

Pak-Swiss TradeInfo

Quarterly Newsletter of the Commercial Section
Permanent Mission of Pakistan to the WTO
www.wto-pakistan.org

Issue 2, October 2006

Big jump in Pakistan's exports of non-traditional items to Switzerland

What our readers say

The 1st issue of Pak-Swiss TradeInfo was a success and we received many comments, some of which are reproduced below:

"This newsletter will help in taking forward the trade policy initiative of improving the country's image". - Syed Asif Shah, Secretary Commerce, Government of Pakistan.

"Thanks, we appreciate your work and keep us updated." - Qaim automotive manufacturing Ltd.

"Trade Initiatives from a Human Development Perspective needs this sort of information to project the working of the Government of Pakistan." - Zubair Faisal Abbasi, UNDP Pakistan.

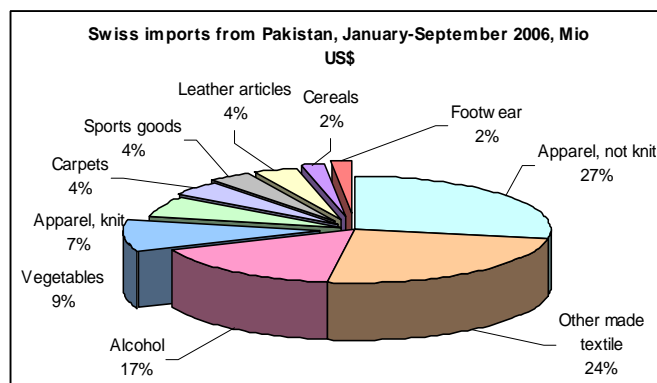
"A commercial bulletin to get inspired from. Congratulations!" - Shahid Tarar, Commercial Counsellor, Los Angeles, USA.

"This newsletter is very useful and is circulated to all." - EPB, Islamabad.

Ethanol and mushrooms are the two big winners for Pakistan's exports to Switzerland as their growth swelled many fold during the first nine months of 2006. According to Swiss customs data, exports of ethanol increased from US\$20'000 in 2005 to nearly US\$ 6.3 million in 2006, thus becoming the 3rd largest export, while export of mushroom increased from US\$ 1.4 million to US\$ 3.6 million.

Most other exports to Switzerland also continued their upward growth

Traditional exports such as sports goods (+53%), leather bags & gloves (+12%), and footwear (+19%) also continued on their upward momentum. Despite this increase of over 42% which totaled US\$ 40 million, overall volume of exports to Switzerland remained very limited. Items which showed a decline in exports of 2% to 18% include rice, carpets, and fruits, but represent less than 10% of exports.



(Continued in page 2)

Nestlé Pakistan to increase exports & investments



Nestlé Pakistan, with holding company Nestlé SA based in Switzerland, is engaged in the manufacturing, processing and sale of food products. Nestlé operates in two segments, milk products and nutrition & beverages, including dairy, confectionery, culinary, coffee, beverages, baby & infant food, and drinking water.

Roland Decorvet, Managing Director for Nestlé Pakistan, says a long term investment plan has been chalked out in which Nestlé would invest US\$209 million over five years to 2009 in expectation of future growth.

Pakistan is the world's fifth largest producer of milk. Domestic demand of milk and food products is fast expanding as a middle-class is slowly emerging and requesting quality products. Nestlé operates Pakistan's largest milk collection system.

Nestlé mostly addresses local demand with 2006 sales expected to reach US\$450 million by year-end. Exports, estimated at US\$43 million, are currently restricted to Afghanistan.

Nestlé plans to pump US\$70 million in milk powder production to increase annual capacity by 40'000 tons. US\$44 million would be injected in the Sheikhpura factory, while US\$12 million would expand milk collection. In bottled water plants, US\$31 million is allocated.

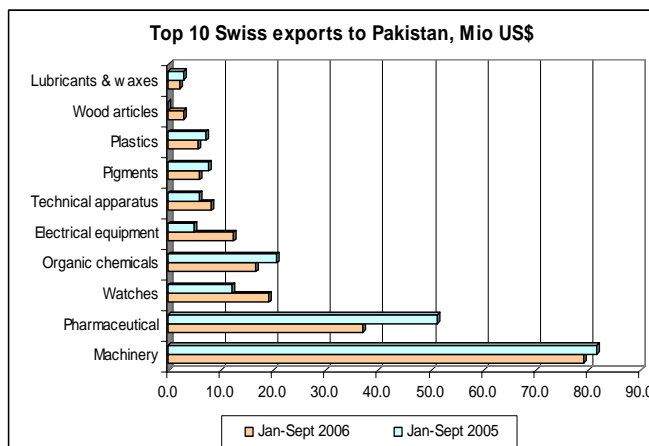
Swiss Imports from Pakistan, Mio US\$

	2006	2005	% change
January	3.9	2.5	54.3
February	3.5	2.6	32.7
March	4.8	2.2	123.1
April	3.5	2.8	24.1
May	5.1	3.1	63.0
June	4.7	2.9	63.0
July	4.4	3.0	45.5
August	6.1	3.9	56.5
September	3.9	4.9	-21.3
Total	39.9	28.0	42.4

On the other hand, Swiss exports to Pakistan have continued their downward trend

During the first 9 months of 2006 they fell by 10%, to a new low of US\$200 million. The main Swiss exports to Pakistan are machinery and parts, pharmaceutical and chemical products, watches, and electronic and other equipment. The most dramatic fall was in pesticides which all but dried out due to structural market conditions and international competition.

Top 10 Swiss exports to Pakistan, Mio US\$



Trade enquiries for Switzerland please contact Commercial Section at:

Email: info@wto-pakistan.org

Phone: +4122 748 7010

Fax: +4122 748 7029

Website: www.wto-pakistan.org

Import of cars in Pakistan

New and used vehicles can be imported into Pakistan. While new vehicles can be imported freely by anyone, following certain procedures and applicable duty and taxes, used vehicles can only be imported by Pakistani nationals under any of the following three schemes:

- Transfer of residence
- Gift
- Personal baggage

The type of vehicle that can be imported are passenger cars, busses, vans, trucks & 4X4, agricultural tractors, bulldozers, laser land levelers and combined harvesters. Motor cycles and scooters can only be imported in the transfer of residence scheme. In all three schemes, the model of the vehicle should be less than five years old.

Vehicle can be gifted to family members residing in Pakistan. A gift undertaking and earning certificate, certified by any Pakistani mission abroad, needs to be provided along with other documents that can be downloaded from Pakistan Mission to WTO website at www.wto-pakistan.org.

Issue 2, October 2006. Published 4 times a year.

Commercial Section, Permanent Mission of Pakistan to the WTO,
37-39 Rue de Vermont,
1211 Geneva,
Switzerland.

Internet: www.wto-pakistan.org
Email: info@wto-pakistan.org
Tel.: +4122 – 748 70 10
Fax: +4122 – 748 70 29

Edited by Sharafat Ahmad

1500 international business visitors expected at Expo Pakistan 2007



More than 1500 foreign visitors are expected for Expo Pakistan 2007, during the 4-day event to be held 29 March-1 April 2007. In 2006, the event attracted more than 1200 visitors from 60 countries. Initiated in 2005, it has become the country's most important and highest profile exhibition which showcases all industrial sectors. Pakistan's largest companies and institutions establish international relations during this opportunity.

Trade related technical assistance activities

While the Doha Round negotiations may not be making much progress, no effort is being spared by the International Trade Centre (ITC) to familiarize the trading community and the government officials of what is being negotiated and what opportunities it provides to Pakistani exporters to make use of new market access opportunities after the Round is successfully concluded.

Strong linkage between ITC and Pakistan

The ITC is carrying out this program under the European Commission Trade Related Technical Assistance program which started in July 2004. This program focuses on two main areas: trade and capacity building on WTO issues, and standards, quality and SPS requirements. Already the ITC has organized several seminars, workshops and public-private consultation on key Doha Round issues. They also assisted in setting up WTO Reference Centers at Islamabad, Lahore and Karachi.

As part of this initiative, a workshop on trade facilitation was held in Geneva from 25-28 July 2006. Officers from the Ministry of Commerce, the Export Promotion Bureau, Central Board of Revenue, Karachi Airport, Ministry of Industries & Production and the Ministry of Ports and Shipping were present. At the award ceremony, Mr. Hamid Yar Hiraj, Minister of State for Commerce of Pakistan, stated that trade multilateralism, *(continued in page 4)*



Hamid Yar Hiraj,
Minister of State
for Commerce,
Pakistan

Calendar of events

Pakistan

Auto & Auto Parts Pakistan, 6-9 December 2006, Karachi. 2nd International Automobile, Auto Parts & Accessories Exhibition.

www.autopakistan.com.

IDEAS 2006, 21-24 November 2006, Karachi. 4th International Defence Exhibition and Seminar.

www.ideaspakistan.com.

CONNECT IT 2006, 7-9 December 2006, Karachi. 2nd International Connectivity & Information Technology Exhibition.

www.connectitpakistan.com.

Muslims Business & Investment Gala, 10-12 February 2007, Karachi. 2nd Access to over 50 Middle-Eastern, African, Asian and CIS Muslim countries.

www.muslimsbig.com.pk.

Switzerland

CARFAR, 2-5 November 2006, Luzern. Swiss automobile fair: Bodywork and construction of vehicles, commercial vehicles, public service vehicles, cross-country vehicles, trailers, equipment and accessories.

www.fachmessen.ch/carfar/.

Swisstech, 14-17 November 2006, Basel. Subcontracting, production engineering and industrial supplies.

www.swisstech2006.ch.

Wohn-raum, 11-19 November 2006, Bern. All for the house, equipments, fittings, furniture, real estate, etc.

www.wohn-raum.ch.

AGRAMA, 30 November - 4 December 2006, Bern. Swiss agriculture fair: cultivation, fertilization, plant protection, irrigation, and harvesting technology and services.

www.agrama.ch.

under the framework of the WTO, is the way forward for Pakistan, and lauded ITC's assistance.

Upcoming NAMA Seminar in Pakistan

A seminar on non-agricultural market access issues is being held at Karachi on 3-4 November 2006. Leading international and local experts will be making presentations on key aspects. Pakistan's ambassador to the WTO Dr. Manzoor Ahmad will highlight the negotiating strategy and objectives in the current Round.

New publications

A study to determine specific trade constraints faced by trade of services was carried out in 2005, covering information technology, financial, construction, professional, and health services sectors. It can be downloaded from <http://www.wto-pakistan.org/publications/PSCR.pdf>. New sector studies on industrial goods are underway for pharmaceuticals, furniture, footwear, sports goods, and auto parts sectors and will be available in early 2007.

Credit Suisse establishes link in Pakistan

CREDIT SUISSE Credit Suisse, a leading global financial services company headquartered in Switzerland, offers access to Pakistan's equities to its clients since April 2006. The Swiss bank provides investment banking, private banking and asset management services, is active in over 50 countries, and employs around 40'000 people worldwide.

Credit Suisse reports that Pakistan has been one of Asia's best performing markets since 2002 and trading liquidity is impressive, with average daily turnover at par with Singapore. Credit Suisse believes that Pakistan is a very interesting emerging market because of the domestic growth, strengthening services, infrastructure building and strong consumption. There are some risks, but the Swiss bank sees good opportunities for gain.

In the next issue:

- **The commercial section's promotion strategy and successes.**
- **Pharmaceutical companies of Switzerland.**
- **Non-traditional exports from Pakistan.**