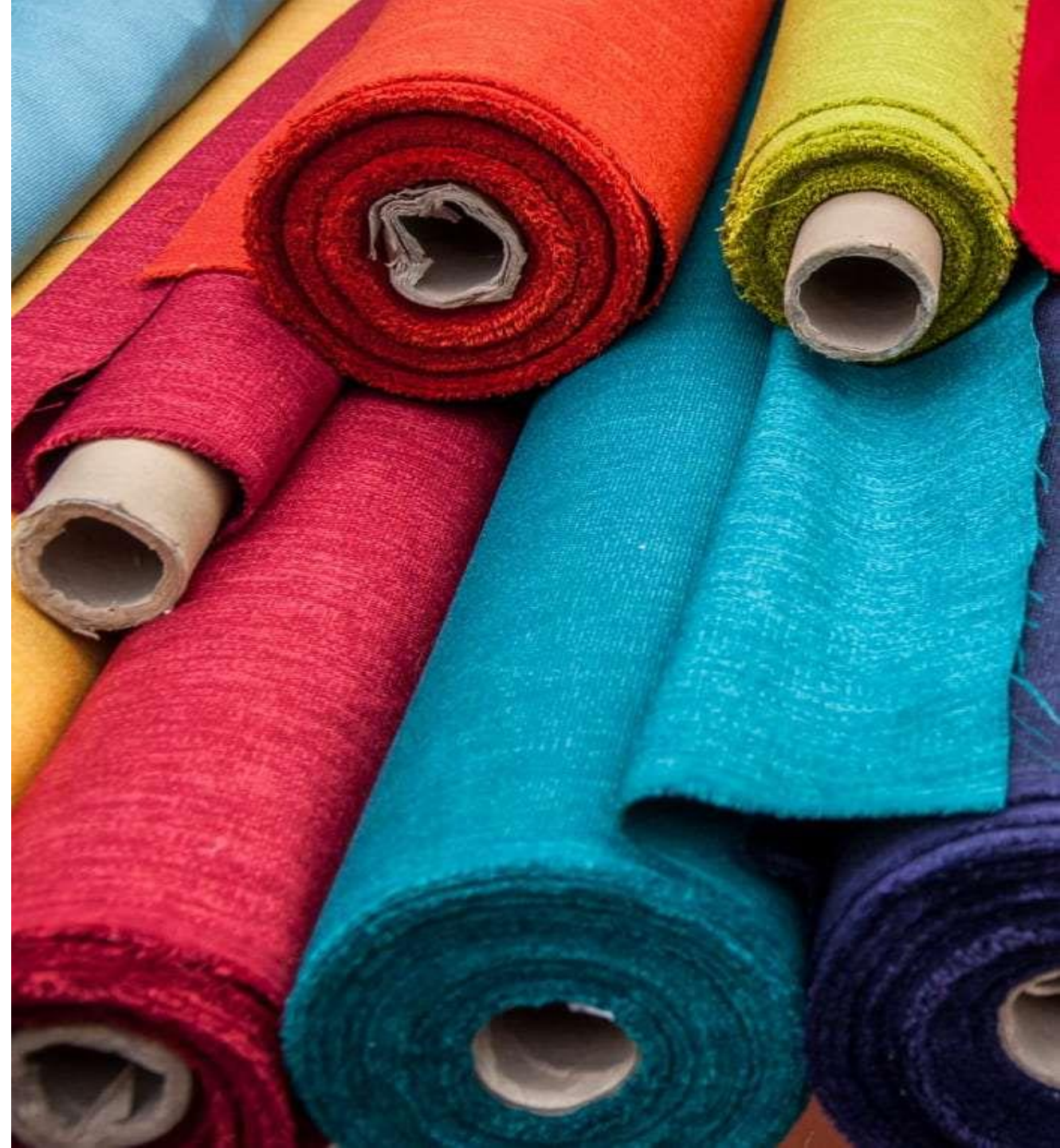














Textiles Sector

Sector Pitch

July 2025



Pakistan's recently reformed economy and vibrant and talented population have contributed to the nation's appeal as an investment destination

Pakistan Value Proposition						
Reformed Economy 	USD 3.3Tn¹ Expected GDP in 2050 (from USD >410Bn ² today) 	B- Improved Credit Rating ³ from CCC- 	Top 10 In Business Entry Regulations ranking ⁴ 	Stabilized Inflation At lowest levels since 1968 ⁵ 	Stabilized Currency Achieved since 2023 in coordination with IMF 	5-Year Tax Holidays and other fiscal and trade incentives in Special Economic Zones ⁶ 
Vibrant Demographics and Talent 	255 million Large and growing population ⁷ 	64% Population younger than 30 ⁷ 	7th largest Workforce globally ⁸ 	2 million University students enrolled every year ⁹ 		

1. Goldman Sachs; 2. National Accounts Committee; 3 Fitch Ratings; 4. World Bank's B-READY assessment; 5. US (St Louis) Federal Reserve Bank; 6. Pakistan Government; 7. United Nations; 8. CIA World Factbook; 9. Higher Education Commission

To develop critical mass, Pakistan is advancing strategic initiatives to boost private investment in critical sectors of the economy

2023 SIFC ESTABLISHMENT

SIFC has been established to act as a **single window to create a thriving business environment and develop favorable policies to increase ease of doing business**



2024 ECONOMIC AGENDA LAUNCHED

Pakistan launched Uraan Pakistan, aimed at economic development across 5 pillars:



Ongoing OPPORTUNITIES PIPELINE DEVELOPMENT

The government is working on developing a **pipeline of internationally competitive investment opportunities geared towards full operational and commercial facilitation**



Pakistan is actively seeking to partner with global stakeholders, to **leverage international expertise and investments, while safeguarding the viability and profitability of each project from an investor's standpoint**



Pakistan is strengthening the integrity of key enablers that will unlock sustained progress in multiple economic sectors

1 Consistent Policy Framework

Consistent FDI, tax, and industrial policies with long-term orientation and minimal reversal risk



2 One-Window Investor Facilitation

Seamless processing of approvals, permits, and licenses. A single, empowered agency that owns this end-to-end journey



3 Ease of Repatriation of Profits

Steadfast assurances to repatriate profits and convert currency without friction



4 Legal & Contract Enforcement

Independent, fast-track commercial courts and adherence to international arbitration standards



5 Political and Macro Stability

Strong stability in terms of macroeconomic environment (inflation, debt, currency) and cross-party consensus



6 Positive Global Perception

A globally resonant and visible narrative shift for Pakistan showcasing its viability



Pakistan is currently working on incentives geared to catalysing private sector investment across multiple sectors

The government
 continues to enact
 major steps that
 reinforce
 attractiveness and
 viability of the
 private sector

1 Ensures investment protection

Implementation of key investment regulations, such as:

- Foreign Private **Investment Promotion and Protection Act**
- **Bilateral Investment Treaties** with Friendly Countries
- **Special Economic and Technology Zones (SEZs, STZs)** regulation

2 Preserves security and safety

- Pre-approved **site access for Special Economic Zones (SEZs)**
- **Specialized, highly trained security units** for investor protection
- **Enhanced law enforcement and monitoring** at industrial zones
- Controlled, heavily surveilled, and **secure project sites**

3 Enables global trade access

- **Export Facilitation Scheme (EFS)**
- Signed **major trade agreements** (PTAs & FTAs)
- **Connected to key global markets**
- Access to **South Asian Free Trade Area**, and more



China and Pakistan have developed key treaties and agreements, including:
 - Bilateral Investment Treaty
 - China–Pakistan Economic Corridor (CPEC)



These efforts have garnered international recognition, as Pakistan has been featured in the international media as an emergent attractive investment destination

Where Pakistan Has Been Featured

BARRON'S

Bloomberg

FitchRatings

ARAB NEWS

Key Articles

**Pakistan Isn't That Risky Anymore.
Its Economy Is a Mini-Miracle.**

**Pakistan Economy Grows Faster Than
Expected on IMF Aid Boost**

Pakistan economy moving in
'right direction' — IMF chief

PAKISTAN: Staying the Course on Implementing Structural Reforms Critical to Turn Economic Stabilization into Sustained, Inclusive Growth, says World Bank

International recognition highlights Pakistan's renewed economic attractiveness and stability

Multiple global and regional entities have announced recent FDI projects in Pakistan

Examples of Foreign Direct Investment (FDI) projects in Pakistan

FDI projects (non-exhaustive)

Hangzhou Newsea (China)
USD 50-70Mn



- Joint venture to **expand API manufacturing** capacity in Pakistan

AD Ports (UAE)
USD 220Mn



- 50-year concession agreement to **manage, operate and develop the Karachi Gateway Terminal**



Al Mirqab Capital (Qatar)
Power Construction Corp. (China) USD 2.09Bn



- Construction of **coal-powered power plant** in Port Qasim



DP World (UAE) and National Logistics Corp. (Pakistan) JV investment not public



- Development of **50km freight corridor** from Karachi Port to Pripri



Air Arabia (UAE) and Lakson Group (Pakistan) JV investment not public



- Joint venture with Pakistan's Lakson Group to **launch low-cost airline Fly Jinnah** in 2022



Other Announcements and MoUs (non-exhaustive)

Reportage Properties

EMAAR

MANARA MINERALS

**Moving forward,
Pakistan aims to
propel domestic
growth across 13
investment areas**

Pakistan's Focus Investment Areas



Semiconductors



Power Sector



Pharmaceutical Sector



Petroleum Sector

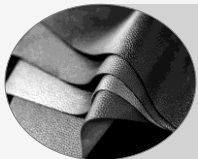


Textiles

Focus of this Presentation



Aviation



Leather



Meat & Poultry



Iron, Steel & Copper



ICT, Fintech & Software



**Automotive: Electric Vehicles
(EVs) and Traditional
Automobiles**



Chemicals & Petrochemicals



Solar Power

Pakistan Total Exports (USD Bn)

A pie chart illustrating the composition of Pakistan's total exports. The chart is divided into two segments: a dark green segment representing 'Textiles' at 54% (\$16.7 Bn) and a light gray segment representing 'Other' at 44% (\$14 Bn). A legend above the chart identifies the colors: a light gray square for 'Other' and a dark green square for 'Textiles'.

Sector	Percentage	Value (USD Bn)
Textiles	54%	16.7
Other	44%	14

Top Importers (USD Bn)

A horizontal bar chart showing the top four importers of Pakistani exports. Each bar is preceded by the flag of the respective country. The bars are light gray. The values are listed to the right of each bar.

Country	Value (USD Bn)
European Union	8.2
USA	4.0
UK	1.6
China	0.9

The textile sector generated over 50% of total exports in Pakistan (\$16.7 billion)

8 Source: SIFC, Textiles and Apparel Policy (2025-30)

The textiles sector has a unique advantage due to its demographics, robust regulatory framework, competitive costs, and strategic location



Demographic & Market Demand

- Driven by strong **policy support** and **sustained government commitment**, Pakistan's **textile sector exports** over USD 16 billion annually, **projected** to reach **~USD 30 billion by 2030**
- Rising urban households in the upper-middle class, creating a **strong drivers of demand for end products**



Enabling Environment

- **Excellent incentives** for R&D, exports, and technology transfer
- **Dedicated SEZs and STZs** offer **tax breaks and infrastructure**
- **Strong base of potential required raw materials**, especially cotton and leather



Cost Efficiency & Skilled Workforce

- **Competitive industrial worker wages** — below regional benchmarks
- Access to a **large base of skilled workers** (the sector contributes ~40% to industrial employment)






Strategic Location & Export Potential

- **Strong connectivity** through three ports: Karachi, Port Qasim, and Gwadar
- **Strategic proximity to GCC, China, and Africa** positions Pakistan as a regional hub
- **CPEC and Gwadar infrastructure reduce** logistics cost and enhance export efficiency

Pakistan is home to multiple firms working across the textiles sector

Non-Exhaustive

Select Leading Players in Pakistan	
	<p>Nishat is one of Pakistan’s largest vertically integrated textile producers with USD ~740 Mn in annual revenue; the company operates in spinning, weaving, dyeing, garments, and home textiles with global exports</p>
	<p>Interloop is a major global hosiery and apparel manufacturer with USD ~610Mn in revenue; the company supplies Nike, Adidas, H&M, and operates across Pakistan, Sri Lanka, and Bangladesh</p>
	<p>Soorty Denimkind is a top denim exporter with USD ~320 Mn in annual export revenue; the company is vertically integrated across spinning to garmenting, and has strong ESG credentials and partnerships with Levi’s, C&A, and Zara</p>
	<p>Yunus is one of Pakistan’s largest home textile exporters, generating USD ~270Mn annually; the company supplies major global retailers including IKEA, Target, and Walmart</p>
	<p>Artistic Milliners is renowned for sustainable denim manufacturing, possessing global partnerships with brands like Gap, Uniqlo, and H&M</p>

Investors in the textiles sector will be supported by a robust ecosystem that encompasses multiple existing local and multinational companies

Ministry of Commerce (MoC) & Textile Wing

- Advocates for policy reforms, such as the National Textiles & Apparel Policy implementation (2025–30)
- Coordinates with provinces and federal bodies to streamline export growth
- Supports trade facilitation



Local and Multinational Companies

- Existing strong base of local manufacturers (high local demand and strong export-oriented supply chain)

Key Players and Stakeholders

Pakistan Textile Exporters Association (PTEA), APTMA & Other Trade Bodies


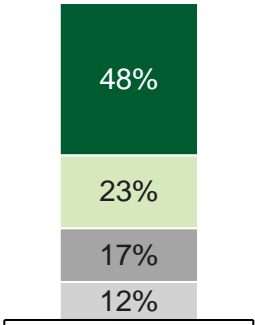
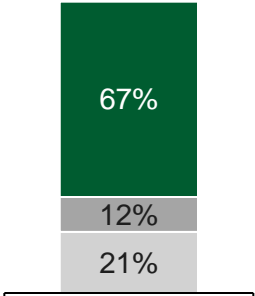
- Advocate for policy reforms and export incentives
- Promote value addition and global market access
- Facilitate collaboration on ESG compliance, skill development, and innovation



Special Investment Facilitation Council (SIFC)

- Facilitates and fast-tracks foreign and domestic investments
- Provides a streamlined, one-window operation for investor support and coordination across government entities

With Pakistan’s large market size in textiles sector, there are clear opportunities to scale exports even further

Categorization	Overview			Investment Potential
 <p>Textiles & Apparels – Product Types</p>	<p>Segments</p> <ul style="list-style-type: none"> Apparel Bedwear & Towel Cotton Cloth & Yarn Others 	<p>Est. Share of Production</p> 	<p>Current Trends</p> <ul style="list-style-type: none"> National Textiles Policy prioritizes the expansion of high-value apparel exports Increasing global demand for high value apparel (CAGR ~5%)¹ <2% of high value apparel global market share is captured by Pakistan 	<p>Expand high-value apparel manufacturing capabilities, while continuing to scale production in core apparel segments to meet growing global demand</p>
	<p>Segments</p> <ul style="list-style-type: none"> Cotton Man-Made Fiber (MMF) Others (silk, wool) 	<p>Est. Share of Production</p> 	<p>Current Trends</p> <ul style="list-style-type: none"> Pakistan is still heavily reliant on cotton ~70% of global textile production uses Man-Made Fibers (MMF) 	<p>Expand Man-Made Fiber (MMF) based products manufacturing</p>

1. GrandView Research
Source: SIFC, Textiles and Apparel Policy (2025-30)

Pakistan has identified four opportunities in the textiles sector readily available to investors

Investment Opportunities		Potential Local Partners <i>(non-exhaustive)</i>	
1	Scale high-value apparel manufacturing to tap premium global segments in fashion, sportswear, and performance garments		Revenue (USD) ~740 Mn
2	Develop MMF-based textile production and diversify from cotton reliance		~610 Mn
3	Develop technical textiles including medical, automotive, and protective fabrics		~270 Mn
			~270 Mn
4	Expand general apparel manufacturing capacity to capture further export potential		~8 Mn

Pakistan offers an enabling environment to investors in the textiles sector

Key Enablers and Incentives

Ease of Doing Business

- Digitized export/import processes via Pakistan Single Window (PSW)
- Ongoing review and simplification / deregulation across sectors
- 100% foreign equity investment permitted



Financing & Credit Access

- Priority access to credit and lower markups for value-added exporters in the textiles sector



Tax & Fiscal Incentives

- Tax breaks and tax holidays
- Reduced import duties on raw materials and machinery
- Export Facilitation Scheme (2021) enabling tax- and duty-free import of raw materials and zero-rated local inputs



Infrastructure Incentives

- Special Economic Zones
- Guaranteed electricity stability
- Industrial infrastructure / land incentives
- *(Planned)* Development of Integrated Textiles and Apparel Export Processing Zones (ITA-EPZs)



Thank You

