



Economic Report 2025*

PAKISTAN

7 November 2025

*Pakistan's fiscal year runs from July to June.

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1 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

The **agriculture** sector of Pakistan contributes 23.5% to the GDP, employs 37.4% of the labour force, and ensures food security remained nearly flat during the FY 2025. The primary sector is one of the main contributors to the environment pollution (burning of crops residues by farmers) and the largest consumer of the depleting water resource in the country. Opportunities for Swiss companies are available in the fields of agriculture credit & insurance, high-yielding varieties of seeds, quality pests, and farm mechanization (better harvesting and water resource management) technologies. The **livestock**, a subsector of the agriculture sector, contributing 15% to the GDP and growing at 4.7%, also holds positive prospects for Swiss exporters. The dairy sector, which has been revolutionized by a Swiss company in Pakistan, also extends promising opportunities for more Swiss companies to enter the market.

The **manufacturing** sector, constituting 11.8% of the GDP, could record a nominal positive growth of 1.3% in the current fiscal year as compared to high negative growth in the last year. The growth can be attributed to a stable foreign exchange rate during the year. Nevertheless, the sector still faces challenges of high interest rates and rising energy prices. Despite challenges, the sector offers opportunities in the fields of renewable energy particularly for hydro and solar energy as thermal based energy is costlier and not environment friendly. Cleantech technology also holds a promising potential as populous cities of Pakistan are forced to impose lockdowns owing to pollution lead smog.

The **services** sector, establishing the largest share (58.4%) of the GDP, could register a growth of 3%. The accommodating services offers investment opportunities for Swiss firms as major touristic destinations in Pakistan lack quality accommodation hotels for the tourists of local upper and upper middle classes as well as for foreigners. The elite of the country travels abroad particularly to the UK and the U.A.E. for their medical treatment. Setting up modern hospital with quality services in Pakistan by Swiss firms would be prospective.

2 FOREIGN ECONOMIC POLICY

2.1 Host country's policy and priorities

In order to manage pressure on its foreign exchange reserves, Pakistan has been pursuing a foreign economic policy of **increasing exports** (through regionally competitive energy tariffs, rationalization of import customs tariffs of inputs used in the export sector, financial incentives, and ease of operating mechanisms), **curtailing imports** (through increasing cash margin requirements, compression exercises, and tightening the purchase of FX), **attracting foreign investment from friendly countries** (through the Special Investment Facilitation Council), **rescheduling and securing further foreign loans**, and **enhancing workers' remittances** (through incentive schemes to prevent pilferage due to the Hawala system).

In terms of **securing foreign loans**, Pakistan is successfully undertaking the **IMF's Extended Fund Facility of USD 7.6 billions** for a period of 3 years. The program stipulates broadening the tax base by bringing retailers, developers, and the agriculture sector into the net, implementing reforms to ensure a business-friendly climate for investors, privatizing loss-making State-Owned Entities (SOEs), reducing energy tariffs, and implementing C-PIMA Action Plan for bringing climate resilience.

Pakistan is currently negotiating **Free Trade Agreements** with Iran and Indonesia. In July 2024, Pakistan and Afghanistan signed a trade agreement, valid for 1 year, to lower tariffs on key agricultural goods. Tariffs have been lowered from more than 60 percent to 27 percent on four items from Afghanistan — grapes, pomegranates, apples, and tomatoes — and four from Pakistan — mangoes, kinnow oranges, bananas, and plums.

China-Pakistan Economic Corridor (CPEC), aimed at receiving an investment of several billion USD from China, appears to be on a standstill. So far, during the Phase-I of CPEC,

out of USD 53 billion, investments of USD 25 billion have been materialized whereas USD 28 billion are under consideration. The first phase of the CPEC focused on developing energy outlook and infrastructure while the second phase of the project is said to be aiming at the development of various sectors including agriculture, manufacturing, industrialization, textiles, logistics and the construction of industrial parks.

The tariff on import of Pakistani goods has been revised **by the United States from 29% to 19%**. Before the Trump administration, the average tariff was around 9.8%. As a part of the deal, Pakistan anticipates US investment in the exploration of oil and critical minerals.

2.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

Swiss companies enjoy a very good reputation in Pakistan due to their quality products, although costly, and fair and transparent dealings. CPEC has brought opportunities for further investment and trade for Swiss companies in the fields of energy and construction, which have been undertaking projects under CPEC successfully. As the CPEC is first and foremost a Chinese undertaking, efforts to take a larger market share remain limited.

3 FOREIGN TRADE

3.1 Developments and general outlook

3.1.1 Trade in goods

According to the data published by the State Bank of Pakistan, during the FY 2024-25, the overall trade deficit of Pakistan was recorded at 29% (percentage of total trade). During the said period, imports showed a considerable increase of 11% mainly due to an expansion in the manufacturing sector of Pakistan. The exports of Pakistan could register a paltry growth of 4% mainly due to a stable exchange rate.

USA (mainly textiles and food items), China (mainly textiles and copper articles), UK (mainly textiles and rice), U.A.E (mainly textiles, meat and rice) and Germany (mainly textiles, leather articles, surgical and dental instruments, and sports goods) remained the top five importers of the Pakistani products. In general, during this period, textiles, rice, chemicals & pharmaceuticals, petroleum products and leather articles were top five exports of Pakistan. The top five countries Pakistan imported from were China (mainly petroleum products and machinery), U.A.E. (mainly petroleum products), Saudi Arabia (mainly petroleum products), Qatar (mainly petroleum products, cotton and palm oil) and Indonesia (mainly palm oil). The top five products generally imported were crude petroleum and products thereof, machinery (particularly electrical and telecom), chemicals, palm oil, and textiles (mainly cotton and yarn).

In the future, a growth in the solar power equipment (national goal of 60% renewables by 2030), machinery and equipment (due to a probable expansion of industry under the CPEC and investments in the mining sector by the USA), and agricultural commodities and inputs (due to the recent floods in Pakistan) is expected. The losses of the 2025 floods are being estimated at USD 1.4 billion which are smaller than the losses (USD 30-40 billion) incurred by the floods in 2022.

3.1.2 Trade in services

During the fiscal year 2024-25, the trade deficit in services was recorded at 14% (percentage of trade in services). The exports of services were recorded at USD 8.4 billion, while the imports were at USD 11 billion. Transport, Travel, Telecommunication & IT, Government goods & services, and insurance & pension services were the top five services imported by Pakistan.

Telecommunication and IT, Government goods & services, Transport, Travel, and Construction were the top five exports of Pakistan.

3.2 Bilateral trade

3.2.1 Trade in goods

The bilateral trade balance between Switzerland and Pakistan had traditionally been in the favour of Switzerland, however, during the calendar year (CY) 2024, a trade deficit was recorded by Switzerland.

Switzerland's Exports to Pakistan (in Mio CHF)

Description	2020	2021	2022	2023	2024*	%
Pharmaceuticals	201.4	175	118.3	126.3	59.2	-53.2
Machines	49.1	58.2	44.2	31.4	40.1	+27.7
Dyeing Extracts and Colours	30	33	28.9	30.4	33.5	+10.2
Watches	19.3	27	28.2	19.8	20	+1
Chemicals	35.7	33	24.5	23.5	18.6	-21
Others	31.1	37.8	35.3	25.9	24.6	-5
Total	366.6	364	279.4	257.3	196	-23.8
% change from last year						

Switzerland's Imports from Pakistan (in Mio CHF)

Description	2020	2021	2022	2023	2024*	%
Textiles	151.5	195.7	198.6	181	195.2	+7.8
Leather Articles	15	18.1	16.4	12.7	11.6	-8.7
Agricultural Products	19.2	13.3	24.1	23	10.7	-53.5
Others	15.7	17.9	17.9	16.9	19.5	15.4
Total	201.4	245	257	233.6	237	+1.6
% change from last year						

Source: Swiss Federal Customs Administration

According to the data of the Federal Office for Customs and Border Security, Switzerland's exports to Pakistan in CY 2024 have shown a decrease of 23.8% from CHF 257.3 million in CY 2023 to CHF 196 million in CY 2024. Major decline is witnessed in the exports of pharmaceuticals and chemicals. One of the main reasons of this plunge is the substitution of imports by Pakistan through local manufacturing as currently, pharmaceutical and chemical production in Pakistan is showing an upward trend. With respect to the data available with the State Bank of Pakistan, Switzerland is the 30th largest exporter to Pakistan in the fiscal year 2024-25 as compared to the 23rd last year.

Switzerland's imports from Pakistan in CY 2024 witnessed a nominal increase of 1.6% from CHF 233.6 million in CY 2023 to CHF 237.6 million in CY 2024. Textiles are the largest item of Switzerland's import from Pakistan followed by leather articles and agricultural products. Items like sports goods, surgical equipment and carpets also have a minor import share. According to the data available with the State Bank of Pakistan, Switzerland is the 24th largest importer from Pakistan in the fiscal year 2024-25 as compared to the 23rd last year.

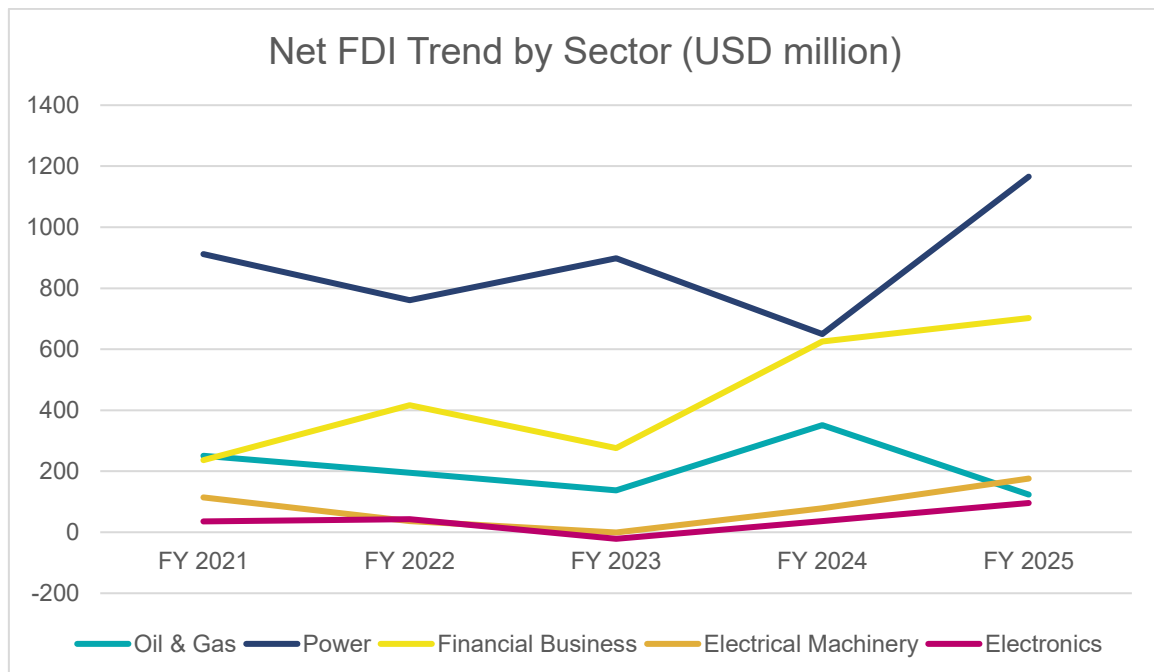
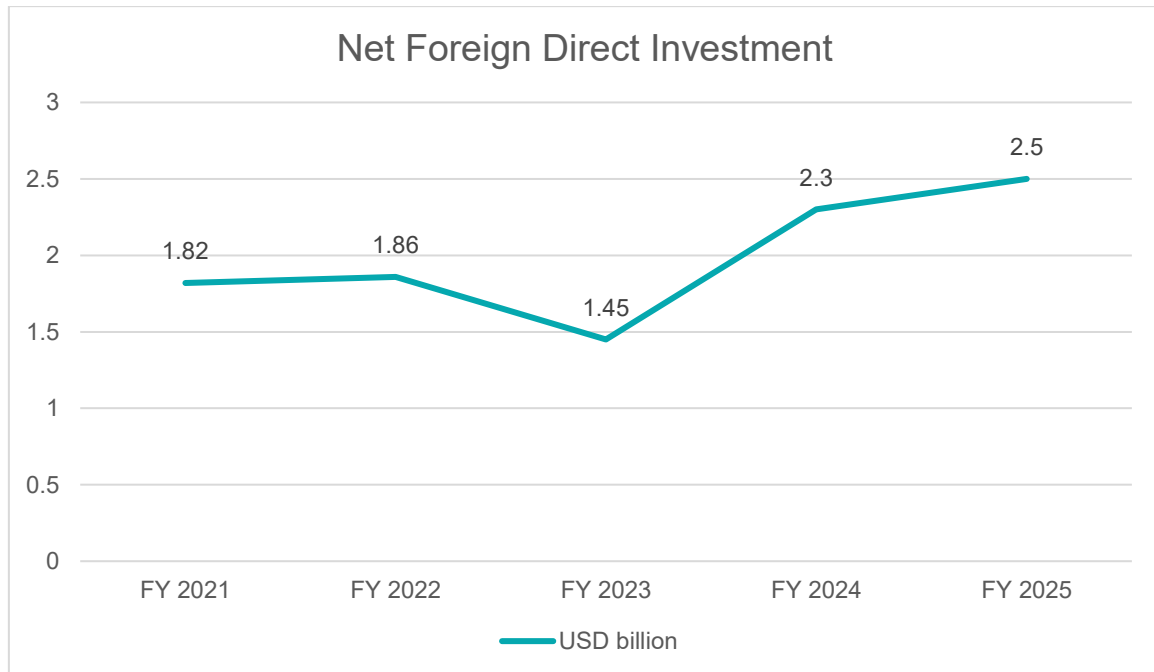
3.2.2 Trade in services

According to the data available with the State Bank of Pakistan, during FY 2025, exports of services from Switzerland to Pakistan increased by 12% and amounted to USD 187.3 million while the exports from Pakistan to Switzerland increased by 20% and were recorded at USD 158 million. Switzerland's top exports of services to Pakistan are transport, charges for the use of intellectual property and government goods & services while Pakistan is exporting mainly government goods and services, other business services, and telecommunications, computer and information services.

4 DIRECT INVESTMENTS

4.1 Developments and general outlook*

Net foreign direct investment in Pakistan witnessed a nominal increase of 4.7% in the FY 2024-25 and was recorded at USD 2.5 billion as compared to USD 2.3 billion in the previous fiscal year.



China (mainly in the Power Sector), Hong Kong, U.A.E., Switzerland and UK remained the top foreign direct investors in Pakistan in the FY 2025.

Special Investment Facilitation Council (SIFC) had been launched to attract / facilitate investment in particular from friendly (GCC countries and China) mainly in the sectors of defence, agriculture, minerals, IT & telecommunications, and energy. After identifying

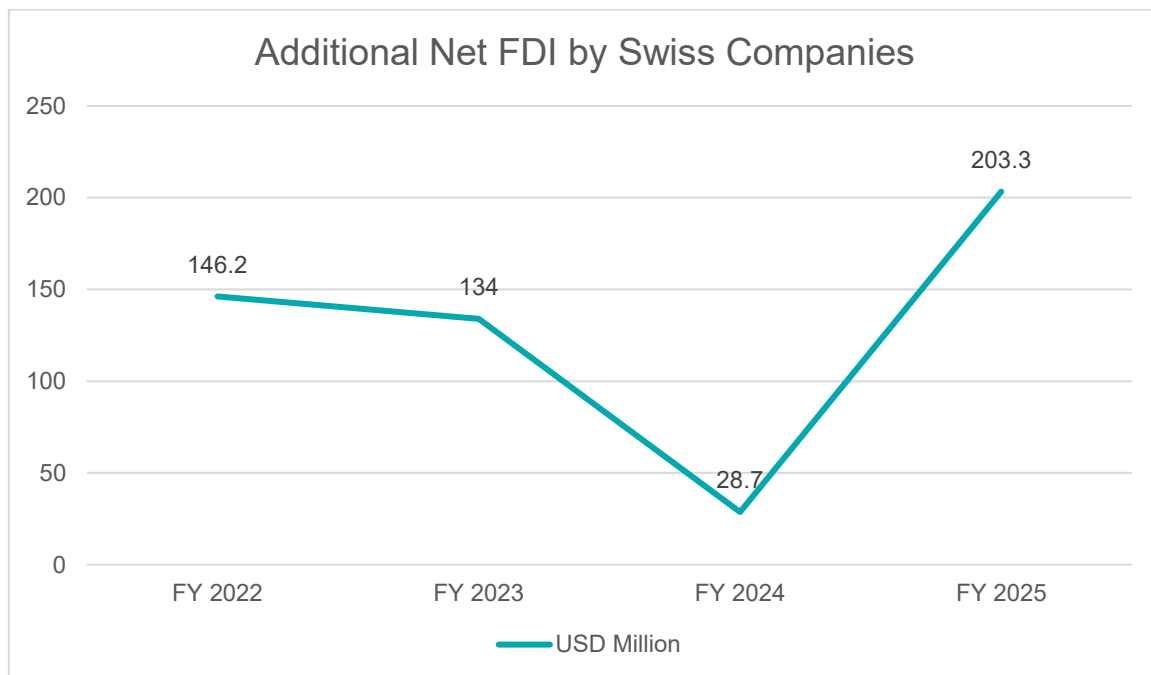
opportunities in the respective sector, the main objective of the SIFC was to act as a 'Single Window' in order to remove bureaucratic hurdles, improve coordination amongst all stakeholders and fast tracking the implementation of investment projects.

The government intends to **privatize** 10 State Operating Entities (SOEs) including Pakistan Airlines (PIA), Pakistan Steel Mills, and Energy Distribution Companies. These SOEs have incurred an accumulated loss of more than USD 2 billion.

*Source: State Bank of Pakistan

4.2 Bilateral investment*

For many years, by virtue of Swiss companies, Switzerland has been one of the largest foreign direct investors in Pakistan. In FY 2024-25, Switzerland was ranked the 4th largest investor in Pakistan with an additional investment of USD 203.3 million. According to the State Bank of Pakistan, Switzerland's net inward equity position as of FY 2025 stands at USD 2.7 billion. In FY 2021-22, Switzerland was the 3rd largest foreign direct investor in Pakistan and it had invested another USD 146.2 million in the country. In FY 2022-23, Switzerland secured the 4th position by investing additional USD 134 million. During the FY 2023-24, Switzerland was ranked the 7th largest investor in Pakistan with net additional FDI of USD 28.7 million.



Currently, 28 Swiss based multinational companies are operating in the country in the sectors of agriculture (growth 0.6%), food (decline 1.8%), beverages (growth 1.29%), tobacco (growth 7%), pharmaceuticals (growth 2.7%), textile (growth 2.5%), chemicals (decline 3.4%), petroleum (growth 5.3%) energy/electricity generation (growth 0.1%), and banking (growth of asset base in calendar year 2023 at 15.8%). 15 companies have their headquarters in Karachi while 8 companies are based in Lahore, three companies are headquartered in Islamabad while 1 company each has its main office in Faisalabad and Rawalpindi. 12 companies also have their manufacturing facilities in Pakistan; the number of these manufacturing units currently stands at 19. These companies provide direct employment to about 15,000 persons and a multiple number of third-party contract workers in Pakistan.

*Sources: State Bank of Pakistan and Pakistan Bureau of Statistics

5 ECONOMIC AND TOURISM PROMOTION

5.1 Swiss foreign economic promotion instruments

The commercial services of the Embassy of Switzerland in Islamabad and the Swiss Business Council (SBC) are the main channels of business and economic promotion for Switzerland in Pakistan. Questions and requests are handled directly by these institutions or forwarded to respective partners in Switzerland. The cooperation between the two entities with “Switzerland Global Enterprise” (S-GE) is good.

The SBC, founded in 2008, unites all Swiss companies with a subsidiary in the country or otherwise active in Pakistan. The SBC is an important partner of the Embassy in organizing events to promote Switzerland as an economic partner as well as business-2-business trips to Pakistan and Switzerland. The Council since 2014 has a mandate from S-GE to provide market studies (and to organize trips) for its interested members. SBC, over the period of more than one decade, has become a strategic and important partner for the Embassy allowing an important exchange of information with the management of Swiss companies active in Pakistan.

S-GE had organized a ‘Pakistan Roadshow’ in collaboration with the SBC in Switzerland in August 2025. Three events were organized, one each at the S-GE office in Zürich, the Geneva Chamber of Commerce, and the residence of the Pakistani Ambassador in Bern. The events were attended by more than 100 participants. As a follow-up of the events, an online webinar was organized by the S-GE on 9 September 2025 to encourage more Swiss SMEs to initiate trade relations with Pakistan.

5.2 The host country's interest in Switzerland

Tourism, education, other services

Switzerland enjoys in general a very good reputation in Pakistan. Beside chocolate, cheese, landscape and banks, Switzerland is known for its political stability, its neutral stance in world politics and as host country of “la Genève internationale”.

Investments

As per the information available with the Embassy, there are no Pakistani companies active in Switzerland. A small but growing “investment” in Switzerland comes from the small businesses of Pakistani living (3000 to 4000 Pakistanis are living in Switzerland) and working in our country, mainly in the hospitality (restaurants) business.

Switzerland as a financial centre

As a financial centre, Switzerland enjoys a positive image in business circles. The recent developments and changes of practices in the Swiss banking sector including the modifications of the legal framework have remained, certainly with the general public, almost unnoticed in Pakistan. Mainly investors take interest in Swiss financial institutes due to Switzerland’s stable political and economic environment. The Automatic Exchange of information (AEI) on tax matters between Switzerland and Pakistan has become effective since January 2020 whereby both countries have started sharing data from October 2021.

ANNEX 1 – Economic structure

Economic structure of the host country

	2020	2021	2022	2023	2024	2025
Distribution of GDP						
Primary sector	23.5%	23%	22.7%	22.9%	24%	23.5%
Manufacturing sector	11.5%	12%	12.4%	12%	13.6%	11.8%
Services	57.9%	58.1%	58.2%	58.6%	58%	58.4%
- of which public services	5.3%	5%	4.6%	4.4%	4.4%	4.3%

Distribution of employment						
Primary sector	N.A.	37.7%	N.A.	N.A.	N.A.	N.A.
Manufacturing sector	N.A.	14.9%	N.A.	N.A.	N.A.	N.A.
Services	N.A.	57.4%	N.A.	N.A.	N.A.	N.A.
- of which public services	N.A.	2.9%	N.A.	N.A.	N.A.	N.A.

Source: Pakistan Economic Survey 2024-25

ANNEX 2 – Main economic data

Host country's main economic data

	2024	2025*	2026*
GDP – constant prices (PKR bn)**	39,726	40,778	42,227
GDP – constant prices per capita (PKR)**	168,366	169,530	172,206
Growth rate (% of GDP)**	2.5	2.6	3.5
Inflation rate (%)**	23.4	5.1	7.7
Unemployment rate (%)**	8.2	8	7.5
Fiscal balance (% of GDP)***	-6.8	-5.6	-5.1
Current account balance (% of GDP)**	-0.4	-0.05	-0.4
Total external debt (% of GDP)***	31.7	33.1	31.3
External Debt-service ratio (% of exports)***	32	30	34.5
Reserves (months of imports)***	1.6	2.1	2.3

1 USD = PKR 281.5 as of 19 September 2025

* Estimated / Projected Data

** Source: IMF, World Economic Outlook (April 2025)

▪ www.imf.org/external/pubs/ft/weo

*** Source: IMF Country Report No. 25/109

▪ <https://www.imf.org/en/Publications/CR/Issues/2025/05/17/Pakistan-First-Review-Under-the-Extended-Arrangement-Under-the-Extended-Fund-Facility-567021>

ANNEX 3 – Trade partners

Trade partners of the host country Year: FY 2024-25

Exports from Pakistan

Rank	Country	Exports (Thousand US Dollars)	Share%	Change%
	EU	8'796'046	27.23	7
1	U. S. A.	6'028'193	18.66	11
2	China	2'476'790	7.67	-9
3	U. K.	2'160'262	6.69	7
4	United Arab Emirates	2'121'962	6.57	2
5	Germany	1'687'554	5.22	11
6	Netherlands (Holland)	1'492'284	4.62	8
7	Spain	1'482'822	4.59	2
8	Italy	1'132'231	3.51	1
9	Bangladesh	787'348	2.44	19
10	Afghanistan	773'892	2.40	39
11	Saudi Arabia	704'317	2.18	-1
12	France	563'763	1.75	11
13	Belgium	543'426	1.68	-2
14	Malaysia	495'724	1.53	-15
15	Canada	386'106	1.20	-1
16	Sri Lanka	376'612	1.17	-4
17	Thailand	314'507	0.97	111
18	Singapore	305'250	0.94	19
19	Denmark	294'406	0.91	28
20	Australia	285'249	0.88	3
21	Indonesia	270'527	0.84	-49
22	Turkiye	264'742	0.82	-21
23	Kenya	242'467	0.75	-23
24	Japan	184'915	0.57	1
25	Sweden	183'007	0.57	29
26	South Africa	177'660	0.55	-6
27	Hong Kong	161'228	0.50	1
28	Greece	154'105	0.48	19
29	South Korea	150'469	0.47	-19
30	Switzerland	147'809	0.46	-22
31	Brazil	133'609	0.41	-4
32	Mexico	130'050	0.40	-3
33	Egypt	114'073	0.35	-5
34	Kuwait	112'578	0.35	-14
35	Romania	83'835	0.26	27
36	Tanzania	80'242	0.25	-43
37	Russian Federation	68'517	0.21	-13
38	Norway	64'803	0.20	10
39	Jordan	58'461	0.18	43

40	Bahrain	52'630	0.16	-23
41	Argentina	51'430	0.16	10
42	New Zealand	39'748	0.12	-13
43	Hungary	35'805	0.11	15
44	Mauritius	29'604	0.09	49
45	Morocco	29'230	0.09	6
46	Finland	29'031	0.09	-7
47	Ukraine	9'695	0.03	-9
48	Uruguay	8'482	0.03	4
49	India	1'429	0.004	-59
50	Iran	0	0	-100
	Total	32'302'778	100	4

Source: State Bank of Pakistan

Imports by Pakistan

Rank	Country	Imports (Thousand US Dollars)	Share%	Change%
1	China	16'312'523	27.61	21
2	United Arab Emirates	7'958'701	13.47	26
3	Saudi Arabia	3'754'303	6.35	-16
	EU	3'260'770	5.52	-14
4	Indonesia	2'902'735	4.91	20
5	U. S. A.	2'350'855	3.98	25
6	Singapore	2'316'749	3.92	-5
7	Kuwait	1'677'971	2.84	-6
8	Brazil	1'241'681	2.10	247
9	Japan	1'201'963	2.03	19
10	Malaysia	1'062'337	1.80	12
11	South Korea	1'025'522	1.74	16
12	Germany	879'520	1.49	-5
13	Thailand	812'940	1.38	13
14	U. K.	745'521	1.26	-5
15	Hong Kong	741'881	1.26	7
16	Australia	687'896	1.16	1
17	Turkey	643'700	1.09	31
18	Morocco	550'143	0.93	-9
19	Kenya	548'948	0.93	-11
20	Italy	538'924	0.91	7
21	South Africa	492'623	0.83	5
22	Switzerland	449'061	0.76	3
23	Netherlands (Holland)	420'496	0.71	-24
24	Argentina	342'650	0.58	260
25	France	287'831	0.49	7
26	Canada	237'274	0.40	46
27	India	220'580	0.37	7
28	Bahrain	201'299	0.34	-7
29	Belgium	195'452	0.33	-38
30	Spain	194'459	0.33	-17
31	Sweden	179'427	0.30	-16
32	Russian Federation	174'912	0.30	-83
33	Ukraine	172'570	0.29	-34
34	Tanzania	164'346	0.28	30
35	Egypt	118'335	0.20	-42
36	Denmark	82'108	0.14	17
37	Bangladesh	78'312	0.13	38
38	Mexico	60'416	0.10	7
39	Sri Lanka	59'731	0.10	2
40	Greece	49'284	0.08	22
41	Finland	47'673	0.08	-30
42	Norway	37'028	0.06	38
43	Afghanistan	25'898	0.04	117
44	Romania	16'762	0.03	-92
45	Hungary	16'399	0.03	-8

46	New Zealand	15'975	0.03	-4
47	Jordan	15'726	0.03	57
48	Uruguay	9'932	0.02	-18
49	Mauritius	7'807	0.01	73
	Total	59'088'072	100	11

Source(s): State Bank of Pakistan

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and the host country

	Export (CHF million)	<i>Change (%)</i>	Import (CHF million)	<i>Change (%)</i>	Balance (in million)	Volume (in million)
2019	373.7	-6.2	166.7	+0.4	206.6	540.4
2020	366.6	-1.9	201.4	+19.2	165.2	568
2021	365.1	-0.4	245	+21.6	120.1	610.1
2022	279.4	-23.5	257	+5	22.4	536.4
2023	257.3	-8	233.6	-9.2	23.7	490.9
<i>(Total 1)*</i>						
2024	196	-23.8	237	+1.6	-41	433
<i>(I-VI)**</i>					-64.7	-57.9

*) 'Economic' total (total 1): not including gold bars and other precious metals, currencies, previous stones and gems, works of art and antiques

**) Change (%) from the previous year

Exports	2023 (% of total)	2024 (% of total)
1. Pharmaceuticals	49	30.2
2. Machines	12.2	20.5
3. Dyeing Extracts & Colours	11.8	17
4. Watches	7.7	10
5. Chemicals	9.1	9.5
6. Others	10	12.5

Imports	2023 (% of total)	2024 (% of total)
1. Textiles	77.5	82.4
2. Leather Articles	5.4	4.9
3. Agro Products	9.8	4.5
4. Others	7.2	8.2

Source: Federal Office for Customs and Border Security

ANNEX 5 – Main investing countries

Main investing countries in the host country

Year: 2025

Rank	Country	Direct investment (USD, million)	Share	Variation (stock)	Inflows over past year (USD million)
1	China	1,224.3	49.8%	+90.3%	+581.1
2	Hong Kong	470.1	19.1%	+122.1%	+258.5
3	U.A.E.	283.1	11.5%	+114.3%	+151
4	Switzerland	203.3	8.2%	-11%	-25.3
5	UK	201.8	8.2%	-15.6%	-37.2
6	South Korea	96.2	3.9%	+486.6%	+79.8
7	Malaysia	42.8	1.7%	57.9%	+15.7
8	Japan	40.1	1.6%	902%	+45.1
9	USA	35.3	1.4%	-68%	-75
10	Kuwait	30.4	1.2%	-93.5%	-440.1
52	Germany	-22.6	-	-187%	-48.6
53	France	-39.2	-	-136.6%	-146.2
	EU	-209.1	-	-180.8%	-467.8
	Total	2,457	100%	+4.7%	+109.6

Source: State Bank of Pakistan