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## Pakistan's PM Welcomes \$100M Chinese SEZ Investment

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August 15, 2025

– Categories: Economics

Prime Minister Shehbaz Sharif inaugurated a new Special Economic Zone (SEZ) in Pakistan and announced a \$100 million investment by China's Challenge Fashion Group over the next five years. The project is expected to contribute to exports in Pakistan's textile sector.

Sharif stated that the government will provide support to facilitate technology transfer, skills development, and industrial operations within the SEZ.

The initiative is part of ongoing economic cooperation under the industrial component of the China–Pakistan Economic Corridor (CPEC). China remains Pakistan's largest trading partner, with existing investments across power, transport, telecom, and infrastructure.

Textiles represent a large portion of Pakistan's exports, accounting for over 60 percent of total exports and employing nearly 40 percent of the industrial workforce. The sector has faced challenges in recent years, including energy shortages, rising production costs, and weakening global demand.

Since 2014, Challenge Fashion has invested approximately \$17 million in Pakistan and is now expanding operations through this newly inaugurated SEZ, which increases production capacity and aims to support export activity.

Officials have stated that the new SEZ is intended to support the textile industry and provide a framework for industrial operations. The combination of capital investment, technological collaboration, and government facilitation is planned to support manufacturing and employment within the sector.

The SEZ's launch represents another development in Pakistan's efforts to attract foreign investment and support industrial sectors amid economic challenges.