



Bilateral Trade Between Pakistan and Switzerland Crossed US\$ 1 Billion in 2018

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Switzerland's economy benefits from a highly developed service sector, led by financial services, and a manufacturing industry that specializes in high-technology, knowledge-based production.

Trade is extremely important to Switzerland's economy; the value of exports and imports taken together equals 115% of the GDP. With the most liberal and competitive economies, Switzerland gained economic importance in the world. Switzerland stands among the top 20 states in the world family of 190 nations.

Pak-Swiss Economics and Trade Relations

Switzerland recognized the independence of Pakistan when it was proclaimed in 1947. Diplomatic relations were established in 1949. In 1966 the two countries signed a technical cooperation agreement, supplemented in 1975 by an agreement on disaster relief. After Pakistan had been designated a priority country for development cooperation, the Swiss Agency for Development and Cooperation (SDC)



His Excellency, Thomas Kolly, Ambassador of Switzerland to Pakistan.

opened a Cooperation Office in Islamabad, in 1977.

The Swiss Agency for Development and Cooperation (SDC) focuses on the provision of drinking water, sanitation, hygiene and support for displaced persons in the areas most affected by terrorism and natural calamities.

The Swiss government started 'Excellence Scholarship Programme' and hoped that this cooperation would further grow and more students from

Pakistan would be able to benefit from Swiss educational and poly-technical institutions.

Between Switzerland and Pakistan there are numerous bilateral agreements in fields as wide-ranging as investment protection, debt consolidation, aviation, double taxation and disaster relief. Switzerland engages in regular political dialogue with Pakistan. The tenth round of talks were held in February 2018 in Berne.

Swiss Business Council had also been set up for providing guidance to Pakistani businessmen to enhance trade volume which had also signed a number of memorandums of understanding (MoUs) to increase trade volume between the two counties.

The two sides reviewed all aspects of bilateral relations, including political, economic, trade, investment and cooperation in the fields of education, science and technology, agriculture and defence. They also discussed multilateral cooperation in key areas of interest and exchanged views on important global and regional developments.



Table 1: Pak Swiss Trade
Value: US\$ Million

Year	Pakistani exports to Switzerland	Swiss imports into Pakistan	Balance of Trade
2014	71	678	-607
2015	94	648	-554
2016	65	736	-671
2017	57	850	-793
2018	126	1,084	-958

Source: State Bank of Pakistan.

The Swiss multinational companies that operate in Pakistan, do not just market their world class products and services, but also create employment opportunities in the country. Major Swiss companies that have invested in Pakistan include ABB, Archroma, Clariant, Sika, Gate Gourmet, Nestle and Novartis.

The long-standing bilateral relations between Switzerland and Pakistan are good. A range of economic agreements has aided the development of bilateral trade.

Pak-Swiss Trade

The mechanism of bilateral political consultations provides a useful platform to review bilateral relations and discusses future areas of cooperation.

Bilateral trade between Pakistan and Switzerland crossed US\$ 1.20 billion in 2018. Pakistan and Switzerland enjoy close and friendly relations and cooperate closely at multilateral fora and Switzerland is an important development partner of Pakistan.

In 2017-18, Swiss exports to Pakistan increased by 121% to US\$ 126 million according to the current figures. Imports also rose by 27.5% to US\$ 1084 million.

Over the past five years, trade between Pakistan and Switzerland has increased, but the rise in imports has been greater than the exports. The total trade volume between Pakistan and Switzerland in 2017-18 was over US\$ 1.20 billion with the balance of trade favoring Switzerland.

In recent years, export items have recovered their growth momentum. The exports from Pakistan to Switzerland are increased from US\$ 57 million in 2016-17 to US\$ 126 million in 2017-18, thus showing an increase of 121%. Cotton fabrics and yarn, readymade garments, towels, hosiery, agricultural products are the major items exported from Pakistan to Switzerland. The import from Switzerland to Pakistan increased from US\$850 million in 2016-17 to US\$ 1,084 million in 2017-18, thus showing an increase of 27.5%. Pak Swiss Trade for the last five years are given in **Table 1**.

Pharmaceutical products, organic chemicals, electrical, electronic equipment, plastics and textile machinery are the main items imported from Switzerland. Imports of textile machinery (major items) from Switzerland to Pakistan in rupees are given in **Table 2**.

Between Switzerland and Pakistan there are numerous bilateral agreements in fields as wide-ranging as investment protection, debt consolidation, aviation, double taxation and disaster relief. Switzerland engages in regular political dialogue with Pakistan.

Bilateral trade between Pakistan and Switzerland crossed US \$500 million in 2018. Pakistan and Switzerland enjoy close and friendly relations and Switzerland is an important development partner of Pakistan.

References

1. Pakistan Bureau of Statistics.
2. Swissmem.
3. State Bank of Pakistan-Annual Report-2017-18.
4. Trade Development Authority of Pakistan. ♦

Table 2: Switzerland's Exports Textile Machinery to Pakistan
Value : Rs Million
Quantity : Number

Machinery	2016-17		2017-18	
	Qty.	Value	Qty.	Value
Carding Machinery	96	936	62	645
Combing Machines	25	303	64	742
Drawing / Roving Machines	21	138	33	219
Blow Room Machinery	32	386	50	368
Preparation of Textile Fibres	21	31	6	37
Textile Spinning Machines	15	294	33	723
Textile Fibre Machines	15	92	45	812
Weaving Machines (Shuttles)	389	490	238	305
Muti-Head Embroidery	11	18	37	612
Circular Knitting Machiners	488	93	28	43
Auxiliary Machines	272	290	135	215

Source: Pakistan Bureau of Statistics.

