

UNLOCKING PAKISTAN'S MINERAL WEALTH FOR SUSTAINABLE ECONOMIC GROWTH

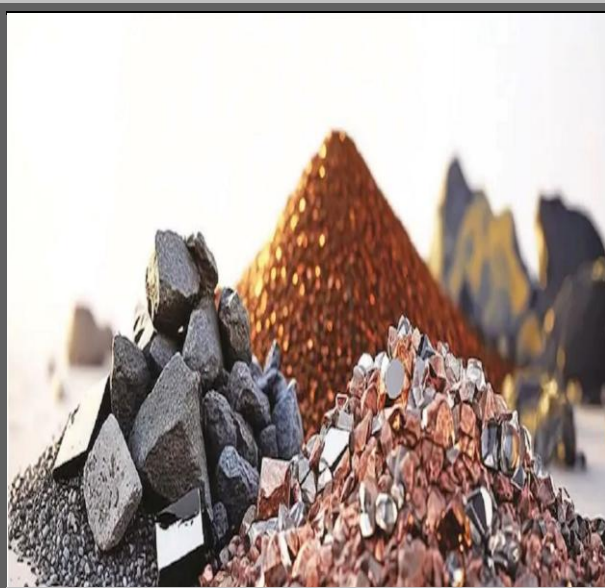
By
Mir Sher Baz Khetran

*Research Fellow
Centre for Strategic Perspectives (CSP), ISSI
Email Address: khetran@issi.org.pk*

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Dr Neelum Nigar

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Introduction

Mineral wealth has significantly influenced the economic paths of many developed countries. In addition to increasing trade, this sector facilitates the exploitation of natural resources, raises per capita income, creates jobs, expands communication infrastructure, raises income levels, and speeds up economic growth overall. Given this potential, Pakistan is at a turning point in its history where the strategic exploitation of its mineral resources may act as a spur for sustainable national growth and shared prosperity.

National Vision for the Mineral Sector

Under its new mineral policy, the Government of Pakistan is embarking on an exciting journey to make the most of its abundant mineral resources. Led by the Prime Minister, the initiative is all about shifting gears from simply extracting and exporting raw materials to fostering local industries that can process these resources. Investors are now being encouraged to focus on value-added processing and manufacturing, which will help the country ascend the global mineral value chain.¹

¹ 'Trillions of dollars in minerals can free Pakistan from IMF dependence: PM Shehbaz', The Express Tribune, April 11, 2025, <https://tribune.com.pk/story/2538615/pakistan-launches-minerals-investment-forum-in-islamabad>

Finance Minister Muhammad Aurangzeb is advocating for Pakistan to become a resource corridor that can transform global supply chains and attract major international investments.² The Chief of Army Staff (COAS) has pledged robust security measures to protect investor interests, highlighting a multi-agency commitment to ensuring a stable and secure investment climate.³

In pursuit of this vision, Pakistan is actively engaging with international stakeholders. The Pakistan Minerals Investment Forum 2025 (PMIF25), held on April 8–9 in Islamabad, is one such milestone. The Oil and Gas Development Company Limited (OGDCL) organised the event. It seeks to establish Pakistan as a top location for mineral investment in partnership with the Government of Pakistan and key international partners.⁴

A U.S. delegation headed by Eric Meyer from the State Department's Bureau of South and Central Asian Affairs attended the event, demonstrating the growing interest in Pakistan's vital minerals sector on a global scale. The delegation expressed interest in investing in the Reko Diq mines.

The Reko Diq Project: A Cornerstone of National Development

The Reko Diq project in Balochistan stands at the forefront of Pakistan's mineral development strategy and is internationally recognized as one of the world's largest untapped reserves of copper and gold. Currently, the project is being led by Canada's Barrick Gold Corporation in partnership with the Government of Pakistan, which holds a 25% stake. In a significant recent development, Saudi Arabia's state-backed investment mining fund, Manara Minerals, is poised to acquire a 10–20% stake in the Reko Diq project. The transaction, valued between \$500 million and \$1 billion, would involve purchasing part of the Pakistani government's share.⁵

A feasibility study completed in 2024 confirmed the existence of 15 million tons of copper and 26 million ounces of gold. Production is expected to commence in 2028 with initial annual outputs

² "Minerals to be 'real game changer' for Pakistan's economy — finance minister". Arab News, April 12, 2025, <https://www.arabnews.com/node/2596751/pakistan>

³ "Army will ensure robust security framework to protect investor interests, confidence in Balochistan: COAS Munir", Dawn News, April 8, 2025, <https://www.dawn.com/news/1902929>

⁴ "US delegation to visit Islamabad for minerals investment forum", Dawn News, April 6, 2025, <https://www.dawn.com/news/1902482>

⁵ "Saudi Manara Minerals to acquire 10-20% stake in Pakistan's Reko Diq: report," Profit, January 21, 2025, <https://profit.pakistantoday.com.pk/2025/01/21/saudi-manara-minerals-to-acquire-10-20-stake-in-pakistans-reko-diq-report/>

projected at 240,000 tons of copper and 300,000 ounces of gold. The project's second phase aims to expand production to 400,000 tons of copper and 500,000 ounces of gold annually.⁶

The Reko Diq initiative is being supported by the International Finance Corporation (IFC) of the World Bank Group, with co-financing from U.S., German, Japanese, and other international funding agencies. This multilateral backing underscores the strategic global importance of the project and its potential to redefine Pakistan's economic landscape.⁷ The funding will support the development of the Reko Diq mine, one of the world's largest underdeveloped copper-gold deposits, which is hoped to generate \$70bn in free cash flow and \$90bn in operating cash flow.⁸

Pakistan's Mineral Reserves

Pakistan possesses immense mineral wealth, with an estimated potential valued between \$6 trillion and \$8 trillion. A significant portion of these resources is concentrated in the province of Balochistan, which is home to some of the country's most promising mining sites. Among the most notable deposits are the gold and copper reserves in Daht-e-Kuhn and Nokundi, both located in the Chagai district. These areas have been identified as high-potential zones for large-scale mineral extraction and processing.⁹

Pakistan also holds extensive chromite deposits in Balochistan and parts of Khyber Pakhtunkhwa (KPK). The highest-grade ores are in Muslim Bagh, Balochistan. Current estimates place chromite reserves at around 2.5 million tons. Chromite is a critical mineral used in metallurgy and industrial manufacturing, offering another avenue for foreign and local investment.

Furthermore, Pakistan's coal reserves are among the largest in the world, totalling approximately 186 billion metric tonnes as of FY24. Most of these reserves are in Sindh, with the Thar coalfields being particularly prominent. Despite their vast potential, these reserves remain underutilized, primarily consumed in brick kilns and small-scale energy generation.¹⁰

⁶ "Reko Diq Will Make Pakistan a Top Global Mining Jurisdiction: Barrick Gold CEO", ProPakistani, April 8, 2025, <https://propakistani.pk/2025/04/08/reko-diq-will-make-pakistan-a-top-global-mining-jurisdiction-barrick-gold-ceo/>

⁷ "World Bank investment arm commits \$300m loan to Reko Diq mining project", Dawn News, April 10, 2025, <https://www.dawn.com/news/1903352/world-bank-investment-arm-commits-300m-loan-to-reko-diq-mining-project>

⁸ Ibid.

⁹ "Unlocking Pakistan's Mineral Wealth: Ambitious Rhetoric Or Real Economic Transformation?", Friday Times, Yousaf Nazar, April 13, 2025, <https://thefridaytimes.com/12-Apr-2025/unlocking-pakistan-s-mineral-wealth-ambitious-rhetoric-or-real-economic-transformation>

¹⁰ Tanveer Malik, "Coal consumption to double by 2030: report," the News, August 1, 2024, <https://www.thenews.com.pk/print/1215327-coal-consumption-to-double-by-2030-report>

Policy and Regulatory Framework

The newly formulated mineral policy framework aims to enhance investor confidence through transparency, regulatory clarity, and streamlined processes. By prohibiting the export of raw minerals, the policy encourages value addition within Pakistan. In turn, this policy is expected to generate higher revenues, create jobs, and foster industrial development.

Additionally, the government plans to establish mineral processing and industrial zones in proximity to key mining areas. These clusters will profit from favourable tax laws, specialised infrastructure, and logistical support.

An essential component of the policy framework is security. Foreign investors can rest easy knowing that their operations and personnel are safe thanks to the military and paramilitary forces' strong security guarantees.

Opportunities for Foreign and Local Investors

Pakistan's mineral sector is brimming with a wealth of exciting opportunities for both local and international investors. Here are some of the key areas where investment is particularly promising:

- Cutting-edge copper and gold mining projects
- Establishing copper and gold refining facilities
- Exploring and processing chromite ores
- Developing coal-based energy solutions and clean technologies
- Creating infrastructure for transportation and logistics around mining regions

Additionally, participating in forums like PMIF25 gives stakeholders direct access to government officials, strategic partners, and industry leaders, fostering an environment ripe for collaboration and joint ventures.

Environmental and Social Considerations

As Pakistan expands its mineral sector, it is vital to strike a balance between economic growth, environmental sustainability, and social responsibility. The government is committed to encouraging responsible mining practices and making sure that the advantages of mineral development benefit local communities through job creation, better infrastructure, and enhanced social services.

Mining operations can have a considerable impact on local ecosystems and communities. That's why it is so important to include comprehensive environmental impact assessments, rehabilitation plans, and community engagement strategies in every mining project.

Conclusion

The Reko Diq project and the recently held Pakistan Minerals Investment Forum 2025, represents a major turning point for Pakistan's mineral sector. With strong political support, international collaboration, and a commitment to sustainable development, the nation is on the brink of unlocking its mineral resources, setting the stage for benefits that could last for generations. Pakistan's rich mineral resources offer a unique opportunity to foster inclusive economic growth, boost industrial capacity, and achieve energy independence. By forging strategic partnerships, implementing policy reforms, and actively promoting investment, the country is ready to establish itself as a major player in critical minerals.