

Iron, Steel, and Copper

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

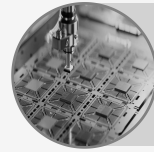
Multiple global and regional entities have announced recent FDI projects in Pakistan

Examples of Foreign Direct Investment (FDI) projects in Pakistan

FDI projects (non-exhaustive)		
<p>China Metallurgical Group Corporation (China)  USD 300-400Mn</p> <p>– Development and operation of the Saindak copper-gold mine in Baluchistan</p> 	<p>AD Ports (UAE)  USD 220Mn</p> <p>– 50-year concession agreement to manage, operate and develop the Karachi Gateway Terminal</p> 	<p>Al Mirqab Capital (Qatar) Power Construction Corp.  USD 2.09Bn</p> <p>– Construction of coal-powered power plant in Port Qasim </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>Air Arabia (UAE) and Lakson Group (Pakistan)  (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>Other Announcements and MoUs (non-exhaustive)</p>   

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

Pakistan's Focus Investment Areas



Semiconductors



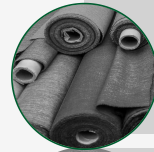
Power Sector



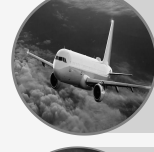
Pharmaceutical Sector



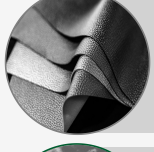
Petroleum Sector



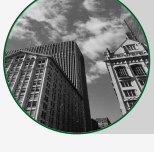
Textiles



Aviation



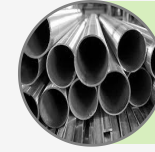
Leather: Tanned, Footwear,
Gloves and Garments



Real Estate



Food & Agriculture



Iron, Steel & Copper

Focus of this Presentation



ICT, Fintech & Software



Automotive:
Electric Vehicles (EVs) and
Traditional Automobiles



Chemicals & Petrochemicals



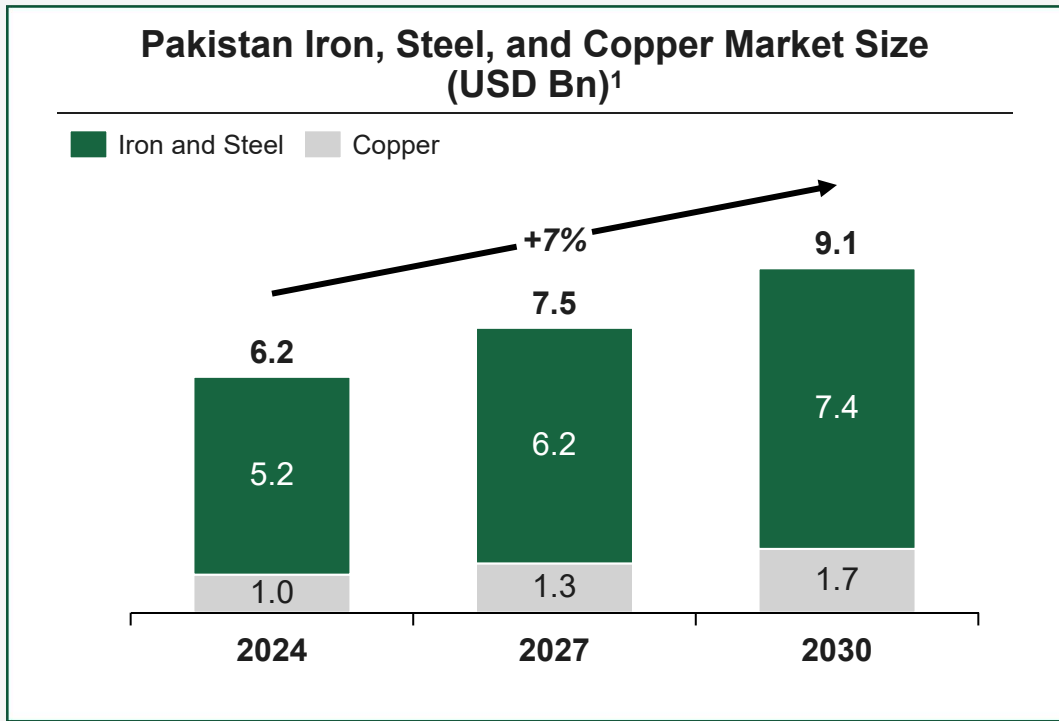
Solar Power



Agri-Tech

Pakistan's iron, steel, and copper sector is expected to grow at a CAGR of 7% driven by strong local consumption

Sector Segments 	Iron & Steel <i>Essential industrial materials used across construction, infrastructure, and manufacturing sectors</i>	Copper <i>Conductive metal critical to electrical systems, electronics, and renewable energy technologies</i>
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Pakistan's Iron, Steel, and Copper Ecosystem

 ~6 Bn tons Copper ore reserves in Pakistan	 >200k tons Domestic demand for copper products	 ~1.5 Bn tons Iron ore reserves in Pakistan
 >7 Mn tons Domestic demand for steel products	 Over 400 Industrial units manufacturing metal products	 13 Mn tons Installed production capacity for steel products

1. Based on SIFC's CAGR of 6.8%
Source: SIFC

The iron, steel, and copper sector has a unique advantage due to its demand, robust regulatory framework, natural endowments, and a strategic location



Market Demand

- Large and **expanding market** with 7% CAGR projected through 2030
- **Growing construction, housing, and industrial sectors** driving the demand for steel products
- A surging local demand of copper given the expansion in **electrical infrastructure, electronics manufacturing, and renewable energy projects**



Enabling Business Environment

- **Competitive incentives** for R&D, exports, and technology transfer
- **Dedicated SEZs and STZs** offer **tax breaks and infrastructure**
- **Export Facilitation Scheme (EFS)** inclusion of iron, steel, and copper
- GSP + DCTS provide **duty free market access** in EU and UK



Natural Endowments

- Notable deposits of copper ore; **Reko Diq is one of the largest** underdeveloped copper-gold deposits in the world
- **Local availability of substantial iron ore reserves**, including high grade deposits (60 – 65% iron)



Strategic Location

- **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 major global and local firms working across the iron, steel, and copper sector, demonstrating great JV potential

Non-Exhaustive

Select Leading Players in Pakistan

 	<p>ISL operates one of Pakistan's largest cold-rolled and galvanized steel complex with over 1 MTPA of installed capacity; the company exports flat steel products to Afghanistan, UAE, and East Africa, and was initially backed by IFC and Japanese partners</p>
 	<p>The Saindak Copper-Gold Project, operated by China's MCC under a lease from the Government of Pakistan, produces ~1,700 tons of copper, 6,000 oz of gold, and 12,000 oz of silver monthly; it exports refined copper to China and represents Pakistan's most active copper mining site to date</p>
 	<p>Through a 50% joint venture with the Government of Pakistan, Barrick Gold is initially investing USD 5.6B on the development of Reko Diq project in Balochistan, one of the world's largest undeveloped copper-gold deposits; once operational, the mine will produce ~200,000 tons of copper annually over 40 years</p>
  <p>A TRADITION OF QUALITY</p>	<p>Mughal Steel is one of Pakistan's oldest integrated long steel producers with production capacity exceeding 500,000 TPA, including billets, rebars, and sections; the company is expanding its alloy and copper product lines for regional exports</p>
 	<p>Aisha Steel is a leading producer of cold-rolled coils and galvanized sheets with 220,000 TPA capacity; backed by Arif Habib Group and Japan's Metal One (Mitsubishi Corp), it supplies both the automotive and construction sectors, and supports CPEC-related infrastructure demand</p>

Investors in the iron, steel, and copper sector will be supported by a robust ecosystem that encompasses multiple existing local companies

Ministry of Industries & Production

- Sets national industrial policy for heavy industries including steel and metals
- Oversees large state-owned or strategic industrial enterprises
- Coordinates tariff and regulatory reforms through the Engineering Development Board (EDB)



Local Companies

- ~20 companies cover 80% of the local demand for iron and steel, while remaining 20% is covered through imports
- *Limited copper processing players in Pakistan*

Key Sector Players and Stakeholders

Multiple Private Sector Associations

- Represent the sector interests
- Focus on improving industry competitiveness locally and abroad



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

While Pakistan presents growing local capabilities, there are clear opportunities to scale domestic manufacturing and reduce import reliance

Segment	Overview		Investment Potential
<p>Iron & Steel</p>	<p>Examples</p> <ul style="list-style-type: none"> Long Products Flat Products Tubes & Pipes 	<p>Value Chain</p> <ul style="list-style-type: none"> No local iron ore processing Long and tubes & pipes – end to end locally manufactured Flat products – import dependent; companies import HRC and reprocess it to manufacture other products 	<p>Establish local processing of iron ore and enhance capabilities of existing manufacturing by expanding on local production of long products, flat products, and tubes & pipes</p>
<p>Copper</p>	<p>Examples</p> <ul style="list-style-type: none"> Long Products Flat Products Wires & Cables Tubular Products 	<p>Value Chain</p> <ul style="list-style-type: none"> Copper ore is produced locally Very limited local manufacturing; production of refined copper exists but conversion to end product is still minimal 	<p>Introduce local capabilities for copper manufacturing and fabrication while also expanding on refining capabilities</p>



Pakistan has identified twelve opportunities in the iron, steel, and copper sector readily available to investors

Non-Exhaustive

Investment Opportunities	
Iron & Steel	Copper
1 Local Iron Ore Processing (Direct Reduced Iron Method)	7 Secondary Smelting Units
2 Manufacturing of Hot Rolled Coils	8 Refining and Alloying Facilities
3 Electric Arc Furnace-based Manufacturing of Long Products	9 Wires & Conductors Foundries
4 Manufacturing of Seamless Tubes & Pipes	10 Rolling Mills for Utensils and Foil
5 Manufacturing of Cold Rolled Coils and Galvanized Steel	11 Copper Scrap Collection and Recycling Plant
6 Iron Ore Mining & Steel Making (<i>Large Scale Projects</i>)	12 Copper Ore Mining & Processing (<i>Large Scale Projects</i>)



Pakistan offers an enabling environment to investors in the iron, steel, and copper sector

Key Enablers and Incentives

Ease of Doing Business

- Ongoing review and simplification / deregulation across sectors
- One-stop licensing and digital registration
- Government intermediation with public entities
- Fast-tracked regulatory approvals for companies in essential industries, iron, steel, and copper being one of them



Trade Incentives

- Preferential treatment for import-replacement ventures in smelting/alloying
- Regulatory duty reimposition (**25-40%**) on scrap/ billet exports proposed to stabilize local supply of copper
- Raw material import allowed at **0% duty** for export-bound
- Import duties on metallurgical coal, copper concentrate, and iron ore are exempt within SEZs



Tax & Fiscal Incentives

- Tax breaks and tax holidays (10-year income tax holiday in SEZs)
- Reduction / exemption on import duties for raw material
- Access to concessional financing for metallurgy and recycling plants
- Temporary admission schemes removing double-tax burden on intermediate goods



Infrastructure Incentives

- Land lease subsidy for Iron and Copper Parks: Gwadar Free Zone offers land at **20–30% lower price** for large-scale Chinese investors



Thank You

