Chemicals & Petrochemicals

Sector Pitch

July 2025

RISING PAKISTAN
SIFC
SPECIAL INVESTMENT FACILITATION COUNCIL

Pakistan's recently reformed economy and vibrant and talented population have contributed to the nation's appeal as an investment destination

Pakistan Value Proposition

Reformed Economy

USD 3.3Tn[1]
Expected GDP in 2050 *(from USD >410Bn[2] today)*

B-
Improved Credit Rating[3] from CCC-

Top 10
In Business Entry Regulations ranking[4]

Stabilized Inflation
At lowest levels since 1968[5]

Stabilized Currency
Achieved since 2023 in coordination with IMF

5-Year Tax Holidays
and other fiscal and trade incentives in Special Economic Zones[6]

Vibrant Demographics and Talent

255 million
Large and growing population[7]

64%
Population younger than 30[7]

7th largest
Workforce globally[8]

2 million
University students enrolled every year[9]

1. Goldman Sachs; 2. National Accounts Committee; 3 Fitch Ratings; 4. World Bank's B-READY assessment; 5. US (St Louis) Federal Reserve Bank; 6. Pakistan Government; 7. United Nations; 8. CIA World Factbook; 9. Higher Education Commission

To develop critical mass, Pakistan is advancing strategic initiatives to boost private investment in critical sectors of the economy

2023
SIFC ESTABLISHMENT

SIFC has been established to act as a **single window to create a thriving business environment and develop favorable policies to increase ease of doing business**

2024
ECONOMIC AGENDA LAUNCHED

Pakistan launched Uraan Pakistan, aimed at economic development across 5 pillars:

Ongoing
OPPORTUNITIES PIPELINE DEVELOPMENT

The government is working on developing a **pipeline of internationally competitive investment opportunities geared towards full operational and commercial facilitation**

Pakistan is actively seeking to partner with global stakeholders, to **leverage international expertise and investments, while safeguarding the viability and profitability of each project from an investor's standpoint**

Pakistan is strengthening the integrity of key enablers that will unlock sustained progress in multiple economic sectors

1 Consistent Policy Framework

Consistent FDI, tax, and industrial policies with long-term orientation and minimal reversal risk

2 One-Window Investor Facilitation

Seamless processing of approvals, permits, and licenses. A single, empowered agency that owns this end-to-end journey

3 Ease of Repatriation of Profits

Steadfast assurances to repatriate profits and convert currency without friction

4 Legal & Contract Enforcement

Independent, fast-track commercial courts and adherence to international arbitration standards

5 Political and Macro Stability

Strong stability in terms of macroeconomic environment (inflation, debt, currency) and cross-party consensus

6 Positive Global Perception

A globally resonant and visible narrative shift for Pakistan showcasing its viability

Pakistan is currently working on incentives geared to catalysing private sector investment across multiple sectors

The government continues to enact major steps that reinforce attractiveness and viability of the private sector

1 Ensures investment protection

Implementation of key investment regulations, such as:

- Foreign Private **Investment Promotion and Protection Act**
- **Bilateral Investment Treaties** with Friendly Countries
- **Special Economic and Technology Zones (SEZs, STZs)** regulation

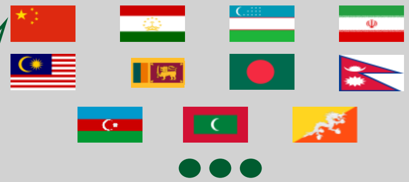
2 Preserves security and safety

- Pre-approved **site access for Special Economic Zones (SEZs)**
- **Specialized, highly trained security units** for **investor protection**
- **Enhanced law enforcement and monitoring** at industrial zones
- Controlled, heavily surveilled, and **secure project sites**

3 Enables global trade access

- **Export Facilitation Scheme** (EFS)
- Signed **major trade agreements** (PTAs & FTAs)
- **Connected to key global markets**
- Access to **South Asian Free Trade Area**, and more

China and Pakistan have developed key treaties and agreements, including:
- Bilateral Investment Treaty
- China–Pakistan Economic Corridor (CPEC)



Source: SIFC

These efforts have garnered international recognition, as Pakistan has been featured in the international media as an emergent attractive investment destination

Where Pakistan Has Been Featured

- BARRON'S
- Bloomberg
- FitchRatings
- ARAB NEWS

Key Articles

- Pakistan Isn't That Risky Anymore. Its Economy Is a Mini-Miracle.
- Pakistan Economy Grows Faster Than Expected on IMF Aid Boost
- Pakistan economy moving in 'right direction' — IMF chief
- PAKISTAN: Staying the Course on Implementing Structural Reforms Critical to Turn Economic Stabilization into Sustained, Inclusive Growth, says World Bank

International recognition highlights Pakistan's renewed economic attractiveness and stability

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

Examples of Foreign Direct Investment (FDI) projects in Pakistan

FDI projects (non-exhaustive)

Hangzhou Newsea (China)
USD 50-70Mn

- Joint venture to **expand API manufacturing** capacity in Pakistan

AD Ports (UAE)
USD 220Mn

- 50-year concession agreement to **manage, operate and develop the Karachi Gateway Terminal**

Al Mirqab Capital (Qatar)
Power Construction Corp. (China) USD 2.09Bn

- Construction of **coal-powered power plant** in Port Qasim

DP World (UAE) and
National Logistics Corp. (Pakistan) JV investment not public

- Development of **50km freight corridor from Karachi Port to Pripri**

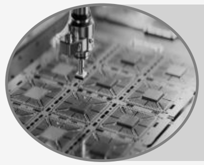
Air Arabia (UAE) and
Lakson Group (Pakistan)
JV investment not public

- Joint venture with Pakistan's Lakson Group to **launch low-cost airline Fly Jinnah in 2022**

Other Announcements and MoUs (non-exhaustive)

Moving forward, Pakistan aims to propel domestic growth across 13 investment areas

Pakistan's Focus Investment Areas


Semiconductors

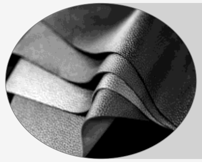

Power Sector


Pharmaceutical Sector


Petroleum Sector


Textiles


Aviation


Leather


Meat & Poultry


Iron, Steel & Copper


ICT, Fintech & Software


Automotive: Electric Vehicles (EVs) and Traditional Automobiles


Chemicals & Petrochemicals

Focus of this Presentation

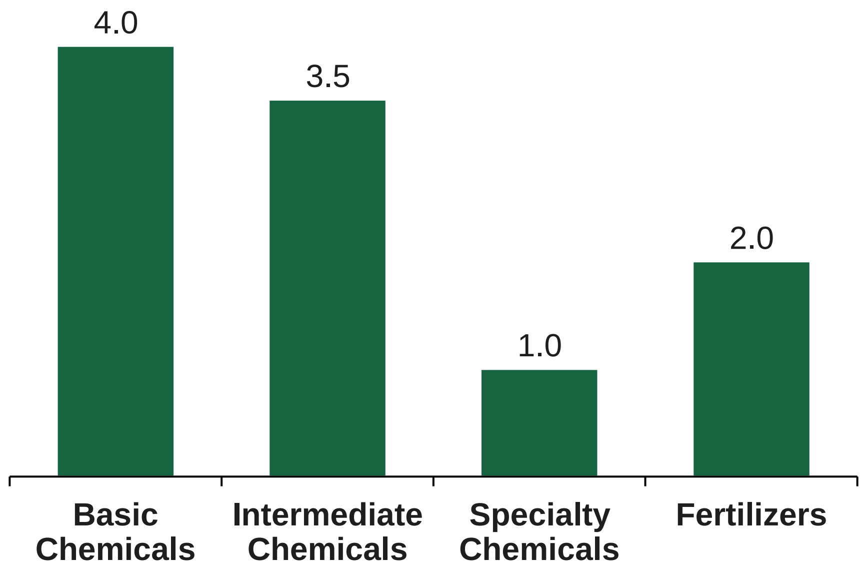

Solar Power

Pakistan's chemicals & petrochemicals industry is operating at considerable scale with high reliance on imports and significant opportunity for investments

Chemicals & Petrochemicals Segments

Basic Chemicals	Intermediate Chemicals	Specialty Chemicals	Fertilizers

Estimated Market Size (USD Bn)[1]



Advanced Chemicals / Petrochemicals Ecosystem

~USD 14 Bn
Chem/Petrochem market size

~500K People
Employed in the sector

~3% of GDP
Among highest contributing sectors

56% Demand through imports
Showing high localization potential

~USD 2 Bn
Of Chem /Petrochem exports

4+ Local refineries
Supports vertical integration across value chain

1. Estimated market size excludes pharmaceutical APIs (covered in respective pharma sector)
Source: MoIP, SIFC, National Fertilizer Development Center (NFDC)

Pakistan's chemicals & petrochemicals industry has a unique advantage due to its attractive demographic, robust regulatory framework, competitive costs, and strategic location

Demographic & Market Demand

- Rising urban households in the upper-middle class, creating a **strong drivers of demand for chemicals and petrochemical**
- **USD ~14B domestic market**, but **+50% import reliance**, indicating large scope for import substitution

Enabling Environment

- **Excellent incentives** for R&D, exports, and technology transfer
- **Dedicated SEZs and STZs** offer **tax breaks and infrastructure**
- **Strong base of potential required raw materials** including hydrocarbons, salts, minerals, and biomass

Cost Efficiency & Skilled Workforce

- **Competitive wages** — below regional benchmarks
- Access to **low-cost freight** to China and key markets

Strategic Location & Export Potential

- **Strong connectivity** through three ports: Karachi, Port Qasim, and Gwadar
- **Strategic proximity to GCC, China, and Africa** positions Pakistan as a regional hub
- **CPEC and Gwadar infrastructure reduce** logistics cost and enhance export efficiency

Source: SIFC

Pakistan is home to multiple local firms with an expansive reach working in the strategic chemicals & petrochemicals sector

Non-Exhaustive

Select Leading Players in Pakistan

engro corp	Engro Corp is an **IFC-backed, USD ~300 Mn company** manufacturing PVC resin and caustic soda; the company exports to **Afghanistan, the Middle East, East Africa, and Sri Lanka**
SITARA CHEMICAL INDUSTRIES LTD	Sitara Chemicals Industries is a **USD ~100 Mn company** that manufactures caustic soda, hydrochloric acid, bleach, and sodium hypochlorite; the company exports to **Africa, Middle East, and South Asia**
ICL ITTEHAD CHEMICALS LIMITED	Ittehad Chemicals focuses on industrial chemicals (e.g., caustic soda, chlorine) and has a **long standing B2B relationship** with multiple companies in **Pakistan, UAE, Oman, Sri Lanka, Bangladesh, and East Africa**
FFC	FFC operates Pakistan's largest fertilizer manufacturing network with **revenues of USD 1.15 Bn in 2024**; the company produces over 2.8 million tones of urea annually and has exported to **Sri Lanka, Kenya, and the UAE during surplus years**

Investors in the chemicals & petrochemicals industry will be supported by a robust ecosystem that encompasses multiple existing local and multinational companies

Key Players and Stakeholders

Pakistan Chemical Manufacturing Association (PCMA)

– Advocates for policy reforms, such as the Petrochemical Policy
– Promotes chemical industrial parks, import substitution, and export growth
– Collaborates with international partners for technology transfer and joint ventures

Local and Multinational Companies

– Existing strong base of fertilizers manufacturers (high localization in nitrogenous fertilizers)
– Growing interest for local chemicals manufacturing capabilities

Ministry of Industries and Production (MoIP)

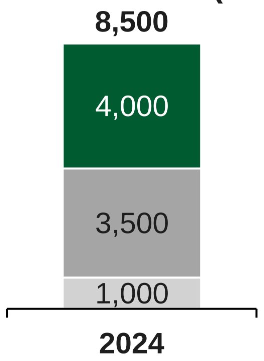
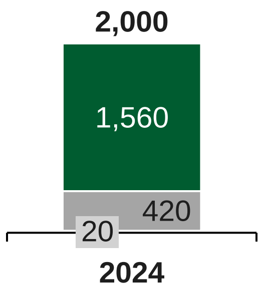
– Formulates and implements industrial policies
– Facilitates small and medium enterprises
– Manages state-owned enterprises

Special Investment Facilitation Council (SIFC)

– Facilitates and fast-tracks foreign and domestic investments
– Provides a streamlined, one-window operation for investor support and coordination across government entities

Source: SIFC

The significant scale of the chemical and petrochemical industry offers rich pickings for investors looking to scale up domestic manufacturing and reduced import dependency

Industry	Overview: Segments	Overview: Est. Market Size ($ Mn)	Overview: Current Maturity	Investment Potential
Chemicals	Basic Intermediate Specialty		– **50-60% import reliance** in **basic** and **intermediate** chemicals – **+80% import reliance** in **specialty** chemicals	Introduce local manufacturing capabilities across all types of chemicals to meet strong demand and minimize delays caused through import dependency
Fertilizers	Nitrogenous Phosphatic Potassic		– **Strong** capabilities in **Nitrogenous segment** (only ~10% imports) – **~40% import reliance** in phosphatic (2nd largest segment)	Enhance capabilities of existing local phosphatic fertilizers manufacturing

Source: SIFC, National Fertilizer Development Center (NFDC)

Pakistan has identified six opportunities in the chemicals & petrochemicals industry market readily available to investors

Investment Opportunities

1. Integrated petrochemical complex (Crude to Chemical - C2C) producing ethylene, propylene, PE, PP, and other base chemicals like BTX
2. Establishment of chlor-alkali and specialty inorganic chemical zones including soda ash, PVC, caustic soda, hydrogen peroxide, and industrial gases, through JVs with Chinese technology partners
3. JV with Chinese EPC firms and process licensors to develop integrated mining-to-chemical industrial parks for value-added production from natural endowments
4. Investment in water treatment chemicals for environmental sustainability
5. Sustainable, green manufacturing of bio-based and environmentally friendly organic chemicals
6. Develop specialty chemical manufacturing zones (dyes, master-batches, paints) in Punjab and Sindh

Potential Local Partners *(non-exhaustive)*

FFC

FFBL
Fauji Fertilizer Bin Qasim Limited

AGRITECH
ALL OVER AND BEYOND
Formerly PAK AMERICAN FERTILIZERS LIMITED.

SITARA
CHEMICAL INDUSTRIES LTD

SURAJ FERTILIZER Industries (Pvt) Limited

ICL
ITTEHAD CHEMICALS LIMITED

ICI
ICI Pakistan Limited

Source: SIFC

Pakistan offers an enabling environment to investors in the chemicals & petrochemicals industry

Key Enablers and Incentives

Ease of Doing Business

- Competitive market prices on majority of products related to chemical industries
- Ongoing review and simplification / deregulation across sectors
- 100% foreign equity investment permitted

Streamlined Regulations

- Fast-tracked regulatory approvals for essential chemicals and petrochemicals, streamlining market entry for high-priority chemical products

Tax & Fiscal Incentives

- Tax breaks and tax holidays
- Reduced import duties on raw materials and machinery
- Tariff differential for import-substituting industries (0-5% on non-local, up to 20% on local substitutes)

Infrastructure Incentives

- Special Economic Zones
  - Guaranteed electricity stability
  - Industrial infrastructure / land incentives
  - *(Planned) Specialty Chemical Manufacturing Zones*

Source: SIFC, P3A, MoiP, other Pakistan Government entities

Thank You

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