



## MECHANICAL, ELECTRICAL AND METAL

### BRIEF LANDSCAPE OF PAKISTAN'S MEM MARKET

Pakistan's Mechanical, Electrical, and Metal sector is rapidly growing and embracing sustainability. The sector invites innovative technologies, offering Swiss companies unique collaboration opportunities to drive sustainable growth. Explore the dynamic potential and make a lasting impact on the sector landscape in this factsheet.

#### COUNTRY SECTOR PROFILE

The Mechanical, Electrical, and Metal (**MEM**) sector in Pakistan plays a pivotal role in the country's economy, contributing significantly to industrial growth and employment generation. With a diverse range of industries under its umbrella, including automotive, engineering, electronics, and textiles, the MEM sector represents a cornerstone of Pakistan's manufacturing landscape. As Pakistan continues to focus on industrial development and innovation, the MEM sector remains a vital engine driving economic progress and competitiveness on a global scale.



Majority of the demand for machinery emanating from large industries such as construction, textile, energy etc. are met through imports. Imports of machinery have grown in the past years and stood at PKR~1,925bln (6.3bln CHF) ln in FY22 (PKR~1,617b ln FY21). Imported machinery includes Electrical Machinery, Power Generating Machinery and others.

#### PRESENCE OF SWISS FIRMS

Swiss MNC ABB Power & Automation (Pvt.) Ltd. through direct participation in tenders as well as sub-contractor for Independent Power Producers (IPPs), is providing power and energy efficient equipment for almost all solar and wind projects in Pakistan, along with Hitachi, and Accelleron in the sector of Machineries is directly present in the Pakistan's MEM Sector. Other Swiss SMEs having active presence in the sector are also known to be available through Pakistani representatives.

## GROWTH IN THE SECTOR

The imports of the overall machinery sector witnessed an increase of 30 percent during the first three quarters of the current fiscal year (2023-24) compared to the corresponding period of the last year, the Pakistan Bureau of Statistics (PBS) reported.

The total imports of the machinery group during July-March (2023-24) stood at CHF 5305.70 million against the imports of CHF 4071.78 million during the same period of the last year.

The import of agriculture sector machinery and equipment surged by 102.31 percent from CHF 27.37 million to CHF 55.36 Million; office machinery including data processing equipment 41.28 percent from CHF 225.8 million to CHF 320 million.

Sector Overview	FY22	FY23	4FY23	4MFY24
Imports (USD mln)	10,290	5,808	2,226	1,200
Imports (% of Total Imports)	13%	13%	11%	14%
Local Production* (Units)	81,498	70,804	21,379	16,024
Exports (USD mln)	166	180	65	42

Source: Pakistan Bureau of Statistics

## MARKET TRENDS

The wind energy market in Pakistan is expected to grow at a CAGR of over 5% in the forecast period 2022-2027. The Pakistani government's efforts to reduce dependency on fossil fuels and invest in renewable energy sources, such as wind energy, are expected to drive market growth. The COVID-19 pandemic led to temporary disruptions in the ongoing projects due to difficulties in sourcing raw materials and transportation of finished equipment. Apart from this, Pakistan saw a significant power surplus due to new generation and weaker than projected demand, in part due to the pandemic making wind energy projects unattractive temporarily. In terms of market growth, factors such as supportive government policies and efforts to meet power demand using renewables to decrease dependency on fossils are expected to drive the market.

## PAKISTAN WIND ENERGY MARKET

Market Size



Source: Mordor Intelligence



Study Period 2020 - 2029

Base Year For Estimation 2023

Forecast Data Period 2024 - 2029

Historical Data Period 2020 - 2022

CAGR > 5.00 %

Major Players



\*Disclaimer: Major Players sorted in no particular order

The Pakistani government aims to achieve 30% of its electricity generation from renewables by 2030, excluding hydroelectricity. Such targets by the government are expected to create several opportunities for the wind energy market in the future. Supportive policies and programs by the government of Pakistan and upcoming new projects are likely to propel the wind energy market in Pakistan.

**SECTOR SWOT ANALYSIS:**



**ELECTRIC VEHICLES IN PAKISTAN**

As the auto market continues to grow in Pakistan, new players are setting their sights on introducing hybrid as well as electric vehicles (EVs) in the country, and one of the largest automakers has announced its entry into Pakistan. The BYD Group of China has recently announced its entry into the passenger vehicle market in Pakistan in collaboration with Mega Conglomerate Pvt Ltd. China also exported 160 Higer high-end electric buses to Pakistan. It is worth noting that the reported total value of this order, including 160 buses, was over 23 million USD (21 Million CHF). This marks Pakistan's first significant import of pure electric buses in bulk. The delivery of this batch fully shows that the China's new energy buses have great competitiveness and brand influence worldwide, and also brightens the co-construction of China's Belt and Road Initiative. Daewoo Express, one of Pakistan's leading inter-city transport service providers, is also planning to introduce 200 Electric Vehicle (EV) buses gradually in the next two years along with 1000 EV rickshaws for Karachi and Lahore.

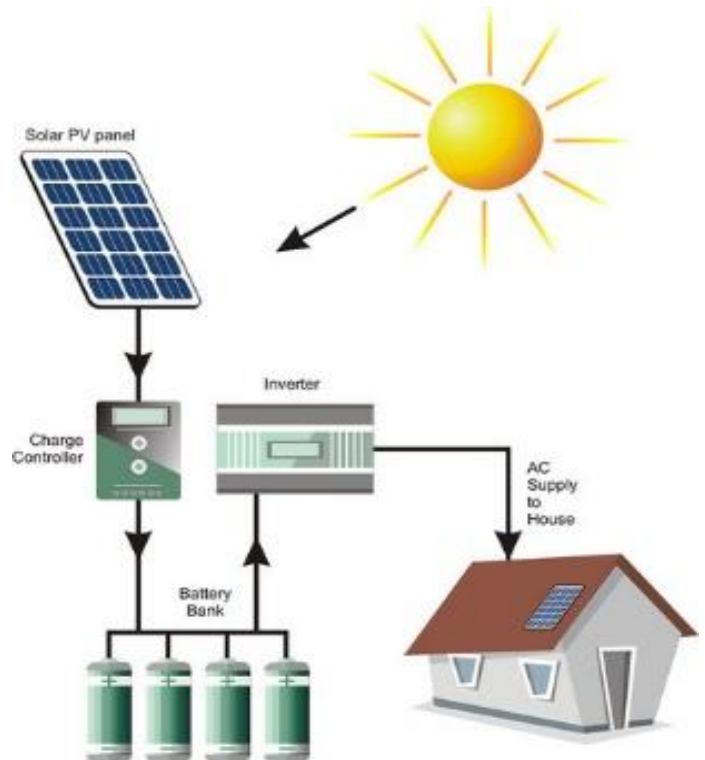


**SOLAR**

Pakistan is increasingly recognizing the importance of solar energy as a clean and sustainable power source to address its growing energy needs. With abundant sunlight, Pakistan has the potential to harness solar energy, reducing its carbon footprint and mitigating climate change. Solar energy is environmentally friendly, renewable, and cost-effective, with photovoltaic panels converting sunlight into electricity.

The government of Pakistan has taken significant steps to promote solar energy adoption, including net metering, tax exemptions, and subsidized loans.

The Alternative Energy Development Board (AEDB) is actively involved in promoting renewable energy projects across the country. Pakistan's solar energy potential is vast, with an average of 5 to 7 kilowatt-hours of solar energy per square meter per day, indicating a vast untapped potential for solar power generation. Pakistan's solar energy market is expected to grow significantly, reaching 9.77 gigawatt by 2028, at a CAGR of 49.68%.



## **UPCOMING CONFERENCES IN PAKISTAN 2024**

**PLASTI&PACK PAKISTAN - 19TH INTERNATIONAL EXHIBITION FOR PLASTIC & PACKAGING INDUSTRY (3<sup>RD</sup> – 5<sup>TH</sup> SEPT. 2024) EXPO CENTER KARACHI**  
Equipment, Machinery, Packaging for Food & Non Food Refrigeration, Cooling, Humidification & ventilation products.



**BUILD ASIA 2024 - 18TH BUILD ASIA INTERNATIONAL BUILDING MATERIAL AND CONSTRUCTION MACHINERY EXHIBITION & CONFERENCE (24<sup>TH</sup> – 26<sup>TH</sup> DEC. 2024), EXPO CENTRE, KARACHI**



It focuses on the potential of the building and construction industry and displays the latest technological advancements, offering opportunities for overseas exhibitors to interact with local entrepreneurs.

### **CONCLUSION:**

In conclusion, the MEM sector of Pakistan offers opportunities for growth in various areas. It opens a pathway to sharing knowledge, expertise, and capital, paving the way for a more prosperous and innovative era in Pakistan's MEM Sector.

### **HOW S-GE CAN SUPPORT**

We would be delighted to support you in your expansion plans to Pakistan and connect you with the appropriate business partners. Our renowned experts in Zurich work closely with the Embassy and our specialists at the Trade Point in Pakistan, ensuring that you benefit from firsthand information. We look forward to hearing from you!

Compiled by Swiss Business Council, Karachi, Pakistan, May 2024

## GET IN TOUCH



Suhail El Obeid  
Senior Consultant Middle East & Pakistan

selobeid@s-ge.com  
+41 44 365 54 72

**Switzerland Global Enterprise**  
Stampfenbachstrasse 85  
8006 Zürich  
Switzerland

[s-ge.com](http://s-ge.com)

Official Program



Partner



Faizan Faisal  
Office Manager

faizan@swissbusinesscouncil.com.pk  
+92 21 356 564 44

**Swiss Business Council**  
20<sup>th</sup> Floor, B.R.R. Tower, Hassan Ali Street,  
I.I. Chundrigar Road, Karachi  
Pakistan

### DISCLAIMER

The information in this report were gathered and researched from sources believed to be reliable and are written in good faith. Switzerland Global Enterprise and its network partners cannot be held liable for data, which might not be complete, ac-curate or up-to-date; nor for data which are from internet pages/sources on which Switzerland Global Enterprise or its network partners do not have any influence. The information in this report do not have a legal or juridical character, unless specifically noted.