



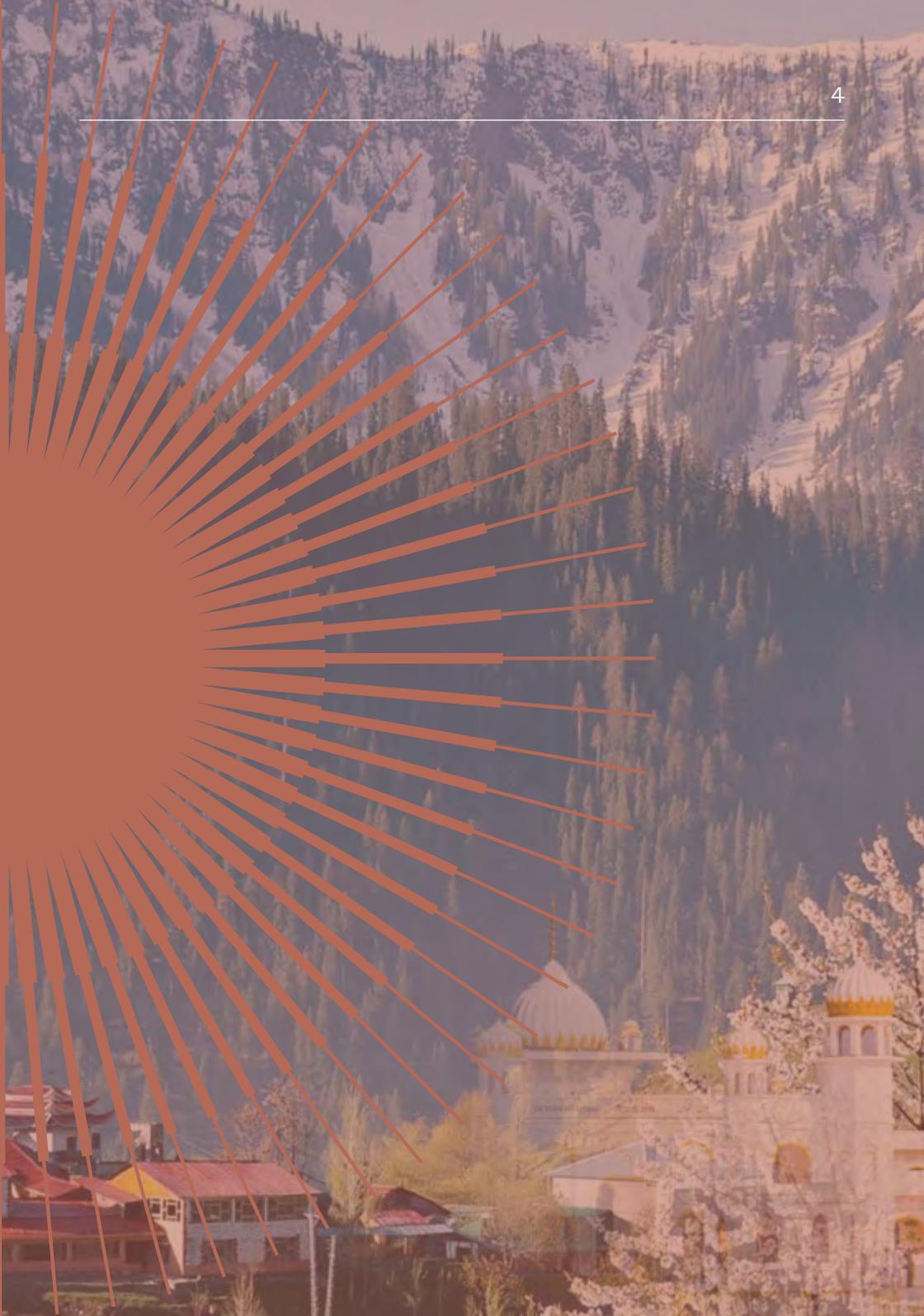
PAKISTAN
UNIVERSE IN A GRAIN OF SALT



PAKISTAN
A LAND OF ENDLESS OPPORTUNITIES
EXPO 2025 OSAKA

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INTRODUCTION



1.1 OVERVIEW OF PAKISTAN

Pakistan stands at the crossroads of South Asia, Central Asia, and the Middle East, a position that has shaped its historical role as a trade and cultural bridge between civilizations. Today, that strategic advantage continues to define its economic and geopolitical significance. With a population exceeding 240 million, Pakistan is the world's fifth-most populous country, offering a large and dynamic market for trade, investment, and tourism. It is home to a rapidly urbanizing middle class, an expanding industrial base, and a growing technology sector, all of which make it an attractive destination for international businesses and investors.

Economically, Pakistan has undergone significant transformations over the past two decades. Despite global economic challenges, its economy remains resilient, with a GDP of approximately \$375 billion in 2023. The country's economic structure is diverse, with agriculture, industry, and services contributing significantly to national growth. Agriculture accounts for nearly 19% of GDP and employs a large portion of the workforce, while the industrial and manufacturing sectors, particularly textiles, pharmaceuticals, and engineering, continue to expand their global footprint. The services

sector, including information technology and financial services, is emerging as a key driver of economic growth, attracting foreign investment and creating new employment opportunities.

The government has introduced a range of economic reforms aimed at enhancing Pakistan's competitiveness in the global market. Initiatives such as ease-of-doing-business policies, special economic zones (SEZs), and public-private partnerships have created a more investor-friendly environment. As a result, the country recorded an increase in foreign direct investment (FDI), reaching \$1.6 billion in 2023. Major investment flows have been directed towards infrastructure development, energy projects, and the technology sector, underscoring Pakistan's potential as an emerging economic power.

Beyond its domestic economy, Pakistan plays a crucial role in global trade. Its location provides direct access to key markets in China, the Gulf states, and Central Asia, making it an essential player in regional commerce.

The country has long served as a gateway for trade between South and Central Asia, with modern infrastructure developments further strengthening its position as a



logistical hub. The China-Pakistan Economic Corridor (CPEC), a multi-billion-dollar initiative under China's Belt and Road Initiative, has significantly enhanced Pakistan's connectivity with international markets. Through the construction of highways, rail networks, and energy projects, CPEC has facilitated trade efficiency and opened new avenues for economic cooperation.

Pakistan's trade partnerships extend across multiple regions, with China, the United States, the United Arab Emirates, and the European Union among its key trading partners. In 2023, Pakistan's total exports stood at \$32.7 billion, with textiles, leather goods, surgical instruments, and

agricultural products dominating its export portfolio. The country's trade relations are further strengthened by free trade agreements with China, Malaysia, and Sri Lanka, as well as its Generalized System of Preferences Plus (GSP+) status with the European Union, which allows preferential access to European markets.

Gwadar Port, strategically positioned on the Arabian Sea, has been a cornerstone of Pakistan's ambitions to become a global trade hub. As part of CPEC, Gwadar is being developed into a world-class deep-sea port, offering international shipping lines an efficient and cost-effective transit route.

Its potential as a regional logistics and trade center is immense, connecting landlocked Central Asian states with international markets while reducing transit costs for goods moving between China, the Middle East, and Africa. The port's development is expected to boost Pakistan's role in global trade and attract significant foreign investment in logistics, manufacturing, and industrial zones.

Beyond trade and investment, Pakistan is gaining recognition as a rising tourism destination. With its breathtaking landscapes, rich history, and cultural diversity, the country has immense potential to attract international travelers. From the towering peaks of the Himalayas

and Karakoram to the serene valleys of Swat, Hunza, and Skardu, Pakistan offers a unique blend of adventure, heritage, and natural beauty. In 2023, over 1.5 million foreign tourists visited Pakistan, contributing to a tourism sector valued at \$3.1 billion. This number is expected to grow in the coming years as the government continues to promote sustainable tourism and improve travel infrastructure.

Pakistan's cultural and historical heritage further enhances its appeal to global visitors. The country is home to six UNESCO World Heritage Sites, including the ancient ruins of Mohenjo-Daro, the Buddhist relics of Taxila, and the architectural marvels of Lahore Fort and Shalimar Gardens.



These sites offer a glimpse into Pakistan's deep-rooted history, spanning thousands of years from the Indus Valley Civilization to the Mughal era. Religious tourism also plays a significant role, with Buddhist heritage sites drawing interest from East Asian countries and Sufi shrines attracting pilgrims from across the region.



The adventure tourism sector has witnessed significant growth, particularly in trekking, mountaineering, and eco-tourism. Pakistan is home to five of the world's 14 highest peaks, including K2, the second-highest mountain on Earth. Each year, thousands of mountaineers and adventure enthusiasts from around the world visit Pakistan to take on its challenging yet rewarding landscapes. The northern regions, with their pristine lakes, lush meadows, and dense forests, offer a paradise for nature lovers and photographers. Efforts to promote eco-tourism have led to conservation



projects in national parks such as Deosai and Khunjerab, ensuring the protection of wildlife while creating sustainable travel experiences.

The Pakistani government has prioritized the tourism industry as a key driver of economic growth. The National Tourism Policy focuses on developing infrastructure, enhancing digital accessibility for international visitors, and streamlining visa processes. The introduction of an e-visa system has simplified travel for foreign tourists, making it easier to explore Pakistan's diverse attractions. The country's hospitality sector is also expanding, with international hotel chains investing in major cities and tourist destinations.



Despite the opportunities, challenges remain in positioning Pakistan as a global trade and tourism leader. Infrastructure gaps, security perceptions, and bureaucratic inefficiencies have at times hindered progress. However, consistent efforts in policy reforms, international collaborations, and public-private partnerships are addressing these issues. The growing digital economy, increased foreign investments, and the rise of entrepreneurship are all signs of a country moving towards greater economic integration and sustainable development.

Pakistan's significance on the global stage cannot be overstated. As a trade hub, it offers businesses and investors access to some of the world's most dynamic markets. As a tourism destination, it presents a wealth of cultural, historical, and natural attractions waiting to be explored.

With ongoing developments in infrastructure, policy reforms, and investment facilitation, Pakistan is poised to unlock new economic frontiers. The future holds immense promise, and as the country continues to expand its role in regional and global trade, the opportunities for businesses, investors, and travelers will only grow.





1.2 PAKISTAN'S HISTORICAL LEGACY: FROM ANCIENT CIVILIZATIONS TO ICONIC LANDMARKS

Pakistan's historical legacy is as rich and diverse as its culture. Its role as a cradle for ancient civilizations, a center of Islamic empires, and a pivotal player in global trade networks has left an indelible mark on the nation's economic, architectural, and cultural landscapes. The trajectory from ancient urban planning and trade systems to contemporary development initiatives like the China-Pakistan Economic Corridor (CPEC) illustrates a continuity of historical significance that has shaped the country's role in global commerce and culture.

Indus Valley Civilization: Mohenjo-Daro and Harappa's Role in Early Trade and Urban Planning

One of the earliest and most sophisticated urban civilizations to emerge in human history was the Indus Valley Civilization, which flourished in what is now modern-day Pakistan around 3,000 BCE. The two major cities of this civilization, Mohenjo-Daro and Harappa, stand as testament to the advanced nature of early urbanization, trade, and technological innovation. These cities, strategically located along the banks of the Indus River, were among the most well-planned settlements of their time, with

sophisticated drainage systems, standardized brick sizes, and grid-based street layouts. The evidence of urban planning and trade in the Indus Valley highlights the region's historical role as a central node in the global exchange network of the ancient world.

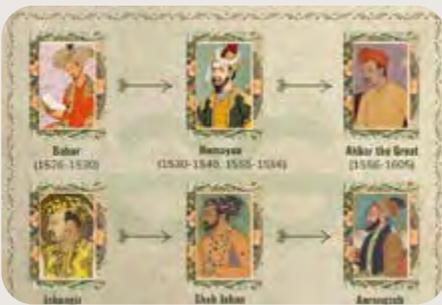


Archaeological findings suggest that Mohenjo-Daro and Harappa were not just centers of culture and governance but also hubs for trade and commerce. The discovery of seals, pottery, and other artifacts linked to Mesopotamia, Iran, Afghanistan, and Central Asia reveals that the people of the Indus Valley traded goods ranging from cotton textiles to semi-precious stones and agricultural products.

These trade links demonstrate that the region was an active participant in a wide-reaching trade network, positioning the area as an early trade corridor that spanned across modern-day South Asia, the Middle

East, and Central Asia. The Indus Valley's bustling trade routes and urban sophistication established a foundation for Pakistan's enduring role as a regional trade hub.

Mughal and Colonial Influence: Architectural Wonders and Trade Legacies



The historical significance of Pakistan is further enriched by the legacy of the Mughal Empire and the British colonial period, each of which contributed distinctively to the country's architectural, cultural, and economic evolution. The Mughals, who ruled the subcontinent from the 16th to the 18th centuries, left behind an array of architectural marvels that continue to define the landscape of Pakistan today. The badshahi mosque in Lahore, the Shalimar Gardens, and the Lahore Fort are not only symbols of Mughal grandeur but also examples of the empire's role in shaping Pakistan's cultural and historical identity. These structures remain iconic today, attracting millions of tourists and



serving as enduring symbols of the Mughal Empire's architectural and cultural influence.

The Mughal Empire's extensive trading networks also had a profound impact on Pakistan's economy. Under Mughal rule, Pakistan became a key part of the global Silk Road and Indian Ocean trade routes, facilitating the exchange of goods such as textiles, spices, and precious metals between the East and the West. This flourishing trade environment also led to the development of Pakistan's major cities, which became vibrant centers of commerce, culture, and education. Lahore, in particular, emerged as an important political, cultural, and commercial hub during the Mughal period, with trade routes stretching from Central Asia to Persia and Europe, making it one of the most important cities in the region.

However, the colonial era, which began in the mid-19th century under British rule, had a transformative

effect on the subcontinent's economic and social structure. The British established trade monopolies, focused on the extraction of raw materials, and redirected the flow of goods to serve the colonial economy. This period saw the rise of infrastructure projects, including railways, which facilitated the movement of goods across vast distances within the Indian subcontinent.

Pakistan's role as a trade and transport link between India, Central Asia, and the rest of the British Empire was solidified during this time. The colonial legacy, although marked by economic exploitation, also introduced modern systems of administration, infrastructure, and governance that continue to influence Pakistan's post-independence development.

The British Raj also left behind significant architectural influences that can still be seen in the colonial-era buildings of Karachi, Lahore, and Islamabad. The Karachi Port, developed during British rule, remains a critical gateway for Pakistan's international trade.

The influence of the British on urban planning, education, and administration played a key role in shaping the modern nation-state of Pakistan after its independence in 1947.

Post-Independence Growth: The Evolution of Pakistan's Economy and Tourism Sector

Since gaining independence in 1947, Pakistan's economic journey has been marked by numerous challenges and opportunities. The country has faced political instability, economic fluctuations, and a series of external and internal conflicts. However, the resilience of its people and the country's strategic location have allowed Pakistan to emerge as a key player in regional and global affairs. In the decades following independence, Pakistan's economy transitioned from an agrarian-based economy to one increasingly centered around industry, services, and trade.

The industrialization of Pakistan in the latter half of the 20th century was spurred by the government's focus on manufacturing, especially in the textile sector, which remains one of the country's leading export industries. The energy sector also witnessed significant growth, with both domestic and international investments aimed at building the necessary infrastructure for sustained industrial expansion. Pakistan's textile exports are now valued at over **\$16.5 billion annually**, making it one of the world's leading exporters of textiles, apparel, and garments.

In parallel with economic growth, Pakistan's tourism sector has also evolved. The country is home to a wealth of cultural, natural, and historical attractions that continue to draw international visitors. Iconic landmarks such as the Badshahi Mosque, Lahore Fort, and the Mohenjo-Daro ruins serve as both tourist destinations and symbols of the country's rich historical legacy.

In recent years, there has been a concerted effort by the government to develop and promote tourism, with a focus on eco-tourism, adventure tourism, and heritage tourism. The majestic peaks of the Karakoram range, home to some of the world's highest mountains,

continue to attract mountaineers and trekkers from across the globe.

While the tourism sector has faced challenges due to geopolitical factors and security concerns, the government has made significant strides in improving the country's image abroad. Initiatives such as the e-visa system and increased promotion of cultural and eco-tourism are helping Pakistan regain its position as a top travel destination in the region. The revitalization of historical landmarks, combined with modern infrastructure development, is further strengthening the country's tourism offering.



Reviving Pakistan's Trade Significance: A Comparison of Ancient Trade Routes and Modern-Day CPEC

A powerful narrative that connects Pakistan's ancient history with its modern-day economic ambitions is the revival of its historical trade significance through contemporary initiatives like the China-Pakistan Economic Corridor (CPEC). CPEC, a multi-billion-dollar infrastructure and development project, is seen as a modern reimagining of Pakistan's ancient trade routes, particularly the Silk Road and the Indian Ocean trade routes that once linked Central Asia, the Middle East, and the rest of the world to the subcontinent.

The ancient trade routes that passed through Pakistan, such as the Silk Road, were vital corridors that facilitated the exchange of goods, culture, and ideas between East and West. Pakistan's cities, such as Lahore, Karachi, and Peshawar, were important nodes in these global trading systems, facilitating the exchange of silk, spices, textiles, and other goods. The legacy of these ancient trade routes is mirrored today by CPEC, which aims to link the Chinese region of Xinjiang with Pakistan's Gwadar Port, offering a direct trade route to the Arabian Sea and further connecting Pakistan to global markets.

was once a commercial hub linking South Asia to the world, CPEC is positioning Pakistan once again as a vital gateway for trade and economic exchange. The infrastructure developments under CPEC, including highways, railways, and energy projects, aim to boost Pakistan's trade connectivity with China, Central Asia, and beyond. In this way, the modern-day CPEC project not only restores Pakistan's historical significance as a global trade hub but also enhances its role in facilitating the movement of goods and services across Asia, the Middle East, and Europe.

Just as the Indus Valley Civilization







PAKISTAN'S TRADE POTENTIAL: A STRATEGIC OVERVIEW

2.1 GEOPOLITICAL SIGNIFICANCE

Pakistan's geopolitical position has always been a defining factor in its role as a strategic trade hub. Nestled at the crossroads of South Asia, Central Asia, and the Middle East, Pakistan occupies a central space that has long facilitated the flow of goods, people, and ideas between these key regions. The country's location has not only been pivotal in terms of trade but has also positioned it as a key player in the broader political and economic dynamics of Asia.

Pakistan as a Trade Hub

Historically, Pakistan has been a gateway between the diverse and economically significant regions of South Asia, Central Asia, and the Middle East. This position has been crucial in facilitating trade routes, including those that passed through ancient civilizations such as the Indus Valley, and later, those established by empires like the Mughals. Today, Pakistan continues to play an essential role in linking these regions, acting as a connector between some of the world's most important and dynamic economic zones.

South Asia, with its rapidly growing economies, offers vast consumer markets, manufacturing capabilities, and a labor force that is increasingly skilled and cost-effective. The region

is home to over 1.7 billion people, representing a major opportunity for trade across a variety of sectors, from agriculture and textiles to technology and consumer goods. Pakistan's proximity to these markets enables it to serve as a vital trade partner in the region, facilitating cross-border trade with countries like India, Afghanistan, and Iran.

Central Asia, rich in natural resources such as oil, gas, minerals, and agricultural products, has long been considered a region with untapped economic potential. However, for Central Asian countries to access international markets, they require a direct outlet to global shipping lanes, which Pakistan can offer through its ports and infrastructure.

The Central Asian republics, including Kazakhstan, Uzbekistan, Turkmenistan, and Kyrgyzstan, are landlocked and have limited access to maritime trade routes. This makes Pakistan's strategic ports, such as Gwadar and Karachi, incredibly valuable for facilitating the export of energy resources, agricultural commodities, and industrial products from Central Asia to the rest of the world.

Similarly, Pakistan's access to the Middle East has made it a critical player in the exchange of goods,

especially in the energy sector. The Persian Gulf is home to some of the world's largest reserves of oil and natural gas, and many countries in the region rely on Pakistan as a key trade partner for transporting these resources. The trade links between Pakistan and the Middle East are robust, covering everything from energy to consumer goods. Pakistan's strong trade relations with the United Arab Emirates (UAE) and Saudi Arabia, for instance, have bolstered its position as a trade hub for goods passing from the Arabian Peninsula to Asia and beyond.

China-Pakistan Economic Corridor (CPEC): Impact on Regional Trade

One of the most significant geopolitical and economic developments in recent years has been the China-Pakistan Economic Corridor (CPEC). This multi-billion-dollar project, launched in 2013 as a part of China's broader Belt and Road Initiative (BRI), aims to link China's western regions with the Pakistani coastline at Gwadar Port, creating an overland corridor that connects Asia to the Arabian Sea. The CPEC is set to become one of the largest infrastructure initiatives in the world, with the potential to significantly reshape trade patterns across the region.

At its core, CPEC seeks to provide a more efficient and direct trade route for China to access the Middle East,

Africa, and Europe. By bypassing the congested maritime routes of the South China Sea and the Malacca Strait, CPEC offers China a faster and more secure access point to global markets. The corridor will include the construction of roads, railways, and pipelines, as well as the development of special economic zones (SEZs) that will foster industrial growth along the route.

For Pakistan, CPEC offers a transformative opportunity to enhance its trade capabilities and economic growth. Gwadar Port, which is set to become the main focal point of the corridor, offers a direct maritime link to the Arabian Sea, allowing Pakistan to take advantage of the expanding global trade routes. Gwadar's deep-water harbor is one of the few ports in the region that can accommodate the largest container ships, positioning it as a future regional hub for maritime trade.

CPEC is expected to drastically reduce transportation costs and time for goods moving between China, Central Asia, and the Middle East, benefiting not only Pakistan but also its neighbors. As a result, Pakistan is set to emerge as a central logistics hub that can cater to the needs of businesses and consumers across multiple regions. This trade corridor will allow Pakistan to capitalize on its historical role as a transit trade

hub and its geostrategic location in the heart of Asia.

In addition to enhancing connectivity and trade, CPEC will also foster regional cooperation between Pakistan, China, and other neighboring countries. The corridor will help to improve Pakistan's infrastructure, encourage foreign investment, create employment opportunities, and open new markets for Pakistani goods. As a result, CPEC is widely viewed as a catalyst for economic growth, not just for Pakistan, but for the entire region.

Strategic Ports: Gwadar's Role in Maritime Trade

One of the most significant advantages Pakistan has in its strategic geopolitical position is its access to key maritime trade routes via its ports. Of these, Gwadar Port, located on the southwestern coast of Pakistan in Balochistan, stands out as a critical asset for both Pakistan and the global economy. Gwadar's potential as a maritime trade hub has been recognized for decades, and with the development of CPEC, its significance has grown exponentially.

The deep-water Gwadar Port is strategically located near the Strait of Hormuz, one of the world's most important shipping lanes. The port provides easy access to the Arabian Sea and is positioned to serve as a

link between the Middle East, China, and Central Asia. For Pakistan, Gwadar is seen as a game-changer in terms of its ability to facilitate trade and attract foreign investment.

Gwadar's proximity to the energy-rich Gulf States and its connection to CPEC are key advantages. The port will serve as a critical gateway for energy supplies, particularly for oil and natural gas transported from the Persian Gulf. With an increasing demand for energy in Pakistan and throughout Asia, Gwadar's role in facilitating the smooth flow of these resources will be vital to regional and global energy security.

Additionally, Gwadar is expected to stimulate the growth of free trade zones and industrial parks, further boosting Pakistan's export potential. With modern port facilities and infrastructure development under CPEC, Gwadar has the capacity to handle a wide variety of goods, ranging from raw materials to finished products, making it an essential player in both regional and global trade networks.



2.2 TRADE RELATIONS AND PARTNERS



Pakistan's trade relations are integral to its economic growth, as the country continues to expand its reach into global markets. By fostering strong bilateral ties with key trading partners and participating in regional trade agreements, Pakistan has positioned itself as a competitive player in international trade. Through diversified partnerships, Pakistan has not only strengthened its trade avenues but also capitalized on emerging market opportunities. The following provides a comprehensive overview of Pakistan's major trading partners, its role in international trade agreements, and the benefits derived from these relationships.

Major Trading Partners



One of Pakistan's most notable trade relationships is with China, which has become Pakistan's largest trading partner in recent years. As the world's second-largest economy, China offers a vast market for Pakistani goods, while also providing essential goods and investments. The China-Pakistan Economic Corridor (CPEC) has significantly enhanced the trade dynamic between the two countries.

This \$62 billion infrastructure project, which aims to connect China's western regions with the Gwadar Port in Pakistan, is central to their growing economic ties. Pakistan's exports to China include textiles, agricultural products, and minerals, while China exports electronics, machinery, and consumer goods to Pakistan. The CPEC agreements have facilitated increased bilateral trade, and with enhanced transport connectivity, trade volumes between Pakistan and China are expected to continue growing.



The United States is another key trading partner for Pakistan, with historical ties that extend back decades. The US and Pakistan have engaged in robust trade across sectors, including textiles, clothing, rice, and chemicals. The US is one of the largest export markets for Pakistan, especially for textiles and apparel, which form the backbone of Pakistan's exports. Pakistan's relationship with the US also benefits from preferential trade programs such as the Generalized System of Preferences (GSP), which allows duty-free access for certain products. Furthermore, the US continues to be a major source of foreign direct investment (FDI)

for Pakistan, particularly in areas such as energy, agriculture, and infrastructure. While the US-Pakistan trade relationship has faced challenges due to political factors, its economic significance remains undeniable.



In the Middle East, the United Arab Emirates (UAE) is one of Pakistan's largest trade partners. This relationship is characterized by a significant volume of exports, particularly in textiles, precious metals, food products, and chemicals. The UAE serves as a key re-export market for Pakistani products, acting as a regional hub for Pakistani goods that are further distributed across the Gulf Cooperation Council (GCC) states. Additionally, remittances from the Pakistani diaspora in the UAE contribute significantly to Pakistan's economy, with the UAE being one of the top sources of remittances for Pakistan.



The European Union (EU) is another essential trade partner, with the region offering preferential access to

Pakistani products through the GSP+ scheme. Under the GSP+ framework, Pakistan enjoys tariff-free access for certain products, including textiles, garments, sports goods, and chemicals. The EU is a major destination for Pakistan's textile exports, with several EU countries such as Germany, the UK, and France being key importers. Additionally, Pakistan exports carpets, handicrafts, and agricultural products to the EU, enhancing its position in European markets. The EU's interest in maintaining a strong trade relationship with Pakistan is driven by both economic and political considerations, with the region keen on deepening its engagement in South Asia.

Emerging markets are increasingly important for Pakistan as the country diversifies its trade relationships. Countries in Africa, Latin America, and Asia offer untapped opportunities for Pakistani exports. Afghanistan, located to the north, is a key regional trade partner for Pakistan, with trade in agricultural goods, construction materials, and consumer products. In Africa, countries such as Kenya, Nigeria, and South Africa represent growing markets for Pakistani goods, particularly in the textiles, chemicals, and food processing sectors. Similarly, in Latin America, Pakistan is strengthening ties with countries like Brazil and Argentina, where there is growing demand for

agricultural products and pharmaceuticals. As Pakistan seeks to diversify its export markets and tap into emerging economies, these relationships are becoming increasingly significant in shaping Pakistan's future trade trajectory.

Free Trade Agreements (FTAs) and Regional Trade Initiatives

Pakistan has actively engaged in various Free Trade Agreements (FTAs) and regional trade initiatives to expand its trade relations and reduce barriers to market access. One of the most prominent FTAs is the South Asian Free Trade Area (SAFTA), which aims to promote regional trade among the South Asian Association for Regional Cooperation (SAARC) countries. While the full potential of SAFTA has yet to be realized due to regional political challenges, it offers significant opportunities for Pakistan to increase trade with its South Asian neighbors, particularly India, Sri Lanka, and Bangladesh. By reducing tariffs and improving trade facilitation measures, SAFTA helps Pakistan enhance its trade integration within the region.



The Economic Cooperation Organization (ECO) is another important regional initiative in which Pakistan plays a key role.

Pakistan has worked to leverage its membership in ECO to improve trade links with neighboring countries and enhance the flow of goods and services across the region. The ECO has the potential to increase regional connectivity and reduce trade barriers, providing Pakistan with access to new markets for its products, including agricultural goods, energy, and textiles.

Pakistan is also engaging in various dialogues on global trade platforms, including BRICS (Brazil, Russia, India, China, South Africa), which has recently expanded to include economic and trade cooperation initiatives with countries outside the core group. Pakistan's involvement in such dialogues positions it to strengthen its role in global trade discussions and forge new partnerships for growth. Pakistan's economic development, underpinned by initiatives such as CPEC, positions it as an emerging economy in global trade talks. Its role in BRICS Plus initiatives reflects Pakistan's broader ambitions to engage with the global economic community on trade and investment matters.

A Case Study on Successful Pakistani Exports to China under CPEC Agreements

One of the most successful examples of Pakistan's growing trade under its strategic initiatives is the export of textiles to China,

facilitated through the CPEC agreements. Over the years, the textile industry has become one of Pakistan's largest export sectors, and under CPEC, trade with China has grown significantly. Chinese demand for Pakistani textiles, particularly fabrics and garments, has surged, driven by China's growing middle class and its increased consumption of high-quality goods.

Under the framework of CPEC, Pakistan has been able to streamline the logistics and transportation of textile goods to China. The improvement in transportation infrastructure, particularly the road and rail networks linking Gwadar Port with China's western regions, has reduced shipping costs and transit times, making Pakistani textiles more competitive in the Chinese market. Furthermore, the establishment of special economic zones (SEZs) along the CPEC route has provided Pakistani textile manufacturers with access to cutting-edge technology, modern machinery, and enhanced production facilities, enabling them to meet the growing demands of the Chinese market.

As a result of these efforts, Pakistan's textile exports to China have seen steady growth, with textiles being one of the top categories in the trade balance between the two countries.

This case study highlights how regional infrastructure projects like CPEC can help unlock new market opportunities, particularly in high-

demand sectors like textiles, and reinforce Pakistan's position as a leading exporter in the global trade landscape.

2.3 KEY SECTORS DRIVING TRADE

There are various sectors that are driving the trade and contributing to the economic development of Pakistan. These key sectors will be addressed in this section.

Information Technology

In recent years, Pakistan has emerged as one of the world's leading IT outsourcing hubs, gaining global recognition for its burgeoning technology sector and skilled workforce. The country's information technology (IT) industry has seen substantial growth, positioning Pakistan as a key player in the global digital economy. This rise is fueled by a combination of competitive advantages, including a large pool of tech talent, cost-effective services, and a thriving startup ecosystem.

One of Pakistan's core strengths in IT outsourcing is its skilled human resources. The country boasts an extensive network of engineers, software developers, data scientists, and IT professionals. With a large youth population—over 60% of Pakistan's population is under the age of 30—there is an abundant talent pool that is eager to meet the growing demands of the global IT

market. Moreover, many universities and institutions in Pakistan offer cutting-edge technology programs that equip students with the latest skills in programming, software engineering, and data analysis.

For companies around the world, Pakistan's IT services are increasingly attractive because of their affordability and high quality. Pakistan offers a more cost-effective alternative to traditional outsourcing destinations like India, the Philippines, and Eastern Europe, while still providing access to highly skilled professionals. This has made Pakistan an increasingly popular destination for global companies seeking to outsource functions such as software development, customer support, web development, and cloud services.

According to the Global Services Location Index (GSLI), Pakistan's ranking for the last fiscal year is 29 among 78 countries. The Global Services Location Index (GSLI) measures competitiveness as a location for exporting ICT and other knowledge services. On the pillar of 'financial attractiveness' in the GSLI, Pakistan is ranked as the second-

most financially attractive location in the world for offshoring IT–BPO services. Moreover, in the low-end BPO segment, operational costs are 60% lower than those in the Philippines, which is often seen as the world's customer support powerhouse. This advantage is supported by the low competition for labor in Pakistan.

The country's IT outsourcing services cover a wide range of industries, including banking, healthcare, retail, telecommunications, and education.

Pakistan is particularly well-known for providing custom software solutions, mobile app development, IT consulting, and web development services. Global clients, including Fortune 500 companies, startups, and small businesses, have turned to Pakistan to meet their technology needs.

Trade Data

According to the International Trade Administration, as of March 2023, the Pakistan Software Export Board (PSEB) counted 5,109 IT and ITeS company registrations primarily based in Lahore, Karachi, and Islamabad/Rawalpindi. Pakistan is exporting ICT products and services to over 170 countries. In FY 2023 (July 2022–June 2023), exports of telecommunication, computer, and information services were relatively flat compared to the previous year.

Between July 2022 and March 2023, IT exports totaled \$1.94 billion compared to \$1.95 billion during the same period the previous fiscal year. PSEB data show that ICT exports to the United States, Pakistan's largest market, accounted for 54.5 percent in FY 2023. Authorities hope exports will reach \$3.5 billion in FY 2024.

The Pakistan IT & ITES exports were recorded at USD 3.2 billion during FY 2023–24, and according to the first ten months of exports, the projection for the exports of IT & ITES by the end of FY 2024–25 is USD 4.0 billion. The major IT & ITES export destinations for Pakistan are the United States of America, the United Kingdom, Canada, the United Arab Emirates, and Singapore. However, more than half of Pakistan's IT & ITES exports are directed towards the USA, accounting for 54% of the total IT & ITES exports from Pakistan.

Pakistan's government has recognized the strategic importance of IT in the nation's economic development. With initiatives like the Digital Pakistan vision, launched in 2019, the government has committed to transforming the country into a digitally empowered society. This initiative focuses on the development of digital infrastructure, enhancing cybersecurity, and promoting e-governance, among other key aspects. By investing in digital technology, Pakistan aims to strengthen its position as a leading

IT outsourcing hub and attract international investors and companies.

Startups & Digital Growth

Pakistan's digital transformation is also being driven by an explosion of startups in sectors such as fintech, artificial intelligence (AI), and e-commerce. Over the past decade, the country has seen a surge in the number of tech-driven startups, with Karachi, Lahore, and Islamabad emerging as vibrant tech hubs. Many of these startups are focusing on innovative solutions for a variety of sectors, creating opportunities for trade and investment, and positioning Pakistan as a global leader in digital innovation.

The fintech sector in Pakistan has been one of the standout performers in recent years. Pakistan has the second-largest unbanked population in the world, with an estimated 100 million people lacking access to formal financial services. This gap has created a tremendous opportunity for fintech companies to provide digital financial services to underserved populations.

Startups like Easypaisa, JazzCash, and Finja have already gained significant traction, offering services such as mobile wallets, digital payments, microloans, and peer-to-peer lending. The government's efforts to promote financial inclusion

through initiatives like the Pakistan National Payment System (PNPS) have further accelerated the growth of fintech in the country.

Artificial Intelligence (AI) is another emerging area where Pakistani startups are making significant strides. With global interest in AI technologies like machine learning, natural language processing, and computer vision, Pakistani companies are beginning to develop solutions that can be applied in a variety of industries, from healthcare to logistics. Abwaab, for example, is a Pakistani ed-tech startup that uses AI to deliver personalized learning experiences to students, while CureMetrix, a healthcare AI company, is working on innovations to improve breast cancer diagnostics. These advancements are drawing attention from international investors and venture capitalists, contributing to Pakistan's reputation as a rising AI hub.

E-commerce is another key driver of Pakistan's digital economy. The rise of online shopping platforms, driven by increasing internet penetration and smartphone adoption, has transformed Pakistan's retail landscape. With a population of over 220 million, Pakistan presents a massive opportunity for e-commerce companies, both local and international. Daraz, Pakistan's largest e-commerce platform, has grown exponentially, expanding its

offerings in categories like electronics, fashion, and groceries. International players such as Alibaba have also taken notice, with Alibaba's AliExpress platform enabling Pakistani merchants to sell their products globally. The growing popularity of e-commerce is reshaping Pakistan's retail and logistics sectors, creating new export opportunities for Pakistani businesses and facilitating the cross-border movement of goods.

These developments are a clear indicator of the country's digital growth, and they have begun to attract foreign investments in the technology sector. According to data from the State Bank of Pakistan, foreign direct investment in the country's tech sector has grown by over 40% in the last few years, with international venture capital firms increasingly interested in Pakistan-based startups. The government's pro-business policies, such as tax incentives and regulatory reforms, are also contributing to the growth of Pakistan's startup ecosystem.

To illustrate the success of Pakistan's digital transformation, consider the journey of Finja, a fintech startup founded in 2016. Finja is a leading digital financial services provider offering solutions such as microloans, credit scoring, and mobile wallets for the underbanked population in Pakistan. The startup initially focused on

serving Pakistan's vast rural areas, where access to traditional banking services was limited.

Finja's success can be attributed to its innovative use of technology to meet the needs of Pakistan's underserved population. By leveraging data analytics and mobile technology, the company was able to offer instant loans and digital payments through an intuitive mobile app. This helped millions of Pakistanis access financial services for the first time, thereby contributing to financial inclusion in the country.

In its early stages, Finja benefited from seed funding from both local investors and international venture capital firms. The company's ability to scale quickly and capture market share in a short period drew attention from global investors, including Standard Chartered Bank, which led a \$3 million funding round in 2019. With this capital injection, Finja expanded its offerings and strengthened its technological infrastructure.

Today, Finja has begun to scale its operations beyond Pakistan. The company has secured partnerships with regional financial institutions, and it has started to explore opportunities in other emerging markets such as Bangladesh, Sri Lanka, and Africa. The success of Finja is a testament to the potential

of Pakistan's fintech sector, and it highlights the country's ability to compete in the global digital economy.

Textile, Leather, and Apparel



Pakistan's textile industry stands as one of the cornerstones of its economic engine, playing a pivotal role in both trade and employment. The country is one of the world's leading producers of textiles and apparel, making it an integral player in the global supply chain.

The textile sector not only contributes significantly to export revenues but also serves as a major employment generator, offering jobs to millions of Pakistanis across various stages of production.

The roots of Pakistan's textile industry trace back to the early years of independence, when the government prioritized the establishment of textile mills and the development of a cotton industry. Pakistan's status as one of the world's largest producers of cotton provides a competitive

edge for the textile sector, with a production capacity that enables the country to fulfill both domestic and international demands.

Today, Pakistan is one of the top exporters of textile products globally, ranking among the leading suppliers of cotton yarn, woven fabrics, knitwear, and home textiles. The industry is highly diversified, with spinning, weaving, knitting, dyeing, finishing, and garment manufacturing forming the backbone of Pakistan's textile exports. According to data from the Pakistan Bureau of Statistics (PBS), the textile sector accounts for **55% of Pakistan's total exports, contributing approximately \$16.5 billion to the economy annually.**

Global Exports: Key Markets for Pakistan's Textiles

Pakistan's textile exports are highly concentrated in specific markets, with key regions including the United States, European Union, China, and Middle Eastern countries. These markets demand a wide range of textile products, from high-end garments and fashion accessories to basic home textiles and industrial fabrics.

The United States remains Pakistan's largest textile export market, accounting for a substantial portion of the country's total textile exports. In recent years, the U.S. has shown

a growing demand for ready-made garments from Pakistan, particularly in the apparel and home textiles segments.

Pakistani cotton-based products, such as bed linens, towels, and curtains, have found a receptive audience in the U.S. market, thanks to their affordable pricing and high-quality craftsmanship.

The European Union is another significant trading partner for Pakistan's textile industry. The EU's demand for sustainable textiles and high-quality garments has led to the growth of Pakistani textile exports, particularly in the luxury fashion and eco-friendly product categories. Pakistani textile manufacturers are increasingly focused on incorporating sustainable production practices and using organic cotton to meet the growing demand for environmentally responsible fashion in Europe.

Emerging markets in Africa and Central Asia have also shown growing interest in Pakistani textiles, particularly fabrics and apparel. With increased regional trade and greater access to global supply chains, Pakistan's textile sector has expanded its footprint beyond traditional markets, establishing a presence in newer, dynamic economies.

Textile exports continue to be a vital

source of revenue for Pakistan. The Pakistan Textile Exporters Association (PTEA) reports that in recent years, textile exports have grown at an average annual rate of 4-5%, contributing significantly to Pakistan's foreign exchange earnings. Key products within the textile category include cotton yarn, woven fabrics, and knitwear. The home textile segment also remains a strong contributor, with products like bed linen, towels, and bathrobes being among the most sought-after items in international markets.

As of 2023, Pakistan's textile export revenues were estimated at \$16.65 billion, with the U.S., European Union, and China being the largest destinations. The country's textile export figures have shown a steady increase over the years, supported by initiatives to upgrade manufacturing technologies, improve product quality, and increase competitiveness in global markets.

Trade Data

UN Comtrade data for the year 2023-24 show that the export value of leather and leather products amounted to US\$ 808 million, representing roughly 3 per cent of Pakistan's total exports. According to the data presented in the Government of Pakistan's Economic Survey 2023-24, the export value of leather and leather goods has gradually decreased from a 5.1

per cent share of export revenues in 2014 to a 2.6 per cent share in export revenues in 2023-24.

In 2023-24, Pakistan was the world's fourth largest exporter of leather apparel, after Italy, China, India and France. A particular niche in the sector is the production of leather gloves, including safety gloves, sporting gloves (e.g. boxing) and motor gloves, generating more than half of export revenues of the overarching product group of leather apparel.

Pakistan is a key supplier of leather apparel to the European market. The China-Pakistan Economic Corridor (CPEC) has also played a crucial role in expanding the scope of Pakistan's textile exports. By facilitating infrastructure development, reducing trade barriers, and enhancing logistics networks, CPEC has opened up new pathways for Pakistani textile manufacturers to access international markets more efficiently.

One of the most remarkable success stories from Pakistan's textile sector is that of Bareeze, a leading fashion brand that has successfully scaled its operations to global markets. Founded in 1985, Bareeze has evolved from a small textile enterprise into a household name in Pakistan's fashion industry, with a growing international presence in Middle Eastern, European, and North

American markets.

Bareeze's journey began in the city of Lahore, where it focused on producing high-quality fabrics for the domestic market. By the early 2000s, the company made a strategic decision to diversify its product range and cater to the international luxury apparel segment. Through collaborations with international designers, the company expanded its offerings to include ready-to-wear garments, accessories, and couture collections.

Pakistan's textile, leather, and apparel sectors have a bright future, driven by strong domestic production capabilities, expanding export markets, and a growing focus on innovation, sustainability, and quality. The country's continued efforts to upgrade manufacturing technologies, strengthen export infrastructure, and promote sustainable production practices will ensure that it remains a key player in the global textile trade.

In the coming years, Pakistan's textile sector is poised to capture an even larger share of the global market, leveraging initiatives like CPEC and improving its access to emerging markets. With its competitive labor costs, abundant cotton supply, and skilled workforce, Pakistan is well-positioned to continue its journey as one of the world's top textile producers.

Agriculture, Seafood, and Agri-based Products



Pakistan has long been a major player in agriculture, with the sector not only fueling the domestic economy but also serving as a key driver for exports. The country's vast agricultural landscape, fertile soil, and extensive irrigation networks make it ideally suited for the cultivation of a wide range of crops. Agriculture contributes significantly to Pakistan's GDP, with key exports in the form of rice, wheat, fruits, vegetables, spices, and seafood.



The agriculture sector is also highly diversified, with crop production, livestock, dairy farming, and fisheries forming critical components. As of recent years, Pakistan has been recognized as one of the world's largest producers of wheat, rice, cotton, and mangoes, positioning

itself as a significant global supplier of these agricultural commodities.

In particular, rice and mangoes have established Pakistan's reputation as a major agricultural exporter. The country is consistently ranked among the world's top exporters of rice, particularly Basmati rice, known for its superior aroma, taste, and quality. Similarly, Pakistan has earned a place as a key player in the global mango market, with its Sindhri, Chaunsa, and Anwar Ratol varieties being particularly sought after by international consumers.



Key Exports

Rice is one of Pakistan's most important export commodities, contributing significantly to foreign exchange earnings. According to the Pakistan Bureau of Statistics (PBS), the country exports over 4 million tons of rice annually, with the majority of exports directed toward the Middle East, Africa, and Asia. Basmati rice remains the country's most popular export, prized for its long grain, aromatic flavor, and distinctive texture. Pakistani rice

is considered to be among the finest in the world, and the country has worked hard to maintain its reputation as a top-quality producer of rice, particularly in markets such as the United States and Europe.

Mangoes, often referred to as the “king of fruits,” are another critical export product for Pakistan. The country is the **fifth-largest producer of mangoes globally** and has a growing presence in the international market. Sindhri and Chaunsa mangoes are highly prized for their sweet flavor and rich texture, and Pakistan exports a significant portion of its mango production to countries in the Middle East, Europe, and Asia. In recent years, Pakistan has made efforts to improve packaging and logistics to ensure the mangoes reach international markets in optimal condition, extending their shelf life and expanding their market reach.



Citrus fruits, particularly oranges and kinnow (a type of citrus fruit), are another major agricultural export for Pakistan. The country is known for producing high-quality citrus fruits that are exported to markets in the

Middle East, Russia, and Europe. Pakistani kinnow is recognized for its excellent taste, high juice content, and ease of peeling, making it a popular choice among international consumers.



Seafood is also an important export product, particularly in the coastal areas of Balochistan and Sindh. Pakistan’s fisheries sector has experienced significant growth, with key products including shrimp, lobster, fish, and crab. Pakistan is increasingly focused on expanding its seafood exports, particularly to China, Japan, and the Middle East, and is working on enhancing sustainable practices in its fisheries industry.

Sustainability Initiatives: Organic Farming and Eco-friendly Packaging

Sustainability has become a central focus for Pakistan’s agriculture sector, as global consumers increasingly demand eco-friendly products. Pakistan has made significant strides toward incorporating sustainable practices

in agriculture, particularly in the production of organic food and the adoption of eco-friendly packaging solutions.

The country's commitment to organic farming has gained traction in recent years, with organic certification initiatives gaining prominence. Several Pakistani farms now grow organic rice, vegetables, and fruits without the use of chemical pesticides and fertilizers. This shift towards organic farming has opened up new markets, particularly in Europe and the U.S., where demand for organic produce is on the rise. Additionally, organic farming aligns with global efforts to combat climate change and support sustainable agriculture.

Eco-friendly packaging has also become a key component of Pakistan's agricultural export strategy. Many mango and citrus exporters have adopted biodegradable packaging to meet the expectations of environmentally conscious consumers.

Recyclable and compostable packaging solutions are increasingly being used to ensure that products have minimal environmental impact. Furthermore, initiatives to reduce food waste through better storage and transportation methods have also contributed to sustainability efforts. The agricultural sector remains

a crucial pillar of Pakistan's export economy. According to the State Bank of Pakistan, the country's agricultural exports have consistently grown, reaching \$4 billion in value in recent years. Key export products include rice, mangoes, citrus fruits, seafood, and spices, with significant growth in the export of mangoes and seafood in particular.

The following are some of the most notable agricultural exports from Pakistan:

- **Rice:** Pakistan is the world's fourth-largest exporter of rice, particularly Basmati rice, accounting for 10% of global rice exports.
- **Mangoes:** Pakistan exports approximately 100,000 tons of mangoes annually, with the Middle East, Europe, and Asia being the largest markets.
- **Citrus Fruits:** The export of kinnow and oranges has grown steadily, reaching \$500 million in export revenues annually.
- **Seafood:** Pakistan's seafood exports have been valued at over \$300 million annually, with the potential for continued growth in international markets.

One of the most compelling success stories in Pakistan's agricultural exports is the expansion of its mango exports to the Middle East. In recent years, Pakistan has seen

a marked increase in the demand for its Sindhri and Chaunsa mango varieties, especially in the UAE, Saudi Arabia, and Oman. Pakistani mangoes are widely considered some of the best in the world, thanks to their flavor, texture, and quality.

Trade Data

Pakistan was the 28 th largest export market for U.S. food and agricultural products in 2023. The value of agricultural trade between the United States and Pakistan in 2023 totaled \$1.13 billion. U.S. agricultural exports to Pakistan reached \$930 million, led by cotton (\$809 million), pulses (\$8 million), planting seeds (\$53 million), consumer oriented products (\$37 million), tree nuts (\$16 million), dairy products (\$16 million), breeding chicks (\$3 million), and wood products (\$35 million). Overall trade with the United States reached \$2.32 billion in first four months of 2024

According to the Trade Data Authority of Pakistan, the country got 24 % GDP Contribution from Agriculture sector in 2024. It also exported agro food valued at \$8.02B, with rice accounting for about \$3.9B. In 2024, Pakistan's sesame seed exports to China declined by 53% compared to the previous year. This decrease followed an initial boom driven by disruptions in other major

sesame-producing countries and the removal of a 9% import duty by China.

Pakistan's mango exports to the Middle East have grown dramatically over the past decade, supported by marketing campaigns, trade fairs, and export promotion efforts by the Trade Development Authority of Pakistan (TDAP). The UAE has become a major hub for the distribution of Pakistani mangoes throughout the Gulf Cooperation Council (GCC) countries.

To meet the growing demand for high-quality mangoes, Pakistani exporters have invested in advanced packaging techniques and cold chain logistics to ensure that mangoes reach their destination markets in optimal condition.

Exporters have also embraced organic and sustainable farming practices to differentiate their products and appeal to environmentally conscious consumers in the region.

Pakistan's agricultural sector is a pillar of strength in its trade economy, contributing significantly to export revenues, employment, and food security. As global demand for high-quality produce and sustainable farming practices continues to rise, Pakistan's agriculture sector is poised for further growth. The expansion of exports in rice,

mangoes, seafood, and other agri-based products will continue to strengthen Pakistan's position as a key player in global trade. By focusing on organic farming, eco-friendly packaging, and sustainable practices, Pakistan is ensuring that its agricultural exports remain competitive in a rapidly changing global market.

With the right investments in infrastructure, technology, and market access, Pakistan's agriculture sector has the potential to expand even further, opening up new markets and opportunities for export growth in the coming years.

Chemicals and Pharmaceuticals

The chemicals and pharmaceuticals sector is one of the most dynamic and fast-growing sectors in Pakistan, playing a crucial role in the nation's economic growth and export success. As a strategic sector for trade, it is not only vital for domestic use but also a significant contributor to foreign exchange earnings, and increasingly, Pakistan is positioning itself as a leader in both chemical manufacturing and pharmaceutical exports.

Historically, Pakistan's pharmaceutical industry has enjoyed significant success due to a robust domestic market and the ability to produce generic versions of major international drugs.

However, over the past few decades, the sector has made significant strides toward innovation, biotechnology, and becoming a major player in the global pharmaceutical market. With an expanding regulatory framework and increasing government support, Pakistan's chemical and pharmaceutical industries are now looking toward international markets for expansion and growth.

Pharma Growth: Expanding Global Markets

Pakistan's pharmaceutical sector has witnessed remarkable growth in the last couple of decades. The domestic market has been buoyed by increasing demand for medicines, vaccines, medical devices, and over-the-counter products, all of which have driven the growth of local pharmaceutical manufacturing. The growth is further fueled by the ageing population and a shift toward lifestyle diseases such as diabetes, hypertension, and cardiovascular diseases. The demand for both generic and innovative medicines has continued to rise, making the pharmaceutical industry an attractive opportunity for investors and exporters.

Pakistan has over 700 pharmaceutical manufacturers, including some of the world's largest producers of generic drugs. The Pharmaceuticals Exporters

Association estimates that the country's pharmaceutical exports have surpassed \$400 Mn in 2024. The country exports to several key international markets, including the Middle East, Africa, Central Asia, and Eastern Europe.

In particular, the Middle East has become an essential export destination for Pakistani pharmaceutical products, with Saudi Arabia, UAE, and Qatar emerging as key trading partners. Pakistani pharmaceutical companies have leveraged the growing demand for affordable, high-quality generic drugs and OTC products in these markets, significantly expanding their export footprint.

Biotechnology and Innovation

As part of its commitment to further expanding its pharmaceutical exports, Pakistan has also made significant investments in biotechnology and biopharmaceuticals. In recent years, the country has ramped up efforts to produce vaccines and biotech-based drugs, with several companies entering into partnerships with international health organizations to develop innovative products. The global demand for biopharmaceuticals, especially in areas such as vaccines and biosimilars, is rapidly increasing, and Pakistan is well-positioned to meet that demand.

Pakistani pharmaceutical companies are beginning to invest heavily in research and development (R&D), creating new medicines in line with international pharmaceutical standards. The country has begun to attract foreign direct investment (FDI) in its biotech sector, as the international community recognizes the potential of Pakistan's skilled workforce, affordable manufacturing, and growing scientific capabilities. This investment is expected to accelerate the country's development into a biotech hub, with the vaccine and biopharmaceutical sectors being key drivers of this growth.

One notable example of Pakistan's growing focus on biotechnology is the collaboration between Pakistani pharmaceutical companies and international organizations such as the World Health Organization (WHO) and Global Alliance for Vaccines and Immunization (GAVI). These partnerships have helped Pakistani companies gain international recognition for their vaccine production, particularly in the area of vaccines for infectious diseases such as hepatitis, tuberculosis, and polio.

A prime example of Pakistan's pharmaceutical sector making an impact on the global stage is the success story of Searle Pakistan. As one of the largest pharmaceutical companies in the country, Searle

made its mark on the global market by establishing a strong presence in Europe, particularly in the United Kingdom and Germany.

Searle initially focused on producing generic medicines, catering primarily to the domestic market and regional markets in the Middle East and Africa. However, the company made a strategic decision to enter the European market, recognizing the growing demand for affordable generic pharmaceuticals. To succeed in these highly competitive markets, Searle focused on maintaining strict quality control standards and ensuring that its products met the regulatory requirements of the European Medicines Agency (EMA).

Through consistent efforts to improve product quality and build partnerships with distributors and healthcare providers, Searle was able to achieve a significant market share in Europe. The company has already expanded its product offerings to include oncology medications, antibiotics, and diabetes drugs, areas where demand for affordable alternatives is high.

Searle's success in entering the European pharmaceutical market serves as a model for other Pakistani pharmaceutical companies looking to expand their global footprint. The company's success has also encouraged other firms in Pakistan to pursue international regulatory



certifications and build capacity in manufacturing and R&D, further establishing Pakistan's place on the global pharmaceutical map.

Trade Data

According to ITC Trademap data, in 2023, Pakistan exported \$309 Mn in Pharmaceutical products. The main destinations of Pakistan exports on Pharmaceutical products were Afghanistan (\$113.5 Mn), Philippines (\$25.2 Mn), Sri Lanka (\$21 Mn), and Uzbekistan (\$16 Mn). Pakistan Exports of pharmaceutical products was US\$421.7 Million during 2024.

Chemical Manufacturing

In addition to pharmaceuticals, chemical manufacturing is another critical aspect of Pakistan's growing export trade. The country's chemical industry is diverse, producing everything from fertilizers to industrial chemicals, plastics, paints, and detergents. Pakistan's chemical industry has grown significantly in recent years, thanks in part to its proximity to major global suppliers of raw materials and the ability to



leverage competitive labor costs. Key players in the chemical manufacturing sector include Engro Chemical, Fauji Fertilizer, and Pak Arab Fertilizers, among others. These companies produce a variety of chemicals, from fertilizers and pesticides to specialty chemicals used in various industries such as agriculture, automotive, pharmaceuticals, and construction. The growth of the chemical industry has led to increased exports, particularly to neighboring countries in South Asia and the Middle East.

The fertilizer industry in particular is a significant contributor to Pakistan's chemical exports. The country is one of the world's largest producers of urea, and the domestic demand for fertilizers has driven the growth of this sector. Pakistani manufacturers also export fertilizers to Afghanistan, India, and Bangladesh, which are major markets for agricultural products.

Future Prospects

Pakistan's chemicals and pharmaceuticals sector is poised for significant growth in the coming decades. As the global demand for generic drugs, biopharmaceuticals, vaccines, and specialty chemicals continues to rise, Pakistan has an opportunity to expand its market share in global trade.

To fully realize this potential, Pakistan must continue investing in R&D, regulatory improvements, and quality control to ensure that its products meet international standards. Additionally, greater attention to building strategic partnerships with international organizations, distributors, and healthcare providers will enable Pakistani pharmaceutical companies to tap into the lucrative global markets of Europe, North America, and Asia.

Minerals and Natural Resources

Pakistan is endowed with an abundant array of natural resources, including minerals, coal, natural gas, precious stones, and marble. These resources play a pivotal role in the country's economic development and export potential. The mining sector, which includes the extraction, processing, and export of these valuable natural resources, continues to be a cornerstone of Pakistan's trade profile. Over the years, the country has made substantial strides

in the development and management of its mineral resources, though challenges remain in terms of extraction technologies, infrastructure, and regulatory frameworks. Nevertheless, Pakistan's mining industry is increasingly being recognized as a vital economic driver, with the potential to significantly contribute to both national revenue and foreign exchange earnings.

Key Exports

Pakistan's mineral sector is diverse and includes a wide range of commodities, from precious stones and marble to coal and natural gas. Each of these resources plays a critical role in Pakistan's trade and export markets, particularly in neighboring regions in Asia, the Middle East, and Europe.

- Coal

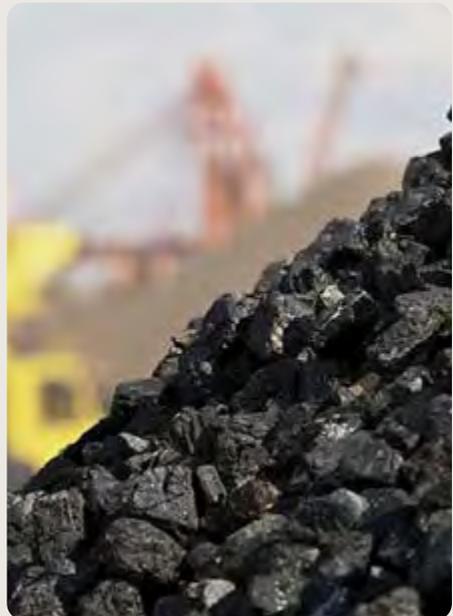
One of the most abundant mineral resources in Pakistan is coal, which has vast potential to power industries both domestically and internationally. Pakistan's Thar coalfields, located in the southeastern region of the Sindh province, are among the largest untapped coal reserves in the world, with an estimated 175 billion tons of coal.

The Thar coalfields have the

potential to significantly improve the country's energy production and make a major contribution to global coal trade.

Despite being a relatively underdeveloped sector, coal mining is increasingly becoming a focal point of Pakistan's mineral exports. The demand for thermal coal, used primarily for power generation, is growing in markets such as China, India, and Bangladesh.

In recent years, Pakistan has also begun exporting low-sulfur coal to Sri Lanka and Africa, where it is in high demand due to its environmental advantages.



Pakistan's coal industry is undergoing rapid modernization, with both domestic and international investments aimed at enhancing its extraction and processing capabilities. The establishment of coal-based power plants and cement plants in Pakistan has provided significant demand for locally sourced coal, making the country an emerging exporter of this critical resource.

- Natural Gas

Natural gas is another key mineral resource in Pakistan, with substantial reserves located in Sindh, Balochistan, and Punjab. Historically, Pakistan has relied heavily on natural gas as its primary energy source, accounting for nearly half of the country's total energy consumption. The Sui gas field, located in Balochistan, is one of the largest and oldest gas fields in Pakistan, and it continues to provide significant quantities of natural gas for domestic consumption.

However, the country's natural gas sector has also gained increasing international attention as Pakistan explores options for gas exports to neighboring countries. A pipeline from Turkmenistan, Afghanistan, Pakistan and India has been

proposed for years, which would facilitate regional trade in natural gas. Additionally, liquefied natural gas (LNG) imports are becoming increasingly popular, allowing Pakistan to tap into the international LNG market.

In recent years, Pakistan has also increased its focus on extracting shale gas and tight gas resources, particularly in Balochistan, and is taking steps to improve the efficiency of natural gas processing plants. These efforts have the potential to increase export volumes of natural gas to countries in South Asia and the Middle East, which rely heavily on natural gas imports.





- Precious Stones

Pakistan is home to some of the world's most valuable precious stones and minerals, including rubies, emeralds, sapphires, topaz, and aquamarine. The country's rich gemstone deposits are located in the northern regions of Khyber Pakhtunkhwa, Gilgit-Baltistan, and Balochistan, where mining operations have been ongoing for centuries.

Among the most notable of these gemstones is the Hunza Ruby, a rare variety of ruby found in the Gilgit-Baltistan region. Pakistani rubies, along with other gemstones such as emeralds from Swat Valley, have gained international recognition for their exceptional quality. However, despite this potential, the country's gemstone industry remains underdeveloped, with much of the precious stone being exported in rough form, leaving the value-added processing and cutting to be done overseas.

Pakistan has long been exporting gemstones to Europe, the Middle East, and the United States, and with the right investments in cutting-edge technology and training for local artisans, the gemstone sector holds tremendous potential to expand. Pakistan's gem markets have begun to see a rise in international buyers, particularly from the UAE, Thailand, and Hong Kong, who are looking to purchase high-quality gemstones for the global jewelry market.

- Marble

Marble is another critical natural resource that has long been an important component of Pakistan's mineral exports. The country is one of the top producers of marble globally, with Khyber Pakhtunkhwa, Baluchistan, and Punjab being home to some of the world's highest-quality marble reserves. Onyx, white marble, and green marble are among the most valuable products from Pakistan's marble industry.

As per the ITC Trademap data, the export of marble is a \$32 Mn in 2024, and countries such as China, Italy, the United States, and Saudi Arabia are among Pakistan's largest marble buyers. The marble industry not only



supports local economies but also creates thousands of jobs in mining, processing, and export operations.

Over the years, the marble sector in Pakistan has undergone modernization, with several large processing plants opening to produce high-quality, polished marble for international markets. Pakistani marble has also found a niche in the construction industry, as it is widely sought after for luxury residential projects, commercial buildings, and interior decoration worldwide.

Trade Data

The mining sector experienced a growth of 4.9% in FY 2024, a significant recovery from a decline of 3.3% in the previous year. In the first quarter of FY 2025 (July-September 2024), Pakistan imported construction and mining equipment worth approximately USD 77.85 million, accounting for 4.03% of total

imports in that period.

Mining Sector Statistics

The mining industry in Pakistan is rapidly growing, with both domestic and international investments contributing to its expansion. In the fiscal year 2023-2024, the mining and quarrying sector contributed over 3% to Pakistan's GDP and generated billions of dollars in revenue through both domestic and international sales.

To ensure continued growth in the mining sector, Pakistan has focused on modernizing mining techniques, expanding infrastructure, and developing better regulatory frameworks to attract more international investment. The introduction of mining technology, safety protocols, and environmental sustainability initiatives are helping to transform Pakistan's mining industry into a more efficient, productive, and internationally competitive sector.

Pakistan's mineral and natural resource sector has tremendous potential to continue its growth, making significant contributions to the country's economy and global trade. With valuable resources such as coal, natural gas, precious stones, and marble, Pakistan is strategically positioned to expand its mineral exports and play a more prominent role in global trade.

Engineering and Industrial Products

Pakistan's engineering and industrial products sector has steadily become one of the cornerstones of the country's economic growth and trade potential.

From surgical instruments to sports goods and electronics, Pakistan has established a solid reputation as a supplier of high-quality products in these industries. Not only do these products contribute significantly to the country's exports, but they also play a crucial role in global supply chains, where Pakistan has begun to emerge as a key player.

In particular, the surgical instruments sector, which is largely centered in the industrial city of Sialkot, has earned Pakistan an outstanding reputation for its precision manufacturing and high standards of quality. Similarly, Pakistan's sports goods industry, particularly in Sialkot, has become synonymous with excellence in products ranging from football and cricket bats to boxing gloves. Additionally, the electronics sector has seen substantial growth, with Pakistan making significant strides in both domestic manufacturing and export markets.

Surgical Instruments

One of the key components of Pakistan's engineering and industrial

products export portfolio is surgical instruments. Sialkot, a city known for its strong industrial base, has long been recognized as the global hub for the production of surgical tools, medical devices, and healthcare instruments. The Sialkot surgical instrument industry is considered one of the world's largest producers of medical instruments, providing high-quality tools used in hospitals, clinics, and surgical procedures around the globe.



The Sialkot surgical instrument industry produces a wide variety of products, including scalpels, forceps, scissors, needles, and sutures. The quality of these instruments has earned Pakistan a reputation as a global leader in medical manufacturing. With rigorous standards and a skilled workforce, Sialkot's manufacturers meet the strict requirements of international markets, particularly those in North America, Europe, and the Middle East.

The export of surgical instruments has become a cornerstone of Pakistan's economy, with annual export revenues exceeding USD 460 million. Pakistan is one of the world's top exporters of surgical instruments, and the demand for its products continues to grow, driven by the expanding global healthcare industry. The quality and precision of Pakistani surgical instruments have positioned the country as a reliable and preferred supplier to leading hospitals, medical device companies, and surgical centers worldwide.

Sports Goods

Another important sector within Pakistan's engineering and industrial products industry is sports goods manufacturing. Pakistan has earned a strong global reputation for

producing high-quality sports equipment, including footballs, cricket bats, hockey sticks, and boxing gloves. The city of Sialkot, once again, plays a pivotal role in this sector, with manufacturers exporting products to major sports brands around the world.

Pakistan's sports goods industry is known for producing equipment used in high-profile international sporting events such as the FIFA World Cup, the Cricket World Cup, and the Olympic Games. In fact, Sialkot is home to the manufacturing of the official FIFA football used in international football tournaments, including the prestigious FIFA World Cup. These footballs are crafted with precision and high-quality materials, ensuring superior performance on the field.



The sports goods export market in Pakistan is highly lucrative, with products being exported to North America, Europe, the Middle East, and Asia. Not only do these products serve elite sports teams and organizations, but they also cater to grassroots sporting initiatives in schools and local communities. Pakistan has also seen increasing demand for its boxing gloves, wrestling gear, and training equipment due to the growing popularity of combat sports worldwide.

The economic significance of the sports goods industry cannot be overstated. Pakistan's sports exports contribute hundreds of millions of dollars annually to the national economy, and the sector continues to grow as international demand for high-quality sports equipment increases.

Electronics

While Pakistan's electronics industry is still in its nascent stages compared to other industries, it has shown significant potential for growth in both domestic manufacturing and international trade.

The sector has been bolstered by investments in smart technology, consumer electronics, and electrical appliances, with companies producing everything from home

appliances to smartphones. The Made-in-Pakistan label is gaining recognition for its competitive pricing and quality assurance, with local manufacturers beginning to partner with global tech giants to produce cutting-edge electronics.



Additionally, electrical appliances such as refrigerators, air conditioners, and washing machines are also part of Pakistan's growing electronics export portfolio. Pakistan's consumer electronics exports have been steadily rising, particularly in the Middle Eastern and African markets, where there is a growing demand for affordable and reliable electronic products. The export of electronics from Pakistan is expected to continue to rise as the country strengthens its manufacturing capabilities and taps into the global supply chain for electronic goods.

Strength of Engineering and Industrial Sector

To illustrate the strength of Pakistan's engineering and industrial products sector, we can take a



closer look at the Sialkot model, which has proven to be successful in both the surgical instrument and sports goods industries. Sialkot's rise as a global hub for the production of high-quality industrial products can be traced back to its entrepreneurial spirit and the city's focus on manufacturing precision products.

In the case of surgical instruments, Sialkot's manufacturers have invested heavily in skilled labor, state-of-the-art technology, and quality control processes to ensure their products meet international standards. The city's commitment to maintaining high levels of craftsmanship and innovation

has helped it dominate the global market in medical devices and surgical tools.

Similarly, Sialkot's success in the production of FIFA footballs underscores the city's ability to meet the demands of high-profile sports events. The city's sports goods manufacturers have developed cutting-edge techniques for the production of footballs, ensuring that each ball is perfectly designed for professional competitions. This commitment to quality has positioned Sialkot as a key supplier of official FIFA World Cup footballs and other sports equipment used in global tournaments.

The engineering and industrial products sector has become one of the driving forces behind Pakistan's growing export economy. With a global reputation for producing high-quality surgical instruments, sports goods, and electronics, Pakistan has positioned itself as a key player in the international marketplace. The Sialkot model, with its focus on precision manufacturing, quality control, and international partnerships, serves as an excellent example of how Pakistan can leverage its industrial strengths to drive trade growth.

As the world becomes increasingly interconnected and demand for high-quality engineering products rises, Pakistan is well-positioned to expand its export portfolio and solidify its place in global trade networks. Through continued investment in technology, innovation, and skilled labor, Pakistan's engineering and industrial products sector will play an ever-larger role in shaping the country's economic future and contributing to its long-term success in the global



marketplace. The country exported engineering goods worth \$28.49 million in July (2024-25) against the export of \$22.423 million in July (2023-24), showing a growth of 26.78 per cent, according to the Pakistan Bureau of Statistics (PBS).

Services

While Pakistan has long been recognized for its strong manufacturing and export sectors, the services industry has been emerging as a vital component of the country's trade portfolio. The services sector has grown rapidly in recent years, driven by expanding global demand for logistics, financial services, information technology, education, and tourism.

These sectors, while diverse, all play a critical role in enhancing Pakistan's economic footprint on the world stage. With the increasing interdependence of global economies and a growing focus on digital transformation, services exports from Pakistan are on the rise and poised to continue to contribute significantly to the country's economic growth.

Logistics and Transportation

One of the core pillars of Pakistan's expanding services sector is logistics and transportation. As a country situated at the crossroads of South Asia, Central Asia, and the

Middle East, Pakistan's geographical location gives it a natural advantage in facilitating trade and movement across multiple regions. Over the years, Pakistan has made significant investments in its transport infrastructure, including ports, rail networks, and highways, enabling it to serve as an increasingly important hub for regional and international trade.

The China-Pakistan Economic Corridor (CPEC) has played a pivotal role in boosting Pakistan's logistics services. This ambitious infrastructure project has linked the Gwadar port with China, creating a direct trade route between Pakistan, China, and other countries in Central Asia. The development of Gwadar and other ports along Pakistan's coastline has significantly improved the country's maritime trade capacity, reducing transportation costs and improving efficiency for both importers and exporters.

Pakistan's logistics and transportation sector has experienced substantial growth, particularly in shipping, air cargo, and railway transportation. The growth of cargo handling services at major seaports such as Karachi Port and Port Qasim reflects the country's increasing importance in regional and international trade networks. Logistics services are also essential for ensuring that goods move efficiently through Pakistan's

extensive road networks, with freight services expanding to meet the growing demand for transportation across South Asia, the Middle East, and Africa.

Financial Services

The financial services sector in Pakistan has also experienced notable growth, playing a key role in the country's economic modernization and global integration. This sector encompasses a wide range of services, including banking, insurance, capital markets, and investment management. The rise of digital banking and mobile money platforms has further expanded access to financial services across Pakistan, especially in rural areas, where traditional banking infrastructure was previously limited.



Pakistan's financial services industry has developed in response to both domestic needs and international demands. The country's banking sector is well-regulated and serves a growing base of retail and corporate clients. Major Pakistani banks, including Habib Bank Limited (HBL) and United Bank Limited (UBL), have expanded their international presence, particularly in Middle Eastern and Asian markets.



Additionally, Pakistan's stock market, represented by the Pakistan Stock Exchange (PSX), continues to attract foreign investment, with public offerings and capital market development playing an important role in the country's economic activities.



As digital platforms continue to reshape the financial sector, Fintech companies in Pakistan have begun attracting significant investment. These startups are focused on mobile payments, online lending, and blockchain technology, responding to the country's growing demand for

digital financial solutions.

With Pakistan's population increasingly adopting mobile phones and smartphones, these digital platforms are helping bridge the gap between traditional banking and the unbanked population, further boosting the financial sector's contribution to the national economy.

In addition to banking and Fintech, Pakistan's insurance sector has shown growth, with the development of both life and general insurance markets. Microinsurance products designed to serve lower-income communities are gaining traction, further expanding access to insurance services in Pakistan's emerging markets.

Education and Knowledge Services

Education is a vital service that holds immense potential for export in Pakistan. The country has a strong history of producing skilled professionals in fields such as engineering, medicine, and information technology. Pakistan's higher education system is known for producing a large number of graduates who are sought after by global employers in both the Middle East and Western markets. The export of education services is an important dimension of Pakistan's service sector, particularly as the demand for qualified professionals grows worldwide.

Pakistani students are increasingly pursuing higher education at universities in the United States, United Kingdom, Canada, and other countries, resulting in an influx of remittances and enhancing Pakistan's international profile. Additionally, educational institutions in Pakistan are attracting foreign students, particularly from neighboring countries in Central Asia and Africa.

The country's universities have expanded programs in engineering, technology, and business, which align with the needs of both local and international job markets.

Pakistan's technical and vocational education sector also plays a key role in providing training for industries such as textiles, construction, and hospitality. By exporting vocational training programs to foreign markets, Pakistan is contributing to the development of the global workforce, particularly in regions where there is high demand for skilled labor.

Tourism and Hospitality

Tourism has long been a significant contributor to Pakistan's economy, and its potential for growth is vast. The country is rich in cultural heritage, natural beauty, and historical landmarks, making it an attractive destination for travelers

seeking both adventure and relaxation. The tourism services sector encompasses a wide range of activities, from tour operators and travel agencies to hospitality and transportation services.

Pakistan's ecotourism potential has been recognized globally, with regions such as Hunza, Skardu, and Swat offering pristine landscapes that are increasingly popular among adventure tourists. In addition to mountain trekking and cultural tourism, the Islamic heritage of Pakistan has drawn pilgrims from across the globe, particularly to religious sites such as Karachi's mausoleums and Lahore's Badshahi Mosque.

The tourism sector is also buoyed by the growing interest in health tourism, as Pakistan offers affordable medical treatments in fields such as dentistry, cosmetic surgery, and cardiology. This type of medical tourism, combined with Pakistan's high-quality healthcare services, makes the country a prime destination for healthcare travelers from neighboring regions.

The expansion of Pakistan's services sector—particularly in logistics, financial services, education, and tourism—has positioned the country as an increasingly important player in global trade. With a highly strategic location, robust infrastructure development, and an

expanding middle class, Pakistan is well-positioned to capitalize on the rising demand for services across the globe.

The continued growth of Pakistan's services exports—fueled by innovation, digital transformation, and a competitive workforce—will further elevate the country's role in the international economy. As the world becomes increasingly interconnected, services will continue to be a significant driver of economic activity, making Pakistan's services sector a crucial component of the nation's economic future.

Trade Data

The services sector of Pakistan contributes 61.40% to the country's GDP and is expanding day by day. The country has the 4th largest freelancers' population in the world, and its 173 HEC recognized universities are producing over 73,000 professionals for the market, thereby expanding the base for the services industry. In FY 2022-23, Pakistan exported services worth 7.3 billion USD, with the telecommunications sector accounting for about \$2.6 billion.

Between July and November 2024, Pakistan's services exports totaled USD 3.275 billion, representing a 7.8% increase from USD 3.044 billion during the same period the previous year.





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3.1 GOVERNMENT INCENTIVES: A BUSINESS-FRIENDLY ENVIRONMENT

Pakistan is making significant strides in creating a business environment that is not only competitive but also conducive to foreign investment. With a growing economy, a large consumer market, and abundant natural resources, the country has become an attractive destination for global investors. Recognizing the need to drive economic growth through investments, the government of Pakistan has implemented a range of incentives that facilitate foreign direct investment (FDI) and make doing business in Pakistan easier and more rewarding.

Tax Breaks and Fiscal Incentives

One of the most notable government initiatives aimed at attracting investment is the provision of tax breaks and other fiscal incentives. The government offers various tax exemptions and rebates to foreign investors in key sectors, such as information technology, energy, agriculture, and manufacturing. These tax incentives are designed to reduce the operational costs for investors and increase the profitability of investments.

For instance, the Special Economic Zones (SEZs) offer tax holidays of up to 10 years, depending on the nature of the investment. In addition,

corporate tax rates are kept competitive, and tax incentives are provided to investors in priority sectors such as renewable energy and IT startups.

The government has also introduced favorable customs duties and import duty exemptions on raw materials and capital goods that are used in the manufacturing process. These fiscal incentives make Pakistan an attractive location for multinational companies looking to set up manufacturing plants and assembly lines. This is particularly true for investors in sectors such as electronics, automobiles, and textiles, where raw material costs can make up a significant portion of production expenses.

Ease of Doing Business

Pakistan has made substantial progress in improving the ease of doing business in recent years. The World Bank's Doing Business Report has recognized Pakistan's efforts to streamline business regulations, making it easier for investors to establish and operate businesses. The government has introduced reforms aimed at reducing bureaucratic hurdles, simplifying the registration process, and improving the overall regulatory framework for businesses. For instance, registering

a business in Pakistan has become significantly faster due to the digitization of the National Database and Registration Authority (NADRA), which allows entrepreneurs and foreign investors to complete most administrative tasks online.

Pakistan's One-Stop-Shop Investment Centers, such as the Board of Investment (BOI) and the Special Investment Facilitation Council (SIFC), provide comprehensive support to foreign investors. These centers offer guidance on how to navigate the regulatory landscape, assist in securing permits and licenses, and ensure that foreign investors have access to the information they need to start operations in Pakistan. These services have greatly enhanced Pakistan's investment climate, making it easier and quicker for foreign companies to enter the market.

Additionally, Pakistan's foreign exchange regulations have been simplified, providing greater flexibility to investors when repatriating profits and dividends. The government has also taken steps to reduce the time required for business licensing and permits, which is crucial for attracting FDI and ensuring that businesses can begin operations without unnecessary delays.

Special Economic Zones (SEZs) are a critical part of Pakistan's

strategy to attract foreign investment. These zones are designed to offer investors a range of incentives, including tax exemptions, duty-free import of machinery, and relaxed labor regulations. SEZs also benefit from world-class infrastructure, including highways, rail networks, and ports. These zones are intended to foster industrial growth, provide a competitive edge to businesses, and create an ecosystem where investors can thrive.

The government has designated specific areas in Pakistan for the establishment of SEZs, with Gwadar, Karachi, Lahore, and Islamabad serving as key locations. Each SEZ has been strategically located to offer access to international markets, with easy connectivity to the Middle East, Central Asia, and China.

The China-Pakistan Economic Corridor (CPEC), which is a transformative infrastructure project, has provided a significant boost to the development of these zones, improving the transport and trade routes that connect Pakistan to the broader region.

In addition to traditional manufacturing, the SEZs are also ideal locations for IT startups, automobile manufacturers, and renewable energy producers. By offering state-of-the-art infrastructure, reduced operational

costs, and access to an expanding consumer market, Pakistan's SEZs

are increasingly being seen as prime destinations for global investors.

3.2 FOREIGN DIRECT INVESTMENT (FDI): TRENDS AND OPPORTUNITIES

Pakistan has witnessed steady growth in foreign direct investment (FDI) over the past few years, with investors from around the world recognizing the country's strategic advantages and business-friendly policies. FDI inflows are crucial to Pakistan's long-term economic development, as they bring not only capital but also technology, management expertise, and access to global markets.

Recent Trends in FDI

The telecommunications, energy, and manufacturing sectors have been the primary recipients of FDI in Pakistan. The country's growing consumer market, vast natural resources, and expanding infrastructure have attracted investors from both developed and emerging markets. For instance, in the telecommunications sector, companies such as Telenor and Zong have made significant investments in the country's network infrastructure, contributing to the digital transformation of the economy.

Similarly, the energy sector has seen substantial foreign investment, particularly in renewable energy projects such as solar and wind

energy. Investors have been drawn to Pakistan's vast potential in renewable energy due to the country's favorable geographic conditions, which make it ideal for solar and wind energy generation. The government's commitment to green energy and sustainable development has further fueled foreign interest in these projects.

In addition to renewable energy, the mining and agriculture sectors have also attracted FDI, particularly in precious metals, coal, marble, and agri-processing. Pakistan's rich natural resources present numerous opportunities for foreign investors looking to tap into global supply chains for minerals and agri-based products.

Key Opportunities for FDI in Pakistan

There are several key areas where FDI opportunities are abundant in Pakistan. These include:

- **Renewable Energy:** Pakistan's focus on expanding its renewable energy capacity presents significant opportunities for foreign investors in solar, wind, and

hydropower projects.



- **Agriculture and Food Processing:** As one of the world's largest producers of rice, mangoes, and wheat, Pakistan offers vast opportunities for investment in agriculture, food processing, and exporting agricultural products to global markets.
- **Technology and Innovation:** The rapid growth of Pakistan's IT sector, combined with an expanding young workforce, presents a unique opportunity for foreign investors in fintech, e-commerce, and digital services.

The influx of foreign investment into Pakistan has been underscored by successful case studies that demonstrate the country's potential as an investment destination.

Telecommunications: Telenor and Zong

The telecommunications sector in

Pakistan has seen robust growth due to foreign investments. Telenor and Zong, two of the largest telecommunications companies in Pakistan, have made substantial investments in the country's infrastructure and service networks. Their investments have not only improved connectivity across Pakistan but have also fostered the growth of the digital economy. Telenor, for example, has been a key player in increasing mobile internet penetration and driving financial inclusion through its mobile banking services.



Energy: China's Investment in CPEC

China has been one of Pakistan's most significant foreign investors, particularly in the energy sector. Under the framework of the China-Pakistan Economic Corridor (CPEC), Chinese companies have invested in energy production, including coal-fired plants, wind farms, and hydropower. These investments have helped address Pakistan's energy shortage and have provided the country with much-needed infrastructure for industrial growth.



A scenic view of a turquoise lake with wooden rafts in the foreground and rugged mountains in the background. The sky is a soft, hazy blue, and the mountains are bathed in a warm, golden light. The water is calm, reflecting the surrounding landscape. The rafts are simple wooden structures with some fabric coverings.

TOURISM POTENTIAL: EXPLORING PAKISTAN'S DIVERSE ATTRACTIONS

Pakistan is a country of contrasts, where ancient traditions blend with modern progress, and where the natural world offers an overwhelming array of landscapes—from snow-capped mountains to sun-drenched deserts, from lush forests to serene lakes. With such rich diversity, Pakistan is fast becoming one of the most exciting travel destinations in the world. Its allure lies not only in its cultural and historical treasures but also in its awe-inspiring natural beauty that captivates those who seek adventure, tranquility, or an escape into the heart of nature. From the towering peaks of the Himalayas and Karakoram, to the tranquil shores of the Makran Coast, Pakistan offers a unique and unparalleled opportunity for travelers to experience some of the most breathtaking landscapes on Earth.



In recent years, Pakistan has made significant strides in promoting tourism as a vital component of its economy. International visitors are increasingly drawn to the country's rich heritage, its warm hospitality,

and its scenic wonders, many of which remain hidden gems compared to other global destinations. Pakistan's commitment to opening up its tourism sector, combined with government initiatives to ensure safety, infrastructure development, and promotion of natural and cultural attractions, makes it an emerging hotspot for tourists from across the globe.



In 2024, Pakistan welcomed approximately 97,500 foreign visitors, the highest number in the past seven years, with forecasts suggesting a revenue increase to approximately \$3.3 billion by 2028, indicating an average annual growth of 1%. In 2024, Pakistan improved its ranking by 20 spots, reaching 101st in the World Economic Forum's Travel & Tourism Development Index.

Tourism in Pakistan is not just about experiencing beautiful scenery—it is about immersing oneself in a diverse range of experiences that span centuries of history, culture, and the timeless allure of nature. The country's natural beauty is deeply

woven into its identity, with regions offering unparalleled trekking opportunities, mountain views that could rival any in the world, and lakes and rivers that form a natural backdrop to countless adventures. As the global tourism industry continues to grow, Pakistan's natural

landscapes, rich biodiversity, and extraordinary terrain are increasingly seen as invaluable assets, offering visitors more than just an escape—they provide a chance to witness some of the most pristine environments left on the planet.

4.1 NATURAL BEAUTY

One of the most compelling reasons to visit Pakistan lies in its extraordinary natural beauty.

The country is blessed with diverse landscapes that range from majestic mountains to vast deserts, lush valleys, and coastal areas teeming with life. From the soaring peaks of the Karakoram Range to the tranquil rivers and lakes of the north, Pakistan offers a panorama of some of the most breathtaking natural wonders on Earth.

Mountains & Landscapes

At the heart of Pakistan's natural

beauty are its mountain ranges, which include three of the most famous ranges in the world: the Himalayas, the Karakoram, and the Hindu Kush. Together, these towering ranges create some of the most stunning scenery you will ever encounter. The Karakoram Range, in particular, is renowned for its incredible peaks, including the legendary K2, the second-highest mountain in the world. K2's immense stature and challenging terrain attract climbers from all corners of the globe, eager to test their skills on one of the world's most difficult mountains. The Himalayas also stretch across the northern part of



Pakistan, with peaks like Nanga Parbat—the ninth-highest mountain in the world—captivating mountaineers and trekkers alike.

Nanga Parbat, often referred to as the “Killer Mountain” because of its challenging conditions, offers both an exhilarating climb and panoramic views that are hard to match anywhere in the world. The Hindu Kush range, though perhaps less well-known internationally, is another magnificent mountain system that forms the border between Pakistan and Afghanistan, and offers rugged beauty and remote landscapes that appeal to adventurers seeking untouched wilderness.

These mountain ranges are not just about dramatic peaks and ridges, however; they also contain deep valleys, like Hunza and Swat, where the beauty of the mountains is complemented by lush green fields, crystal-clear rivers, and quaint villages nestled beneath the towering peaks. These valleys are often described as “paradises on Earth,” where life unfolds in harmony with nature.

Rivers, Lakes, and Coastal Areas

Pakistan’s rivers, lakes, and coastal areas are just as captivating as its mountains, offering visitors a completely different side of the country’s natural charm. Swat Valley, known for its stunning landscapes,



is often referred to as the “Switzerland of Pakistan,” with its snow-capped peaks, lush valleys, and clear blue rivers. The Swat River, which flows through this valley, offers opportunities for serene boat rides, fishing, and an overall sense of tranquility. The valley’s landscapes are a photographer’s dream, with vivid green fields juxtaposed against the rugged backdrop of the Hindu Kush mountains.





Hunza Valley, another gem in northern Pakistan, is renowned for its breathtaking landscapes, tranquil lakes, and welcoming atmosphere. The region is home to the Attabad Lake, which was formed after a massive landslide in 2010. Despite its recent formation, the lake has become a major tourist attraction, with its striking turquoise waters reflecting the surrounding mountains and providing visitors with a peaceful environment to relax and take in the beauty of the region.



In contrast to the mountainous terrain, Pakistan's coastal areas are just as remarkable, offering a completely different type of natural beauty. The Makran Coast, located along the Arabian Sea, stretches from Karachi all the way to the Iranian border, featuring serene beaches, cliffs, and the Gwadar Port, a rapidly growing hub for trade and tourism. Gwadar, with its golden beaches, clear waters, and dramatic cliffs, is a growing center for both marine tourism and business investment. The area is often regarded as a hidden treasure, offering pristine natural landscapes that are still relatively untouched by large-scale tourism.



Pakistan's coastal regions also boast a number of protected areas and marine parks, such as the Hingol National Park in Balochistan, which is home to unique rock formations, wildlife, and a rich biodiversity that attracts nature lovers and conservationists alike. The blend of mountains and sea creates a varied environment where tourists can explore diverse ecosystems, from deserts to wetlands to deep-sea coral reefs.

One of the best ways to experience Pakistan's natural beauty is through a road trip through the northern regions. Imagine embarking on a journey through the Karakoram Highway, which stretches from Islamabad to Gilgit-Baltistan, offering jaw-dropping views of snow-capped peaks, rugged terrains, and peaceful valleys. Along the way, travelers are treated to a constantly changing landscape—one moment surrounded by towering cliffs, the next crossing over serene rivers that cut through deep gorges.

A traveler's account of this journey paints a vivid picture of the sheer diversity and beauty of the land. As the road winds through narrow mountain passes, visitors often stop at roadside markets selling local crafts and handwoven textiles, while occasionally spotting eagles soaring above the peaks. In the Hunza Valley, the traveler encounters friendly locals who are more than happy to



share stories about their homeland, making this journey not just a visual treat but an experience steeped in cultural exchange as well.

The road trip continues through the famous Naltar Valley, known for its emerald green lakes and scenic beauty, providing a stark contrast to the arid landscapes of the Balochistan region.



With each stop along the way, the traveler is immersed in the grandeur of northern Pakistan's natural

beauty, a journey that combines adventure, peace, and discovery in equal measure.

4.2 CULTURAL AND HERITAGE TOURISM

Pakistan is home to a wealth of cultural and historical treasures that have shaped its identity over millennia. The country's diverse heritage, which spans ancient civilizations, colonial influences, and modern-day traditions, offers a captivating journey through time for those who seek to understand its rich past.

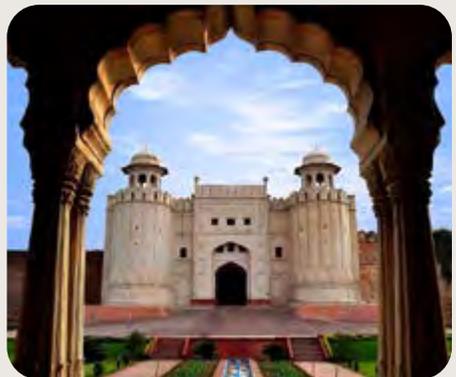
The significance of cultural and heritage tourism lies not only in the awe-inspiring monuments and sites that have survived centuries but also in the vibrant traditions, festivals, and artistic expressions that continue to thrive today. From the ruins of Mohenjo-Daro to the bustling streets of Lahore, Pakistan's cultural and historical offerings are an incredible testament to its dynamic legacy.

UNESCO Sites

One of the most significant elements of Pakistan's cultural tourism is its collection of UNESCO World Heritage Sites, which draw visitors from around the globe. These sites are an essential part of the country's allure, offering a glimpse into its ancient past, architectural splendor, and historical significance. Mohenjo-Daro, located in the Sindh

province, stands as one of the most advanced cities of the Indus Valley Civilization (circa 2500 BCE). The city's strategic layout, with well-planned streets, drainage systems, and urban planning, showcases the early human ingenuity that laid the foundations of modern civilization. Visitors who explore Mohenjo-Daro are immediately struck by its sense of order and the mystery that still surrounds its sudden decline. While much remains to be uncovered, the site continues to attract archaeologists and tourists alike, eager to understand the significance of this ancient civilization that once thrived in the region.

A short distance from the vibrant city of Lahore lies another iconic UNESCO site—the Lahore Fort.



This magnificent fortification dates back to the 11th century and showcases the rich architectural history of the Mughal Empire. Its red sandstone walls, intricate carvings, and expansive courtyards make it one of the most impressive Mughal-era structures in the world. The fort's complex layout is a reflection of the political, cultural, and military importance it once held.

Tourists visit not only for its stunning architecture but also to step into the pages of history, where they can learn about the various rulers who once called Lahore home. The fort also connects visitors to Lahore's broader historical and cultural landscape, serving as a symbol of the city's importance during the Mughal era.

Rohtas Fort, situated near the Rawalpindi region, is another UNESCO-listed site that attracts history enthusiasts. Built in the 16th century by the Afghan king Sher Shah Suri, the fort served as a strategic military stronghold. Its imposing walls, designed to withstand attacks, and its intricate gates reveal the military prowess and architectural genius of the time.



Rohtas Fort is not just a historical monument but also a significant cultural landmark. It offers a unique insight into the cultural and military history of the region and provides visitors with a deep understanding of the role such forts played in controlling territory and trade routes.

The Historical Monuments at Makli in Thatta, Sindh, are among the largest and most impressive necropolises (graveyards) in the world. Spanning over 10 square kilometers, Makli Hill is home to approximately 500,000 tombs and graves built over four centuries (14th to 18th centuries). These monuments reflect the cultural, religious, and architectural evolution of southern Pakistan.



Each of these UNESCO sites contributes significantly to the growing interest in Pakistan's cultural tourism, making it a key player on the global tourism map. As interest in these sites continues to rise, the number of annual visitors grows steadily, a testament to their enduring appeal and importance in preserving Pakistan's historical narrative.

Historical Cities

In addition to the UNESCO World Heritage Sites, Pakistan is home to several historical cities, each brimming with stories of its past. These cities serve as living museums, where travelers can experience the seamless blend of ancient traditions and modern-day life.

Lahore, often regarded as the cultural capital of Pakistan, is a city where history and modernity coexist in a vibrant fusion. Known for its rich Mughal heritage, Lahore boasts an array of historical landmarks, including the Badshahi Mosque, Shalimar Gardens, and Minar-e-Pakistan, where the Pakistani flag was raised in 1947.



But Lahore is not just about its physical landmarks—it is also a city where culture thrives in its literary traditions, art scenes, and theater. The city hosts several cultural festivals throughout the year, with the Lahore Literary Festival and Basant Festival drawing significant crowds. Lahore's old city is a maze of narrow lanes, bustling markets, and aromatic street food that offers a sensory journey through time. Multan, known as the City of Saints, is another historical hub in Pakistan that has long been an important center of Sufism and Islamic culture. The city is renowned for its Sufi shrines, many of which are visited by both pilgrims and tourists alike.



The Shrine of Bahauddin Zakariya and the Shrine of Shah Rukn-e-Alam are significant sites that not only draw religious devotees but also offer insight into the spiritual history of the region. Multan is also famous for its vibrant handicrafts—particularly blue pottery and embroidery—which reflect the rich cultural heritage that has been passed down through generations.



Peshawar, located near the Afghan border, is a city with a history dating back over 2,000 years. As the gateway to Central Asia, Peshawar has been at the crossroads of trade, culture, and conquest. The Qissa Khawani Bazaar, a bustling marketplace that has been a trade center since the Mughal period, continues to attract visitors with its colorful stalls and rich history. The city is also home to the Peshawar Museum, which houses an impressive collection of Buddhist artifacts and ancient relics that speak to the city's role as a hub of cultural exchange between the East and West.

Karachi, Pakistan's largest city and economic powerhouse, offers a different type of historical experience. As a port city, Karachi has long been a gateway for international trade, and its historical significance is reflected in its architecture, museums, and

colonial-era buildings. The Karachi Maritime Museum and Frere Hall are just a few of the city's key historical landmarks. Despite its modern-day hustle and bustle, Karachi retains a sense of history and culture that can be experienced in its old neighborhoods and bustling markets, where remnants of its colonial past are preserved alongside the energy of contemporary urban life.



Festivals and Traditional Arts

Pakistan's traditional arts and festivals are a fundamental aspect of its cultural tourism.

The Truck Art of Pakistan is perhaps one of the most iconic and recognizable expressions of Pakistani culture. Brightly painted trucks, adorned with vibrant colors, intricate patterns, and poetic phrases, serve as mobile works of art that have captured global attention. This form of folk art has become a symbol of Pakistan's creativity and vibrancy, and visitors are often eager to learn about the cultural significance behind these painted trucks.

Various workshops and exhibitions throughout the country offer tourists the chance to explore this art form more deeply, while truck art souvenirs are sold in markets, offering a tangible piece of Pakistan's cultural heritage.

The Basant Festival, held annually in Lahore, celebrates the arrival of spring and is marked by flying kites,

vibrant colors, music, and dance. The festival holds a special place in the hearts of Pakistanis, as it signifies joy, renewal, and the celebration of life. Thousands of visitors travel to Lahore to take part in the festivities, as the skies are filled with colorful kites, creating a stunning visual display that draws locals and tourists alike.

Lok Virsa, located in Islamabad, is a cultural institution dedicated to the preservation and promotion of Pakistan's folk heritage. The Lok Virsa Museum is home to an extensive collection of artifacts, traditional textiles, and musical instruments that showcase the diversity of the country's regional cultures. Visitors to Lok Virsa can witness live performances of folk music, see traditional crafts being created, and learn about the various ethnic groups that have contributed to Pakistan's rich cultural fabric.



4.3 ADVENTURE TOURISM

For those who seek thrills, challenges, and extraordinary landscapes, adventure tourism in Pakistan presents an unrivaled opportunity. The country's rugged mountain ranges, vast deserts, and challenging terrain offer adventurers some of the most breathtaking and challenging activities in the world.

From trekking to mountaineering and sports tourism, Pakistan has emerged as a global hub for adrenaline seekers.

Pakistan's mountains, particularly in the Karakoram and Himalayan ranges, are among the highest and most revered in the world, drawing trekkers and climbers from every corner of the globe. The country's reputation as a mountaineering paradise has steadily grown, with notable peaks like K2 and Nanga Parbat becoming the ultimate challenge for climbers worldwide.

Trekking and Mountaineering

For trekkers and mountaineers, Pakistan's northern areas offer some of the most awe-inspiring trekking routes on the planet. The Karakoram Range, home to some of the highest peaks in the world, offers an array of stunning trekking and climbing opportunities. At the heart of this range stands K2, the second-highest mountain in the world.

Located in Gilgit-Baltistan, K2 is a coveted destination for mountaineers seeking to push their limits.

The trek to the K2 Base Camp, situated at an altitude of 5,150 meters, is one of the most challenging and rewarding trekking experiences. The journey takes adventurers through a dramatic landscape of glaciers, rocky terrain, and towering peaks, providing views that few will ever experience in their lifetime.

The K2 Base Camp Trek is renowned for its beauty and difficulty. The route, which winds through the picturesque Baltoro Glacier, offers trekkers unparalleled views of towering peaks like Broad Peak, Gasherbrum I, and Gasherbrum II. Along the way, trekkers are greeted by the raw, unspoiled natural beauty of the region, where the stark contrast of snow-capped peaks against deep blue skies creates a surreal, almost otherworldly experience.

But this trek is not for the faint of heart; the harsh weather, rugged terrain, and high altitudes present significant challenges. Yet, it remains a dream for trekkers who want to experience one of the most remarkable adventures on the planet.

Not far from K2, Nanga Parbat—the ninth-highest mountain in the world—also attracts climbers and trekkers in search of a challenge. Known as the “Killer Mountain” due to its difficulty and high fatality rate, Nanga Parbat has an infamous reputation among mountaineers. However, its allure is undeniable.



Trekking to the Nanga Parbat Base Camp offers an exhilarating experience with breathtaking views of the Rupal Valley and the Nanga Parbat massif. The trek itself takes adventurers through forests, glacial streams, and rocky paths, providing an immersive experience in one of the most remote and stunning areas of the world. For those who are not climbers but still want to experience the thrill of high-altitude trekking, the base camp trek remains a popular and challenging option. For serious mountaineers, however, summiting Nanga Parbat presents an immense physical and mental test.

Pakistan’s peaks, such as Rakaposhi and Ultar Sar, also offer trekking

and mountaineering experiences that rival those found in more widely known regions like the Alps or the Andes. The untouched beauty and wild landscapes of Pakistan’s mountains make it a must-visit destination for adventurers.

Sports Tourism

Pakistan’s contribution to sports tourism is also deeply intertwined with its natural landscapes. The country offers unique and exciting sports experiences that attract both local and international visitors. One of the most well-known sports events in Pakistan is the annual Shandur Polo Festival, held on the Shandur Pass. Known as the “roof of the world,” Shandur is located at an altitude of 3,700 meters and is the highest polo ground in the world. The festival, which brings together teams from Gilgit-Baltistan and Chitral, has become a must-see event for polo enthusiasts.



The Shandur Polo Tournament is not just a sporting event; it's a celebration of the culture, history, and traditions of the region. Spectators gather from across Pakistan and the world to witness this incredible display of skill, endurance, and teamwork against a backdrop of snow-capped peaks and vast green meadows.

The festival has gained international attention in recent years, with visitors eager to experience not just the polo but the surrounding beauty and cultural significance of the event.

For those unfamiliar with the sport, the Shandur Polo Festival serves as an introduction to one of the oldest and most exhilarating sports in the region, offering a one-of-a-kind experience that cannot be replicated anywhere else.

In addition to polo, Pakistan's northern regions are also home to skiing opportunities that are becoming increasingly popular with international tourists. Malam Jabba, located in the Khyber Pakhtunkhwa province, is Pakistan's most famous ski resort and is often compared to the alpine regions of Europe. The ski resort, which sits at an altitude of over 2,800 meters, offers both beginners and experienced skiers a chance to enjoy downhill skiing in a pristine mountain environment. With its growing infrastructure, including cable cars and modern ski slopes, Malam Jabba is becoming an increasingly popular destination for ski enthusiasts, particularly during the winter months. It is an emerging alternative to more traditional ski destinations, offering visitors an affordable and unique experience in the heart of the mountains.





Beyond Malam Jabba, Pakistan's other mountainous regions, including Naltar Valley and Gulmit, also offer opportunities for skiing and winter sports, making the country an untapped gem for adventure tourism in the snow-covered season. The allure of climbing in Pakistan is not just about reaching the summit—it's about the journey and the stories that unfold along the way. The experience of summiting a peak like K2 or Nanga Parbat is often life-changing, and many climbers recount their experiences in awe and reverence.

One such climber, Emma Harris, an international mountaineer from the UK, shares her journey of summiting Gasherbrum II, another prominent peak in the Karakoram Range. "When I reached the summit, the feeling

was indescribable," she says, reflecting on the moment. "It wasn't just the physical challenge that had been so difficult—it was the psychological and emotional toll. But the beauty of Pakistan, the people, and the landscape kept me going. The region is raw, powerful, and untamed. It's unlike anywhere else in the world."

For climbers like Emma, the journey to the summit is not just about pushing the body to its limits; it's about understanding the depths of nature and the courage required to face such enormous challenges. As climbers stand at the top of these majestic peaks, they not only conquer the physical mountain before them but also the metaphorical mountains within.

Adventure tourism in Pakistan is not only for the seasoned mountaineer or athlete. It's for anyone looking to push their boundaries, connect with nature, and experience a side of the world few others ever will.

Whether trekking to the base camps of the world's highest peaks, participating in an international polo tournament, or skiing down snow-covered slopes, Pakistan offers adventure experiences that are truly extraordinary.



4.4 ECO-TOURISM AND WILDLIFE

Pakistan's natural beauty is not only a draw for trekkers and mountaineers, but also a rich habitat for wildlife and biodiversity that continues to intrigue eco-tourists from across the world. The country is home to some of the most pristine, untouched environments where nature thrives, largely unaffected by human influence. This makes Pakistan a prime destination for eco-tourism, as well as a vital player in global conservation efforts.

With national parks, wildlife reserves, and protected areas spread across the country, the eco-tourism sector is rapidly becoming one of Pakistan's most important and exciting industries.

The northern areas of Pakistan are renowned for their unique ecosystems, which support a wide range of wildlife species. From the Deosai National Park—known as the “Land of Giants”

due to its expansive plateaus and breathtaking beauty—to Khunjerab National Park and the Hingol National Park on the southern coast, these natural reserves are becoming major destinations for eco-tourists seeking to experience the diversity of Pakistan’s flora and fauna.



The Deosai National Park, located in the Gilgit-Baltistan region, is one of the highest plateaus in the world, sitting at an altitude of over 4,000 meters. The park’s stunning landscapes, characterized by rolling grasslands and snow-capped mountains, are home to a wealth of wildlife, including the brown bear, which is a prominent feature of the region. Known for its vast, open spaces, Deosai is a place where eco-tourism enthusiasts can immerse themselves in nature, witness the wildlife in its natural habitat, and take in the beauty of the rugged mountains and valleys. For those seeking adventure, Deosai is also a prime destination for camping, bird watching, and photography. The park is also home to several species of migratory birds, including snow partridges and black-breasted parrotbills, making it a haven for bird watchers.



Moving to the Khunjerab National Park, this area is part of the Hindu Kush-Himalayas biodiversity hotspot and acts as a critical corridor for wildlife movement between Pakistan and China. It is home to the rare snow leopard, as well as Marco Polo sheep, ibex, and other endangered species. The park’s location along the Khunjerab Pass, one of the highest border crossings in the world, makes it not only a significant ecological region but also a cultural crossroads.

It is increasingly becoming a focal point for wildlife enthusiasts who come to witness the elusive snow leopard, which has become a symbol of the park’s ecological richness.

In the southern part of the country, Hingol National Park stands as another testament to Pakistan’s diverse ecosystems. Located in Balochistan, this park stretches over 1,650 square kilometers and is home to an incredible variety of wildlife. The park’s unique landscape of arid plains, rocky cliffs, and coastal wetlands provides an ideal habitat

for species such as the wild goat, marsh crocodile, and Houbara bustard. Hingol is also notable for its rich marine life and the Hingol River, which flows into the Arabian Sea, creating a vital ecosystem for the local wildlife. The park also hosts some of the country's most well-known landmarks, such as the Hingol National Park Temple, adding both historical and spiritual significance to the region.

Pakistan's eco-tourism prospects are growing, particularly with the increasing interest in sustainable travel and responsible tourism practices. With these protected areas drawing more attention, there is also a heightened awareness of the importance of conservation efforts to ensure the survival of the ecosystems and the species that rely on them.



Pakistan has long recognized the significance of wildlife protection programs, and there have been substantial investments in conservation initiatives. For example, the International Union for Conservation of Nature (IUCN) has collaborated with the government and local communities to implement wildlife conservation programs that

aim to protect endangered species and their habitats. The snow leopard, for instance, has become a focal point of conservation in Pakistan's northern regions. By working with local communities, the government is aiming to reduce human-wildlife conflict, which is a significant threat to the species. Initiatives like community-based conservation education programs and eco-friendly tourism practices have been vital in helping to build sustainable eco-tourism practices that benefit both the local communities and the environment.

Another key aspect of Pakistan's conservation efforts is the protection of migratory bird species, particularly in the Indus Delta and the Rann of Kutch wetlands. These areas are critical for the survival of birds that travel along the East Asia-Australasia Flyway. In response, Pakistan has implemented a number of protected areas for migratory birds, with international organizations such as the United Nations Environment Programme (UNEP) providing support for these initiatives. These efforts have significantly improved the biodiversity conservation in areas like Kachchh and Balochistan, where rare species such as the Indian bustard and flamingos are found.

Pakistan is also embracing sustainable wildlife tourism, which focuses on the economic potential

of eco-tourism without compromising the environment. Local communities have become stakeholders in these efforts, and tourism is used as a tool to promote conservation while benefiting local economies. Areas like Deosai, Khunjerab, and Hingol now offer eco-friendly accommodations, eco-tours, and wildlife safaris, which help to maintain a balance between tourism development and environmental preservation.

Data supports the increasing significance of eco-tourism in Pakistan's economy. According to the World Travel & Tourism Council (WTTC), eco-tourism is a rapidly growing sector, with a 10% annual growth rate. In addition to attracting international visitors, these eco-tourism efforts have also had a positive impact on local employment and the broader economy. Looking ahead, Pakistan's natural beauty and its commitment to wildlife conservation will continue to be key selling points for the growing eco-tourism sector.

With its national parks and reserves offering rich wildlife, stunning natural landscapes, and robust conservation programs, Pakistan has the potential to become a leading destination for eco-tourism. Whether through trekking in the remote wilderness, participating in conservation activities, or simply witnessing the unique flora and fauna of Pakistan, tourists can connect deeply with the environment while also supporting vital conservation efforts.

As more eco-tourists flock to the country to witness its unique ecosystems, Pakistan's natural treasures are not only becoming a global tourism draw but also a central part of the country's development strategy. Through collaborative efforts between the government, local communities, and international organizations, eco-tourism in Pakistan is poised to become a sustainable and vital industry—preserving the natural world while benefiting both visitors and locals alike.



4.5 RELIGIOUS AND PILGRIMAGE TOURISM



Pakistan's rich history, cultural diversity, and spiritual significance make it a remarkable destination for religious and pilgrimage tourism. For centuries, people from various faiths have traversed its lands, drawn by its religious sites, shrines, and sacred locations. From Buddhist monasteries to Sufi shrines, Hindu temples to Sikh gurdwaras, the country offers a vast range of spiritual experiences that attract millions of visitors annually.

One of the most significant cultural and religious treasures in Pakistan is the Buddhist heritage found at Taxila

and Takht-i-Bahi, two UNESCO World Heritage sites. Taxila, located just outside Islamabad, was once a major center for Buddhist learning and a vibrant urban settlement.

As a former seat of Buddhism in ancient Gandhara, the site features numerous stupas, monasteries, and archaeological ruins that date back to the 5th century BCE. Visitors to Taxila not only witness the remnants of an ancient civilization but also experience the profound spiritual atmosphere that still lingers in the area. The Dharmarajika Stupa and the Jaulian Monastery are some of

the most notable sites, with intricate Buddhist sculptures and carvings that tell stories of ancient Buddhist rituals and traditions.



Nearby, the Takht-i-Bahi Buddhist Monastery, perched on a hill in Khyber Pakhtunkhwa, further enhances Pakistan's rich Buddhist legacy. Takht-i-Bahi served as a major religious and learning center in the 1st and 2nd centuries CE. The monastery complex, with its meditation halls, courtyards, and religious statues, offers visitors a glimpse into the life of Buddhist monks who once lived and studied here. These sacred Buddhist sites, preserved through the efforts of the Pakistani government and international organizations, continue to attract scholars, religious pilgrims, and tourists from around the world, contributing to Pakistan's burgeoning religious tourism sector.



In addition to the Buddhist heritage, Pakistan's Sufi shrines play an integral role in its spiritual landscape. Sufism, a mystical branch of Islam, has deep roots in the country, and its shrines have long been places of pilgrimage for devotees seeking spiritual guidance and solace. Among the most revered of these is Data Darbar in Lahore, dedicated to the famous Sufi saint Hazrat Ali Hajweri. Known as Data Ganj Bakhsh, Hazrat Ali Hajweri is celebrated for his teachings on love, compassion, and humanity, and his shrine remains one of the most visited Sufi sites in the world. The daily rituals, including the recitation of Qawwali (a form of devotional Sufi music), are powerful expressions of devotion that have been passed down through generations. Pilgrims travel from across Pakistan, and indeed from overseas, to seek blessings and participate in the vibrant spiritual atmosphere at the shrine.



Similarly, the shrine of Lal Shahbaz Qalandar, located in Sehwan Sharif in Sindh, is another major Sufi site. Lal Shahbaz Qalandar is revered not only for his spiritual influence but also for his message of equality, love, and unity across all religions.



His shrine attracts millions of pilgrims annually, especially during the annual Urs festival, a celebration of his life and teachings. The vibrant atmosphere of devotional music, prayers, and dance at the shrine is a testament to the deep connection between the people and the Sufi tradition in Pakistan.

Beyond the Sufi shrines, Pakistan is also a significant destination for Hindu and Sikh pilgrimage tourism, which is an important aspect of the country's religious diversity. The Katas Raj Temples, located near Chakwal in Punjab, stand as a symbol of the shared religious heritage in the region. These ancient temples, dedicated to the Hindu god

Shiva, are believed to date back over two thousand years and are one of the holiest places for Hindus in South Asia. According to legend, the temples were built where Lord Shiva's tears fell when he mourned the death of his wife, Sati. Every year, thousands of Hindu devotees visit these temples to offer prayers, participate in religious rituals, and celebrate various festivals.

The Kartarpur Corridor, another site of great religious significance, has become one of the most iconic symbols of interfaith cooperation. This corridor links the Gurdwara Darbar Sahib, the final resting place of Guru Nanak, the founder of Sikhism, with India.

The opening of the Kartarpur Corridor in 2019 allowed Sikh pilgrims from India to visit this sacred site without the need for a visa, marking a historic moment in religious diplomacy between the two nations. The Kartarpur Gurdwara is located in the Narowal district of

Punjab, Pakistan, and is one of the holiest sites for Sikhs worldwide. Guru Nanak's teachings of equality, unity, and peace continue to resonate strongly with people of all faiths, making the Kartarpur Corridor a beacon of interfaith harmony.



A compelling narrative element for those interested in the Kartarpur Corridor is the story of international Sikh travelers making pilgrimages to the site. One such traveler, Gurpreet Singh, recounts his experience of crossing the Kartarpur Corridor and visiting the Gurdwara Darbar Sahib. For Gurpreet, this journey was not just a spiritual pilgrimage, but a personal reconnection with his heritage.

He describes the moment he first glimpsed the Gurdwara from the Indian side of the border, his heart filled with emotions as he walked across the bridge, a symbol of unity and peace. As he entered the gurdwara, the serene atmosphere enveloped him, and he was overwhelmed by a deep sense of spiritual fulfillment. His experience was one of peace, hope, and understanding, and it symbolizes the potential of religious tourism in promoting peace and cooperation among different communities.

In addition to the religious and historical sites mentioned above, Pakistan's rich religious diversity offers a range of attractions for travelers seeking a deeper connection with the spiritual history of the region. Sikh pilgrims continue to flock to various gurdwaras in Punjab, Hindu pilgrims make their way to sacred places like Katas Raj and Peshawar's historic Hindu temples, and the Christian

community also visits churches such as St. Patrick's Cathedral in Karachi.

The government of Pakistan has recognized the importance of religious tourism and is working to develop infrastructure and improve accessibility to these sacred sites. In doing so, the country not only strengthens its position as a center of religious tourism but also encourages a message of peace, tolerance, and coexistence to the world.

Religious and pilgrimage tourism holds immense potential for Pakistan's broader tourism sector, helping to drive both domestic and international tourism. The country's significant spiritual landmarks, coupled with the unique cultural heritage of these sites, make Pakistan an important destination for religious travelers. As international and local tourists continue to explore the country's rich religious history, Pakistan is on its way to becoming a globally recognized hub for spiritual tourism. By embracing its diverse cultural and religious heritage, Pakistan is not only preserving its spiritual identity but also opening doors to a more inclusive, tolerant, and interconnected world.





A scenic view of a park with a pond, a white pavilion, a red pavilion, and a minaret in the background. The word "CONCLUSION" is overlaid in white text.

CONCLUSION

As we reflect on the immense potential that Pakistan holds for trade, investment, and tourism, it is clear that the country stands at a crossroads, poised for significant growth in the coming decades. The blend of rich historical legacy, breathtaking natural beauty, and strategic location presents Pakistan as a country of limitless possibilities. This conclusion aims to recapture the key takeaways explored throughout this book, drawing attention to the country's trade potential, investment climate, and diverse tourism offerings. In doing so, we not only seek to highlight the extraordinary opportunities available but also look toward a vision for Pakistan's future—one where it emerges as a prominent regional and

global hub. The future trajectory of any nation is shaped by its people, its policies, and its ability to adapt to changing global dynamics. As we explore the potential of Pakistan, we also reflect on the crucial roles played by both government and business leaders in seizing opportunities and building a more prosperous future.

With the right support, infrastructure, and international collaboration, Pakistan can realize its aspirations and solidify its place on the world stage as a center for trade, investment, and tourism. In this closing section, we will revisit the core themes that make Pakistan a country brimming with potential, both for its people and for the global community.

5.1 SUMMARY OF KEY TAKEAWAYS

Pakistan's trade potential is vast, with the country strategically positioned at the crossroads of South Asia, Central Asia, and the Middle East. Its proximity to key regional markets and access to essential trade routes through the China-Pakistan Economic Corridor (CPEC) make it an indispensable player in global commerce. As a major gateway to the landlocked regions of Central Asia, Pakistan offers significant opportunities for trade and investment that align with the growing demands of emerging markets. The development of

strategic infrastructure, including the expansion of Gwadar Port and the CPEC, has the potential to further strengthen Pakistan's position as a trade hub.

The country's diverse economic sectors, such as textiles, agriculture, chemicals, pharmaceuticals, and minerals, provide numerous opportunities for growth. The textile industry, for example, is one of the world's largest and most competitive, with Pakistan being a major supplier of garments, fabrics, and home textiles to global

markets. Similarly, agriculture, with products like rice, mangoes, and seafood, continues to drive exports and contribute significantly to the economy. The pharmaceutical industry has seen impressive growth, with Pakistan becoming an increasingly prominent player in global markets, particularly in biotechnology and generic drug production.

Equally important is the burgeoning services sector, which spans logistics, IT, finance, and education. As Pakistan continues to develop its digital infrastructure, the IT outsourcing industry has become a growing contributor to the economy, attracting foreign investors and fostering innovation. By leveraging its highly skilled workforce and competitive labor costs, Pakistan can expand its role in the global technology market, becoming a regional leader in fintech, artificial intelligence, and e-commerce.

Beyond trade, Pakistan's tourism industry holds immense promise, as the country boasts a rich cultural heritage, stunning landscapes, and a diverse array of sacred and historical sites. From the towering peaks of the Himalayas and Karakoram mountain ranges to the spiritual vibrancy of Sufi shrines and Buddhist heritage sites, Pakistan offers unparalleled tourism experiences that continue to draw visitors from across the world. Sites such as Taxila, Lahore Fort, and

the Kartarpur Corridor are just a few examples of the country's historic and religious significance, offering a unique blend of adventure, cultural exploration, and spiritual enrichment.

The country's natural beauty also serves as a powerful draw for eco-tourism, with its national parks, wildlife reserves, and coastal areas providing travelers with a wealth of opportunities to explore and connect with nature. The conservation efforts undertaken by the government, alongside initiatives like Deosai National Park and the Khunjerab Wildlife Sanctuary, ensure that Pakistan's biodiversity remains protected while supporting sustainable tourism practices.

Pakistan's investment climate is another key factor that contributes to its potential for economic growth. The government's efforts to attract foreign direct investment (FDI) through policies such as tax breaks, Special Economic Zones (SEZs), and improving the ease of doing business have created a favorable environment for international investors.

The growth of sectors such as telecom, energy, and technology provides numerous success stories of foreign investments. For example, the involvement of international companies in Pakistan's energy sector—such as China's involvement in CPEC projects—has driven

forward infrastructure projects that will benefit the country for years to come. Partnerships in trade and investment will be key drivers of Pakistan's future success. Strengthening these partnerships, particularly with neighboring countries and international organizations, can help unlock even more opportunities for growth. By fostering a business-friendly environment, promoting innovative industries, and focusing on sustainability, Pakistan can attract global investors who will play a

vital role in shaping the country's economic future.

However, to fully realize this potential, Pakistan must remain committed to modernizing infrastructure, enhancing public-private partnerships, and promoting sustainable tourism. Investments in green technology, clean energy, and eco-friendly initiatives will allow Pakistan to meet the demands of the future while ensuring that its natural resources are preserved for generations to come.



A crucial element in shaping Pakistan's future is the continued emphasis on policymaking that supports inclusive growth. This includes improving education, supporting local entrepreneurs, creating opportunities for youth, and addressing key issues such as gender equality and economic empowerment. By fostering a more inclusive society, Pakistan can further position itself as a beacon of hope and opportunity in the region. As we look to the future, it is clear that Pakistan is not only a country

with immense untapped potential but one that is also well-equipped to capitalize on its strengths. With a focus on trade, investment, and tourism, and a vision of economic and cultural collaboration, Pakistan can rise to become a global player on the economic, political, and cultural stage. By prioritizing sustainable growth, fostering innovation, and embracing its rich history and diversity, the country can realize its aspirations for a brighter future, not just for itself, but for the world.



5.2 CALL TO ACTION FOR INVESTORS, TOURISTS, AND POLICYMAKERS

As we conclude our exploration of Pakistan's trade potential, investment climate, and tourism offerings, it is evident that the country stands at a critical juncture. The opportunities are boundless, and the world is watching as Pakistan positions itself as a key player on the global stage. However, realizing this potential requires concerted action from key stakeholders—investors, tourists, and policymakers. It is not just the responsibility of the government or business leaders but a collective effort from all those who see Pakistan's value and are eager to contribute to its growth.

For investors, Pakistan offers a wealth of untapped opportunities across diverse sectors. Whether it's textiles, agriculture, technology, pharmaceuticals, or energy, the country's market is brimming with potential for both short-term gains and long-term strategic investments. The country's economic reforms, strategic infrastructure projects like the CPEC, and development of special economic zones (SEZs) offer investors attractive incentives, such as tax breaks, duty exemptions, and other business-friendly policies. As we've seen in industries like telecom and energy, foreign investments have had a transformative effect on Pakistan's economy, enabling the development of critical infrastructure

and opening new avenues for growth.

One such example lies in Pakistan's booming information technology and digital services sector, which has emerged as a hub for global outsourcing. Investors with a keen eye for innovation and emerging markets should consider exploring opportunities in the growing IT outsourcing landscape, fintech, and e-commerce industries. The talent pool in Pakistan, with its skilled workforce and competitive costs, presents an excellent opportunity for companies seeking to expand their technological footprint in South Asia.

Beyond the digital sphere, sectors like pharmaceuticals and chemicals offer promising opportunities. Pakistan's growing biotechnology industry, in particular, presents investors with the chance to be part of a sector with immense potential for innovation in both domestic and global markets. In agriculture, too, Pakistan's vast natural resources provide investors with unparalleled access to a diverse range of agricultural products, from rice to mangoes, which are in high demand worldwide.

For tourists, Pakistan offers a wealth of adventure, culture, and nature that is unparalleled in many parts of the

world. Whether it's trekking through the Himalayas and Karakoram Mountains, exploring the majestic K2 Base Camp, or embarking on a road trip through the lush Valleys of Swat and Hunza, Pakistan's natural beauty offers something for every kind of traveler.

The country is also a haven for history and culture, with its ancient UNESCO World Heritage Sites, such as Mohenjo-Daro, Lahore Fort, and Taxila, providing a deep dive into the rich past of South Asia. As an emerging destination for eco-tourism, Pakistan also offers opportunities for travelers to explore national parks and wildlife sanctuaries, all while promoting sustainable tourism practices.

Moreover, for those with an interest in religious and spiritual tourism, Pakistan boasts some of the world's most significant Buddhist, Sufi, Hindu, and Sikh heritage sites. The Kartarpur Corridor, for example, has become a beacon for Sikh pilgrimage tourism, offering a rare opportunity for cultural exchange and fostering peace and understanding across borders.

The message for tourists is clear: Pakistan is a country that not only provides a diverse range of experiences but also embraces the spirit of hospitality and welcome. The tourism sector is growing, but there is room for more, particularly

in sustainable travel, cultural tourism, and eco-tourism. Tourists are invited to come and discover Pakistan's untold beauty, its rich history, and its unmatched warmth. By visiting Pakistan, tourists can support the local economy and contribute to the preservation of the country's cultural and natural treasures.

For policymakers, the need for further reforms is both urgent and necessary. While significant progress has been made in improving the business environment, Pakistan must continue to focus on enhancing its ease of doing business, improving infrastructure, and fostering a business-friendly regulatory framework. By improving tax policies, simplifying investment procedures, and further streamlining foreign investment regulations, policymakers can ensure that Pakistan remains an attractive destination for international investors. The promotion of Special Economic Zones (SEZs) and Free Trade Agreements (FTAs) with countries and regional organizations should remain a central priority to ensure continued growth.

Additionally, the development of tourism infrastructure should be a priority for policymakers. While the natural and cultural heritage of Pakistan is unrivaled, many of the country's tourism sites are in need of modernization and better

accessibility. There is a need for more investment in hotels, transportation networks, and tourism services, particularly in rural areas and remote regions. Policymakers must work in collaboration with private stakeholders to build eco-friendly and sustainable tourism infrastructure, ensuring that the tourism sector thrives without compromising Pakistan's natural beauty.

Ultimately, the vision for Pakistan's future is one of growth, innovation, and sustainability. As Pakistan continues to position itself as a global hub for trade, investment, and tourism, it is essential for investors, tourists, and policymakers to come together and support its transformation. The potential is enormous, and the world is beginning to take notice. By continuing to focus on improving infrastructure, fostering collaboration, and ensuring a favorable investment climate, Pakistan can take its rightful place as a regional economic powerhouse and a top destination for travelers seeking new and authentic experiences.







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