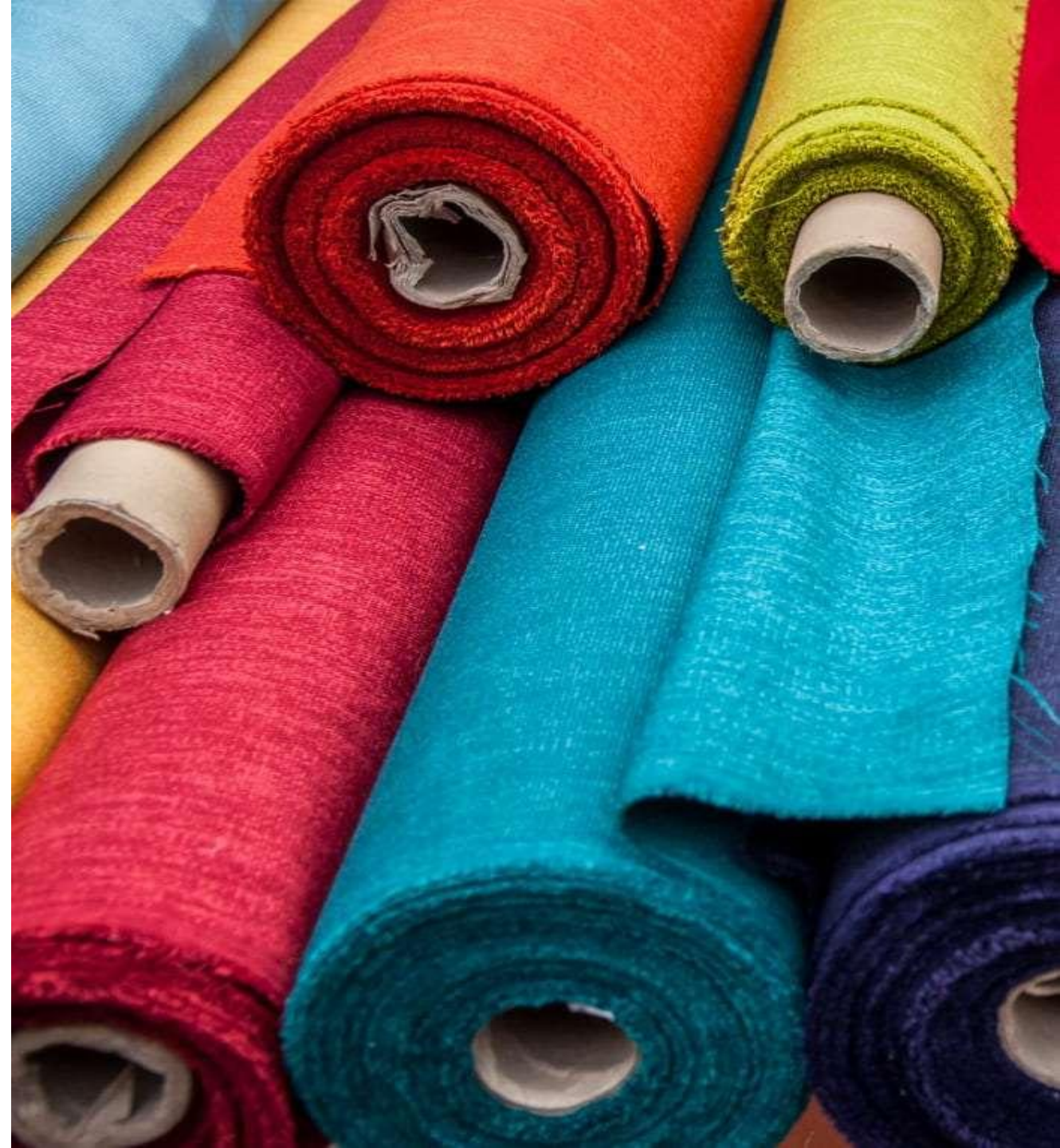


# Textiles Sector

## 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 3.3Tn<sup>1</sup>**

Expected GDP in 2050 (from USD >410Bn<sup>2</sup> today)



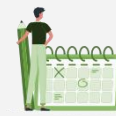
**B-**

Improved Credit Rating<sup>3</sup> from CCC-



**Top 10**

In Business Entry Regulations ranking<sup>4</sup>



**Stabilized Inflation**

At lowest levels since 1968<sup>5</sup>



**Stabilized Currency**

Achieved since 2023 in coordination with IMF



**10-Year Tax Holidays**

and other fiscal and trade incentives in Special Economic Zones<sup>6</sup>



### Vibrant Demographics and Talent



**255 million**

Large and growing population<sup>7</sup>



**64%**

Population younger than 30<sup>7</sup>



**7<sup>th</sup> largest**

Workforce globally<sup>8</sup>



**2 million**

University students enrolled every year<sup>9</sup>



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**

**Fitch**Ratings

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

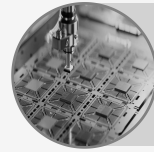
# Multiple global and regional entities have announced recent FDI projects in Pakistan

## Examples of Foreign Direct Investment (FDI) projects in Pakistan

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

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

## Pakistan's Focus Investment Areas



Semiconductors



Power Sector



Pharmaceutical Sector

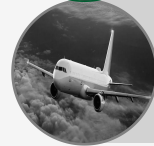


Petroleum Sector

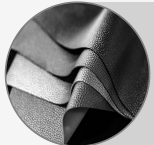


**Textiles**

**Focus of this Presentation**



Aviation



Leather: Tanned, Footwear,  
Gloves and Garments



Real Estate



Food & Agriculture



Iron, Steel & Copper



ICT, Fintech & Software



Automotive:  
Electric Vehicles (EVs) and  
Traditional Automobiles



Chemicals & Petrochemicals



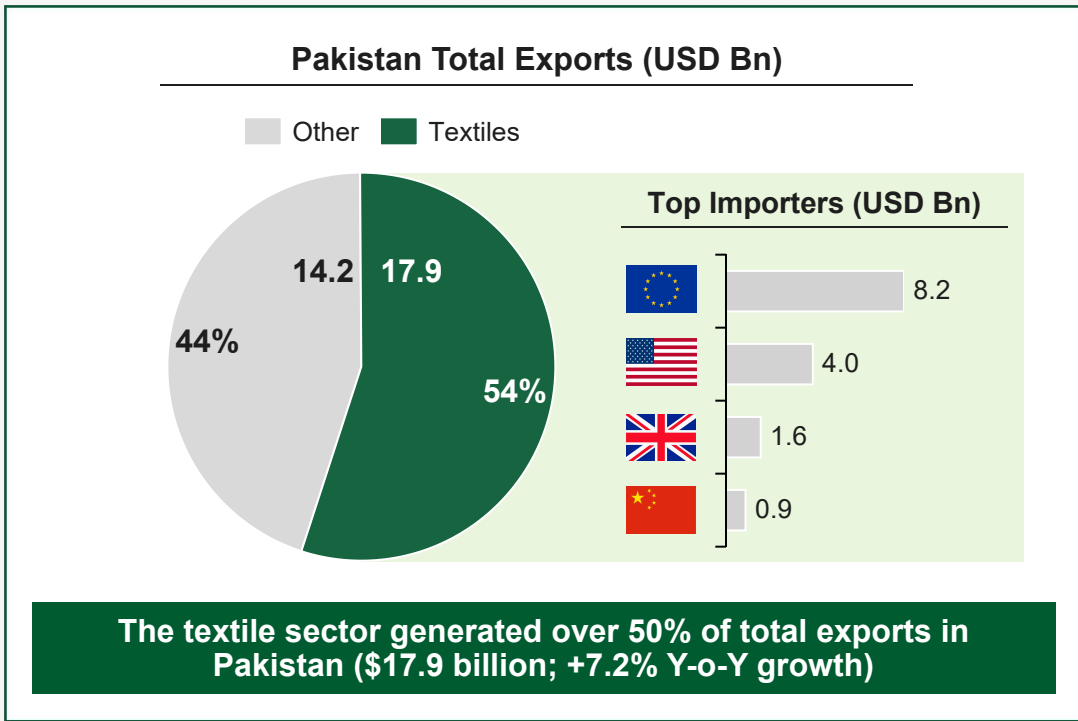
Solar Power



Agri-Tech

# Pakistan's textiles sector has a large market size with high reliance on imports and significant opportunity for investments

Sector Segments	Apparel	Bedwear & Towel	Cotton Cloth & Yarn	Others
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### Advanced Textiles Ecosystem

<p><b>~USD 25 Bn</b> Textiles &amp; apparel total market size</p>	<p><b>~40% of labor force</b> Employed in the sector</p>	<p><b>~8.5% of GDP</b> Among highest contributing sectors</p>
<p><b>~USD 30 Bn</b> Export targets by FY30</p>	<p><b>5<sup>th</sup> Largest</b> Producer of cotton worldwide</p>	<p><b>700,000+</b> Industrial and domestic stitching machines</p>

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






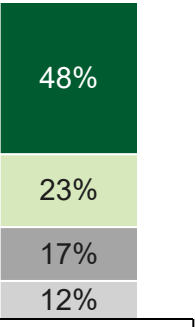




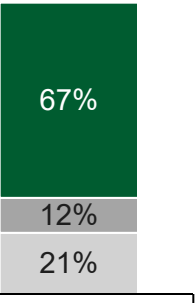
- Advocate for policy reforms and export incentives
- Promote value addition and global market access
- Facilitate collaboration on ESG compliance, skill development, and innovation



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

- 1** Scale high-value apparel manufacturing to tap premium global segments in fashion, sportswear, and performance garments
- 2** Develop MMF-based textile production and diversify from cotton reliance
- 3** Develop technical textiles including medical, automotive, and protective fabrics
- 4** Expand general apparel manufacturing capacity to capture further export potential

## Potential Local Partners (*non-exhaustive*)

	Revenue (USD)
	~740 Mn
	~610 Mn
	~270 Mn
	~270 Mn
	~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, with full repatriation of profits, dividends, and capital
- Special Investment Facilitation Council (SIFC) providing investment escalation & support throughout the process



### Financing & Credit Access

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



### Tax, Fiscal, & Trade Incentives

- Tax breaks and tax holidays
- Export Facilitation Scheme (2021) enabling tax- and duty-free import of raw materials and zero-rated local inputs
- Zero tariffs on 75% of Pakistan's tariff lines, opening Chinese access to Pakistani yarn, cotton textiles, apparel, and garment
- Rules of Origin (RoO) enables value added exports eligible for preferential access



### Infrastructure Incentives

- Special Economic Zones
  - Guaranteed electricity stability
  - Industrial infrastructure / land incentives
- Specialized Textile & Apparel SEZ Clusters such as Allama Iqbal Industrial City (Faisalabad) and M3 Industrial City with ready-to-use facilities for weaving, dyeing, garment manufacturing



# Thank You

