



# An introduction to Pakistan

## STAR Network



**A focus on the garment sector**

Thomas Hesketh, Head of STAR Secretariat

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# STAR NETWORK

## A Leading Voice for the Garment Sector:

As the first inter-Asian network of producer associations, STAR is driving positive change and innovation in the sector. Created through the FABRIC project by GIZ, STAR connects industry players, fostering dialogue, trust-building, and the exchange of best practices. Together, we can make textile and garment production more sustainable, overcoming challenges and shaping a brighter future. To learn more, visit our website and discover how you can contrib-

ute to a greener, fairer, and more responsible industry. Together, let's make a difference!

## Size & Impact:

STAR comprises 9 leading garment producing associations from 6 nations, representing 35,000 manufacturers, employing 30m+, and contributing around \$422 billion in export value in 2022 (Source: STAR Network). The Sustainable Terms of Trade Initiative (STTI) is a flagship program started via the STAR network.

Figure 1. STAR Member Associations, Their Member Numbers, and the Number of Workers Their Members Employ

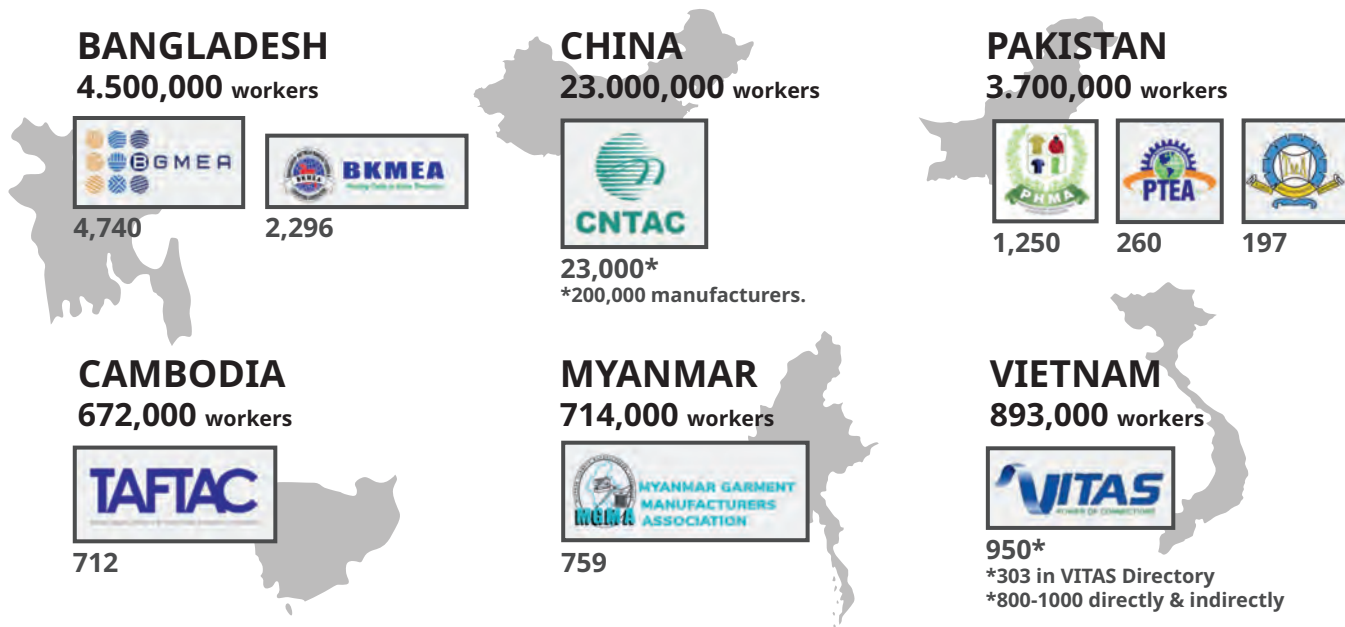


Figure 2. STAR in Numbers

**9** MEMBER ASSOCIATIONS  
~35,962 MANUFACTURERS  
~30 MILLION WORKERS

**49%** OF GFT EXPORT MARKET  
FROM MEMBER COUNTRIES  
(UNCTAD, 2021)

**6** COUNTRIES  
CHINA, VIETNAM, BANGLADESH,  
CAMBODIA, PAKISTAN, MYANMAR

**422** US\$ BILLION IN EXPORTS  
FROM COUNTRIES OF STAR MEMBERS  
(UNCTAD, 2021)

**10** ASIAN DIALOGUE EVENTS  
+ 1 FLAGSHIP INITIATIVE: STTI

**7+** INTERNATIONAL PARTNERS  
ILO, UNESCAP, ITMF, OECD, IAF, UN FASHION ALLIANCE

Contact: Reach out to [Thomas.hesketh@cimonline.de](mailto:Thomas.hesketh@cimonline.de), [kenloo@taftac-cambodia.org](mailto:kenloo@taftac-cambodia.org), or [kaing@taftac-cambodia.org](mailto:kaing@taftac-cambodia.org) to learn more, or to be put in contact with one of the STAR member associations.





## STAR MEMBERS IN PAKISTAN

The Sustainable Textile of Asian Region (STAR) Network is honored to count three top associations from Pakistan among its founding members.

### Pakistan Hosiery Manufacturers and Exporters Association (PHMA)

PHMA has 1,250 members. It represents the interests of the hosiery industry in Pakistan, which includes the production and export of knitted garments and textiles. It works towards improving the competitiveness of the sector and promoting its products in the global market.

**Address:** PHMA House, 37-H, Block-6, P.E.C.H.S., Karachi.  
**Tel:** +92-2134544789, 34522685, 34522769  
**Secretary General:** +92-21-34545683, 34544764  
**Fax:** +92-21-34543774  
**Email:** info@phmaonline.com | secretary.general@phmaonline.com  
**Website:** <http://www.phmaonline.com>



### Pakistan Textile Exporters Association (PTEA)

PTEA has 260 members. It focuses on representing and supporting textile exporters in Pakistan. It works to enhance the export performance of the textile sector, address industry challenges, and facilitate trade opportunities for its members.

**Address:** 30/7 Civil Lines, PTEA Road, Behind State Bank, Faisalabad.

**Tel:** +92-41-9201731-32  
**Email:** ptea@ptea.org.pk  
**Website:** <https://ptea.org.pk/contact-us/>



### Pakistan Towel Manufacturers Association (TMA)

TMA represents the interests of towel manufacturers in Pakistan. It has around 200 members. It aims to promote the growth and development of the towel industry, address industry-specific challenges, and facilitate collaboration among its members. PTMA plays a vital role in advocating for the interests of towel manufacturers and supporting their efforts to enhance product quality, competitiveness, and market access.

**Address:** TMA House, 77-A, Block 'A' Sindhi Muslim Cooperative Housing Society Karachi  
**Tel:** +92-21-34382801-4  
**Email:** tma@towelassociation.com  
**Website:** <https://www.towelassociation.com/>





# PAKISTAN INTRODUCTION

## INTERESTING FACTS ABOUT PAKISTAN

**Home to the world's second-highest peak:** Pakistan is home to K2, the second-highest mountain in the world, standing at an elevation of 8,611 meters (28,251 feet). It attracts mountaineers from around the globe and is considered one of the most challenging climbs.

**An ancient civilization:** Pakistan is part of the Indus Valley Civilization, one of the world's oldest urban civilizations, which dates back over 4,500 years. The ancient city of Mohenjo-Daro, a UNESCO World Heritage Site, provides insights into this advanced ancient society.

**Cultural heritage sites:** Pakistan is home to various UNESCO World Heritage Sites, including the historical Lahore Fort and Shalimar Gardens, the archaeological ruins of Taxila, and the ancient Buddhist monastery of Takht-e-Bahi.

**The world's largest volunteer ambulance network:** Pakistan is home to the Edhi Foundation, a non-profit social welfare organization that operates the world's largest volunteer ambulance network. It provides 24/7 emergency medical services, healthcare, and social support to millions of people.

**Cricket passion:** Cricket is immensely popular in Pakistan, and the national cricket team has a strong following. Pakistan has won the ICC Cricket World Cup once (in 1992) and has produced legendary cricketers like Imran Khan and Wasim Akram.

**A land of diverse landscapes:** Pakistan offers diverse landscapes, from the soaring peaks of the Karakoram and Himalayan Mountain ranges to lush valleys, fertile plains, deserts, and stunning coastlines along the Arabian Sea.

**A mix of languages:** Pakistan is a linguistically diverse country with multiple languages spoken throughout its regions. Urdu is the national language, while other prominent languages include Punjabi, Pashto, Sindhi, Balochi, and Saraiki.

**Second-largest Muslim population:** Pakistan has the world's second-largest Muslim population, after Indonesia. Islam is the dominant religion in the country, and it plays a significant role in shaping Pakistan's culture, traditions and identity.

**Birthplace of the Mughal Empire:** The Mughal Empire, one of the most significant dynasties in South Asian history, originated in present-day Pakistan. The iconic Mughal architecture, including the Lahore Fort and Badshahi Mosque, showcases their cultural influence.

**Vibrant arts and crafts:** Pakistan has a rich tradition of arts and crafts. It is renowned for its intricate handicrafts such as pottery, metalwork, woodwork, embroidery, and traditional textiles like the famous Multani blue pottery and intricate Kashmiri shawls.

## HISTORY

**Indus Valley Civilization:** The region of present-day Pakistan was part of the ancient Indus Valley Civilization, one of the world's earliest urban civilizations, dating back to around 2500 BCE.

**Aryan and Persian Influence:** The Aryans and Persians arrived in the region, leaving their cultural and linguistic impact on the inhabitants.

**Maurya Empire:** The Maurya Empire, led by Emperor Ashoka, extended its rule over parts of present-day Pakistan in the 3rd century BCE.

**Islamic Conquests:** Muslim armies, led by Muhammad bin Qasim, conquered the region in the early 8th century CE, introducing Islam to the area.

**Delhi Sultanate:** Pakistan was ruled by various Muslim dynasties during the Delhi Sultanate, including the Mughals, from the 12th to the 16th century.

**Mughal Empire:** The Mughal Empire reached its zenith in the 16th and 17th centuries, with notable rulers like Akbar the Great and Shah Jahan. Lahore became an important cultural and political center.

**British Rule:** The British East India Company gradually gained control over the Indian subcontinent, including present-day Pakistan, by the mid-19th century.

**All-India Muslim League:** The All-India Muslim League, established in 1906, demanded separate representation for Muslims and eventually called for a separate Muslim state.

**Partition and Independence:** India gained independence from British rule on August 15, 1947, and Pakistan was created as a separate Muslim-majority state, comprising two wings: East Pakistan (present-day Bangladesh) and West Pakistan (present-day Pakistan). Muhammad Ali Jinnah, the leading figure of the independence movement, was declared the first Governor-General of Pakistan.

**Early Challenges:** Pakistan successfully faced challenges at its inception, including mass migrations, communal violence, and the need to establish governance structures.

**First Constitution:** Pakistan adopted its first constitution in 1956, declaring the country an Islamic republic.

**Indo-Pakistan Wars:** Pakistan engaged in several conflicts with India, including the wars in 1947-48, 1965, and 1971, which led to the separation of East Pakistan and the creation of Bangladesh.

**Nuclear Power:** Pakistan became a nuclear power in 1998, conducting nuclear tests in response to India's nuclear tests. It now has several nuclear power plants such as the 2028 MW KANUPP plant in Karachi.

**Political Instability:** Pakistan witnessed periods of political instability, including multiple military coups and transitions between civilian and military rule.

**Independence of Bangladesh:** East Pakistan declared independence from West Pakistan in 1971, following a civil war, resulting in the formation of Bangladesh.

**Afghan Refugees and Soviet Invasion:** During the 1980s, Pakistan hosted millions of Afghan refugees fleeing the Soviet invasion of Afghanistan and played a crucial role in supporting Afghan resistance.

**War on Terror:** Following the September 11, 2001, attacks, Pakistan became a key ally in the U.S.-led war on terror and faced internal challenges in dealing with militant groups.

**Return to Democracy:** Pakistan transitioned back to civilian rule in 2008 after nearly a decade of military rule. The Pakistan Tehreek-e-Insaf (PTI) party led by Imran Khan won the general elections in 2018.

**Economic Growth and Challenges:** Pakistan has experienced periods of economic growth and development but also faces challenges such as poverty, corruption, and regional disparities.

**Present-Day Pakistan:** Today, Pakistan is a multi-ethnic, predominantly Muslim country with a parliamentary system, striving for social progress, economic stability, and regional peace.

## DEMOGRAPHICS

**Population:** Pakistan has a population of over 233 million people, making it the fifth most populous country globally.

**Population Growth Rate:** The population growth rate in Pakistan is estimated to be around 2% annually, indicating a relatively high rate of population increase.

**Urbanization:** Urbanization in Pakistan is increasing steadily. As of 2022, approximately 37% of the total population resides in urban areas. This is expected to rise to 56% by 2050.

**Age Structure:** The median age in Pakistan is approximately 23 years, indicating a predominantly young population, and 64% of the population is under 30. With a bottom-heavy population pyramid the country is expected to see substantial economic and population growth in the coming decades.

**Life Expectancy:** The average life expectancy in Pakistan is around 67 years for males and 69 years for females, although improvements have been observed in recent years.

**Literacy Rate:** The literacy rate in Pakistan has been improving, although challenges remain. As of 2019, the overall literacy rate was around 63%, with a higher rate among males (70%) compared to females (55%).

**Gender Ratio:** Pakistan has a higher number of males than females, with approximately 105 males for every 100 females. This skew is thought to be due in part to census-taking techniques which more accurately assess urban environments, where men are likely to make up a larger percentage of the population. (Source: LSE).

**Ethnic Diversity:** Pakistan is ethnically diverse, with several major ethnic groups. The largest ethnic group is the Punjabis, followed by Sindhis, Pashtuns, Balochis, and Muhajirs, among others.

**Religion:** Islam is the dominant religion in Pakistan, with over 95% of the population identifying as Muslims. Other religious communities, including Hindus, Christians, and Sikhs, form smaller segments of the population.

**Population Density:** Pakistan has a moderate population density, with an average of approximately 280 people per square kilometer. Population density varies substantially across the different regions of the country.

Figure 3 Population Pyramid of Pakistan 2022 (Source: PopulationPyramid.net)

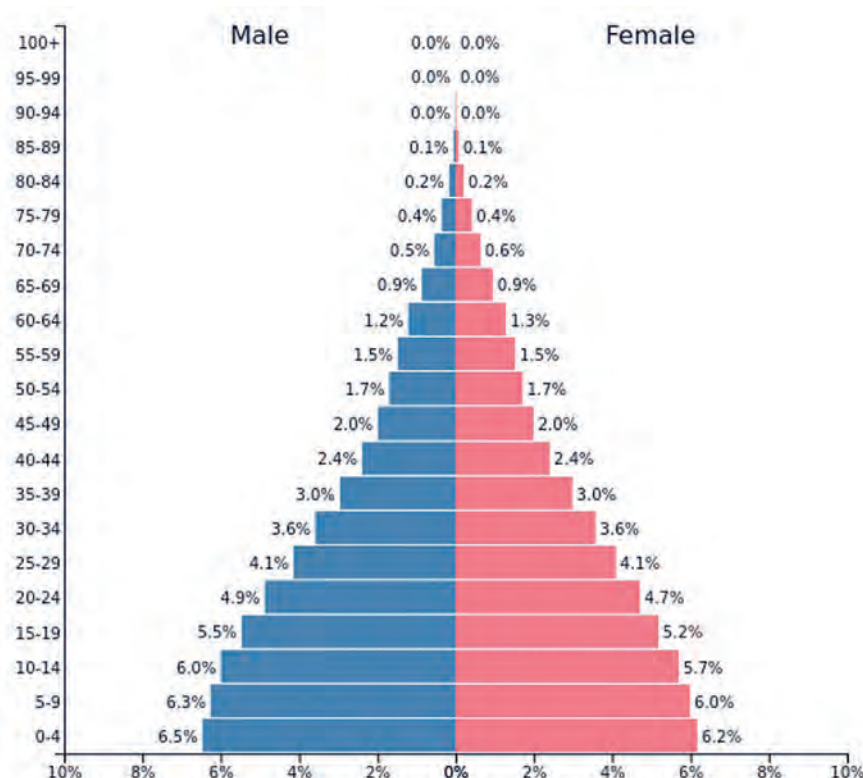
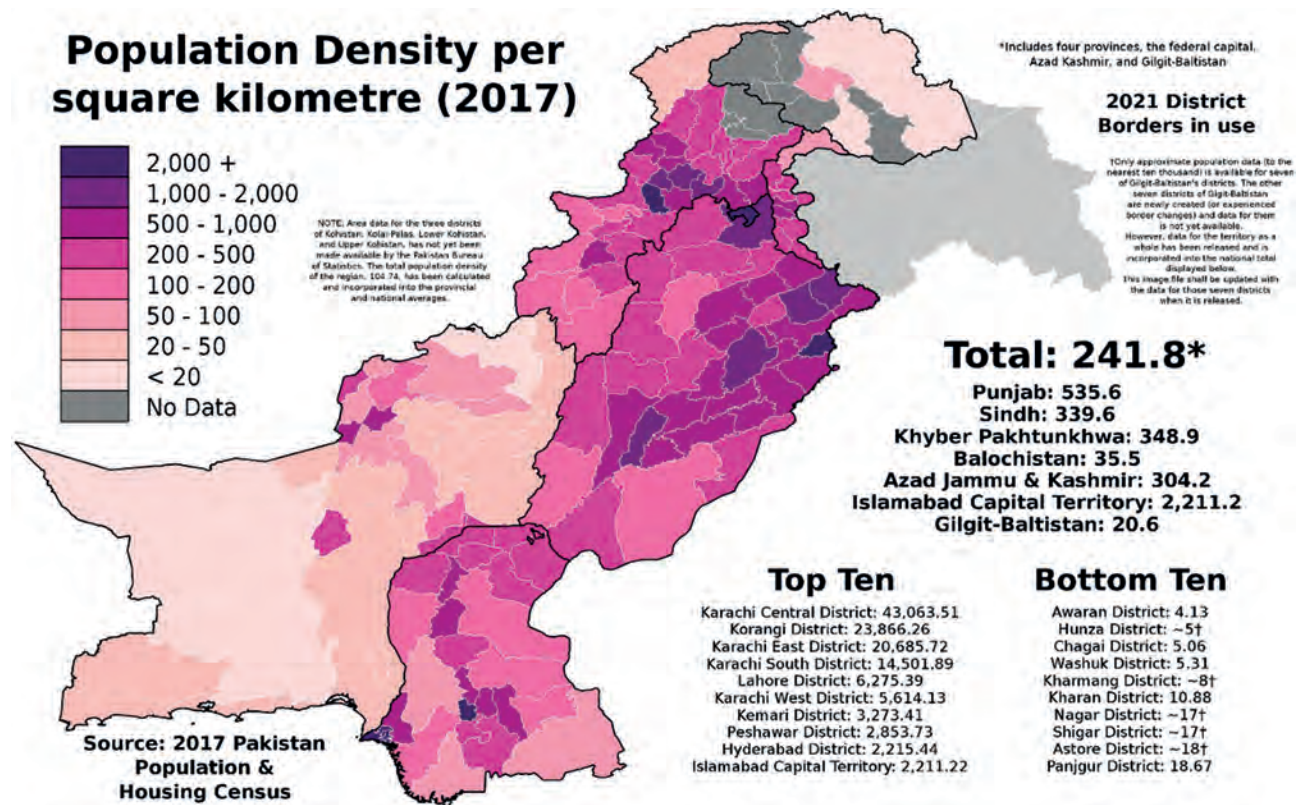




Figure 4 2017 Population Density of Pakistan (Source: Author Abbasi786786, Map Generated from 2017 Pakistan Population and Housing Census)



Note. This map demonstrates the difficulty in getting an accurate figure for Pakistan's overall population. For the sake of this guide, we have used a 2022 figure of 233 million from the IMF.

## GEOGRAPHY

**Location:** Pakistan is in South Asia, bordered by India to the east, Afghanistan and Iran to the west, China to the north, and the Arabian Sea to the south, providing it with a coastline.

**Area and Population:** Pakistan covers an area of approximately 881,913 square kilometers (340,509 square miles), making it the 33rd largest country in the world. As of 2021, the estimated population of Pakistan is over 233 million people, making it the fifth most populous country globally.

**Diverse Landforms:** Pakistan's geography is incredibly diverse, encompassing the rugged mountain ranges of the Himalayas, Karakoram, and Hindu Kush. The country is home to K2, the second-highest peak in the world, standing at 8,611 meters (28,251 feet) in the Karakoram

Range. It also has vast plains, plateaus, deserts, and coastal areas along the Arabian Sea.

**Indus River:** The mighty Indus River flows through Pakistan, spanning approximately 2,900 kilometers (1,800 miles). It plays a significant role in shaping the country's geography and provides water for agriculture and hydro-electric power generation. The Indus Valley Civilization, one of the world's oldest urban civilizations, emerged along this river.

**Karakoram Highway:** Pakistan is home to the Karakoram Highway, one of the highest paved international roads in the world. It stretches approximately 1,300 kilometers (810 miles), connecting Pakistan with China's Xinjiang region. The highway passes through stunning mountain landscapes and serves as a major trade route.

**Thar Desert:** Pakistan shares a portion of the Thar Desert, which extends into India. The desert spans an area of approximately 200,000 square kilometers (77,000 square miles) in total. It is known for its unique ecology, cultural heritage, and the rich history of the Indus Valley Civilization.

**Climate Variations:** Pakistan experiences a diverse range of climates. The northern regions have a temperate and alpine climate, while the coastal areas have a warm and humid climate. The central and southern regions have a semi-arid to arid climate.

**Natural Resources:** Pakistan is rich in natural resources. It has significant reserves of coal in Thar (Sindh) and Balochistan, estimated at 185 billion tons. It also has ample natural gas, oil, copper, and other minerals. The country's mineral wealth plays a vital role in its economy and industrial development.

**Environmental Challenges:** Pakistan faces environmental challenges such as deforestation, water scarcity, soil erosion, and natural disasters like earthquakes and floods. Climate change poses additional risks,

impacting agriculture, water resources, and vulnerable ecosystems.

**Biodiversity:** Pakistan has diverse flora and fauna due to its varied geography. It is home to unique species like the Markhor (national animal), Snow Leopard, Indus Dolphin, and a wide range of bird species. Several national parks and wildlife reserves protect this biodiversity.

## MAJOR CITIES

**Karachi:** Karachi is the largest city in Pakistan and the seventh-largest city in the world by population. It is the economic and commercial hub of the country, with a population of over 16 million people.

**Lahore:** Lahore is the second-largest city in Pakistan, known for its rich history, cultural heritage, and vibrant atmosphere. It has a population of over 13 million people.

**Faisalabad:** Faisalabad is the third-largest city in Pakistan, renowned for its textile and industrial sectors. It has a population of over 3 million people.

Figure 5 Comparison of Pakistan's Cities

Category	Lahore	Karachi	Islamabad	Faisalabad
Population	13.5 million	16.8 million	2.2 million	3.6 million
Establishment Year	11th century	1729	1967	1890
Key Sectors	Education, Tourism, IT	Finance, Industry, Trade	Government, Technology	Textiles, Manufacturing
Tourist Sites	Badshahi Mosque, Lahore Fort, Walled City of Lahore, Shalimar Gardens	Mohatta Palace, Quaid-e-Azam's Mausoleum, Karachi Sea View	Faisal Mosque, Pakistan Monument, Rawal Lake	Clock Tower, Faisalabad Clock Tower Museum
approx. GDP (USD Bn)	\$84.6	\$164.8	\$58.1	\$15.6
GDP per Capita (USD)	\$6,934	\$10,823	\$4,917	\$4,607
Province	Punjab	Sindh	Islamabad	Punjab
Area (sq. km)	1,772	3,78	906	1,28

**Rawalpindi:** Rawalpindi is a major city located near the capital, Islamabad. It serves as an important economic and transportation hub, with a population of over 2 million people.

**Multan:** Multan is one of the oldest cities in Pakistan, known for its historical significance and cultural heritage. It has a population of over 1.8 million people.

**Hyderabad:** Hyderabad is a city located in the southern province of Sindh. It is known for its rich culture, historical landmarks, and educational institutions. It has a population of over 1.7 million people.

**Gujranwala:** Gujranwala is an industrial city in Punjab province, known for its manufacturing and agricultural activities. It has a population of over 1.5 million people.

**Peshawar:** Peshawar is the capital city of the Khyber Pakhtunkhwa province and serves as a major economic and cultural center in the region. It has a population of over 1.4 million people.

**Quetta:** Quetta is the capital city of Balochistan province, located in the southwestern part of Pakistan. It is known for its scenic beauty and serves as a trade and communication hub. It has a population of over 1.3 million people.

**Islamabad:** Although not among the largest in terms of population (2.2million people), Islamabad is the capital of Pakistan. It is a planned city known for its modern infrastructure, government institutions, and diplomatic presence.

## MAJOR TOURIST DESTINATIONS

Pakistan is a country with diverse landscapes, rich cultural heritage, and historical landmarks, offering numerous tourist hotspots. From the author's perspective, it could one day be one of the most visited tourism hotspots globally due to its natural beauty and history. Some of the most famous tourist attractions in Pakistan include:

**Lahore Fort and Badshahi Mosque (Lahore):** These architectural marvels are UNESCO World Heritage Sites and showcase the grandeur of Mughal-era architecture. Lahore Fort houses beautiful palaces, gardens, and historic structures, while Badshahi Mosque is one of the largest mosques in the world.

**Shalimar Gardens (Lahore):** Another UNESCO World Heritage Site in Lahore, Shalimar Gardens is a stunning Mughal Garden complex known for its lush greenery, intricate water features, and beautiful architecture.

**Faisal Mosque (Islamabad):** Located in the capital city Islamabad, Faisal Mosque is an iconic landmark and one of the largest mosques in the world. Its unique contemporary design and scenic location make it a must-visit site.

**Mohenjo-daro (Sindh):** This ancient archaeological site in the Sindh province dates to the Indus Valley Civilization and is a UNESCO World Heritage Site. Exploring the ruins of this ancient city offers insights into the region's history and urban planning.

**Karakoram Highway and Hunza Valley (Gilgit-Baltistan):** The Karakoram Highway, often called the Eighth Wonder of the World, is a scenic road connecting Pakistan with China. Along the way, you can experience breathtaking landscapes, including the picturesque Hunza Valley, known for its stunning mountain views and vibrant culture.

**Lake Saif-ul-Malook (Khyber Pakhtunkhwa):** Located in the Kaghan Valley, Lake Saif-ul-Malook is known for its crystal-clear turquoise waters surrounded by snow-capped peaks. It is a popular destination for nature lovers and offers opportunities for boating and hiking.

**Fairy Meadows (Gilgit-Baltistan):** Nestled in the heart of the Himalayas, Fairy Meadows is a picturesque alpine meadow offering stunning views of Nanga Parbat, the ninth highest mountain in the world. It is a paradise for trekkers and nature enthusiasts.

**Taxila (Punjab):** Taxila is an ancient archaeological site and an important center of Buddhist



learning. It houses numerous well-preserved ruins and artifacts, giving visitors a glimpse into the region's ancient history.

**Hingol National Park (Balochistan):** Located in the Makran coastal region, Hingol National Park is the largest national park in Pakistan. It features diverse landscapes, including rugged mountains, desert, and a pristine coastline, with unique wildlife and geological formations.

**Swat Valley (Khyber Pakhtunkhwa):** Known as the "Switzerland of Pakistan," Swat Valley is renowned for its natural beauty, lush green valleys, and cascading waterfalls. It offers opportunities for hiking, skiing, and exploring archaeological sites.

Figure 6 Map of Pakistan's Federal States (Source: Geology.com)





Figure 7 Map of Pakistan with Major Roads and Cities (Source: Geology.com)



## LEADERSHIP

**Government Type:** Pakistan is a federal parliamentary democratic republic, with a multi-party system.

**Head of State:** The President of Pakistan serves as the ceremonial head of state, representing the unity of the country. The President is elected by an electoral college comprising members of

the Senate, National Assembly, and provincial assemblies.

**Head of Government:** The Prime Minister is the head of government and holds executive power. The Prime Minister is appointed by the President and is usually the leader of the majority party or coalition in the National Assembly.

**Anwaar-ul-Haq Kakar is Pakistan's current caretaker Prime Minister:** he assumed the role of 8th caretaker Prime Minister on August 14, 2023, following the dissolution of the National Assembly. His primary responsibility is to oversee a free and fair general election, after which a new Prime Minister will assume office. The much-anticipated elections are planned for January 2024, according to the Election Commission of Pakistan (ECP). (Source: Aljazeera)

**The previous Prime Minister was Shehbaz Sharif:** he assumed office on 11 April 2022. Amid the 2022 Pakistani political crises, he was

elected after the no-confidence motion against Imran Khan. Shehbaz Sharif is the leader of the Pakistan Muslim League-Nawaz (PML-N) party. He succeeded Imran Khan, who himself assumed office on August 18, 2018. Imran Khan was the leader of the Pakistan Tehreek-e-Insaf (PTI) party.

**Legislature:** The Parliament of Pakistan is a bicameral legislature, consisting of two houses: the National Assembly and the Senate. The National Assembly has 336 members, known as Members of the National Assembly (MNAs), while the Senate has 100 members, known as Senators, who serve 6 year terms.

## FORMER PRIME MINISTER SHEHBAZ SHARIF

**Political Career:** Shehbaz Sharif is a prominent Pakistani politician and a member of the Pakistan Muslim League-Nawaz (PML-N). He has held various political positions, including Chief Minister of Punjab, Pakistan's largest province, for multiple terms.

**Chief Minister of Punjab:** Shehbaz Sharif served as the Chief Minister of Punjab from 1997 to 1999, 2008 to 2018, and again from 2018 to 2019. He implemented various development projects and initiatives during his tenure, focusing on infrastructure, education, healthcare, and governance.

**Development Initiatives:** Shehbaz Sharif is known for his focus on development projects in Punjab. He launched initiatives such as the Metro Bus System and the Orange Line Metro Train in Lahore, aimed at improving public transportation and reducing congestion in the city.

**Role in Energy Sector:** Shehbaz Sharif played a significant role in addressing the energy crisis in Pakistan during his tenure as Chief Minister. Under his leadership, Punjab witnessed the completion of several power projects, including the establishment of new power plants and initiatives for renewable energy.

**Zero Tolerance for Corruption Policy:** Shehbaz Sharif has emphasized a zero-tolerance policy for corruption and has advocated for transparency and accountability in governance. He has been vocal about the need for good governance and has taken measures to improve administrative systems in Punjab.

**Development in Education Sector:** Shehbaz Sharif prioritized education reforms in Punjab, focusing on improving access to quality education. His government launched programs such as the Punjab Education Endowment Fund (PEEF) and initiated infrastructure development in schools and colleges.

**Health Reforms:** Shehbaz Sharif's tenure witnessed significant healthcare reforms in Punjab. His government launched the Punjab Health Initiative Management Company (PHIMC) to improve healthcare delivery and introduced the Sehat Sahulat Program, providing health insurance to low-income families.

**Infrastructure Development:** Shehbaz Sharif led various infrastructure development projects in Punjab, including the construction of highways, bridges, and road networks. These projects aimed to enhance connectivity and facilitate economic growth in the province.

**Leadership Style:** Shehbaz Sharif is known for his hands-on approach to governance and his focus on timely execution of projects. He is often praised for his attention to detail, efficiency, and result-oriented management style.

**Controversies and Legal Challenges:** Like many political figures in Pakistan, Shehbaz Sharif has faced controversies and legal challenges throughout his career. These include corruption allegations and investigations. It is important to note that the outcomes of these cases are subject to legal proceedings and judgments.



Both houses play a role in lawmaking and oversight.

**National Assembly:**

- 272 seats are elected by a First Past the Post System.
- 60 seats for women and 10 seats for non-Muslim minorities through Proportional Representation

**Senate:**

- 92 elected by the provincial legislatures using single transferable vote.
- 4 represent the Federal Capital
- 4 represent former Federally Administered Tribal Areas (now part of Khyber Pakhtunkhwa),

**Political Parties:** Pakistan has a dynamic political landscape with numerous political parties. The major political parties include the Pakistan Tehreek-e-Insaf (PTI), Pakistan Muslim League-Nawaz (PML-N), and Pakistan People's Party (PPP), along with several other smaller parties.

**Election System:** General elections in Pakistan are held every five years through a first-past-the-post system, where voters directly elect their representatives to the National Assembly and provincial assemblies. The Senate is elected through a proportional representation system.

**Judiciary:** The judiciary in Pakistan is independent and separate from the executive and legislative branches. The Supreme Court is the highest judicial authority in the country, overseeing the judicial system and constitutional matters.

**Local Government:** Pakistan has a system of local government that includes elected representatives at the district, tehsil, and union council levels. These representatives handle local governance, development projects, and service delivery at the grassroots level.

**Constitution:** The Constitution of Pakistan serves as the supreme law of the land, outlining the structure of the government, fundamental rights, and duties of citizens. The current constitution was adopted in 1973.

**Political Stability:** Pakistan has experienced periods of political stability and occasional political transitions throughout its history. The country has made efforts to strengthen democratic institutions, enhance governance, and ensure peaceful transitions of power.



# ECONOMY

## KEY STATISTICS

### GDP GROWTH

Averaged 6% to 8%, with a growth rate of 6.0% in 2022. Sluggish growth of just 0.4% predicted for FY 2022-2023

### GDP PER CAPITA

1,660 USD, 6,690 USD Purchasing power parity; international dollars per capita (2022)

### GDP

376.4 billion USD (2022)

### GDP COMPOSITION

Agriculture: 22.7% (2022 est.); Industry: 19.1% (2016 est.); Services: 56.5% (2017 est.)

### FOREIGN DIRECT INVESTMENT (FDI):

\$1.82 billion in 2021, a decline from \$2.59 billion in 2020

### EXPORT PERFORMANCE

Total export earnings were approximately \$39.4 billion in 2022, with garments playing a significant role (\$19.3 billion)

### REMITTANCES

\$27 billion in FY 22-23, down from \$31 billion in FY 21-22

### POVERTY RATE

37.2% in 2022 according to the World Bank, at the Lower Middle Income Poverty Line

### INFLATION RATE

Average annual inflation rate of 19.87% in 2022

### FOREIGN RESERVES

\$22.8 billion in 2021, dropping to \$9.5 billion as of May 2023

### FINANCIAL INCLUSION

19% of adult Pakistani's have a registered bank account

### EXPORTS

\$32.7 billion (2021); Garments, Textiles, Cotton, Rice, Copper

### IMPORTS

\$78.5 billion (2021); Oil & Gas, Machinery, Pharmaceuticals, Iron & Steel

### HUMAN DEVELOPMENT INDEX (HDI)

HDI value of 0.544 in 2019, ranking 161st out of 192 ranked countries

### EASE OF DOING BUSINESS

Pakistan improved its ranking in the World Bank's Ease of Doing Business Index, moving up to 108th out of 190 economies in 2020

### TOURISM POTENTIAL

Pakistan's tourism industry has immense unmet potential, with tourist arrivals reaching over 1.7 million in 2019, necessitating further investment in infrastructure and promotion. This number will have dropped substantially following Covid-19 and recent political unrest

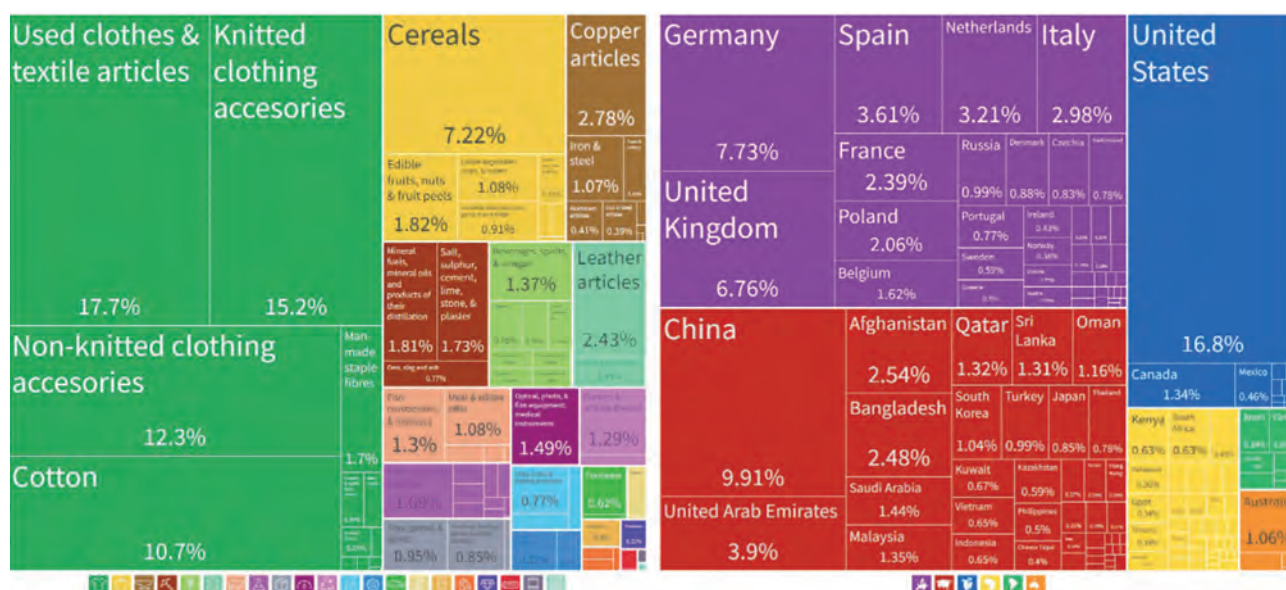


Figure 8 Pakistan Service Sector FY 2022 (Pakistan Economic Survey 2021-2022)

COMPONENTS OF SERVICES	SHARE IN SERVICES	SHARE IN GDP
Wholesale & Retail Trade	32.4	18.8
Transport & Storage	17.8	10.4
Accommodation and Food Services Activities (Hotels & Restaurants)	2.4	1.4
Information and Communication	4.6	2.7
Finance and Insurance Activities	3.2	1.9
Real Estate Activities (OD)	9.6	5.6
Public Administration and Social Security (General Government)	8.0	4.6
Education	5.1	3.0
Human Health and Social Work Activities	2.7	1.5
Other Private Services	14.3	8.3

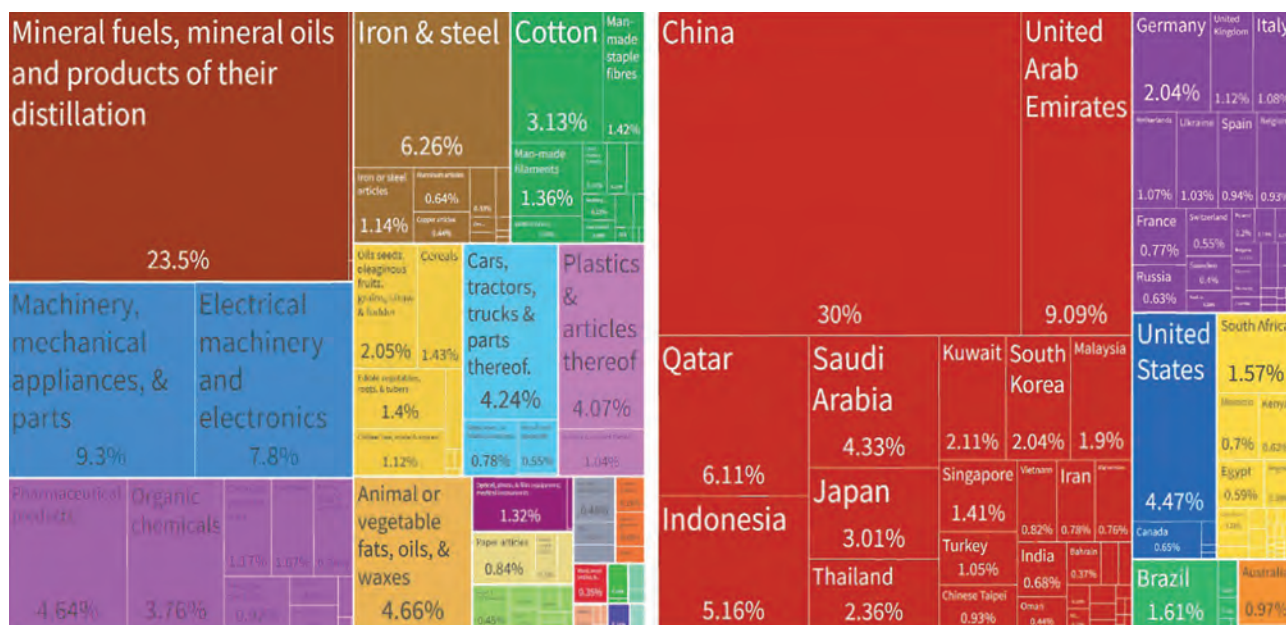
## EXPORTS

Figure 9 Export Value & Destinations 2021 (Source: OEC)



## IMPORTS

Figure 10 Import Value & Destinations 2021 (Source: OEC)



## NARRATIVE

**GDP Growth and Total GDP:** Pakistan's GDP growth rate has averaged around 5% to 6% in recent years. In fiscal year 2020-2021, the GDP growth rate was 3.9%, in 2021-2022, that increased to 6%. The total GDP of Pakistan was approximately \$376.4 billion in 2022. (Source: IMF). Reflecting growing global and domestic economic challenges, the World Bank predicted sluggish growth for FY 23 of just 0.4% in April 2023.

**Textile Industry:** The textile industry is a significant contributor to Pakistan's economy, accounting for the majority of its export earnings. Textile exports reached \$15.4 billion in fiscal year 2020-2021 and \$19.2 billion in fiscal year 2021-2022. (Source: Pakistan Bureau of Statistics)

**Agriculture:** Agriculture plays a vital role in Pakistan's economy, employing a significant portion (37.54%) of the working age population. The sector contributes around 22% to the country's GDP in 2022.

**Remittances:** Remittances from overseas Pakistanis are an essential source of income for

the country. In fiscal year 2022-2023, Pakistan received \$27 billion in remittances, down from \$31.3 billion the previous year. (Source: AL Jazeera). Remittances mainly come from Saudi Arabia, the UK, the UAE, and the US.

**Foreign Direct Investment (FDI):** Foreign direct investment in Pakistan had been increasing in recent years, though have declined in 2022 and 2023. In fiscal year 2020-2021, FDI inflows reached \$1.8 billion, with sectors such as power, construction, and telecommunications attracting significant investments. (Source: Pakistan High Commission London)

**Poverty Rate:** Pakistan faces challenges in poverty reduction. As of 2023, poverty is expected to reach 37.2 percent (\$3.65 /day 2017ppp). reflecting the need for ongoing efforts to improve living standards and income distribution. (Source: World Bank Poverty & Equity Brief Pakistan South Asia April 2023)

**Inflation Rate:** Inflation has been a concern for Pakistan. The average annual inflation rate was 9.5% in fiscal year 2020-2021, driven by complex factors such as a weaker PKR-USD exchange rate (low foreign reserves and decreased confidence), higher global commodi-

**Pakistan Macroeconomic Outlook (FY23-25)**  
(Annual percent change unless indicated otherwise)

Figure 11 World Bank Economic Indicators (Source: Pakistan Development Update Report April 2023)

	2019/20	2020/21	2021/22e	2022/23f	2023/24f	2023/25f
<b>Real GDP Growth, at constant factor prices</b>	-0.9	5.7	6.0	0.4	2.0	3.0
<b>Agriculture</b>	3.9	3.5	4.4	-1.0	2.5	2.8
<b>Industry</b>	-5.7	7.8	7.2	-2.3	1.5	2.9
<b>Services</b>	-1.2	6.0	6.2	1.8	2.1	3.0
<b>Real GDP Growth, at constant market prices</b>	-1.3	6.5	6.2	0.4	2.0	3.0
<b>Private Consumption</b>	-2.8	9.3	10.0	1.3	2.3	3.0
<b>Government Consumption</b>	8.5	1.8	-3.4	-16.1	3.8	4.5
<b>Gross Fixed Capital Formation</b>	-6.7	4.5	2.5	-15.6	1.3	2.8
<b>Export, Goods, and Services</b>	1.5	6.5	8.4	-8.3	4.4	3.3
<b>Imports, Goods, and Services</b>	-5.1	14.5	15.6	-15.3	4.9	3.9
<b>Inflation (Consumer Price Index)</b>	10.7	8.9	12.2	29.5	18.5	10.0
<b>Current Account Balance</b>	-1.5	-0.8	-4.6	-2.0	-2.1	-2.2
<b>Financial and Capital Account Balance, )% of GDP)</b>	3.2	2.6	3.0	2.4	1.8	2.8
<b>Fiscal Balance (excluding grants, % of GDP)</b>	-7.1	-6.1	-7.9	-6.7	-6.3	-6.1
<b>Debt (% of GDP)</b>	81.1	75.6	78.0	74.0	72.1	72.2
<b>Primary Balance (excluding grants, % of GDP)</b>	-1.6	-1.2	-3.1	-0.6	-0.5	-0.4

Figure 12 Approximate Agriculture Land Use Pakistan (Source: By Nomi887 at English Wikipedia, CC BY-SA 3.0)





ties prices, energy costs and food prices. The concern has grown greater. In June 2023, the 12-month inflation rate stood at 29.4%.

**Stock Market:** Founded in 2016, Pakistan's stock market, represented by the Pakistan Stock Exchange (PSX), plays a crucial role in the country's economy. As of 2023, the market capitalization of the PSX was Rs. 6.277 trillion (US\$22.7 billion) from 544 listed companies. (Source: Pakistan Stock Exchange)

**Debt-to-GDP Ratio:** Pakistan's public debt remains a significant economic challenge. The debt-to-GDP ratio stood at 74% in 2023, emphasizing the importance of fiscal discipline and debt management. (Source: State Bank of Pakistan, World Bank)

**Ease of Doing Business:** Pakistan has been implementing reforms to improve the ease of doing business. The country's ranking in the World Bank's Ease of Doing Business Index improved to 108 out of 190 economies in 2020, reflecting efforts to enhance the business environment. (Source: World Bank)

**Small and Medium Enterprises (SMEs):** Pakistan has a growing SME sector, which plays a significant role in employment generation

and economic development. SMEs contribute approximately 40% to the country's GDP, 25% to exports and employ a substantial workforce.

**Consumer Market:** Pakistan's consumer market has been expanding due to a growing middle class and rising disposable income. With a population of over 233 million, the domestic market offers significant opportunities for various sectors such as FMCG, retail, and e-commerce.

**Infrastructure Development:** Pakistan has been investing in infrastructure development to improve connectivity and facilitate economic growth. Projects such as the China-Pakistan Economic Corridor (CPEC) aim to enhance transportation networks, energy infrastructure, and industrial zones.



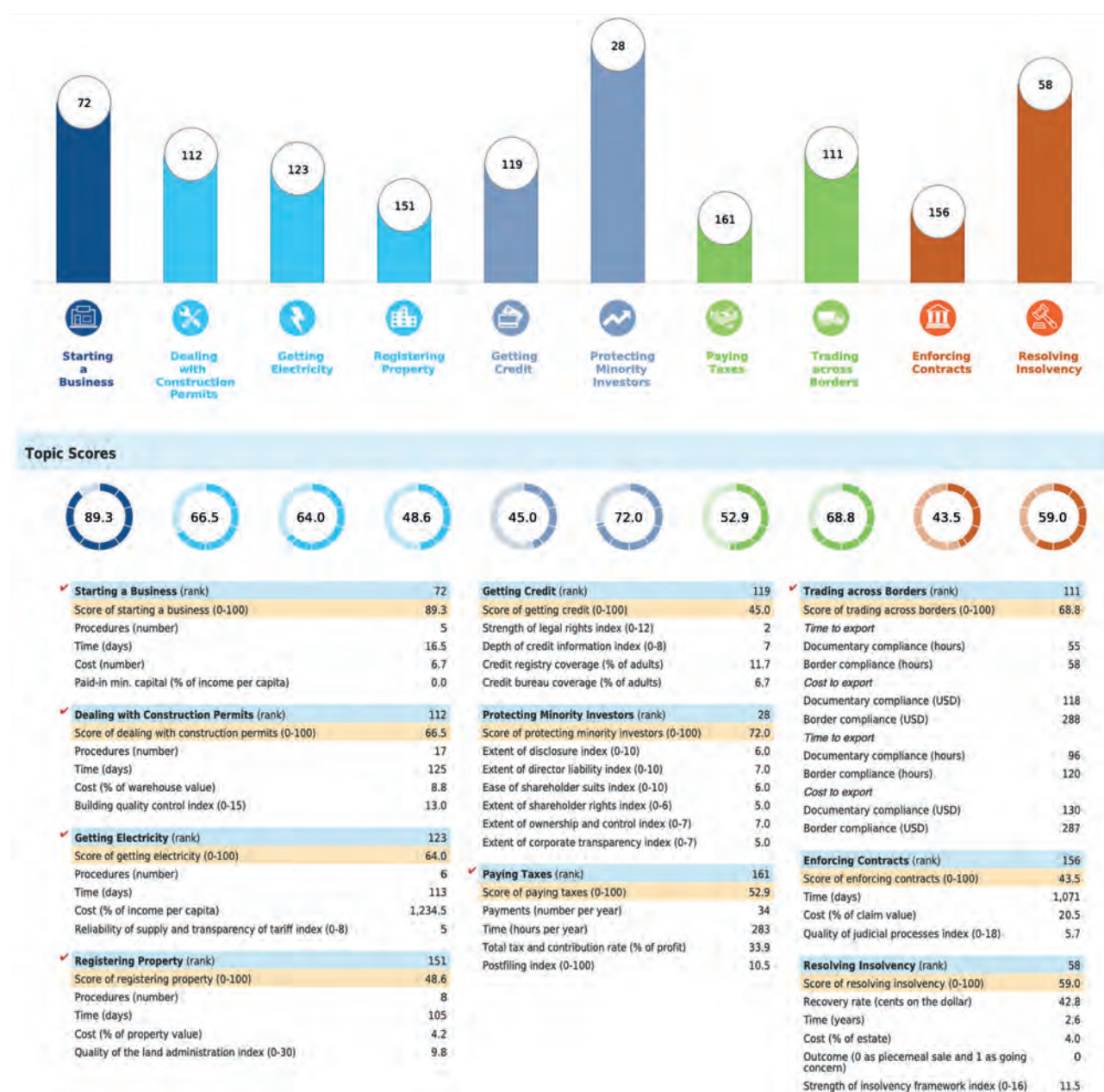
Figure 13 Pakistan Inflation Data (Source: World Data)

Year	Pakistan	Ø EU	Ø USA	Ø World
2022	19.87 %	9.22 %	8.00 %	8.31 %
2021	9.50 %	2.55 %	4.70 %	3.48 %
2020	9.74 %	0.48 %	1.23 %	1.92 %
2019	10.58 %	1.63 %	1.81 %	2.21 %
2018	5.08 %	1.74 %	2.44 %	2.44 %





Figure 14 Pakistan Ease of Doing Business Scores  
(Source: World Bank Doing Business Report 2020: Pakistan)



## Agriculture in Pakistan

(Source: Pakistan Bureau of Statistics)

**Government Initiatives:** The government of Pakistan has implemented various initiatives to support the agricultural sector, including providing subsidies, improving access to credit, promoting modern farming techniques, and investing in rural infrastructure.

**Employment:** The agriculture sector employs a significant portion of the population, with approximately 37.54% of the workforce engaged in agricultural activities.

**Contribution to GDP:** The agricultural sector contributes around 22.7% to Pakistan's GDP.

### Major Crops (2021 Figures):

**Wheat:** Pakistan is one of the world's largest producers of wheat, with an average annual production of over 27.46 million metric tons.

**Rice:** Pakistan is known for its high-quality basmati rice. In total, it produces over 8.4 million metric tons of rice annually.

**Sugarcane:** Pakistan is among the top producers of sugarcane, with an annual production of around 81 million metric tons in 2021. (Source: Food and Agriculture Organization of the United Nations)

**Cotton:** Pakistan is a significant producer of cotton, with an annual production of over 9m bales in 2020. This figure has declined annually to just 4.7m in 2022, however, as farmers increasingly move towards sugarcane.

**Maize:** Maize production in Pakistan averages around 8.9 million metric tons annually.

**Livestock Sector:** Pakistan has a thriving livestock sector, which contributes around 61.9% of the country's agricultural GDP. It includes cattle, buffaloes, sheep, goats, and poultry.

**Export Growth Potential:** Pakistan's agricultural exports play a crucial role in the economy. In fiscal year 2022, the total value of agricultural exports reached \$5.4 billion.

**Irrigated Agriculture:** Irrigation plays a vital role in Pakistan's agricultural productivity. Approximately 90% of the cropped area relies on irrigation, mainly through canal systems and tube wells.

**Fruits and Vegetables:** Pakistan produces a wide range of fruits and vegetables, including mangoes, citrus fruits, apples, potatoes, onions, and plums.

**Challenges:** The agricultural sector in Pakistan faces challenges such as water scarcity, climate change, low productivity, and lack of modern farming techniques. Efforts are being made to address these challenges and enhance productivity.

**Research and Development:** Pakistan has several agricultural research institutes and universities dedicated to improving farming practices, developing new varieties of crops, and enhancing agricultural productivity.







# FOREIGN DIRECT INVESTMENT

The foreign investment trend into Pakistan in the last five years has shown both growth and fluctuations. Here is an overview of the foreign investment trends with available numbers and data:

**Overall Growth:** Foreign Direct Investment (FDI): FDI inflows into Pakistan have experienced fluctuations in the last five years. Below are the approximate FDI figures for each year. For comparison, in fiscal year 2019-20, Bangladesh received \$3.6 billion in FDI.

**Sectors Attracting Foreign Investment:** Sectors that have attracted significant foreign investment include power, telecommunications,

Figure 15 Pakistan Total FDI Data by Sector (Source: Invest Pakistan)

Sector Wise Net FDI (\$ Million)

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 (Jul-Sep)
Oil & Gas	629.4	559.6	502.0	300.5	249.0	146.0	372.0	349.8	311.4	251.0	195.3	135.1	65.0
Financial Business	64.4	314.2	192.8	256.4	289.0	297.3	400.3	286.5	274.8	236.4	405.3	275.1	44.2
Textiles	29.8	13.9	(0.2)	43.9	20.0	15.5	49.7	76.8	37.7	2.6	3.6	11.5	(1.2)
Trade	25.3	5.1	(3.2)	50.6	26.6	32.6	143.0	76.3	43.2	115.9	79.9	45.3	5.8
Construction	72.1	47.7	28.8	53.5	36.9	8.3	40.4	70.2	20.9	31.1	36.5	19.0	7.1
Power	(84.9)	26.8	71.4	303.8	1,153.4	716.0	1,179.5	(323.9)	765.6	911.7	737.6	622.6	199.7
Chemicals	30.5	96.3	(47.1)	94.9	60.3	88.5	5.4	48.9	24.0	0.9	29.3	49.7	6.0
Transport	104.6	18.7	44.1	2.7	6.2	166.8	163.5	56.9	(1.5)	(93.6)	34.8	40.2	4.2
Communication (IT&Telecom)	(312.6)	(381.7)	434.2	62.2	241.4	(49.2)	113.5	(55.7)	664.0	117.1	118.9	59.3	(47.0)
Others	282.2	873.8	375.2	(103.4)	121.3	1,071.2	375.7	739.2	457.4	247.4	226.6	198.0	118.5
<b>Total</b>	<b>820.7</b>	<b>1,456.4</b>	<b>1,698.6</b>	<b>1,033.8</b>	<b>2,392.9</b>	<b>2,406.6</b>	<b>2,780.3</b>	<b>1,362.4</b>	<b>2,597.5</b>	<b>1,820.5</b>	<b>1,867.8</b>	<b>1,455.8</b>	<b>402.3</b>

Note: Pakistan's Fiscal Year runs from 1st July till 30th June. The figures in brackets are in negative.

Figure 16 Pakistan Total FDI Data by Country (Source: Invest Pakistan)

Country	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 (Jul-Sep)
China	126.1	90.6	695.8	340.8	1,048.3	763.2	1,311.9	130.8	846.6	751.6	531.6	432.2	126.3
UK	205.8	633.0	157.0	169.6	151.7	215.4	304.6	185.0	119.1	141.0	31.8	65.0	44.7
USA	227.7	227.1	212.1	223.9	15.7	45.7	161.7	88.1	99.2	166.4	249.6	89.3	22.4
Hong Kong	80.3	242.6	228.5	136.2	187.0	123.0	183.6	171.0	190.7	157.2	137.7	101.0	91.3
Switzerland	129.9	149.0	209.8	(6.5)	59.5	101.7	78.5	21.2	62.8	61.7	146.2	134.0	29.4
U.A.E.	36.8	22.5	(47.1)	235.3	114.6	120.1	(4.4)	103.7	(44.0)	115.7	143.9	180.1	13.6
Italy	200.1	199.4	97.6	115.4	105.4	61.5	56.6	51.9	57.4	36.3	34.8	8.6	(0.2)
Netherlands	22.3	(118.7)	5.5	(34.5)	29.9	457.6	100.3	69.0	133.2	96.9	104.1	71.9	45.3
Austria	69.1	53.3	53.8	24.8	42.7	21.7	27.4	7.6	3.8	1.0	0.0	(0.3)	(0.2)
Japan	29.8	30.1	30.1	71.1	35.4	57.7	59.8	117.3	52.5	(13.0)	(12.3)	183.0	5.1
Turkey	3.3	0.5	7.9	43.4	16.9	135.6	29.8	73.8	26.1	13.4	(0.3)	17.6	4.0
Others	(310.5)	(73.0)	47.7	(285.7)	585.8	303.4	470.5	343.0	1,076.2	305.7	500.7	173.4	20.6
<b>Total</b>	<b>820.7</b>	<b>1,456.5</b>	<b>1,698.6</b>	<b>1,033.8</b>	<b>2,392.9</b>	<b>2,406.6</b>	<b>2,780.3</b>	<b>1,362.4</b>	<b>2,597.5</b>	<b>1,820.5</b>	<b>1,867.8</b>	<b>1,455.8</b>	<b>402.3</b>

Note: Pakistan's Fiscal Year runs from 1st July till 30th June. The figures in brackets are in negative.

oil and gas exploration, financial services, and construction. The government of Pakistan has taken various measures to attract foreign investment, including the establishment of special economic zones, offering tax incentives, improving ease of doing business, and enhancing investor protection. The textiles sector attracted \$38 million in FDI in 2019-2020, though this slowed to just \$11.5 million in 2022-2023.

## COUNTRIES INVESTING IN PAKISTAN

### CHINA

China is the largest foreign investor in Pakistan, at \$311 billion in 2020-21. Chinese investments come particularly through the China-Pakistan Economic Corridor (CPEC), which is a major component of the **Belt and Road Initiative**.

#### **Belt and Road in Pakistan:**

- **China-Pakistan Economic Corridor (CPEC):** As part of the Belt and Road Initiative, the CPEC involves infrastructure projects aimed at improving connectivity between China and Pakistan. The total investment in CPEC projects is estimated to be around \$62 billion. (Source: Ministry of Planning, Development & Special Initiatives, Pakistan)

- **Infrastructure Development:** The CPEC focuses on developing transportation networks, including highways (like the Karakoram Highway) and railways, as well as energy infrastructure such as power plants and dams. It is estimated that the CPEC will create around 2 million jobs by 2030. (Source: CPEC Authority, Pakistan)

- **Gwadar Port:** China has invested in the development of Gwadar Port, a key component of the CPEC. The port is expected to attract investments worth \$10 billion and generate approximately 47,000 direct jobs by 2023. (Source: Gwadar Development Authority, Pakistan)

- **Energy Projects:** Under the CPEC, various energy projects have been initiated, including coal-fired power plants and renewable energy projects. The energy projects are expected to

add around 17,045 MW to Pakistan's national grid, helping to address the country's energy shortage. (Source: CPEC Authority, Pakistan)

- **Economic Benefits:** The CPEC aims to boost Pakistan's economy and trade. It is projected that the CPEC will contribute 2-2.5% to Pakistan's GDP growth annually. (Source: International Monetary Fund)

- **Chashma 5 Nuclear Plant:** On 20th June 2023, Pakistan and China signed a \$4.8 billion deal to build a 1,200-megawatt nuclear power plant in Punjab, as announced by Prime Minister Shehbaz Sharif. This investment is seen as a significant show of trust and faith by China in Pakistan. Work is set to begin immediately following the signing of the memorandum of understanding (MOU) between China National Nuclear Cooperation and Pakistan Atomic Energy Commission.

### UNITED KINGDOM

The UK has invested in sectors such as energy, financial services, telecommunications, and retail.

- **British Petroleum (BP)** has made significant investments in Pakistan's oil and gas sector, including exploration and production activities.

- **Vodafone** has invested in Pakistan's mobile network infrastructure and services.

### UNITED STATES

The United States has been involved in various investment projects in Pakistan, particularly in the energy and information technology sectors.

- **ExxonMobil** has invested in the exploration and production of oil and gas resources in Pakistan.

- **Google** has invested in digital initiatives and entrepreneurship development programs in Pakistan.

## UNITED ARAB EMIRATES (UAE)

The UAE has invested in sectors such as real estate, construction, infrastructure, energy, and hospitality in Pakistan.

- **Emaar Properties** has invested in several projects in Pakistan, including residential and commercial developments. (Source: Emaar Pakistan)
- **DP World**, a UAE-based port operator, has made investments in Pakistan's ports, including the development and operation of container terminals.

## SAUDI ARABIA

Saudi Arabia has invested in sectors such as energy, petrochemicals, and renewable energy in Pakistan.

- **Saudi Aramco**, the national oil company of Saudi Arabia, has signed agreements to invest in Pakistan's energy sector, including refinery projects.
- **ACWA Power**, a Saudi energy company, has invested in renewable energy projects, such as solar and wind power plants, in Pakistan.

# INFRASTRUCTURE DEVELOPMENT

Here are five notable and important infrastructure projects currently happening in Pakistan:

### 1. China-Pakistan Economic Corridor (CPEC):

The CPEC is a major infrastructure development project that aims to enhance connectivity and promote economic cooperation between China and Pakistan. It includes the construction of highways, railways, ports, and energy projects. The total investment in CPEC projects is estimated to be around \$62 billion.

### 2. Lahore Orange Line Metro Train:

The Orange Line Metro Train is a mass rapid transit system in Lahore, Pakistan's second-largest city. It is a 27.1-kilometer elevated metro line that will connect various parts of the city. The project is being implemented with assistance from China, and the estimated cost is approximately \$1.6 billion.

### 3. Karachi Circular Railway:

The Karachi Circular Railway (KCR) is a commuter rail system being revived in Karachi, the largest city of Pakistan. The project aims to provide a reliable and efficient mode of transportation for the city's residents. The estimated cost of the KCR project is around \$2.5 billion.

### 4. Dasu Hydropower Project:

The Dasu Hydropower Project is a run-of-the-river hydropower plant being constructed on the Indus River in Khyber Pakhtunkhwa province. It aims to generate clean and renewable energy for Pakistan. The project has an estimated cost of around \$4.3 billion and a planned generation capacity of 4,320 MW.

### 5. New Islamabad International Airport:

The New Islamabad International Airport is a modern airport located in the capital city, Islamabad. It has been designed to handle increasing air traffic and provide world-class facilities. The project has an estimated cost of approximately \$400 million.





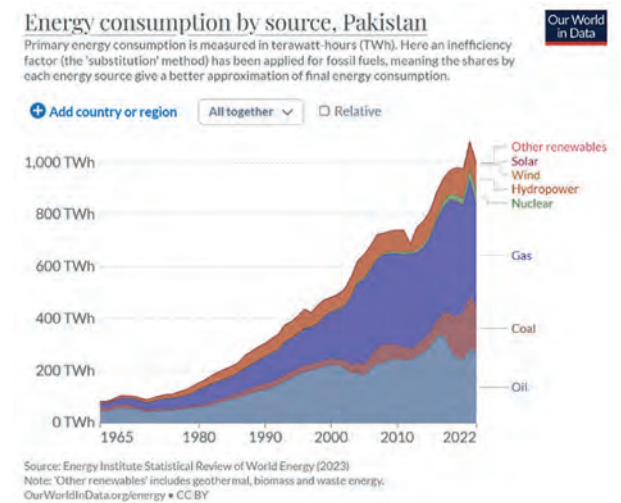
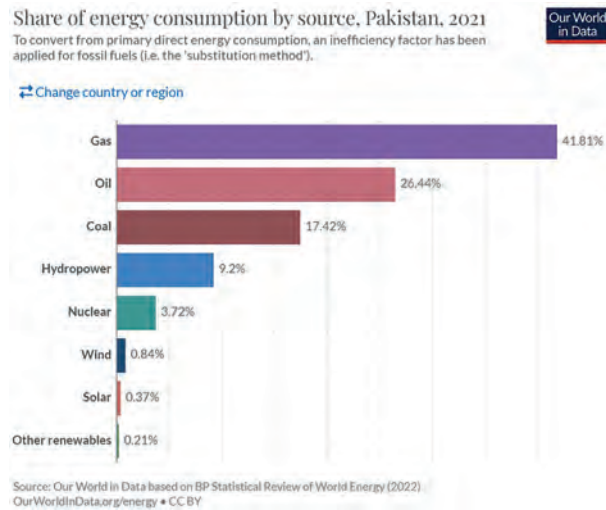
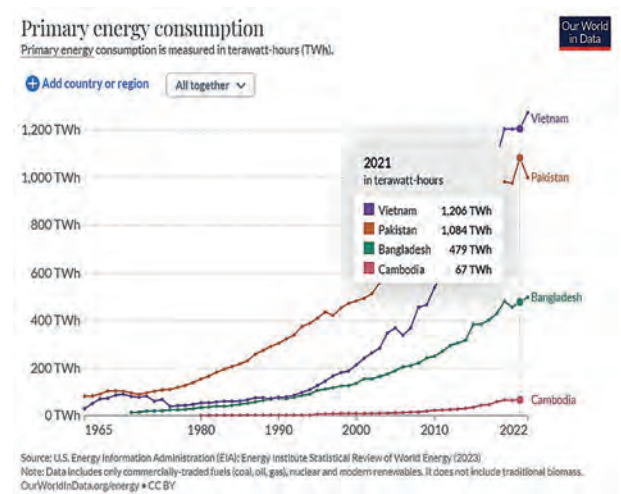
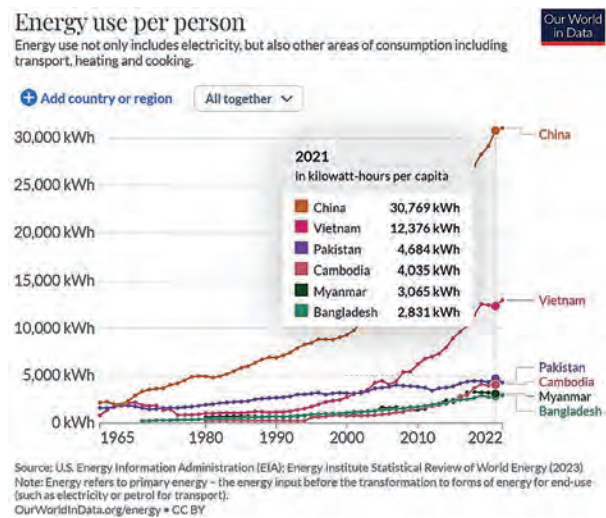
# ENERGY MIX

## ENERGY CONSUMPTION

Pakistan consumes 1084.5 TWh of electricity per year, or 4,684 kWh per capita (2021). Traditionally, the country heavily relied on fossil fuels, particularly natural gas, and oil, for

its energy needs. However, there has been a growing emphasis on diversification and the integration of renewable energy sources. 2022 witnessed a drop in energy consumption in response to higher energy prices.

Figure 17 Energy Consumption (Source: Our World in Data)



## ELECTRICITY PRODUCTION

Pakistan has experienced a significant increase in energy demand due to its growing population, expanding economy, and industrialization. As of 2022, total installed capacity was around 43,775 MW (Source: National Electric Power Regulatory Authority NEPRA).

Figure 18 Installed Capacity (Source: Our World in Data)

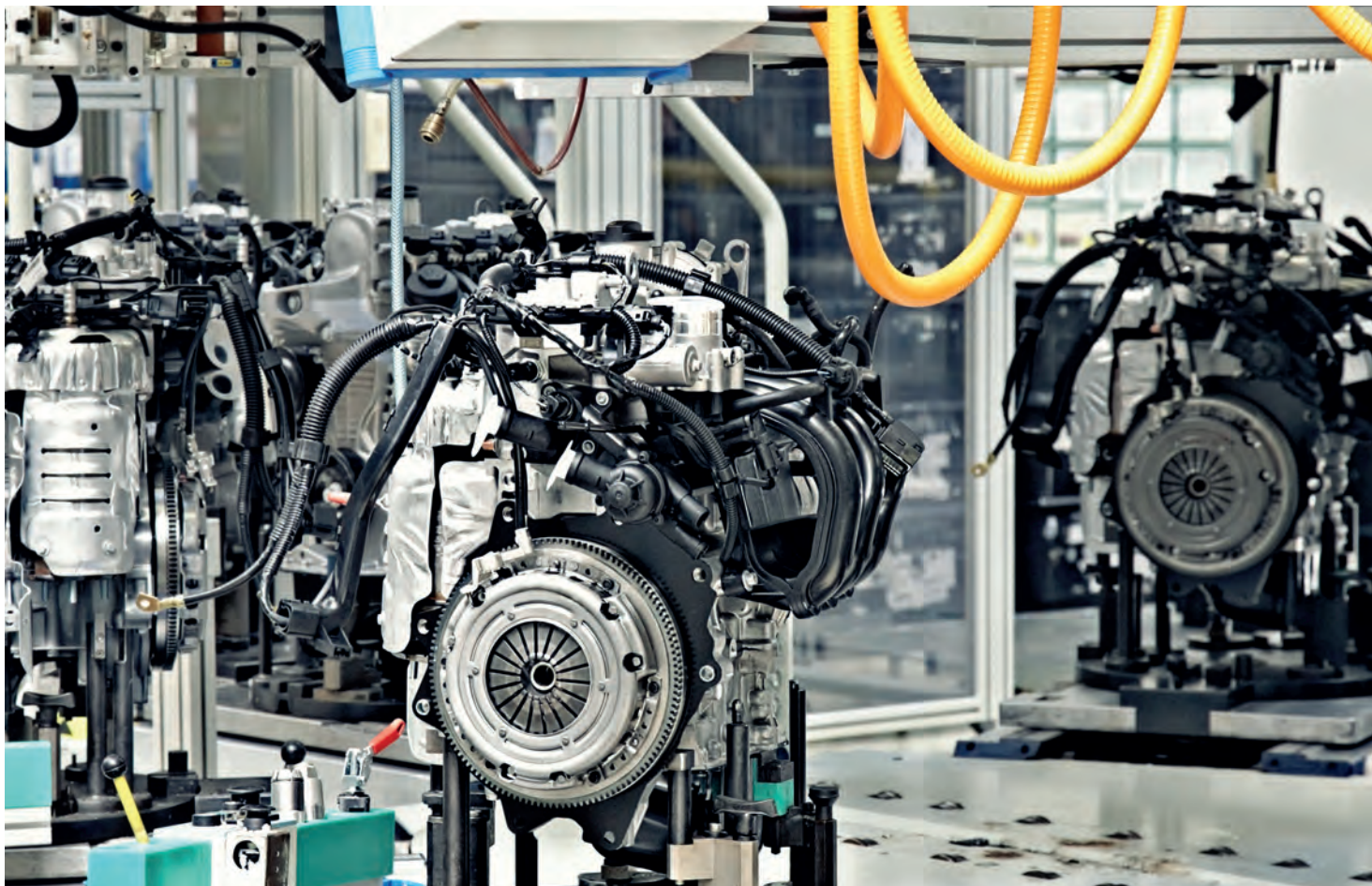
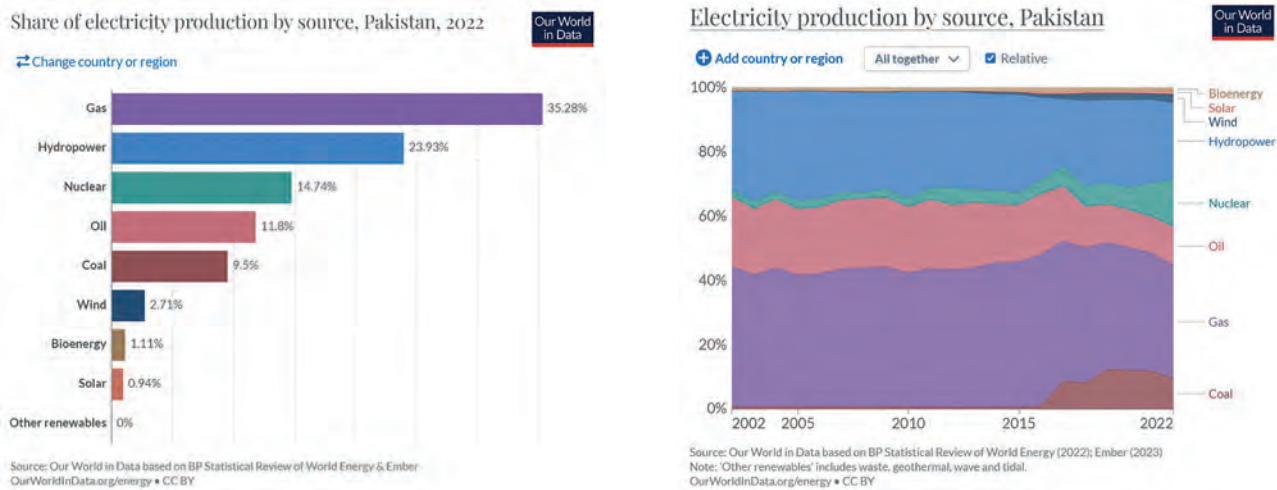


Figure 19 Installed Capacity by Type (Source: NEPRA State of the Industry Report 2022)

As on 30th June	2018	2019	2020	2021	2022
<b>HYDEL</b>					
WAPDA Hydel	8,341	9,389	9,389	9,443	9,443
IPPs Hydel	372	372	472	472	1,192
<b>Sub-Total</b>	<b>713</b>	<b>761</b>	<b>861</b>	<b>915</b>	<b>635</b>
<b>% Share (Hydel Installed Capacity)</b>	24.22	25.03	25.47	24.93	24.29
<b>Growth of International Tourists Arrival (percent, Y-o-Y)</b>	11.8	10.7	6.6	-80.2	-85.0
<b>THERMAL</b>					
GENCOS: CPPA-G System	5,637	5,637	4,881	4,881	4,731
KE Own	2,294	2,294	2,294	2,084	2,345
IPPs: CPPA-G System	15,297	16,946	17,276	17,276	18,750
IPPs: KE System	366	366	366	366	366
SPPs/CPPs/N-CPPs: CPPA-G System	340	340	340	340	340
SPPs/CPPs/N-CPPs connected with KE	87	87	87	15.1	151.1
<b>Sub-Total</b>	<b>24,020</b>	<b>25,670</b>	<b>25,244</b>	<b>25,098</b>	<b>26,683</b>
<b>% Share (Nuclear Installed Capacity)</b>	66.76	65.83	65.20	63.10	60.95
<b>NUCLEAR</b>					
CHASNUPP (I, II, III and IV)	1,330	1,330	1,330	1,330	1,330
KANUPP (I, II & III)	137	137	137	1,282	2,290
<b>Sub-Total</b>	<b>1,467</b>	<b>1,467</b>	<b>1,467</b>	<b>2,612</b>	<b>3,620</b>
<b>% Share (Nuclear Installed Capacity)</b>	4.08	3.76	3.79	6.57	8.27
<b>RENEWABLE ENERGY (WIND, SOLAR AND BAGASSE)</b>					
Wind Power Plants	1,048	1,248	1,248	1,248	1,838
Solar Power Plants	430	430	430	430	530
Bagasse based Power Plants	301	369	369	369	369
RE Power Plants: CPPA-G System	1,779	2,047	2,047	2,047	2,737
Solar Power Plants: KE System	0	50	100	100	100
RE Power Plants: KE System	0	50	100	100	100
<b>Sub-Total</b>	<b>1,779</b>	<b>2,097</b>	<b>2,147</b>	<b>2,147</b>	<b>2,837</b>
<b>%Share (RE Installed Capacity)</b>	4.94	5.38	5.55	5.40	6.48
<b>Total Installed Capacity of the Country</b>	<b>35,979</b>	<b>38,995</b>	<b>38,719</b>	<b>39,772</b>	<b>43,775</b>

Source: WAPDA/GENCOS/IPPs/CPPA-G/KE



Figure 20 Final Energy Consumption by Source (Source: NEPRA State of the Industry Report 2022)

Source	Unit	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21
<b>Oil<sup>1</sup></b>	TOE	17,904,977	19,264,954	17,364,897	16,364,304	18,569,102	18,569,102
	% Share	35.72	35.03	31.58	31.37	30.84	30.84
<b>Gas<sup>2</sup></b>	TOE	17,031,100	16,693,880	17,275,180	15,944,781	18,346,902	18,346,902
	% Share	33.98	30.36	31.41	30.56	30.47	30.47
<b>LPG</b>	TOE	1,308,471	1,385,427	1,148,380	1,196,005	1,371,416	1,371,416
	% Share	2.61	2.52	2.09	2.29	2.28	2.28
<b>Coal<sup>2</sup></b>	TOE	6,097,816	8,940,477	10,292,739	9,836,671	12,407,520	12,407,520
	% Share	12.17	16.26	18.72	18.86	20.61	20.61
<b>Electricity<sup>3</sup></b>	TOE	7,779,939	8,708,151	8,914,489	8,825,770	9,513,502	9,513,502
	% Share	15.52	15.84	16.21	16.92	15.80	15.80
<b>Total</b>	TOE	<b>50,122,303</b>	<b>54,992,889</b>	<b>54,995,685</b>	<b>52,167,531</b>	<b>60,208,443</b>	<b>60,208,443</b>
	% Share	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Annual Growth Rate (%)</b>		<b>10.44</b>	<b>9.72</b>	<b>0.01</b>	<b>(5.14)</b>	<b>15.41</b>	<b>15.41</b>

<sup>1</sup> Excluding consumption for power generation.

<sup>2</sup> Excluding consumption for power generation and feedstock.

<sup>3</sup> @ 3412 Btu/kWh being the actual energy content of electricity.

Source: Provisional Data by HDIP, Islamabad

## ENERGY SOURCES

**Fossil Fuels Dominance:** Pakistan's energy mix is dominated by fossil fuels, particularly natural gas, and oil. Natural gas accounts for the largest share, contributing around 41% of the country's primary energy supply, followed by oil at 26%. Pakistan also relies on imports of LNG and oil to meet a portion of its energy demand – for example, around 80% of its oil is imported from Saudi Arabia and the UAE.

**Growing Role of Renewables:** While fossil fuels currently remain dominant, Pakistan has been actively working to diversify its energy mix and promote renewable energy sources. The share of renewable energy, including hydropower, wind, solar, and biomass, has been steadily increasing. As of 2022, renewables accounted for 6.4% of the country's installed capacity.

**Hydropower Potential:** Pakistan has significant hydropower potential due to its mountainous terrain and rivers. Hydropower plays

a crucial role in the energy mix, contributing 24.29% of the country's electricity generation capacity (while being the source for 9.2% of its energy consumed). Projects like the Mangla Dam (1,070 MW) and Tarbela Dam (4,888 MW) are key hydropower installations in Pakistan.

**Natural Gas Dependency:** Pakistan heavily relies on natural gas for electricity generation, heating, and industrial processes. However, the country has been facing a natural gas shortage, leading to energy supply challenges. Efforts are underway to address this issue through initiatives like importing liquefied natural gas (LNG) and exploring new gas reserves. For example, Pakistan relies on imports of LNG as the source of around 6-10% of its primary energy supplies (6.66% in 2021), mainly from Qatar and Oman, though this percentage has been declining in recent years.

**Nuclear Power Contribution:** Nuclear power also contributes to Pakistan's energy mix. The country has several nuclear power plants, including the Chashma Nuclear Power Plant



and the Karachi Nuclear Power Plant. Nuclear plants account for approximately 8.27% of the installed capacity in Pakistan.

## FIVE NOTABLE RENEWABLE ENERGY PROJECTS

The renewable energy sector, including solar and wind power, has seen significant growth, with an installed capacity of over 2,837 MW in 2022, up from 1,779 MW in 2018<sup>1</sup>. The government has set an ambitious target of 30% energy production from renewable sources (excluding hydro) by 2030 - it was just 6.4% in 2022. In 2022, the installed capacity for wind power was 1,838 MW, an increase of 590 MW from the previous year. The installed capacity for solar power was 530 MW, an increase of 100 MW from the previous year.

- **Quaid-e-Azam Solar Park:** Located in Bahawalpur, Punjab, the Quaid-e-Azam Solar Park is the largest solar power project in Pakistan. With a total planned installed capacity of 1,000 MW (currently at 100 MW), it spans over 10,000 acres and consists of multiple phases. The project has helped Pakistan significantly increase its solar energy generation.

- **The Sindh Solar Energy Project (SSEP):** The SSEP aims to increase solar power generation and access to electricity in the Sindh Province. The project has made significant strides, with solar installations completed at 33 out of 34 designated sites. The provincial government has decided to install solar panels in all districts of the province, with 200,000 units/houses to be solarized in rural and urban areas. This initiative is supported by the World Bank, which will provide a subsidy of \$160 per unit/house in rural areas and \$110 in urban areas. The project includes 4 components: utility-scale solar, distributed solar, solar home systems, and capacity building and technical assistance components. (Source: Sindh Solar Energy Project)

- **Masood Spinning Mills Solar Power Plant:** Pakistan's garment sector can be praised for its pioneering use of rooftop solar installations. A great example is the 7 MW Grid Tied Solar

Power Plant installed by Masood Spinning Mills, located In Kabirwala. Installed by DSG Energy, the solar plant is made up of 3 MW of rooftop solar, and 4 MW of ground-mounted panels.

- **Sachal Wind Farm:** Situated in Jhimpir, Sindh, the Sachal Wind Farm is one of the largest wind power projects in Pakistan. With an installed capacity of 49.5 MW, it consists of 50 wind turbines and has been a key contributor to the country's wind energy capacity. The project harnesses the Sindh region's strong winds to generate clean and renewable electricity.

- **UEP Wind Farm:** The UEP Wind Farm, situated in Gharo, Sindh, is currently the largest wind power project in Pakistan. With an installed capacity of 99 MW, it comprises 33 wind turbines. The project has played a crucial role in expanding Pakistan's wind energy capacity and reducing carbon emissions.

## WIND PROJECTS IN PAKISTAN (JUNE 2022)

Figure 21 Wind Projects in Pakistan (Source: NEPRA State of the Industry Report 2022)

Power Station	Plant Location	Type of Power Station	2018*	2019*	2020*	2021*	2022*	Dependable Capacity as of June 2022
<b>D1: Wind Power Projects</b>								
Zorlu Enerji Pakistan	Thatta, Sindh	WTs	56	56	56	56	56	56
FFC Energy	Thatta, Sindh	WTs	50	50	50	50	50	50
Three Gorges First Wind Farm	Thatta, Sindh	WTs	60	60	60	60	50	50
Foundation Wind Energy-I	Thatta, Sindh	WTs	50	50	50	50	50	50
Foundation Wind Energy-II	Thatta, Sindh	WTs	50	50	50	50	50	50
Sapphire Wind	Thatta, Sindh	WTs	53	53	53	53	53	53
Yunus Energy	Thatta, Sindh	WTs	50	50	50	50	50	50
Metro Power Company	Thatta, Sindh	WTs	50	50	50	50	50	50
Gul Ahmad Wind	Thatta, Sindh	WTs	50	50	50	50	50	50
Master Wind Energy	Thatta, Sindh	WTs	50	50	50	50	50	50
Tenaga Generasi	Thatta, Sindh	WTs	50	50	50	50	50	50
HydroChina Dawood Power	Thatta, Sindh	WTs	50	50	50	50	50	50
Sachal Energy Development	Thatta, Sindh	WTs	50	50	50	50	50	50
UEP Wind Power	Thatta, Sindh	WTs	99	99	99	99	99	99
Artistic Wind Power	Thatta, Sindh	WTs	50	50	50	50	50	50
Act Wind (formerly Tapal Wind)	Thatta, Sindh	WTs	30	30	30	30	30	30
Hawa Energy	Thatta, Sindh	WTs	50	50	50	50	50	50
Jhimpir Power	Thatta, Sindh	WTs	50	50	50	50	50	50
Three Gorges Second Wind Farm	Thatta, Sindh	WTs	50	50	50	50	50	50
Three Gorges Third Wind Farm	Thatta, Sindh	WTs	50	50	50	50	50	50
Tricon Boston Consulting-A	Thatta, Sindh	WTs	-	50	50	50	50	50
Tricon Boston Consulting-B	Thatta, Sindh	WTs	-	50	50	50	50	50
Tricon Boston Consulting-C	Thatta, Sindh	WTs	-	50	50	50	50	50
Zephyr Power	Thatta, Sindh	WTs	-	50	50	50	50	50
Lucky Renewables Pvt. Ltd (TRICOM)	Thatta, Sindh	WTs	-	-	-	-	50	50
Master Green Energy Ltd	Thatta, Sindh	WTs	-	-	-	-	50	50
Act 2 Din Wind Pvt Ltd	Thatta, Sindh	WTs	-	-	-	-	50	50
Artistic Wind Power Pvt. Ltd	Thatta, Sindh	WTs	-	-	-	-	50	50
Indus Wind Energy Limited	Thatta, Sindh	WTs	-	-	-	-	50	50
Lakeside Energy	Thatta, Sindh	WTs	-	-	-	-	50	50
Liberty Wind Power-I	Thatta, Sindh	WTs	-	-	-	-	50	50
Din Energy Ltd	Thatta, Sindh	WTs	-	-	-	-	50	50
Gul Ahmed Electric Limited	Thatta, Sindh	WTs	-	-	-	-	50	50
Liberty Wind Power-II (Pvt.) Ltd.	Thatta, Sindh	WTs	-	-	-	-	50	50
NASDA Green Energy (Pvt) Limited	Thatta, Sindh	WTs	-	-	-	-	50	50
Metro 2 Wind Power Limited	Thatta, Sindh	WTs	-	-	-	-	50	50
<b>Total Wind Power Projects</b>			<b>1,048</b>	<b>1,248</b>	<b>1,248</b>	<b>1,248</b>	<b>1,838</b>	<b>1,838</b>

## SOLAR PROJECTS IN PAKISTAN (JUNE 2022)

Figure 22 Solar Projects in Pakistan (Source: NEPRA State of the Industry Report 2022)

Power Station	Plant Location	Type of Power Station	2018*	2019*	2020*	2021*	2022*	Dependable Capacity as of June 2022
<b>D2: Solar Power Projects</b>								
Quaid-e-Azam Solar Park	Bahawalpur, Punjab	Solar	100	100	100	100	100	100
Appolo Solar Development	Bahawalpur, Punjab	Solar	100	100	100	100	100	100
Best Green Energy	Bahawalpur, Punjab	Solar	100	100	100	100	100	100
Crest Energy	Bahawalpur, Punjab	Solar	100	100	100	100	100	100
AJ Power	Khushab, Punjab	Solar	12	12	12	12	12	12
Harappa Solar	Sahiwal, Punjab	Solar	18	18	18	18	18	18
Zhenfa Pakistan New Energy Company Limited	Layyah, Punjab	Solar	-	-	-	-	100	100
<b>Total Solar Power Projects</b>			<b>430</b>	<b>430</b>	<b>430</b>	<b>430</b>	<b>530</b>	<b>530</b>

# TOP GENERAL TRENDS FOR PAKISTAN IN 2023

**Population Growth:** Pakistan has one of the fastest-growing populations in the world. With an estimated population of over 233 million in 2021, the country faces significant demographic challenges. The population growth rate, estimated at around 2% per year, means that Pakistan adds approximately 4-5 million people to its population annually.

**Urbanization:** Pakistan is experiencing rapid urbanization, with a significant shift of the population from rural to urban areas. As of 2022, approximately 37% of Pakistan's population (87 million people) resides in urban areas, and this number is projected to increase to 56% by 2050. Karachi, the largest city, is expected to become the world's fourth most populous city by 2030.

**Digital Transformation:** Pakistan has made remarkable progress in digital transformation in recent years, supported by government policies such as the Pakistan Vision 2025 and the Digital Policy of Pakistan 2018. With over 114 million internet users as of January 2022, the internet penetration rate has reached around 49%, with 31.5% active social media users, Mobile phone penetration is even higher at 82%, with over 191 million mobile subscribers. E-commerce is also thriving, with an estimated market size of \$6 billion in 2021, projected to be \$9 billion in 2023. (Source: OICCI: Recommendations for Digital Transformation in Pakistan)

**Economic Challenges:** Pakistan faces various challenges and is currently working hard to restore confidence in its economy. The fiscal deficit stood at 6.7% of GDP in the fiscal year 2023 (Source: World Bank), and inflation has been fluctuating between 10 and 30% in recent years. Unemployment remains a concern, with an estimated unemployment rate of 8.5% in 2023 (Source: IMF). External debt was around

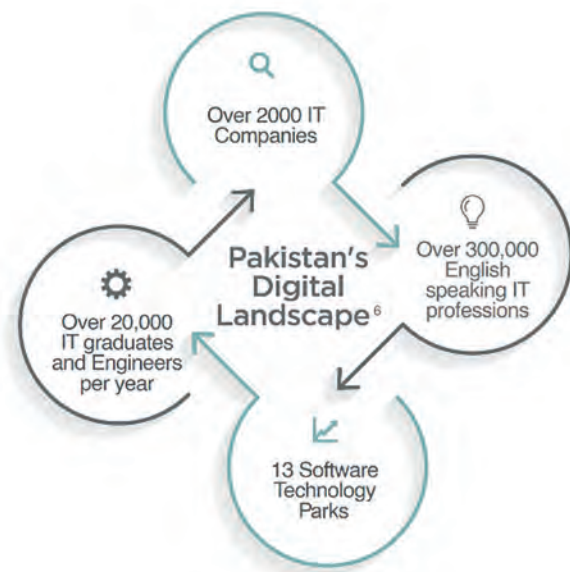
22% of GDP in 2023, surpassing \$84 billion, posing challenges to debt sustainability.

**Security and Regional Dynamics:** Pakistan's security situation and regional dynamics have significant implications for its domestic and foreign policies. The country has made significant strides in improving security and combating terrorism, but challenges persist. Regional dynamics, particularly the relationship with India and the evolving situation in Afghanistan, impact security, geopolitics, and economic cooperation.

**Energy Transition:** Pakistan is transitioning its energy mix to meet growing demand, enhance energy security, and reduce reliance on fossil fuels. The country has a significant energy deficit, leading to power outages and energy shortages. Pakistan is investing in renewable energy sources such as wind, solar, and hydro-power. The government aims to achieve 30% renewable energy in the energy mix by 2030.

**Climate Change Resilience:** Pakistan is among the top ten countries most affected by climate change, as stated in the Global Climate Risk Index 2021. Extreme weather events, water scarcity, and glacial melt are likely to impact Pakistan in the coming years. The government has launched initiatives to address climate change and promote sustainability, such as the Billion Tree Tsunami afforestation project.

Figure 23 Pakistan's Digital Landscape (Source: OICCI)





# PAKISTAN SWOT

## STRENGTHS

**Strategic Geographical Location:** Pakistan's location at the crossroads of South Asia, Central Asia, and the Middle East provides access to a market of over 3 billion people. It offers opportunities for trade, investment, and regional connectivity.

**Young and Growing Workforce:** With a population of over 233 million, Pakistan has a large and young workforce, with a median age of approximately 22.8 years (2021 estimate).

**Agricultural Potential:** Agriculture is a significant sector in Pakistan, employing around 38% of the workforce and contributing approximately 22.7% to the country's GDP. Pakistan is the 5th largest milk producer, 11th largest wheat producer, and 12th largest rice producer in the world. (Source: FAO Stat)

**Nuclear Power Generation:** Pakistan operates several nuclear power plants, contributing around 10% of the country's electricity generation. It aims to increase the share of nuclear power in the energy mix to reduce reliance on fossil fuels and address the energy deficit.

**Expanding Consumer Market:** Pakistan's middle class is growing, with an estimated 55 million people belonging to the middle-income group. This presents opportunities for consumer-oriented industries such as retail, automotive, telecommunications, and e-commerce.

## WEAKNESSES:

**Infrastructure Challenges:** Pakistan faces infrastructure constraints, with inadequate transportation networks, power shortages, and limited access to clean water and sanitation facilities. The country needs substantial investment in infrastructure development to support economic growth.

**Security Concerns:** Pakistan has experienced security challenges, including terrorism and

regional conflicts, which have impacted investor confidence, tourism, and overall stability. Efforts to improve security measures are crucial for sustained development.

**Education and Skill Gap:** Pakistan's education system faces challenges related to quality, access, and skill development. The literacy rate stands at around 60%, with a significant gender disparity. Improving skills is necessary to meet the demands of a rapidly evolving job market.

## OPPORTUNITIES

**China-Pakistan Economic Corridor (CPEC):** The CPEC is a flagship project under China's Belt and Road Initiative, with an estimated investment of over \$62 billion. It aims to develop infrastructure, energy, and industrial projects, enhancing connectivity and boosting economic growth in Pakistan.

**Renewable Energy Development:** Pakistan has significant potential for renewable energy sources. It aims to increase the share of renewable energy in the energy mix to 30% by 2030. The country has abundant solar resources, with an average solar radiation of 5 to 7 kWh/m<sup>2</sup> per day, making it suitable for solar power generation.

**Technology and Innovation:** Pakistan's IT industry has been growing, with a steady increase in IT exports. The government is promoting the IT sector through policies and incentives, aiming to position Pakistan as a regional technology hub. The technology sector offers opportunities for job creation, entrepreneurship, and innovation.

**New Economic Revival Plan Pakistan 2023-2035:** On 20 June 2023, a new Economic Revival Plan was launched aiming to elevate Pakistan's export targets up to \$70 billion, and for Pakistan to become a \$1 trillion dollar economy by 2035. The plan focuses on untapped potential in key sectors like garments, defense, agriculture, and IT, and focusing incrementally on trade with regional giants such as China and India. (Source: Pakistan Observer).



## THREATS

**Security Challenges:** Ongoing security concerns, both internal and external, pose threats to stability, investor confidence, and economic progress. Efforts to address security issues and maintain law and order are crucial for sustained development.

**Economic Volatility:** Pakistan's economy is exposed to global economic trends, trade policies, and external shocks. In recent years, the country has faced challenges such as currency depreciation, inflation, and balance of payments issues. Managing economic volatility and implementing sound macroeconomic policies are essential for sustainable growth.

**Water Scarcity:** Pakistan faces water scarcity challenges due to population growth, climate change, and mismanagement of water resources. The country is categorized as "water-stressed," and it is estimated that Pakistan may run out of water by 2025 if proper measures are not taken. Ensuring water security, efficient water management, and investment in water infrastructure are critical for sustainable development.

## PAKISTAN 2050

From the perspective of a futurist, Pakistan in 2050 could have achieved the following:

**Economic Powerhouse:** Pakistan's economy has flourished, becoming one of the fastest-growing economies in the world. The country has diversified its industries, attracting foreign direct investment (FDI) across sectors such as manufacturing, technology, and services. Robust infrastructure development, including modern transportation networks, state-of-the-art ports, and smart cities, has enhanced connectivity, and facilitated seamless trade and investment.

**Energy Self-Sufficiency:** Pakistan has successfully overcome its energy challenges by harnessing a diverse and sustainable energy mix. The country has invested heavily in renewable energy sources such as wind, solar, and hydropower, reducing its reliance on fossil fuels. With efficient energy generation and distribution systems, Pakistan has achieved energy self-sufficiency, ensuring uninterrupted power supply for its industries, businesses, and households.



**Technological Advancement:** Pakistan has emerged as a global technology hub, fostering innovation and entrepreneurship. The country has made significant strides in information technology, telecommunications, and digital infrastructure. The tech-savvy population has access to cutting-edge technologies, driving advancements in areas such as artificial intelligence, robotics, and biotechnology, and this has been the leading contributor to Pakistan's high tech-export growth.

**Knowledge Economy:** Pakistan has prioritized education and research, establishing world-class universities and research institutions. The focus on science, technology, engineering, and mathematics (STEM) education has fueled innovation and created a skilled workforce capable of meeting global challenges. Pakistan has become a hub for research and development, attracting leading scientists, researchers, and academics from around the world.

**Sustainable Development:** Pakistan has prioritized sustainable development, focusing on environmental conservation, climate change mitigation, and sustainable agriculture practices. The country has preserved its natural resources, protected its biodiversity, and adopted eco-friendly policies. Through initiatives like afforestation, water conservation, and clean energy adoption, Pakistan has become a model for environmental stewardship.

**Tourism Paradise:** Pakistan's breathtaking landscapes, rich cultural heritage, and historical sites have made it a top destination for global travelers. The country's diverse geography offers opportunities for adventure

tourism, wildlife exploration, and cultural experiences. Ancient archaeological sites, architectural marvels, and vibrant cultural festivals showcase Pakistan's rich heritage. The thriving tourism industry has created employment opportunities, boosted local economies, and fostered cross-cultural exchange.

**Flourishing and Stable Democracy:** political stability stands as a cornerstone for the nation's progress and prosperity. The government operates transparently and efficiently, with a strong adherence to democratic principles and the rule of law. This stability fosters a conducive environment for economic growth, attracting foreign investments and promoting local businesses. It also ensures the protection of human rights and social justice, contributing to a harmonious and inclusive society. The political landscape is characterized by a vibrant democracy, with active participation from citizens and a robust system of checks and balances that holds leaders accountable.

It's important to note that this is a speculative vision, and the actual future of Pakistan in 2050 will be shaped by a multitude of factors, including government policies, global dynamics, technological advancements, and societal changes.



# A DEEP DIVE INTO PAKISTAN'S GARMENT SECTOR



## HISTORY

**Early Beginnings:** The garment and textile industry in Pakistan has a rich history that dates to the pre-independence era. Textile manufacturing was one of the key industries in the region, with a focus on producing high-quality fabrics.

**Post-Independence Growth:** After the creation of Pakistan in 1947, the garment and textile sector witnessed significant growth. The industry became an integral part of the country's economy and played a vital role in generating employment and foreign exchange earnings.

**Government Support:** The government of Pakistan recognized the potential of the garment and textile sector and implemented policies to promote its growth. In the 1950s and 1960s,

several initiatives were taken to modernize the industry, improve infrastructure, and encourage exports.

**Shift to Cotton:** Pakistan has a strong agricultural base, particularly in cotton production. The availability of raw materials, combined with favorable climatic conditions, led to a shift towards cotton-based textiles, making it a dominant segment of the industry. In 2020, Pakistan produced approximately 9.5 million bales of cotton.

**Export-Oriented Approach:** In the 1970s and 1980s, Pakistan shifted its focus towards export-oriented production. The industry began catering to international markets, especially Europe and the United States, by producing a wide range of garments and textiles. In 2020, Pakistan's textile exports reached approximately \$12.5 billion.



**Global Competitiveness:** Pakistan's garment industry has gained recognition for its competitiveness in the global market. The country is known for producing high-quality garments at competitive prices, attracting international buyers and brands.

**Value Addition:** With time, the sector moved beyond basic textile production and started focusing on value addition. Pakistani manufacturers began offering a range of finished textile products, including woven and knitted garments, home textiles, and denim products. The value-added segment of the textile industry accounts for a significant (and growing) portion of Pakistan's textile exports.

**Industry Consolidation:** The garment and textile sector witnessed consolidation as large-scale textile mills and vertically integrated units emerged. This consolidation helped streamline

operations, achieve economies of scale, and enhance competitiveness.

**Employment Generation:** The garment and textile sector is a major source of employment in Pakistan, providing livelihoods for millions of people. It is estimated that the industry employs over 15 million workers indirectly and around 3.7 million directly.

**Sustainable Practices:** In recent years, there has been a growing emphasis on sustainable practices in the garment and textile sector. Pakistani manufacturers have attempted to adopt eco-friendly production processes, introduced organic and recycled textiles, and implemented social compliance standards. The industry is increasingly focusing on sustainable and responsible manufacturing practices.

## KEY PIONEERS OF THE INDUSTRY

**Pakistan Textile Exporters Association (PTEA):** PTEA focuses on representing and supporting textile exporters in Pakistan. It works to enhance the export performance of the textile sector, address industry challenges, and facilitate trade opportunities for its members.

**Pakistan Hosiery Manufacturers and Exporters Association (PHMA):** PHMA represents the interests of the hosiery industry in Pakistan, which includes the production and export of knitted garments and textiles. It works towards improving the competitiveness of the sector and promoting its products in the global market.

**All Pakistan Textile Mills Association (APTMA):** APTMA is one of the most prominent industry associations representing the textile sector in Pakistan. It aims to promote and protect the interests of spinning and textile mills

and provides a platform for collaboration and advocacy.

**Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA):** PRGMEA is a leading association dedicated to promoting and supporting the readymade garments sector in Pakistan. It works towards enhancing the competitiveness and growth of the industry through advocacy, networking, and capacity building.

**Pakistan Cotton Fashion Apparel Manufacturers and Exporters Association (PCFAMEA):** PCFAMEA is an association dedicated to the promotion and development of the cotton fashion apparel sector in Pakistan. It focuses on enhancing the quality, value, and competitiveness of cotton apparel exports.

**Pakistan Towel Manufacturers Association (PTMA):** PTMA represents the interests of towel manufacturers in Pakistan. It aims to promote the growth and development of the towel industry, address industry-specific challenges, and facilitate collaboration among its

members. PTMA plays a vital role in advocating for the interests of towel manufacturers and supporting their efforts to enhance product quality, competitiveness, and market access.

**The Pakistan Textile Council (PTC):** PTC is a not-for-profit public limited company established with the support of Pakistan's Ministry of Commerce. It serves as a research, advocacy, and impact acceleration platform for Pakistan's textile and apparel sector. The PTC's mission is to shape a path of sustainable growth for Pakistan's textile and apparel sector and deliver economic and societal impact. It has 28 members, representing the largest exporters in the country.

## SUCCESS FACTORS

**Competitive Labor Costs:** Pakistan offers competitive labor costs in the garment sector, which attract cost-conscious manufacturers. At between \$92 and \$115 per month, the minimum wage for garment workers in Pakistan is comparatively lower than in many other countries, making it an attractive destination for cost-effective production.

**Huge, Young Workforce:** Pakistan has a huge working age population, and within that population, has developed a skilled workforce with expertise in garment production. The industry has trained workers in various aspects, includ-

ing sewing, cutting, quality control, and management.

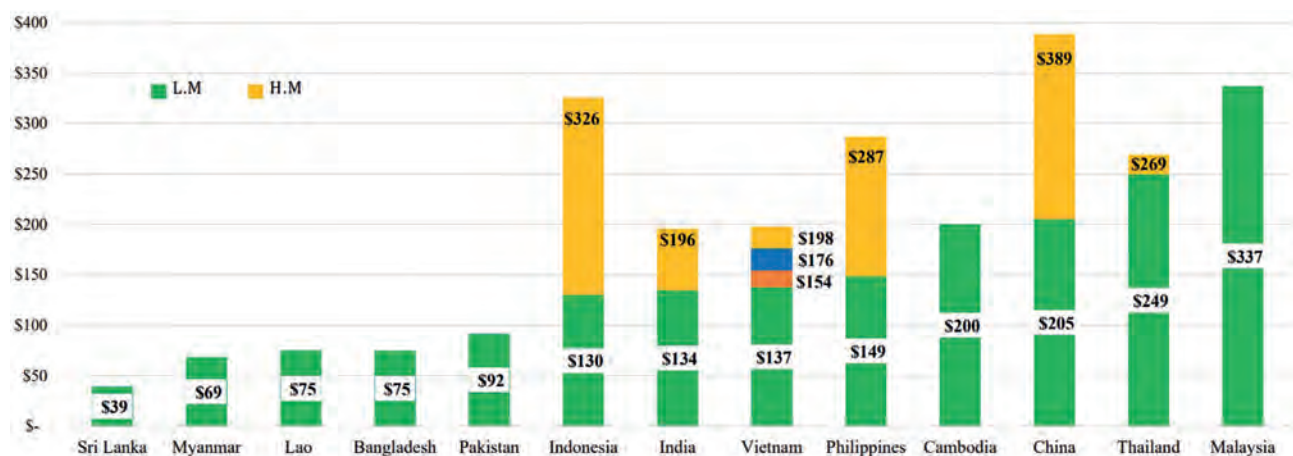
**Favorable Trade Agreements:** Pakistan benefits from the Generalized System of Preferences (GSP) programs of the European Union (EU) – GSP+, Switzerland, Norway, Turkey, UK, USA, Canada, Australia, New Zealand, Japan, Russia, Belarus, and Kazakhstan. These agreements enhance Pakistan's competitiveness and facilitate its garment exports to countries around the world.

**Supply Chain Integration:** The garment industry in Pakistan has developed a robust supply chain network. It has established strong linkages with suppliers (both domestic and international) of raw materials, such as cotton, fabric, yarn, and accessories. This integration helps streamline production processes, reduce lead times, and ensure the availability of necessary inputs. The next challenge is using the increasingly vertically integrated factories to produce higher value products.

**Infrastructure Development:** Pakistan has made significant investments in infrastructure to support the garment sector. The country has developed industrial zones and dedicated facilities for garment manufacturing, providing necessary infrastructure, utilities, transportation, and logistics support.

**Market Diversification:** Pakistan has diversified its export markets beyond traditional

Figure 24 Minimum Wage of Selected Countries (Source: MoLVT of Cambodia)



destinations. The country has expanded its presence in emerging markets, exploring new opportunities, and reducing reliance on a few key markets.

**Sustainability and Compliance:** Pakistan has made efforts to address sustainability and compliance issues in the garment industry. It has implemented safety measures, improved building standards, and enhanced worker rights and welfare. The industry is striving to ensure compliance with international standards and improve sustainability practices. A clear example of governmental efforts towards compliance was the establishment of the National Compliance Center on April 19th, 2023.

**Proactive Government Support:** The government of Pakistan has been proactive in supporting the garment industry's growth. It has implemented policies and initiatives to attract foreign investment, promote exports, and create a favorable business environment. The government has also established regulatory bodies and compliance mechanisms to ensure workplace safety, labor rights, and environmental sustainability.

**Current Textile & Apparel Strategy 2020-2025:** The Textiles and Apparel Policy 2020-25 aims to address the challenges faced by Pakistan's textiles and apparel industry in the global trade landscape. These challenges include globalization, technological advancements, regulatory compliance, and meeting world-class performance standards. Despite barriers to trade, the industry has achieved record exports in 2022.

The policy focuses on:

- Creating a business-friendly environment
- Reducing the cost of doing business
- Capacity building
- Promoting "Made in Pakistan"
- Enhancing collaboration between public and private stakeholders

The Strategy details several tangible objectives, aiming to accomplish the following:

- Revitalization of the Karachi Garment and Cotton City (KGCC) and formulation of new

business plans.

- Establishment of new garment cities in areas with dense populations.
- Adding buildings in the Lahore Garment and Cotton City (LGCC) and Faisalabad Garment and Cotton City (FGCC).
- Establishment of Combined Effluent Treatment and Water Recycling Plants in textile/garment cities.
- Granting Special Economic Zone (SEZ) status to existing and new textile and garment cities.
- Facilitation measures for international buying houses to establish their offices in Pakistan.
- Strengthening the Trade Dispute Resolution Organization (TDRO) to address trade disputes.
- Strengthening the role of textiles and apparel associations in promoting technology upgradation, compliance with standards, market diversification, sustainability, and corporate social responsibility.
- Support to mitigate the impact of COVID-19 on the sector.

**Increasing Focus on High Value Add Products:** Though with much progress to be made, Pakistan aims to prioritize higher-value garments and textiles such as woven and knitwear. Below are the 2022 USD values for major product types.

By leveraging these success factors, and implementing its latest sector strategy, Pakistan's garment sector has positioned itself as a competitive player in the global textile and apparel industry, attracting international buyers and contributing to the country's economic growth.

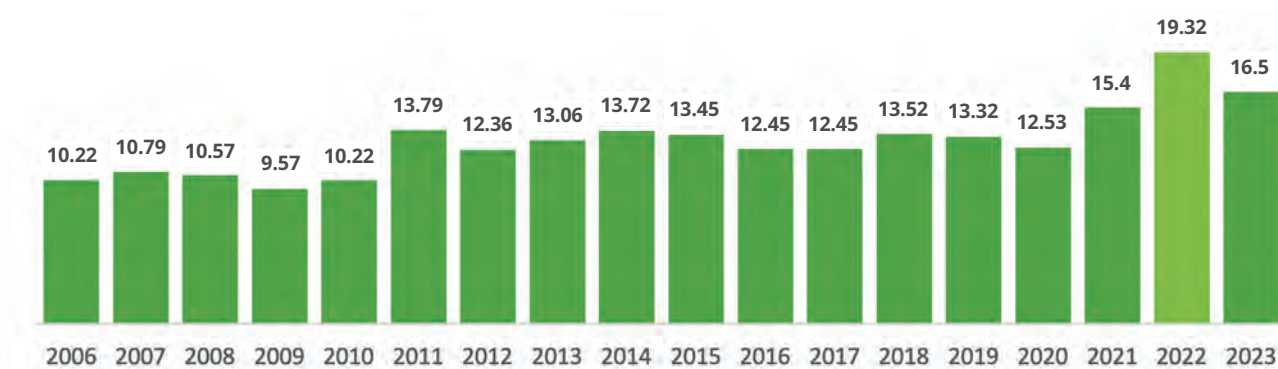
**Figure 25 Average Export Value of Textile Products from Pakistan (Source: National Textile University of Pakistan)**

Cotton Yarn	2.83	US\$/Kg
Yarn other than Cotton	2.98	US\$/Kg
Cotton Cloth	5.11	US\$/Kg
Towels	5.15	US\$/Kg
Bed Wear	6.28	US\$/Kg
Knitwear	19.73	US\$/Dozen
Readymade Garments	38.17	US\$/Dozen



## EXPORT HISTORY

Figure 26 Apparel & Textile Exports FY '06-'23 (US \$ Billions) (Source: APTMA)



## EXPORT PROJECTIONS

Figure 27 Export Projections (Source: Pakistan Textile & Apparel Policy 2020-2025)

Fiscal year	Model Based Projections				Projections based on export target of FY 2021-22
	Scenario	Value-Added Textiles (Apparel, Made ups, and Carpets)	Textiles	Total	
2020-21	-	11,955	3,497	15,452	-
2021-22	I	11,418	3,064	14,482	20,000*
	II	13,432	3,604	17,036	
	III	14,397	3,863	18,26	
2022-23	I	12,955	3,209	16,164	25,000*
	II	15,514	3,843	19,357	
	III	16,947	4,198	21,145	
2023-24	I	14,251	3,258	17,509	31,000*
	II	17,374	3,972	21,346	
	III	19,354	4,425	23,779	
2024-25	I	15,841	3,343	19,184	40,000*
	II	19,661	4,149	23,81	
	III	22,328	4,712	27,04	

Figure 28 World Textile & Clothing Exports 2022 (Source: National Textile University of Pakistan)

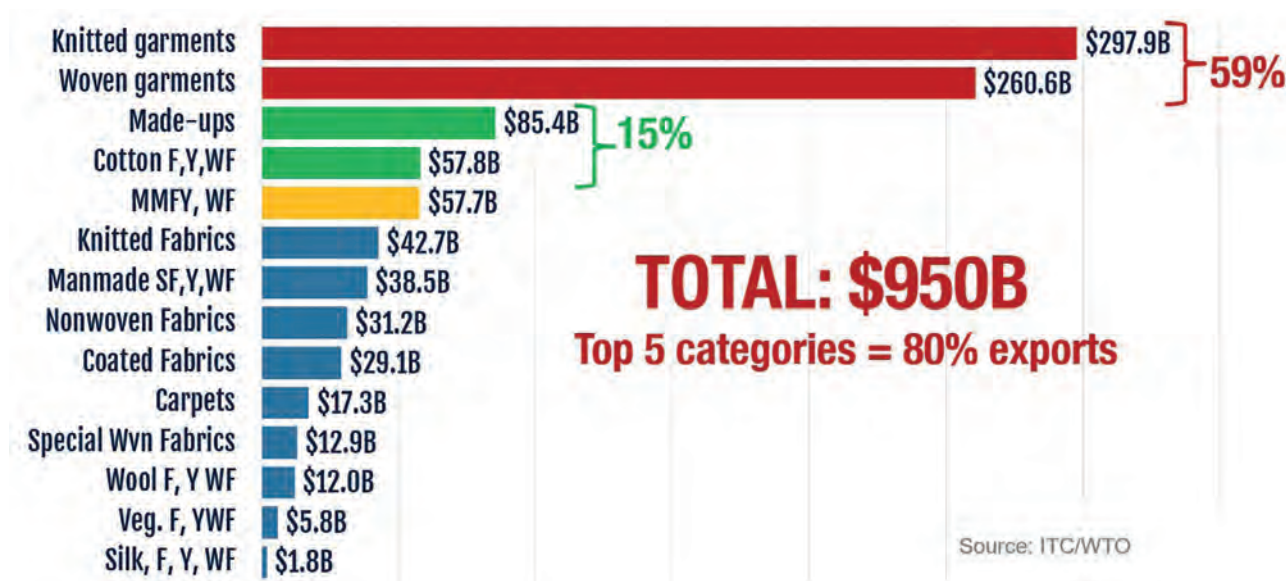


Figure 29 Pakistan Textile & Clothing Exports 2022 (Source: National Textile University of Pakistan)

HSCODE	PRODUCT	WORLD (US\$, 000)	BAN (US\$,000)	PAK (US\$,000)
50	Silk F,Y,WF	1,771,003	9	106
51	Wool, F,Y,WF	11,966,182	25	1,627
52	Cotton F,Y,WF	57,793,331	51,578	2,488,565
53	Veg.F,Y,WF	5,790,646	592,049	10,363
54	MMFY,WF	57,706,884	1,742	78,548
55	MMSFY,WF	38,535,204	5,772	139,556
56	Nonwoven Fabrics	31,238,660	31,853	9,059
57	Carpets, Floorcovering	17,255,689	50,574	85,019
58	Special Fabrics	12,876,437	7,442	17,172
59	Coated & Laminated Fabrics	29,065,369	5,1	6,445
60	Knitted Fabrics	42,663,080	6,248	77,214
61	Knitted Garments	297,850,842	30,996,895	5,918,146
62	Woven Garments	260,634,133	24,444,153	4,818,828
63	Madeups & Home Textiles	85,412,428	1,516,996	5,818,045
	<b>TOTAL</b>	<b>950,559,888</b>	<b>57,710,436</b>	<b>19,468,493</b>

# PAKISTAN GARMENT SECTOR: MAJOR CHALLENGES

In 2023, the Pakistan garment sector faces several significant challenges.

**Impact of the COVID-19 Pandemic:** The COVID-19 pandemic and the post pandemic recovery continues to pose challenges for the garment sector. Supply chain disruptions, reduced demand, and factory closures have affected production and export capabilities. The sector has been grappling with decreased orders, delayed payments, and financial constraints, impacting the overall growth of the industry.

**Rising Production & Fluctuating Energy Costs:** Pakistan has been experiencing an increase in production costs, primarily driven by factors such as rising wages, inflation, energy, and the implementation of safety and compliance measures. This puts pressure on profit margins for garment manufacturers, especially amidst fierce global competition.

**Tariff Rationalization:** The sector faces tariff escalation in the value chain, which amongst other issues, discourages domestic value addition and makes it less competitive. Tariff rationalization is necessary to encourage invest-

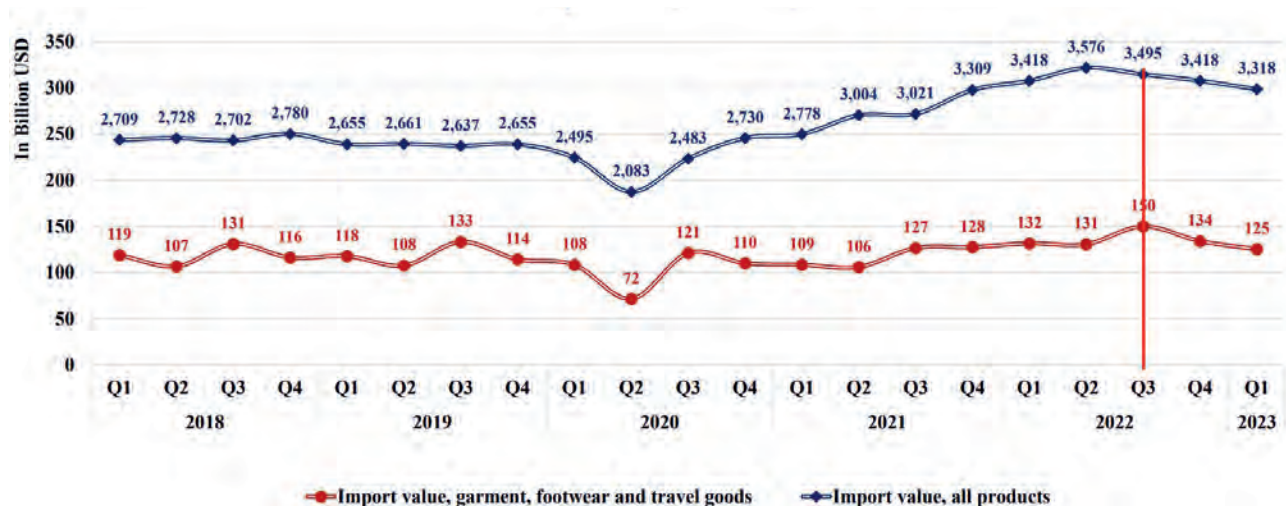
ment, increase exports, and diversify products, and was listed as a priority of the new Textile & Apparel Strategy 2020-2025.

**Compliance and Safety Standards:** While significant progress has been made in addressing safety and compliance issues in the garment sector, there is still room for improvement. Ensuring proper working conditions, fire safety, and structural integrity in factories remains a challenge. Continuous efforts are required to enhance safety standards and compliance throughout the industry.

**Labor Rights and Worker Welfare:** Ensuring labor rights and worker welfare remains an ongoing challenge. Issues such as fair wages, working hours, workers' representation, and gender equality need to be addressed to improve the overall well-being of workers in the garment sector. Upholding workers' rights and creating a conducive working environment are critical aspects that require sustained attention.

**Environmental Sustainability:** With growing concerns over environmental sustainability, the garment sector faces pressure to adopt eco-friendly practices. The industry's heavy reliance on water, energy, and chemicals, coupled with waste generation, poses environmental challenges. Embracing sustainable practices and adopting green technologies is essential to reduce the sector's ecological footprint.

Figure 30 Global Consumer Goods Imports 2018 to Q1 2023 (Source: ITC, MoLVT of Cambodia)





**Skill Development and Innovation:** As global fashion trends evolve, the garment sector in Pakistan needs to adapt to changing consumer preferences and market demands. Investing in skill development and fostering innovation in design, product development, and technology adoption is crucial to enhance competitiveness and maintain market relevance.

**Market Diversification:** Overreliance on a few key export markets, such as the United States (23% of garment & textile exports) and the European Union (42% of garment & textile exports), leaves the garment sector vulnerable to market fluctuations. Expanding into new markets (such as the Middle East) and diversifying export destinations can help mitigate risks and create additional growth opportunities.

**Infrastructure Development:** Adequate infrastructure, including reliable power supply, transportation networks, and logistics facilities, is essential for the smooth functioning of the garment sector. Investments in infrastructure

development are needed to support the industry's growth and improve efficiency.

Addressing these challenges requires collaboration among stakeholders, including the government, industry players, international buyers, and civil society organizations. By tackling these issues, the Pakistan garment sector can sustain its growth trajectory and secure a stronger and more resilient future.



## 20 KEY STATISTICS

**1. \$31 billion:** The ambitious target set for textile exports in FY 2023/24 according to the "Textiles and Apparel Policy". (Source: Pakistan Ministry of Commerce)

**2. \$950 billion:** The approximate value of global textile and garment exports in 2022.

**3. \$19.329 billion:** The value of textile and garment exports from Pakistan in the fiscal year 2021-2022. (Source: Fibre2Fashion).

**4. 25.53%:** The increase in textile and garment exports from Pakistan in fiscal year 2021-22, amounting to \$19.329 billion, compared to \$15.399 billion in the previous fiscal year 2020-2021.

**5. \$5.9 billion:** The value of Pakistan's higher value knitwear exports in 2022.

**6. \$4.8 billion:** The value of Pakistan's higher value woven exports in 2022.

**7. \$2.5 billion:** the value of Pakistan's cotton (carded or yarned) exports in 2022 - potential for value add.

**8. \$16.5 billion:** The total value of Pakistan's textile exports during FY 2022-2023, representing a 15% year-on-year decrease in tricky market conditions. (Source: Economic Times)

**9. \$42.6bn:** The total garment and textile exports from nearby Bangladesh in 2021-22.

**10. \$6.27 billion:** Raw materials imported for the garment & textile sector in 2021. 45.2% from China, 11.7% USA, 5.06% from Brazil.

**11. 3.7 million:** The approximate number of workers employed in the textile and garment industry in Pakistan in 2022, making it one of the largest employers in the country.

**12. 32,000 Pr:** \$111.88 per month minimum wage. Reflecting the impact that inflation is having on the countries garment workers.

The minimum wage rose from 25,000 to 32,000 Pr in July 2023.

**13. 25%:** The percentage of female workers in Pakistan's garment industry, emphasizing the sector's contribution to women's empowerment and economic participation.

**14. 40%:** The percentage of Pakistan's total manufacturing labor force that is employed in the textile industry, emphasizing the sector's substantial role in providing employment opportunities.

**15. 2%:** The estimated percentage share of the world's garment and textile export market by Pakistan (2022).

**16. 8.5%:** Contribution of the textile industry to Pakistan's GDP.

**17. 61%:** Textile and clothing exports accounted for over 61% of Pakistan's total exports in 2022. highlighting the industry's significant contribution to the country's economy. (Source: Innovation in Textiles)

**18. 6,300:** The estimated number of garment factories in Pakistan, highlighting the importance of the industry to domestic revenue generation. (Source: Pakistan Ministry of Commerce)

**19. 2014:** The year Pakistan was granted GSP+ trade preferences by the European Union, allowing trade to flourish with the important economic bloc.

**20. \$50 billion:** The textile sector of Pakistan is capable of harnessing \$50 billion for the economy of Pakistan, according to the latest World Bank Report. (Source: The Kootneeti)

## WHERE ARE THE FACTORIES?

**Karachi:** Karachi is home to a significant number of garment factories, with estimates ranging from 2,500 to 4,000, contributing substantially to Pakistan’s garment exports. It is the largest industrial and commercial city in Pakistan and plays a pivotal role in the country’s garment industry.

**Lahore:** Lahore boasts a considerable presence in the garment sector, with hundreds of garment factories operating in the city. It is estimated that Lahore houses around 1,500 to 2,000 garment factories, making it a major center for garment manufacturing in Pakistan.

**Faisalabad:** Faisalabad, known as the “Manchester of Pakistan,” is a key textile and garment hub in the country. It accommodates a significant number of garment factories, estimated to be between 800 and 1,000, contributing substantially to Pakistan’s garment exports.

**Sialkot:** Sialkot is recognized for its expertise in sports goods and garment manufacturing. It hosts a substantial number of garment factories, estimated to be around 500 to 700, specializing in sports apparel and other textile products.

**Multan:** Multan, a historic city in Pakistan, has been witnessing growth in the garment sector. It is estimated to have approximately 300 to 500 garment factories, contributing to the city’s role in garment manufacturing.

**Sargodha:** Sargodha is an emerging location for garment manufacturing in Pakistan, with an increasing number of garment factories being established. It is estimated that Sargodha currently has around 100 to 200 garment factories.

These locations, among others, contribute to Pakistan’s garment sector by providing manufacturing capabilities, employment opportunities, and contributing to the country’s textile and apparel exports.

## MAIN MARKET DESTINATIONS

Figure 31 Main Market Destinations 2022 (Source: OEC)

Market Destination	Percentage of Exports	Export Value (USD billions) in 2022
United States	23%	4.50
European Union (EU)	42%	8.14
China	5%	0.92
Middle East (UAE, Saudi)	2%	0.45
United Kingdom	9%	1.76
Canada	1%	0.23
Oceania	2%	0.31
African Countries	3%	0.63
Other	12%	2.32
<b>Total</b>	<b>100%</b>	<b>19.33</b>



# SWOT

## STRENGTHS

**Low-Cost Advantage:** Pakistan offers competitive labor costs in the garment and textile industry. The average monthly wage of a garment worker was approximately \$150, but with inflation of the Pakistani Rupee, this has now been pushed to around \$92-115.

**Vast & Skilled Workforce:** The garment and textile industry in Pakistan employs over 3.7 million workers directly.

**Vertical Integration:** Pakistan's garment and textile industry is vertically integrated, covering spinning, weaving, dyeing, printing, and garment manufacturing processes.

**Established Infrastructure:** Pakistan has a well-developed textile infrastructure, including specialized industrial zones and textile parks.

## WEAKNESSES

**Compliance Challenges:** Ensuring compliance with international labor standards and workplace safety regulations remains a challenge for the industry.

**Infrastructure Constraints:** Inadequate power supply and transportation infrastructure.

**Technology Adoption:** adoption of advanced technologies and digitalization in the sector is relatively low.

**Low Value Add:** Despite being the leading supplier of home textiles and hosiery products, Pakistan still ranks very low in exports of high-value-added products and accounts for less than two percent of the global export share.

**Low productivity:** The sector struggles with low productivity levels, which hinders its ability to meet international standards and compete effectively in the global market.

## OPPORTUNITIES

**Market Diversification:** Exploring new and emerging markets such as the Middle East can help expand export opportunities.

**Value-Added Products:** The production of value-added products, such as high-quality garments, designer wear, technical textiles, and home textiles, can command higher prices and attract premium market segments.

**Capacity Building:** Enhancing the industry's capacity to meet global standards and improve productivity, in line with the Textile & Apparel Strategy will improve Pakistan's ability to produce higher value products.

**E-commerce and Digital Transformation:** Embracing e-commerce platforms, mechanization and digital technologies can enhance market reach and efficiency.

**Rooftop Solar Proliferation:** In general, Pakistan's policies favor rooftop solar installations, with a growing number of factories adopting them. This could be a competitive advantage as buyers increasingly scrutinize supply chain carbon footprints.

## THREATS

**Global Competition:** Pakistan faces intense competition from other garment and textile-producing countries, including China, Bangladesh, India, and Vietnam.

**Energy Prices:** Pakistan's energy prices are low but fluctuate significantly.

**Raw Material Costs:** Fluctuations in the prices of raw materials, such as cotton, polyester, and dyes, can impact production costs and profitability.

**Cost of Doing Business:** domestic economic challenges have led to high inflation, in turn leading to unpredictable operating costs.

**Trade Policies and Tariffs:** Changes in international trade policies, tariffs, and trade barriers imposed by major markets can create uncertainties and affect export opportunities.

**Geopolitical and Security Risks:** Political instability, security concerns, and regional tensions can disrupt business operations, affect supply chains, and impact investor confidence.

## COMPARING COUNTRIES

### PAKISTAN & BANGLADESH

**Industry Size and Employment:** Bangladesh is the second-largest exporter of garments globally, with exports valued at \$34 billion in 2021, accounting for a significant portion of the country's total export earnings. The industry employs over 4 million workers, making it one of the largest employers in Bangladesh. In comparison, Pakistan's garment and textile

exports were valued at \$15.39 billion (2020-2021) and \$19.329 billion in 2021-2022, also contributing significantly to the country's export revenue and providing employment to a significant number of workers (3.7M) in the sector. Pakistan (225m) has a higher population than Bangladesh (166m).

**Minimum Wage:** In Bangladesh, the minimum wage for garment workers is around \$75-95 per month (depending on local currency fluctuations), while in Pakistan, the minimum wage varies by province and exchange rate and ranges from approximately \$92 to \$115 per month. It was recently increased to 32,000 PKR per month in Islamabad. It's important to note that minimum wages can vary within regions and sectors. Both Pakistan and Bangladesh have a lower minimum wage than other garment producing nations such as Vietnam, Cambodia, and China.

**Compliance and Safety Standards:** Both Bangladesh and Pakistan have been working towards improving compliance and safety standards in their garment sectors. Bangladesh has made significant progress in enhancing safety measures after the Rana Plaza collapse



in 2013. It's worth mentioning that the Accord, a legally binding agreement between brands and trade unions to improve workplace safety, has expanded its operations to Pakistan.

**Infrastructure and Logistics:** Bangladesh has made substantial investments in infrastructure development to support its garment industry, including transportation networks and port facilities. Pakistan also has a well-established infrastructure, including transportation systems and industrial zones, to facilitate garment production and export activities.

**Trade Agreements and Preferential Treatments:** Bangladesh benefits from trade agreements such as the Generalized System of Preferences (GSP) with several countries, granting duty-free and quota-free access to export markets. Pakistan also has preferential trade agreements, including the GSP+ status with the European Union, providing tariff concessions for its exports.

Figure 32 Country Comparison (Source: Various)

Factor	Cambodia	Bangladesh	Vietnam	Pakistan
Population (2022)	16.72 million	179 million	97.34 million	233 million
Total GDP (2022)	\$30.63bn	\$460.2bn	\$343.8bn	\$376bn
Garment Exports (2021)	\$11.2bn	\$31.4bn	\$32.75bn	\$15.39bn
Garment Exports (2022)	\$12.8bn	\$42.6bn	\$37.5bn	\$19.3bn
Growth Rate of Garment Exports (2021 to 2022)	14.29%	35.67%	14.50%	24.76%
Total Exports (2022)	\$22.4bn	\$59.28bn	\$371bn	\$39.42bn
Garments as % of Exports (2022)	57.14%	71.82%	10.11%	48.70%
Share of Global Garment Exports (2022) \$950bn Total, Source: ITC	1.3%	4.5%	3.9%	2%
Total Garment Factories (~)	1,321	7,000+	6,000+	6,3
Garment Sector Contribution to (% GDP)(2022)	~11%	~12%	8.30%	8.70%
Female Workforce Participation (%)	75.90%	60%+	70%+	25%+
Min. Wage for Garment Workers	\$200	\$75	\$137-198	\$92
Trade Union Density	Low	Moderate	Restricted	Low
Domestic Factory Ownership	3%	80%	54%	~80%+
EU Trade Preferences	EBA*	EBA	EU-Vietnam FTA	GSP+
Economic Impact of Garment Industry	Critical	Critical	Large Contributor	Critical
Annual Energy Consumption TWh (2021)	67 TWh	479 TWh	1,206 TWh	1,084 TWh
Average Cost for Electricity (US\$/kWh) (2021)	\$0.14	\$0.09	\$0.09	\$0.06
World Bank LPI (Logistics) Index 2023	2.8	2.4	3.3	2.2
Freshwater Consumption (2019) (billion m3)	2.18	35.87	81.86	177
Garment & Textile Workers (2022)	855,000	4.5M	3.5M	3.7M
Export Value per Worker (2022)	\$14,970	\$9,466	\$10,714	\$4,174
Export Market Diversification (%)	26% (EU)	66% (EU)	41% (EU)	11% (EU)
Government Initiatives	Supportive	Proactive	Supportive	Supportive

Note: Export Value per Worker (2022) is an indicative estimate, derived by dividing the total 2022 garment export value by the number of workers. It should not be confused with and does not reflect the value added per worker.

\*EBA was partially removed in Cambodia in 2020, affecting around 80% of its GFT exports.



# SUSTAINABILITY STORIES



**MINISTRY OF  
COMMERCE  
PAKISTAN**

## National Compliance Centre

The Government of Pakistan officially launched the National Compliance Centre (NCC) on April 19th, 2023, with the objective of enhancing the competitiveness, responsibility, and sustainability of businesses in the country. The initiative, led by the Ministry of Commerce, is the first of its kind in Pakistan and aims to ensure compliance with international labor, social, and environmental standards. It is supported by various stakeholders, including diplomatic partners such as the EU Delegation, industry representatives, and development organizations such as USAID, the World Bank, GIZ, and the International Labour Organization (ILO). The NCC employs a cluster-based approach to address key areas of compliance, including human rights, climate change, labor rights, quality assurance, and more.



## The Decent Work Country Programme for Pakistan (2023–27) (DWCP IV)

The ILO launched its 4th rendition of the DWCP on 4th May 2023. The DWCP is a collaborative initiative between the Government of Pakistan, workers' and employers' organizations, and the International Labour Organization (ILO). The program aims to promote decent work in Pakistan, focusing on economic recovery,

response to climate change, social protection coverage, international labour standards, and promoting safe, healthy, and gender-responsive workplaces. The ILO will assist in resource mobilization and provide technical cooperation for the implementation of DWCP IV.



## Sarena Textiles

a leading example in Pakistan's textile industry, Sarena emphasizes environmentally friendly production. As of 2022, Sarena has achieved a 33% reduction in water consumption, 29% energy savings, and approximately 90% emissions elimination. These initiatives save enough water for 6 million people annually and energy for 112,787 households, equivalent to avoiding the emissions of 9,828 cars yearly. The company focuses on sustainable sourcing, utilizing certified raw materials, and has recovered 1.4 million plastic bottles. Aiming for a fossil-free future, Sarena Textiles has a carbon footprint of 1.56 kg CO<sub>2</sub> eq./kg fabric and has sequestered 91 tons of CO<sub>2</sub>/year through plantations. Sarena also published sustainability reports each year.



## Interloop Sustainability Efforts

Interloop, a leading textile company in Pakistan, has set ambitious, validated targets to reduce greenhouse gas emissions by 51% in direct and indirect emissions and 30% across its value chain by 2032. The company has installed 8 MW of renewable energy capacity and achieved LEED certification for three plants, demonstrating its commitment to sustainability. Interloop has also received numerous awards, including the UNGC Living Global Compact Best Practices Sustainability

Award 2020. It became the initial large-scale enterprise to attain validation from the Science Based Targets initiative (SBTi) for its objectives in reducing greenhouse gas emissions.

### US Apparel & Textiles

One of Pakistan’s largest textile companies, the company is committed to sustainability and publishes an annual Sustainability Report. It has ambitions to reduce water consumption, waste, and emissions while increasing energy efficiency. In 2021, the company achieved a 29% improvement in emissions productivity, saved 786 million liters of water, and reduced energy intensity by 13%. The company, with a revenue of \$342 million in 2021, has set further sustainability goals in its Challenge 2025, reflecting its ongoing commitment to environmental responsibility and the development of eco-friendly technologies.

100% reduction in carbon footprint (to become Carbon neutral) and a shift to renewable energy. The roadmap includes goals to decrease water consumption, reduce landfill waste, and enhance energy efficiency. Committed to innovation and quality, Crestex envisions complying with ZDHC (Zero Discharge of Hazardous Chemicals) requirements and increasing biodiversity, demonstrating its dedication to environmental sustainability and responsible business practices.



### Crescent Bahuman Textiles

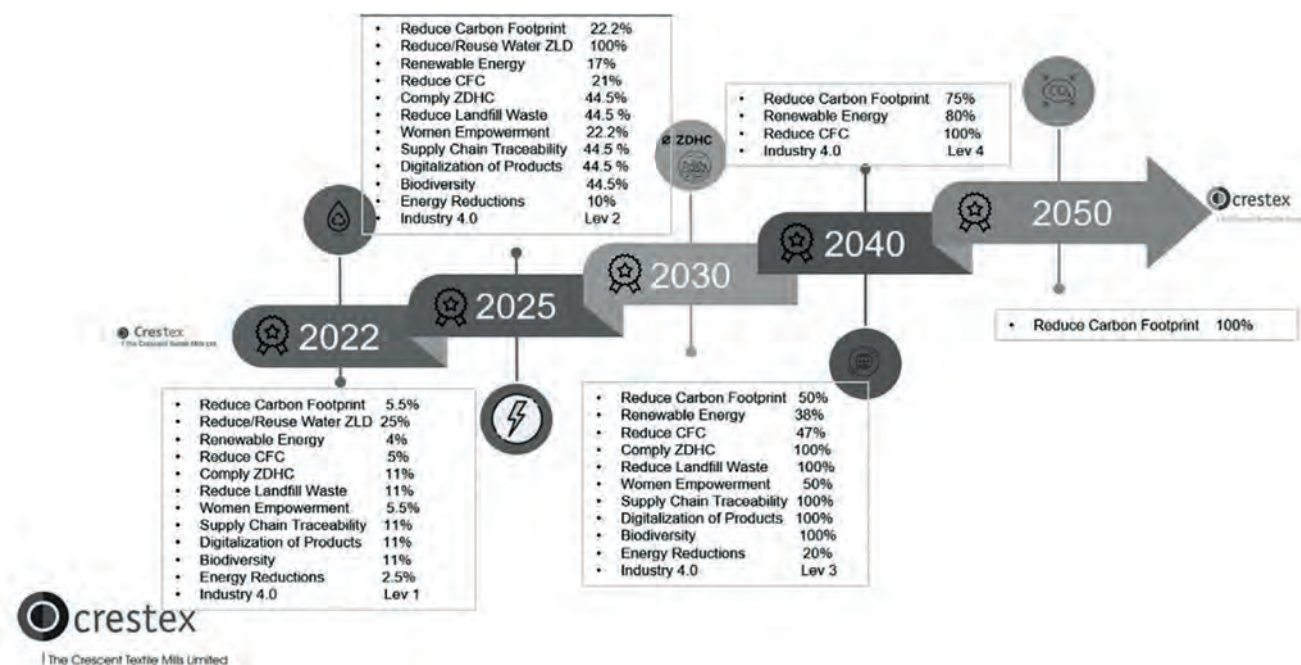
Seen as a pioneer in sustainable denim, the company celebrated 25 years of eco-friendly practices in 2019. With a vision of creating the “Greenest Ecosystem the Denim Industry Has Ever Known,” the company has transformed a once-barren land into a flourishing, self-sustaining ecosystem, planting over 850,000 trees. (Source: Carved in Blue) Committed to green initiatives, Crescent Bahuman has achieved certifications including OCS, GRS, ZDHC, and LEED certification. The company has integrated renewable energy, installing 8MW solar panels,



### Crestex

Crestex, a leading publicly listed textile manufacturer in Faisalabad, Pakistan, has outlined a sustainability roadmap for 2050, aiming for a

Figure 33 Crestex Sustainability Roadmap 2050 (Source: Business Recorder, Crestex)



and reducing its water footprint by 50%. In April 2022, it introduced Blue Infinity, a revolutionary dyeing technology offering sustainable blue shades without using indigo.



### **International Accord**

After its great success in Bangladesh, The International Accord identified Pakistan as a priority country for enhancing workplace safe-

ty in the textile and garment industry. The "Pakistan Accord on Health & Safety in the Textile & Garment Industry" was established in December 2022 for an initial three-year term starting in 2023. Covering over 400 factories and 52 signatory brands, the program includes independent inspections, remediation, transparency, and joint capacity building with the Pakistani government. The first list of 400 suppliers was published on 25th July 2023, with monthly updates to ensure accountability.







# VISITING ISLAMABAD

## HISTORY OF ISLAMABAD

**1960:** The decision to build a new capital city for Pakistan is made due to the strategic location and the need for a neutral site away from the existing major cities.

**1961:** The site for the new capital is chosen, and construction begins in an area known as the Pothohar Plateau in the northern part of the country.

**1967:** Islamabad officially becomes the capital of Pakistan, replacing Karachi. The city is planned and designed by Greek architect Constantinos A. Doxiadis, with the vision of a modern, spacious, and well-organized capital.

**1973:** The Constitution of Pakistan is adopted, recognizing Islamabad as the capital city.

**1980:** The completion of the Faisal Mosque, one of the largest mosques in the world, becomes a significant landmark and an iconic symbol of Islamabad.

**1990s:** Islamabad experiences rapid urban growth, with the expansion of residential areas, commercial centers, and government institutions.

**1997:** The completion of the Pakistan Monument, a national symbol representing the unity of the Pakistani people, adds to the city's architectural and cultural landscape.

**2005:** The construction of the Islamabad Metrobus, a rapid transit system, begins to improve transportation within the city.

**2010:** The inauguration of the new Islamabad International Airport enhances connectivity and air travel to and from the capital.

**Present:** Islamabad continues to serve as the political, administrative, and diplomatic hub of Pakistan. It houses important government institutions, foreign embassies, and cultural landmarks. The city offers a modern lifestyle with its well-planned infrastructure, green spaces, and educational institutions.

## ISLAMABAD IN NUMBERS

**Population:** Islamabad has a relatively smaller population compared to other major cities in Pakistan, with an estimated population of around 2.2 million people as of 2021.

**Urban Area:** The urban area of Islamabad covers approximately 906 square kilometers, encompassing the city and its surrounding areas.

**Green Spaces:** Islamabad is known for its abundant green spaces and natural landscapes. The city has several large parks, including the iconic Fatima Jinnah Park, with a total area of around 7.88 square kilometers. Daman-e-Koh and Shakarparian Park are also worth a visit.

**GDP Contribution:** Although small, Islamabad makes a significant contribution to Pakistan's economy. In 2020, the city's contribution to the country's GDP was estimated to be around 1.3%. (Source: kpbos.gov.pk)

**Educational Institutions:** Islamabad is home to prestigious educational institutions, including universities, colleges, and schools. The city has over 50 universities and higher education institutions, providing quality education to thousands of students.

**Diplomatic Hub:** Islamabad serves as a diplomatic hub, hosting many foreign embassies

and high commissions. The city is home to diplomatic enclaves where various diplomatic missions are located.

**Modern Infrastructure:** Islamabad boasts modern infrastructure, including well-maintained roads, flyovers, and a network of highways. The city is well connected to major cities in Pakistan through an extensive road network.

**Quality of Life:** Islamabad offers a high quality of life, with well-planned residential areas, green surroundings, and a relatively low crime rate.

**Tourism Potential:** Islamabad has significant tourism potential, with attractions such as Faisal Mosque, Pakistan Monument, Rawal Lake, Daman-e-Koh viewpoint, and Shakarparian Park. The city's natural beauty, combined with its cultural and historical sites, attracts tourists from within Pakistan and abroad. In 2020, Islamabad welcomed around 1.5 million domestic and international tourists.

**Development Plans:** Islamabad has ongoing development plans to further enhance its infrastructure and accommodate the growing population. These plans include the construction of new roads, housing schemes, and commercial centers. The city's development budget for fiscal year 2021-2022 was approximately 32 billion Pakistani Rupees (PKR) (~USD 116m).

## THINGS TO DO IN ISLAMABAD

If you have just one day to explore Islamabad, here are some of the best things to see and do in the city:

**Visit Faisal Mosque:** Start your day by visiting Faisal Mosque, one of the largest mosques in the world and an iconic landmark of Islamabad. Admire its stunning architecture and serene surroundings.

**Explore Shakarparian Park:** Head to Shakarparian Park, located on a hilltop, to enjoy pan-

oramic views of the city. Take a leisurely walk, have a picnic, or simply relax in the peaceful ambiance.

**Discover Pakistan Monument:** Visit the Pakistan Monument, an impressive national symbol that represents the culture and heritage of Pakistan. Explore the museum inside the monument to learn more about the country's history.

**Wander in Saidpur Village:** Experience the charm of Saidpur Village, a cultural heritage site nestled in the Margalla Hills. Explore the narrow streets, visit art galleries, shop for local handicrafts, and enjoy traditional Pakistani cuisine at the village's restaurants.

**Visit Lok Virsa Heritage Museum:** Immerse yourself in Pakistani culture and heritage at Lok Virsa Museum. Explore its exhibits showcasing traditional art, crafts, music, and folklore from different regions of Pakistan.

**Enjoy Rawal Lake:** Spend some time at Rawal Lake, a peaceful retreat located on the outskirts of Islamabad. Take a boat ride, have a lakeside picnic, or simply enjoy the serene atmosphere surrounded by lush greenery.

**Shop at Centaurus Mall:** If you're a fan of shopping, visit Centaurus Mall, one of the largest shopping malls in Islamabad. Explore its wide range of local and international brands, dine at its restaurants, or catch a movie at the cinema.

**Taste Local Cuisine:** Treat yourself to the flavors of Pakistani cuisine. Enjoy a traditional Pakistani meal at a local restaurant, savoring dishes like biryani, kebabs, karahi, and various delicious street food options.

**Explore Daman-e-Koh:** End your day by visiting Daman-e-Koh, a viewpoint offering breathtaking views of Islamabad and its surrounding hills. Watch the sunset and take in the scenic beauty of the city.

**Attend a Cultural Event:** If there happens to be a cultural event or festival taking place during your visit, seize the opportunity to wit-





ness the vibrant traditions, music, and dances of Pakistan.

Remember to plan your day in advance, considering the opening hours of attractions and the traffic conditions in the city. Enjoy your day exploring the beauty and culture of Islamabad!

## NEED TO KNOW BEFORE VISITING PAKISTAN

**Seasons:** Pakistan experiences four distinct seasons: winter, spring, summer, and autumn.

**Winter** spans from December to February, with cooler temperatures averaging between 4°C to 18°C (39°F to 64°F) and minimal rainfall.

**Spring**, from March to May, sees temperatures ranging from 15°C to 25°C (59°F to 77°F), accompanied by sporadic rainfall as plants bloom.

**Summer**, lasting from June to August, is marked by high temperatures ranging from 25°C to 45°C (77°F to 113°F) and the monsoon season, bringing heavy rainfall and humidity.

**Autumn**, occurring from September to November, offers milder temperatures between 10°C to 25°C (50°F to 77°F) and dry conditions as leaves change color and fall.

**Rainfall:** Half of the annual rainfall falls between June and August. The monsoon season is known for heavy rainfall in many parts of Pakistan, especially in northern regions such as Gilgit and Islamabad. Average rainfall in July ranges from 150mm to 300mm (6 to 12 inches) across different areas.

**Attire:** Pakistan is a conservative country, so it's advisable to dress modestly. Women should wear loose-fitting clothing that covers their shoulders, arms, and knees, especially when visiting religious sites or rural areas. Men can wear shirts and trousers.

**Cultural Norms:** Pakistanis are generally warm and hospitable. It is customary to greet with a handshake, and using the right hand for eating, giving, or receiving items is considered polite.

**Language:** Urdu is the national language of Pakistan, but English is widely spoken, especially in urban areas. Learning a few basic Urdu phrases can enhance your interactions with locals and show respect for the local culture.

**Safety:** Stay updated on travel advisories, follow local regulations, and be aware of your

surroundings. Respect local customs and avoid public displays of affection.

**Currency:** The currency in Pakistan is the Pakistani Rupee (PKR). As of October 2023, 1 USD is equivalent to 276.61 Pakistani Rupees. It's advisable to carry sufficient cash for daily expenses as credit cards may not be widely accepted. ATMs are available in major cities.

**Health and Hygiene:** Ensure you have the necessary vaccinations before traveling to Pakistan. Drink bottled water and be cautious with street food. Maintain good hygiene practices to prevent health issues.

**Transportation:** Pakistan has a well-connected transportation system, including domestic flights, trains, and roadways. Plan your transportation in advance and consider hiring a local guide to navigate the cities.

**Accommodation:** Pakistan offers a range of accommodations, from luxury hotels to budget guesthouses. Book your accommodations in advance, especially in popular tourist destinations.

**Local Cuisine:** Pakistani cuisine is diverse and flavorful, with dishes like biryani, kebabs, and various traditional desserts. Be open to trying local food but ensure it's from reputable establishments and maintain food hygiene practices.

**Photography:** Pakistan offers stunning landscapes and historical sites perfect for photography. However, always ask for permission before photographing people or religious sites and respect any restrictions in certain areas.

**Festivals:** July is a festive month in Pakistan, with the celebration of Eid-ul-Fitr marking the end of Ramadan. Experience the vibrant festivities and cultural celebrations during this time.

**Respect for Religion:** Pakistan is an Islamic country, and it's important to respect Islamic traditions. Dress modestly when visiting mosques and religious sites and avoid visiting during prayer times unless you intend to participate.

**Connectivity:** Pakistan has reliable mobile networks and internet connectivity. Purchase a local SIM card for affordable data and call rates to stay connected during your visit.

**Time Zone:** Pakistan operates on Pakistan Standard Time (UTC+5). Adjust your schedules accordingly and consider any time differences when communicating with people in different countries.

**Travel Insurance:** It's advisable to have travel insurance that covers medical emergencies, trip cancellations, and lost belongings. Ensure your insurance covers any specific activities or regions you plan to visit.

**Cultural Sensitivity:** Respect local customs, traditions, and sensitivities. Avoid sensitive topics and be mindful of local norms regarding public displays of affection, alcohol consumption, and dress codes.

**Visa:** Obtain the necessary tourist visa before your trip to Pakistan. Check the requirements and apply well in advance to avoid any delays or complications.

**Open-mindedness:** Embrace the rich culture, diversity, and hospitality of Pakistan. Engage with locals, learn about their traditions, and appreciate the natural beauty and historical heritage the country has to offer.

By being mindful of these local customs, you'll demonstrate respect for the culture and create positive connections with the people you encounter during your visit to Pakistan.

## KEY PHRASES

Here are some key phrases in Urdu (the national language of Pakistan) along with their English pronunciations to help you make a good impression:

**Hello** – “Assalamu Alaikum” (ah-sah-lah-moo ah-lahy-koom)

**Thank you** – “Shukriya” (shoo-kree-uh)

**Please** – “Meharbani farmaiyega” (meh-har-buh-nee fur-mai-yay-guh)

**Excuse me** – “Maaf kijiye” (maaf kee-jee-yay)

**Sorry** – “Maafi chahta hoon” (maa-fee chah-tuh hoon)

**Yes** – “Haan” (haan)

**No** – “Nahi” (na-hee)

**Good morning** – “Subah bakhair” (soo-bah buh-khair)

**Good evening** – “Shab bakhair” (shahb buh-khair)

**How are you?** – “Aap kaise hain?” (aap kai-say hain?)

**My name is...** – “Mera naam...” (may-rah naam...)

**Nice to meet you** – “Aap se mil kar khushi hui” (aap say mill kar khooshee hoo-ee)

**Can you help me?** – “Kya aap meri madad kar sakte hain?” (kya aap may-ree muh-dud kar suhktay hain?)

**Where is...?** – “...kahan hai?” (kahaan hai?)

**How much does it cost?** – “Yeh kitne ka hai?” (yay kit-nay kah hai?)

**I am from England** – “Main England se hoon” (mayn Ing-lund say hoon)

**I am from Germany** – “Main Germany se hoon” (mayn Jermani say hoon)

**I am visiting for work** – “Main kaam ke liye aaya/ai hoon” (mayn kam kay liyay ah-yah/ee hoon)

**I am visiting for holiday** – “Main chhutti ke liye aaya/ai hoon” (mayn chhut-tee kay liyay ah-yah/ee hoon)

**I am 32 years old** – “Main 32 saal ka/ki hoon” (mayn 32 saal ka/ki hoon)

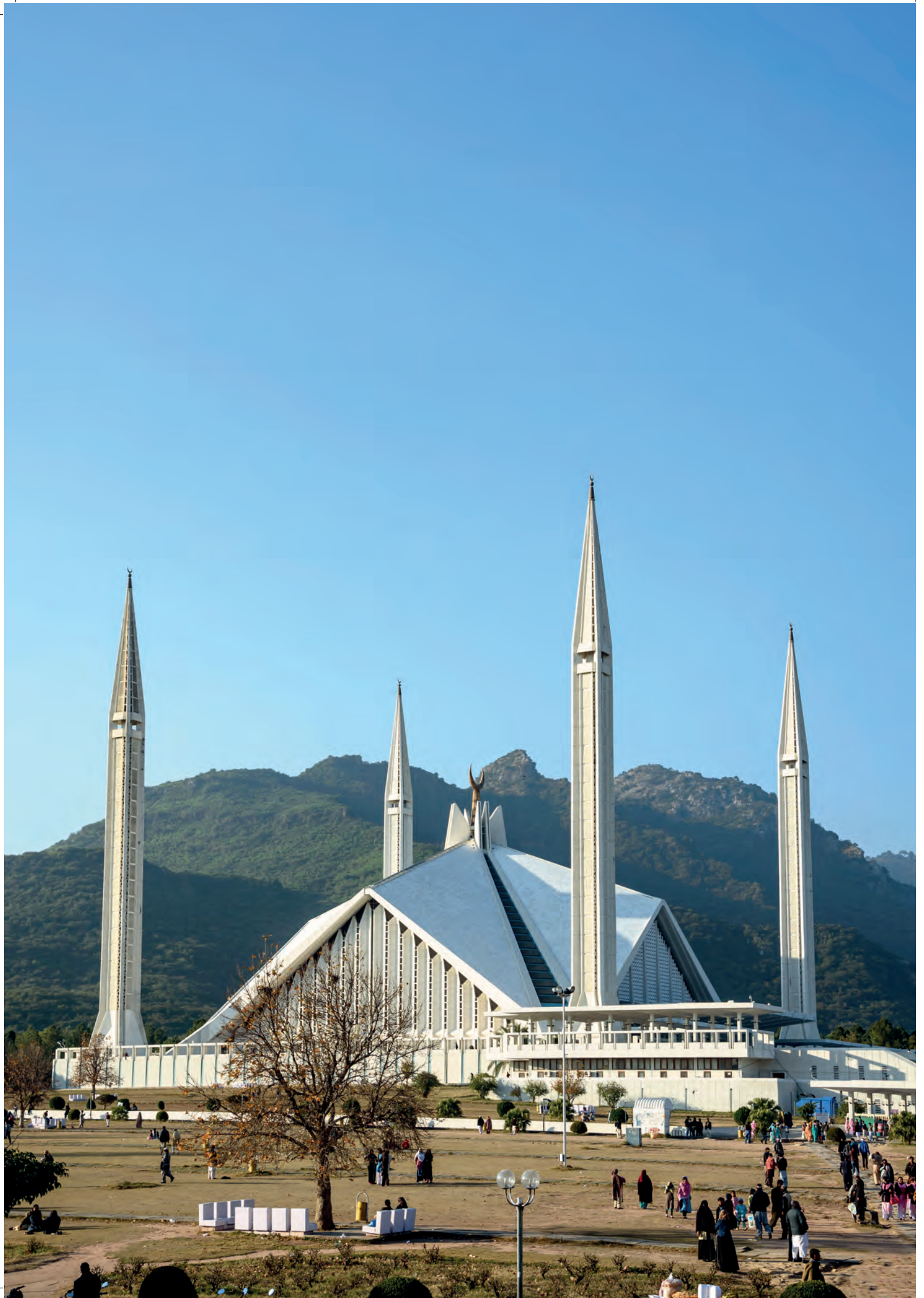
In Urdu, the number 32 is pronounced “bees do” (ودس بیس), with “bees” meaning “twenty” and “do” meaning “two.”



## NUMBERS IN URDU

Here are the numbers from 1 to 10 in Urdu along with their English pronunciation:	And here are the words for 20, 30, 40, 50, 60, 70, 80, 90, 100, and 1000 in Urdu:
<b>One</b> - "ek" (pronounced as "ayk")	<b>20</b> - "bees" (pronounced as "bees")
<b>Two</b> - "do" (pronounced as "doh")	<b>30</b> - "tees" (pronounced as "tees")
<b>Three</b> - "teen" (pronounced as "teen")	<b>40</b> - "chalees" (pronounced as "chalees")
<b>Four</b> - "chaar" (pronounced as "chaar")	<b>50</b> - "pachas" (pronounced as "pachas")
<b>Five</b> - "paanch" (pronounced as "paanch")	<b>60</b> - "sath" (pronounced as "sath")
<b>Six</b> - "chah" (pronounced as "chah")	<b>70</b> - "sattar" (pronounced as "sattar")
<b>Seven</b> - "saat" (pronounced as "saat")	<b>80</b> - "ahtees" (pronounced as "ahtees")
<b>Eight</b> - "aath" (pronounced as "aath")	<b>90</b> - "nawey" (pronounced as "naw-vey")
<b>Nine</b> - "noh" (pronounced as "noh")	<b>100</b> - "so" (pronounced as "so")
<b>Ten</b> - "das" (pronounced as "das")	<b>1000</b> - "hazaar" (pronounced as "hazaar")

Using these phrases will show your interest in the local language and culture, and the locals will appreciate your effort to communicate with them. Remember to speak slowly and politely, and don't hesitate to ask for help or clarification if needed.



**Authors:**

Mr. Thomas HESKETH; Head of STAR Secretariat

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PAKISTAN TOWEL MANUFACTURERS ASSOCIATION (TMA)

**Contact STAR:**

Address: Phnom Penh Special Economic Zone, Road NR4, Phnom Penh, Cambodia  
Secretariat: +855 10 881 950  
Email: [starnetwork@giz.de](mailto:starnetwork@giz.de)  
Website: <https://asiagarmenthub.net/star-network>  
LinkedIn: <https://www.linkedin.com/company/star-network-asia>

**Contact PHMA:**

Address: PHMA House, 37-H, Block-6, P.E.C.H.S., Karachi.  
Tel: +92-2134544789, 34522685, 34522769  
Secretary General +92-21-34545683, 34544764  
Fax: +92-21-34543774  
Email: [info@phmaonline.com](mailto:info@phmaonline.com) | [secretary.general@phmaonline.com](mailto:secretary.general@phmaonline.com)  
Website: <http://www.phmaonline.com>

**Contact PTEA:**

Address: 30/7 Civil Lines, PTEA Road, Behind State Bank, Faisalabad.  
Tel: +92-41-9201731-32  
Email: [ptea@ptea.org.pk](mailto:ptea@ptea.org.pk)  
Website: <https://ptea.org.pk/contact-us/>

**Contact TMA:**

Address: TMA House, 77-A, Block 'A' Sindhi Muslim Cooperative Housing Society Karachi  
Tel: +92-21-34382801-4  
Email: [tma@towelassociation.com](mailto:tma@towelassociation.com)  
Website: <https://www.towelassociation.com/>

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