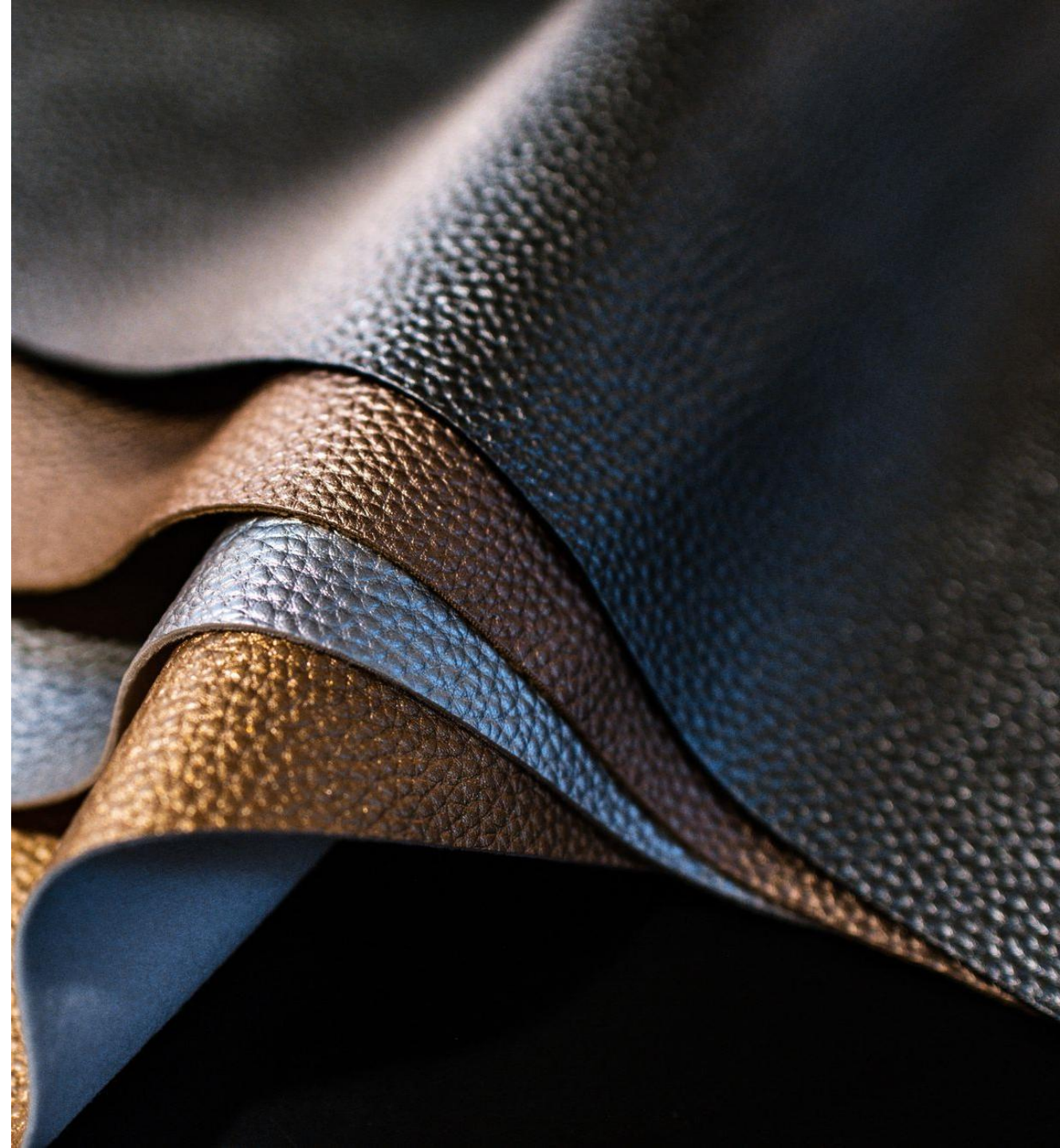


Leather Sector

Sector Pitch

August 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 >410Bn² today)



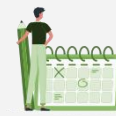
B-

Improved Credit Rating³ from CCC-



Top 10

In Business Entry Regulations ranking⁴



Stabilized Inflation

At lowest levels since 1968⁵



Stabilized Currency

Achieved since 2023 in coordination with IMF



10-Year Tax Holidays

and other fiscal and trade incentives in Special Economic Zones⁶



Vibrant Demographics and Talent



255 million

Large and growing population⁷



64%

Population younger than 30⁷



7th largest

Workforce globally⁸



2 million

University students enrolled every year⁹



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**



2 Pak-China Trade Relations

- **China and Pakistan** have developed key treaties and agreements, including:
 - Bilateral Investment Treaty: China–Pakistan Economic Corridor (**CPEC**)
 - **China-Pakistan Free Trade Agreement (CPFTA)** (raw materials duty free)

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



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

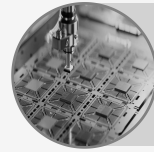
Multiple global and regional entities have announced recent FDI projects in Pakistan

Examples of Foreign Direct Investment (FDI) projects in Pakistan

FDI projects (non-exhaustive)		
<p>Hangzhou Newsea (China) USD 50-70Mn </p> <p>– Joint venture to expand API manufacturing capacity in Pakistan</p>	<p>AD Ports (UAE) USD 220Mn </p> <p>– 50-year concession agreement to manage, operate and develop the Karachi Gateway Terminal</p> <p> مجموعة موانئ أبوظبي AD PORTS GROUP</p>	<p>Al Mirqab Capital (Qatar) Power Construction Corp. (Qatar)  USD 2.09Bn </p> <p>– Construction of coal-powered power plant in Port Qasim</p> <p> مجموعة المرقاب للمشاريع Al Mirqab Projects Group  中国电建 POWERCHINA</p>
<p>DP World (UAE) and National Logistics Corp. (Pakistan)  JV investment not public</p> <p>– Development of 50km freight corridor from Karachi Port to Pripri</p> <p> DP WORLD</p>	<p>Air Arabia (UAE) and Lakson Group (Pakistan)  JV investment not public</p> <p>– Joint venture with Pakistan's Lakson Group to launch low-cost airline Fly Jinnah in 2022</p> <p> AirArabia العربية للطيران</p>	<p>Other Announcements and MoUs (non-exhaustive)</p> <p>Reportage Properties</p> <p>EMAAR</p> <p>MANARA MINERALS</p>

Moving forward, Pakistan aims to propel domestic growth across 15 investment areas

Pakistan's Focus Investment Areas



Semiconductors



Power Sector



Pharmaceutical Sector



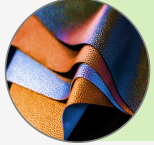
Petroleum Sector



Textiles



Aviation



**Leather: Tanned, Footwear,
Gloves and Garments**

Focus of this Presentation



Real Estate



Food & Agriculture



Iron, Steel & Copper



ICT, Fintech & Software



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



Chemicals & Petrochemicals



Solar Power



Agri-Tech

Pakistan's leather sector has significant potential with the ability to capture USD 1.5 Bn in exports and presents a significant opportunity for investments



The leather 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 **leather sector exports USD 850 Mn annually** and has the **potential to reach 1,500 Mn**
- **Young, skilled artisans** in glove and garment stitching
- **Technical institutes** supporting leader design and finishing



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 **livestock and other raw materials**
- Annual availability of **+50 Mn hides and skins (cow, buffalo, sheep, goat)** ensures **sustainable raw material base**



Cost Efficiency & Skilled Workforce

- **Competitive industrial worker wages** — below regional benchmarks
- Access to a **large base of skilled workers**



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 leather sector

Non-Exhaustive

Select Leading Players in Pakistan

	<p>Akram Tannery is one of Pakistan's largest integrated tanneries, processing 100,000+ square feet/day of wet-blue and finished leather. The company is a major exporter supplying European and North American markets</p>
	<p>Service Industries Limited is a market leader in leather shoes and footwear manufacturing with a global reach; the company accounts for a significant portion of Pakistan's leather-footwear exports</p>
	<p>Eastern Leather is one of the country's largest leather finishers and exporters, producing crust and finished leather for major international brands</p>
	<p>Riaz Tanneries is one of Pakistan's largest vertically integrated tanneries, exporting most of its leather output. The company produces over 200,000 m² of finished leather annually, with shipments to Japan, Europe, and the Middle East</p>
	<p>Royal Leather Industries is one of Pakistan's largest leather exporters, producing over 1 million m² of finished leather annually and stitching more than 200,000 leather products per year</p>

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

Ministry of Commerce (MoC)

- Advocates for policy reforms, such as the Pakistan Export Strategy for Leather and Leather Goods
- 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

Multiple Trade Bodies

- Trade bodies include PLGMEA¹, PTA², PFMA³, and PGMEA⁴
- Advocate for policy reforms and export incentives
- Promote value addition and global market access
- Facilitate collaboration on ESG compliance, skill development, and innovation



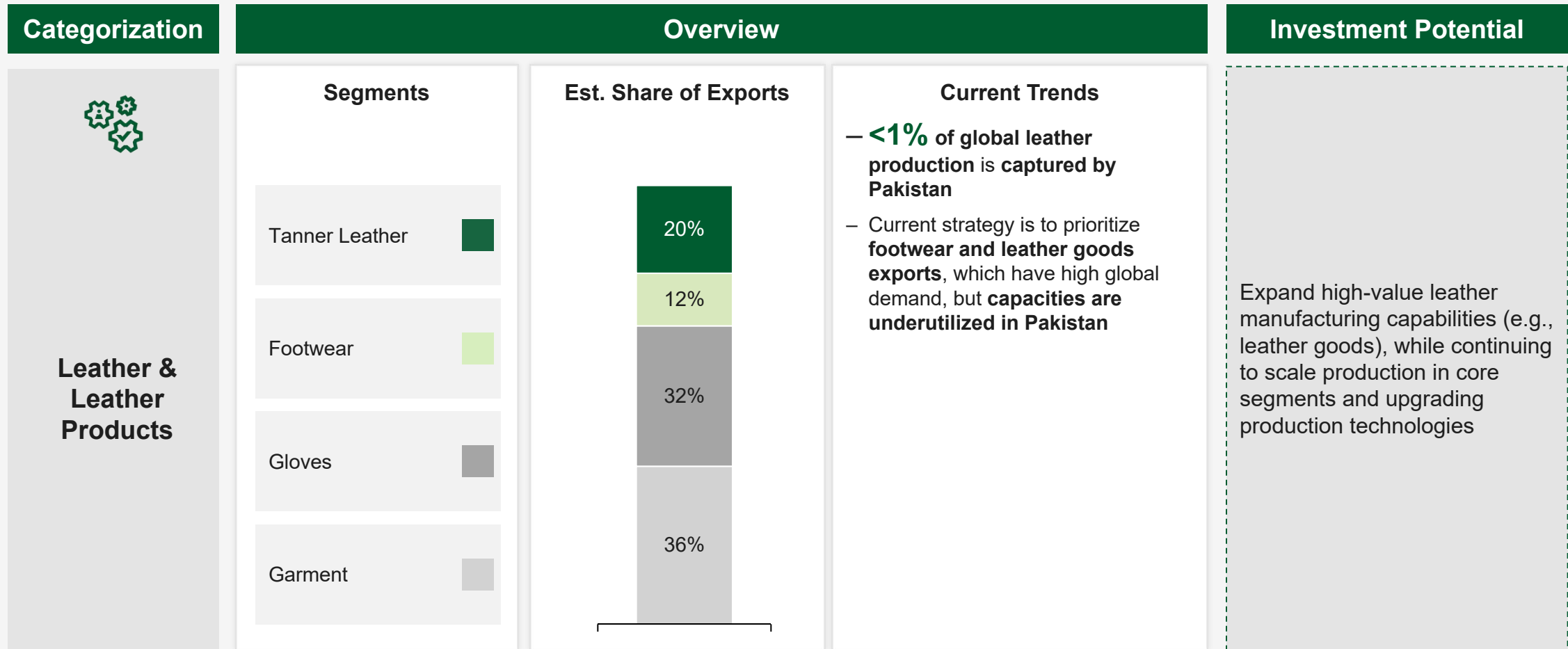
Pakistan Tanners' Association



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 existing capabilities in the leather sector, there are clear opportunities to scale up exports even further



Pakistan has identified five opportunities in the leather sector readily available to investors

Investment Opportunities

- 1** Expand manufacturing capabilities of high-value add leather goods (e.g., footwear)
- 2** Upgrade technologies and manufacturing processes of existing leather facilities in Pakistan
- 3** Invest in green tanning and leather recycling solutions for sustainable leather production
- 4** Develop dedicated leather logistics infrastructure under China-Pakistan logistics corridor
- 5** Establish training centers to fill skill gap in design, fashion, finishing, and quality control in leather

Potential Local Partners (*non-exhaustive*)

atk




Servis

Riaz Tanneries
Pakistan



Pakistan offers an enabling environment to investors in the leather 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
- Market access in China, Eu, UK



Financing & Credit Access

- Priority access to credit for facilities upgradation via the Export Development Fund and State Bank of Pakistan



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
- GSP+ Status with the EU offers duty-free access, providing a price advantage to EU buyers
- CPFTA provides duty free on raw materials



Infrastructure Incentives

- Special Economic Zones
- Guaranteed electricity stability
- Industrial infrastructure / land incentives



Thank You

