.04x	1.08x
Depreciation/ Sales	3.58%	3.03%	1.65%

Sources: VIS proprietary database

Overall Capital Intensity Risk Assessment: The capital barrier is a persistent structural risk, especially in weak demand periods.

Technology Risk

Score: 2.0/5.0 | Risk Rating: Moderate to Low ●●

- The core fertilizer processes (Haber-Bosch, urea synthesis) are mature and well understood; the risk of technology obsolescence is moderate.
- However, the emerging shift toward green ammonia or carbon capture could require future re-investment.
- Adoption of precision or specialty fertilizer technology is incremental rather than disruptive.

Overall Technology Risk Assessment: While there is some potential for transitional risk in the future, it is not imminent. Therefore, the overall risk level may be characterized as “Moderate to Low.”

Regulatory Framework

Score: 5.0/5.0 | Risk Rating: High ●

- The existing Fertilizer Policy (2001) is widely considered outdated.
- While the 2001 policy framework technically remains in place, significant reforms are underway — particularly around gas pricing and subsidy delivery — to correct some of its major inefficiencies. However, a comprehensive overhaul of the fertilizer policy (addressing regulation, pricing, and sector structure) has not yet been fully realized, leaving key long-term risks unaddressed.
- Government subsidies, gas pricing policy, tariff changes, and anti-dumping or import regulatory actions can shift the economics abruptly.
- The Competition Commission has already fined major fertilizer firms for collusion, citing anti-competitive practices and market manipulation.

Overall Regulatory Risk Assessment: The sector’s economics are heavily policy-driven, making regulatory risk a top-tier concern.

Energy Sensitivity

Score: 3.0/5.0 | Risk Rating: High ●

- The sector is intensely energy dependent: natural gas is the dominant feedstock for nitrogenous fertilizer production, and any supply disruption or price mismatch immediately impacts margins.
- In Pakistan, gas supply constraints and pricing mismatches are recurring issues.
- Alternative energy transitions (LNG, renewables, hydrogen) are capital-intensive and long-term.

Overall Energy Sensitivity Assessment: Given the sector’s structural reliance on natural gas and recurring exposure to supply and pricing volatility, energy availability and affordability remain a critical and persistent risk, warranting a “High” risk rating.

Sector In Numbers

Financial Metrics	2016-18			2019-21			2022-24		
	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile	Upper Quartile	Median	Lower Quartile
Current Ratio (x)	1.10	0.98	0.89	1.60	1.13	1.02	1.59	1.18	0.99
Days to Sell Inventory	163.93	76.18	37.63	135.77	73.24	29.95	136.55	60.22	38.96
Collection Period (Days)	21.22	14.04	2.40	32.27	9.27	1.59	23.90	10.22	0.77
Creditors Period (Days)	171.09	87.44	29.32	89.67	34.81	7.18	126.03	33.82	3.99
Net Trade Cycle (Days)	60.65	-19.03	-85.00	100.74	38.62	-2.39	85.86	52.56	-16.10
Asset Turnover (x)	1.61	0.80	0.40	1.40	0.73	0.54	1.36	1.08	0.73
LT & ST Debt (Rs. M)	34,451	29,174	19,296	32,073	22,168	896	37,050	25,655	1,205
Leverage (x)	2.61	1.41	0.08	3.40	1.85	0.64	2.58	2.16	1.00
Gearing (x)	1.29	0.68	0.04	1.34	0.51	0.12	1.04	0.60	0.15
Cash Margins (%)	58.66	33.24	21.06	44.55	32.90	16.05	35.83	30.72	15.01
Gross Margin (%)	53.87	25.55	13.77	38.84	25.24	14.16	34.01	30.72	15.01
Operating Margin (%)	41.93	16.47	3.89	28.96	19.22	11.12	26.01	20.48	9.99
Net Profit Margin (%)	28.69	14.82	2.49	20.44	14.79	1.82	15.89	7.27	0.89
Return on Assets (%)	12.66	9.66	1.87	14.58	9.44	3.82	14.97	9.03	3.76
Return on Capital Employed (%)	24.72	19.01	8.15	36.26	20.67	15.29	36.39	28.10	21.07
Return on Equity (%)	28.69	14.82	2.49	20.44	14.79	1.82	15.89	7.27	0.89
EBIT/ Total Debt (%)	80.32	50.24	11.70	140.53	75.76	24.42	163.67	86.64	48.97
EBIT/ Interest (x)	13.18	6.83	1.76	14.44	7.58	3.15	13.38	9.77	2.46
FFO/Total Debt (%)	42.08	5.81	-1.74	65.10	42.04	3.42	81.92	28.50	16.66
Free Cash flow/ Total Debt (%)	42.61	2.15	-5.49	59.95	30.12	-19.64	96.38	-4.12	-35.66
Data Count	18			24			18		

Sources: VIS proprietary database

Recent Events related to the Sector

Following are notable developments that have taken place in the Pakistan fertilizer industry recently:

CCP imposes fines for collusion (June 2025)

The Competition Commission of Pakistan fined six urea manufacturers PKR 50 million each, plus association fines, for price fixing. This raises compliance risk and potential margin pressure.

Impact: Signals heightened regulatory enforcement, increases compliance pressure on companies, and may constrain pricing flexibility and profitability in the short term.

Shift from Imported RLNG to Indigenous Gas

The government initiated a transition from imported RLNG to domestically produced Mari gas for fertilizer plants.

Impact: This lowers production costs, reduces reliance on imports, and eases pressure on government subsidies, supporting more stable fertilizer prices.

Allocation of Indigenous Gas to Additional Plants

Additional fertilizer plants were allocated Mari gas under regulated pricing.

Impact: Improves utilization rates, enhances competitiveness, and reduces energy-related operational risks.

Extension of Gas Supply to Urea Plants

The government extended gas supply for urea manufacturing for several months.

Impact: Ensures uninterrupted production, secures supply continuity, and mitigates the risk of seasonal shortages.

Regulatory Audits and Scrutiny

Fertilizer companies faced audits to ensure that subsidies and benefits are passed on to farmers.

Impact: Increased regulatory oversight may pressure margins and enforce greater pricing transparency.

Sector-wide Price Adjustment

Fertilizer manufacturers agreed to reduce urea prices and pursue long-term gas supply agreements.

Impact: Supports farmers through lower prices and reduces cost volatility for manufacturers.

Seasonal Fertilizer Consumption Surge

Fertilizer demand rose sharply during the Kharif season, driven by urea and DAP offtake.

Impact: Helps clear inventories, improves cash flows, and strengthens sector financials.

Decline in Total Fertilizer Offtake

Despite seasonal spikes, total nutrient offtake declined in certain periods due to high prices and weak farm economics.

Impact: Underlines persistent demand-side challenges, raises inventory risks, and can constrain margins.

Competition Assessment Study (August 2025)

The Competition Commission of Pakistan released a sector-wide study assessing market dynamics, barriers to entry, and pricing behavior.

Impact: Highlights potential regulatory intervention, increases scrutiny on pricing and market conduct, and reinforces structural constraints in the sector, which may influence margins and competitive behavior.

Global & Regional Sources

- IMARC Group — Market size, growth projections for global fertilizer industry
- GlobalGrowthInsights — Alternate market size estimates / product mix
- McKinsey (“The 2040 fertilizer industry”) — Trend discussion, structural shifts
- Grand View Research — Fertilizer catalyst / process technology risk

Pakistan-Specific Sources

- Competition Commission of Pakistan — capacity, competition issues, policy gaps
- BloomPakistan / TradeChronicle / Profit / Pakistan Today — off-take, earnings, demand contraction data
- Pakistan Investment Portal / FMPAC / local industry overviews — producer list, capacity statements
- Scribd / industrial energy / decarbonization background for emissions & energy use
- Pakistan Energy Yearbook – Industrial energy consumption trends
- Various print and electronic media – Sector news and policy commentary

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