

Tabadlab Pakistonomy Podcast - How Modern Materials Can Transform Pakistan's Construction Industry

Policy Brief

<https://www.youtube.com/watch?v=2lu1w58CWG4>

In Pakistan, the demand for PVC (polyvinyl chloride) - the world's third-most widely produced synthetic plastic polymer - is primarily driven by construction, agriculture, packaging, and consumer sectors.



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Recommendations

- Fast-track the finalization of a petrochemicals policy in Pakistan to flourish downstream industry and bring in foreign investment
- Enhance business development efforts through Pakistan's trade representatives in foreign jurisdictions to explore joint ventures
- Capitalize on the Gwadar port as a trans-shipment hub
- Facilitate the development of a hydrothermal cracker to unleash the next phase of growth in the plastics industry

Discussion Summary

A key issue is the **need for Pakistan's PVC industry to remain globally competitive**. This is critical to meeting increasing local demand through "Made in Pakistan" products and increasing production capacity for export-led industries.

The sustained growth of this sector can also ensure the **use of modern materials in Pakistan's construction industry**. With housing demand outpacing supply due to population growth and increasing urbanization, it is imperative for Pakistan to develop its own capacity to manufacture modern materials that are needed by the construction industry.

Realizing this vision requires a number of policy interventions; key amongst them being the finalization of a **petrochemical policy** to set up advanced downstream industrial units, such as a hydrothermal cracker.

Another critical area of focus should be **standardization metrics for plastic products**, particularly those used in the construction industry, such as windows. Finally, realizing the country's export potential requires **investing in the ecosystem to utilize PVC materials to create value-added products**. This requires a proactive engagement that incentivizes joint ventures between Pakistan-based businesses with foreign investors who have the knowledge, expertise, and demand for these products.

Conclusion

Early investments in the PVC industry offer proof that Pakistan's manufacturing industry can be globally competitive. This initial capacity, however, is only the first step in building a globally competitive PVC ecosystem in the country, where value-added products are manufactured for domestic and international markets. The overall impact of forward-looking policies that incentivize investment in this sector can create new jobs, increase industrial production, boost exports and promote the use of modern materials in the construction industry of Pakistan.