



## **Economic and Trade Relations between Pakistan and Saudi Arabia**



**The Federation of Pakistan  
Chambers of Commerce and Industry (FPCCI)**

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## **General Information about Saudi Arabia**

<b>Official Name</b>	Kingdom of Saudi Arabia
<b>Member Trade Bloc</b>	OIC, GCC, OPEC, Arab League, G-20, WTO
<b>Location</b>	Middle East, bordering the Persian Gulf and the Red Sea, north of Yemen
<b>Borders</b>	United Arab Emirates, Iraq, Jordan, Kuwait, Oman, Qatar and Yemen by land and Egypt, Eritrea, Sudan, Bahrain and Iran by sea
<b>Capital</b>	Riyadh
<b>Land Area</b>	2,149,690 sq km
<b>Official Language</b>	Arabic
<b>Official Currency</b>	Saudi Riyal
<b>Exchange Rate</b>	1SAR=Rs. 37.70
<b>Natural Resources</b>	Petroleum, natural gas, iron ore, gold, copper
<b>Climate</b>	harsh, dry desert with great temperature extremes
<b>Religion</b>	Islam
<b>Population</b>	32.4 million (2017)
<b>Port &amp; Harbors</b>	Jubail, King Fahad, Qadimah, Ras-al-Ghar, Ras-al-Mishab, Ras Tanura, Dhiba, Sharmah, Yanbu, Rabigh, Jeddah, Dammam, Ras-al-Khafgi, Jizran, Zuluf

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## Executive Summary

The Kingdom of Saudi Arabia is the 19<sup>th</sup> largest economy with a market of 32.4 million people with per capita income US\$ 23,287. Globally, Saudi Arabia is a member of GCC, Arab League, OIC, G20, UN, WTO and OPEC. Saudi Arabia possesses largest oil reserves and therefore, it is the major exporting country of crude oil. The petroleum sector accounts for roughly 87 percent of budget revenues, 42 percent of GDP and 90 percent of export earnings. Saudi Arabia is an important country for Pakistan; both countries are enjoying geographical proximity, historic trade ties and religious affinity. Bilateral trade between Pakistan and Saudi Arabia stood at US\$ 3.5 billion and is in favor of Saudi Arabia. Pakistan mainly imports petroleum products, plastic goods, organic chemical and fertilizer from Saudi Arabia and exports cereals, meat, textile, beverages, edible fruit and vegetable to Saudi Arabia.

In order to highlight the potential of trade and investment, the Research and Policy Division of FPCCI has decided to bring out report on Economic and Trade Relations between Pakistan and Saudi Arabia. The report indicates that there are huge potential available of enhancement of bilateral trade and investment relations. Moreover, the enhancement of bilateral relation with Saudi Arabia is also the priority for the present Government. It reflects from the visit of Prime Minister of Pakistan to Saudi Arabia and Saudi Prince's visit to Pakistan and signing of various MoUs for enhancement of relations in trade, energy, commerce, investment and other fields.

There is a huge potential available for enlarging Pakistan's exports to Saudi Arabia in textile, pharmaceutical, rice, sea food, meat, edible fruits and vegetable, dairy products, leather goods and information technology. The report also identified trade barriers that create hindrance in exports to Saudi Arabia related to compliance of standards, lack of information, lack of commercial activities etc between both nations. There is a need to negotiate trade impediments related to compliance, standardization, sanitary and phytosanitary standards (SPS), technical requirements, conformity assessment and rules of certificates of origins for enhancement of Pakistan's exports to Saudi Arabia. Pakistan and Saudi Arabia should formulate a strategy for mutual recognition of standards for exports of surgical instrument, food items and pharmaceutical goods as there is a huge demand of these products in Saudi Arabia. The report suggested activation of Joint Business Council and holding of business people to people contact, formulation of trade delegations and participation in trade fairs. Moreover, the Trade Mission of both nations should also play their due role in enhancement of bilateral trade. The report also suggests signing of an agreement with Saudi Arabia related to exchange of skilled workers and promotion of tourism.

# Kingdom of Saudi Arabia

## 1 Background

The Kingdom of Saudi Arabia is the 19<sup>th</sup> largest country of the world and is bordered by Jordan and Iraq on the north and northeast, Kuwait, Qatar, Bahrain and the United Arab Emirates on the east, Oman on the southeast, and Yemen on the south. Saudi Arabia is a market of 32.4 million people with nominal GDP of US\$ 770 billion and per capita income of US\$ 23,186. Internationally, Saudi Arabia is a member of the Gulf Cooperation Council (GCC), Arab League, the Organization of Islamic Cooperation (OIC), the G20, the United Nations, World Trade Organization (WTO) and the Organization of Petroleum Exporting Countries (OPEC). Globally, Saudi Arabia possesses largest oil reserves and is largest producer and exporter of crude oil. The petroleum sector accounts for roughly 87 percent of budget revenues, 42 percent of GDP and 90 percent of export earnings.

Due to international economic crisis and declining of oil prices in international market, the government of Saudi Arabia started diversification of its economic activities toward power generation, telecommunication, health and education services, petrochemical resources, natural gas exploration, tourism etc and formulated Vision 2030. The Saudi Government initiated structural reform measures in 1990s to encourage privatization, liberalization of foreign trade and introduces several reforms for investment regimes. The main features of the Vision 2030 includes diversification of economy, boosting private industry, promotion of investment, reduction in unemployment, increase in innovation and modernization of country towards economic and social well-being. In the backdrop of the vision, the government has initiated to liberalize their policies and modern education, and allowed women to participate in economic activities and started entertainment activities.

**Table 1: Economic Outlook of Saudi Arabia**

Key Economic Indicators	2013	2014	2015	2016	2017	2018
GDP (US\$ billions)	746.6	756.4	654.3	644.9	683.8	769.9
GDP per capita (US\$)	24,893.0	24,580.5	21,094.6	20,317.7	21,120.5	23,186.7
Real GDP growth (% change YOY)	2.7	3.7	4.1	1.7	-0.9	2.3
Goods & services exports (% of GDP)	50.27	45.20	30.78	32.18	32.17	34.71
Inflation(% change YOY)	3.5	2.2	1.3	2.0	-0.9	2.6
Unemployment rate (%)	5.6	5.7	5.6	5.9	5.7	6.0
Total Exports (US\$ billions)	375.3	341.9	201.4	207.5	220.0	267.3
Total Imports (US\$ billions)	162.2	168.2	163.8	129.7	126.0	101.7

The key industries of Saudi Arabia include crude oil, petroleum refining, basic petrochemicals, ammonia, industrial gases, sodium Hydroxide (caustic soda), cement, fertilizer, plastics, metals, commercial ship repair, commercial aircraft repair and construction.

## 2 Trade Overview of Saudi Arabia

Saudi Arabia is the 25th largest export economy and 21st largest in imports economy of world and their export stood at US\$ 267 billion and imports stood at US\$ 101.7 billion. The exports of Saudi Arabia consist of crude oil, refined Petroleum and Petroleum Products while imports includes Machinery, vehicles, pharmaceutical, gold, gems, metal, minerals, Foodstuffs, Chemicals, Motor Vehicles and Textiles.

**Table 2: Major Export Items of Saudi Arabia (\$US Billion)**

HS Code	Product label	2014	2015	2016	2017	2018
'27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	284.72	152.93	134.99	170.25	215.52
'39	Plastics and articles thereof	18.88	15.19	14.43	16.99	22.04
'29	Organic chemicals	13.90	10.23	7.61	9.76	16.36
'31	Fertilisers	1.12	1.07	0.88	0.92	2.38
'76	Aluminium and articles thereof	2.03	2.02	1.90	2.14	2.07
'71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad	0.81	0.60	1.02	0.93	1.05
'72	Iron and steel	0.42	0.39	0.34	0.55	0.99
'74	Copper and articles thereof	0.57	0.46	0.41	0.57	0.78
'25	Salt; sulphur; earths and stone; plastering materials, lime and cement	0.13	0.15	0.13	0.14	0.66
'28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals,	2.43	1.50	0.85	0.71	0.66
'26	Ores, slag and ash	0.13	0.17	0.15	0.22	0.49
'99	Commodities not elsewhere specified	0.04	0.04	0.24	0.16	0.47
'40	Rubber and articles thereof	0.05	0.06	0.07	0.21	0.40
'38	Miscellaneous chemical products	0.57	0.51	0.50	0.50	0.37
'84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	1.60	1.72	1.56	1.63	0.34
'73	Articles of iron or steel	0.85	0.78	0.77	0.73	0.21
'48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	0.80	0.73	0.64	0.60	0.21

Overall, not only the export of Saudi Arabia has declined, the share of petroleum products in total exports has declined to 80 percent compared to 85 percent in 2013. Alike the exports, the imports of Saudi Arabia has declined to US\$ 101 billion compared to US\$ 162.2 billion in 2013.

**Table 3: Major Import Items of Saudi Arabia (\$US Billion)**

HS Code	Product label	2014	2015	2016	2017	2018
'84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	26.30	26.52	17.78	16.48	11.96
'87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	23.20	24.97	17.72	12.90	11.34
'85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	18.86	19.36	14.33	14.22	9.15
'10	Cereals	5.47	3.89	2.07	2.59	4.34
'30	Pharmaceutical products	5.30	5.57	4.82	5.19	4.33
'88	Aircraft, spacecraft, and parts thereof	1.73	3.29	2.79	2.38	4.04
'27	Mineral fuels, mineral oils and products of their distillation; bituminous substances	2.56	1.21	0.75	2.74	3.50
'90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical	4.06	3.60	2.87	2.90	3.30
'73	Articles of iron or steel	8.10	5.73	4.21	4.10	2.58
'94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	2.67	2.69	2.11	2.09	2.49
'39	Plastics and articles thereof	3.41	3.48	2.96	2.90	2.48
'72	Iron and steel	5.63	4.69	3.20	2.58	2.16
'93	Arms and ammunition; parts and accessories	-	-	-	-	2.08
'29	Organic chemicals	2.47	1.79	1.48	1.92	1.66
'02	Meat and edible meat offal	2.55	2.80	2.14	1.90	1.61
'38	Miscellaneous chemical products	2.34	2.23	1.74	1.74	1.54
'62	Articles of apparel and clothing accessories, not knitted or crocheted	2.22	2.50	2.10	1.75	1.49
'61	Articles of apparel and clothing accessories, knitted or crocheted	1.03	1.10	1.33	1.45	1.47
'40	Rubber and articles thereof	2.32	2.22	1.79	1.54	1.35
'48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	1.78	1.83	1.58	1.52	1.30
'33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	1.82	1.95	1.80	1.69	1.17
'08	Edible fruit and nuts; peel of citrus fruit	1.26	1.44	1.48	1.51	1.16
'19	Preparations of cereals, flour, starch or milk; pastrycooks' products	1.36	1.51	1.49	1.34	1.15
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin	2.50	2.07	1.85	1.86	1.14
'71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad	5.12	5.75	2.95	3.47	1.07



'69	Ceramic products	0.98	1.05	0.87	0.89	1.02
'44	Wood and articles of wood; wood charcoal	1.50	1.61	1.13	1.04	0.97

Being the member of Gulf Cooperation Council (GCC), the Saudi Arabia applies GCC rules and procedures in those areas where they have been developed like common external tariff, common customs law, customs procedures for first points of entry, common law on Anti-dumping, countervailing and safeguard measures etc. Through GCC, Saudi Arabia is a member of the Pan Arab Free Trade Area (Member Countries are the GCC countries plus Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Palestine, Sudan, Syria, Tunisia and Yemen), GCC-Singapore Free Trade Agreement, GCC-European Free Trade Association (EFTA). At present, GCC is negotiating Free Trade agreement with Australia, China, the EU, India, Japan, the Republic of Korea, MERCOSUR, Pakistan, and Turkey.

Bilaterally, Saudi Arabia has signed Free Trade Agreement with USA only. China, Japan, USA, South Korea, UAE and India are major exports destination and China, USA, Germany, South Korea and UAE is the major import partner of Saudi Arabia.

Being the member of WTO since 2005, Saudi Arabia's trade policy is straight forward and accorded MFN status to almost all countries and applied average 5 percent tariff on 80 percent of tariff lines, duty free on another 11 percent and high rates observed for products containing tobacco and some products are prohibited due to religious and moral reasons. Whereas the procedure of exports and imports is very complicated, which is highlighted by the World Bank in its Ease of Doing Business Report. Apart from GCC Standards, Saudi Arab also developed its own standards and technical regulations for exports and imports of various commodities particularly food items and live animals etc and imports of food and animal products for human consumption requires import permits from the Saudi Food and Drugs Authority (SFDA), while the imports of meat and poultry meat, a Halal Certificate and an Islamic slaughter certificate are required in addition to other documentation.

### **3 Relations between Pakistan and Saudi Arabia**

Saudi Arabia and Pakistan are both leading members of the OIC, UN and WTO and enjoy geographical proximity, historic trade ties and religious affinity. Pakistan has strong strategic, diplomatic and economic relations with Saudi Arabia. Pakistan cannot forget the extensive financial assistance from Saudi Arabia in the form of oil, construction of educational institutions and mosques. The economic and social assistance received on the occasion of 1965 & 1971 war, 1998 nuclear test, earthquake of 2005 and the flood affectees in 2010 and 2011.

Saudi Arabia is the largest source of petroleum for Pakistan and has provided free and low cost oil on various occasions like the 1965 & 1971 war and nuclear tests of 1998. Both countries also maintain close military ties through the exchange of expertise, extensive support and training for the defense forces. Saudi Arabia has also supported Pakistan on the Kashmir cause at various international forums like OIC and UN..

### 3.1 Bilateral Trade Relations

Saudi Arabia is an important trade destination for Pakistan. At present, the trade volume between Pakistan and Saudi Arabia stands at US\$ 3.5 billion with imports from Saudi Arabia at US\$ 3.2 billion and exports to Saudi Arabia at US\$ 316.3 million. The share of Pakistan in Saudi Arabia's trade is just 1 percent; while in Pakistan's trade is approximately 7 percent. The reason for this minuscule share is mainly unawareness, and a non-aggressive marketing campaign on the part of Pakistani exporters in Saudi Arabia's market, despite the fact that both countries have excellent diplomatic relations.

Pakistan's major items of exports to Saudi Arabia are cereals, meat and edible meat offal, textile made-up articles, beverages, spirits and vinegar, coffee, tea, fish and fish products and edible fruits & vegetable while the imports include petroleum products, plastic goods, organic chemical and fertilizers etc. During the last five years, the Pakistan's export to Saudi Arabia has declined particularly in rice, meat, edible fruits, beverages, leather and textile commodities.

**Table 4: Bilateral Trade between Pakistan and Saudi Arabia (\$US million)**

Year	Exports	Imports	Balance of Trade	Total Export of Pakistan	% Share In Total Exports	Total Imports of Pakistan	% Share In Total Imports
2012	455.6	4,283.50	(3,827.90)	24,613.70	1.85	43,813.30	9.78
2013	494.1	3,847.20	(3,353.10)	25,120.90	1.97	43,775.20	8.79
2014	509.7	4,417.40	(3,907.70)	24,722.20	2.06	47,544.90	9.29
2015	431.3	3,006.80	(2,575.50)	22,089.00	1.95	43,989.70	6.84
2016	380.4	1,843.10	(1,462.70)	20,533.80	1.85	47,155.00	3.91
2017	334.5	2,730.40	(2,395.90)	21,877.80	1.53	57,440.00	4.75
2018	316.3	3,242.30	(2,926.00)	23,630.90	1.34	60,162.80	5.39

There is no bilateral or multilateral preferential or concessional trade agreement between Pakistan and Saudi Arabia. At present, the trade between Pakistan and Saudi Arabia held on the basis of MFN tariff rate applied to all members of WTO.

**Table 5: Pakistan's Major Exports to Saudi Arabia (US\$ Millions)**

HS Code	Product label	2014	2015	2016	2017	2018
'10	Cereals	133.61	87.94	61.77	66.55	65.94
'02	Meat and edible meat offal	67.25	69.07	58.05	40.92	36.62
'63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	55.54	49.16	42.92	36.21	32.53
'09	Coffee, tea, maté and spices	21.47	21.05	21.35	24.37	24.15
'84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	7.21	8.12	10.68	9.75	14.81
'62	Articles of apparel and clothing accessories, not knitted or crocheted	9.48	13.96	13.16	14.76	12.65
'08	Edible fruit and nuts; peel of citrus fruit or melons	12.42	12.95	17.46	10.29	12.15
'17	Sugars and sugar confectionery	20.30	8.11	5.99	26.11	11.82
'52	Cotton	15.90	13.15	10.56	10.78	9.34
'03	Fish and crustaceans, molluscs and other aquatic invertebrates	9.27	8.39	10.81	7.04	8.70
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere	6.46	10.83	10.12	8.81	8.40
'85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	5.70	4.28	4.91	0.75	8.13
'64	Footwear, gaiters and the like; parts of such articles	7.66	3.55	7.31	7.24	7.55
'42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles ...	14.18	14.32	9.94	8.10	6.96
'61	Articles of apparel and clothing accessories, knitted or crocheted	8.68	11.55	7.69	6.35	6.86
'82	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	5.18	5.59	5.45	5.75	6.03
'19	Preparations of cereals, flour, starch or milk; pastrycooks' products	3.71	3.36	3.79	4.60	5.16
'55	Man-made staple fibres	9.02	3.75	2.67	2.18	3.58
'07	Edible vegetables and certain roots and tubers	2.16	4.39	4.45	0.93	2.92
'74	Copper and articles thereof	5.41	4.66	4.47	4.58	2.64
'20	Preparations of vegetables, fruit, nuts or other parts of plants	2.35	2.68	2.84	2.87	2.64
'25	Salt; sulphur; earths and stone; plastering materials, lime and cement	2.76	2.10	1.74	1.70	2.08
'76	Aluminium and articles thereof	6.97	7.56	5.57	3.84	2.02
'94	Furniture; bedding, mattresses, mattress supports,	2.17	2.32	2.75	1.70	1.72

	cushions and similar stuffed furnishings; ...					
'12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal	2.41	1.59	1.47	1.43	1.70
'22	Beverages, spirits and vinegar	22.57	16.27	24.48	4.41	1.69
'21	Miscellaneous edible preparations	2.91	2.72	2.56	2.54	1.64
'73	Articles of iron or steel	1.97	1.85	1.52	1.44	1.31
'33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	2.66	1.81	1.18	1.07	1.24
'68	Articles of stone, plaster, cement, asbestos, mica or similar materials	3.25	3.36	2.82	1.22	1.22
'90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	2.23	2.02	1.69	1.60	1.18
'30	Pharmaceutical products	3.19	1.62	1.03	0.87	1.13
'58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	0.93	0.31	1.79	1.00	1.10
'69	Ceramic products	2.24	2.81	1.75	1.07	1.01

Pakistan also follows all standards and technical regulation formulated by Saudi Standards, Metrology and Quality Organization (SASO). All imports must be accompanied by a certificate of conformity or may be subjected to random sampling to ensure conformity. All imports of live animals and products of animal origin from outside the GCC bloc must be quarantined for 21-30 days depending on the country of origin. All imports of food and animal products for human consumption are subject to import permits issued by the Saudi Food and Drugs Authority (SFDA). For imports of meat and poultry meat, a Halal Certificate and an Islamic slaughter certificate are required for each consignment, in addition to other documentation generally required for customs clearance. In addition, imports of meat must be sourced from SFDA approved establishments.

**Table 6: Pakistan's Major Imports from Saudi Arabia (US\$ million)**

HS Code	Product label	2014	2015	2016	2017	2018
'27	Mineral fuels, mineral oils and products of their distillation; bituminous substances	3,211.57	1,716.83	894.59	1,474.67	2,020.21
'39	Plastics and articles thereof	554.18	501.96	470.29	627.42	638.40
'29	Organic chemicals	336.78	321.52	301.91	394.96	459.45
'31	Fertilizers	175.64	348.40	57.00	95.74	41.61
'38	Miscellaneous chemical products	33.51	35.56	25.24	35.23	21.22
'76	Aluminum and articles thereof	4.26	10.14	10.38	9.17	8.55
'72	Iron and steel	4.42	1.77	4.94	5.67	8.21
'41	Raw hides and skins	13.00	8.53	7.13	6.33	5.69

'32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other coloring	5.82	2.99	2.94	4.12	3.63
'35	Albuminoidal substances; modified starches; glues; enzymes	0.19	0.19	0.87	2.60	3.38
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere	1.15	1.25	1.69	2.17	2.56
'83	Miscellaneous articles of base metal	-	-	0.00	0.56	2.30
'54	Man-made filaments; strip and the like of man-made textile materials	2.62	1.72	1.11	1.98	2.25
'19	Preparations of cereals, flour, starch or milk; pastry cooks' products	0.06	0.09	0.55	1.08	2.04
'40	Rubber and articles thereof	1.22	1.41	0.84	2.08	1.94
'94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	2.31	2.23	0.95	1.93	1.48
'33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	6.96	6.73	9.76	13.27	1.43
'96	Miscellaneous manufactured articles	14.23	12.05	1.35	0.89	1.36
'47	Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper	1.51	0.85	1.19	2.32	1.36
'15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal	1.09	1.14	0.94	3.65	1.35
'25	Salt; sulphur; earths and stone; plastering materials, lime and cement	0.57	1.18	1.06	0.86	1.28
'84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	2.51	1.54	1.52	0.90	1.27
'34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial	1.37	1.00	2.20	3.14	1.24

#### 4 Trade Impediments between Pakistan and Saudi Arabia

- A wide range of products must comply with the published standards related to packaging, health, halal and others as per the Saudi Arabian Standards Organization (SASO) to get entry in Saudi Arabia. Saudi Government strictly follows labeling and packaging of product. All products must be labeled with product name, country of manufacturers, contents, net weight and date of production and expiry.
- Saudi Arabia has imposed banned on the import of shrimps from Pakistan due to non-compliance of health standards. This ban is still applied on Pakistan's exports of shrimps to Saudi Arabia.

- Visas are one of the main problems faced by the business community of Pakistan. The Saudi Consulate in Pakistan often takes six week in providing visas to businessmen; charges high fee for visa (approximately Rs. 75000/-) and the process of approval involves multiple departments. This discourages the businessmen to participate in commercial activities in Saudi Arabia.
- There is complicated process of opening of letter of credit at Saudi Bank which creates delay in procedures and discourages businessmen to trade with Saudi Arabia.
- Saudi Arabia allows exports of Pakistani fruits and vegetable after surpassing of season. As the fruits and vegetables are perishable commodities and Pakistan has lack of storage facilities so it should be allowed in season.

## 5 Potential Areas of Trade

There are huge trade opportunities between Pakistan and Saudi Arabia. Some of them are suggested below to increase the export volume of Pakistan. The potential volume of exports and imports at six digits HS code level are given in Annexure.

### 5.1 Textile:

Textiles are the lifeline of Pakistan's economy which contribute more than 50 percent in the exports of Pakistan. At present, textile exports of Pakistan are mainly directed towards European countries. The Saudi textile market is expanding and imported readymade garments, knitted fabrics, bed linen, institutional linen, towels, surgical towels, baby garments etc. Presently, Saudi Arabia is importing readymade garments, knitted fabrics, bed linen, institutional linen, towels, surgical towels and baby garments more than US\$ 3 billion of textiles from other countries. Pakistan produces a good quality of textile products and has an ability to supply good quality products to Saudi Arabia on competitive rates particularly on the occasion of Hajj such as hajj ahram and others textile related goods.

### 5.2 Pharmaceutical products:

The Saudi pharmaceutical market is the largest in the Middle East and fulfills 98% of the country's demand through imports from various countries. Pakistan's pharmaceutical industry has been performing well for many years and has the ability to fulfill the demand of Saudi Arabia by

exporting good quality medicines at competitive rates. At present, the medicines and pharmaceutical products are not admitted to Saudi Arabia unless the registration is made with the Ministry of Health of Saudi Arabia, which is a highly complicated and lengthy procedure. In 2013, Pakistan had exported medicines to Saudi Arabia to around US\$ 3 million worth which now declined to US\$ 0.8 million, whereas Saudi Arabia's total demand is around US\$ 5.1 billion. In this respect, Saudi Arabian government may give the same relaxation to Pakistani companies, for exporting pharmaceutical products. Moreover, the Council of Saudi Chambers should also provide the assistance to Pakistani companies in getting registration from the Ministry of Health of Saudi Arabia.

### **5.3 Rice:**

Saudi Arabia imports all of its rice commodity from abroad and Indian rice exporters are dominated in Saudi market. At present, Pakistan is 12<sup>th</sup> largest producer of rice in world and is exporting rice to many countries including Saudi Arabia, but share of Pakistan is very minuscule in Saudi Arabia rice imports. In Saudi Arabia the demand of parboiled rice is increasing continuously because of population growth rate and an increase in number of pilgrims. The Saudi Arabia is a strategic market for Pakistani rice and on demand of Saudi Arabia; Pakistan has started the manufacturing of Parboil rice. Now it is responsibility of Saudi government to give more share to Pakistan in Saudi market.

### **5.4 Seafood and Meat:**

There is an abundance of salt and fresh water seafood in Pakistan, which Pakistan keep at par with the competitors. Pakistan is satisfying the growing demand for fish and fish products in developed countries market. Pakistan also employs modern fishing techniques including sophisticated freezing and processing plants to meet the highest standards of the nations. With the above mentioned investment in fisheries, the exports of sea food of Pakistan has been increasing for last five years. The share of Pakistan in Saudi Arabia's fish market is just 1.2 percent, wherease Pakistan has much more potential to provide seafood products. It is suggested that the Saudi government to give more market access to sea food products. Pakistan can also fulfill the demand of the Bengali people living in Saudi Arabia. The demand of fresh water seafood has been increasing day by day.

There is huge demand of Pakistani meat in Saudi Arabia due to its taste and good quality, but the share of Pakistan is just 2 percent which does not reflect the Saudi market access to Pakistan. Saudi

Arabia imports around US\$ 1.89 billion worth of meat from the other nations such as Brazil, India, and Australia etc. Moreover, FPCCI also requests Saudi Arabian businessmen to initiate Joint Ventures to establish slaughterhouses in Pakistan for uninterrupted supply of meat as well as to operate livestock farms for grazing and occasional export of meat.

### **5.5 Fruits and Vegetables:**

Pakistan produces a wide range of exotic fruits and vegetables. Saudi Arabia has a sizeable demand for Pakistani fruits and vegetables. The local production of Saudi Arabia mainly consists of dates however Saudi Arabia meets most of its demand for fruits through imports.

At present, Pakistan is exporting pineapples, mangoes, guavas, bananas, dry fruits, oranges and citrus fruits to many countries. Pakistan has some of the best mangoes and Kinos in the world. Pakistani fruits can also contribute significantly towards the exports of fresh fruits (juices and canned fruit). Currently, Saudi Arabia imports around US\$1.5 billion worth of fruits and vegetables; out of which Pakistan just exports approx. US\$10 million. There is still a large opportunity for Pakistan to enter in this segment and demand buyback arrangements from Saudi Arabia.

### **5.6 Dairy products:**

Being the fifth largest producer of milk in the world, Pakistan produces more than 50 million metric tons of milk per annum. Pakistan's dairy industry produces Ultra Heat Treated, pasteurized, powdered and condensed milk, butter, yogurt, cheese, cream and butter oil. Due to increased international demand of milk from Pakistani dairy farms, new dairy plants were installed and brought into operation through joint ventures with different international firms. At present, the Saudi dairy market's worth is more than US\$1.8 billion whereas Pakistan exports more than US\$ 70 million worth of dairy products to the world.

### **5.7 Leather products:**

Pakistan has a robust leather industry. Raw hides and skins, leather garments, gloves, footwear and finished products are the major exportable items of Pakistan. Leather products have established high standards of quality, gained wide acceptance in the European Union and the North American markets. Due to the good quality of leather and low production cost, Pakistan leather is widely demanded in the international market. Pakistan has an ability to fulfill the entire demand of Saudi Arabia. At present, Saudi Arabia is importing around 2 percent of their leather imports from



Pakistan and rest is imported from other countries. In this sector, Pakistan can ask Saudi Arabia to increase the market share for Pakistani products and should also assist the Pakistani exporters to exports the Pakistani products to GCC countries.

### **5.8 Information Technology:**

The revenue of the software industry in Pakistan is growing with a fast pace. Presently there are large number of software houses based in Pakistan, catering to the domestic market as well as foreign countries' requirements of the major software markets. Pakistan exported about US\$ 1.0 billion worth of computers, soft wares and information technology services. The major exports market are the USA, UK, EU, South Africa, Japan, Australia, and the Middle East. The ability of Pakistan to produce quality softwares at competitive costs is based on highly talented pool of IT professionals and software engineers. Saudi Arabia can also take benefits from the highly skilled IT Professionals of Pakistan through importing various software and other services from Pakistan.

## **6 Bilateral Investment Relations:**

There is no bilateral investment treaty between both countries. It is remains fact that both have made significant investment in each other countries. Several Pakistani Companies like National Power Construction Co. (NPCC), National Logistics Co (NLC), Nespak, National Bank of Pakistan and few other private organizations like Habib Rafiq group and Kisan Oil industries have made investment in Saudi Arabia.

The investment policy of Saudi Arabia is business friendly. Saudi Arabia has established Saudi Arabian General Investment Authority (SAGIA) to assist foreign investors in the approval process of operations, obtain a license & labour visas and to conduct other business affairs under one umbrella. SAGIA offers a number of incentives in order to attract investors like 100% foreign ownership of property and companies in certain industries, lower minimum capital requirements, no restriction on repatriation of capital, the ability for foreign investors to sponsor foreign employees, tax incentives for the company registering in less developed provinces of Saudi Arabia.

As like Pakistan, many Saudi Arabian companies have made investment in Pakistan and enjoying investment friendly environment of Pakistan. In the recent past, Saudi Arabia has showed their interest to establish oil refinery in Gwadar. In the past, Saudi Arabia has shown their interest to invest in corporate farming, which is still pending.

Various other opportunities are available for Saudi businessmen to invest in Pakistan through Sole entrepreneurs or joint ventures in the field of Oil Refinery, Agriculture, Construction, Power and Energy and Financial Sector are the potential sector where Saudi Investors can make investment.

## **7 Pakistan-Saudi Joint Ministerial Commission:**

Pakistan-Saudi Joint Ministerial Commission was established in 1974 for the enhancement of bilateral relations in the field of economy, trade, culture and politics on the basis of mutual respect, equality and mutual advantages. The Pakistan-Saudi Joint Ministerial Commission is a useful forum to review the existing progress and expansion of our trade and economic relationship at the government level, but the implementation of joint decisions taken in different meetings has been very slow. Both countries have signed many agreements for the promotion of trade, investment, construction, real estate, information technology, agriculture, and tourism. But there does not seem any implementation of these agreement in real spirit. The last Joint Ministerial Commission session was held in January 2018 wherein following decision were taken;

- Holding of Single Country exhibition of new products in each other's countries. First will be held in Saudi Arabia for Pakistani products.
- To review and simplify the procedure of business visa issuance.
- Re-activation of Pak-Saudi Joint Business Council (JBC)
- Cooperation between Saudi oil and gas companies to develop oil production in Pakistan including setting up of refineries.
- To expedite negotiations to finalize the MoU between Central Banks of two countries.
- Sharing of security information and the expertise in the field of combating terrorism, organized crimes and money laundering.
- Exchange visits of the officials from the media field, share television cultural programs and documentaries, facilitate the missions of the official radio and television delegations.
- To encourage cooperation in the fields of scientific researches, exchange of scholarships and experiences in health education and medical staff and exchange of student visits.
- Cooperation in science and technology and exchange of research expertise.

## 8 Recent Development:

In the recent past, the Prime Minister of Pakistan visited Saudi Arabia and agreed to set up a \$10 billion oil refinery and partnership with Pakistan in the China Pakistan Economic Corridor in Pakistan's deepwater port of Gwadar. Saudi Arabia has also agreed to give Pakistan \$3 billion in foreign currency support for a year and a loan of \$3 billion in deferred payments for oil imports. With the oil agreement, Pakistan will receive oil worth of \$2.5 million every month.

On the invitation of the Prime Minister of Pakistan, Saudi Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince & Deputy Prime Minister visited Pakistan and reaffirmed the historical relations between the Kingdom of Saudi Arabia and the Islamic Republic of Pakistan.

- During the visit, the Prime Minister also lauded the leadership of Saudi Arabia for the development and investment that would push the Kingdom of Saudi Arabia in a rapid progress and prosperity in view of its Vision 2030, which aims to keep the Kingdom on the path of development in various fields.
- Saudi Arabia also appreciated agenda of transforming Pakistan into a welfare state, based on Islamic socio-economic principles and assured him of the Kingdom's continued support. During the high-level discussions between the two sides, they applauded the growing momentum in their bilateral relations in all areas of cooperation, held wide-ranging discussions in a cordial atmosphere and expressed their satisfaction at strengthening the level of leadership communications between the two countries.
- Saudi Arabia and Pakistan reiterated their commitment to continue combating extremism and terrorism and expressed their deep appreciation for the achievements and sacrifices made by the two sides in the war against terrorism. With a view to enhancing bilateral relations in various fields, the two brotherly countries decided to establish a Joint Supreme Coordination Council between the Kingdom of Saudi Arabia and the Islamic Republic of Pakistan, co-chaired by His Royal Highness the Crown Prince, Deputy Prime Minister and Minister of Defense from the Saudi side and by His Excellency the Prime Minister from Pakistani side for enhancing and institutionalizing the bilateral relations in various fields to take them to a higher level, and to hold its meetings in the two countries alternately.
- Both sides agreed to make use of all available channels to promote bilateral trade, investment and promote communication between the two peoples and businessmen. The

Joint Commission on Commerce and Trade which is now part of the Saudi-Pakistan Supreme Coordination Council, shall facilitate bilateral trade in specific sectors and products. Both sides agreed to further strengthen measures to promote trade, to participate in exhibitions and events, to welcome business meetings from both countries, and encourage the private sector to take the lead in building a strong economic partnership between the two brotherly countries.

During the visit, the following seven MOUs were signed for investment of US\$ 20 billion;

- The Saudi Fund for Development (SFD), set up to channel bilateral aid to developing countries, will finance the supply of crude oil and petroleum products to Pakistan. Saudi Arabia is expected to invest in Re-Gasified Liquefied Natural Gas (RLNG) plants to the tune of \$4 billion and \$1 billion in petrochemical projects over a period of two to three years. The SFD will further make investments of over \$1 billion.
- Saudi Arabia will assist Pakistan in the production of electricity and its generation. The Saudi-based ACWA Power will bankroll renewable energy projects worth \$2 billion.
- The Kingdom will establish an integrated refinery petrochemical plant. Saudi Arabia will set up a \$10 billion oil refinery in Gwadar, Baluchistan. The capacity of the proposed oil refinery will be between 250,000-300,000 bpd (11-13 million tons per annum), according to Radio Pakistan. Further, KSA will study investment opportunities in the refining and petrochemical sectors of Pakistan.
- A MoU was signed in the field of mineral and mine resources from Balochistan and the Khyber Pakhtunkhwa province of Pakistan. The total amount for the project will be \$2 billion.
- A MoU was signed in the field of developing renewable energy projects.
- Future cooperation between the Pakistan Standards and Quality Control Authority (PSQCA) and Saudi Standards, Metrology and Quality Organization. PSQCA is a state body that advises that government on promoting industrial efficiency to improve the competitiveness of Pakistani products in the international markets.
- The two countries called to promote dialogue, respect and understanding among followers of different faiths to promote peace and interfaith harmony

- Saudi Arabia will invest a total of \$1 billion in the food and agriculture projects in Pakistan. Moreover, the Aramco oil refinery will finance projects worth \$10 billion.

## **9 Relations between Private Sector of Pakistan and Saudi Arabia:**

FPCCI and the Council of Saudi Chambers both have good relationship but the interaction for the exchange of information regarding events and participation in each other activities not seen during the last years.

A MOU was also signed between FPCCI and the Council of Saudi Chambers in 2000 for establishing a Joint Business Council (JBC), for the promotion of trade. It was decided that members of the JBC will hold a meeting every year to discuss the trade potentials and impediments. Since the establishment of the JBC only three meetings have been held in 2003, 2005 and 2012. From 2012 to today, not held any meeting of the JBC in both countries and no significant activities have been undertaken by both Chambers for the promotion of trade and investment.

FPCCI and the Council of Saudi Chambers should work together to promote bilateral trade and investment. In this respect, there is need to accelerate necessary efforts for promotion and development of trade links through exchange of information about activities, exploring bilateral new avenues, promotion activities through trade fairs, exhibitions and other applicable promotional tools, organizing programs and an exchange of experts whenever feasible.

## **10 Workers' Remittances:**

Around 1.9 million Pakistanis reside in Saudi Arabia who are contributing significantly in Saudi Arabia economy and this is the largest source of remittances for Pakistan. Pakistan received about US\$ 5 billion from Saudi Arabia in term of remittances from unskilled labors. If Saudi Arabia agrees upon the fulfillment of their requirements of skilled labour from Pakistan then it will contribute more in Saudi Economy as Pakistani labor is most efficient and productive labor.

## **11 Religious Tourism:**

Pakistan has been contributing significantly in Saudi economy through religious tourism. Pakistan has been among the top three countries for getting the largest number of visas for Hajj and Umrah pilgrims. Every year around 0.2 million people visit Saudi Arabia for the purpose of Hajj pilgrimage.

Similarly, Saudi Government issued around 0.78 millions visas to Pakistan for Umrah purpose during the last year.

## **12 Conclusion and Policy Recommendations:**

The current economic and political environment has made Saudi Arabia an important partner for economic development and lucrative market for exports of Pakistan. Pakistan must maintain stronger and closer economic ties with Saudi Arabia. There are huge potentials available for Pakistan to enhance its trade and investment ties with Saudi Arabia in textile, pharmaceutical, rice, leather, seafood, dairy farming and other sector which need to be explored for enhancement of Pakistan's exports to Saudi Arabia.

Below are some recommendations which can help in enhancing the trade and economic relations between Pakistan and Saudi Arabia.

- The private sector of Pakistan and Saudi Arabia should interact regularly for exchange of information related to available opportunities and meetings with counterpart's traders. The holding of commercial activities regularly like holding of trade fairs and exhibitions, arranging of meetings at commercial level and frequent exchange of trade delegation also help in understanding each other markets.
- There is dire need of activation of the Joint Business Council established between Pakistan and Saudi Arabia Business Council for utilizing the trade potentials and form
- The trade missions of Pakistan in Saudi Arabia should also play an active role in expanding the trade relations by sharing business opportunities information and disseminations of calendar of exhibitions to concerned forums in Pakistan. The establishment of display center at Pakistan embassies may also help in marketing the Pakistan's product in Saudi Arabia.
- There is a need to negotiate trade impediments related to compliance, standardization, sanitary and phytosanitary standards (SPS), technical requirements, conformity assessment and rules of certificates of origins for enhancement of Pakistan's exports to Saudi Arabia.
- Pakistan and Saudi Arabia should formulate a strategy for mutual recognition of standards for exports of surgical instrument, food items and pharmaceutical goods as there is huge

demand of these products in Saudi Arabia. Moreover, Saudi Arabia should allow exports of edible fruit and vegetable in season.

- There is no formal regional trade and economic cooperation agreements which can provide trade concessions or preferential and free arrangement of trade between Pakistan and Saudi Arabia. Pakistan may negotiate to initiate formal trade pack and agreement in term of tariff concession which can assist in reducing the trade cost and cost of doing business.
- Saudi Arabia must simplify the procedure of visa for Pakistan in term of number of documents required, time and visa fee particularly for businessmen.
- Pakistan and Saudi Arabia should sign bilateral investment treaty in view of removal of complex investment procedures and avoid of taxation complications. This will also improve the investment relations in both nations.
- Pakistan and Saudi Arabia should formulate a mechanism to reduce non-tariff measures which face by Pakistan in exporting agriculture products to Saudi Arabia.
- Pakistan and Saudi Arabia should sign agreement for fulfilling the requirement of skilled labour force in Saudi Arabia. As the process of economic development in Saudi Arabia is rising this indicates the rising demand of skilled labor force. Around the globe, Pakistan's labor force is performing very well due to their hard work, intelligence and productivity.
- It is also suggested that the agreements signed during the last visit of Prime Minister of Pakistan to Saudi Arabia and Saudi Prince visits to Pakistan should be implemented in true spirit and agreed investment projects should be started as soon as possible.

## 13 References

- CIA World Fact Book <https://www.cia.gov/library/publications/the-world-factbook/>
- Council of Saudi Chambers
- International Trade Center Trade Map
- Islamic Chamber of Commerce, Industry and Agriculture
- Ministry of Commerce and Investment, Saudi Arabia
- Ministry of Commerce, Government of Pakistan
- Ministry of Finance, Government of Pakistan
- Trade Development Authority of Pakistan
- Saudi Arabian General Investment Authority (SAGIA)
- State Bank of Pakistan
- UN Conference on Trade and Development <http://unctad.org/>



## Annexure

**Table 7: Pakistan's Export Potential to Saudi Arabia (US\$ million)**

Product code	Product label	Pakistan's exports to Saudi Arabia	Saudi Arabia's imports from world	Pakistan's exports to world	Pakistan's Exports Potentials to Saudi Arabia
'100630	Semi-milled or wholly milled rice, whether or not polished or glazed	65.68	1,195.88	1,757.85	1,130.20
'630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	2.97	17.60	860.93	14.64
'630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton	4.05	21.74	786.30	17.69
'220710	Undenatured ethyl alcohol, of actual alcoholic strength of $\geq 80\%$	0.80	35.59	425.50	34.79
'170199	Cane or beet sugar and chemically pure sucrose, in solid form (excluding cane and beet sugar ...	8.03	174.42	383.69	166.39
'901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	1.10	467.20	373.18	372.09
'620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excluding ...	5.48	107.29	348.99	101.81
'610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	0.02	184.13	242.70	184.11
'271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, ...	-	1,315.21	235.93	235.93
'611595	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	-	16.67	214.77	16.67
'950662	Inflatable balls	0.32	11.14	163.35	10.82
'610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)	0.08	62.80	157.26	62.73
'020110	Carcases or half-carcases of bovine animals, fresh or chilled	25.12	26.33	154.52	1.21
'610510	Men's or boys' shirts of cotton, knitted or crocheted (excluding nightshirts, T-shirts, singlets ...	0.36	21.56	152.86	152.50
'390761	Poly"ethylene terephthalate", in primary forms, having a viscosity number of $\geq 78$	-	43.11	132.99	43.11

	ml/g				
'620349	Men's or boys' trousers, bib and brace overalls, breeches and shorts of textile materials (excluding ...	0.62	13.90	116.86	13.29
'080529	Fresh or dried wilkings and similar citrus hybrids	2.25	12.94	106.83	10.69
'620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excluding ...	0.09	83.77	100.31	83.68
'611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber, knitted ...	0.41	11.31	96.71	10.90
'940490	Articles of bedding and similar furnishing, fitted with springs or stuffed or internally filled ...	1.67	115.37	88.74	87.07
'640399	Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather ...	-	86.77	78.13	78.13
'611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	-	66.87	74.24	66.87
'620339	Men's or boys' jackets and blazers of textile materials (excluding of wool, fine animal hair, ...	0.12	12.51	73.76	12.39
'300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...	0.84	1,895.48	73.54	72.70
'080450	Fresh or dried guavas, mangoes and mangosteens	4.82	39.75	73.43	34.92
'481159	Paper and paperboard, surface-coloured, surface-decorated or printed, coated, impregnated or ...	-	41.22	68.32	41.22
'610342	Men's or boys' trousers, bib and brace overalls, breeches and shorts of cotton, knitted or ...	0.22	60.65	66.79	60.43
'091091	Mixtures of different types of spices	19.55	33.75	66.38	14.20
'610469	Women's or girls' trousers, bib and brace overalls, breeches and shorts of textile materials, ...	0.56	10.50	61.65	9.95
'300439	Medicaments containing hormones or steroids used as hormones but not antibiotics, put up in ...	-	123.58	60.49	60.49
'610711	Men's or boys' underpants and briefs of cotton, knitted or crocheted	0.02	23.74	58.66	23.72

'630629	Tents of textile materials (excluding of synthetic fibres, and umbrella and play tents)	11.37	16.75	55.16	5.38
'100199	Wheat and meslin (excluding seed for sowing, and durum wheat)	-	720.35	49.77	49.77
'070310	Fresh or chilled onions and shallots	0.93	88.90	48.61	47.69
'080521	Fresh or dried mandarins incl. tangerines and satsumas (excl. clementines)	1.12	12.93	45.39	11.82
'630790	Made-up articles of textile materials, incl. dress patterns, n.e.s.	0.50	60.47	42.28	41.78
'730690	Tubes, pipes and hollow profiles "e.g., open seam, riveted or similarly closed", of iron or ...	-	20.08	41.45	20.08
'611692	Gloves, mittens and mitts, of cotton, knitted or crocheted (excluding impregnated, coated or ...	0.10	11.47	39.01	11.37
'610462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton, knitted ...	0.03	64.37	37.48	64.34
'151620	Vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, ...	-	29.35	35.22	29.35
'841199	Parts of gas turbines, n.e.s.	11.51	406.05	30.99	19.48
'610332	Men's or boys' jackets and blazers of cotton, knitted or crocheted (excluding wind-jackets ...	0.00	55.36	30.82	30.82
'950699	Articles and equipment for sport and outdoor games n.e.s; swimming and paddling pools	0.06	29.10	30.32	29.03
'441193	Fibreboard of wood or other ligneous materials, whether or not agglomerated with resins or ...	-	15.54	29.27	15.54
'610343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted ...	0.03	26.01	27.37	25.98
'230120	Flours, meals and pellets of fish or crustaceans, molluscs or other aquatic invertebrates, ...	0.00	20.42	27.25	20.41
'170490	Sugar confectionery not containing cocoa, incl. white chocolate (excluding chewing gum)	0.48	102.71	27.21	26.73
'841451	Table, floor, wall, window, ceiling or roof fans, with a self-contained electric motor of an ...	1.17	39.70	26.55	25.37

'843049	Boring or sinking machinery for boring earth or extracting minerals or ores, not self-propelled ...	0.40	107.14	26.08	25.67
'070999	Fresh or chilled vegetables n.e.s.	0.31	20.36	24.44	20.05
'121300	Cereal straw and husks, unprepared, whether or not chopped, ground, pressed or in the form ...	0.09	11.67	24.05	11.58
'721049	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	-	77.41	23.80	23.80
'611596	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	-	41.87	23.36	23.36
'620332	Men's or boys' jackets and blazers of cotton (excluding knitted or crocheted, and wind-jackets ...	0.31	42.92	23.29	22.98
'080390	Fresh or dried bananas (excluding plantains)	-	123.36	21.47	21.47
'611120	Babies' garments and clothing accessories of cotton, knitted or crocheted (excluding hats)	0.01	63.63	20.54	20.53
'551219	Woven fabrics containing >= 85% polyester staple fibres by weight, dyed, made of yarn of different ...	2.07	20.65	20.13	18.06
'761510	Table, kitchen or other household articles and parts thereof, and pot scourers and scouring ...	1.67	93.35	19.99	18.33
'850710	Lead-acid accumulators of a kind used for starting piston engine "starter batteries" (excluding ...	0.39	175.49	19.51	19.12
'620343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excluding ...	0.07	43.72	19.37	19.30
'620333	Men's or boys' jackets and blazers of synthetic fibres (excluding knitted or crocheted, and ...	0.14	11.38	19.37	19.23
'851712	Telephones for cellular networks "mobile telephones" or for other wireless networks	-	1,578.49	19.04	19.04
'210690	Food preparations, n.e.s.	1.60	336.78	18.56	16.95
'392490	Household articles and toilet articles, of plastics (excluding tableware, kitchenware, baths, ...	0.00	65.15	17.57	17.57
'090240	Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings ...	0.04	27.67	17.00	16.96

'190590	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion ...	1.31	150.34	16.48	15.17
'190531	Sweet biscuits	1.47	100.73	16.11	14.65
'230400	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting ...	-	284.56	15.50	15.50
'630140	Blankets and travelling rugs of synthetic fibres (excluding electric, table covers, bedspreads ...	-	121.43	15.30	15.30
'730890	Structures and parts of structures, of iron or steel, n.e.s. (excluding bridges and bridge-sections, ...	0.00	179.61	15.09	15.09
'300420	Medicaments containing antibiotics, put up in measured doses "incl. those in the form of transdermal ...	0.22	170.59	14.99	14.78
'620439	Women's or girls' jackets and blazers of textile materials (excluding of wool, fine animal ...	-	25.07	12.78	12.78
'842649	Mobile cranes and works trucks fitted with a crane, self-propelled (excluding those on tyres ...	-	15.44	12.54	12.54
'121190	Plants, parts of plants, incl. seeds and fruits, used primarily in perfumery, in pharmacy or ...	0.62	24.31	12.31	11.69
'880390	Parts of aircraft and spacecraft, n.e.s.	0.00	73.23	12.17	12.16
'283620	Disodium carbonate	-	36.69	11.86	11.86
'610831	Women's or girls' nightdresses and pyjamas of cotton, knitted or crocheted (excluding T-shirts, ...	-	31.88	11.50	11.50
'110812	Maize starch	0.83	11.40	11.13	10.57
'640590	Footwear with outer soles of rubber or plastics, with uppers other than rubber, plastics, leather ...	7.07	10.39	10.80	3.32
'610333	Men's or boys' jackets and blazers of synthetic fibres, knitted or crocheted (excluding wind-jackets ...	-	12.24	10.79	12.24
'681599	Articles of stone or other mineral substances, n.e.s. (excluding containing magnesite, dolomite ...	0.03	13.54	10.69	10.66
'190190	Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing ...	0.01	296.58	10.05	10.04

**Table 8: Pakistan's Imports Potential from Saudi Arabia (US\$ million)**

<b>Product code</b>	<b>Product label</b>	<b>Pakistan's imports from Saudi Arabia</b>	<b>Saudi Arabia's exports to world</b>	<b>Pakistan's imports from world</b>	<b>Pakistan's Imports potential from Saudi Arabia</b>
270900	Petroleum oils and oils obtained from bituminous minerals, crude	1,894.87	182,999.58	4,903.91	3,009.04
'271012	Light oils and preparations, of petroleum or bituminous minerals which $\geq$ 90% by volume "incl. losses" distil at 210°C "ASTM D 86 method" (excluding containing biodiesel)	54.23	6,501.08	3,720.92	3,666.69
'271119	Gaseous hydrocarbons, liquefied, n.e.s. (excluding natural gas, propane, butane, ethylene, propylene, butylene and butadiene)	-	139.61	224.55	224.55
'382499	Chemical products and preparations of the chemical or allied industries, incl. those consisting of mixtures of natural products, n.e.s.	0.51	42.53	133.23	132.73
'390230	Propylene copolymers, in primary forms	32.57	702.53	153.01	120.45
'292910	Isocyanates	4.58	269.34	99.39	94.81
'730429	Casing and tubing, seamless, of iron or steel, of a kind used in drilling for oil or gas (excluding products of cast iron)	-	86.30	81.40	81.40
'320611	Pigments and preparations based on titanium dioxide of a kind used for colouring any material or produce colorant preparations, containing $\geq$ 80% by weight of titanium dioxide calculated on the dry matter (excluding preparations of heading 3207, 3208, 3209, 3210, 3212, 3213 and 3215)	3.02	170.34	82.79	79.77
'961900	Sanitary towels (pads) and tampons, napkins and napkin liners for babies, and similar articles, of any material	1.36	34.09	80.77	79.41
'760110	Aluminium, not alloyed, unwrought	1.33	962.96	78.62	77.29
'390410	Poly"vinyl chloride", in primary forms, not mixed with any other substances	1.11	42.63	74.02	72.90
'390690	Acrylic polymers, in primary forms (excluding poly"methyl methacrylate")	0.03	67.08	67.57	67.55
'381700	Mixed alkylbenzenes and mixed alkyl naphthalenes produced by the alkylation of benzene and naphthalene (excluding mixed isomers of cyclic hydrocarbons)	19.46	214.35	85.59	66.13

'271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, n.e.s.	64.64	17,193.62	3,115.62	64.64
'390330	Acrylonitrile-butadiene-styrene copolymers "ABS", in primary forms	8.18	164.82	52.63	44.45
'720230	Ferro-silico-manganese	-	35.41	44.33	44.33
'291521	Acetic acid	0.33	33.25	41.75	41.42
'730890	Structures and parts of structures, of iron or steel, n.e.s. (excluding bridges and bridge-sections, towers and lattice masts, doors and windows and their frames, thresholds for doors, props and similar equipment for scaffolding, shuttering, propping or pit-propping)	0.00	32.32	144.09	32.31
'390190	Polymers of ethylene, in primary forms (excluding polyethylene and ethylene-vinyl acetate copolymers)	9.65	384.21	39.94	30.30
'150710	Crude soya-bean oil, whether or not degummed	-	29.71	81.94	29.71
'721420	Bars and rods, of iron or non-alloy steel, with indentations, ribs, groves or other deformations produced during the rolling process	-	264.15	27.67	27.67
'470790	Recovered "waste and scrap" paper or paperboard, incl. unsorted waste and scrap (excluding waste and scrap of unbleached kraft paper or kraft paperboard, or of corrugated paper or corrugated paperboard, that of paper or paperboard made mainly of bleached chemical pulp not colored in the mass, that of paper or paperboard made mainly of mechanical pulp, and paper wool)	0.99	38.62	26.97	25.98
'880230	Aeroplanes and other powered aircraft of an unladen weight > 2000 kg but <= 15000 kg (excluding helicopters and dirigibles)	-	25.56	37.09	25.56
'760120	Unwrought aluminium alloys	0.23	264.27	25.64	25.41
'760612	Plates, sheets and strip, of aluminium alloys, of a thickness of > 0,2 mm, square or rectangular (excluding expanded plates, sheets and strip)	-	334.88	25.16	25.16
'560311	Nonwovens, whether or not impregnated, coated, covered or laminated, n.e.s., of synthetic or man-made filaments, weighing <= 25 g/m <sup>2</sup>	0.96	78.74	26.01	25.05

'300420	Medicaments containing antibiotics, put up in measured doses "incl. those in the form of transdermal administration" or in forms or packings for retail sale (excluding medicaments containing penicillins or derivatives thereof with a penicillanic structure, or streptomycines or derivatives thereof)	-	29.30	23.91	23.91
'400231	Isobutylene isoprene rubber "IIR", in primary forms or in plates, sheets or strip	0.04	27.51	23.11	23.07
'842199	Parts of machinery and apparatus for filtering or purifying liquids or gases, n.e.s.	-	69.84	21.94	21.94