

PAKISTAN

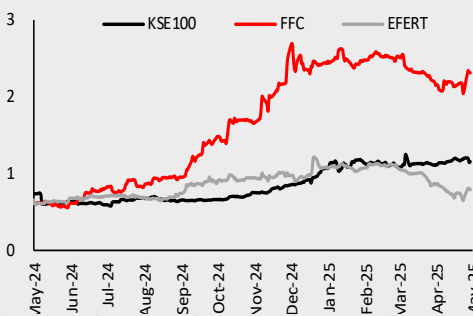


Fertilizer Offtake for Apr'25

000 tons	Apr-25	YoY	MoM	4MCY25	YoY
Product wise offtake					
Urea	251	-24%	-18%	1,350	-37%
DAP	95	3%	96%	245	-36%
NP	71	46%	31%	206	-14%
CAN	45	28%	15%	224	-14%
NPK	2	15%	-68%	15	-5%
Company wise Offtake					
Urea					
FFC	108	-52%	-42%	634	-39%
EFERT	81	7%	38%	341	-51%
FATIMA	42	56%	14%	255	-15%
DAP					
FFC	54	-34%	101%	142	-47%
EFERT	31	211%	279%	56	-40%

Source: NFDC, Foundation Research, May 2025

FSL Fertilizer universe vs KSE100 Index



Source: Bloomberg, Foundation Research, May 2025

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Foundation Securities (Pvt) Ltd  
Thursday, May 15, 2025

# Pakistan Fertilizer

## Recovery still far away

### Event

■ The dry spell continues for the Fertilizer sector with urea dispatches recorded at only 1,350KT (↓37% YoY) in 4MCY25. Fertilizer offtake continued with its sluggish trend fueled by Govt’s decision to abolish support prices that has severely impacted farmer income. In Apr’25, Urea sales recorded a decline of 24/18% YoY/MoM to only 251KT, a five-year low. Company wise analysis reveals that FFC urea offtake declined 52/42% MoM/YoY to 108KT in Apr’25, whereas EFERT/FATIMA recorded an incline of 7/56% YoY and 38/14% MoM to 81/42KT, respectively. AGL urea offtake dwindled 17% MoM but picked up 11.2x YoY to reach 20KT in Apr’25. Industry DAP offtake jumped 3/96% YoY/MoM in Apr’25 to 95KT. FFC/EFERT DAP offtake declined/inclined 34%/3.1x YoY and surged 2.0/3.8x MoM to 54/31KT, respectively.

### Impact

■ **Fertilizer sales remained lethargic in Apr’25:** Pakistan domestic Urea offtake declined by 24/18% YoY/MoM in Apr’25, reaching 251KT. DAP offtake increased 3/96% YoY/MoM to 95KT. NP offtake remained jumped 46/31% YoY/MoM in Apr’25 to 71KT, while CAN offtake increased 28/15% YoY/MoM to 45KT. In Apr’25, industry urea inventory levels increased drastically to 1,104KT, a five year high, due to sluggish demand amid weak crop pricing. Similarly, DAP inventory has reached 204KT. Company-wise urea inventory was recorded at 292/487/279/46KT for FFC/EFERT/FATIMA/AGL, respectively, in Apr’25. DAP inventory of FFC/EFERT reached 129/32KT.

■ **EFERT offtake picked up:** EFERT/FATIMA urea offtake inclined 7/56% YoY, respectively, to reach 81/42KT, in Apr’25. We attribute this incline to the seasonality factor and company incentives to clear inventory. AGL urea offtake showed a massive jump of 11.2x YoY, due to low-base effect. Where the whole industry has undergone a jump in offtake, FFC experienced a decline in Urea dispatches to the tune of 52/42% YoY/MoM to reach 108KT.

■ **FFC recorded a large decline in market share:** In Urea market, FFC/EFERT/FATIMA/AGL market share was recorded at 43/32/17/8% in Apr’25, changing by -25/+9/+9/+7ppts YoY respectively. In the DAP market, FFC/EFERT/FATIMA market share was reported at 56/33/1% in Apr’25, down/up/up 32/22/1ppts YoY.

■ **DAP imports started picking up in Apr’25:** DAP offtake was recorded at 95KT in Apr’25, recording an incline of 3/96% YoY/MoM. DAP inventory levels increased MoM due to lower sales in previous months, however, on a broader level, inventory stayed on the lower side. Conversely, in Apr’25, 39KT of DAP was imported, compared to only 4KT in Mar’25.

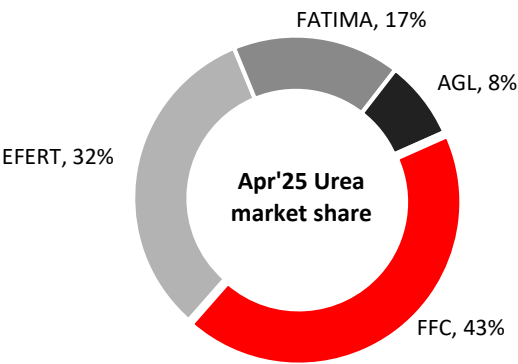
■ **EFERT DAP sales picked up:** FFC/EFERT DAP offtake dropped/jumped 34/211% YoY in Apr’25 to 54/31KT (Apr’24: 81/10KT). On a MoM basis, FFC/EFERT recorded an increase of 2.0/3.8x. Whereas FATIMA underwent a significant incline of 25x YoY due to low base effect to reach 2KT.

■ **NP/NPK offtake surged YoY in Apr’25:** On a YoY basis, NP/NPK offtake amplified 46/15% in Apr’25 to reach 71/2KT. We attribute this surge to low base effect. However, on a MoM basis, NP sales saw a 31% incline whereas NPK offtake decreased by 68%. In Apr’25, CAN offtake inclined 28/15% YoY/MoM to reach 45KT.

### Outlook

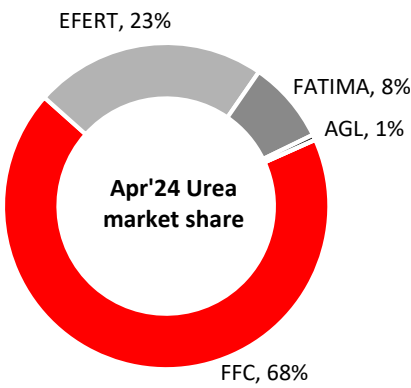
■ We have an “Outperform” stance on the sector.

Fig 1: EFERT picked up market share...



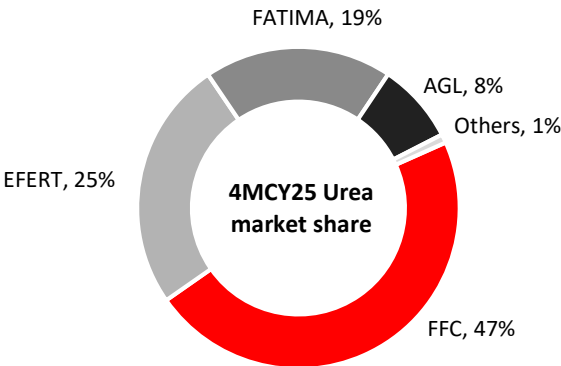
Source: NFDC, Foundation Research, May 2025

Fig 2: ...whereas FFC suffered



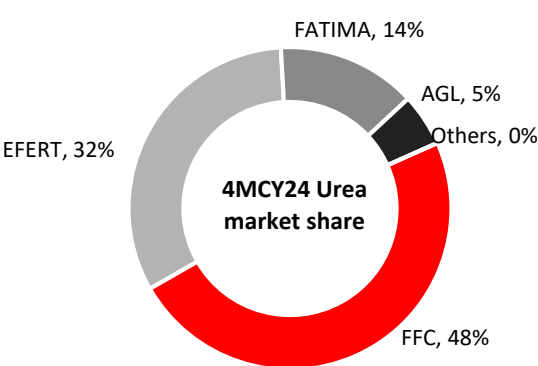
Source: NFDC, Foundation Research, May 2025

Fig 3: FFC remained the market leader in urea...



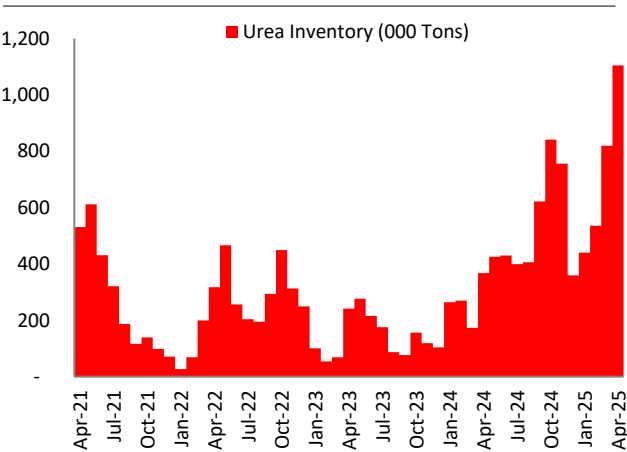
Source: NFDC, Foundation Research, May 2025

Fig 4: ...FATIMA also strengthened its foothold



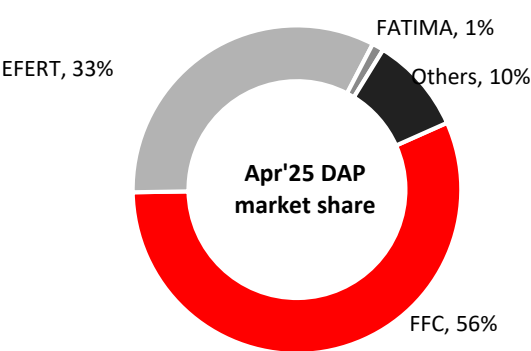
Source: NFDC, Foundation Research, May 2025

Fig 5: Urea inventory reaching 5-year highs



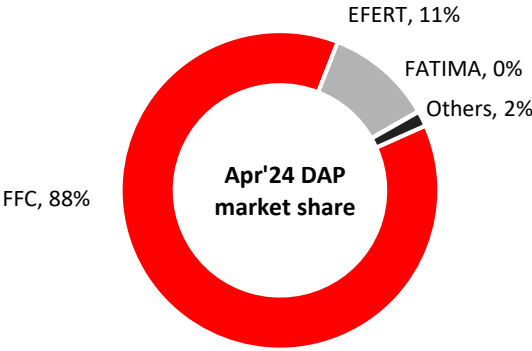
Source: NFDC, FSL Research, May 2025

Fig 6: FFC lost market share in DAP market ...



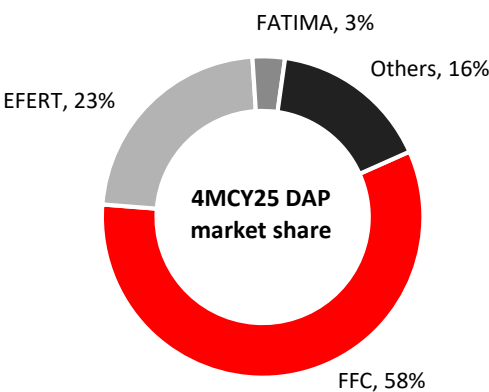
Source: NFDC, Foundation Research, May 2025

Fig 7: ...but still remains the dominant player



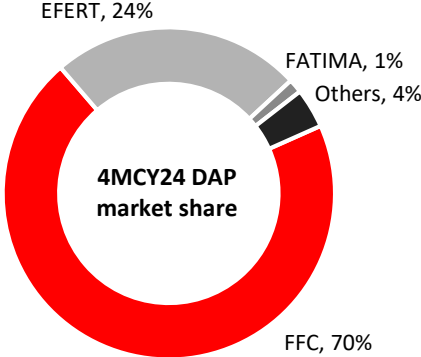
Source: NFDC, Foundation Research, May 2025

Fig 8: Imports make a large portion of the pie...



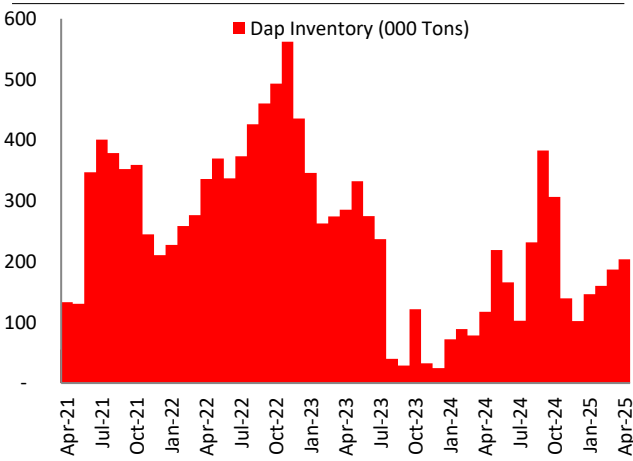
Source: NFDC, Foundation Research, May 2025

Fig 9: ...FATIMA's market share improved



Source: NFDC, Foundation Research, May 2025

Fig 10: DAP inventory is also inching up



Source: NFDC, FSL Research, May 2025

Abbreviations

CY	Calendar Year
DAP	Di-ammonium Phosphate
GIDC	Gas Infrastructure Development Cess
YoY	Year-on-year
QoQ	Quarter-on-Quarter
QoQ	Month-on-Month

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