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## Pakistan Launches China-Backed Textile Economic Zone

August 16, 2025

— Categories: Economics



Prime Minister Shehbaz Sharif on Friday inaugurated a Special Economic Zone (SEZ) supported by Chinese investment, aimed at expanding Pakistan's textile sector with additional jobs, exports, and industrial capacity.

The project, led by Challenge Fashion Private Limited, a Chinese textile company operating in Pakistan since 2014, is reported to involve an investment of USD 100 million over the next five years. According to official details, the zone is projected to generate up to USD

400 million in exports once fully operational. Challenge Fashion has already invested USD 17 million in Pakistan prior to this initiative.

During the ceremony, attended by Challenge Fashion's Chairman Huwang Weiguo and senior officials, Prime Minister Sharif described the SEZ as part of Pakistan–China economic cooperation under the China–Pakistan Economic Corridor (CPEC). He stated that the project would include technology transfer and skills training components and contribute to industrial activity.

The prime minister directed relevant authorities to ensure administrative facilitation for the project. He also announced that a China–Pakistan Business-to-Business Conference will be held soon to promote collaboration between the private sectors of both countries.

Chairman Huwang Weiguo said his company plans to establish a modern, export-oriented textile facility in Pakistan.

Prime Minister Sharif referred to the bilateral relationship with China and noted that initiatives such as the SEZ are among the ongoing projects linking the two countries economically.

In addition to the SEZ launch, the prime minister met with Bangladesh's High Commissioner to Pakistan, Md Iqbal Hussain Khan, to discuss cooperation in trade, travel, and people-to-people exchanges.

Separately, the prime minister addressed delays at Islamabad's Technology Park, a project originally scheduled for completion in March 2025, instructing officials to accelerate work and ensure the facility meets planned standards for a technology hub.

The launch of the China-backed Special Economic Zone reflects Pakistan's efforts to attract foreign investment and expand its textile industry. With financial backing from Challenge Fashion and government facilitation, the initiative may contribute to increased exports and industrial activity, depending on implementation and market conditions.