

## Investment In Pakistan at the World Economic Forum

DAVOS, Switzerland, January 21, 2026

By Sammak Shafaat



A glimpse of our successful event at DAVOS

Pathfinder Group hosted the “**INVESTMENT IN PAKISTAN**” at the **PAKISTAN PAVILION** during the **World Economic Forum (WEF) Annual Meeting in DAVOS 2026** on Wednesday, January 21, 2026, from 12:30 pm to 03:00 pm. Held at the Morosani Posthotel, the exclusive luncheon brought together global policymakers, business leaders, academics, investors and thought leaders to engage in a dialogue on Pakistan’s evolving economic, strategic, and innovation landscape.

## **Ikram Sehgal, Co-Chairman, Pathfinder Group**

I would let the keynote speaker Farid Alam moderate the session as well.

## **Muhammad Farid Alam,-CEO AKD Securities Limited (Moderator)**

Respected Ikram Sehgal, Sehgal family, my colleagues here – Assalam-u-alaikum and a very good afternoon. This is now the THIRD SESSION, you must be feeling the fatigue of DAVOS. In our school and college life, we studied the laws of motion. One of them, the law of inertia, says that a body at rest will remain at rest, and a body in motion will continue its motion until an external force is applied. To me, Ikram Sehgal is that force which has truly gathered us all here. He has enabled Pakistan to reach a stage where we should be opening our wings.

Whoever has the capacity and capability should go around the world and showcase Pakistan – his own company, his exposure, and the things he can do better by bringing somebody over or by selling whatever he has to offer. I believe this two-way traffic is very important. Each time I am here, a lot of energy is created. But sometimes, as science says, energy can neither be created nor destroyed; it only changes its form from one to another. In the case of Pakistani entrepreneurs, leaders, and thought providers, this energy is sometimes lacking. People like Ikram Sehgal are doing a great service to humanity, to Pakistanis, and to everybody by bringing us all together.



Muhammad Farid Alam,-CEO AKD Securities Limited

He has given us this platform to discuss people who truly matter and who have already shown grace and risen.

My topic today is something very close to my heart as an investment banker representing Pakistan's capital markets. I am passionate about investing in Pakistan. My next few minutes will be confined not only to the listed space but also to private equity, which will be covered in more detail by my colleague and friend Sameer Chishty, because he has a lot of activity taking place in Pakistan – not only through the listed space, but in the private space as well. As we discussed earlier, Dr Urs Lustenberger said Pakistan is a resilient state.

As a Pakistani, I felt pride in that statement, instead of hearing the usual words like “potential.” My colleague Huma Baqai also said: Don't limit yourself to these words like 'potential.' She said, “Go beyond the potential.” And she is absolutely right. So, my answer to that is: in Pakistan, resilience is not taught – it is inherited. Whoever is in Pakistan, and I see the youngsters sitting here, that resilience is something reflective in everything we do. Since I represent the capital markets of Pakistan, I often take entrepreneurs, the shining ones, abroad and invite international fund managers to visit Pakistan.

This two-way traffic has been going on for many years. I myself have been to about 31 countries, and my friend sitting here, Ali Fareed Khawaja, along with many others, has shown the world, even to the Black Rocks of the world, what Pakistan's capital market is all about. We have had every top-notch investor and fund manager visit or invest in Pakistan.

Yes, it is true that presently many of us really want them to return, and there is no reason why they should not. As I will show in the presentations and the talk we are carrying on today, what somebody who is looking to invest in Pakistan values most is exchange rate stability. The fact is that in Pakistan, the investor class have made money. But foreigners, because of the PKR-Dollar parity changes, often did not end up making money. They used to earn capital gains, but on the dollar side, their profits were halved or sometimes wiped out. For the last three years, however, due to reforms that I will highlight, and which you already know have taken place, the PKR versus Dollar has remained quite stable for two and a half years. How we have been able to achieve this is a long debate, but suffice it to say, Pakistan today is not what it was, especially when it comes to investing. My foreign friends are no longer turning away from Pakistan and the emerging or frontier markets, because their own countries were giving them good returns. They ask me, “Farid, why Pakistan?” And I counter-question them: “Why not Pakistan? You have had an interest in

Pakistan before, and you will obviously be coming back.” But, as I said, it is not only the listed space that I want to talk about today; it goes beyond that as well.

In Pakistan, what has happened is that we are now back to CPEC Phase 2 and ML-1 projects. The financial close for Republic projects is around the corner. In the morning, the worthy finance minister said it is just being delayed because of one reason, but all the homework has been done.

In Pakistan, assets – both real estate and stocks – are still trading below book value. Some of them have been undervalued for the last couple of years. Representing the capital market, I understand what it means when we say: “Whoever has survived the storm has learned the art of making money in the stock market.”

It is said that if you can bear one or two of the onslaughts, the highs and lows, then you are in for success. For example, in July 2023, the Karachi Stock Exchange index was 39,000.

Today, it is 189,000. The good part is that one of the ratios we use in the financial market is the price-to-earnings ratio. We take price in the numerator, earnings in the denominator, and whatever comes is called the multiple.

Just imagine: a company priced at 100 rupees and earning 10 rupees. The multiple would be 100 divided by 10, which is 10. I have traded and worked for a bank, which is now Samba Bank, formerly Crescent Bank. At that time, the index was 765, let’s say 800, or for argument’s sake, 1,000. From an index of 1,000, today the market is at 189,000.

So just try to grasp what has happened to Pakistan’s economy over the years. Ideally, if the denominator (earnings) were to go haywire, the multiple would be affected. But I am saying the price-to-earnings multiple continues to remain the same. In fact, it is low, 8.5 times right now, whereas we have traded at 11 times and even 13 times multiples. What has happened is that over all these years, despite the odds, high inflation, high interest rates, high electricity costs, etc., the multiple is still not at the level we achieved in 2017. Earnings have grown to such a level that a share that was first at 100 rupees with earnings of 10 rupees is now priced at 1,500 rupees, with earnings of 150 rupees or more. So only then do we get that denominator, and when we divide, it comes to the same number. Otherwise, it would not count. This is simple mathematics: in Pakistan, earnings have grown so much that the price-to-earnings multiple continues to remain safe. In fact, it is

lower than what we achieved earlier. We also reached something like 99 billion dollars in market capitalization. Although the market has performed very well – the index has risen from 39,000 to 189,000 – the price-to-earnings multiple is still only 8.5.



At the Karachi Stock Exchange, and among many who closely watch this market, it is expected that even this year, we will see a rise of 53% in local bourses. To me, the risk we carried for so long was the absence of reform. The good news is that in Pakistan, reforms are happening, and happening at the right pace.

Pakistan had a reform agenda in gas, power, and privatization, and these reforms are paving the way for smoother sailing for investors. As we all know, the greatest asset of Pakistan is its people. I am deeply touched when I see people with lesser means smiling and remaining content even when circumstances are not kind to them. That *Shukar Alhamdulillah* concept is powerful. Sometimes people get carried away with contentment, but those who truly feel what this nation gives them understand its value. I would also like to acknowledge the vision of Mr Ikram Sehgal, the Sehgal family, and their able team for showcasing these youngsters at DAVOS.

I believe this is something they will remember for the rest of their lives. The FORUM you have provided them at such a young age is invaluable. In Pakistan, we do not suffer from a

lack of ideas. What we lack is the scale of capital required for youngsters and others to grow. You will also know that fintech adoption, digital banking, freelance exports, IT services, and e-commerce penetration are all on the rise, even though e-commerce is still at a nascent stage. Pakistan is like my friend who once said, "I will not learn how to ride a bicycle or a motorbike. Whenever God gives me, I will drive a car." His confidence was rewarded – God gave him the car at an early age.

Similarly, Pakistan leapfrogged from landlines straight to mobile phones. Even domestic workers now know how to use smartphones, and this has transformed their lives.

I am thrilled to see youngsters here who are working on AI-enabled services in education, health technology, and more. We should also not overlook agricultural technology. There is a company called Agri Tech. Every time someone asks me, "Farid, are you interested in Agri Tech?" I reply, "No, the share price has gone very high." But I am not referring to the company's stock; I am referring to agriculture technology itself. There was a time when Pakistan had very small land holdings. Today, we are looking for larger land holdings with the idea of exporting not just raw produce but value-added products.

Agri-business has immense potential for investment in Pakistan, but it requires food processing, controlled atmosphere storage, cold chain logistics, smart irrigation, halal food exports, and even halal tourism.

Last year, I learned about halal tourism at an international conference. I was surprised to see that many hotels around the world now advertise themselves as "halal hotels." This is a new market opportunity. When I discuss investment, it is obviously both private and public.

Ladies and gentlemen, Pakistan is passing through a transition in energy. We all know that three things have haunted investors and the investment climate in Pakistan: high interest rates, high energy costs, and super tax. Two of these issues have been settled; the third, the super tax and taxation, still exists. I keep reminding Finance Minister Aurangzeb SB, and I am glad that he usually agrees, though he says it will be addressed in the budget. If the government provides a framework on how and when to reduce the super tax, many companies currently sitting on the sidelines will come forward to be listed. Once you are listed, you must behave and be disciplined. But many companies hesitate, saying,

“If we list and start behaving, while our competitors do not, we will be out of the market.”

The good news is that due to tax reforms, there is now no escape. Agricultural income is also taxed. People used to say, “We earned this luxury from agriculture.” But now that too is taxed. The chain is such that if you are spending, and God forbid it is bad or forgotten money, sooner or later you will be caught.

Another piece of good news relates to energy costs. We all know that in Pakistan, the per-unit cost of electricity is high. But recently, K-Electric floated an international tender to produce 240 megawatts of electricity. To my utmost surprise, this contract was won by a Canadian firm called JCM, five investment bankers, at 3.1 cents per kilowatt hour, which is about 9 rupees per kilowatt hour. This is among the lowest rates in the world. Yes, Pakistan has skeletons in the cupboard, but new entrepreneurs and people who matter are now in a position to compete with the best in the world. For example, at Dhabeji, we now have wind and solar combined in a hybrid model. The 240 megawatts will go to K-Electric because it was their tender. But at 3.1 cents, even crypto miners say this is ideal energy, because energy is what they need most.

So, this is how we have achieved some of the things I have discussed. How have we been able to achieve stability in the exchange rate? This is something you can verify – the market rate is now a very tight belt. Pakistan’s foreign exchange reserves have increased to \$16 billion, up from a low of \$3 billion. Let me also remind you that Pakistan’s external debt is now under control. We owe \$80 billion to the world, and this is after paying \$24 billion in the current year. So, Pakistan’s balance of payments position is quite stable right now.

This is what it takes for anybody to truly understand Pakistan’s potential. Given our geographical positioning, Pakistan is a bridge between Central Asia, China, the Middle East, and South Asia. Hence, investment combined with technology is required in logistics. As I explained earlier in the case of agriculture, both locally and regionally, efficient logistics, supply chains, port operations, and trade facilitation are critical. A great deal of know-how and capital is required if we are to play the role the world expects of us. People often say geography is destiny, and Pakistan is situated at a crossroads of the world. The world cannot ignore this, and I completely agree with those who make this point.

There is more good news. In May 2025, Pakistan entered the League of Nations with a GDP of over \$400 billion. Taxation has also improved significantly. The Federal Board of

Revenue (FBR), which used to collect 7 trillion rupees, now collects 13.5 trillion – doubling in just three years. Many people say that every time we set a target for the FBR, it is not met. But I remind them that even if the target is missed by 5–10%, doubling revenue in less than three years is a remarkable achievement.

In Pakistan, we have been taught by our parents and elders that aiming low is a crime. So, the FBR and authorities set ambitious targets. Even if they fall slightly short, achieving 13 trillion plus is still a great number. We also know that smart capital does not arrive at the peak of comfort. It arrives at the bottom of conviction.

Many of us are convinced today that Pakistan offers exactly what smart capital seeks: a young and dynamic population, scale, reform momentum, and valuations that reward courageous investors.

In every field, Pakistan is now excelling. Beyond May 10th, wherever we go in the world as Pakistanis, we are recognized more positively than before. So, due to time constraints, I will conclude with this message to international investors: when you invest in Pakistan, remember that you are partnering with a nation that has refused to give up. We can bend, but we cannot be broken. This is something we all carry in our lives as Pakistanis – as a nation, we cannot be broken.

As Allama Iqbal once said:

**“Batil se dabne walay aye asman nahi hum, So bar kar chuka hai to imtihan hamara.”**

**Translation:**

**We are not the ones to be suppressed by falsehood/wrong. We have been AVE tested a hundred times already.**

To me, Pakistan is an uncut diamond – raw, resilient, and ready to shine. Thank you very much. I would like to request Michael Kugelman to kindly share his thoughts on the given topic: what Pakistan’s economy is today, how he viewed it a year or two ago, and what we can expect from Pakistan’s economy in the near future – not in the distant horizon, but within the next year or two.

**Muhammad Farid Alam,  
CEO AKD Securities Limited (Moderator)**

You have touched upon something important. Right now, Pakistan is perhaps doing things rightly. But what is it that we must constantly do to maintain the upper edge we are currently enjoying, even without tangible investments coming our way?

We are in discussions about capital markets, and we are planning to move back to emerging market status from frontier market status, because we have behaved well in the last couple of years.

<https://www.defencejournal.com/2026/04/03/investment-in-pakistan-at-the-world-economic-forum/>