

**Required Report:** Required - Public Distribution

**Date:** June 19, 2025

**Report Number:** PK2025-0007

## **Report Name:** Exporter Guide Annual

**Country:** Pakistan

**Post:** Islamabad

**Report Category:** Exporter Guide

**Prepared By:** Rashid Raja

**Approved By:** Christopher Rittgers

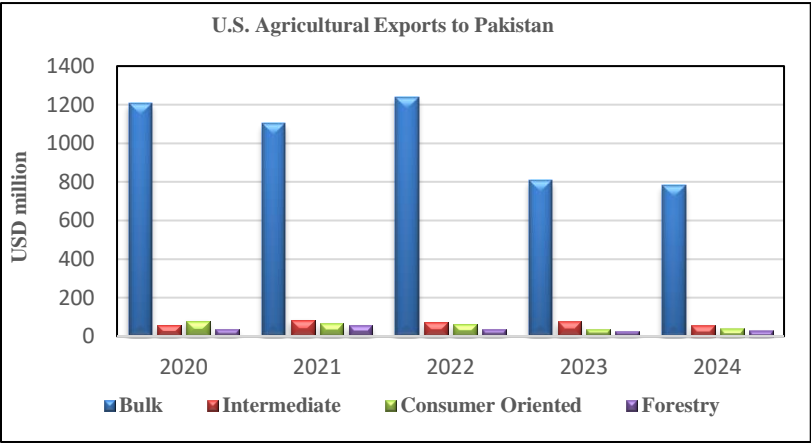
### **Report Highlights:**

Pakistan is an important market for U.S. food and agricultural-related products, with U.S. exports surpassing \$910 million in 2024. The top U.S. exports to Pakistan were cotton, planting seeds, tree nuts, dairy products, pulses, and forestry products. Pakistan offers opportunities for U.S. food and agricultural exporters, with a growing demand for packaged and processed foods driven by rapid urbanization and a young population. U.S. exporters can tap into Pakistan's growing demand by tailoring their products to local consumers' preferences. This Exporter Guide provides an overview of the market, trends, and recommendations to U.S. exporters on how to conduct business in Pakistan.

MARKET FACT SHEET: PAKISTAN

**Executive Summary:** Pakistan is the fifth most populous nation in the world, with a population of 241.5 million (census 2023) and 53.8 percent in the 15-59 age group. This young population has an increased awareness of healthy eating.

**Pakistan Agricultural Trade with the United States:** Pakistan was the 31<sup>st</sup> largest export market for U.S. food and agricultural products in 2024. The value of agricultural trade between the United States and Pakistan in 2024 totaled \$1.12 billion. U.S. agricultural exports to Pakistan reached \$910 million, led by cotton (\$772 million), planting seeds (\$33 million), tree nuts (\$17 million), dairy products (\$14 million), pulses (\$9 million), and wood products (\$29 million). The overall trade with the United States reached \$2.73 billion in the first four months of 2025.



**Food Processing:** The food and beverage processing industry is a key sector, accounting for a significant share of value-added production and employment. This industry holds substantial opportunities for U.S. exports of bulk and consumer-oriented products.

**Food Retail:** The retail sector is evolving, with a growing demand for high-quality products. U.S. exporters can capitalize on this trend by targeting affluent consumers who are willing to pay more for premium products.

**Food Service:** The food service sector is growing rapidly, driven by changing consumer habits and demographics. U.S. fast-food restaurants are prominent in the franchise sector, with a significant reliance on imported ingredients.

Quick Facts

Top U.S. Agricultural Exports to Pakistan

Cotton, Planting seeds, Tree nuts, Dairy products, Pulses, and Forestry products

Top Food Retailers in Pakistan

Imtiaz, Naheed, Metro, Carrefour, Al Fatah, Punjab, Madina, CSD, Utility stores etc.

Population/Economic Indicators

Population: 241.5 million (Census 2023)  
GDP: \$410 billion (FY25)  
Per Capita Income: \$1,824 (FY25)  
Economic Growth Rate: 2.68% (FY25)

Strengths	Weaknesses
<ul style="list-style-type: none"><li>Strong reputation of U.S. products</li><li>U.S. products perceived as high quality and safe</li><li>Wide variety of food and beverage products</li></ul>	<ul style="list-style-type: none"><li>Challenges for U.S. suppliers to meet buyers' requirements for mixed shipments in small quantities</li><li>Limited knowledge about the taste and benefits of U.S. products</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>Growing demand for U.S. soybeans and wood products</li><li>Young population is embracing a new lifestyle, prioritizing quality over price</li></ul>	<ul style="list-style-type: none"><li>Non-tariff barriers, including Urdu labeling and Halal certification</li><li>The fluctuating value of Pakistani Rupee against the US Dollar</li><li>High tariffs, prohibiting imports</li></ul>

Data Sources:

Trade Data Monitor, State Bank of Pakistan, Pakistan Bureau of Statistics, and Economic Survey of Pakistan.

Contact:

FAS Islamabad, Pakistan  
[AgIslamabad@usda.gov](mailto:AgIslamabad@usda.gov)

## **SECTION 1: MARKET OVERVIEW**

### **Economic Overview:**

Pakistan is the fifth most populous nation in the world, with a population of 241.5 million and 53.8 percent of the population within the 15-59 age group. The young population has an increased awareness of healthy eating. During fiscal year (FY) (July-June) 2024/2025, Pakistan's GDP grew 2.68 percent, a modest rebound from the previous year. Per capita income reached \$1,824, up from \$1,662 the previous year, supported by improved economic activity and a stable exchange rate. Inflation declined sharply to a record low of 0.3 percent in April 2025, down from 17.3 percent in April 2024. The average CPI inflation for July–April 2024/25 was 4.7 percent, marking a significant decrease from 26.0 percent during the same period of the previous year.

The agriculture sector grew only 0.56 percent in FY 2024/25, primarily driven by growth in livestock production. The livestock sector, contributing 63.60 percent to agriculture and 14.97 percent to Pakistan's GDP, grew 4.72 percent. The textile industry remains Pakistan's most important manufacturing sector, with textile products accounting for more than 60 percent of total exports. This sector is a major buyer of U.S. cotton and grew 2.2 percent in FY 2024/25. The manufacturing sector recorded a moderate growth of 1.3 percent, but remained below potential due to elevated input costs.

Bilateral trade with the United States reached \$2.73 billion through the first four months of 2025.

There are over 25 U.S. firms involved in Pakistan's food and agriculture sector, primarily in the form of investments, franchising, or distributorship. Major U.S. agricultural science companies include Corteva, Cargill, and FMC. The Massey Ferguson Company assembles tractors and sells small-scale farm equipment. U.S.-based companies PepsiCo, Coca-Cola, and Mondelēz have food processing operations. Valmont sells irrigation equipment, while U.S. genetics companies are tapping into the growing demand from the dairy sector. The U.S. arm of Louis Dreyfus maintains commodity-trading operations. John Deere sells tractors and mechanized sugarcane harvesters to Pakistan. There are over a dozen U.S. restaurant franchises operating in Pakistan, helping to provide the impetus for the development of safe and modern food supply chains. Furthermore, Pakistan is now a strong market for U.S. wood products due to the growth in residential construction. U.S. companies have an advantage as U.S. products have a good reputation for high quality.

### **Food Purchasing Behavior:**

The food retail sector is evolving, driven by growth in modern grocery outlets. However, traditional shops and markets remain the primary source of food for many Pakistanis. Urban consumers are increasingly opting for packaged and processed foods, reflecting changing lifestyles and rising incomes. Pakistani households typically purchase staple foods from neighborhood stores for convenience and freshness. In contrast, young professionals and affluent families prefer modern retail stores for their variety, accessibility, and range of products, including imported goods.

A small number of international and domestic grocery retail outlets are changing the food retail sector in urban cities, but Pakistanis still buy much of their food in traditional shops and markets. In major cities, middle and high-income consumers are diversifying their purchases away from bulk and raw foods towards packaged and processed foods, including ready-to-eat meals and frozen foods. Supporting this

trend is an increase in women working full-time and higher levels of disposable income, particularly in urban areas. Food consumption patterns have not changed in rural areas and are based on wheat and grain products and a variety of meat products.

A typical Pakistani household makes regular purchases of staple foods (e.g., wheat flour, pulses, edible oils, fruits, vegetables, milk, and meat) from neighborhood stores due to convenience, perceived freshness, and limited storage space at home. Young Pakistani professionals purchase food from modern retail stores due to the greater variety of products, and access to co-located stores, restaurants, and prepared foods. For urban dwellers with sufficient incomes, one-stop grocery shopping is catching on as a family outing. Affluent Pakistani families are attracted to modern retail stores due to affordability, strategic locations, variety, and access to imported processed foods. The demand for specialty and high-value foods such as dates, cereals, beverages, chocolates, almonds, cakes, fruits, and fruit juices soar during the Islamic holidays, especially Eid and Ramadan.

### **Consumer Demographic Trends and Labor Force:**

Pakistan's demographics present opportunities for food businesses, with a large and growing population and a significant middle class. The country's upper-middle-income class is driving consumer spending, and food companies can capitalize on this trend by offering a range of products that cater to consumer needs. Pakistan's middle class is estimated at over 60 million, but incomes deemed middle class are significantly lower than in the United States. Consumers from the Pakistani middle class broadly support both domestically produced and imported foods. The upper-middle-income class is estimated at 17 million, with relatively high per capita income that favors consumer spending.

### **Advantages and Challenges for U.S. Suppliers**

<b>Advantages</b>	<b>Challenges</b>
Pakistan has a large young population that is driving demand for consumer products.	Shipments from the United States take longer.
The expatriate community seeks out specialty U.S. food products and prefer Western-style dining.	U.S. exporters often struggle to comply with Pakistan's Urdu labeling and Halal certification requirements.
Consumers are prioritizing quality, seeking products from domestic and international sources.	U.S. products in Pakistan face stiff competition from similar products from the UK, Australia, and Europe.
Urban Pakistan is witnessing a gradual shift towards modern retailing.	Imported food products in Pakistan face hefty tariffs, with duties ranging from 35 percent to 75 percent.
U.S. products enjoy a strong reputation for quality, taste, and wholesome nature.	Proximity to Pakistan allows competitor countries to enjoy a comparative advantage.
Dining out is a popular trend among Pakistan's upper and middle-class consumers.	U.S. suppliers often struggle to meet Pakistan's industry demand for specialty products in small quantities.
Pakistan's urban population is receptive to new products and eager to try novel flavors.	Pakistan offers competitively prices local options for snack foods, condiments, and processed foods.
Modern retailers in Pakistan significantly shape consumer purchasing patterns by offering a wide range of imported products.	In Pakistan, importers typically prefer starting business deals with small orders.
Franchising has brought western-style fast-food restaurant chains, bakeries, and coffee shops to Pakistan, transforming the retail food landscape.	Market penetration of imported products is largely concentrated in major cities.

## **SECTION II: EXPORTER BUSINESS TIPS**

### **General Consumer Tastes and Preferences:**

The Pakistan food sector presents opportunities for companies offering fresh, healthy, and Halal-certified products. Understanding consumer preferences and cultural requirements is essential for success in this market. Pakistani consumers prefer fresh foodstuffs that are readily available in their neighborhoods at affordable prices. Healthy eating is popular among educated consumers and is featured in newspapers, magazines, and television. Fresh foods, fruit juices, fruit concentrated-based beverages, organic foods, sugar-free confectionery, packaged food with higher fiber content, dairy products, and vitamin and calcium-fortified packaged foods and beverages are popular among middle and upper-income consumers. Pakistan is 96 percent Muslim, leaving only four percent of the population to consume pork. Products with meat ingredients must be certified Halal to ensure that the meat is sourced from livestock slaughtered in accordance with the tenets of Islam. Food and ingredients destined for the food service sector must also be certified Halal. The import and sale of alcohol are prohibited.

Traditional and modern snack foods, such as confectionaries, pastries, cakes, biscuits, ice cream, or sweet and savory snacks are very popular. Easy-to-prepare frozen foods and instant noodles are also popular. Local flavors are preferred, and local food manufacturers are constantly developing new products using a combination of local and imported flavors. The rise of the urban middle class has increased the acceptance of packaged and ready-to-eat food products. Pakistanis are more willing to try new foods while eating out but tend to prefer traditional fare at home. Chinese, Italian, Thai, Moroccan, and Middle Eastern foods are among the fastest-growing new cuisines in Pakistan.

### **Finding a Business Partner:**

Establishing a strong partnership with a local importer and distributor is crucial for successful market entry. These importers typically seek exclusive rights to market a particular product or brand. Exporters should meet potential importers and research their business profiles carefully through banks and trade associations.

Restaurant franchises are one way of introducing new products. An increasing number of restaurant chains are opening in Karachi and Lahore. These include quick service, casual dining, and cafés. While most of these companies' ingredients are produced in Pakistan, some require specialized ingredients or imports of certain items that are not readily available. Exporters should check with importers to see if they are approved suppliers for franchises. Additionally, the hotel sector features niche high-value food products not readily found in retail outlets. Fresh fruits and vegetables are readily available in Pakistan, but certain high-quality fruits and vegetables (e.g., cherries, plums, broccoli, and lettuce), meat cuts, and fish products (e.g., shrimp and crab) can be difficult to source locally.

General points to discuss with the importer include:

- Ensure the imports comply with regulations, and that the item(s) are not on the negative list.
- The terms and conditions of imports are specified in the letter of credit.
- Bulk vegetable oils are the only food products subject to random testing to ensure fitness for human consumption at the time of arrival.

- Imported food products, including ingredients, must have at least 50 percent of their original shelf life remaining at the time of importation - calculated from the date of filing the "Import General Manifest" (IGM) in accordance with the Customs Act of 1969.
- Importer should possess a compulsory letter of credit or register the contract with a bank to import goods into Pakistan.

Exporters should consider the following guidelines before selecting a distributor:

- Do they have a national or regional distribution network?
- How is their distribution network structured?
- Who are their customers? Do they sell to retailers, hotels, or restaurants?
- What are their capabilities? Do they have experience handling perishable or value-added foods?
- Are they interested in marketing your products? If so, how will marketing costs be handled?
- Are they paying listing fees to retailers?
- Are they managing similar brands or products from other suppliers?
- What are the margins and costs charged by the distributor?

Ensuring payment is a critical consideration when establishing a relationship with an importer. Until a working relationship is established, exporters may wish to consider requiring an irrevocable letter of credit. Some Pakistani importers are accustomed to operating without credit and may be willing to pay cash prior to shipment. While FAS Islamabad receives few inquiries concerning delinquent Pakistani importers, our office cannot mediate contractual disputes or serve as a collection agent when differences over payment arise.

### **Regional Trade Shows and Reverse Trade Missions:**

U.S. companies should consider participation in regional trade shows ([Gulfood](#), [SIAL](#), [ANUGA](#), [FHA](#)) to reach potential Pakistani importers, traders, and distributors. For matchmaking and assistance in finding a potential partner, FAS Islamabad often organizes buyers trade missions to the United States. These trade missions are designed to educate Pakistani buyers about the market situation, product availability, and mechanics of trade with key companies in the United States.

## **SECTION III: IMPORT FOOD STANDARDS, REGULATIONS, AND IMPORT PROCEDURES**

Pakistan imposes high import duties on most food products, hindering the growth of food imports. Most products face exorbitant duties ranging from 35 to 75 percent. It should be noted that Pakistan has very few trade agreements, the exceptions being agreements with China, Malaysia, and Sri Lanka. Pakistan's Ministry of Commerce published a new [Import Policy Order](#) on April 22, 2022, which details the procedures and requirements to export food products to Pakistan.

**General Import Procedures:**

The clearing agent is required to furnish the following documents to the authorities for food and beverage products imported into Pakistan:

- Bill of Lading
- Invoice
- Packing List
- Certificate of Origin
- Health Certificate
- Permits, wherever applicable (Animal and Plant Quarantine)
- Sanitary Certificate

**Pakistan's Halal Certification and Urdu Labeling Requirements:**

Requirements for all imported consumer-packaged food and beverage products include:

- The shipment shall be accompanied by a Halal certificate issued by a Halal certification body, accreditation with an accrediting body that is a member of either the Standard Metrology Institute for Islamic Countries (SMIIC) or the International Halal Accreditation Forum (IHAF).
- The logo of the Halal certification body shall be printed on the consumer packaging.
- All consumer food and beverage imports must have 50% of the shelf life remaining, from the date of filing the Import General Manifest (IGM), and 66% of the shelf life remaining from the date of manufacturing.
- Labeling of nutritional values and usage instructions must be in Urdu and English language.
- The labeling shall not be in the form of stickers, overprinting, or stamps.
- Urdu labeling is not required for bulk packaging meant for industrial consumers. However, a Halal certificate is required for all food products regardless of the size and type of the packaging.

U.S. manufacturers and exporters are encouraged to work closely with their importers to ensure that their labels meet Pakistan's requirements at the time of import. Other import restrictions include a ban on selling alcohol and U.S. beef.

**SECTION IV: MARKET SECTOR STRUCTURE AND TRENDS****Retail Sector:**

Pakistan's modern food retail sector is growing, driven by the growth of hypermarkets and local retail chains. European players like Metro and Carrefour have partnered with Pakistani groups to open self-service outlets in Karachi, Hyderabad, Lahore, Multan, Sialkot, Faisalabad, and Islamabad. These hypermarkets are typically located on 75,000 to 120,000 square feet to take advantage of scale and create a unique one-stop shopping experience, differentiating them from smaller supermarkets and traditional small retailers.

There are also more than one dozen local food retail chains successfully operating in the urban cities of Pakistan. These leading retail chains include Imtiaz, Al-Fatah, Naheed, Chase-up, Shaheen, D-Watson, Save Mart, CSD, and Utility Stores Corporation. Consumers are still interested in foreign brands, but

foreign and domestic retailers have faced serious business challenges like Urdu labeling, volatile exchange rate against USD, and unstable economic situation for sourcing these imported products in Pakistan.

Pakistan's e-commerce sector is relatively small but is growing. The size of the online grocery market is difficult to determine. To date, Pakistani consumers have been slow to embrace online shopping, due to the relatively high cost of computers, low internet penetration rates, payment issues, and the need for better delivery options. Modern, online grocery retailers still have a relatively low market share vis-à-vis traditional retail format. U.S. retail companies may wish to begin exploring opportunities in Pakistan's growing food retail sector by identifying relevant partners.

### **Food Service Sector:**

The food service industry is capitalizing on changing lifestyles, an expanding young population, the opening of new malls in urban cities, and an increase in the number of working women. Domestic demand for quick-service food is also growing. Most of the major U.S. chains are in Pakistan, although they are concentrated in large urban centers.

The U.S. franchises operating in Pakistan include KFC, McDonald's, Texas Chicken, Domino's, Papa John's, Hardees, Subway, P.F. Chang's, Dunkin Donuts, Baskin Robbins, Cold Stone Creamery, IHOP, Coffee Beans & Tea Leaf, and Cinnabon. These chains focus on specialized products to attract consumers in the 15-29 age group. Products used by franchise restaurants are generally imported and large international chains will continue to import directly through their agents. Key imports include frozen potato products, cheese, ice cream, dressings, sauces, whipping cream, bakery ingredients, mixes, and condiments.

High-end coffee shops offering specialty and flavored coffees also show promising potential. This trend is being promoted both by international and local coffee chains. Coffee shops tend to use various imported coffee ingredients including creamers, honey, flavorings, and roasted coffee.

Similarly, the number of high-end bakery outlets is growing in the urban areas of Pakistan. These bakeries tend to use imported ingredients including bakery yeast, dough, flavors, icing, and cocoa in their specialized products to improve quality and taste. In addition, the small frozen fruit and vegetable sector is growing to meet the demands of the restaurant sector.

### **Food Processing Sector:**

The food processing industry is the second largest industry after textiles. The major products undergoing value-added transformation are fruits, vegetables, flour, sugar, pulses, grains, frozen and packaged food, edible oil, and dairy products. Food processors regularly introduce new products using improved technology, innovative packaging, and aggressive marketing. For ingredients that are unavailable in Pakistan, processors turn to imports and typically source through importers specializing in food ingredients. U.S. food ingredient imports include dried fruits and nuts, essential oils, protein isolates, starch, vegetable saps, thickeners, lactose, sugar and sugar syrups, mayonnaise, mixed seasonings, sauces and preparations, yeast, milk powder, baking powders, sweeteners, vinegar, and gelatin and gelatin derivatives.



The food processing industry in Pakistan has traditionally been dominated by three international conglomerates, Nestlé (dairy, juices, baby food, cereal, confectionery, and noodles); Unilever (tea, ice cream, dressing, and sauces), and Friesland Campina Engro Foods (milk and cream, tea whitener, and frozen dessert). National Foods, Shan Foods, Mehran Foods (mainly in spices and condiments) and Mitchells Farm (confectionary, jam, and squashes) are a few local renowned food processing companies in Pakistan. Although the consumption of unprocessed meat and seafood remains popular among Pakistani consumers because of its perceived freshness and taste, there is a small, but growing, frozen food sector focusing on processed meat and seafood products, which provides opportunities for U.S. exporters. The increase in demand for frozen foods has been made possible by the increase in malls, supermarkets, hypermarkets, and local manufacturers such as K&N's, Season foods, Monsalwa, Euro, Sabroso, PK foods, and Sufi foods. These companies have made a significant impact in the market with their ready-to-eat frozen food products.

Although Pakistan is the world's fourth-largest milk producer, there is a growing demand for imported dairy product ingredients. Opportunities exist for milk powder, cheese, butter, yogurt, ice cream, and ghee. Nurpur, Adams, and Deen's are major dairy-based brands in the market.

In the fruits and vegetable sector, there are more than 25 processing plants. Most of these are citrus-based owing to extensive local citrus production (e.g. mandarin, kinnow, grapefruit, sweet orange, bitter orange, lime, and lemon) grown in the Punjab, Sindh, KPK, and Baluchistan provinces. Value-added products include jams, jellies, marmalades, squashes, and canned fruits. Pakistan is a leading producer of mangoes, which are grown in Southern Punjab and Sindh. The major mango processing plants are in Peshawar, Lahore, and Karachi. Value-added products include jams, jellies, marmalades, squashes, and canned fruits.

The total demand for edible oil is estimated at 3.5million tons. Pakistan produces 23 percent of its oilseeds domestically, with the remaining 77 percent imported. Vegetable oil is used for vegetable ghee and the cooking oil industry. Vegetable oil processing is one of the largest sectors in Pakistan, with around 160 small- and medium-sized vegetable ghee and cooking oil units spread across Pakistan. The beverage processing industry is composed of two broad sectors: (1) juices, squashes, and syrups, and (2) carbonated beverages. Both sectors are growing, and major market players include Pepsi, Coca-Cola, Nestle, Mitchells, Shezan, and Maza. Their production units are mostly located in Punjab, specifically the cities of Lahore, Sargodha, and Bahawalpur.

## **SECTION V: AGRICULTURAL and FOOD IMPORTS**

### **Best Product Prospects:**

## Products Present in the Market with Good Sales Potential

Description	Imports from the World CY - 2024 (USD million)	Imports from U.S. CY – 2024 (USD million)	Key Constraints	Market Factors
Cotton	1670	772	Price competitiveness with Brazil, Cote d'Ivoire, Turkey, etc.	Local production is inadequate and long staple fiber is required for export-oriented products. Cotton contamination is a big local issue.
Planting Seeds	136	33	Hybrid corn and vegetable seed are lacking.	High demand for hybrid seeds to achieve high local production.
Forestry Products	144	29	Competition from Canada, Europe, Burma, Malaysia, and Russia.	Total dependence on imports.
Tree Nuts	80	17	Competition from Afghanistan and Iran.	Growing seasonal demand, health consciousness, and value additions.
Dairy Products	172	14	Competition from foreign suppliers like the EU, Turkey, New Zealand, Poland, and Malaysia.	The increasing popularity of imported brands and shortage of quality domestic products. Demand is growing for powdered milk for processing.
Pulses	585	9	Price competitiveness and freight advantage for countries like Myanmar.	Local production is inadequate, and domestic consumption is met through imports.

Source: Trade Data Monitor

## VI: POST CONTACTS AND FURTHER INFORMATION

Office of the Agricultural Affairs, Foreign Agricultural Service  
Embassy of the United States of America, Islamabad, Pakistan  
Ph.: (92-51) 201-4920, Fax: (92-51) 227-8142  
E-mail: [agislamabad@usda.gov](mailto:agislamabad@usda.gov)

### Attachments:

No Attachments