



PAKISTAN

&



ITALY

BILATERAL TRADE REPORT

Date: 7th October, 2016

Prepared By: Institute of Trade & Competitiveness

Pakistan-Italy Bilateral Relations

Italy's Profile:

- **Full name:** Italian Republic
- **Population:** 61 million
- **Capital:** Rome
- **Area:** 301,338 sq km (116,346 sq miles)
- **Major languages:** Italian
- **Major religion:** Christianity
- **Life expectancy:** 79 years (men), 85 years (women)
- **Monetary unit:** euro
- **Unemployment rate:** 12.4%
- **Government debt:** 132.6% of GDP
- **GDP :** \$1.848 trillion (total 2016)
- **GDP per capita:** \$30,231 (2016)
- **GNI per capita:** 35,540 PPP dollars (2013)
- **GDP growth rate:** -1.9% annual change (2013)

Economic Overview:

Italy is the 4th-largest national economy in Europe, the 8th-largest by nominal GDP in the world, and the 12th-largest by GDP (PPP). The country is a founding member of the European Union, the Euro zone, the OECD, the G7 and the G8. Italy is the eighth largest exporter in the world with \$514 billion exported in 2015. Its closest trade ties are with the other countries of the European Union, with whom it conducts about 59% of its total trade. The largest trading partners, in order of market share, are Germany (12.6%), France (11.1%), United States (6.8%), Switzerland (5.7%), United Kingdom (4.7%), and Spain (4.4%).

Its economic structure relies mainly on services and manufacturing. The services sector accounts for almost three quarters of total GDP and employs around 65% of the country's total employed people. Within the service sector, the most important contributors are the wholesale, retail sales and transportation sectors. Industry accounts for a quarter of Italy's total production and employs around

30% of the total workforce. Manufacturing is the most important sub-sector within the industry sector. The country's manufacturing is specialized in high-quality goods and is mainly run by small- and medium-sized enterprises. Most of them are family-owned enterprises. Agriculture contributes the remaining share of total GDP and it employs around 4.0% of the total workforce. The country is divided into a highly-industrialized and developed northern part, where approximately 75% of the nation's wealth is produced; and a less-developed, more agriculture-dependent southern part. As a result, unemployment in the north is lower and per capita income is higher compared to the south.

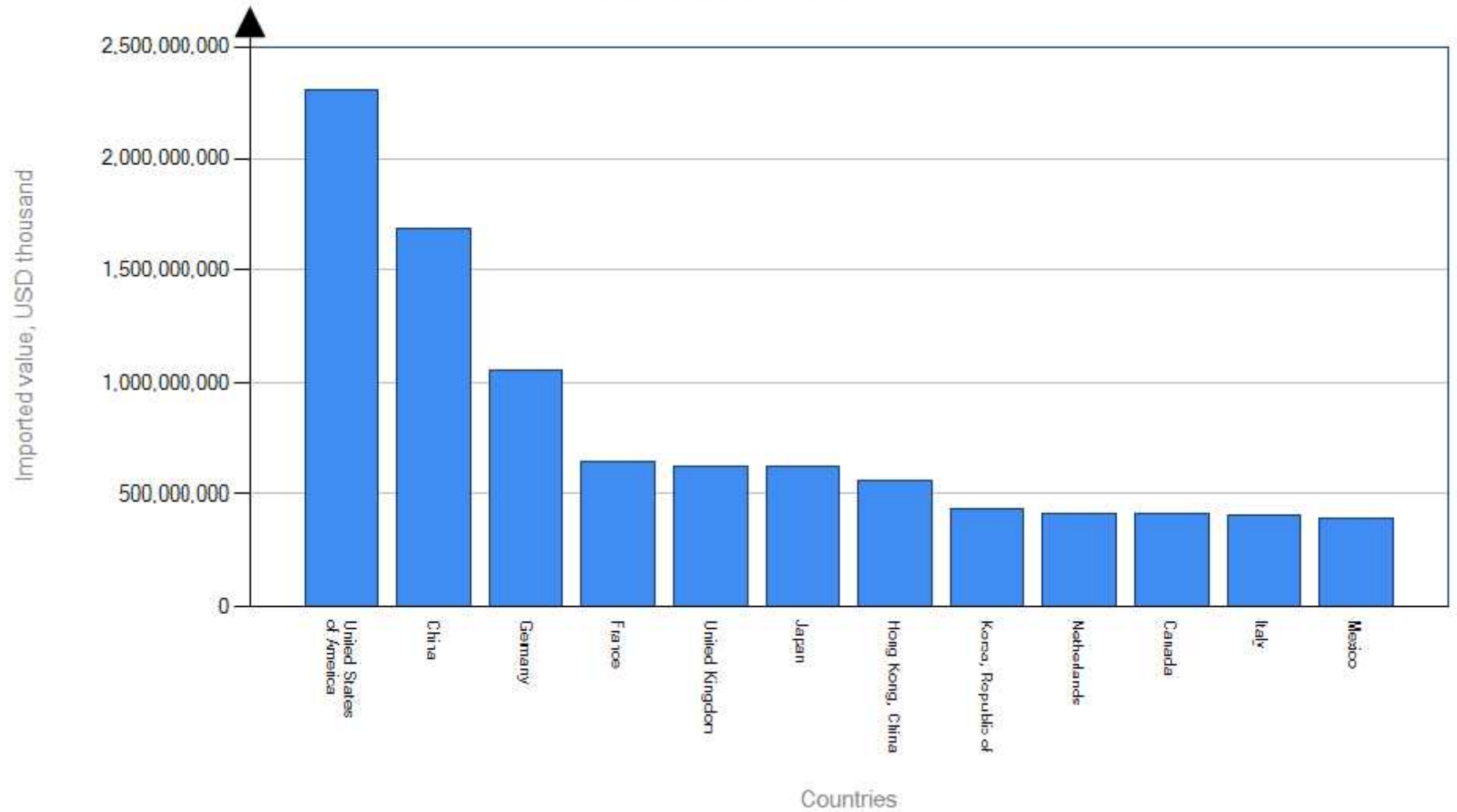
Italy's position among top 20 global importers:

Unit: US thousand dollars

Importers	Value imported in 2015	Annual growth in value between 2011-2015 (%)	Annual growth in value between 2014-2015 (%)	Share in world imports (%)	Average tariff (estimated) applied by the country (%)
World	16496088689	-2	-12	100	
USA	2306822161	1	-4	14	1.4
China	1681670816	0	-14	10.2	10.9
Germany	1056340529	-3	-13	6.4	1
France	651495605	-2	-1	3.9	1
United Kingdom	629228889	-3	-9	3.8	1
Japan	626082778	-7	-23	3.8	2.2
Hong Kong, China	547568456	2	-9	3.3	0
Korea	436547721	-3	-17	2.6	7.3
Netherlands	419077203	-3	-18	2.5	1
Canada	418801083	-1	-10	2.5	2.6
Italy	408971013	-6	-14	2.5	1
Mexico	395232221	3	-1	2.4	4.9
India	390744731	-4	-15	2.4	13.2
Belgium	371025047	-4	-18	2.2	1
Spain	305266032	-3	-13	1.9	1
Singapore	296888047	-4	-19	1.8	0
Switzerland	253152460	3	-8	1.5	2.8
Taipei, Chinese	228531563	-4	-17	1.4	5.1
UAE	222176682	5	-5	1.3	4.1
Turkey	207206509	-3	-14	1.3	6
Thailand	202030063	-3	-11	1.2	7.1
Australia	200766065	-4	-12	1.2	2.1

Graphical Representation:

Top Global Importers

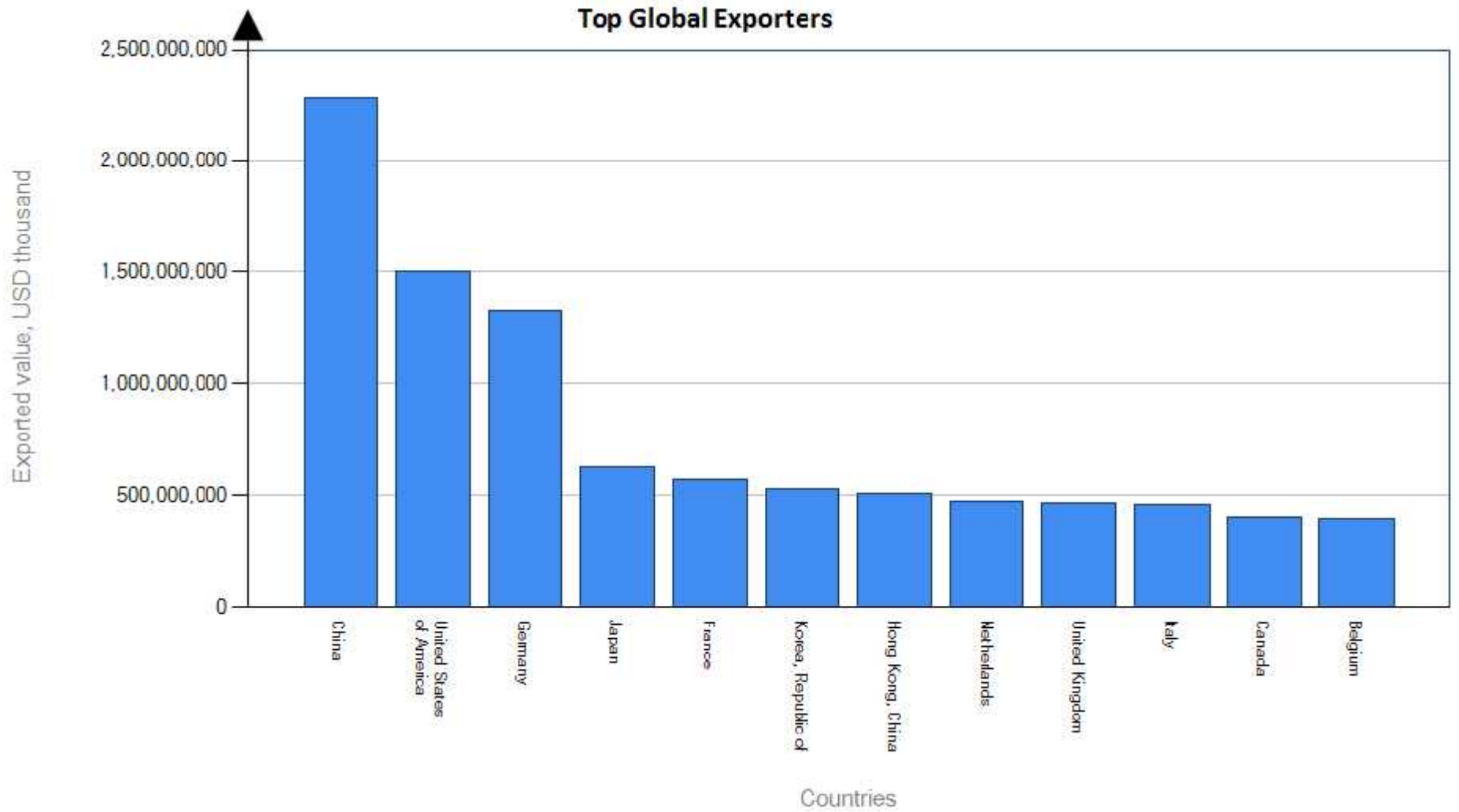


Italy's position among top 20 global exporters:

Exporters	Value exported in 2015	Annual growth in value Between 2011-2015 (%)	Annual growth in value Between 2014-2015 (%)	Share in world Exports (%)
World	16304074396	-2	-13	100
China	2281855922	5	-3	14
USA	1503870438	1	-7	9.2
Germany	1331193671	-2	-11	8.2
Japan	625024823	-7	-9	3.8
France	573055549	0	1	3.5
Korea	526900733	-1	-8	3.2
Hong Kong,China	498557620	2	-5	3.1
Netherlands	471957653	-2	-17	2.9
United Kingdom	465921609	-1	-9	2.9
Italy	458751239	-2	-13	2.8
Canada	407140011	-2	-14	2.5
Belgium	397739157	-3	-16	2.4
Mexico	380749925	2	-4	2.3
Singapore	346806797	-3	-15	2.1
Russia	343907652	-8	-31	2.1
Switzerland	291959194	4	-6	1.8
Taipei, Chinese	280021065	-2	-11	1.7
Spain	278122010	0	-13	1.7
India	264381004	-2	-17	1.6
Thailand	210883579	-2	-7	1.3
Saudi Arabia	201491760	-12	-41	1.2

Unit: US thousand dollars

Graphical Representation:



Major Import and Exports of Italy: Following are the top ten principle imports and exports of Italy and their values in dollars

Italy's top 10 imports globally:

HS Code	Product label	Imported value in 2013	Imported value in 2014	Imported value in 2015
TOTAL	All products	479336353	474082559	408971013
'27	Mineral fuels, oils, distillation products, etc	95523100	77453511	52211905
'84	Machinery, nuclear reactors, boilers, etc	40556166	43236908	38967496
'87	Vehicles other than railway, tramway	32752649	36164801	36339905
'85	Electrical, electronic equipment	32600457	32675135	31166099
'30	Pharmaceutical products	21256387	21543741	20587657
'39	Plastics and articles thereof	20231290	20850391	18270054
'72	Iron and steel	18339140	19012277	16461074
'29	Organic chemicals	18742232	16817732	14317753
'90	Optical, photo, technical, medical, etc apparatus	11547152	12224401	11025616
'71	Pearls, precious stones, metals, coins, etc	10584178	10392033	9616085

Unit: US thousand dollars

Italy's top 10 exports globally:

HS Code	Product label	Exported value in 2013	Exported value in 2014	Exported value in 2015
TOTAL	All products	518095103	529528733	458751239
'84	Machinery, nuclear reactors, boilers, etc	103966506	107641638	92280613
'87	Vehicles other than railway, tramway	37551636	38539941	37998628
'85	Electrical, electronic equipment	29269460	30006619	27111165
'30	Pharmaceutical products	23577738	25266871	21968857
'39	Plastics and articles thereof	20930188	21593631	18676128
'73	Articles of iron or steel	20558086	20622822	16790827
'27	Mineral fuels, oils, distillation products, etc	23151524	19713356	14779556
'94	Furniture, lighting, signs, prefabricated buildings	14028813	14403051	12806428
'62	Articles of apparel, accessories, not knit or crochet	13373342	14176962	11946340
'71	Pearls, precious stones, metals, coins, etc	15601928	13488132	11636649

Unit: US thousand dollars

Pakistan's Trade Overview:

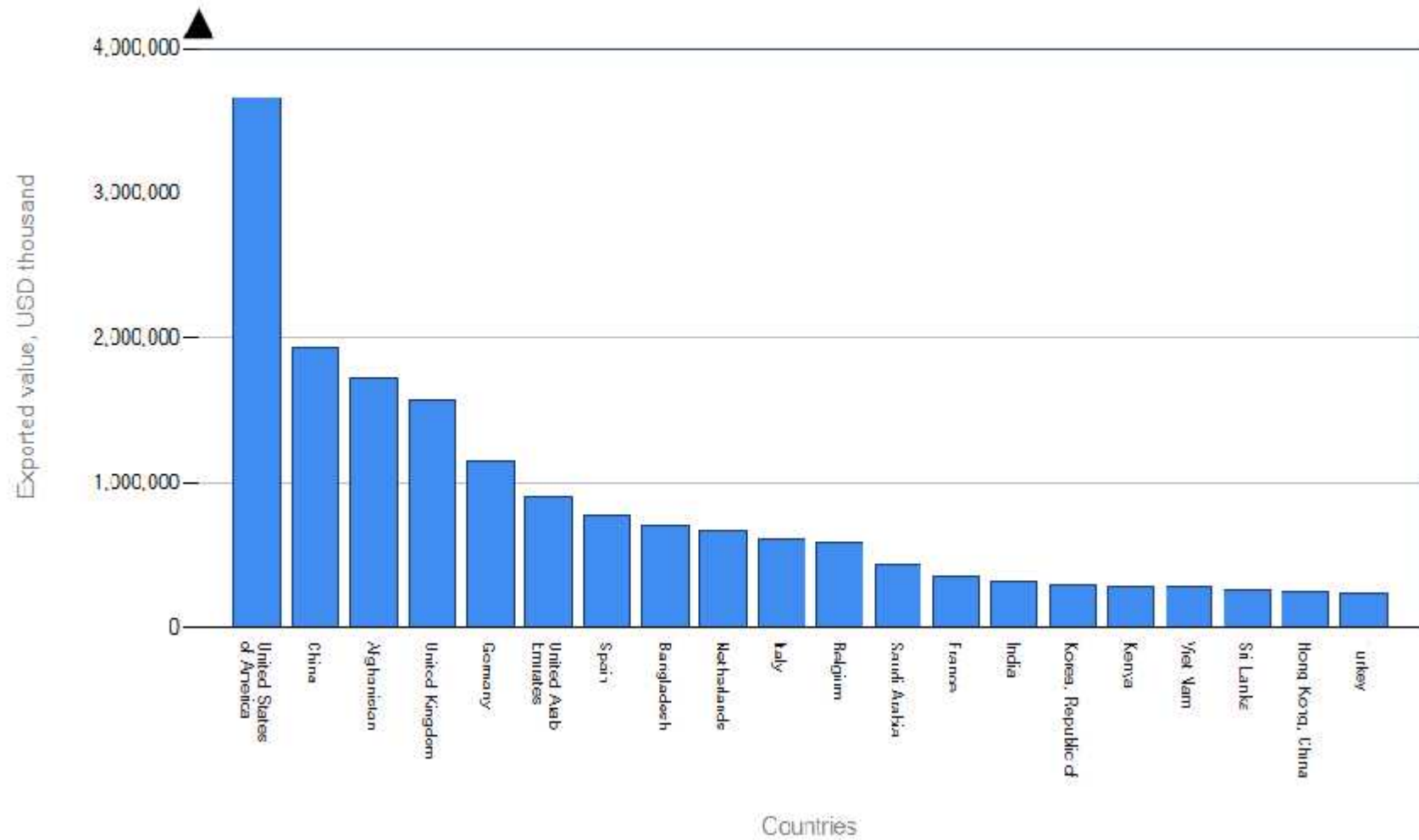
Pakistan's exports to top 10 countries of the world:

Importers	Exported value 2015	Trade balance 2015	Share in Pakistan's Exports (%)	Exported growth in value between 2014-2015 (% , p.a.)	Ranking of partner countries in world imports	Share of partner countries in world Imports (%)
World	22089018	-21900627	100	-11		100
USA	3661588	1744813	16.6	0	1	14
China	1934926	-9084079	8.8	-14	2	10.2
Afghanistan	1722216	1331815	7.8	-8	132	0
United Kingdom	1572801	962250	7.1	-5	5	3.8
Germany	1146261	174107	5.2	-6	3	6.4
UAE	899030	-4835658	4.1	-32	19	1.3
Spain	782258	579001	3.5	-1	15	1.9
Bangladesh	700567	640317	3.2	2	53	0.2
Netherlands	666949	306254	3	-3	9	2.5
Italy	618159	174271	2.8	-19	11	2.5

Unit: US thousand dollars

Graphical Representation:

List of importing markets for a product exported by Pakistan in 2015
Product : TOTAL All products



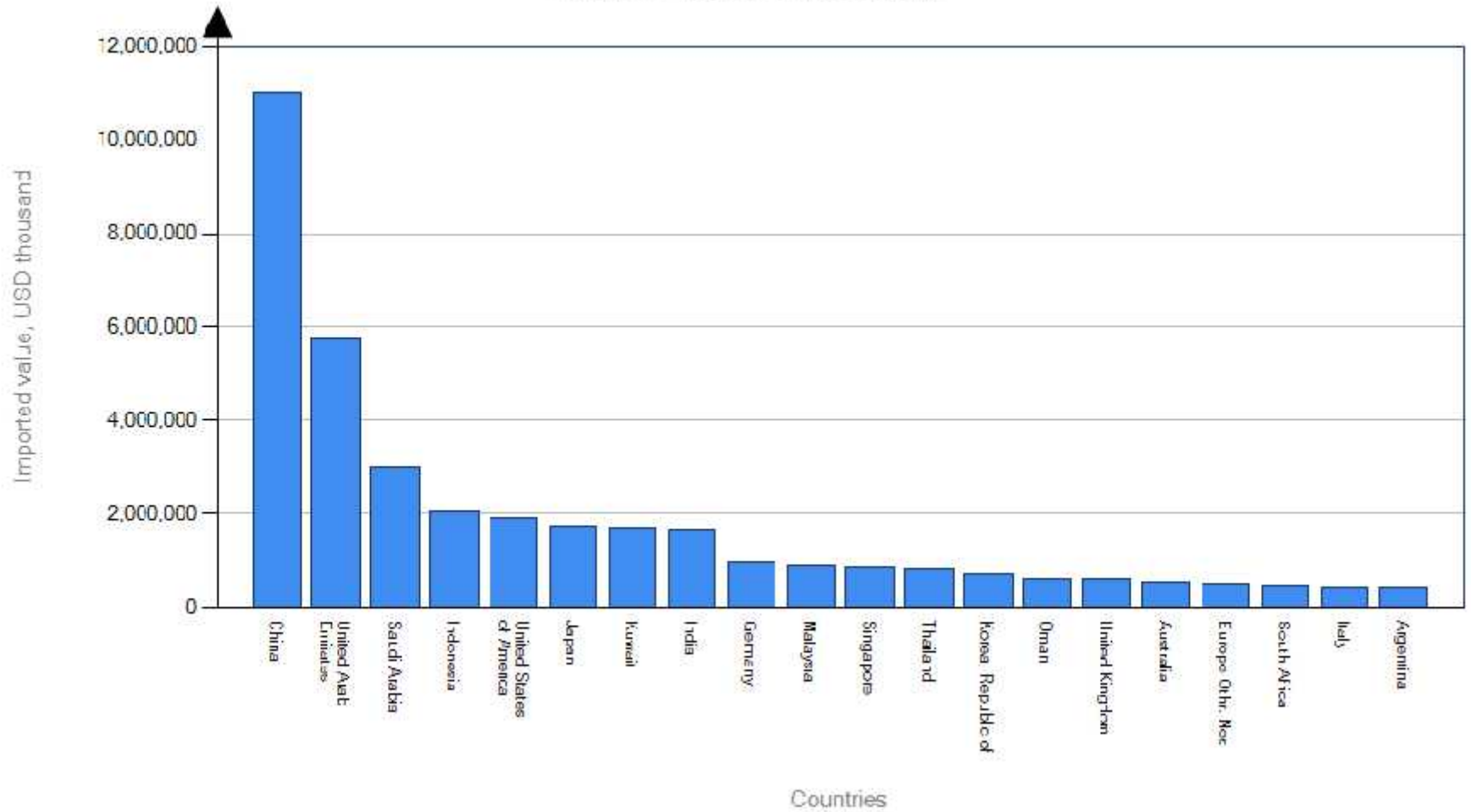
Pakistan's imports from top 10 countries of the world:

Exporters	Imported value 2015	Trade balance 2015	Share in Pakistan's imports (%)	Imported growth in value between 2014-2015 (% , p.a.)	Ranking of Partner countries in world exports	Share of partner countries in world exports (%)
World	43989645	-21900627	100	-7		100
China	11019005	-9084079	25	15	1	14
U A E	5734688	-4835658	13	-19	28	0.9
Saudi Arabia	3006751	-2575444	6.8	-32	21	1.2
Indonesia	2041765	-1901011	4.6	-3	30	0.9
U S A	1916775	1744813	4.4	7	2	9.2
Japan	1725910	-1543627	3.9	-2	4	3.8
Kuwait	1712743	-1612323	3.9	-42	47	0.3
India	1669286	-1357002	3.8	-21	19	1.6
Germany	972154	174107	2.2	-9	3	8.2
Malaysia	910959	-724733	2.1	-29	22	1.2

Unit: US thousand dollars

Graphical Representation:

List of supplying markets for a product imported by Pakistan In 2015
Product : TOTAL All products



Bilateral Trade Relations between Italy and Pakistan:

According to the embassy of Italy in Pakistan, Italy is among the top ten trading partners of Pakistan with bilateral trade of approximately \$ 1.5 billion annually. In EU, it is the second largest trading partner of Pakistan after Germany. Pakistan Imports from Italy (2014-2015) amounted to \$500.4 million and Pakistan Exports to Italy (2014-2015) amounted to \$641.9 million.

The financial contribution of Italian Government in development sector is over Euro 1 billion in sectors including Health and Sanitation; Agriculture, Rural Development and Natural Resources Management; Cultural Heritage and Education. While there is significant contribution in development sector, enhancing bilateral trade and investment between Pakistan and Italy is of significant importance to both countries. Over the years, Italian companies have been looking more and more at Pakistan for trade and investments; Energy remains today the most important sector, while alternative energies, including solar, wind and bio-gas, are acquiring a growing importance in our commercial relations. The Pharmaceutical sector maintains a relevant position in Pak-Italy bilateral trade relations with some of the Italian companies, operating on the Pakistani market since the 1980s. Also the Automotive sector plays a leading role, as well as Textile: most spinning mills successfully of Pakistan employ Italian machinery. Italy has, hence, expertise in areas matching Pakistan's interests. FDI from Italy is around \$200 million which needs to be enhanced.

Trade agreements between Italy & Pakistan

There are four agreements at time between Pakistan and Italy regarding trade;

1. (Trade agreement between Italy and Pakistan), 10th January, 1961
2. (Agreement to avoid double taxation and prevent tax evasion), 22nd June, 1984
3. (Agreement for economic and financial cooperation), 7th October, 1984
4. (Agreement On Protection Of Investments), 19th July, 1997

The major top ten exports and imports between the two countries are given below:

Italy's exports and Pakistan's imports:

Product HS Code	Product Label	Italy's exports to Pakistan		Pakistan's imports from world		Italy's exports to world	
		Value in 2015, USD thousand	Share in Italy's exports, %	Value in 2015, USD thousand	Share in world imports, %	Value in 2015, USD thousand	Share in world exports, %
TOTAL	All products	487334	0.1	36559981	0.2	458751239	2.8
'84	Machinery, nuclear reactors boilers, etc	215185	0.2	4729307	0.2	91804857	4.8
'85	Electrical, electronic equipment	33199	0.1	4365554	0.2	26981129	1.1
'90	Optical, photo, technical, medical	30481	0.3	909494	0.2	11360234	2.1
'39	Plastics and articles thereof	19399	0.1	1890256	0.3	18267613	3.4
'30	Pharmaceutical products	18130	0.1	691422	0.1	21951523	4.5
'88	Aircraft, spacecraft, and parts	17692	0.3	265685	0.1	5246730	2.5
'29	Organic chemicals	17686	0.3	1510266	0.4	6559209	1.8
'38	Miscellaneous chemical products	14572	0.3	554481	0.3	4712054	2.8
'72	Iron and steel	13181	0.1	2142301	0.6	10599305	3.3
'32	Tanning, dyeing extracts, tannins , derivs,pigments etc	12305	0.4	390407	0.5	2847683	3.9

Source: ITC Trademap

Unit: US thousand dollars

Italy's Exports to Pakistan in Last 3 Years

Product HS code	Product label	Italy's exports to Pakistan			Pakistan's imports from world			Italy's exports to world		
		Value in 2013	Value in 2014	Value in 2015	Value in 2013	Value in 2014	Value in 2015	Value in 2013	Value in 2014	Value in 2015
'TOTAL	All products	571321	559396	487334	43775183	47544889	43989645	518095103	529528733	458751239
'84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	262021	222495	215185	3058286	3927057	4068682	103966506	107641638	92280613
'85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	47069	55917	33199	2682333	3346273	3801815	29269460	30006619	27111165
'90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	34092	27439	30481	449809	569450	672503	12127407	12609916	11418584
'39	Plastics and articles thereof	22452	20712	20467	1569501	1952119	1933164	20930188	21593631	18676128
'30	Pharmaceutical products	20828	27956	18130	674676	745740	677541	23577738	25266871	21968857
'29	Organic chemicals	9748	10155	17822	2015504	1964338	1863989	7810425	7701948	6960827
'88	Aircraft, spacecraft, and parts thereof	9590	13657	17692	69642	204976	282316	5941939	6271717	5248540
'38	Miscellaneous chemical products	17381	14103	15042	583064	714984	751179	5689250	5850225	4991849
'72	Iron and steel	15651	15337	13191	1840944	2301833	2551754	13668702	13593499	10654655
'32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring ...	13410	14125	12516	329743	396207	401672	3378574	3481203	2978573

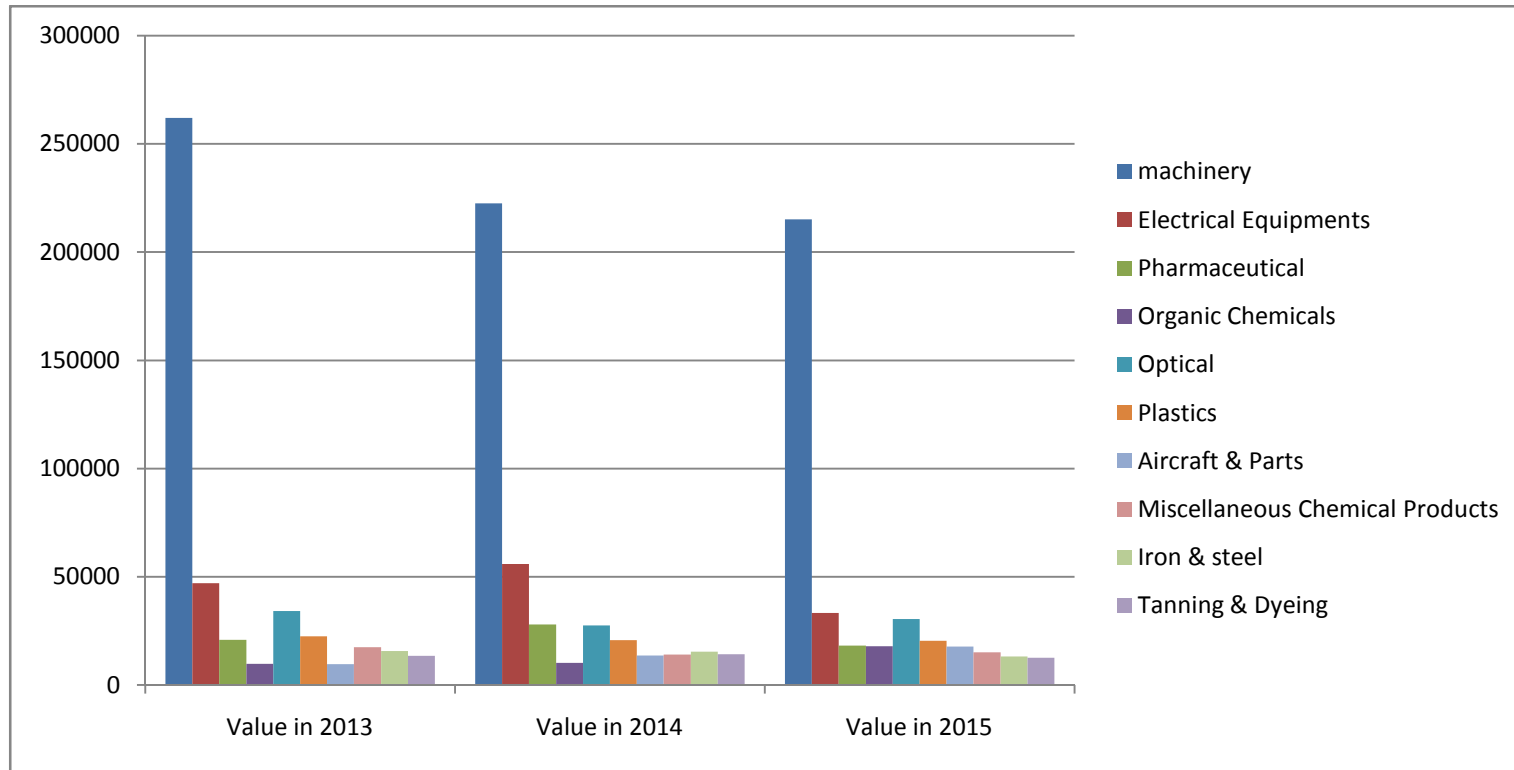
Source: ITC Trademap

Unit: US thousand dollars



The exported value of Italian products to Pakistan in last three years is on a declining trend.

Trend of top 10 products exported to Pakistan in last three years



The above graph shows 10 main Italian exportable products to Pakistan.

Italy's imports and Pakistan's exports:

Product HS Code	Product Label	Italy's imports from Pakistan		Pakistan's exports to world		Italy's imports from world	
		Value in 2015, USD thousand	Share in Italy's imports, %	Value in 2015, USD thousand	Share in world exports, %	Value in 2015, USD thousand	Share in world imports, %
TOTAL	All products	641319	0.2	19880647	0.1	408971013	2.5
'52	Cotton	158215	12.6	3100133	5.7	1254635	2.5
'63	Other made textile articles, sets, worn clothing etc	107748	9.5	3687502	6.1	1134581	2
'62	Articles of apparel, accessories, not knit or crochet	87757	1.2	2776834	1.2	7083464	3.4
'41	Raw hides and skins (other than furskins) and leather	59426	1.6	409858	1.4	3743969	12.3
'61	Articles of apparel, accessories , knit or crochet	58603	0.8	2539366	1.1	7325728	3.6
'39	Plastics and articles thereof	19625	0.1	225934	0	18016010	3.2
'42	Articles of leather, animal gut, harness, travel goods	19486	0.6	708481	0.9	3185627	4.4
'64	Footwear, gaiters and the like, parts thereof	18506	0.3	130609	0.1	5859638	4.5
'55	Manmade staple fibres	18173	1.6	383698	1	1135760	3
'10	Cereals	16825	0.5	1065864	1.1	3148881	3

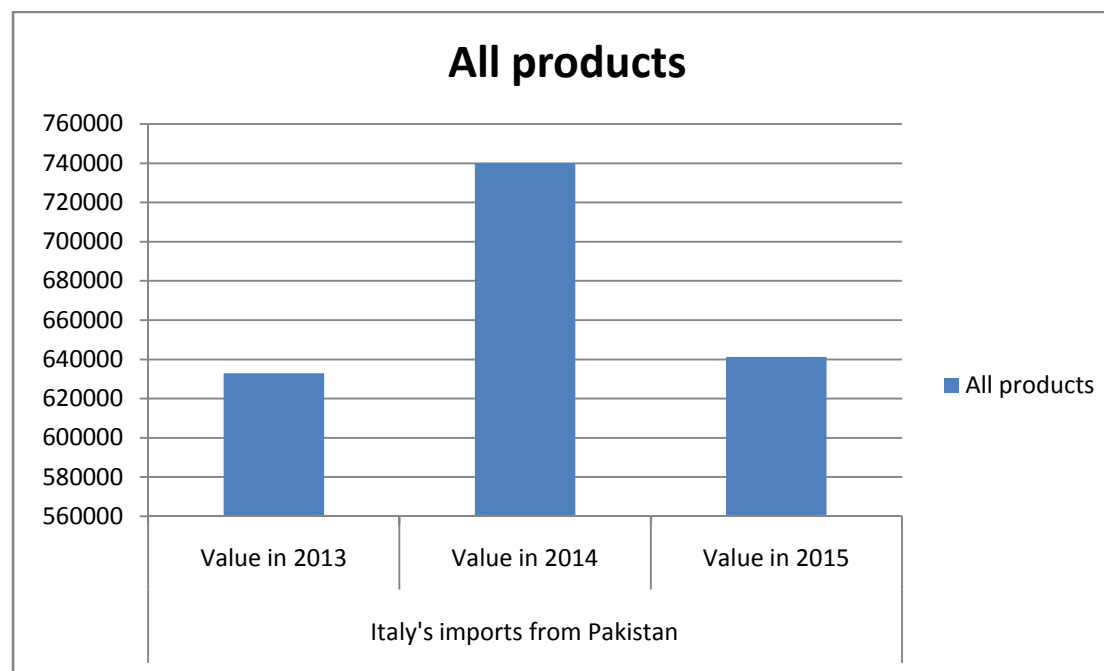
Unit: US thousand dollars

Italy's imports from Pakistan in Last three years

Product HS code	Product label	Italy's imports from Pakistan			Pakistan's exports to world			Italy's imports from world		
		Value in 2013	Value in 2014	Value in 2015	Value in 2013	Value in 2014	Value in 2015	Value in 2013	Value in 2014	Value in 2015
'TOTAL	All products	632918	739890	641319	25120883	24722182	22089018	479336353	474082559	408971013
'52	Cotton	179936	190770	158215	5333784	4731369	4040271	1605596	1592295	1270936
'63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	89952	109324	107748	3685485	3906465	3759721	1210718	1312450	1150273
'62	Articles of apparel and clothing accessories, not knitted or crocheted	70693	91911	87757	1854926	1984656	2127462	7314645	7983543	7132350
'41	Raw hides and skins (other than furskins) and leather	69095	72753	59426	529698	547508	425085	4588126	4957395	3778293
'61	Articles of apparel and clothing accessories, knitted or crocheted	35413	59657	58603	2105321	2402619	2359608	7601487	8260367	7369772
'39	Plastics and articles thereof	13492	28672	19625	449789	361431	284130	20231290	20850391	18270054
'42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles ...	17828	16401	19486	743538	742028	687621	3074442	3369046	3210386
'64	Footwear, gaiters and the like; parts of such articles	14505	21101	18506	109226	132224	116861	6086277	6569653	5908305
'55	Man-made staple	21215	19580	18173	418173	417658	302343	1337420	1325388	1158356

	fibres									
'10	Cereals	11623	25712	16825	2181045	2211315	1942267	3648386	3996181	3172493

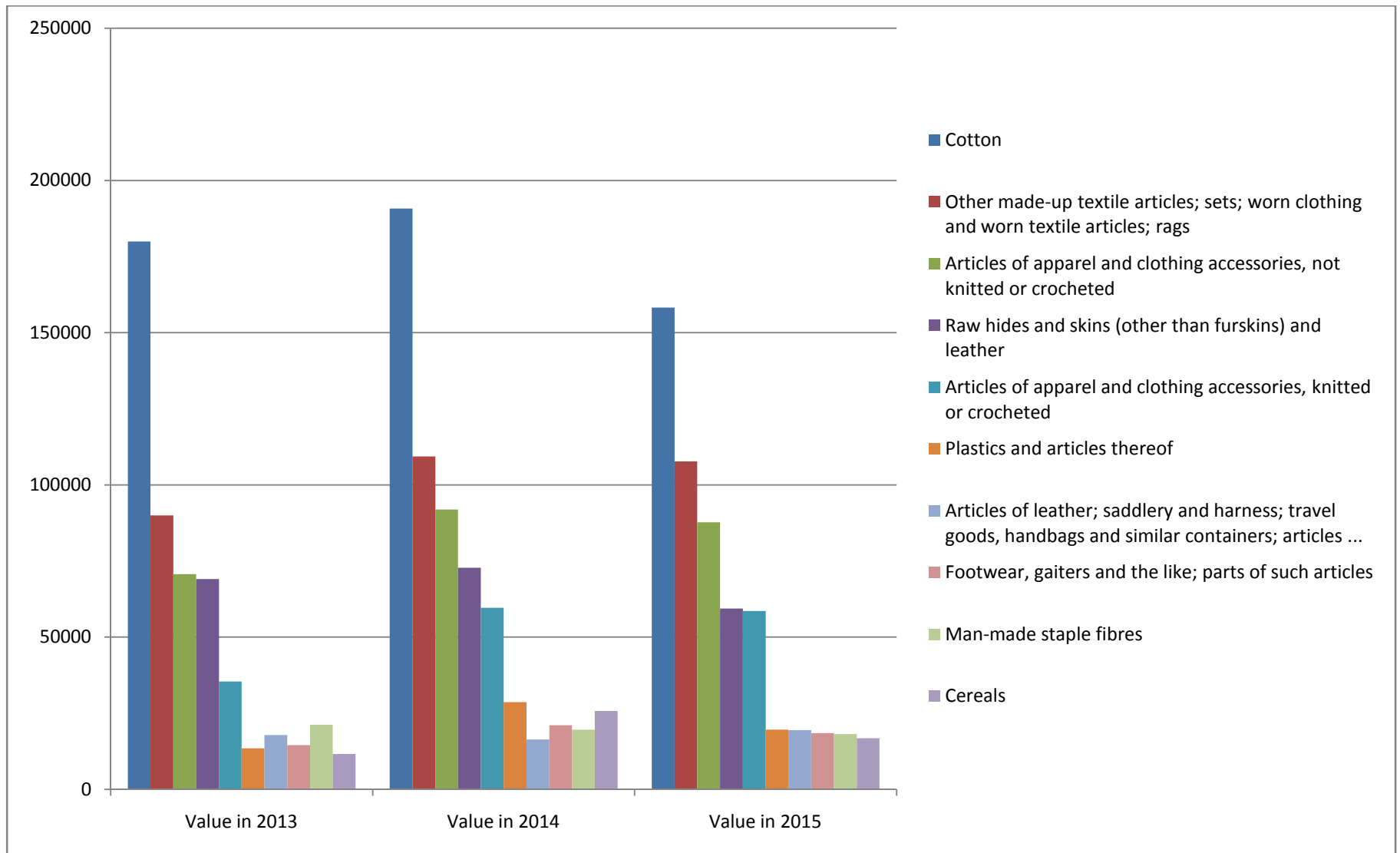
Unit: US thousand dollars



Unit: US thousand dollars

The trend of Pakistan's export to Italy is not very favorable. Since last three years our bilateral trade with Italy has reduced a lot and this is an alarming situation.

Trend of top 10 products Imported from Pakistan in last three years

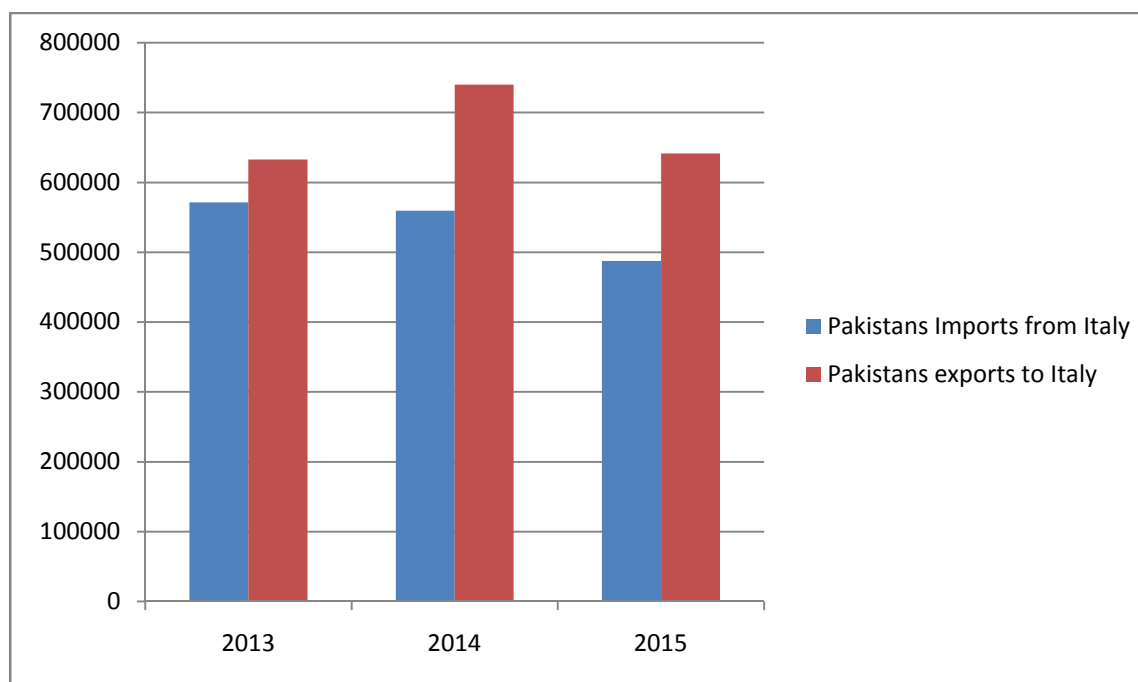


Our exports to Italy are dominated by non value added products. This graph shows that textile group dominates exports to Italy. Raw cotton is the most exportable product in last three years.

Comparison of last three years Imports/exports of Pakistan & Italy

Year	Pakistan's Imports from Italy	Pakistan's Exports to Italy
2013	571321	632918
2014	559396	739890
2015	487334	641319

Unit: US thousand dollars



Trade Balance between Italy and Pakistan			World Trade Balance for Pakistan			World Trade Balance for Italy		
Balance in value in 2013	Balance in value in 2014	Balance in value in 2015	Balance in value in 2013	Balance in value in 2014	Balance in value in 2015	Balance in value in 2013	Balance in value in 2014	Balance in value in 2015
-61597	-180494	-153985	-18654300	-22822707	-21900627	38758750	55446174	49780226

Unit: US thousand dollars

Although Pakistan's trade balance is on a positive side with Italy but the overall trade volume is very low. Around 90 per cent of Pakistan's exports to Italy are textile- and leather-related products and almost half of Italy's exports to Pakistan fall in the category of machinery and equipment.

Principal imports from Italy:

- Machines, engines, pumps
- Cereals
- Pharmaceuticals
- Iron or steel products
- Electronic equipment
- Other chemical goods
- Plastics
- Medical, technical equipment
- Iron and steel
- Organic chemicals

Principal exports to Italy:

- Cotton
- Other textiles, worn clothing

- Raw hides excluding furskins
- Clothing (not knit or crochet
- Knit or crochet clothing
- Leather, animal gut articles
- Plastics
- Footwear
- Manmade staple fibers
- Salt, sulphur, stone, cement

Italy's Trade with Region

India-Italy Bilateral Relations

India's Profile:

India is the world's largest democracy and according to UN estimates, its population is expected to overtake China's in 2028 to become the world's most populous nation. As a rising economic powerhouse and nuclear-armed state, India has emerged as an important regional power. But it is also tackling huge, social, economic and environmental problems. Home to some of the world's most ancient surviving civilizations, the Indian subcontinent - from the mountainous Afghan frontier to the jungles of Burma - is both vast and diverse in terms of its people, language and cultural traditions.

Basic Indicators:

- **Population (thousands, 2014):** 1 267 402
- **GDP (million current US\$, 2014):** 2 066 902
- **GDP (million current PPP US\$, 2014):** 7 393 076
- **Trade to GDP ratio (2012-2014):** 53.6
- **Area:** 3.1 million sq km (1.2 million sq miles), excluding Kashmir
- **Major languages:** Hindi, English and more than 20 other official languages
- **Major religions:** Hinduism, Islam, Christianity, Sikhism, Buddhism
- **Life expectancy:** 64 years (men), 68 years (women)
- **Currency:** Rupee

Italy-India Bilateral trade:

Imports from India:

Product HS code	Product label	Italy's imports from India		
		Value in 2013	Value in 2014	Value in 2015
TOTAL	All products	5276666	5541812	4438052
'72	Iron and steel	528769	612333	486938
'29	Organic chemicals	339524	401893	352009
'84	Machinery, nuclear reactors, boilers, etc	349528	461885	351801
'87	Vehicles other than railway, tramway	363047	239768	271988
'61	Articles of apparel, accessories, knit or crochet	212716	251456	214628
'39	Plastics and articles thereof	257437	201876	188907
'09	Coffee, tea, mate and spices	189316	187232	185213
'27	Mineral fuels, oils, distillation products, etc	656483	637877	172860
'42	Articles of leather, animal gut, harness, travel goods	158069	168827	162579
'62	Articles of apparel, accessories, not knit or crochet	192767	181313	161846

Unit: US thousand dollars

Exports to India:

Product code	HS	Product label	Italy's exports to India		
			Value in 2013	Value in 2014	Value in 2015
TOTAL		All products	3945214	4031753	3714219
'84		Machinery, nuclear reactors, boilers, etc	1619412	1594162	1467800
'29		Organic chemicals	196116	219625	238997
'73		Articles of iron or steel	179540	177646	195580
'87		Vehicles other than railway, tramway	170733	197182	178536
'85		Electrical, electronic equipment	215252	199501	163867
'39		Plastics and articles thereof	142085	144801	126782
'90		Optical, photo, technical, medical, etc apparatus	132147	142902	121540
'48		Paper and paperboard, articles of pulp, paper and board	90490	137199	109908
'25		Salt, sulphur, earth, stone, plaster, lime and cement	97576	90402	97726
'38		Miscellaneous chemical products	86783	87798	82004

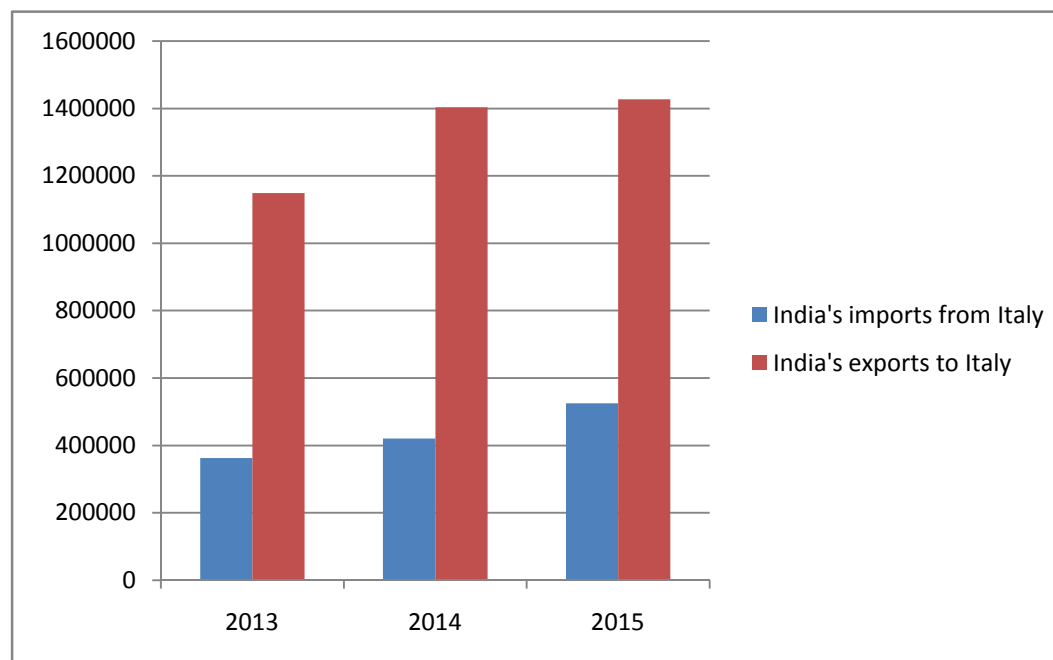
Unit: US thousand dollars

Comparison of last three years Imports/exports of India & Italy

Year	India's Imports from Italy	India's Exports to Italy
2013	3945214	5276666
2014	4031753	5541812
2015	3714219	3714219

Unit: US thousand dollars

Graphical Representation



Summary:

India is Italy's fifth largest trading partner in the EU. Balance of trade has been in India's favour since 1988. The volume of bilateral trade during 2015 has reached Euro 7351.83 million. The exports from India reached Euro 4001.08 million, with a decrease of -3.79% in comparison to 2014. During 2015, India's imports from Italy stood at Euro 3350.75 million, registering an increase of 10.20% compared to 2014. Thus, the balance of trade remains in India's favour (+650.33 million).

The thrust areas of India's exports to Italy are iron, cast iron, steel and ferro-alloys; organic basic chemicals, underwear, refined petroleum products; plants for the production of beverages; footwear; tanned leather, vehicles; fish, crustaceans and molluscs (processed and preserved); jewellery and related items; plastics in primary forms; dyes and pigments; parts and accessories for vehicles.

Principal items of India's imports from Italy: machinery for textile, garment and leather industries (parts and accessories included); general purpose machinery; special purpose machinery; organic basic products; parts and accessories for vehicles; taps and valves; paper and cardboard; Machine tools for metal shaping; Ornamental and building stone, limestone, gypsum, chalk and slate; Tubes, pipes, hollow profiles and related accessories in steel (excluding cast steel); pumps and compressors; chemical products.

Future Prospects for investment and trade are encouraging, as India is increasingly being seen as an emerging economic power in the world and an important economic partner in Asia, both in terms of trade and investment, and as an alternative to their original interest in Eastern Europe.

Bangladesh-Italy Bilateral Relations

Bangladesh's Profile:

Bangladesh is one of the world's most densely populated countries, with its people crammed into a delta of rivers that empties into the Bay of Bengal. Poverty is deep and widespread, but Bangladesh has in recent years reduced population growth and improved health and education. Formerly East Pakistan, Bangladesh came into being only in 1971, when the two parts of Pakistan split after a bitter war which drew in neighboring India. Bangladesh spent 15 years under military rule and, although democracy was restored in 1990, the political scene remains volatile. The low-lying country is vulnerable to flooding and cyclones, and stands to be badly affected by any rises in sea levels.

Basic Indicators:

- **Population (thousands, 2014):** 158 513
- **GDP (million current US\$, 2014):** 173 819
- **GDP (million current PPP US\$, 2014):** 497 017
- **Trade to GDP ratio (2012-2014):** 46.9
- **Area:** 143,998 sq km (55,598 sq miles)
- **Major language:** Bengali
- **Major religion:** Islam, Hinduism
- **Life expectancy:** 69 years (men), 70 years (women)
- **Currency:** taka

Italy-Bangladesh Bilateral Trade:**Imports from Bangladesh:**

Product HS code	Product label	Italy's imports from Bangladesh		
		Value in 2013	Value in 2014	Value in 2015
TOTAL	All products	1148504	1403712	1427173
'61	Articles of apparel, accessories, knit or crochet	643475	799907	825564
'62	Articles of apparel, accessories, not knit or crochet	371134	448190	468525
'41	Raw hides and skins (other than furskins) and leather	62733	79417	48772
'64	Footwear, gaiters and the like, parts thereof	34226	34159	40987
'63	Other made textile articles, sets, worn clothing etc	8823	12544	12624
'42	Articles of leather, animal gut, harness, travel goods	2651	4317	4599
'69	Ceramic products	3931	4975	3450
'95	Toys, games, sports requisites	31	108	3234
'87	Vehicles other than railway, tramway	2919	3577	2874
'03	Fish, crustaceans, molluscs, aquatic invertebrates nes	2660	3341	2245

Unit: US thousand dollars

Exports to Bangladesh:

Product HS code	Product label	Italy's exports to Bangladesh		
		Value in 2013	Value in 2014	Value in 2015
TOTAL	All products	362620	420183	524891
'84	Machinery, nuclear reactors, boilers, etc	189592	254687	273920
'85	Electrical, electronic equipment	26904	27648	72733
'88	Aircraft, spacecraft, and parts thereof	105	465	30529
'41	Raw hides and skins (other than furskins) and leather	13262	15005	15500
'90	Optical, photo, technical, medical, etc apparatus	10829	8123	12510
'32	Tanning, dyeing extracts, tannins, derivs,pigments etc	12039	11034	11159
'29	Organic chemicals	6559	8822	9768
'23	Residues, wastes of food industry, animal fodder	887	1640	8191
'38	Miscellaneous chemical products	7544	8974	8174
'51	Wool, animal hair, horsehair yarn and fabric thereof	5159	2644	6580

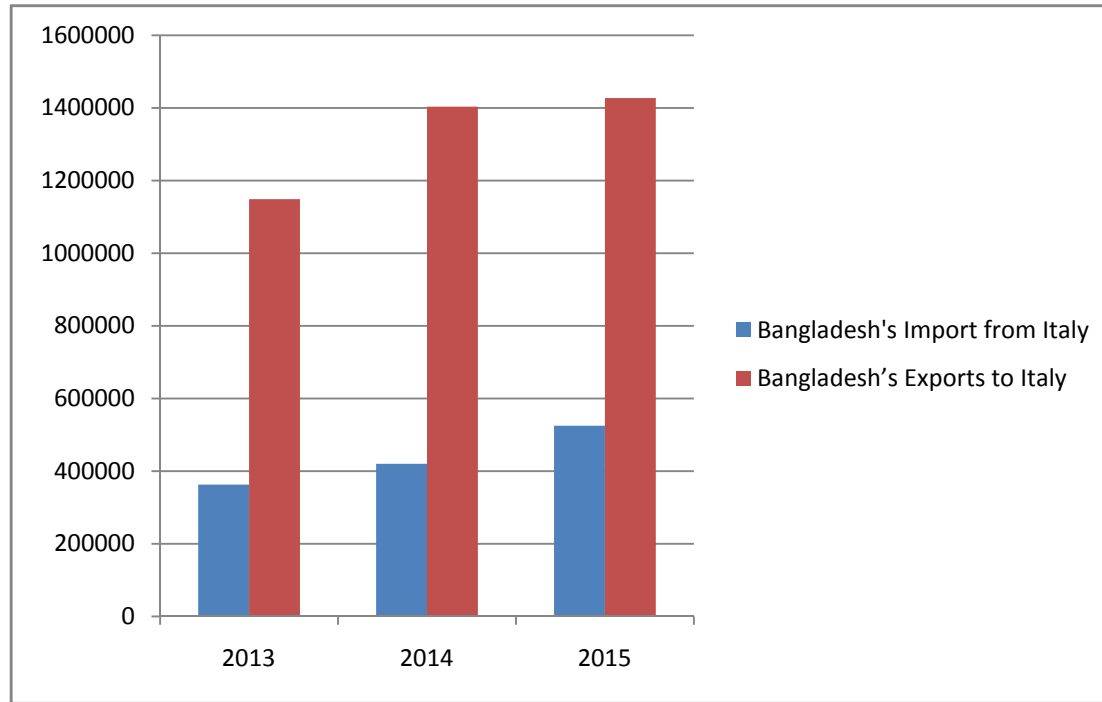
Unit: US thousand dollars

Comparison of last three years Imports/exports Bangladesh & Italy

Year	Bangladesh's Imports from Italy	Bangladesh's Exports to Italy
2013	362620	1148504
2014	420183	1403712
2015	524891	1427173

Unit: US thousand dollars

Graphical Representation



Summary:

Italy is one of the largest trading partners of Bangladesh and more than 200,000 Bangladeshis live in this European country, second largest after the UK. The two sides, however, never hosted any bilateral meeting in more than 40 years of diplomatic ties. Relation is smooth, growing and expanding between the two countries. Bangladesh registered more than \$1.3 billion exports to Italy during the last fiscal, 30 percent more than the previous year. The bilateral trade between the two countries increased by more than 200%.As of 2012, the total amount of the bilateral trade stood at \$1.286 billion, of which Bangladesh's export to Italy accounts for \$1.036 billion. Bangladesh's main export items to Italy include frozen food, agri-products, tea, leather, raw jute, jute goods, knitwear, woven garments etc. Italy's chief export items to Bangladesh include machineries, electronic products, vehicles, aircraft, vessels and associated transport equipments. The two countries enjoy a consolidated trade and investment relationship.

Sri Lanka –Italy Bilateral Relations

Sri Lanka's Profile:

Lying off the southern tip of India, the tropical island of Sri Lanka has attracted visitors for centuries with its natural beauty. But it has been scarred by a long and bitter civil war arising out of ethnic tensions between the majority Sinhalese and the Tamil minority in the northeast. After more than 25 years of violence the conflict ended in May 2009, when government forces seized the last area controlled by Tamil Tiger rebels. But recriminations over abuses by both sides continue. The island fell under Portuguese and Dutch influence after the 16th century. It gained independence in 1948, after nearly 150 years of British rule.

Basic Indicators:

- **Population (thousands, 2014):** 20 639
- **GDP (million current US\$, 2014):** 74 941
- **GDP (million current PPP US\$, 2014):** 217 278
- **Trade to GDP ratio (2012-2014):** 55.6
- **Area:** 65,610 sq km (25,332 sq miles)
- **Major languages:** Sinhala, Tamil, English
- **Major religions:** Buddhism, Hinduism, Islam, Christianity
- **Life expectancy:** 72 years (men), 78 years (women)
- **Currency:** Sri Lankan rupee

Italy-Sri Lanka Bilateral Trade:

Imports from Sri Lanka:

Product code	HS	Product label	Italy's imports from Sri Lanka		
			Value in 2013	Value in 2014	Value in 2015
TOTAL		All products	421427	525384	406399
'61		Articles of apparel, accessories, knit or crochet	177870	224942	188871
'62		Articles of apparel, accessories, not knit or crochet	125762	161207	129828
'40		Rubber and articles thereof	45250	47695	38616
'71		Pearls, precious stones, metals, coins, etc	18970	28226	16777
'09		Coffee, tea, mate and spices	9895	9880	9880
'31		Fertilizers	3382	4241	3382
'38		Miscellaneous chemical products	4720	4004	3043
'08		Edible fruit, nuts, peel of citrus fruit, melons	1355	2763	1597
'24		Tobacco and manufactured tobacco substitutes	1419	2151	1485
'63		Other made textile articles, sets, worn clothing etc	1010	992	1330

Unit: US thousand dollars

Exports to Sri Lanka:

Product HS code	Product label	Italy's exports to Sri Lanka		
		Value in 2013	Value in 2014	Value in 2015
TOTAL	All products	273895	290684	206435
'60	Knitted or crocheted fabric	86660	84846	52576
'84	Machinery, nuclear reactors, boilers, etc	55973	61745	45299
'58	Special woven or tufted fabric, lace, tapestry etc	37253	40503	19152
'54	Manmade filaments	12009	9162	10862
'85	Electrical, electronic equipment	9377	11734	8790
'39	Plastics and articles thereof	5959	9774	7383
'40	Rubber and articles thereof	7372	6888	6707
'32	Tanning, dyeing extracts, tannins, derivs,pigments etc	8166	6459	6593
'90	Optical, photo, technical, medical, etc apparatus	4475	5464	4592
'24	Tobacco and manufactured tobacco substitutes	4278	5409	4382

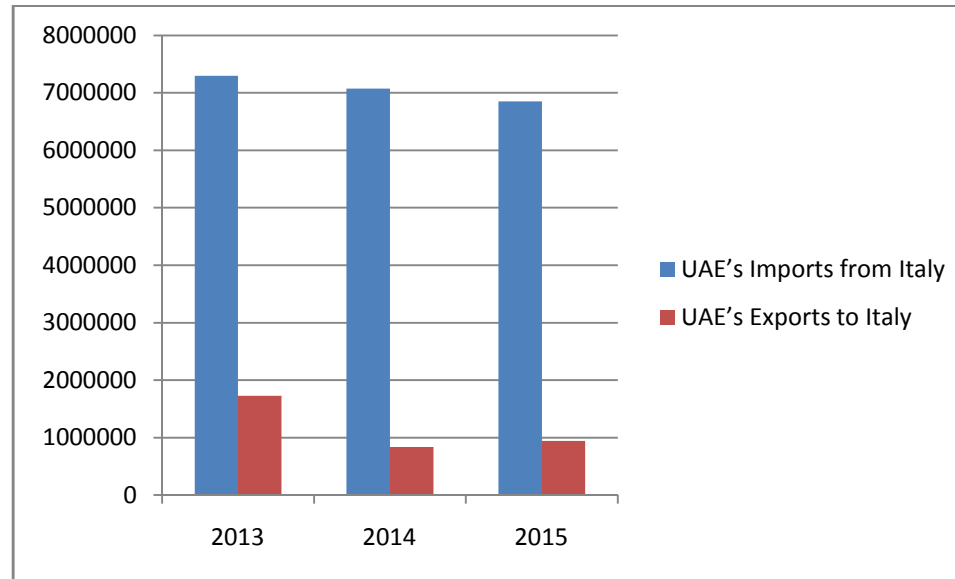
Unit: US thousand dollars

Comparison of last three years Imports/exports Sri Lanka & Italy

Year	Sri Lanka's Imports from Italy	Sri Lanka's Exports to Italy
2013	273895	421427
2014	290684	525384
2015	206435	406399

Unit: US thousand dollars

Graphical Representation



Summary:

Sri Lanka's trade with Italy has recorded a considerable increase during the recent years, except in 2009. The value of total trade between the two countries registered at US \$ 604.49 Mn. in 2009, which is a decline of 10.7% over the previous year due to a decline in exports from Sri Lanka to Italy as well as imports from Italy to Sri Lanka. The trade balance between the two countries has been continuously in favour of Sri Lanka, which was mainly due to the increased exports of apparel and clothing accessories to Italy. There has been a significant increase in Sri Lanka's exports to Italy during the recent past except for 2009, when total exports were decreased by 1.75% in 2009. Clothing and accessories have been the major export items to Italy during the past several years and the contribution in 2009 was about 79% of the total exports. Other leading export items were fish & crustaceans (5.8%), molluscs & other aquatic

invertebrates, smoking tobacco, solid tires (2%) , tea (1.85%) footwear (1.45%). Sri Lanka's major imports from Italy have been knitted or crocheted fabrics, woven & tufted textile fabric, tobacco, man- made staple fibres, man made filaments, cotton, silk, natural or cultured pearls, stones and jewellery, etc. Knitted or crocheted fabrics accounted for 40% total import value. The two countries enjoy a consolidated trade and investment relationship. The value of total trade between the two countries is registered at US \$ 604.49 Mn.

UAE-Italy Bilateral relations

UAE's Profile:

The United Arab Emirates (UAE) is a federation of seven states that has grown from a quiet backwater to one of the Middle East's most important economic centers. Though traditionally conservative, the UAE is one of the most liberal countries in the Gulf, with other cultures and beliefs generally tolerated. Politically it remains authoritarian, however. Before oil was discovered in the 1950s the UAE's economy was dependent on fishing and a declining pearl industry. But since oil exports began in 1962, the country's society and economy have been transformed. The UAE has diversified and has become a regional trading and tourism hub. UAE firms have invested heavily abroad.

Basic Indicators:

- **Population (thousands, 2014):** 9 446
- **GDP (million current US\$, 2014):** 401 647
- **GDP (million current PPP US\$, 2014):** 599 769
- **Trade to GDP ratio (2012-2014):** 173.8
- **Area:** 77,700 sq km (30,000 sq miles)
- **Major language:** Arabic
- **Major religion:** Islam
- **Life expectancy:** 76 years (men), 78 years (women)
- **Currency:** Dirham

Italy-UAE Bilateral Trade:

Imports from UEA:

Product HS code	Product label	Italy's imports from United Arab Emirates		
		Value in 2013	Value in 2014	Value in 2015
TOTAL	All products	1725212	833379	943685
'27	Mineral fuels, oils, distillation products, etc	444335	243810	392328
'76	Aluminium and articles thereof	269226	269280	204022
'88	Aircraft, spacecraft, and parts thereof	1853	1507	121287
'71	Pearls, precious stones, metals, coins, etc	14272	85644	51050
'73	Articles of iron or steel	47155	42259	38476
'39	Plastics and articles thereof	55740	56995	30880
'84	Machinery, nuclear reactors, boilers, etc	41399	27377	25316
'85	Electrical, electronic equipment	23977	27104	12675
'99	Commodities not elsewhere specified	4743	6228	10069
'69	Ceramic products	8490	8559	8484

Unit: US thousand dollars

Exports to UAE:

Product HS code	Product label	Italy's exports to United Arab Emirates		
		Value in 2013	Value in 2014	Value in 2015
TOTAL	All products	7300671	7076033	6854917
'84	Machinery, nuclear reactors, boilers, etc	1351253	1359259	1466389
'71	Pearls, precious stones, metals, coins, etc	1659615	1637677	1186718
'85	Electrical, electronic equipment	495831	479125	630164
'27	Mineral fuels, oils, distillation products, etc	388866	375730	404990
'94	Furniture, lighting, signs, prefabricated buildings	270356	290077	336652
'87	Vehicles other than railway, tramway	200483	281316	253738
'73	Articles of iron or steel	365473	236775	206496
'88	Aircraft, spacecraft, and parts thereof	48473	71594	206305
'90	Optical, photo, technical, medical, etc apparatus	181649	178401	171875
'33	Essential oils, perfumes, cosmetics, toileteries	132432	158634	151955

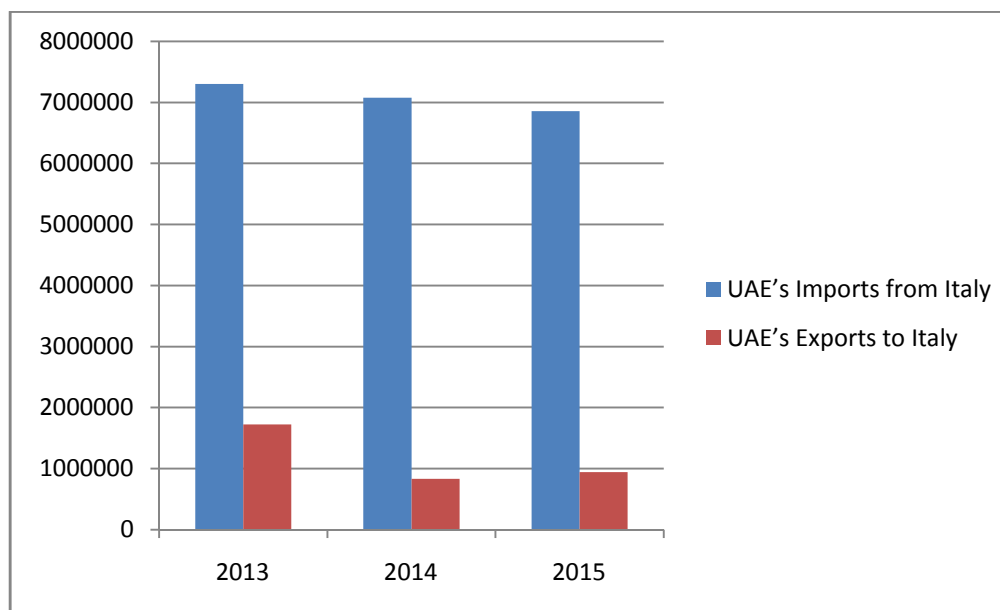
Unit: US thousand dollars

Comparison of last three years Imports/exports UAE & Italy

Year	UAE's Imports from Italy	UAE's Exports to Italy
2013	7300671	1725212
2014	7076033	833379
2015	6854917	943685

Unit: US thousand dollars

Graphical Representation:



Summary:

Italy is the second largest trading partner of the **United Arab Emirates in Europe** and there is considerable potential to develop bilateral trade and business ties between the two countries. "Existing partnerships have enabled economic growth and innovation for

businesses, creating synergies for further development,” according to Minister of Economy Sultan bin Saeed Al Mansouri. The minister’s comments came at the just-concluded UAE-Italian Economic Forum that was held in Marche, Italy. “In 2013 the volume of non-oil trade transactions rose to \$6.05 billion. With an increasing number of new strategic agreements being signed we expect further development in trade and economic relations that will see transaction volumes climb exponentially. Italy has traditionally been a reliable trading partner for the UAE across sectors and there is still potential to tap into new investments areas”,

Regional Analysis:

Pakistan has been trading with Italy since years. But it lacks behind other regional countries which are proving to be great trading partners of Italy specially UAE.

Regional Trade balance between Italy and other countries is reflected below:

Italy's Exports					
Year	Pakistan	India	Bangladesh	UAE	Sri Lanka
2013	571,321	3,945,214	362,620	7,300,671	273,895
2014	559,396	4,031,753	420,183	7,076,033	290,684
2015	487,334	3,714,219	524,891	6,854,917	206,435

Unit: US thousand dollars

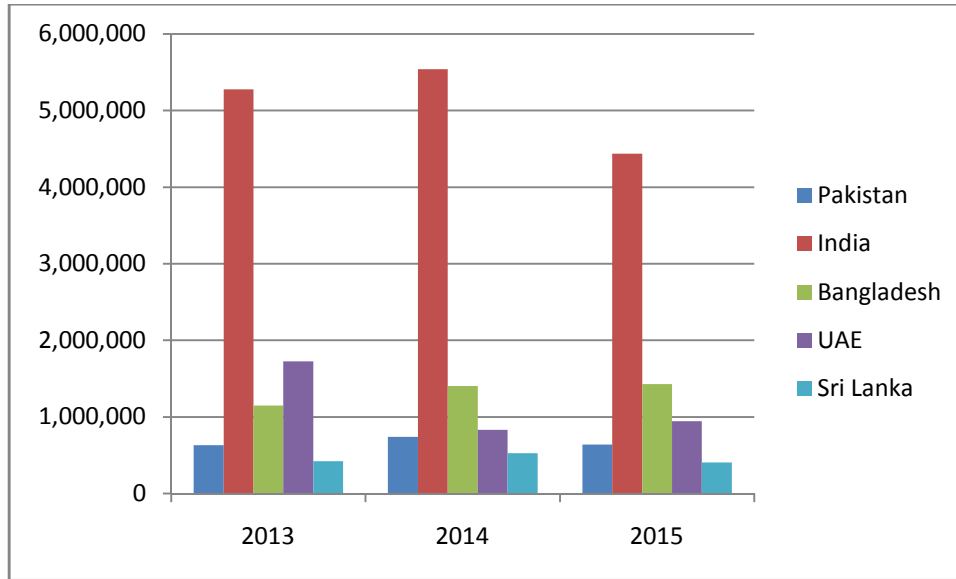
Graphical Representation:



Italy's Imports					
Year	Pakistan	India	Bangladesh	UAE	Sri Lanka
2013	632,918	5,276,666	1,148,504	1,725,212	421,427
2014	739,890	5,541,812	1,403,712	833,379	525,384
2015	641,319	4,438,052	1,427,173	943,685	406,399

Unit: US thousand dollars

Graphical Representation:



Conclusion:

Although, Italy is Pakistan's second largest export destination within the European Union after Germany and the bilateral trade volume between the two countries stood at US \$ 1.22 billion in 2013-2014 but there are numerous areas which can be explored to increase trade volume among two countries.

Technology transfer from Italy can be a vital area where Pakistan can add advantage to its industries. Most of the machines used in our industries particularly in textile sector are underutilized and are working with only 50 to 55 per cent of its installed capacity. Italian technology could help us to upgrade our textile sector and utilize its untapped capacity. Recently a Pak-Italy Friendship Contract was signed between Agha Steels Industries Pakistan and Danieli Italy. This contract signing initiative would help in transferring latest technology in the metal industry to boost local production of steel and create more job opportunities. This will help in producing highest quality deformed steel rebars in Pakistan and will also help in entering into a new area of cooperative relationship between Italy and Pakistan. Moreover as per Embassy of Italy over 120 top businessmen, investors, delegates and head of leading companies of Italy are scheduled to visit Pakistan in December 2016, for attending a forum in order to explore trade and investment opportunities existing between the two countries.

Key areas of joint collaboration between Pakistan & Italy can be, Agricultural Machinery and Equipments, Leather goods, Textiles, Marble, furniture, Renewable energy and automotive. Product certifications and compliance standards is also one area where Pakistani businessman should focus so that exports may be increased to Italy.

Pakistan is seen as the land of opportunities among other regional countries due to its geographical position in the sub-continent so it must need to utilize all the present resources and need to revise all its trading policies so that more opportunities can be created for foreign investors like Italy. After CPEC Pakistan has become lucrative destinations for many investors and Pakistan's business community should take maximum advantage of this project by knowledge and technology sharing.

There is more scope for Pakistan to enhance its trade by making value –added product imports from Italy. Italy is one of the leading trading nations of EU, and both Pakistan & Italy have good potential to improve bilateral trade and economic relations. The cheap labor, big consumers market and natural resources of Pakistan can exert a pull on investors from Italy. Pakistan and Italy can also identify trade opportunities in fashion apparels and footwear sectors.

The Generalised System of Preferences (GSP) Plus status applies to 72 lines of products and it can be a tremendous boost for the Pakistani economy. It also poses challenges in terms of how prepared Pakistani companies are to avail the duty-free access to EU markets. The challenges have to be addressed correctly. If an Italian Chamber of Commerce will be developed in Pakistan, it will be a focal point of assistance for the Pakistani business community to do business with the Italian firms. Some private efforts have been made to bring Italian and Pakistani companies and entrepreneurs closer but government role is also of vital importance.

Italian organizations can invest in Pakistan in various sectors. The sectors which hold potential for growth and attract investors in Pakistan are; Telecom, Financial Services (Banking and Insurance), Services (IT, Accounting, Legal, Medical, Education and Tourism), Energy (IPPs, Hydel, Wind and Solar), Construction/Housing/Engineering, Commercial Real Estate Development, Infrastructure (RR, Roads, P&S and Airports), Agro-tech/Corporate Agricultural Farming (Dairies/Livestock, Fisheries, Farming and Food/Fruit processing and Horticulture).