

Commercial Divison
EMBASSY OF PAKISTAN
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Subject: Brief on US-Pakistan Trade

US-Pakistan trade volumes have been relatively stable during the past five years, hovering around five billion USD since 2011. The table below demonstrates that exports have been steady.

Please see below table:

(Million US\$)

FY (Jul-Jun)	Imports from US	Exports to US	Total Bilateral Trade	Trade Surplus for Pakistan
2014-2015	1200	3900	5100	+2700
2013-2014	1130	3950	5008	+2520
2012-2013	1019	3878	4897	+2859
2011-2012	789	3949	4738	+3160
2010-2011	1120	4101	5221	+2981

Source: State Bank of Pakistan

(Million US\$)

Jan-May 2016	767	1402	2169	+635
YTD				

Source: US Census Bureau

Top 10 Pakistan exports to the US based on Trade Volume

(Thousand US\$)

Rank	Commodity	Pakistan Export 2013	Pakistan Export 2014	Pakistan Export 2015	Percentage Increase/Decrease over 2013
1.	Apparel, household goods, cotton	2,572,605	2,528,144	2,508,164	- 2.5 %
2.	Apparel, textiles, non-wool or cotton	218,872	254,371	239,555	+9.45 %
3.	Cotton, clothes fabrics	112,711	114,816	117,511	+4.26 %
4.	Apparel, household goods, non-textile	99,924	102,423	113,539	+13.6 %
5.	Camping apparel and gear	87,183	86,841	96,717	+11 %
6.	Medicinal equipment	73,455	80,026	93,878	+ 27.8 %
7.	Rugs	78,723	82,403	77,637	-1.4 %
8.	Toys, games, and sporting goods	42,318	47,012	52,799	+ 24.8 %
9.	Feedstuff and food grains	33,802	37,939	38,288	+ 13.2 %
10.	Bakery products	25,203	30,239	35,123	+39.4 %

Source: US Census Bureau

The category with the largest trade value, “Apparel, household goods, cotton” has seen a 2.5% dip over the past two years. This is likely because of falling commodity prices, and not because of an overall decrease in trade volume. Furthermore, Medicinal equipment, Bakery products, as well as Toys, games and sporting goods have seen very large percentage increases.

Top 10 Pakistan imports from the US based on Trade Volume

(Thousand US\$)

Rank	Commodity	Pakistan Import 2013	Pakistan Import 2014	Pakistan Import 2015	Percentage Increase/Decrease over 2013
1.	Steelmaking materials	149,125	165,061	148,211	-0.61 %
2.	Soybeans	44	175	126,237	+286,802 %
3.	Cotton, raw	184,767	86,357	124,050	-32.9 %
4.	Telecommunication equipment	52,576	47,571	122,962	+133.9 %
5.	Parts for military-type goods	71,022	39,589	103,298	+45.4 %
6.	Industrial engines	91,348	82,214	78,895	-13.6 %
7.	Dairy Products and eggs	32,196	21,168	54,115	+68.1 %
8.	Logs and lumber	29,780	38,098	48,308	+62.2 %
9.	Toys, games, and sporting goods	5,012	6,795	47,131	+840.4 %
10.	Agric. Farming-unmanufactured	44,557	43,969	38,776	-13 %

Source: US Census Bureau

Soybean Imports have increased dramatically, as well as imports of Toys, games and sporting goods, and telecommunications equipment.

Top 5 best and worst performing commodities, 2013 to 2015

The tables below show the top five commodities which have witnessed highest growth or decline in percentage since 2013. While the trade volume of these commodities is not yet very significant, the growth potential very high. Opportunities for export diversification exist here.

(Based on Amounts in Thousand USD)

Where exports to the US are growing the most

(Thousand US\$)

Rank	Commodity	Pakistan Export 2013	Pakistan Export 2014	Pakistan Export 2015	Percentage Increase over 2013
1.	Fruits, frozen juices	4,155	8,104	9,218	+122%
2.	Iron and Steel Products	10,107	17,120	19,427	+93%
3.	Bakery Products	25,203	30,239	35,123	+39.4%
4.	Medicinal Equipment	73,455	80,026	93,878	+28%
5.	Toys, games and sporting goods	42,418	47,012	52,799	+24.8%

Source: US Census Bureau

Where exports to the US are shrinking the most

(Thousand US\$)

Rank	Commodity	Pakistan Export 2013	Pakistan Export 2014	Pakistan Export 2015	Percentage Decrease over 2013
1.	Chemicals, other, n.e.c.	152	109	37	-75.7%
2.	Tobacco, waxes, etc	33,674	19,398	12,392	-63%
3.	Plastic materials	50,512	18,217	19,373	-61%
4.	Jewelry	31,217	5,012	15,383	-50%
5.	Other Foods	11,248	6,926	6,481	-43%

Source: US Census Bureau

Where imports from the US are growing the most

(Thousand US\$)

Rank	Commodity	Pakistan Import 2013	Pakistan Import 2014	Pakistan Import 2015	Percentage Increase over 2013
1.	Soybeans	44	175	126,237	+ 286,802%
2.	Military Trucks, armored vehicles	720	160	12,392	+3760%
3.	Oilseeds, Food oils	596	339	10,531	+ 1,667%
4.	Animal feeds, n.e.c	1,995	2,706	22,519	+1,029%
5.	Laboratory Testing Instruments	11,359	24,802	32,241	+184%

Source: US Census Bureau

Where imports from the US are shrinking the most

(Thousand US\$)

Rank	Commodity	Pakistan Import 2013	Pakistan Import 2014	Pakistan Import 2015	Percentage Decrease over 2013
1.	Rice	24,536	8,383	368	-99%
2.	Military Apparel and footwear	68,503	64,717	3,198	-95%
3.	Agric., industry unmanufactured	17,221	13,183	6,289	-63%
4.	Civilian aircraft engine equipment and parts	48,744	48,299	22,519	-41%
5.	Cotton, raw	184,767	86,357	29,001	-33%

Source: US Census Bureau

It is obvious there is tremendous growth potential which needs to be tapped in regards to Pakistani exports to the US. Unlike Pakistan's exports to other countries over the last 2 to 3 years, Pakistan's exports to the US has been stable. Growth potential has been difficult to achieve for the following reasons:

1. *Direction of Trade*
 - i. China and other countries have become more competitive
 - ii. US machinery manufacturers have relocated to China
2. *Commodity prices have been declining, impacting the value of textile exports to the US*
3. *Preferential free market access in textiles provided to other countries has been adversely impacting textile exports from Pakistan to the US*
4. *Security situation and travel advisories from the US are preventing access of US importers to the Pakistani market*
5. *Domestic constraints*
 - i. Energy crisis- leading to capacity underutilization
 - ii. Overvalued exchange rate
 - iii. Cost of production
 - iv. Non-diversification of exports