

Belgium's trade relations with

PAKISTAN

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**Belgian
Foreign Trade Agency**



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1 IMPORTANCE OF BELGIUM AND THE OTHER EU-COUNTRIES IN TRADE WITH PAKISTAN

1.1 EXPORTS

Total exports of goods from the European Union (EU-27) to Pakistan reached about €3.9 billion in 2023.

Belgium represented a share of 12.4%, making it the 3rd largest exporter of goods to Pakistan in the EU. Germany took first place in EU exports of goods to Pakistan with a 24.7% share and an amount of €971.2 million. Furthermore, the Netherlands were in second place with a share of 16.8%.

While European exports (EU-27) to Pakistan were down by 26.9% (€-1.4 billion) in 2023, Belgian exports decreased by 19.4% (€-117.9 million). As the percentage drop of Belgian exports was lower than that of the EU as a

whole, our country's share of EU exports of goods to Pakistan increased in 2023.

German exports of goods to Pakistan fell by 19.2% (€-230.7 million) in 2023 because the subsection 'vaccines for human medicine' was no longer part of exports and because of the lower values for 'textile spinning machines' and 'gears and gearing, other than toothed wheels, chain sprockets and other transmission elements presented separately; ball or roller screws; gear boxes and other speed changers, including torque converters'. Meanwhile, the decrease in exports of the Netherlands by 20.1% (€-166.1 million) can be attributed in large part to a lower value for 'light oils and preparations'.

TABLE 1: EVOLUTION OF EXPORTS TO PAKISTAN

In million €	2022	2023	Variation (in %)	Share (in %)
1 Germany	1,201.9	971.2	-19.2	24.7
2 Netherlands	827.4	661.3	-20.1	16.8
3 Belgium	606.6	488.7	-19.4	12.4
...				
Total EU-27	5,381.3	3,932.1	-26.9	100.0

1.2 IMPORTS

Total imports of goods by the European Union (EU-27) from Pakistan amounted to a little more than €7.9 billion in 2023.

Belgium was the 6th largest importer of goods from Pakistan in the EU with a share of 6.3%. Germany was not only the largest exporter of goods to Pakistan, but also the most significant importer with a share of 21.6%, which corresponds to an amount of about €1.7 billion. Spain and Italy completed the top three with shares of 16.1% and 13.8%, respectively.

While European imports (EU-27) from Pakistan decreased by 16.3% (€-1.6 billion) in 2023, Belgian imports were down by 24.9% (€-166.1 million). As the percentage decline of Belgian imports was higher than that of the EU as a whole, our country's share of EU

imports of goods from Pakistan decreased in 2023.

German imports of goods from Pakistan recorded a fall of 21.8% (€-477.9 million) in 2023 because of the lower value for 'trousers, bib and brace overalls, breeches and shorts of cotton' and 'bedlinen of cotton', while those of Spain decreased by 11.0% (€-157.8 million) as a result of lower imports of 'jerseys, pullovers, cardigans, waistcoats and similar articles of man-made fibres', 'trousers, bib and brace overalls, breeches and shorts of cotton' and 'trousers, bib and brace overalls, breeches and shorts of synthetic fibres'. Furthermore, Italian imports from Pakistan declined by 8.5% (€-101.8 million) last year.

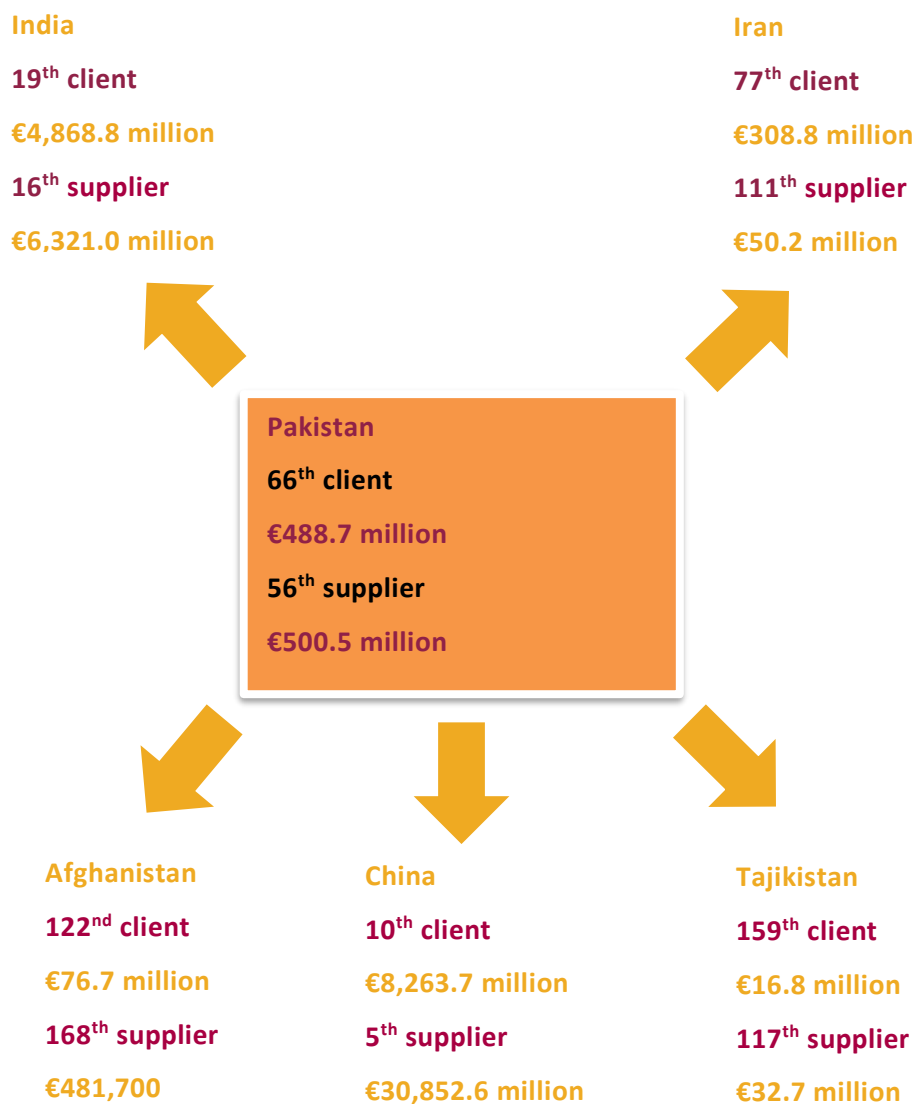
TABLE 2: EVOLUTION OF IMPORTS FROM PAKISTAN

In million €	2022	2023	Variation (in %)	Share (in %)
1 Germany	2,193.4	1,715.6	-21.8	21.6
2 Spain	1,433.7	1,275.9	-11.0	16.1
3 Italy	1,196.9	1,095.0	-8.5	13.8
...				
6 Belgium	666.5	500.5	-24.9	6.3
...				
Total EU-27	9,490.9	7,939.4	-16.3	100.0

2 IMPORTANCE OF PAKISTAN AND ITS NEIGHBOURING COUNTRIES IN BELGIUM'S FOREIGN TRADE (2023)

CLIENT → BELGIAN EXPORTS

SUPPLIER → BELGIAN IMPORTS



INTEREST IN PAKISTAN

The database of the Belgian Foreign Trade Agency, which registers more than 23,000 companies, holds records on 910 Belgian companies that export to Pakistan and another 1,681 companies that show an interest in this market.

3 BILATERAL TRADE RELATIONS

3.1 TRADE IN GOODS

In 2023, Pakistan ranked **66th** among Belgium's main clients, before Latvia, but after the Philippines.

Total Belgian **exports** of goods to Pakistan reached €488.7 million in 2023, which is **19.4%** (€-117.9 million) less than the previous year. In 2023, exports to Pakistan were responsible for **0.1%** of total Belgian exports of goods.

Pakistan was Belgium's **56th** largest supplier of goods in 2023. It ranked after Chile, but preceded Lithuania.

Total Belgian **imports** of goods from Pakistan fell by **24.9%** (€-166.0 million) and amounted to €500.5 million in 2023. Last year, Pakistan was responsible for **0.1%** of total Belgian imports of goods.

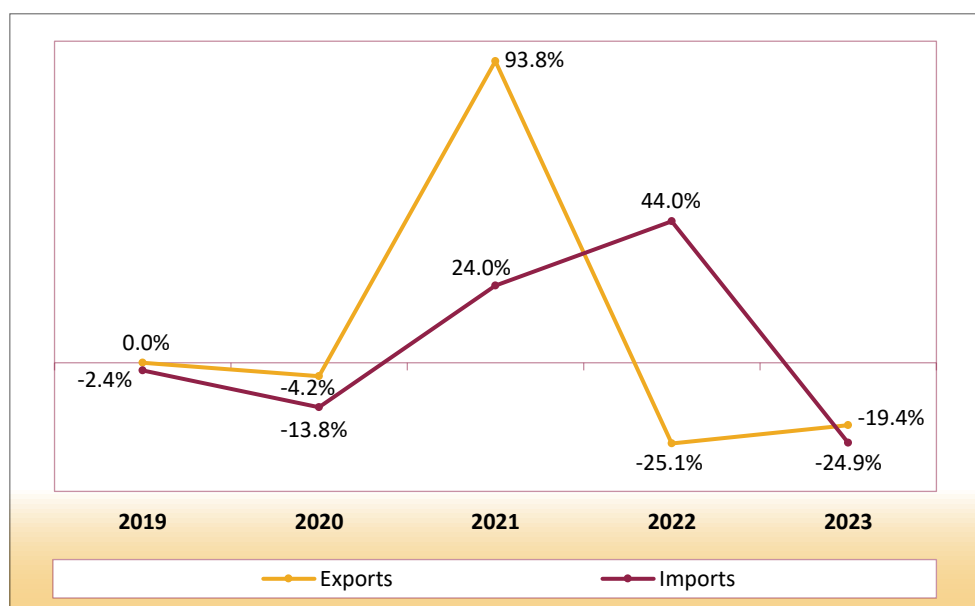
TABLE 3: EVOLUTION OF BELGIUM'S TRADE IN GOODS WITH PAKISTAN

In million €	2019	2020	2021	2022	2023
Exports	436.1	417.6	809.4	606.6	488.7
Imports	433.0	373.0	462.7	666.5	500.5
Trade balance	3.1	44.6	346.7	-59.9	-11.8
Exports: variation in %	0.0	-4.2	93.8	-25.1	-19.4
Imports: variation in %	-2.4	-13.8	24.0	44.0	-24.9

The surplus on Belgium's **trade balance** for goods with Pakistan, which reached €3.1 million in 2019, rose to €44.6 million a year later as the value of imports was down by a larger amount than exports. Then, the surplus shot up to €346.7 million in 2021 as exports increased by a significantly larger margin than imports. In 2022, the surplus

turned back into a deficit of €59.9 million as imports continued to grow, while exports fell by a quarter. Finally, the deficit on Belgium's trade balance for goods with Pakistan was limited to €11.8 million in 2023 as the value of imports fell by a larger amount than exports.

FIGURE 1: VARIATION OF EXPORTS AND IMPORTS (IN %)



Total Belgian **imports** of goods from Pakistan traditionally consist of textiles to a large extent. An increase or decrease in the imports of this group of products therefore also has a significant impact on the evolution of total imports from that country. After having displayed a fall of 2.4% in 2019, total imports continued to diminish in 2020 (-13.8%), due to a significantly lower value for textiles. Imports for this group of products then recovered, which is the main reason why total imports grew by 24.0% and 44.0%, respectively, in 2021 and 2022. The value of textiles in total Belgian imports of goods from Pakistan was down by nearly a third in 2023, heavily impacting total imports, which fell 24.9% last year.

After Belgian **exports** of goods to Pakistan had remained stable in 2019 when compared to the previous year, they recorded a 4.2% drop in 2020 because the values for both chemical products and base metals, which were two of the three most exported product groups to Pakistan that year, were down. Belgium is an important distribution centre for both COVID-19 and other vaccines, which was the main reason why exports to Pakistan subsequently grew by 93.8% in 2021. Then, exports of COVID-19 vaccines were considerably lower in 2022 than the year before, causing total exports to drop by 25.1%. Finally, the values for chemical products, base metals and machinery and equipment, three of the four largest sections in total Belgian exports of goods to Pakistan in 2023, all displayed significant decreases. As a result, total exports fell by another 19.4% last year.

3.1.1 EXPORTS

In 2023, **chemical products** once again took the top position in total Belgian **exports** of goods to Pakistan. With €208.0 million, this group of products represented a share of 42.6% of total exports. This section was mainly composed of ‘vaccines for human medicine against SARS-related coronaviruses’.

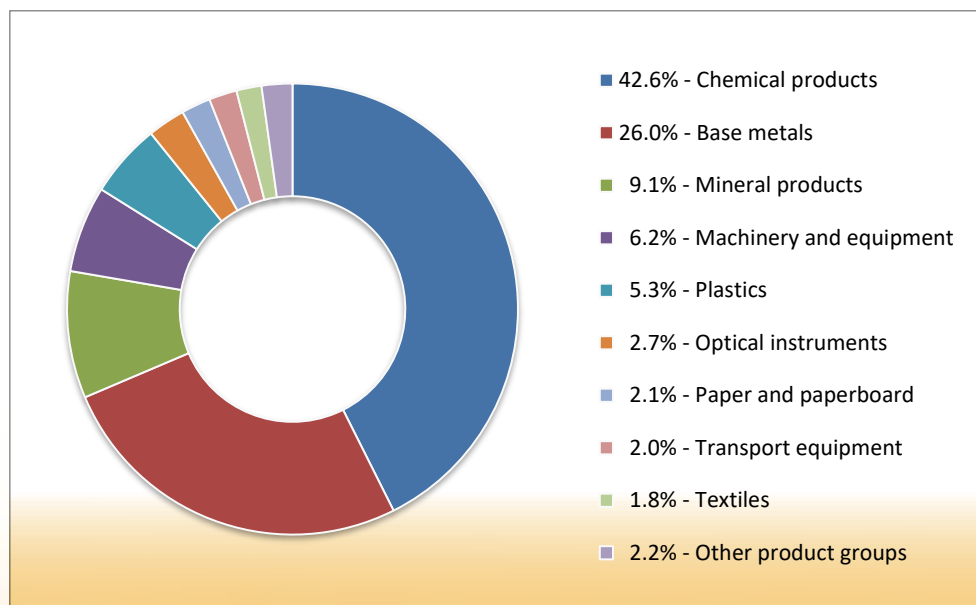
Exports of **base metals** (main subsections: ‘ferrous waste and scrap’ and ‘aluminium waste and scrap’) reached €127.0 million, which equals a share of 26.0% of total Belgian exports of goods to Pakistan.

Mineral products (main subsection: ‘light oils and preparations’) completed the top three of Belgian exports of goods to Pakistan with a 9.1% share and exports totaling €44.5 million.

There were seven further product groups that also accounted for a share of more than 1.0% of Belgian exports of goods to Pakistan. These sections were:

- **machinery and equipment:** €30.1 million, corresponding to a share of 6.2%;
- **plastics:** €26.0 million, corresponding to a share of 5.3%;
- **optical, precision and medical instruments:** €13.0 million, corresponding to a share of 2.7%;
- **paper and paperboard:** €10.2 million, corresponding to a share of 2.1%;
- **transport equipment:** €10.0 million, corresponding to a share of 2.0%;
- **textiles:** €8.9 million, corresponding to a share of 1.8% and
- **foodstuffs:** €7.1 million, corresponding to a share of 1.4%.

FIGURE 2: BREAKDOWN OF BELGIAN EXPORTS TO PAKISTAN BY PRINCIPAL COMMODITIES (IN %) - 2023



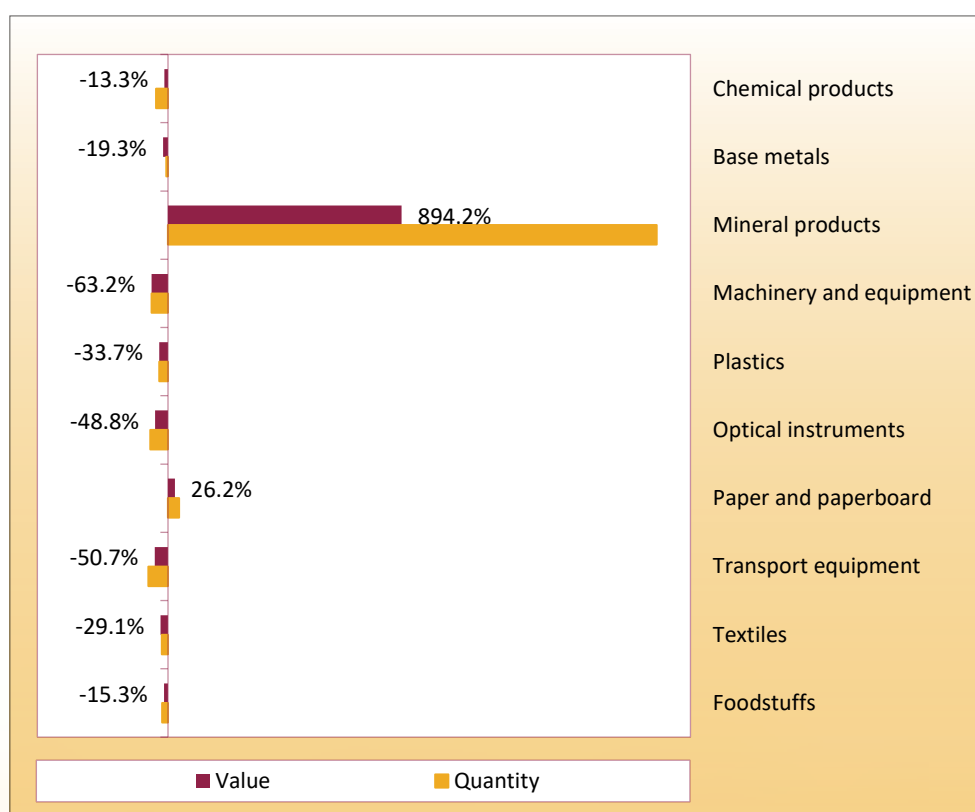
The 19.4% decrease of total Belgian exports of goods to Pakistan resulted in part from the cutback in exports of both **base metals** and **machinery and equipment**. While the former group of products displayed a 19.3% (€-30.4 million) fall in exports due to lower values for ‘flat-rolled products of iron or non-alloy steel’, ‘copper waste and scrap’ and ‘ferrous waste and scrap’, exports of the latter section were down by 63.2% (€-51.6 million) due to the ‘weaving machines (looms)’ subsection.

Exports of **chemical products**, the largest section, fell by 13.3% (€-32.0 million) in 2023 because of a lower value for the subsection ‘vaccines for human medicine against SARS-related coronaviruses’.

The remaining product groups with a share of more than 1.0% of which the export value decreased, displayed negative growth rates varying from 15.3% (**foodstuffs**) to 50.7% (**transport equipment**). The fall of this last section by €10.3 million can be attributed in large part to lower exports of ‘vehicles with only an electric motor for propulsion’.

The two sections with a share of more than 1.0% that recorded an increase in exports were **paper and paperboard** (+26.2%) and **mineral products** (+894.2%). The rise in value of this last product group by €40.0 million was the result of higher exports of ‘light oils and preparations’. The fact that the exported quantity of this last product group grew significantly more than the value indicates that the unit price for this type of product was lower in 2023 than the year before.

FIGURE 3: VARIATION OF EXPORTS TO PAKISTAN BY PRINCIPAL COMMODITIES (IN VALUE AND QUANTITY) — 2023/2022



3.1.2 IMPORTS

Textiles still dominated total Belgian imports of goods from Pakistan in 2023. This group of products, which was composed primarily of ‘jerseys, pullovers, cardigans, waistcoats and similar articles of cotton’, ‘pantyhose, tights, stockings, socks and other hosiery of cotton’ and ‘printed bedlinen of cotton’, represented a value of €321.5 million and a share of 64.2%.

Imports of **vegetable products** (main subsections: ‘husked (brown) rice’ and ‘semi-milled or wholly milled rice’) amounted to €82.0 million, which corresponds to a share of 16.4%.

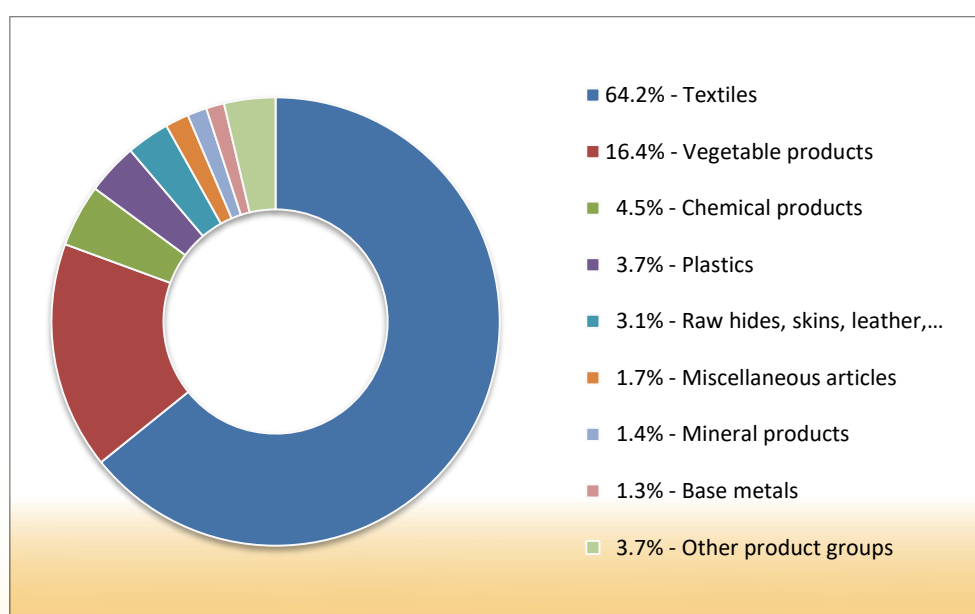
Chemical products, which were composed primarily of ‘biodiesel and mixtures thereof’ and ‘sodium hydroxide (caustic soda); potassium hydroxide (caustic potash);

peroxides of sodium or potassium’, completed the top three of Belgian imports of goods from Pakistan. This section accounted for €22.8 million or a share of 4.5%.

There were five other product groups that also accounted for a share of more than 1.0% of Belgian imports of goods from Pakistan. These sections were:

- **plastics**: €18.4 million or a share of 3.7%;
- **raw hides, skins, leather,...**: €15.7 million or a share of 3.1%;
- **miscellaneous manufactured articles**: €8.7 million or a share of 1.7%;
- **mineral products**: €7.0 million or a share of 1.4% and
- **base metals**: €6.5 million or a share of 1.3%.

FIGURE 4: BREAKDOWN OF BELGIAN IMPORTS FROM PAKISTAN BY PRINCIPAL COMMODITIES (IN %) — 2023



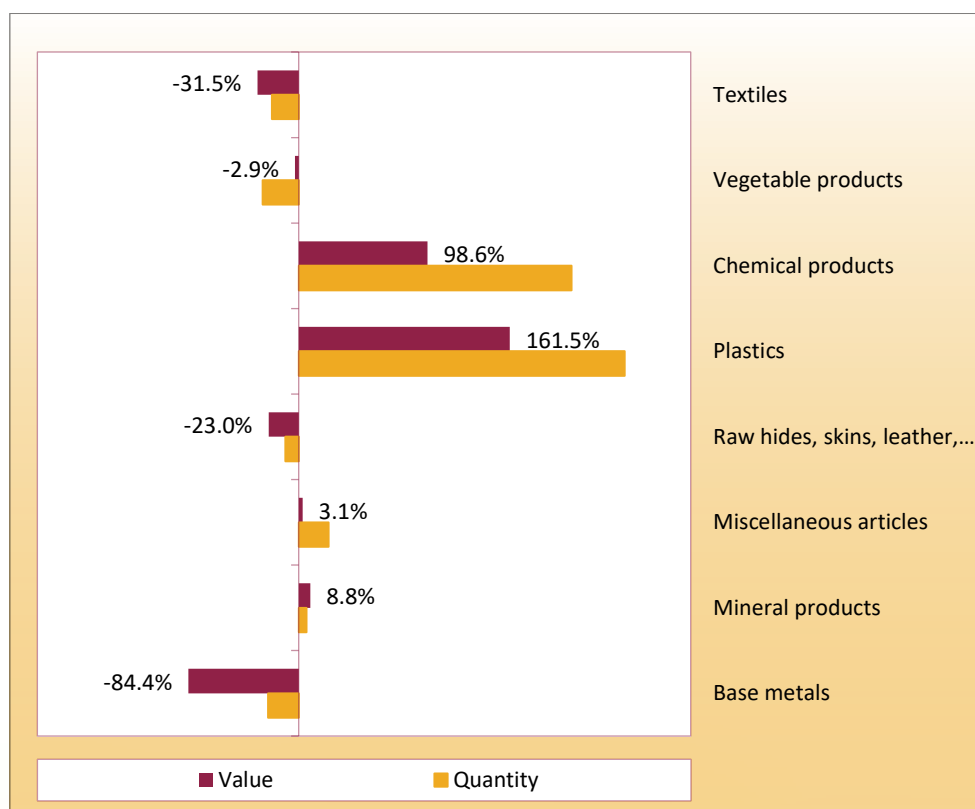
The main reason for the 24.9% fall of total Belgian imports of goods from Pakistan was the lower value for **textiles**. This group of products, which was the largest section in imports, displayed a decrease of 31.5% (€-148.1 million) due to the drop in imports of ‘jerseys, pullovers, cardigans, waistcoats and similar articles of cotton’ and ‘pantyhose, tights, stockings, socks and other hosiery of cotton’.

Vegetable products (-2.9%), **raw hides, skins, leather,...** (-23.0%) and **base metals** (-84.4%) were the other product groups of which the import value was down. The €35.1

million decrease in imports of the latter section resulted from the fact that the subsection ‘unrefined copper’ was no longer part of imports from Pakistan in 2023.

The other product groups with a share of more than 1.0%, displayed growth rates varying from 3.1% (**miscellaneous manufactured articles**) to 161.5% (**plastics**). The rise of this last section by €11.4 million can be attributed in large part to higher imports of ‘poly(ethylene terephthalate)’.

FIGURE 5: VARIATION OF IMPORTS FROM PAKISTAN BY PRINCIPAL COMMODITIES (IN VALUE AND QUANTITY) — 2023/2022



3.2 TRADE IN SERVICES

The value of Belgian exports of services to Pakistan was down by 12.9% (€-2.0 million) in 2023, decreasing from €15.6 million to **€13.6 million**. This made Pakistan the **122nd** largest client of Belgium, after Jersey, but before Gabon.

Belgian imports of services from Pakistan represented a value of **€11.6 million** in 2023, which is 32.9% (€-5.7 million) less than the year before. Pakistan was Belgium's **116th** largest supplier of services in 2023. It ranked before Somalia, but after Uruguay.

TABLE 4: EVOLUTION OF BELGIUM'S TRADE IN SERVICES WITH PAKISTAN

In million €	2019	2020	2021	2022	2023
Exports	23.7	16.5	29.1	15.6	13.6
Imports	17.4	14.3	18.1	17.3	11.6
Trade balance	6.3	2.2	11.0	-1.7	2.0
Exports: variation in %	-17.1	-30.2	75.8	-46.4	-12.9
Imports: variation in %	15.2	-18.0	26.5	-4.1	-32.9

From 2019 to 2023, Belgium's **trade balance for services** was negative only once, in 2022, with exports of services to Pakistan exceeding imports from that country in each of the other four years.

The surplus on Belgium's services trade balance with Pakistan, which amounted to €6.3 million in 2019, was reduced to €2.2 million a year later as exports fell more than imports. Then, the trade surplus grew to €11.0 million in 2021 because the value of exports increased by a larger margin than

imports. Exports subsequently witnessed a more significant drop than imports in 2022, which is why the trade surplus turned into a deficit of €1.7 million. Finally, in 2023, the situation from the year before was reversed, as this time imports were down by a larger amount than exports. As a result, the trade deficit once again turned into a surplus of €2.0 million.

The trade balance for services stood in contrast to that for goods in 2023, as the latter was negative for our country last year.

3.2.1 EXPORTS

In 2023, **communication services** were the largest category in total Belgian **exports** of services to Pakistan with a share of 33.1% and a value of €4.5 million. **Other business services** took 2nd place with 27.4%, while **transportation services** settled in third place with a share of 13.2%. This last section is composed of sea transport, air transport, space transport, rail transport, road transport, inland waterway transport and pipeline transport.

The lower values for **transportation services** and **maintenance and repair services** were the main reasons why total Belgian exports of services to Pakistan were down by 12.9% in 2023. Exports of the former section decreased by 62.9% (€-3.0 million), while the value of the latter fell by €2.3 million (-81.9%) to €497,000, causing it to fall out of the top five of largest sections.

Financial services recorded a decline of 29.7% (€-218,000) and amounted to €517,000.

The negative evolution of the preceding services groups and the **other services** (-49.2%, or €-1.8 million) was more significant than the rise in exports of **communication services** (+30.5% or €+1.1 million), **other business services** (+60.6% or €+1.4 million) and **construction services** (+82.9%, or €+559,000).

TABLE 5: BELGIAN EXPORTS TO PAKISTAN BY PRINCIPAL SERVICES

In million €	2022	2023	2023/2022 Var. in %	2023 Share in %
Communication services	3.4	4.5	30.5	33.1
Other business services	2.3	3.7	60.6	27.4
Transportation services	4.8	1.8	-62.9	13.2
Construction services	0.7	1.2	82.9	9.1
Financial services	0.7	0.5	-29.7	3.8
Other services	3.6	1.8	-49.2	13.4
Total	15.6	13.6	-12.9	100.0

3.2.2 IMPORTS

Other business services was the largest section of Belgian imports of services from Pakistan. Their value amounted to €6.3 million in 2023, corresponding to a share of 53.8%. This section includes, among other things, ‘merchandising’, ‘operational leasing services’, ‘legal services’, ‘accounting, auditing, bookkeeping and tax consultancy services’, ‘advertising, market research and public opinion polling’ and ‘waste treatment and depollution’. **Transportation services** and **communication services** completed the top three with shares of 16.1% and 11.3%, respectively.

The lower value for **transportation services** was the main reason why total Belgian imports of services from Pakistan were down

by 32.9% in 2023. Imports of this section fell €4.1 million (-68.7%) to €1.9 million.

Other business services and **communication services** were the other sections from the top five that displayed decreases. The value of the first group of services dropped by 14.6% (€-1.0 million), while imports of the latter were down by 41.3% (€-924,000) to €1.3 million in 2023.

The lower values of the preceding services groups and the **other services** (-0.8%, or €-6,000) were more significant than the rise in imports of **travel services** (+18.0% or €+127,000) and **financial services** (+94.5% or €+292,000).

TABLE 6: BELGIAN IMPORTS FROM PAKISTAN BY PRINCIPAL SERVICES

In million €	2022	2023	2023/2022 Var. in %	2023 Share in %
Other business services	7.3	6.3	-14.6	53.8
Transportation services	6.0	1.9	-68.7	16.1
Communication services	2.2	1.3	-41.3	11.3
Travel services	0.7	0.8	18.0	7.2
Financial services	0.3	0.6	94.5	5.2
Other services	0.8	0.8	-0.8	6.5
Total	17.3	11.6	-32.9	100.0

4 SOME ECONOMIC INDICATORS ON THE ECONOMY OF PAKISTAN

Economic structure (2023 - estimates)	
GDP	340.6 billion USD
GDP growth	-0.5%
Inflation	29.2%
Exports of goods (2022 - FOB)	30.8 billion USD
Imports of goods (2022 - FOB)	70.2 billion USD
Trade balance (2022)	-39.4 billion USD
Population	241.5 million
Unemployment rate	8.5%
Main clients: % of total (2022)	
United States	20.0
China	8.2
United Kingdom	6.5
Netherlands	5.8
Main suppliers: % of total (2022)	
China	22.0
UAE	11.1
Saudi Arabia	7.2
Indonesia	7.0
Main exports: % of total (2022)	
Bed linen, table linen, toilet linen and kitchen linen	13.9
Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear)	10.1
Rice	7.5
Main imports: % of total (2022)	
Petroleum oils and oils obtained from bituminous minerals	15.5
Crude petroleum oils and crude oils obtained from bituminous minerals	8.5
Petroleum gases and other gaseous hydrocarbons	7.4

Sources: Lloyd's Bank Trade + TrendEconomy

5 INDEX OF THE UNIT PRICE IN IMPORTS AND EXPORTS

The table below gives an overview of the development of the index of the unit price for imports and exports for Belgium (with the world).

This index facilitates an analysis of the general development of the price of goods. This makes it possible to consider the global development of Belgian imports and exports in perspective by determining the part that is

caused by price developments (and hence which part is caused by a change in quantity).

The table has to be interpreted as follows:

If a given product had an export value of €100 in the year 2015, then this product had an average value of €141.4 in 2022. The same principle applies to imports. If a particular product had an import value of €100 in 2015, the same product then had an import value of €144.7 in 2022.

TABLE 7: INDEX OF THE UNIT VALUE OF TOTAL BELGIAN EXPORTS AND IMPORTS (2015=100)

	Export	Import
2011	99.7	101.2
2012	102.5	104.4
2013	101.6	103.3
2014	100.5	101.8
2015	100.0	100.0
2016	97.4	95.8
2017	102.4	102.0
2018	105.7	106.6
2019	106.4	106.5
2020	104.8	103.5
2021	115.6	115.4
2022	141.4	144.7

6 SOURCES

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CREDENDO GROUP — WWW.CREDENDOGROUP.COM

CIA WORLD FACTBOOK — WWW.CIA.GOV

DIRECTORATE-GENERAL COMMERCE, EUROPEAN COMMISSION — [HTTP://EC.EUROPA.EU/TRADE](http://EC.EUROPA.EU/TRADE)

EUROSTAT, EUROPEAN COMMISSION — [HTTP://EC.EUROPA.EU/EUROSTAT](http://EC.EUROPA.EU/EUROSTAT)

WORLD TRADE ORGANIZATION — WWW.WTO.ORG

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