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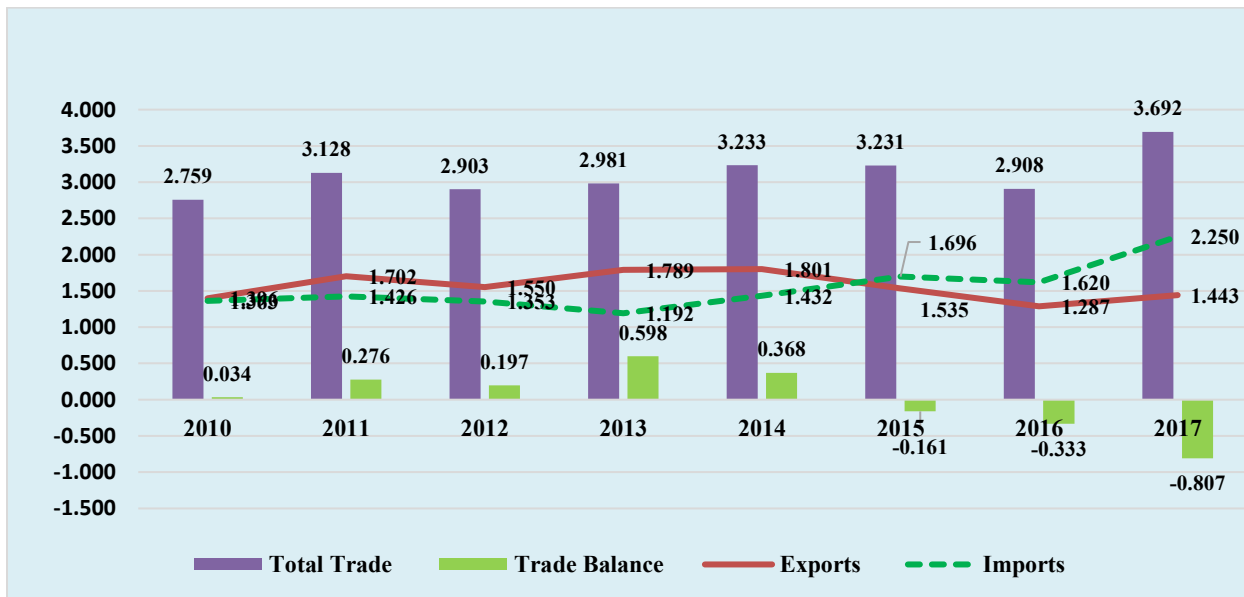
4. Pakistan-Africa Bilateral Trade

4.1. Bilateral Trade in Goods

4.1.1. Bilateral Trade Balance

Trade balance of Pakistan has been favourable during 2010-15, however, after 2015, the trade balance is becoming adverse and widening. In addition to the adverse trade balance, the volume of bilateral trade remained low. Currently, the volume of bilateral trade between Pakistan and Africa stands at US \$ 3.69 million. Exports are amounted to US \$ 1.44, Pakistan's imports from Africa remains US \$ 2.25 billion during 2017. Trade balance between Pakistan and Africa is depicted as follows.

Figure 4. 1. Pakistan's Trade Balance with Africa



Source: ITC Trade Map

As revealed above, Pakistan's exports to Africa indicate an increasing trend on the average during 2003-2017. However, increase in exports to Africa is not appreciable. Bilateral trade between Pakistan and Africa is also reflected in the following Table.

Table 4.2. Bilateral Trade Trend between Pakistan and Africa (US \$ billion)

Bilateral Trade Trend between Pakistan and Africa (USD Billion)						Pakistan's Trade with Africa as a % of Pakistan's Global Trade	
Years	Pak Exports to Africa	Pak-Imports from Africa	Trade Balance	Pak Global Imports	Pakistan's Global Exports	Export to Africa as a % of Pak Global Exports	Imports from Africa as % of Pak Global Imports
2003	0.555	0.362	0.193	13.049	11.930	5%	3%
2004	0.773	0.476	0.297	15.420	12.585	6%	3%
2005	0.917	0.820	0.097	25.097	16.050	6%	3%
2006	0.961	0.770	0.191	29.826	16.933	6%	3%
2007	0.985	1.045	-0.060	32.594	17.838	6%	3%
2008	1.372	1.582	-0.210	42.327	20.279	7%	4%
2009	1.278	0.982	0.296	31.584	17.555	7%	3%
2010	1.396	1.363	0.034	37.537	21.413	7%	4%
2011	1.702	1.426	0.276	43.578	25.344	7%	3%
2012	1.550	1.353	0.197	43.813	24.614	6%	3%
2013	1.789	1.192	0.598	43.775	25.121	7%	3%
2014	1.801	1.432	0.368	47.545	24.722	7%	3%
2015	1.535	1.696	-0.161	43.990	22.089	7%	4%
2016	1.287	1.620	-0.333	46.998	20.534	6%	3%
2017	1.44	2.25	-0.81	21.88	57.44	7%	4%

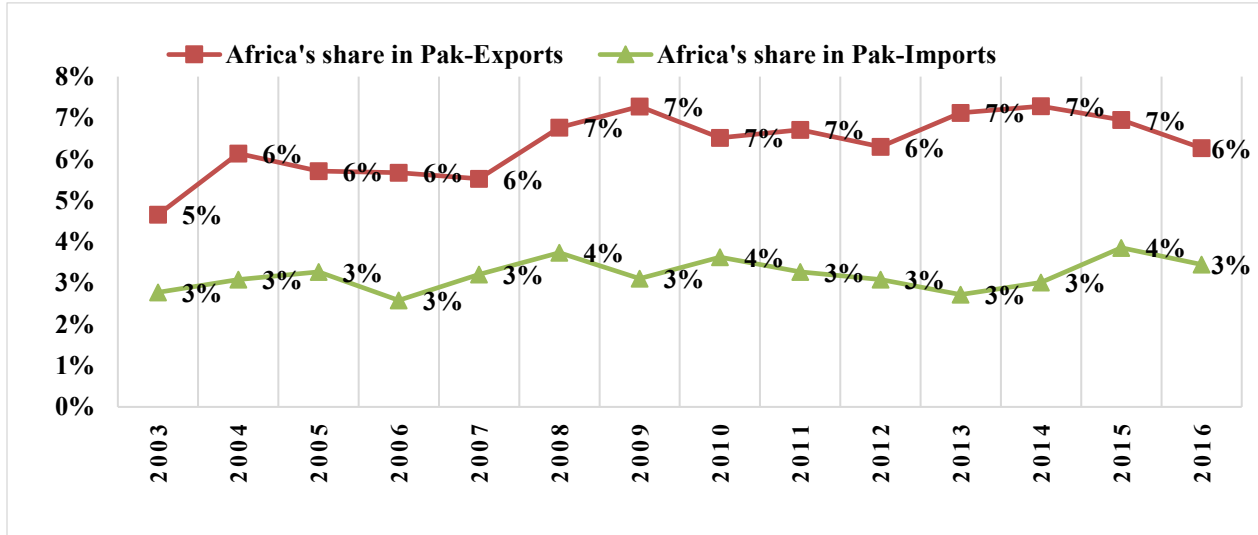
Source: ITC Trade Map

At present, Pakistan has not been able to realize its full potential despite being enjoying cordial relations with the African countries. All African countries are currently dominant by China and India due to aggressive marketing and continuous presence in this continent. The volume of exports to Africa by China and India stood at around US\$ 90 billion and US\$ 30 billion respectively. *The goods pharmaceutical products, cereals, textile, machinery and leather goods are the main exports of China and India to Africa. Pakistan has also a competitive advantage in these commodities and by exploring the African markets Pakistan can maximize the benefits of exports and minimize the risk of exports uncertainty.* At present, Pakistan is mainly exporting cereals, cotton, textile products, sugar and paper products to Africa and importing tea, coffee, crude oil, iron, steel, inorganic chemicals, cotton and textile products from African region.

Africa is rich in natural and mineral resources and is called world's storehouse of strategic raw materials. Lack of information, mutual understandings, business interactions, connectivity and people to people contact between Pakistan and African countries are the ground of the low economic relations.

Pakistan's poor diversification of exports is also evident from the low but sustained share of Pakistan's bilateral trade with Africa, as depicted by the following Figure.

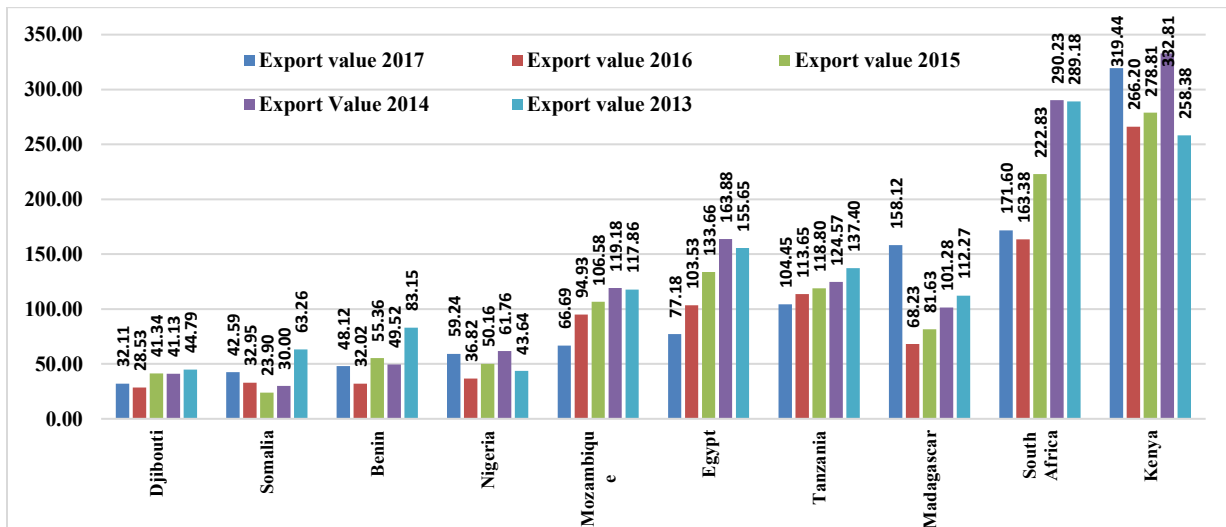
Figure 4. 2. Bilateral Trade with as Percentage of Pakistan's Global Trade



4.1.2. Pakistan's Top Exports Destinations Economies in Africa.

Pakistan's top exports destination in Africa include, Kenya, South Africa, Madagascar, Tanzania, Egypt and Nigeria etc. The detail of Pakistan's top Exports destination economies with Pakistan's exports trend in Africa is depicted as follows.

Figure 4. 3. Pakistan's Exports Trend to top Destinations in Africa (US \$ Million)



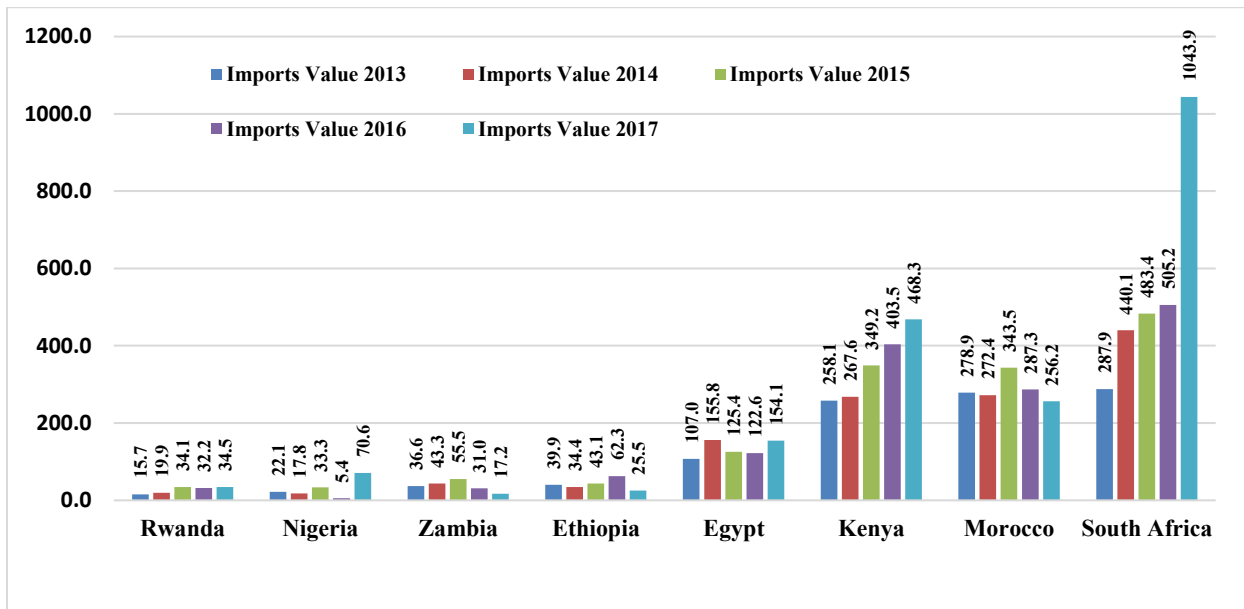
Source: ITC Trade Map

As evident, Kenya is Pakistan’s largest export destination, followed by South Africa and then Egypt. It is also indicated that Pakistan’s exports to most of its top exports destination in the African Continent is increasing over time, which indicates that Africa’s top economies are becoming attractive for Pakistani exports. Additionally, Pakistan also exhibits an increasing trend of exports to most of the exports destined economies in Africa.

4.1.3. Pakistan’s Import Origin Economies in Africa

Pakistan’s top import source economy in the Africa region is South Africa – Pakistan’s imports from South Africa amounts to US \$ 1.04 billion during 2017. The other top import source economies of Pakistan in Africa include Kenya, Morocco and the Egypt. Detail of Pakistan’s top imports source economies in the African continent are depicted in Figure 4.4 below.

Figure 4. 4. Pakistan’s Imports Trend from Top Source – African Economies (US \$ Million)



Source: ITC Trade Map

4.1.4. Pakistan's Top Exports and Imports Products and Destinations

Pakistan's top export products to Africa and their destination economies are presented in the following Table.

Table 4. 1 Pakistan's top Exports and top Destination Economies in Africa (2017)

Pakistan's Top Exports to Africa and Top Destination Economies (2017)				
HS Codes	HS Des	Exports to Africa (2017) – US \$ million	Share in Pakistan's Exports	Top 4 Exports Destination Economies
10	Cereals	690.2	39.4%	Kenya, Madagascar, Tanzania, Mozambique
52	Cotton	186.8	5.3%	Egypt, South Africa, Morocco, Kenya
56	Wadding, felt and nonwovens;	136.3	90.2%	Nigeria, Kenya, Cote D'Ivoire, Mozambique
63	Other made-up textile articles;	81.9	2.1%	South Africa, Kenya, Tanzania, Ghana
17	Sugars and sugar confectionery	37.7	7.4%	Djibouti, Somalia, Angola, Gambia
55	Man-made staple fibres	33.0	12.9%	South Africa, Cameroon, Tunisia, Benin
25	Salt; sulphur; earths	31.7	8.2%	Madagascar, Comoros, South Africa, Seychelles
22	Beverages, spirits and vinegar	30.3	7.9%	Ghana, Angola, Nigeria, Cameroon
30	Pharmaceutical products	22.3	10.8%	Kenya, Nigeria, Somalia, Egypt
90	Optical, photographic,	17.5	4.3%	South Africa, Egypt, Djibouti, Algeria
87	Vehicles other than railway...	15.0	35.4%	Nigeria, Botswana, Tanzania, Mozambique
61	Articles of apparel and clothing	13.3	0.50%	South Africa, Algeria, Nigeria, Morocco
39	Plastics and articles thereof	11.4	4.2%	Tanzania, Kenya, Somalia, Egypt
41	Raw hides and skins	11.2	3.3%	South Africa, Mauritius, Tunisia, Ethiopia
48	Paper and paperboard;	11.1	10.9%	South Africa, Egypt, Tanzania, Nigeria
84	Machinery, mechanical--	10.7	5.4%	Tanzania, South Africa, Nigeria, Djibouti
42	Articles of leather	9.6	1.5%	South Africa, Egypt, Morocco, Algeria
38	Miscellaneous chemical products	8.8	37.0%	Kenya, Mozambique, Djibouti, South Africa
95	Toys, games and sports	8.4	4.1%	South Africa, Nigeria, Algeria, Egypt,
62	Articles of apparel - clothing	8.3	0.3%	South Africa, Algeria, Kenya, Nigeria

Source: ITC Trade Map

Pakistan's top imports products and their source economies are depicted in the Table.

Table 4. 2. Pakistan’s top imports from Africa and Origins (2017)

Pakistan’s Top Imports from Africa and Origins (2017)				
HS Codes	HS Description	Imports from Africa (2017) – US \$ million	Share in Pakistan’s Imports	Top Imports Source Economies
27	Mineral fuels, mineral oils	855.19	6%	South Africa, Nigeria, Kenya, Egypt
09	Coffee, tea, maté and spices	501.70	71%	Kenya, Rwanda Brandi, Tanzania
28	Inorganic chemicals.	224.80	48%	Morocco, Kenya, Tunisia, South Africa
72	Iron and steel	161.48	5%	South Africa, Libya, Namibia, Togo
52	Cotton	148.19	15%	South Africa, Cote d'Ivoire, Togo, Egypt
96	Miscellaneous manufactured	60.11	22%	Egypt, Macassar, South Africa, Swaziland
07	Edible vegetables	50.71	5%	Ethiopia, Kenya, Tanzania, Uganda
25	Salt; sulphur; earths and stone;	41.74	30%	Morocco, Egypt, South Africa, Tanzania
89	Ships, boats etc.	40.77	7%	Egypt, South Africa, Somalia, Mauritius
12	Oil seeds and oleaginous fruits;	24.15	2%	Egypt, Benin, South Africa, Mozambique
74	Copper and articles thereof	17.59	9%	Zambia, Libya, Morocco
76	Aluminium and articles thereof	13.01	3%	South Africa, Libya, Nigeria, Egypt
85	Electrical machinery/equipment	10.88	0.2%	Egypt, South Africa, Libya, Swaziland
29	Organic chemicals	10.56	0.4%	South Africa, Mauritius, Senegal
21	Miscellaneous edible preparations	7.52	9%	Egypt South Africa, Swaziland
32	Tanning or dyeing extracts	7.19	1%	South Africa, Zimbabwe, Swaziland, Egypt
41	Raw hides and skins	6.82	12%	Somalia, Kenya, South Africa, Tanzania
44	Wood and articles of wood;	6.39	3%	Gabon, Cameroon, Congo, Ghana
81	Other base metals;	2.07	18%	Madagascar, Morocco
26	Ores, slag and ash	0.49	11%	Morocco, South Africa, Mauritius

Source: ITC Trade Map

4.2. Bilateral Trade in Services

4.2.1. Pakistan’s Services Exports to Africa by Types

Pakistan also has services trade relations with various economies of the Africa region. Pakistan’s largest services exports to Africa is Government goods and services n.i.e. – contributing 66 % to total services exports to Africa, followed by ‘other business services’, which contributes 15 % to

total services exports to Africa. Pakistan’s other services exports to Africa, include ‘transportation’ – which contributes 14 % to total services exports, telecommunication, computer and information services, which contribute 5 % to total services exports to Africa and travel services – which contribute 1 % to total services exports to Africa. Pakistan’s services exports to Africa by types are depicted below.

Table 4. 3. Pakistan’s Exports of Services to Africa (by Types)

Trend in Services Exports to Africa (2016-17)-US \$ Million Source: SBP				
Service Types	Export of Services (2015-16)	Export of Services (2016-17)	Change in US \$ Million	% Share (2017)
Government Services	43.13	43.87	0.74	65.5%
Other Business Services	10.52	9.71	-0.81	14.5%
Transport	9.28	9.08	-0.20	13.6%
Telecommunications, Computer,	4.59	3.37	-1.23	5.0%
Travel Services	0.93	0.51	-0.42	0.8%
Personal, Cultural Recreational	0.06	0.18	0.12	0.3%
Insurance and Pension Services	0.02	0.13	0.11	0.2%
Financial Services	0.02	0.06	0.04	0.1%
Maintenance and Repair	0.04	0.04	0.00	0.1%
Charges for Intellectual Property	1.21	0.01	-1.20	0.0%
Construction	0.06	0.00	-0.05	0.0%
Total	69.85	66.95	-2.90	100%

Source: SBP

4.2.2. Pakistan’s Services Exports to Africa by Destination

Pakistan’s largest destination of services exports in Africa is Swaziland. Its share in Pakistan’s services exports to Africa is 26 % (US \$ 17.3 million). Around 97 % of services exports are made-up of government good and services. Other services exports to Swaziland include ‘other business services’ (US \$ 0.41 million). Libya is the second largest services exports destination of Pakistan. Pakistan’s services exports to Libya stands at US \$ 11.24 million (16.8% of total services exports to Africa). Like Swaziland, more than 97 % of services exports to Libya are made-up of ‘government goods and services’ (11 million US \$). Mauritius is Pakistan’s third largest services exports destination – contributing 16.2 % to total Pakistan’s services exports to Africa (US \$ 10.86 million). Pakistan’s largest services exports sector to Mauritius is transportation – contributing 52

% to total services exports to Mauritius (US \$ 5.6 million). Pakistan's second top services exports sector to Mauritius is business services, which contribute 30 % to total services exports to Mauritius (2016-17). Detail of Pakistan's services exports destination is given as follows.

Table 4. 4 Destination and Trend of Pakistan's Services Exports to Africa

Pakistan's Services Export Destination to Africa and Trend (2016-17)				
Destinations	Export of Services (2015-2016)	Export of Services (2016-17)	Change (US \$ Million)	Share in total Services Exports
Swaziland	15.536	17.308	1.772	25.9%
Libya	13.008	11.241	-1.767	16.8%
Mauritius	8.948	10.860	1.912	16.2%
Egypt	7.204	7.204	0.000	10.8%
South Africa	6.144	6.935	0.791	10.4%
Kenya	5.428	4.588	-0.840	6.9%
Nigeria	2.780	2.307	-0.473	3.4%
Algeria	1.066	1.510	0.444	2.3%
Morocco	0.295	0.794	0.499	1.2%
Liberia	0.122	0.538	0.416	0.8%
Tunisia	0.144	0.516	0.372	0.8%
Senegal	2.993	0.465	-2.528	0.7%
Angola	0.177	0.460	0.283	0.7%
Ghana	0.313	0.432	0.119	0.6%
Tanzania	0.386	0.275	-0.111	0.4%
Uganda	0.262	0.256	-0.006	0.4%
Seychelles	0.119	0.232	0.113	0.3%
Zimbabwe	0.271	0.198	-0.073	0.3%
Sudan	2.850	0.166	-2.684	0.2%
Botswana	0.221	0.137	-0.084	0.2%
Sao Tome	0.000	0.125	0.125	0.2%
Benin	0.000	0.101	0.101	0.2%
Namibia	0.212	0.100	-0.112	0.1%

Source: SBP

Pakistan's other top services exports destination economies in Africa include Egypt (10.8 % share in Pakistan's total services exports to Africa), South Africa (10.4 %), Kenya (6.9 %) and Nigeria (3.4 %).

Pakistan's top services exports destination is also given by the following chart.

Figure 4. 5. Pakistan's Exports of Services by Destination

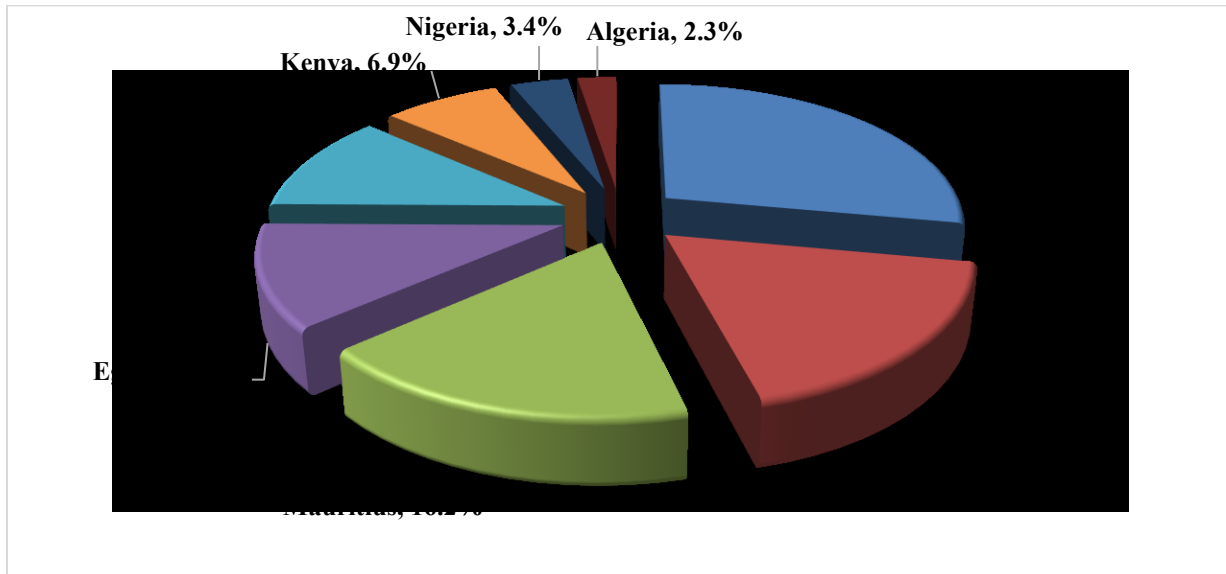
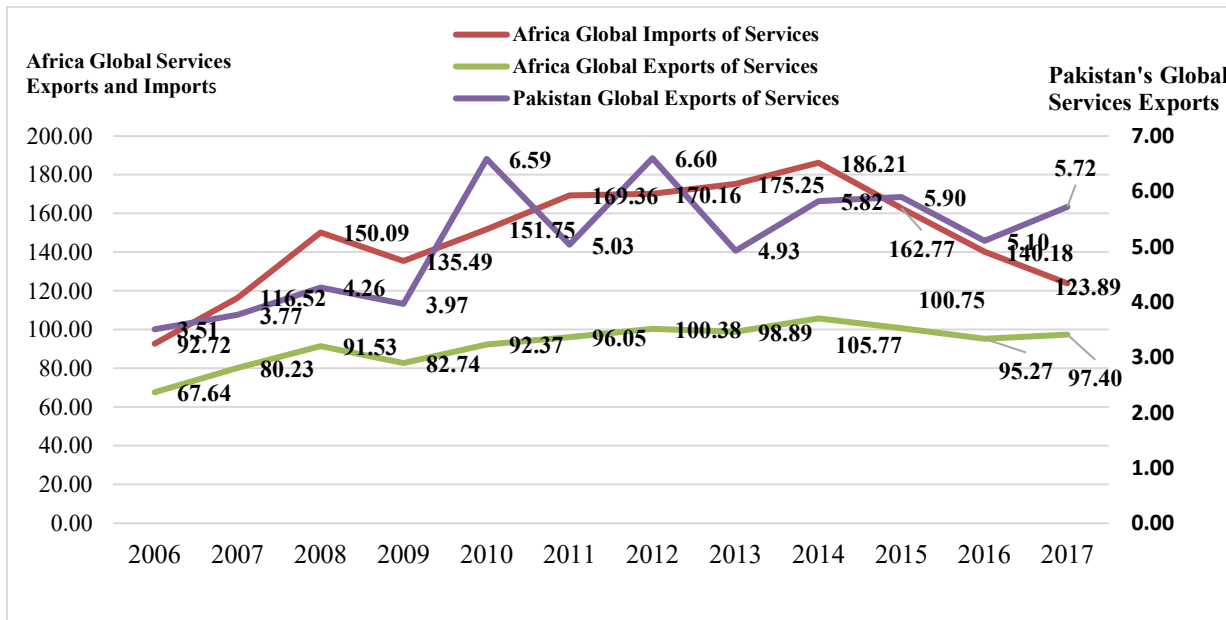


Figure 4. 6. Trend in services exports of Pakistan versus Africa (US \$ Billion)



Source: ITC Trade Map

4.2.3. Services Export Potential to Africa

Like potential of trade in goods, Pakistan also has high potential in services exports to Africa. Top services exports potential to Africa is the government services exports – *government embassy and consulate, government military units and agencies and other goods and services*. The next largest

services export sector with potential exports to Africa is ‘other business services’ consisted of research and development (R&D), professional and management consulting services and technical and trade related and other services. Pakistan’s services export potentials to Africa is depicted as follows.

Table 4. 5. Potential Services Exports to Africa (2017) – US \$ Million

Services Exports Potentials to Africa =				
	Source: ITC Trade Map		Source: SBP	
Services Sectors	Pak Export of Services (2017)	Africa Global Imports of Services (2017)	Pakistan Exports to Africa (2016-17)	Indicative Exports Potential
Government goods and services n.i.e.	1818.50	4488.87	43.87	1774.63
Other business services	1240.24	15696.53	9.71	1230.53
Telecommunications, computer, and information services	1002.57	2729.09	3.37	999.20
Transport	975.55	30494.60	9.08	966.47
Travel	353.08	16698.10	0.51	352.57
Financial services	162.86	1430.96	0.06	162.80
Construction	67.23	1573.86	0.00	67.23
Insurance and pension services	66.33	3500.65	0.13	66.20
Personal, cultural, and recreational services	16.81	328.45	0.18	16.63
Charges for the use of intellectual property n.i.e.	8.55	2808.36	0.01	8.55
Maintenance and repair services n.i.e.	7.11	218.56	0.04	7.07

Source: SBP

Note 1: Data on Pakistan’s services exports to Africa is taken from State Bank of Pakistan as Trade Map data on Pakistan’s services exports to Africa is not available only up to, while rest of services trade data (Pakistan’s global exports of services data and Africa’s global services imports data) is based on the ITC Trade Map data. The reason is that Trade Map data on Pakistan’s services exports to Africa is available only up to 2013-14, for the period onward, it is not available.

Note 2: Potential exports are obtained by subtracting Pakistan’s current exports to Africa from minimum of Pakistan’s global services exports and Africa region global services imports