

**DRAFT VER. 1**



PAKISTAN INSTITUTE OF TRADE AND DEVELOPMENT  
MINISTRY OF COMMERCE



# Commercial Intelligence Report

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MINISTRY OF COMMERCE



**Commercial Intelligence  
Report**

February 2013

**This report is based on the information provided by Pakistan's Trade Missions abroad. It covers the first and second quarter of the calendar year 2012 with glimpses from 2011.**

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## **Introduction**

This report is a compilation of trade opportunities and leads extracted out of the commercial counselor reports. There are 63 Trade missions of Pakistan in 42 countries. Commercial counselors or Commercial Attaches are appointed for duration of one year and with satisfactory performance they are granted extension for another one year. Commercial counselors are required to analyze the local market, find trade opportunities for Pakistani businessmen, look for foreign market regulations, facilitate business missions, and also facilitating and organizing exhibitions in the foreign market. The Commercial counselors are required to send monthly, quarterly and bi annually reports of the foreign market.

## **Objective**

The objective of this report is to provide a framework and common parameters to evaluate the business worthiness of commercial counselor reports. Also to suggest Institutional mechanism to get maximum benefit of the commercial intelligence information and to stave off or to take remedial measures in wake of host foreign market regulations impacting our exports to that market.

## **View point of MOC**

Ministry of Commerce has a mandate of promoting Pakistani businesses in the foreign markets. This in turn will increase Pakistan's exports and thus better economy. In order to promote Pakistani businesses in the foreign market, Ministry of Commerce appoints Commercial Counselors as facilitators of Pakistan's Trade. This cycle of trade promotion involves steps like trade leads identified by commercial counselors, any other market opportunity or any futurist analysis of the foreign host market. The information sent by the commercial counselors in the form of reports is then analyzed by PITAD and recommendations are developed for stakeholders of Ministry of Commerce. Recommendations are then compiled in the form of this report and disseminated to all the stakeholders including, TDAP, All registered Importers and Exporters, All relevant departments of MOC and FBR.

## AZERBAIJAN

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### Market Intelligence

Most of the competitors have edge over Pakistan in terms of price and quality in Azerbaijan market. Iran and Turkey also exploit their racial, cultural and linguistic commonalities. The trade among the CIS countries (Russia, Georgia, Belarus, Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan and Moldova) is free of Custom Duties and only 18% VAT is charged whereas for rest of the countries a maximum of 15% of customs duties plus 18% of VAT along with some other custom handling charges are levied which sums up to around of 36%. It gives a clear advantage to trade among the CIS.

#### Year 2013

<b>GDP</b>	\$71.04Billion
<b>Area (Sq Km)</b>	82,620
<b>Population (Millions)</b>	9.23
<b>GDP Per Capita (US \$)</b>	\$10700
<b>Total Exports (US Billions)</b>	\$30.58
<b>Total Imports (US Billions)</b>	\$10.78
<b>Exports to GDP ratio</b>	
<b>Imports to GDP ratio</b>	

### Export Promotion Activities

Many foreign companies, especially from CIS, Turkey and Iran have established their offices and outlets to grab any business opportunity immediately and keep a permanent liaison with the local importers. This becomes more important in peculiar business environment of Azerbaijan where documented trade through banking channel is very little and every economic activity is controlled by strong monopolies. Therefore, it will be best advised to our exporters to open outlets and promote their own brands.

### Business Visa Issue

The Government of Azerbaijan has recently stiffened the conditions for Business Visa/ extension of Business Visa. Therefore our businessmen should be prepared to meet the laid down conditions for business visa extension and registration of companies etc in Azerbaijan.

## BRAZIL

### Market Access

Brazil increased overall tariff protection; the simple average applied MFN tariff rose from 10.4% in January 2007 to 11.5% in January 2008. This was mainly due to an increase of 1.1 % in the average tariff of non-agricultural products to 11.6%; the average for agricultural products (WTO Definition) remained practically constant at 10.1%. The highest rate of 35% applies to 4% of all tariff lines, including tyres, textiles, clothing and motor vehicles. Brazil's tariff structure still shows low dispersion but the presence of tariff peaks and escalation increase the effective rates of tariff protection. All tariff applied by Brazil are ad-valorem.

#### Year 2012

GDP	\$ 2.4 Trillion
Area (Sq Km)	8,459,420
Population (Millions)	194
GDP Per Capita (US \$)	\$12,000
Total Exports (US Billions)	\$256.0
Total Imports(US Billions)	\$238.8
Exports to GDP ratio	
Imports to GDP ratio	

### Import Prohibitions

Brazil imposes import prohibitions in virtually all used consumer goods, including motor vehicles, as well as on certain grapes and grape juices to be used in the production of wine and wine transported in containers larger than five liters. Brazil uses both automatic and non-automatic licenses; the latter affect slightly more than one third of all tariff lines. Licenses are not issued for the importation of retreaded tyres, except from MERCOSUR; this exception was found inconsistent with multilateral rules by a WTO panel.

### Textiles:

Yarn, fabrics and home textiles have been a major product amongst textile items which are being imported into Brazil. China, India, Pakistan, Indonesia and Bangladesh have been major suppliers of textile products to Brazil. Brazil has a protectionist regime for textiles and it also observes trade escalation in this sector. Import duty on yarn, fabric, bed linen and garments is 14%, 26% and 35% respectively. In addition, some other taxes such as social security and sales tax are also imposed. During this period, denim fabrics have been imported from Pakistan worth US \$ 2 Million. Brazil is a big market for denim jeans and though there is a big denim manufacturing sector but as described earlier, its cost of production is increasing. Denim fabric and garment companies in Pakistan should focus on this sector.

### Surgical Instruments

Though, Brazil has quite a big industry for surgical, dental, veterinary instruments, yet it is becoming more and more in-competitive due to rising labor wages and high cost of raw materials. Under pressures of domestic industry, NTB like registration process of the

surgical instruments with 'ANVISA', The ministry of health is biggest obstacle in export of this sector. No surgical instrument is allowed to enter Brazil unless it is registered with Ministry of Health. The 'Registration' process is time and money consuming. Despite these constraints, exports of this sector are increasing. Now, Brazilian industry is largely dependent upon supplies from Pakistan which is both coming through formal and informal channels. Brazilian companies are also exporting to other adjoining countries as well due to their trade links. We need to attract those companies which are at present buying from Germany, France etc. Brazil is biggest center of plastic surgery in the world and our exporters should focus on this segment. Another related sector is beauty instruments, which needs no registration with health authorities.

### **Sports Goods**

Brazil is hosting World Cup 2014. Brazil, a sports loving nation, is known for it's craze for football and this game is very popular in all parts and in all sections of the society in Brazil. Besides, World Cup, Brazil will also be hosting Olympics 2016. Both events will be a good occasion to undertake Promotional activities especially for sports goods in Brazil. Though, footballs are coming in large quantity, yet sports garments, surfing products need to be focused upon.

### **Safety Equipments**

Safety equipment for sports like mountaineering, climbing, gliding, rock climbing, bicycle, skate boarding roller skating, parachuting and motorcycle sports etc have contributed to the growth of this market.

Motorcycle, it's parts and clothing accessories is a big and rapidly growing sector in Brazil. Annual motorcycle sales is more than 2 million that has got a boost from rising income levels and preference of 2 wheelers over cars due to traffic issues. Protective leather jackets, gloves, textile jackets, and shoes are especially in high demand. These are products of the higher end of market and exporters from Pakistan are getting good price for their products.



## CHINA

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### Market Intelligence

A market survey in China has highlighted that Chinese market is changing very fast. The survey reveals that the Chinese have adopted consumerism with ease, embracing thousands of new products, services and brands. But the important aspect of it is that the Chinese market changes at a speed capable of leaving all the companies behind except the alert and the clever companies. The survey revealed three findings. First, even in the face of rising inflation, Chinese consumers are more confident this year than in 2010 about their financial prospects.

Second, among urban consumers, the number of first time buyers—a group that has been a major driver of category growth in China—is declining. Third, although brand awareness is rising, there is little sign that brand loyalty is following suit. These findings have clear implications for companies seeking to capture the next wave of consumer-spending growth in China.

#### Year 2012

<b>GDP</b>	\$8.25 Trillion
<b>Area (Sq Km)</b>	9327480
<b>Population (Billions)</b>	135
<b>GDP Per Capita (US \$)</b>	9100
<b>Total Exports (US Billions)</b>	2010
<b>Total Imports(US Billions)</b>	1780
<b>Exports to GDP ratio</b>	
<b>Imports to GDP ratio</b>	

### Consumers and Inflation

At the end of 2010, annual inflation in China was 4.6%. By August 2011, it had reached 6.2%, which is close to highest level in three years. This development is inevitably affecting real growth in consumptions, which fell to 8.5% in 2010 from 9.4% in 2009. Though the real growth in consumption is declining but according to the market survey mentioned above consumers are more confident about their financial future than they were last year. This phenomenon in the long run will lead to positive real growth in consumption.

### Consumers and Category Growth

A decade ago, most category growth came from first –time buyers. This is changing, as many products are now both available and within the financial reach of large number of consumers. Big variations in the importance of first time buyers have opened up, depending on the category and geographic region.

At the geographic level, the penetration of certain goods may be high in China's more economically developed regions, but plenty of consumer-conversion opportunities remains in less developed ones which the government has targeted for higher economic growth.

### **Consumer and Brands**

Chinese consumer's buying decisions are mostly influenced by brands. But neither does it indicate strong signs of increasing loyalty to any single brand. The market survey reveals that consumers value brands more than price or channel largely because they believe that branded products are safer, of higher quality and more reliable than unbranded ones. But faith in brand still does not translate into brand loyalty. The Chinese market has diversified, now the consumer has an option to choose brand among five to seven brands rather than among two to three brands as in last year.

In some categories, such as apparel, where luxury brands have grown hugely popular, the contrast is still sharper. To succeed in this market, companies will need to understand where the growth prospects lie, both in category level and geographic regions wise. Only then will companies be able to prioritize resources and tailor strategies appropriately, to strike a balance between building mass appeal and meeting the specific needs of consumer groups.

### **Dry port procedures of Western China**

Many enterprises of Western region of China prefer to get their imported goods cleared at Shanghai or other ports instead of Western region of China. This is because of the slow and cumbersome Customs procedures. Also many enterprises of western China region instead of direct imports from Pakistan buy Pakistani goods from major importers of the coastal regions. This also leads to not reflection of Pakistani exports in China's imports data.

## GREECE

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### Decrease of Pakistani Exports to Greece

The reason for decrease in Pakistan's exports to Greece by 16.71% in 2011 are both demand related as well as supply related. Since 2008, Greece has been in the midst of a severe economic and financial crisis that is showing no signs of abating. In fact, economic situation in Greece is worsening day by day. The Greek Government's austerity measures and tax hikes forced upon it by the IMF and the EU are making matters worse. Credit had virtually dried up with the result that thousands of businesses have shut down. In these tough times, consumers are unwilling to part with their money. Despite these circumstances, Pakistan is still maintaining a stable presence in the Greek market.

#### Year 2012

<b>GDP</b>	\$254.98 billion
<b>Area (Sq Km)</b>	128900
<b>Population (Millions)</b>	
<b>GDP Per Capita (US \$)</b>	
<b>Total Exports (US Billions)</b>	26.67
<b>Total Imports(US Billions)</b>	57.92
<b>Exports to GDP ratio</b>	
<b>Imports to GDP ratio</b>	

### 2012 Greek Budget

According to the Economist Intelligence Unit, Greece's economy was heading for a contraction of 7% in 2012. While the 2012 budget saw Gross Domestic Product shrinking by 2.8%, the EIU forecast placed Greece second only to Sudan in the Global recession chart: The African country's economy is expected to contract by 9% owing to oil reserve losses after the secession of South Sudan. Even the most pessimistic projections of the International Monetary Fund had only seen a 3% contraction for Greece. The 2012 budget was based on the assumption that the 2011 GDP would have shrunk by 5.5%.

### Strategies of Greek export Industries

A majority of export-reliant Greek industries are adopting a defensive stance for 2012 after struggling to survive the economic hardships of 2011. Transferring their headquarters to other Balkan countries or to Cyprus, opening accounts with foreign banks in order to have guarantee letters that will be accepted abroad, and prepaying in cash for raw materials that will be needed through the first half of 2012 are just a few exit strategies being put into place by Greek export industries.

Other industries have focused their efforts on boosting subsidiaries abroad that have shown healthy growth. Examples of this strategy are Mytilineos Group subsidiary METKA in Iraq and the broader Middle East region, as well as the expansion of SIDENOR, of the Viohalco Group, to Albania.

### **Toy Retailers riding out of the Financial crisis**

There is one part of the retail sector in Greece that seems to be weathering the crisis without significant losses. It's the toy retailers, who are expecting to see a healthy surge in sales during and after Christmas and Easter period.

Jumbo toy retailer is the market leader which recently opened up four new stores thus expanding its network to 56 stores. Jumbo showed a profit growth of 7.6% during September – October 2011.

Moustakas has also been moving in positive sales growth of 15%.

So there is a huge opportunity for companies from Pakistan to move into Toy retail sector of Greece.

### **Leather Footwear export**

Manufacturing activity in the Greek market for both women and men leather footwear sector saw a sharp drop in 2009-2010 period. At the same time the market is experiencing a sharp rise in leather footwear imports, as a number of local shoemakers have turned to bringing in goods (mainly due to higher cost of production). Pakistani leather sector exporters and manufacturers can explore Greek market and penetrate it, resulting in higher returns.

## INDONESIA

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### Indonesian Market

According to the Indonesian Trade Ministry's latest data Pakistan ranks 29<sup>th</sup> as export destination and 44<sup>th</sup> as import source. All major trading partners such as China, Japan, US, Singapore, Thailand, Korea, Malaysia, Australia and India, either have Free Trade Agreements / Mutual Recognition Agreements with ASEAN or they are part of ASEAN. These agreements provide them an edge over Pakistan in terms of Competitiveness. Preferential Trade Agreement signed between Pakistan and Indonesia earlier this year is still undergoing ratification process and is expected to be implemented in next couple of months. Once the PTA becomes effective, exports from Pakistan are likely to get a boost.

#### Year 2012

<b>GDP</b>	\$894.85 billion
<b>Area (Sq Km)</b>	328550
<b>Population</b>	23.7 billion
<b>GDP Per Capita (US \$)</b>	5000
<b>Total Exports (US Billions)</b>	199.10
<b>Total Imports(US Billions)</b>	185
<b>Exports to GDP ratio</b>	
<b>Imports to GDP ratio</b>	

### Rule on Import of finished goods revised

The government has finalized the revision of a newly issued regulation on a finished goods arrangement to better cater for the interests of local business stakeholders. The revised regulation contains two basic changes, namely the definition of "special affiliation" and the scope of products, which could be imported by general importers. In a change from the previous rule, the new rule would also allow general importers to import various type of products from more than one category depending upon the nature of their business. A number of business communities, including large retailers, automotive spare parts distributors and foreign pharmaceutical manufacturers had previously voiced their objections over the newly-launched import arrangements, which became effective last month with a transition period ending 31<sup>st</sup> December, as it would hurt their business due to the limitation of allowable imported products. In May, the government set a new arrangement on finished goods importation under the regulation of importer identification numbers, which differentiates scopes of importation allowable for general importers and producers importers. In line with this , the government also expects to place stricter measures on imports because imported products do not comply with the Indonesian national standards (SNI).

## MALAYSIA

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### Tariff Barriers

Tariff is the main border measure affecting import of goods. The simple average applied MFN tariff is 8%. About 76% of tariff lines are duty free. Around 15.7% of tariff lines are unbound. The simple average bound MFN rate is roughly double the applied rate, leaving considerable scope for authorities to raise tariffs within the bound levels. However, authorities have raised tariffs in only few cases. These involve tariff-rate quotas which Malaysia started applying to several tariff lines with effect from 1<sup>st</sup> April

2008. Malaysia grants preferential access to imports from Japan, China, the Republic of Korea, Australia, New Zealand, Chile, India, Pakistan and other ASEAN countries under preferential bilateral / regional free trade agreements.

#### Year 2013

<b>GDP</b>	\$307.18 billion
<b>Area (Sq Km)</b>	328550
<b>Population (Millions)</b>	29.6
<b>GDP Per Capita (US \$)</b>	16900
<b>Total Exports (US Billions)</b>	239.8
<b>Total Imports(US Billions)</b>	197.20
<b>Exports to GDP ratio</b>	
<b>Imports to GDP ratio</b>	

### Non-tariff measures

Vrious non-tariff border measures are also used as instruments of Malaysia's trade and industry policy. A considerable portion of Malaysia's tariff lines is subject to import licensing, most of which is non-automatic. While automatic licensing is intended for data collection, the authorities maintain that non-automatic licences are mainly for sanitary and phyto-sanitary reasons (those concerning agriculture). However, non-automatic licensing is also used to regulate the flow of imports and promote selected "strategic" industries that have been identified to achieve certain socio-economic objectives.

### Import Duty Exemptions

Import duty exemptions or drawbacks are provided for intermediate goods used in the production of exports so that import duties do not feed through to become implicit taxes on exports. The exemptions or drawbacks greatly reduce or eliminate implicit export taxes, but tend to increase the complexity of border taxation. Rebates of internal sales taxes are also used to ensure that exported goods are not taxed twice (in both Malaysia and importing country).

### Manufacturing Sector

Malaysia's manufacturing sector is relatively open to trade and foreign investment. The average tariff for manufacturing products is 7.6% and 100% foreign equity participation is generally allowed. However a notable exception is the automotive sector, which has long been shielded from foreign competition by both tariff and non-tariff measures. Although the sector has been successful in capturing a large share of the domestic market, its exports are modest, indicating lack of external competitiveness.

## SOUTH KOREA

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### Value Added Goods Instead of Raw materials

Around 80 % of Pakistan's exports to Korea are raw materials like Naphtha, Unrefined Copper, Indentured Ethyl Alcohol and Cotton Yarn. Pakistan needs to diversify into value added sectors and products like engineering goods, sophisticated surgical instruments, high end manicure and pedicure products, leather products, apparel and knitwear, denims, textile made-ups, hand knotted carpets, value added chemicals, cement, cutlery, processed dairy products, furniture items and stationery products for Korean market. Also value addition is required for fisheries, precious and semi precious stones, marbles and granite. All the above products have significant market in Korea.

#### Year 2012

<b>GDP</b>	\$1116.25billion
<b>Area (Sq Km)</b>	120410
<b>Population (Millions)</b>	
<b>GDP Per Capita (US \$)</b>	
<b>Total Exports (US Billions)</b>	548.20
<b>Total Imports(US Billions)</b>	
<b>Exports to GDP ratio</b>	
<b>Imports to GDP ratio</b>	

### Pakistani Exporter's participation in Trade Fairs

Exporter's participation in trade Fairs is very essential in moving into other markets and establishing business. In addition to the Seoul Gift Show, Pakistani exporters should also participate in major shows like Seoul International Sports and Leisure Show (SPOEX), Korea International Medical Hospital Equipment Show (KIMES), Busan International Seafood and Fisheries Expo (BISFE), Import Goods Fair Household Exhibition (IGF), World IT Show (WIS), Korea Electronic Show (KES), Seoul International Stationery Fair (SISFAIR) e.t.c.

### Packaging and Design

Pakistani exporters also should give special focus to packaging and design. Even our traditional goods can achieve export share with little innovation, better design and through innovative presentations.

### Mango Market

Mango market in Korea (US \$ 10.790 million in 2011, 76.6% increased from 2010) has good potential. In 2007, exports of mango from Taiwan increased by 403.2% replacing Philippines as the top exporter of mangoes to Korea. The Philipines had long been the exclusive exporter of mango to Korea. The value of imports of mango can be increased



manifolds once Pakistani mangoes enter the Korean market, as Pakistani mangoes are far rich in taste, aroma and quality.

## THAILAND

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### TISI

The Federation of Thai Industries (FTI) announced the Thai Industries sentiment index (TISI) for June was down from 106. This was the first decline in six months. It attributed the drop in industry confidence to a decline in orders, sales volume, output and poor performance of manufacturers. However the TISI was able to stay above the 100 level, showing that manufacturers still had confidence in their business and the strong economic fundamentals of the country. The negative factors that affected manufacturer's confidence over the month were

high production costs, concerns over the political situation and about natural disasters. In addition the impact of the Eurozone debt crises had directly and indirectly hurt several industrial groups that export products to European countries. Countries that imported raw materials from Thailand to produce goods for export to Europe were also affected.

#### Year 2012

<b>GDP</b>	\$376.99 billion
<b>Area (Sq Km)</b>	120410
<b>Population (Millions)</b>	
<b>GDP Per Capita (US \$)</b>	
<b>Total Exports (US Billions)</b>	218.10
<b>Total Imports(US Billions)</b>	213.70
<b>Exports to GDP ratio</b>	
<b>Imports to GDP ratio</b>	

### GSP Priviledge

In 2014, as many as 50 Thai export commodities will be relieved of the GSP tariff priviledge. In the longer term, however, all Thai products run the risk of having their GSP revoked. Thailand is now an upper-middle income country and may no longer qualify for trade support. With GSP graduation, Thailand will lose its price competitiveness and in turn the market to its competitors, which may have similar export goods, but enjoy tariff priviledges.

## TURKEY

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### Opening Investigation of Safeguard Measures on Polyethylene Terephthalate (PET) By Turkish Government

Turkish Secretariat of Foreign Trade, Department of Measures on Protection, General Management of Imports has announced the safeguard measure investigation on Polyethylene Terephthalate (PET) on 11th March, 2011. The said investigation has been announced by Turkish Government after an application filed by the domestic producers. Responding to this, the Consulate General of Pakistan, Istanbul (Turkey) has informed the Ministry of Commerce and through Ministry to the business community in Pakistan. Ministry of Commerce, Government of Pakistan has registered itself as an interested party with the Turkish authorities on the subject of investigation.

#### Year 2012

<b>GDP</b>	\$783.06 billion
<b>Area (Sq Km)</b>	76963
<b>Population (Millions)</b>	75.63
<b>GDP Per Capita (US \$)</b>	15000
<b>Total Exports (US Billions)</b>	154.2
<b>Total Imports(US Billions)</b>	225.6
<b>Exports to GDP ratio</b>	
<b>Imports to GDP ratio</b>	

### Relationship of Pakistan and Turkey

Turkish people have very strong feelings about Pakistan particularly that “Pakistan-Turkey are KARDISH Mumlaket” meaning Pakistan and Turkey are brother countries.

### Jeans Export

Turkey is one of the largest Jeans exporting country of the world, but local production cost has become expensive and the quantity produced is much less than the requirement. The denim exports from Pakistan are rising at a high rate. The Turkish Jeans manufacturers could be attracted for investment in denim manufacturing sector of Pakistan. Also Turkey can prove a golden opportunity for denim exporters.

### Other Textile and Made-ups

Pakistan’s exports to Turkey are mainly composed of Cotton, Cotton Yarn and Cotton Textile made ups and related products. While there is still room for increasing the market share in Turkish Textile Market; the need for diversifying the portfolio seems to be growing. Rising costs and diminishing competitiveness in Turkish Textile Industry can allow more space for Pakistan’s Textiles.

## UAE (DUBAI)

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### UAE' Economy

UAE's economy over all growth is expected to remain moderate to 2.4 % in 2012. The UAE has been slowly recovering from the 2009 property market crisis which hit the economy hard. The country is benefitting from high oil prices and oil production volumes, strong trade, tourism, logistics, and manufacturing are now gaining momentum despite lingering weakness in the construction and real estate sectors.

#### Year 2012

GDP	\$360.25 billion
Area (Sq Km)	83600
Population (Millions)	8.26
GDP Per Capita (US \$)	49000
Total Exports (US Billions)	300.6
Total Imports(US Billions)	220.3
Exports to GDP ratio	
Imports to GDP ratio	

### Automechanika

Celebrating its tenth anniversary in style, Automechanika Middle East, the premier trade and networking mega exhibition for the regional automotive market was held from 22-24 may, 2012 at Dubai World Trade centre. This year the number of participants from Pakistan Increased from 6 to 10.

### Beauty World

Beauty World Middle East 2012, the 17<sup>th</sup> edition of the largest international trade fair for beauty, hair, fragrances and well being was inaugurated by H.E. Abdul Rehman Saif Al Ghurair, Chairman Dubai Chamber of Commerce and Industry at the Dubai International Convention and Exhibition Centre.

## UAE (ABU DHABI)

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### TRADE BALANCE

During the first quarter of 2012, Abu Dhabi's global imports were 22 billion Dirhams (US \$ 6 billion) , registering a slight increase of 1.5% as compared to corresponding period of 2011. The global imports of Abu Dhabi include Chemicals and / or allied Industries, Plastics, Rubber and articles thereof, Machinery and parts & vehicles of transport, Petroleum products, Machinery & equipment and Food items.

Pakistan's exports during first and second quarter were on average 61million dirhams (US \$ 16.6 million) with major items including rice, fruits and vegetable, gold powder / ingots & jewelry, textiles and meat products.

## UNITED KINGDOM

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### Business Opportunities

Vitabiotics, a British company in the field of human health and research and manufacturer of healthcare products has expressed interest in Joint Ventures with Pakistani pharmaceutical companies.

### Increase in ASDA's PLC. Import of textile items from Pakistan

ASDA PLC. has shown interest to increase the quantum of fabric from Pakistani companies, for which ASDA will provide 15 key fabric standards in jersey and woven fabric. GM ASDA said that they always try to build good relationship with Pakistani companies and work on the basis of trust and not on LC which saves costs up to 1.3% of the sole consignment to both UK and Pakistani companies. They also buy indirectly from UK agents of Pakistani products. However manufacturing directly in Pakistan is not a possibility at this stage as Pakistan is on the banned list of Wall mark group which owns George Clothing. This is because their buyer cannot travel to Pakistan and without looking the production process ASDA would not buy anything. The main interest shown by George clothing is to procure fabric from Pakistan.

#### Year 2012

GDP	\$2433.78 billion
Area (Sq Km)	241930
Population (Millions)	63.18
GDP Per Capita (US \$)	36700
Total Exports (US Billions)	481.00
Total Imports(US Billions)	646.00
Exports to GDP ratio	
Imports to GDP ratio	

### Increase in Total Trade of the following commodities from Pakistan to United Kingdom

- Edible Fruits, Nuts and Vegetables
- Resins and Gums
- Animal and Vegetable Fats and Oil.
- Tobacco and manufactured Tobacco substitutes.
- Plastics and Plastic products.
- Knitted and Crocheted Fabrics
- Articles of Apparel and Clothing Accessories.
- Furniture.

- Natural and Cultured Pearls
- Precious and Semi precious Stones
- Iron and Steel

## USA (Houston)

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### Export Performance:

Some of the reasons for competitors' better export performance in US market are strong and better national commitment to trade & export development, robust and well researched and directed trade policies, aggressively negotiated trade terms, investments in and incentives for exportable product development, product specific research and development and aggressive and effective trade marketing with due financial support.

### Year 2012

<b>GDP</b>	\$15,653.37 billion
<b>Area (Sq Km)</b>	9161920
<b>Population (Millions)</b>	315.5
<b>GDP Per Capita (US \$)</b>	48442
<b>Total Exports (US Billions)</b>	1612
<b>Total Imports(US Billions)</b>	2357
<b>Exports to GDP ratio</b>	
<b>Imports to GDP ratio</b>	

### Protectionism:

The policies of protectionism in the U.S make progress difficult for market access efforts. The U.S industry claims that jobs will be lost if Pakistan's exports receive duty preferences. The US legislators and policy makers should be made to realize that in fact, just about the only jobs lost would be those in China i.e, only Chinese market share would be reduced while other competitor countries including Pakistan will grab a larger share of the U.S. import market. The fact of the matter is that the U.S produces very little of these products domestically and is dependent on imports.

During 2010, particularly in the last six months, a dramatic increase has been noticed in inquiries from U.S companies interested in diversifying their sourcing away from China, particularly for textiles and apparel but also for other products. The mission has been told by buyers that this shift away from China is due to increasing labour costs and product prices in China and more "hassle" in doing business there.

### US Market is trying to source away from China

During 2012, trade inquiries from U.S companies interested in diversifying their sourcing away from China, particularly for textiles and apparel but also for other products, have increased. This situation presents an outstanding opportunity for Pakistani companies to find new buyers in the U.S by way of aggressive marketing and enhanced participation in US Trade Shows. But it is unfortunate that most of this business is going to Vietnam, Bangladesh and India due to our security situation and energy shortages.

### Security Concerns



On the demand side, the American buyers have to be motivated and attracted to do business with Pakistan. No matter how good the product and how competitively priced; security, reliability of supply, ease of doing business, confidence in the business climate, and establishing personal relationships with vendors are critical to a successful business relationship. The security situation in Pakistan and administrative hassles often scare away American buyers.

## USA (New York)

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### **Marketing Funds**

Ministry of Commerce and TDAP with the help of exporters should setup a marketing fund which should be managed by the Commercial Section for aggressive marketing campaigns of Pakistani products. Off and On many opportunities comes to market and introduce Pakistani products in the U.S market but due to limited resources, commercial section is incapable of doing much for the promoting Pakistani Products.

### **Single Country Exhibitions**

TDAP and Pakistani Exporters have been actively participating in the Trade Fairs and Products Exhibitions, which is a good step toward marketing Made in Pakistan. Also they should undertake Single Country Exhibitions, where only products from Pakistan should be marketed.

### **Fashion Shows**

Fashion shows from the Asian region are in quite demand now in the U.S. These fashion shows are organized and hosted by designers , mostly from Pakistan and India. They are an attractive way to boost demand of Pakistani apparel in the U.S market. More Fashion Shows should be planned and more Pakistani exporters should bring their products in these fashion shows. TDAP can also sponsor some of the fashion shows.

## ANNEXURE I

### 1. List of Pakistan's Trade Missions Abroad

<b>ID</b>	<b>Country City</b>	<b>CC Name</b>	<b>Address</b>
1	AFGHANISTAN (Kabul)	Mr. Faiz Rasul	Embassy of Pakistan, Commercial Section, Kabul
2	AFGHANISTAN (Kandahar)	Muhammad Misbah Tunio	Consulate General of Pakistan, Commercial Section, Shahr-a-Nau, Heart Rd, Kandhar. parepkandhar@hotmail.com
3	ARGENTINA (Buenos Aires)	Mr. Iftikhar Ali Shallwani	Embassy of Pakistan, 2130 Olleros, Belgrano (1426), Buenos Aires (Argentina). iashallwani@hotmail.com, parepbaires@fibertel.com.a
4	AUSTRALIA (Sydney)	Mr. Azam Mohammed	Consulate General of Pakistan, Level -7, 32 Martin Place N.S.W. Sydney 2000 (G.P.O Box 5256). parepsydney@comcen.com.au, cg@pakistan.org.au, tdo@pakistan.org.au
5	AZERBAIJAN (Baku)	Mr. Muhammad Akhtar	Embassy of Pakistan Commercial Section, Baku. comsecbaku@yahoo.com
6	BANGLADESH (Dhaka)	Vacant	High Commission for Pakistan, (Com. Section) House NE (C) 2, Road 71, Gulshan II, Dhaka. pkcom.bdg@tdap.gov.pk
7	BELGIUM (Brussels)	Mr. Qasim M. Niaz	Pakistan Mission to European Communities, Belgium and Luxembourg, 57-Avenue Delleur, 1170-Brussels. economic.section@belgacom.net, caempak@skynet.be, embpak@skynet.be
8	BELGIUM (Brussels)	Ms. Ayesha Saeed	Embassy of Pakistan, 57 Avenue Delleur, 1170, Brussels (Belgium) senator786@hotmail.com
9	BRAZIL (Sao Paulo)	Mr. Syed Tajammal Hussain,	Embassy of Pakistan, Commercial Section, Edificio Luxor Center, Rua Arizona 1349-cj. 12 A, Brooklin Novo-Sao Paulo-Brazil zip code 04567-003 pakccsp@yahoo.com
10	CANADA (Montreal)	Dr. Muhammad Usman	Consulate General of Pakistan, 3421 Peel Street, QC.H3A 1W7, Montreal. parepmontreal@sprint.ca

11	CANADA (Vancouver)	Mr. Zaid Bin Maqsood,	Consulate General of Pakistan, Vancouver (Canada) parepvancouver@yahoo.com
12	CHILE	Mr. Shaharyar Talpur	Embassy of Pakistan, Espoz 2336, Vitacura, santiago, commercialsantiago@gmail.com
13	CHINA (Beijing)	Dr. Naeem Khan	Embassy of Pakistan, (Commercial Section), No.1, Dong Zhi Men Wei Da Jie, Beijing 100600 China. pakcomm@public.bta.net.cn,pakrep@publi c.bta.net.cn
14	CHINA (Chengdu)	Mr. Saifuddin Junejo	Consulate General of Pakistan, Chengdu (China),Commercial Section,8th Floor,Western Tower 19,4th Section,Renminnan Road, commercepkcgcd@hotmail.com,commerce pkcgcd@hotmail.com
15	CHINA (Hong Kong)	Mr. Ahmad Balal	Consulate General of Pakistan, Room No. 3505-6, Two Chinachem Exchange Square, Hong Kong. Parephk@netvegator.com,
16	CHINA (Shanghai)	Mr. Zafar Hassan	Consulate General of Pakistan, 7th Floor, Hong Qiao Business Centre, 2272, Hong Qiao Road Shanghai 200336 China. pakrepshanghai@yahoo.com,pakconsulate shanghai@yahoo.com
17	EGYPT (Cairo)	Mr. Naseer Ahmad Kashani	Commercial Section, Embassy of Pakistan, Cairo (Egypt).
18	FRANCE (Paris)	Mrs. Suriya Ahmad Butt,	Embassy of Pakistan, (Commercial Section), 32 rue Washington 75008-Paris pak.emb.comm@wanadoo.fr
19	GERMANY (Berlin)	Mr. Viqar Mahmood Khilji	Schaper Str.29 10719, Berlin Commercial Section, Embassy of Pakistan. Parepberlin.cc@gmail.com, Parepberlin.ca@gmail.com
20	GERMANY (Frankfurt)	Mr. Hassan M. Yousafzai	Consulate General of Pakistan, (Commercial Division) Beethoven StraBe 4, 60325- Frankfurt am Main, hassanyousufzai@hotmail.com

21	GREECE (Athens)	Mr. Awais Manzur Sumra	Embassy of Pakistan, Commercial Wing, Marasli 1st Floor, Kolonaki, Athens 10676 commerce@pak-embassy.gr, embtrade@otenet.gr
22	INDIA (New Delhi)	Mr. Naeem Anwar	High Commission for Pakistan Commercial Section, 2/50-G, Shantipath, Chanakyapuri, New Delhi-110021. commpakhc.in@gmail.com, naeemanwar_ntc@yahoo.com
23	INDONESIA (Jakarta)	Ms. Muneeza Majeed	Embassy of Pakistan, Commercial Section, 50, Jl. Teuku Umar, Menteng, P.O. Box No 1461 Jakarta. Pakrepjkt@rad.net.id, Pakistan@rad.net.net.id
24	IRAN (Tehran)	Dr. Muhammad Saeed Khan Jadoon	Embassy of Pakistan, Tehran 14118, Block No.1, Koocha-e-Ahmad Eitrnazadeh, Khayaban-e-Dr. Hussein Fatimi, Jamshedabad, Shomali, tehrancomm@yahoo.com
25	ITALY (Rome)	Vacant	Embassy of Pakistan, Commercial Section, Via Della Camilluccia 682, 00135 Rome. comsec@tiscali.it, comcon@tiscalinet.it
26	JAPAN (Osaka)	Dr. M. Iqbal Thaheem,	Consulate of Pakistan, H-1, 4th Floor, ITM Bldg., Asia Pacific Trade Centre (ATC), 2-1-10 Nanko-Kita, Suminoe-Ku, Osaka 559-0034. paktrade@japan.com
27	JAPAN (Tokyo)	Mr. Rahman Hamid,	Embassy of Pakistan, (Commercial Section), 4-6-17, Minami-Azabu, Minato-ku, Tokyo-106-0047, comsecjp@yahoo.com, eptfail@iac.co.jp (Dip)
28	KAZAKHSTAN (Almaty)	Mr. Shaukat Ali Khan	Street Zhibek Zholi 6/29, Commercial Section, Embassy of Pakistan, Almaty (Kazakhstan), parepalmaty_trade@yahoo.com
29	KENYA (Nairobi)	Dr. Amjad Iqbal	High Commission for Pakistan, (Commercial Section), St. Michael Road, Off Waiyakiway Westlands, P.O.Box 30045, Nairobi. pakistan@nbi.ispkenya.com

30	KUWAIT (Kuwait city)	Vacant	PO box No. 988, Safat, 13010, Embassy of Pakistan, Kuwait
31	Libya (Tripoli)	Vacant	4Ibn-Kaseer Street Dokki,Giza,P.O Box 2169,Commercial Section,Embassy of Pakistan,Tripoli(Libya), pareptripoli@hotmail.com
32	MALAYSIA (Kuala Lumpur)	Mr.Wajihullah Kundi	High Commission for Pakistan, (Commercial Section), 132-Jalan Ampang 50450, Kuala Lumpur. Kundi.wajihullah@gmail.com
33	MEXICO (Mexico city)	Mr. Abdul Majid Yousfani	Embassy of Pakistan, Hegel 512, Colonia Polanco, Del. Miguel Hidalgo, CP 11570 Mexico DF Mexico, pakcom.mex@tdap.gov.pk,pakmextrade@yahoo.com
34	MOROCCO (Casablanca)	Vacant	Embassy of Pakistan, Casablanca. L Oree Du Parc B 7eme Etage, 57 Rue Mohamed Abdou, Quartier Palrnier.
35	NETHERLANDS (The Hague)	Mr. Muhammad Ashraf	Embassy of Pakistan,Amaliastraat 8, 2514 JC,P.O Box 85904 2508 CP The Hague, comwing@planet.nl
36	POLAND (Warsaw)	Mr. Zulfiqar Younas	Embassy of Pakistan, Commercial Section, ul.Staroscinska 1, Apt. 5 4th Floor, 02-516-Warsaw, comsec.waw@gmail.com
37	PRAGUE (Czech Republic)	Ms. Nadia Rehman	Embassy of Pakistan, Prague, Czech Republic, nadiar.rehman@gmail.com
38	RUSSIA (Moscow)	Mr. Mohammad Ilyas Ghauri	Ulisa Sadova Kudrinskaya 17, 103001 Moscow, pakemb@dialup.ptt.ru
39	SAUDI ARABIA (Al-Khubar)	Mr. Shahzad Ahmad Khan,	Consulate of Pakistan, Al-Khubar
40	SAUDI ARABIA (Jeddah)	Mr. Sarfraz Ahmad	Consulate General of Pakistan, (Commercial Section),Building No.58-60,Ibrahim Al-Tassan Street 17-N, 7E, Mushrifia District / 3(ONEIKISH), P.O. Box 182, Jeddah 21411. pakcom@zajil.net
41	SAUDI ARABIA (OIC)	Mr. Hijab Gul	Pakistan Trade Officer for OIC, Jeddah. pakcom.oic@gmail.com, pakcom.oicjdh@tdap.gov.pk

42	SAUDI ARABIA (Riyadh)	Mr. Ziaullah Shams	Embassy of Pakistan, P.O. Box 94007, Riyadh 11693
43	SOUTH AFRICA (Johannesburg)	Mr. Moin-ud-Din Ahmad Wani	Trade Commission for Pakistan,50-Bristol Road (Cnr Oxford Road),Saxonwold 2196,Johannesburg, paktrade@mweb.co.za
44	SOUTH KOREA (Seoul)	Mr. Fuad Hashim Rabbani	Embassy of Pakistan,(Commercial Section),124-13, Itaewon Dong,Yongsan-Ku, Seoul 140-200, commerce@pkembassy.or.kr
45	SPAIN (Madrid)	Mr. Babar Hayat Tarar	Embassy of Pakistan,(Commercial Section),Avenida. PIO XII, 11,28016 Madrid. comercio@embajada-pakistan.org, comsecmadrid@hotmail
46	SWEDEN (Stockholm)	Mr. Javed Akbar	Embassy of Pakistan, (Commercial Section), Karlavagen 65, SE 11449 Stockholm.
47	SWITZERLAND (Geneva)	(i) Mr. Shahid Bashir	Permanent Mission of Pakistan to the WTO, 37-39, Rue de Vermont,PO box NO 133,1211 Geneva 20 CIC, manzoor.ahmad@wto-pakistan.org
48	SWITZERLAND (Geneva)	(v) Mr. Ahmad Mukhtar	Permanent Mission of Pakistan to the WTO, 37-39, Rue de Vermont,PO box NO 133, 1211 Geneva 20 CIC
49	SWITZERLAND (Geneva)	(iv) Dr. Mohammad Saeed	Permanent Mission of Pakistan to the WTO, 37-39, Rue de Vermont,PO box NO 133, 1211 Geneva 20 CIC, Mohammad.saeed@wto-pakistan.org,
50	SWITZERLAND (Geneva)	(ii) Mr. Teepu Mahabat Khan,	Permanent Mission of Pakistan to the WTO, 37-39, Rue de Vermont,PO box NO 133, 1211 Geneva 20 CIC, zafar.qadir@wto- pakistan.org,
51	SWITZERLAND (Geneva)	(iii) Ms. Aisha Humera	Permanent Mission of Pakistan to the WTO, 37-39, Rue de Vermont,PO box NO 133, 1211 Geneva 20 CIC, shaista.sohail@wto- pakistan.org,

52	THAILAND (Bangkok)	Syed Zafar Ali Shah	Embassy of Pakistan,(Commercial Section), 31 SOI Nana Nua, (3), Sukhumvit Road,Bangkok 10110. pakthaitrade@hotmail.com, paktrade@mweb.co.th
53	TURKEY (Istanbul)	Dr.Yousaf Junaid	Consulate General of Pakistan,GULLU SOKAK NO 20, 3. LEVENT, ISTANBUL, Turkey. parepistanbu1@yahoo.com
54	UAE (Abu Dhabi)	Mr. Bilal Khan Pasha	Embassy of Pakistan, P.O.Box: 846, Abu Dhabi, comsecabudhabi@gmail.com
55	UAE (Dubai)	Mr. Mansoor Ahmad Bajwa	Consulate General of Pakistan,(Trade Division),Khalid Bin Waleed Road,P.O. Box 340, Dubai. paktradedxb@hotmail.com
56	UNITED KINGDOM (London)	Ms. Saira Najeeb Ahmed	High Commission for Pakistan,(Trade Division),34-36, Lowndes Square,London SW1X 9 JN. ecodiv@hotmail.com, saira.ahmed@phclondon.org, pak.economic.trade@hotmail.uk
57	UNITED KINGDOM (Manchester)	Mr. Muhammad Hamid Ali	139-Dickenson Road,Rushlome,Consulate General of Pakistan,Manchester M14 5HZ.
58	USA (Chicago)	Mr. Asad Haya-ud-din	Consulate General of Pakistan, 333 N Michigan Avenue # 728, Chicago IL. 60601, USA, asad.hayauddin@wto-pakistan.org, asad.hayauddin@commerce.gov.pk, parepchicago@yahoo.com
59	USA (Houston)	Muhammad Nadeem Aqil	Consulate General,Commercial Section, 11850 Jones Road,Houston TX-77070- USA,Houston. pakcom.hus@tdap.gov.pk
60	USA (Los Angeles)	Mr. Shahid Ashraf Tarar	Consulate General of Pakistan,(Trade Division)10850 Wilshire Blvd. Suite No. 1250,Los Angeles CA 90024. pakcomm@aol.com,
61	USA (New York)	Mr. Muhammad Aamer	Consulate General of Pakistan,(Commercial Division),12 East, 65th Street,New York NY 10021. pakcom.nyc@tdap.gov.pk



62	USA (Washington DC)	Mr. Azmat Ali Ranjha,	Embassy of Pakistan,3517 International Court, NW Washington DC 20008. compk@rcn.com, azmatranjha@embassyofpakistanusa.org
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