

Pakistan Swiss Trade Relations

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Pakistan and Switzerland have enjoyed an extremely cordial relationship since the 1950's. Diplomatic relations have grown and diversified into a comfortable political and economic relationship. The traditional friendly political terms have provided the foundation for a meaningful economic co-operation and bilateral trade between the two countries.

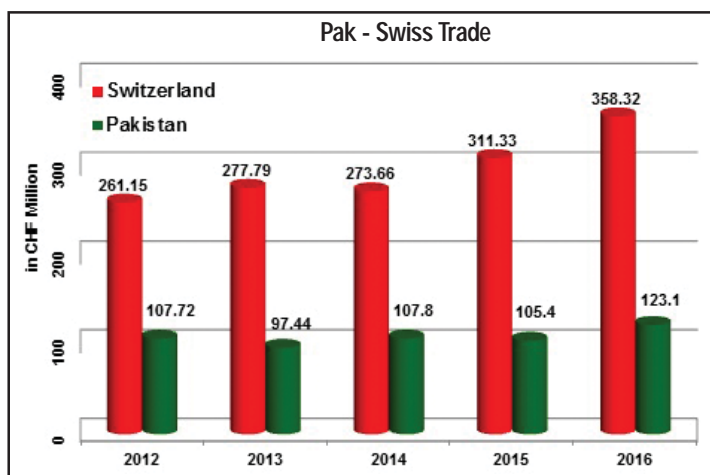
It is now more than 57 years (1960 to 2017) since the Swiss government has been providing financial technical and humanitarian assistance to Pakistan.

A large number of Swiss multinational companies are operating in Pakistan. They do not only market their world class products and services but are also creating thousands of attractive jobs in the country.

Economic Relations between Pakistan and Switzerland are deep-rooted and many Swiss companies are doing business in Pakistan independently and as joint ventures.

At present, 21 companies are successfully operating in Pakistan and provide direct employment to over 20,000 people. Over the past decade, these firms collectively invested more than CHF 1.5 billion, and Switzerland is thus placed among the top five direct foreign investors in Pakistan. Major Swiss investors companies in Pakistan are ABB, Archroma, Clariant, Sika, Gate Gourmet, Nestle, and Novartis.

These are challenging times for Pakistan as it has to deal with difficult security conditions in order to bring economic



stability in the country. The economic ties between Switzerland and Pakistan were built on solid grounds and the trade between two countries has been increasing steadily.

Pakistan's trade relations with Switzerland have been reciprocal, but the imbalance in the exchange of goods persists. The balance of trade remained in favor of Switzerland. The trade deficit, however, increased from CHF 153.43 million, in 2012 to CHF 235.22 million, in 2016.

No doubt the economies of the two countries differ widely because Switzerland is a developed country of the west and Pakistan a developing one of the Third World. Nevertheless, efforts should be made by the latter to increase the volume of exports. Switzerland's exports to Pakistan last five years are given in Table 1 and Switzerland's imports from Pakistan last five years are given in Table 2.

Cotton fabrics and yarn, readymade garments, towels, hosiery, agricultural products are the major items exported from Pakistan to Switzerland.

Pharmaceuticals, Chemicals, machinery, watches are the main items imported from Switzerland.

There are also bright chances of expansion of our exports of many items to Switzerland as the present volume of our exports is very small in comparison to their imports of these items from worldwide sources. This will minimize the mounting imbalance of trade standing against us.

Possibilities of increasing Pakistan's exports exist in certain fields like handicrafts, precious stones, shoes, and metals. They are worth exploring, but Pakistan exporters have to keep the quality of their products high to attract the Swiss buyer.

References

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Table 1: Switzerland's Exports to Pakistan
(In Million CHF)

Description	2012	2013	2014	2015	2016	% change
Pharmaceuticals	100.68	139.47	109.19	122.05	147.32	+20.7
Machines	57.41	45.65	68.00	85.00	82.08	-3.4
Chemicals	35.98	38.74	46.38	41.27	52.91	+28.2
Watches	29.95	22.99	17.58	19.19	21.55	+12.3
Others	37.13	30.94	32.51	43.82	54.46	+24.3
Total	261.15	277.79	273.66	311.33	358.32	+15.1

Source: Swiss Customs Administration.

Table 2: Switzerland's Imports from Pakistan
(in Mio CHF)

Description	2012	2013	2014	2015	2016	% change
Textiles	59.70	60.97	69.01	70.52	84.47	+19.8
Agri. products	31.56	17.34	16.86	13.00	13.40	+3.1
Others	16.46	19.13	21.93	21.88	25.23	+15.3
Total	107.72	97.44	107.80	105.40	123.10	+16.8

Source: Swiss Customs Administration.