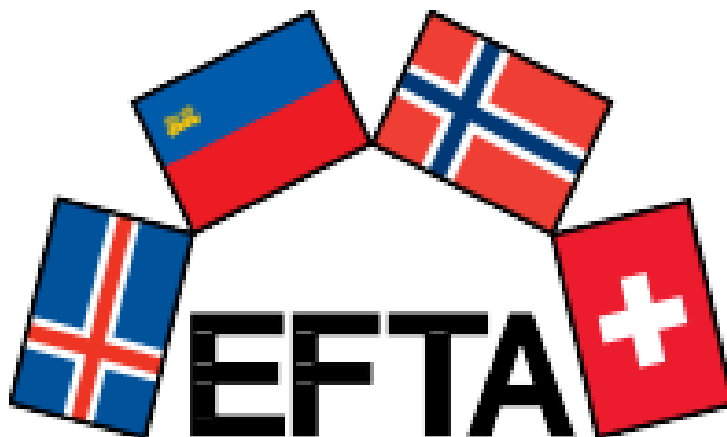


Market Analysis for Trade with EFTA Countries



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1. Norway

In 2015 Norway was the third largest natural gas exporter in the world, supplying about 20 per cent of total European gas consumption. The market value of the GPFG rose to US\$1 trillion (approximately A\$1.25 trillion) in 2017 making it the largest sovereign wealth fund in the world. It holds 1.4 per cent of global equities, around 2.4 of those listed in Europe, and 0.8 per cent of global bonds. Norway's real GDP growth was 1 per cent in 2016 and is forecast to rise to 1.2 per cent in 2017.

KEY ECONOMIC INDICATORS	2012	2013	2014	2015	2016
GDP (US\$ Bn):	509.7	522.7	500.5	388.3	376.3
GDP per capita (US \$)	101,169.4	102,573.7	97,066.6	74,598.0	71,497.3
Real GDP growth	2.7	2.7	2.2	1.6	0.8
Goods & services exports	41.3	40.6	39.1	38.8	37.3
Inflation(% change YOY)	0.7	2.1	2.0	2.2	3.2
Unemployment rate (%)	3.2	3.5	3.5	4.4	4.7
Total Exports (US\$ billion)	160.9	155.3	144.6	104.8	89.1
Total Imports (US\$ billion)	87.3	89.8	89.4	77.1	72.4

Source: World Bank, IMF, The World Fact Book, International Trade Centre (ITC), DFAT, CEIC, TI

Trade Between Pakistan & Norway (Million US\$)					
YEAR	EXPORT	IMPORT	BALANCE OF TRADE	% SHARE IN TOTAL EXP.	% SHARE IN TOTAL IMPORTS
2012	73.9	17.5	56.4	0.3	0.04
2013	86.7	15.2	71.5	0.3	0.03
2014	93.9	16.8	77.1	0.4	0.04
2015	78.2	11.5	66.7	0.4	0.03
2016	81.6	10.7	70.9	0.4	0.02

Source: World Bank, IMF, The World Fact Book, International Trade Centre (ITC), DFAT, CEIC, TI

MAJOR ITEMS OF EXPORTS FROM PAKISTAN TO NORWAY						MAJOR ITEMS OF IMPORTS FROM NORWAY TO PAKISTAN					
Millions US\$											
Specific Commodity Description	2012	2013	2014	2015	2016	Specific Commodity Description	2012	2013	2014	2015	2016
Other made-up textile articles; sets; worn clothing and worn textile articles; rags	26.7	24.3	29.0	24.2	24.1	Commodities not elsewhere specified	6.9	6.7	7.4	4.5	4.6
Articles of apparel and clothing accessories, not knitted or crocheted	17.8	22.3	28.0	22.2	22.9	Machinery, mechanical appliances, boilers; parts thereof	0.6	0.8	0.7	1.1	1.5
Articles of apparel and clothing accessories, knitted or crocheted	7.8	10.3	11.6	12.0	14.9	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	0.5	0.8	1.3	0.7	0.9
Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles ...	7.8	10.4	9.5	6.9	7.3	Aluminum and articles thereof	1.7	0.8	0.6	1.4	0.8
Toys, games and sports requisites; parts and accessories thereof	3.7	3.8	4.1	3.9	4.1	Salt; sulphur; earths and stone; plastering materials, lime and cement	0.0	0.0	0.4	0.6	0.7
% of Total Exports	86	82	87	88	90	% of Total Imports	56	60	62	73	79

Source: World Bank, IMF, The World Fact Book, International Trade Centre (ITC), DFAT, CEIC, TI

2. Switzerland

Although not a member of the European Union (EU), Switzerland is deeply integrated with the EU bloc. Its large Eurozone neighbors (France, Germany, Austria and Italy) absorb approximately 35 per cent of all Swiss exports. Switzerland has concluded more than 100 sector-specific bilateral agreements with the EU. It acceded to the European Free Trade Association in 1960 and signed a Free Trade Agreement (FTA) with the European Economic Community in 1972. Switzerland became a member of the Schengen area in December 2008.

KEY ECONOMIC INDICATORS	2012	2013	2014	2015	2016
GDP (US\$ Bn):	664.9	685.1	702.7	670.7	659.9
GDP per capita (US\$)	83,582.9	85,222.5	86,331.2	81,410.0	79,242.3
Real GDP growth (% change YOY)	1.1	1.8	2.0	0.8	1.3
Goods and Services exports (%GDP)	65.8	67.3	72.3	64.9	62.9
Inflation(% change YOY)	-0.7	-0.2	0.0	-1.1	-0.4
Total Exports (US\$ Bn)	312.2	357.9	311.1	291.9	304.6
Total Imports (US\$ Bn)	295.0	321.0	275.0	253.1	269.1
Unemployment %	2.9	3.2	3.0	3.2	3.3

Source: World Bank, IMF, The World Fact Book, International Trade Centre (ITC), DFAT, CEIC, TI

TRADE BETWEEN PAKISTAN & SWITZERLAND (Million US\$)					
YEAR	EXPORTS	IMPORTS	BALANCE OF TRADE	% SHARE IN TOTAL EXP.	% SHARE IN TOTAL IMPORTS
2012	14.5	248.3	-233.8	0.1	0.6
2013	12.9	259.1	-246.2	0.1	0.6
2014	13.7	319.7	-306.0	0.1	0.7
2015	15.1	269.7	-254.6	0.1	0.6
2016	20.6	250.5	-230.0	0.1	0.5

Source: World Bank, IMF, The World Fact Book, International Trade Centre (ITC), DFAT, CEIC, TI

MAJOR ITEMS OF EXPORTS FROM PAKISTAN TO SWITZERLAND						MAJOR ITEMS OF IMPORTS IN PAKISTAN FROM SWITZERLAND					
Millions US\$											
Specific Commodity Description	2012	2013	2014	2015	2016	Specific Commodity Description	2012	2013	2014	2015	2016
Machinery, mechanical appliances, parts thereof	0.1	0.2	0.4	0.7	7.8	Pharmaceutical products	86.0	93.7	106.2	70.4	74.9
Articles of apparel and clothing accessories, knitted or crocheted	1.7	2.4	2.6	2.0	2.4	Machinery, mechanical appliances, boilers; parts thereof	59.0	73.8	105.6	75.1	64.1
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	1.3	1.5	2.1	2.3	2.2	Organic chemicals	24.7	18.5	26.9	21.6	20.4
Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles ...	2.3	2.4	2.2	2.5	1.8	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	13.7	15.8	16.4	21.3	17.6
Articles of apparel and clothing accessories, not knitted or crocheted	1.6	1.9	1.7	1.8	1.7	Clocks and watches and parts thereof	8.0	11.9	10.6	18.2	15.9
% of Total Exports	48	66	65	62	77	% of Total Imports	77	82	83	77	77

Source: World Bank, IMF, The World Fact Book, International Trade Centre (ITC), DFAT, CEIC, TI

3. Iceland

The Icelandic economy shrank 6.6 per cent in 2009 and 4.1 per cent in 2010. Since this time, Iceland's economy has made a steady recovery. In November 2014, the OECD reported that economic growth had strengthened and GDP was approaching its pre-crisis peak level with 2.9 per cent GDP in 2014. Lower inflation, exchange rate stability, declining unemployment and improved fiscal accounts are all signs of macroeconomic normalization.

A surge in tourism is contributing to Iceland's economic recovery. Over 80 per cent of Iceland's energy is renewable and 100 per cent of household electricity and heating is produced from domestic renewable (hydro and geothermal) energy resources.

KEY ECONOMIC INDICATORS	2012	2013	2014	2015	2016	2017
GDP (US\$b) (current prices)	14.2	15.5	17.2	16.8	20.0	23.0
GDP per capita (US\$)	44,176.7	47,530.4	52,199.8	50,472.9	59,629.0	67,570.1
GDP PPP (Int'l \$b)	13.1	13.9	14.5	15.2	16.5	17.8
GDP per capita PPP (Int'l \$)	40,802.6	42,783.6	43,925.5	45,740.2	49,135.6	52,496.3
Real GDP growth (% change yoy)	1.2	4.4	1.9	4.1	7.2	5.7
Current account balance (US\$b)	-0.6	0.9	0.7	0.9	1.6	1.6
Current account balance (% GDP)	-4.0	6.0	4.0	5.5	8.0	6.9
Inflation (% change yoy)	5.2	3.9	2.0	1.6	1.7	2.2
Unemployment (% labour force)	6.0	5.4	5.0	4.0	3.0	3.0

Source: World Bank, IMF, The World Fact Book, International Trade Centre (ITC), DFAT, CEIC, TI

TRADE BETWEEN PAKISTAN & ICELAND (MILLION US\$)					
YEAR	EXPORTS	IMPORTS	BALANCE OF TRADE	% SHARE IN TOTAL EXP.	% SHARE IN TOTAL IMPORTS
2012	0.3	0.5	-0.2	0.001	0.001
2013	0.2	0.4	-0.3	0.001	0.001
2014	0.2	0.7	-0.5	0.001	0.001
2015	0.2	1.3	-1.1	0.001	0.003
2016	0.2	0.8	-0.6	0.001	0.002

Source: World Bank, IMF, The World Fact Book, International Trade Centre (ITC), DFAT, CEIC, TI

MAJOR ITEMS OF EXPORTS FROM PAKISTAN TO ICELAND						MAJOR ITEMS OF IMPORTS IN PAKISTAN FROM ICELAND					
Millions US\$											
Specific Commodity Description	2012	2013	2014	2015	2016	Specific Commodity Description	2012	2013	2014	2015	2016
Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles ...	0.04	0.06	0.04	0.07	0.08	Cotton	0	0	0.30	0.00	0.20
Articles of apparel and clothing accessories, knitted or crocheted	0.06	0.05	0.02	0.00	0.02	Iron and steel	0.12	0.04	0.00	0.28	0.11
Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	0.00	0.02	0.01	0.01	0.01	Machinery, mechanical appliances, boilers; parts thereof	0.01	0.05	0.11	0.76	0.08
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	0.01	0.01	0.00	0.00	0.01	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	0.00	0.08	0.00	0.00	0.06
Toys, games and sports requisites; parts and accessories thereof	0.01	0.01	0.02	0.01	0.01	Miscellaneous articles of base metal	0	0	0.00	0.00	0.05

Source: World Bank, IMF, The World Fact Book, International Trade Centre (ITC), DFAT, CEIC, TI

4. Liechtenstein

Liechtenstein is a member of the [United Nations](#), [European Free Trade Association](#), and the [Council of Europe](#), and while not being a member of the European Union, the country participates in both the [Schengen Area](#) and [European Economic Area](#). It also has a [customs union](#) and a [monetary union](#) with Switzerland.

The Liechtenstein economy is widely diversified with a large number of small businesses. Low business taxes - a flat tax of 12.5% on the income is applied - and easy incorporation rules have induced many holding companies to establish nominal offices in Liechtenstein, providing 30% of state revenues.

The country participates in a customs union with Switzerland and uses the Swiss franc as its national currency. It imports more than 90% of its energy requirements. Liechtenstein has been a member of the European Economic Area (an organization serving as a bridge between the European Free Trade Association and the EU) and is working to harmonize its economic policies with those of an integrated Europe.

5. COMMENTS

Economic and Trade Relations:				
Sr.No.	Country	GDP US \$ Billion	Market Size US \$ Billion	Pakistan Export US \$ Million
	1	2	3	4
1	Norway	376.3	72.4	81.6
2	Switzerland	659.9	269.1	20.6
3	Iceland	16.52	5.024	0.155
4	Liechtenstein	4.978	1.989	-

Source: World Bank, IMF, The World Fact Book, International Trade Centre (ITC), DFAT, CEIC, TI

5.1. Pakistan share in EFTA market is 0.03 percent of total market size of US \$349 billion. Whereas Pakistan exports to Switzerland share 0.007 percent of market size, Norway 0.1 percent, Iceland 0.003 percent respectively. Together Switzerland and Norway share US \$ 102 million of total Pakistan's export to EFTA US \$ 102.355 million.

5.2. It is notable that Pakistan has embassy in Norway and Switzerland. Pakistan mission in Oslo is accredited ambassador to Iceland and Liechtenstein.

5.3. Presence of foreign mission is instrumental to enhance economic and trade relations as noticed in the case of Norway and Switzerland.

5.4. Norway, Iceland and Liechtenstein are also part of the European Economic Area. This makes them part of the EU's single market, although they also accept EU laws.

5.5. The four EFTA States are competitive in several sectors vital to the global economy. Switzerland is a world leader in pharmaceuticals, biotechnology, machinery, banking and insurance. Liechtenstein, like Switzerland, is highly industrialized and specialized in capital-intensive and R&D driven technology products. The Icelandic economy benefits from renewable natural resources, not least rich fishing grounds, and has increasingly diversified into other industries and services including tourism. Abundant natural resources also contribute significantly to Norway's economic strength, including petroleum exploration and production, as well as export of fish products, and important service sectors such as maritime transport energy-related services and telecommunication.

5.6. The EFTA States have developed one of the largest networks of FTAs, which today spans over 60 countries and territories, including the EU. Combining the EEA Agreement and FTAs with non-EU countries, around 80% of EFTA's total merchandise trade is conducted under preferential arrangements. In Asia Pacific the EFTA has free trade agreement (FTA) with Hong Kong China, Republic of Korea, Philippines and Singapore while negotiating FTA with India, Indonesia, Malaysia, Thailand and Vietnam.