



Pakistan, EFTA eye trade deal

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ISLAMABAD: The European Free Trade Association (EFTA) has agreed to initiate process for a preferential trade agreement with Pakistan to double the volume of trade with the bloc, a senior official in the commerce ministry told Dawn.

This was a culmination of a year-long effort with EFTA countries — Switzerland, Norway, Iceland and Lichtenstein — to formally initiate dialogue on the preferential treaty.

“We have received a formal intimation from the EFTA secretariat that ministers of the bloc agreed to continue discussion with Pakistan with the possibility of future free trade agreement (FTA),” the official said.

The bloc has suggested engaging in a scoping exercise instead of feasibility study. Therefore, the exercise will result in a paper for possible negotiations on FTA. The EFTA has also sent a template that outlines topics to become part of the paper.

The EFTA can only offer tariff concessions on industrial goods under the proposed preferential treaty.

The value of EFTA-Pakistan merchandise trade (imports plus exports) amounted to \$573 million in 2017.

Those member states imported Pakistan goods worth \$218m while their exports hit \$355m.

Pakistan’s exports consisted mainly of textiles and apparel articles whereas top imports from them included pharmaceutical products, machinery and watches.

Pakistan and EFTA held their first meeting of the joint committee in October 2017 in Geneva, Switzerland.

The agreement to continue discussion for a preferential agreement was the result of EFTA-Pakistan’s Joint Declaration on Cooperation which was signed on Nov 12, 2012.

Merchandise trade between the EFTA and Pakistan has grown at a steady pace during the last decade with Pakistan’s exports rising at an average of 10.4pc over the last five years. Major exportable products are woven apparel or clothing accessories, knitted apparel or clothing accessories, other made-up textile articles; sets; worn clothing and worn textile articles; rags, articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silkworm gut), toys, games and sports requisites; parts and accessories thereof, others.

Imports from EFTA recorded an equal increase at 10.4pc over the last five years with major products including pharmaceutical products, machinery, mechanical appliances, optical, medical, surgical instruments, electrical machinery, clocks and watches, others.

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