

Country Report- Portugal

A Bilateral Trade Analysis of Pakistan and Portugal

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Executive Summary

Like other European economies, the Portuguese trade contracted significantly in the aftermath of the twin crises – financial crisis of 2008 and the Eurozone crisis of 2009. Both exports and imports recorded negative growth. However, the economy started gradual recovery since 2011 with the implementation of the structural reforms. The reforms facilitated the recovery by setting into motion a domestic deflationary process and restoring external competitiveness. Further, the economic recovery was also reinforced by Portugal's economic synchronization with the recovery in the rest of Europe.

Pakistan trades with Portugal under the Generalized System of Preference (GSP) Plus arrangement. The bilateral trade between the two countries has increased since 2013 except a downturn in 2015. Pakistan remained the beneficiary in the bilateral trade. The total trade volume between the two countries was US\$210.34 million for the year 2017 with a growth rate of 12.12 percent. This report has identified surgical instruments, women's or boys' trousers of cotton, T-shirts, singlets of cotton, grain splits leather of the whole hides and skins of bovine and footwear with the composition of leather at HS-6 digits as the potential exports to Portugal.

A comparative analysis of the identified potential products is carried out with respect to Pakistan's competitors in the Portuguese market on the basis Export Competitive Index (ECI) ranking – reveals product's competitiveness in the market, unit price, export share, export promotion strategies, tariff and non-tariff barriers.

Based on the analysis, this study recommends that Pakistan should diversify its exports basket to Portugal by including value-added products of leather, surgical instruments, and footwear. With regards to surgical instruments, there is a need to develop brand name to capture more share in this market. Furthermore, Portugal should be included in the annual exhibition calendar of Pakistan for surgical instruments and textile products.

Finally, to maintain price competitiveness in the Portuguese market, Pakistan should rationalize custom duty on raw materials for surgical instruments and leather products.

Acronyms

CAGR	Compound Average Growth Rate
CIRR	Commercial Interest Reference Rates
EBA	Everything But Arms
ECI	Export Competitive Index
EU	European Union
FIEM	Fund for the Internationalization of the Company
FOB	Free on Board
GDP	Gross Domestic Product
GSP	Generalized System of Preference
HDI	Human Development Index
IMF	International Monetary Fund
LWG	Leather Working Group
MEIS	Merchandise Export from India Scheme
SMEs	Small and Medium-sized Firms

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1. Introduction

This study aims to identify and assess opportunities in the bilateral trade between Pakistan and Portugal to come up with strategies to enhance the trade further. It has assessed potential trade opportunities in the Portuguese market for Pakistan in relation to its competitors.

The first section of the study provides an overview of the Portuguese economy. The focus is made on major economic indicators, its trade profile with the world to assess import and export trends from 2013 onward.

The second section reflects about its bilateral trade with Pakistan. Here, the aggregate export and import trends and Pakistan's major exports at HS 6-digit are analysed.

In the third section potential products are identified at HS 6-digit and analysed for ECI ranking, unit price, market share, trade barriers, and export promotion strategies in comparison to Pakistan's major competitors in the Portuguese market. Further non-tariff barriers faced by Pakistani products in this market are also discussed.

The fifth section is about other supply and demand-side issues other than tariff and non-tariff barriers. This section is followed by SWOT analysis.

The last section concludes the study and has come up with some recommendations.

2. Economic Overview

Portugal is located at the western end of the Iberian Peninsula with an area of 92,090 square kilometres. It shares a border with Spain on its eastern and northern frontiers. The Portuguese economy is characterized by marked demographic developments: a fall in birth rates and an increase in life expectancy – with consequent population ageing – and change in migration flows. The country population growth is recorded negative for five years since 2013 onward. Its one of the developed countries with per capita income USD 21,161.29 and ranks “42nd out of 177 countries”¹ on the Human Development Index (HDI) ranking scale.



The Portuguese economy was integrated into the European Union in 1986. Following the integration, the economy experienced a series of structural changes which resulted in a more service-based economy with a considerable degree of diversification. Over the following two decades, successive governments privatized many state-owned enterprises and liberalized key areas of the economy, including the financial and telecommunications sector. Services sector remained the main driver of the economy. It contributes 75.9 percent to the Gross Domestic Product (GDP) and employs nearly 70 percent of the active population as of 2017. Among services, tourism plays an important in the Portuguese economy. The agricultural sector contributes about 2.4 percent to the GDP and employs 5.5 percent of the country’s labour force. However, the sector is underperforming due to the low level of mechanization and low productivity. The industrial sector comprises 21.9 percent of GDP and employs 25 percent of the active population, and it is dominated by small and medium-sized companies equipped with modern technology. In addition to these sectors mining, specifically copper and tin contribute about 6 per cent to the GDP and the country is one of the largest marble exporters.

¹ United Nations Development Programme

Portugal’s economy remained in recession during 2011-2013, as the government implemented spending cuts and tax increase, conditioned by the European Union (EU)- International Monetary Fund (IMF) financial rescue package – signed in May 2011. However, it started a gradual recovery from the recession in the following year. A wide-ranging structural reform agenda has supported this recovery, and the government also withdrew from the EU-IMF financial rescue package in May 2014. The Portuguese economy grew by 2.7% in 2017. According to the Portuguese national statistics office, this growth rate is the highest since 2000. The growth was supported by internal demand driven by satisfactory behaviour in private consumption and a strong recovery in investment in exports, in addition to that, healthy growth in the tourism sector – A 21 percent increase was recorded in tourism sector’s contribution to the GDP in 2017 over the year.

This recent trend of prosperity and dynamism of economic activities has helped the country to reduce its unemployment rate drastically to 8.90 percent in 2017 from 16.20 percent in five years. Moreover, it also helped in the recovery of commodity prices which is anticipated to be continued in 2018.

Table 1. Economic Indicators

	2013	2014	2015	2016	2017
Population(Millions)	10.46	10.40	10.36	10.33	10.31
Population Growth Rate (%)	-0.55	-0.54	-0.41	-0.31	-0.20
GDP, at Current Prices (Billions of U.S. Dollars)	226.14	230.00	199.52	205.27	218.06
GDP Per Capita (USD Per Annum)	21,625.48	22,112.54	19,262.29	19,879.83	21,161.29
GDP Growth (Annual Percentage Change)	-1.10	0.90	1.80	1.60	2.70
Unemployment Rate (%)	16.20	13.90	12.40	11.10	8.90
Inflation (Average Consumer Prices %)	0.40	-0.20	0.50	0.60	1.60
Average Exchange Rate(EUR/USD) *	1.38	1.22	1.09	1.05	1.19
FDI Net Inflow (% of GDP) **	4.78	5.74	1.26	4.59	4.61
Current Account Balance (% of GDP)	1.60	0.10	0.10	0.60	0.50

Sources: World Economic Outlook 2018- IMF, *European Central Bank, ** World Bank

3. Trade Overview

In the wake of the global economic crisis of 2008 and “eurozone crisis of 2009,”² the Portuguese trade contracted significantly like many European economies. Over the years since 2013 onward, both exports and imports depicted a nonlinear pattern of growth. An increase in exports and imports was recorded in 2014 over the year, which then followed by a downturn in 2015. The exports recorded a Compound Average Growth Rate (CAGR) of -0.20 percent from 2013 to 2017, which shows that over the period the exports had decreased, while the imports registered a positive

² The crisis which started in 2009 with Greece’s default on its debt. In three years, it escalated into the potential for sovereign debt defaults from Portugal, Italy, Ireland, and Spain.

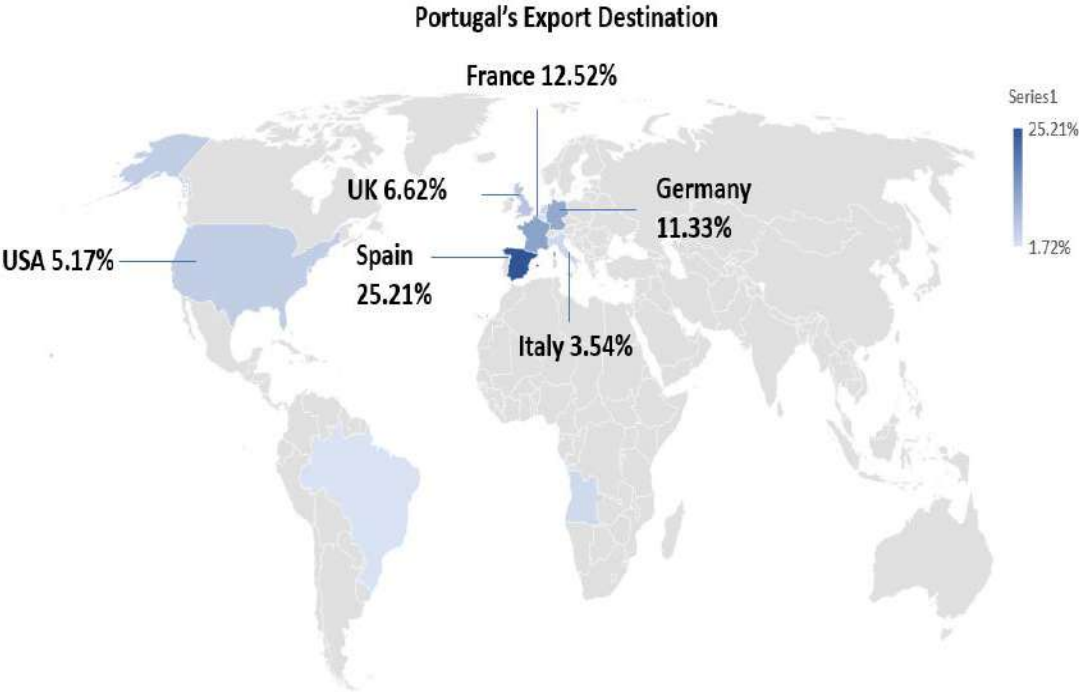
CAGR of 0.55 percent. Despite variations in the exports and imports, the Portuguese economy is facing a consistent deficit in trade. The deficit for the year 2017 was recorded USD15,663.89 million as compared to USD 12,919.76 million in 2013 with a CAGR 3.93 percent during the period.

Table 2. Portugal's Trade with World

	2013	2014	2015	2016	2017	CAGR
Exports	62,794.14	63,834.39	55,258.69	55,676.84	62,169.90	-0.20%
Imports	75,713.90	78,395.89	66,870.95	67,631.78	77,833.79	0.55%
Trade Balance	-12,919.76	-14,561.51	-11,612.26	-11,954.94	-15,663.89	3.93%

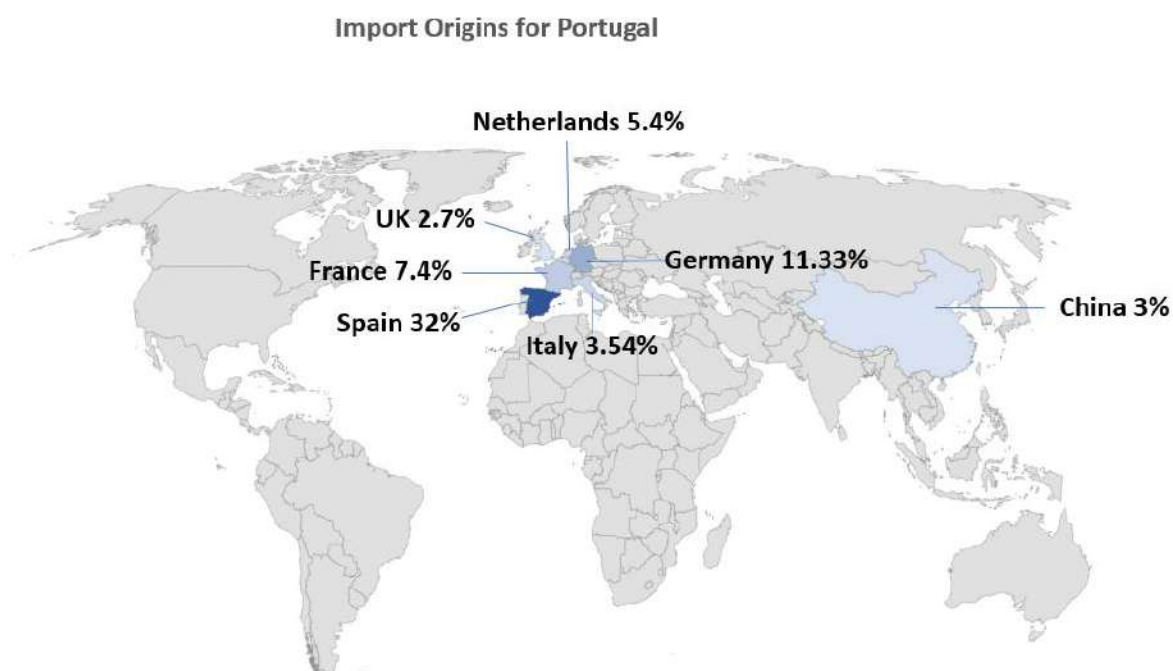
Source: Trade Map

As of 2017, the export basket at HS-6 digits consists of the medium, light oils and preparations, motor cars, vehicles for transportations and their parts, footwear with leather composition, wine of fresh grapes, uncoated paper and paperboard, and medicaments. Detail of the exported values for five years with an export share for 2017 is provided in table 8 in the appendix. The top export destinations for 2017 were Spain, France, Germany, UK, USA, Netherlands, and Italy with import share of 25.21, 12.52, 11.33, 6.62, 5.17, 4.01, 3.54 percent respectively.



3.1. Portugal's Top Imports

The import-basket of Portugal consists of Petroleum oils, medium oils and preparations, motor cars and other motor vehicles, medicaments, parts and accessories for tractors, motor vehicles, and telephones for a cellular network.



The top import origins include Spain having a share of 32 percent in the total imports of Portugal, followed by Germany, France, Netherlands, Italy and China with a share of 11.33, 7.4, 5.4, 3.54 and 3 percent respectively. Together these countries constitute about 67 percent of Portugal's total imports of goods. Top fifteen imports of at HS code 6-digits for five years are provided in Table.9 (see Appendix). It also provides market share of each product imported by Portugal and the annual growth rate for the year 2017.

4. Bilateral Trade

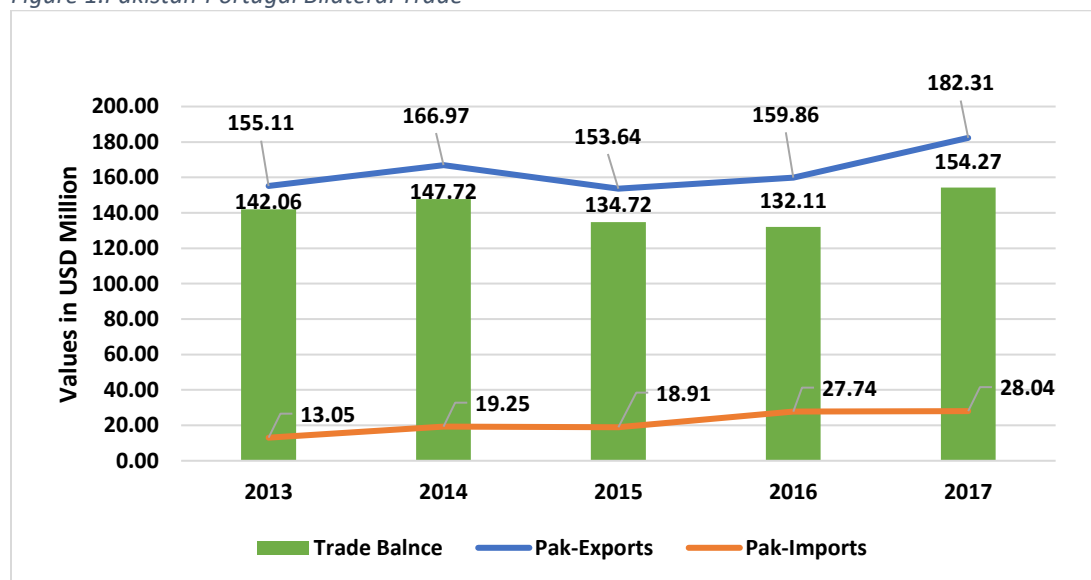
The trade volume between Pakistan and Portugal was US\$210.34 million in 2017. A bilateral trade analysis reveals that the total trade volume between the two countries sustained an increasing trend each year from 2013 through 2017 except a shortfall in 2015. Over the said period the total trade volume depicted a CAGR of 4.58 percent. Bilateral trade statistics show that Pakistan enjoys a surplus in its trade with Portugal for the period under analysis. The trade surplus, however, decreased in 2015 to USD134.72 million from USD147.72 million in 2014, and further down to

USD132.11 million in 2016. In the following year, the surplus again picked up. Pakistan’s imports from Portugal increased over the said period however the growth rate remained modest.

On the other hand, Pakistan’s exports to Portugal also depict an increasing rate of growth. The exports growth rate remained high enough to offset the effect of imports growth rate thus turned the trade balance into surplus. The data shows (see figure 1) Pakistan’s exports to Portugal are on a steady increase from 2013 to 2014. A slight decrease in the export is recorded in 2015, which then picked up in the following years.

The increasing trend of exports to Portugal is attributed to Pakistan’s GSP Plus status in the EU market as well as the increasing demand for textile and apparels in the Portuguese market.

Figure 1. Pakistan-Portugal Bilateral Trade



Source: Trade Map

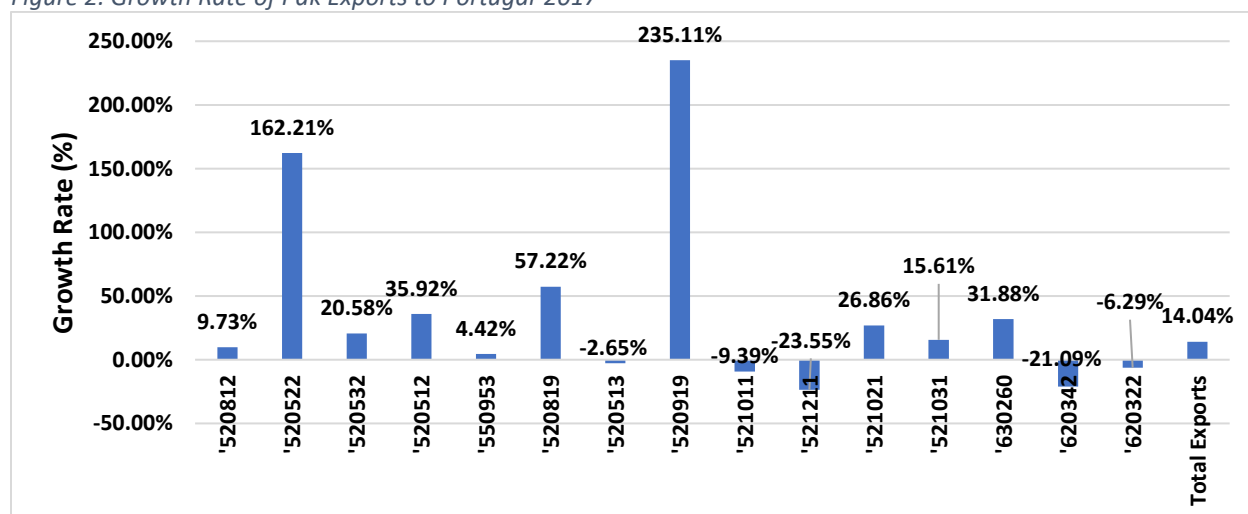
4.1. Overview of Pakistan’s Top Exports to Portugal

Pakistan’s exports to Portugal constitute 0.23% of the Portuguese imports from the world for the year 2017. While the exports only make 0.83 percent of the total Pakistani exports for the said year. Pakistan’s exports to Portugal are highly concentrated in textile products. The export basket is dominated by plain woven fabrics of cotton, containing $\geq 85\%$ cotton by weight, single cotton yarn of combed fibres and multiple "folded" or cabled cotton yarn of uncombed fibres with 16.12, 7.66 and 7.43 percent share respectively in its the total export to Portugal. The share of these three items in Portugal’s imports is recorded at 61.84, 30.14 and 33.35 percent respectively. Other than these items the export basket includes single cotton yarn, woven fabric of cotton, plain woven fabric of cotton, toilet and kitchen linen, and men's or boys’ trousers and ensembles. Detail of top

15 exports at HS 6-digit is provided in table10. It provides a five-year export trend for each product and their market share in Portugal imports.

Moreover, figure 2 provides a snapshot of export growth for the year 2017. The graph depicts that overall export to Portugal increased by 14.04 per cent over the year in 2017. Product wise growth shows that the export of plain woven fabrics of cotton, containing >= 85% cotton by weight, single cotton yarn and multiple "folded" or cabled cotton yarn and toilet and kitchen linen of cotton increased in 2017 over the year, while rest of the items recorded a decrease in the export growth.

Figure 2. Growth Rate of Pak Exports to Portugal-2017

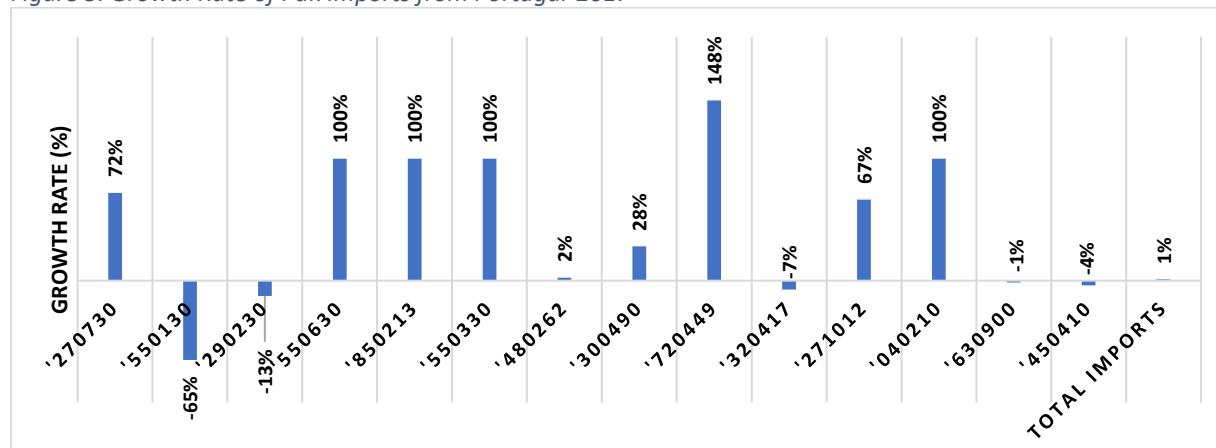


Source: Trade Map

4.2. Overview of Pakistan's Top Imports from Portugal

In 2017 the imports from Portugal to Pakistan were USD 28.04 million with 0.05 percent share in Pakistan's total imports. As compared to Pakistan's export profile to Portugal, Pakistan's import basket from Portugal is relatively diverse. It mostly consisted of raw materials for the textile industry. The import basket is dominated by xylol "xylenes" containing > 50% of xylenes, filament tow, and toluene with 39.71, 8.81, 5.98 percent respectively. Other than these items the imports are comprised of acrylic or modacrylic staple fibres, uncoated paper and paperboard, medicaments, waste and scrap of iron or steel, and synthetic organic pigments. The import trend for five years and market share in Pakistan's exports of each product is provided in table 11 in the appendix.

Figure 3. Growth Rate of Pak Imports from Portugal-2017



Source: Trade Map

The growth of imports as portrayed in figure 3 depicts that, in 2017 over the year filament tow, toluene, synthetic organic pigments, worn clothing and clothing accessories and tiles at HS 6-digit recorded a decrease in their import. On the other hand, xylol "xylenes", acrylic or modacrylic staple fibres, uncoated paper and paperboard, medicaments, waste and scrap of iron or steel, recorded an increase in their imports. The overall imports from Portugal have increased by 1.06 percent in 2017.

5. Potential Products and their Analysis

The following criteria were followed to identify the potential products by keeping in view both the demand and supply sides of the countries involved.

- i. **Portuguese import of each product from the world to be US\$50 million or more in value for the year (2017).**
- ii. **Pakistan's export of each product to the world to be US\$50 million or more in value for the said year.**
- iii. **Product -wise share of Pakistan's export in Portugal's Import to be 10 percent or less for the said year.**

The potential products identified based on the above criteria include surgical instruments, men's or boys' trousers, cane or beet sugar, T-shirts, singlets of cotton, women's trousers, medium and oil preparations, grain split leather, footwear, paper and paperboard and medicaments.

Details of the potential products at HS 6-digit is provided in Table 12. It provides a product-wise Portugal's import from the world, Pakistan's export to the world and Pakistan's market share in Portugal for the year 2017.

Amongst the identified potential items, five products at HS 6-digit are analyzed for ECI ranking, unit price, market share and tariff rates in the Portuguese market, and are compared with the competitors of Pakistan. Moreover, competitors’ export promotion strategies for these products are also discussed.

5.1. Instruments and appliances used in medical, surgical or veterinary sciences-901890

Portugal imports surgical instruments mostly from European Union member states. The EU member countries enjoy free trade among each other. Among the EU-member states, Spain has the major export share of this product in the Portuguese market, followed by Germany and Belgium. Cumulatively the export from these states fulfills 72 percent of Portugal’s imports for this product. Pakistan’s share in the export of this product is very low despite having zero tariff rate as this product is covered under Generalized System of Preference (GSP) Plus³ incentive granted to Pakistan in the EU markets. The competitors export trend shows that the export value has increased from 2013 to 2017 for all countries except Spain – for which the export has consistently decreased. However, Spain has maintained its Export Competitive Index (ECI) ranking over the said period. Moreover, Germany and Belgium have also maintained ECI ranking, while Pakistan has made a drastic improvement in the ranking during the said period.

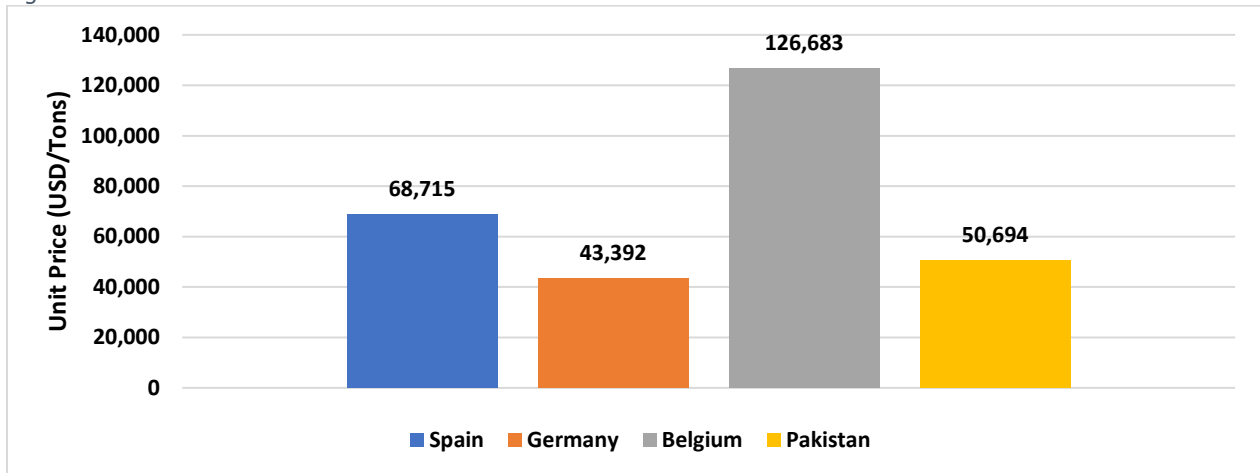
Table 3. Export of 901980 to Portugal

Countries	Value Exported to Portugal (USD Million)					Market Share 2017	Avg. Tariff Rate (%)	ECI Ranking	
	2013	2014	2015	2016	2017			2013	2017
Spain	121.96	85.35	72.78	79.04	74.35	36.60%	0	1	1
Germany	44.00	45.68	40.74	34.23	49.81	24.52%	0	3	3
Belgium	22.58	24.49	25.62	25.04	23.56	11.60%	0	2	2
Pakistan	0.99	0.36	0.68	1.56	1.83	0.90%	0	21	15
Total 4 of Records	189.53	155.89	139.82	139.87	149.55	73.62%			
Total Export to Portugal	253.58	218.31	192.99	197.69	203.15				

Source: Trade Map

³ GSP Plus is a special incentive arrangement for sustainable development and good governance under which full removal of tariffs on over 66% of EU tariff lines is granted. Pakistan was granted this status in 2013. This incentive covers Pakistani products including textiles, textiles made ups, bed linen, garments, leather products, footwear, plastics, ethanol, agriculture products and processed food etc. surgical instruments, basmati rice, guar gum, spices.

Figure 4. Unit Price-901890



Source: Trade Map

Among the identified competitors' Belgium exports this product to the Portuguese market at the highest price followed by Spain and Pakistan, while Germany offers the least unit price for the said product.

5.1.1. Competitors' Export Strategies for 901890

The competitors for this product in the Portuguese market are EU-member states which have a technological advantage over Pakistan with diversified and specialized product range in addition to that of geographical proximity and investment in branding.

Spain is the largest trade partner of Portugal. The Intra-trade between the two is asymmetrical where Portugal is much more dependent on Spain than vice versa, and the trade balance is increasingly favourable for Spain. Three factors like geography, re-export and global production chains play an important role in their mutual trade. The Spanish medical device market is the 5th largest market in Western Europe. Its export value was recorded at USD 221.05 million in 2017 with a growth rate of 13 percent over the year. The Spanish medical device manufacturing industry is one of the highly innovative and known for the productivity of labour in the country.

The Spanish Ministry of Commerce has adopted instruments like financial support, international fairs and promotion of trade association to promote export. Under the financial assistance for export "Fund for the Internationalization of the Company (FIEM)"⁴ was created in 2010 to provide official financial support to the internationalisation of Spanish companies in line with the new challenges and needs of international trade.

⁴ Ministry of commerce, Spain; <http://www.comercio.gob.es/en/comercio-exterior/instrumentos-apoyo/Pages/instrumentos-apoyo.aspx>

The financing modalities offered under FIEM include, concessional financing – concessional credits can be granted to low-middle income countries according to the World Bank classification, commercial financing – the FIEM can grant export credits at an interest rate equal to the Commercial Interest Reference Rates (CIRR)⁵ in addition to an annual premium based on the risk of the operation. Moreover, the FDI inflow to Portugal from Spain was “173.5 million during 2017 out of which 5.1 percent”⁶ was invested in the manufacturing sector.

To provide financial support for exports, the Belgium government formed an inter-ministerial advisory committee – Finexpo managed by the Directorate and Foreign Trade and Development Cooperation to promote the Belgian companies’ image and promote free trade with the necessity of keeping its exporters’ competitiveness. Finexpo facilitates export by providing commercial and concessional financing.

5.1.2. Non-Tariff Barriers for 901890

In the EU markets, the surgical products need to have “CE marking” – signifying that products sold in the European Economic Area (EEA) have been assessed to meet high safety, health, and environmental protection requirements. Thus the EU-member states readily adopt the requirements. Pakistani surgical product faces eleven type of Non-Tariff Barriers (NTMs) of technical nature – inspection, certification, labelling, testing, and packaging requirements in addition to post-production and quality standards. Detail can be found at [Council Directive 93/42/EEC](#).

5.2. Grain splits leather, parchment-dressed leather of the whole hides and skins of bovine - 410712

Pakistan has a very low export share in the Portuguese market for this product. However, there exists a potential to increase the export in the market. The major shareholder in this market for this product is Italy – having more than half of the share. The other exporters are Spain and Germany with an export share of 18.54 and 9.48 percent respectively. India also exports this product to Portugal; its export share is very low but is slightly more as compared to Pakistan. Except for India, all the identified competitors are facing zero tariff rates. Italy, Germany and Spain trade under EU trade agreements, while Pakistan enjoys GSP plus status. Export trend analysis reveals that Italy’s export has decreased constantly between 2013 to 2017, while for the rest of the competitors it presents a mixed pattern. On the other hand, the ECI ranking suggests that Italy and

⁵ The beneficiary can obtain funds of up to 85 percent of the value of the export contract, with a maximum repayment term of 8.5 years for developed countries and 10 for all others.

⁶ Bank of Portugal

Spain have maintained their competitiveness over the period, while Germany and India have shown a decline in the ranking. Only Pakistan has improved its competitiveness in the said period.

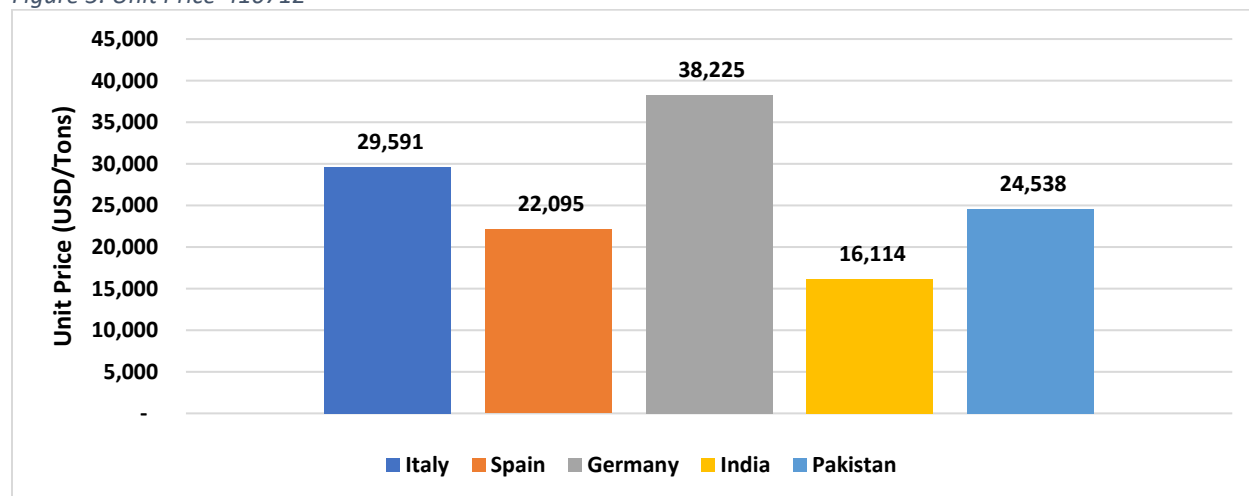
Table 4. Export of 410712 to Portugal

Countries	Value Exported to Portugal (USD Million)					Market Share 2017	Avg. Tariff Rate (%)	ECI Ranking	
	2013	2014	2015	2016	2017			2013	2017
Italy	81.64	86.96	73.11	52.31	48.80	55.49%	0	1	1
Spain	22.82	21.42	17.81	21.71	16.31	18.54%	0	2	2
Germany	4.35	6.79	3.80	5.62	8.33	9.48%	0	6	4
India	0.15	0.42	0.24	0.85	0.71	0.81%	2.8	19	20
Pakistan	0.10	0.32	0.06	0.36	0.32	0.36%	0	17	16
Total 5 of Records	109.07	115.91	95.01	80.84	74.46	84.68%			
Total Export to Portugal	123.90	138.23	125.02	101.73	87.94				

Source: Trade Map

Unit price analysis reveals that Germany offers the highest for this product in the Portuguese market followed by Italy and Pakistan. On the lower end falls India and Spain with unit price USD 16,114 million and USD 22,095 million respectively.

Figure 5. Unit Price-410712



Source: Trade Map

5.2.1. Competitors' Export Strategies for 410712

Leather is a traditional product for Italy, and the country leads the world in the production and export of leather. About 34.43 percent of world leather export comes from Italy with an exported value of USD1.549 million as of 2017. The Italian tanning industry is dominated by Small and Medium-sized firms (SMEs). The industry has strong innovation capacity, high-value addition, high levels of efficiency and flexibility in adopting modern trends and fashion. It has transformed its sustainability into a competitive advantage and has even established an international certification body – Institute of Quality Certification (ICEC), which leads the way globally. The

institute offers the market voluntary certifications attesting the quality, reliability, credibility and sustainable commitment of companies in the leather sector.

Like Italy, Spanish leather Industry has incorporated modern technology to diversify products and to make higher value addition. The government assists exports using instruments like financial support, international fairs and promotion of trade association – the detail is provided in competitors' 901890.

India has a comparative advantage in terms of availability of raw material and can assimilate new technologies with an emphasis on product development and design. It has diversified leather products including a sizeable production of leather clothing and other leather goods. The country has established “leather parks” to attract investment in the leather and footwear sector. The Government of India has allowed 100% FDI through automatic route in this sector, and it has witnessed an “FDI inflow of USD 53.64 million”⁷ from 2014 through 2017. Moreover, the government provides 5% concessional import duty on import of specified machinery. In addition to that, duty-free import of raw hides and skins, wet blue chrome tanned leather, crust and finished leather of all kinds including splits and sides thereof is allowed to facilitate value-added exports. The government has identified this sector as one of the focus sectors under its “Make in India Initiative” and has proposed to extend the flagship scheme ‘Indian Leather Development Programme (ILDPP)’ – ended in 2017, for the next three years period 2017-2020, and allocated Indian Rupees. 2,600 crores in the Union Budget 2017-18. It is to note that the leather exports to EU from India are no more covered under standard GSP status, as Indian leather graduated from the status. Thus, there is an opportunity for Pakistan to capture the market.

The current trend in the global leather industry has started shifting towards synthetic/artificial leather. The global artificial leather market is expected to grow at USD 38.2 billion with CAGR of 7.9% from 2016 to 2022. Asia-Pacific region represents a highest market share in the global synthetic leather followed by Europe and North America, and India is among the leading countries of the Asian region other being China and Japan.

5.2.2. Non-Tariff Barriers for 410712

Non-tariff barriers such as standard certifications and social and labour compliance exist in all EU markets. There are number of quality standards being enforced by European markets like

⁷Government of India Ministry of Commerce & Industry, Department of Industrial Policy & Promotion

Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals ⁸ (REACH) for chemicals used in the leather tanning process. For instance, certifications regarding the use of hazardous chemicals such as Azo dyes and Pentachlorophenol (PCP) in textile and leather products are required for the markets in EU. The use of both these inputs has been banned due to their cancer-causing nature. Leather manufacturers are also required to produce environmentally friendly products. In this regard, the leather manufactures need to get registered with the Leather Working Group (LWG).

5.3. Footwear with outer soles of rubber, plastics or composition leather – 640399

In the export of footwear of the leather composition to the Portuguese market, Pakistan faces competition from EU-member states – Spain, Germany, and regional competitors – China, and India. Spain enjoys a lion share in the market followed by Germany, while China and India have a low share in comparison to EU-member states. Pakistan has a very low share in this market in absolute term.

Table 5. Export of 640399 to Portugal

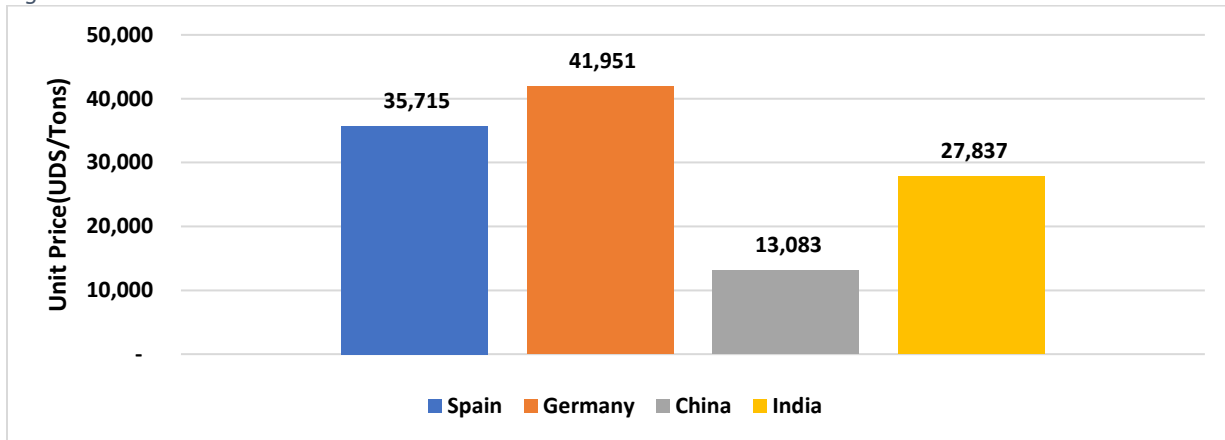
Countries	Value Exported to Portugal (USD Million)					Market Share 2017	Avg. Tariff Rate (%)	ECI Ranking	
	2013	2014	2015	2016	2017			2013	2017
Spain	52.52	47.16	39.57	45.50	50.35	36.38%	0	1	1
Germany	4.18	7.10	12.57	19.90	23.30	16.83%	0	2	3
China	2.83	4.41	3.17	2.07	4.58	3.31%	7.7	6	7
India	1.25	1.47	3.05	5.03	4.09	2.96%	4.2	8	11
Pakistan	0.11	0.15	0.00	0.04	0.01	0.01%	0	44	24
Total 5 of Records	60.77	60.14	58.35	72.51	82.32	59.48%			
Total Export to Portugal	116.91	122.03	115.59	132.82	138.40				

Source: Trade Map

Trend analysis of exports through five years shows a mixed pattern for all competitors except Germany, for which the export values have increased steadily. The ECI ranking reveals that Spain has maintained its position over the period, Pakistan has improved it, while the remaining competitors are unable to maintain the position. Moreover, Spain, Germany, and Pakistan face no tariff rates, while China and India face a tariff rate of 7.7 and 4.2 percent respectively.

⁸ <https://echa.europa.eu/regulations/reach/understanding-reach>

Figure 6. Unit Price-640399



Source: Trade Map

China exports to this market at a lowest unit price among the identified competitors. It is followed by India, and Spain in ascending order, while Germany is offering the highest unit price for this product.

5.3.1. Competitors' Strategies for 640399

The lifecycle of footwear design is short as the industry is volatile with reference to fashion trends and consumers' preferences. Consequently, firms need to be flexible enough to change strategy and production process accordingly. The European countries adopt these changes quickly, and their product differentiation caters evolving preferences and trends. Moreover, these countries have strong forward and backward linkages, which strengthens the value chain. Further, the ongoing growth of e-commerce is in European countries, the geographical proximity of Spain and Germany to the Portuguese market provides a comparative advantage for them over India, China and Pakistan.

In case of Spain, the Spanish enterprises focused on brand-oriented strategies, design, quality, innovation, inter-entrepreneurial cooperation and geo-localization to improve competitiveness. The Spanish footwear industry is in continuous technological development, and it has adopted innovation to chase market trends, in using new materials, and to develop new designs to position itself in the high added value products.

India has adopted strategies like provision of subsidies on the exports, encouraging FDI, relaxation of import duties, concessional customs duty for the importation of machinery along with marketing the products under its "Make in India Initiative". For instance, it provides an export reward of 3 percent on FOB value and duty drawback duty of 4.3 percent under its Merchandise Export from India Scheme (MEIS).

In contrast to EU's competitiveness in quality, technological innovation and product differentiation in footwears, other markets try to be price-competitive. China is the most obvious case - its footwear products arrive in Europe with an average price below 5 Euro. Low production costs, high efficiency and maximum flexibility in adopting market trends help China to achieve competitiveness in the European markets as compared to other non-EU countries.

5.3.2. Non-Tariff Barriers for 640399

The export of product under discussion to EU face following non-tariff barriers of all technical nature for China, Pakistan and India:

- Prohibition for TBT reasons
- Labelling requirements
- Product quality or performance requirement
- Certification requirement
- Inspection requirement

5.4. Women's or girls' trousers, bib and brace, and shorts of cotton-620462

The global export of women's or girls' trousers and shorts of cotton was around USD21.8 billion in 2017. China remained the top exporter with a share of 33 percent in the world export followed by Bangladesh with a 14 percent share in the export. Pakistan's share in the global export of this product was approximately 1 percent in 2017– USD197 million was exported globally. The country mainly exports this product to the USA and EU countries including Portugal. However, the majority of Portugal's import origin for this product are EU-member countries including Spain, France and Italy. Spain is the major shareholder with 67.45 percent. The other two countries have a share of 9.78 and 5.22 percent respectively. Pakistan and Bangladesh's share in Portugal's import of this product remained 3.29 and 2.65 percent for the year 2017 respectively.

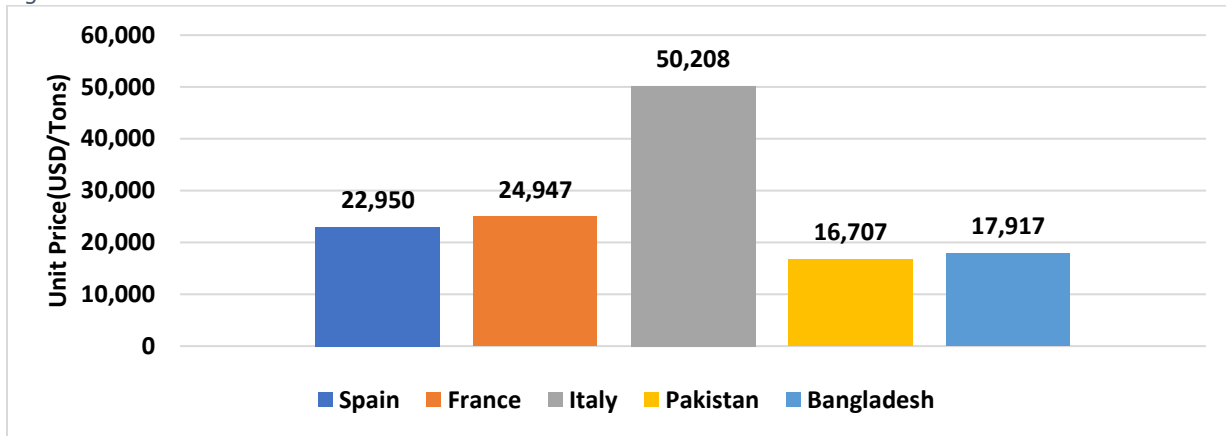
Table 6. Export of 420462 to Portugal

Countries	Value Exported to Portugal (USD Million)					Market Share 2017	Avg. Tariff Rate (%)	ECI Ranking	
	2013	2014	2015	2016	2017			2013	2017
Spain	82.77	84.72	85.47	85.84	93.41	67.45%	0	1	1
France	14.51	20.02	11.85	14.93	13.55	9.78%	0	2	2
Italy	10.21	12.59	10.61	6.77	7.23	5.22%	0	3	5
Pakistan	1.41	1.38	2.95	4.65	4.56	3.29%	0	4	3
Bangladesh	1.26	2.34	2.19	4.16	3.67	2.65%		8	6
Total Export to Portugal	127.83	141.30	127.84	130.07	138.49				

Source: Trade Map

All the identified competitors have zero tariff rate. Over the time Spain and France have maintained their ECI ranking, while Pakistan and Bangladesh have improved it. Only Italy has fallen in the ranking order during the said period.

Figure 7. Unit Price-620462



Source: Trade Map

Analysis of unit price shows the EU-member competitors in this market offer relatively high price for the product under analysis. Italy exports to this market at a highest unit price of USD 50,208/tons, followed by France and Spain with USD 24,947/tons and USD 22,950/tons. The non-EU members; Bangladesh and Pakistan offer low unit price. Pakistan offers the lowest unit price among the identified competitors.

5.4.1. Competitors' Strategies for 620462

Technologically advancement, innovation, and developing brand names are dominant strategies for the developed countries to sustain their competitiveness in the international market for textile products. In the case of Spain, the technologically advanced production processes with sustained investments in technology and innovative equipment's have improved the textile sector's productivity and competitiveness. Innovation has been the strategic priority of the Spanish textile industry. The country has further focused on diversification and differentiation through entry into new fields such as technical textiles, using new technologies and e-commerce. It is a flexible sector which is easily adaptable to change in demand through continuous monitoring of the market. With the transformation of the industry in recent decades, it acquired a well-established and effective distribution mechanism by reducing the lead time in the value chain. Moreover, some Spanish companies are internationally recognized with brands like Zara and Mango.

The government of India facilitates the export of this product in the Portuguese market by providing an export reward of 2 percent on FOB under its Merchandise Export from India Scheme (MEIS) – as apart of Indian Foreign Trade Policy 2015-2020. In addition to duty drawback scheme provided for the textile sector. However, from 2014 onwards, several product categories, including textiles have graduated from GSP – these products are no longer qualified for export under GSP.

According to the “EU Regulation 330/2016 dated March 8, 2016”⁹; India has graduated out of products categories including minerals, chemicals, textiles, gems and jeweller, iron and steel, base metals and automotive (except railways). The period of suspension for these product categories has started from January 01, 2017 which will continue until December 31, 2019. Despite graduation, India remains the biggest exporter to the EU under the GSP.

Bangladesh has adopted an integrated approach to promote exports of Ready Made Garments (RMG). It has developed special economic and export processing zones, relaxed duty on imported raw materials and machinery, and provided cash incentives through its fiscal initiatives. The country has developed a well-integrated and effective value chain for its RMG industry with strong backward linkages to acquire inputs easily. The government consistently supports the suppliers of raw materials who are a member of Bangladesh Textile Mills Association (BTMA) through provision 4 percent cash incentive on FOB value of the export. It strengthens the backward linkages in the industry and enhances domestic value addition.

Further to that, the government of Bangladesh provides fiscal incentives for export promotion. The export incentive for the fiscal year 2017-2018 was “40 billion Taka as compared to 20.5 billion Taka during the fiscal 2012-2013”¹⁰. Under the fiscal incentive, the textile sector receives cash incentives for export ranging between 2 to 20 percent while RMG industry is receiving the highest share. The country's strategy has also focused on product and market diversification, as the “RMG exporters get additional incentives of 3 percent”¹¹ for product and market diversification. In addition to that, Bangladesh enjoys “Everything But Arms (EBA)”¹² in its exports to the EU. According to European Commission and the European External Action Service report, within EBA, apparel and clothing represent 80 percent (EUR19 billion) of all EU imports, and within this, 66 percent of all EU imports come from Bangladesh (EUR15.6 billion).

5.4.2. Non-Tariff Barriers for 620462

This product faces the following NTBs in its export to Portugal from Pakistan.

- Labelling requirements
- Marking requirements
- Product quality or performance requirement
- Testing requirement
- Certification requirement
- Inspection requirement

⁹ Ministry of Commerce, Government of India

¹⁰ Ministry of Finance, government of Bangladesh

¹¹ Bangladesh Economy FY2017-19 Interim Review of Macroeconomic Performance

¹² One of the three GSP arrangements – receive zero tariff duties on all shipments except arms and ammunitions

5.5. T-shirts, singlets and other vests of cotton, knitted or crocheted – 610910

Portugal imports majority of the T-shirts, singlets and other vests of cotton at HS-6 from Spain. Around 55percent of Portugal’s total import of this product comes from Spain, while 9.48 percent comes from France. Bangladesh and India contribute 6.77 and 2.46 percent in the export share of this product. Export trend analysis shows that Spain and India’s export value has increased from 2013 through 2017, while for France it dipped twice – one in 2015 and the other in 2017, and in case of Bangladesh a downturn in 2014 is followed by an increasing trend for the rest of the period.

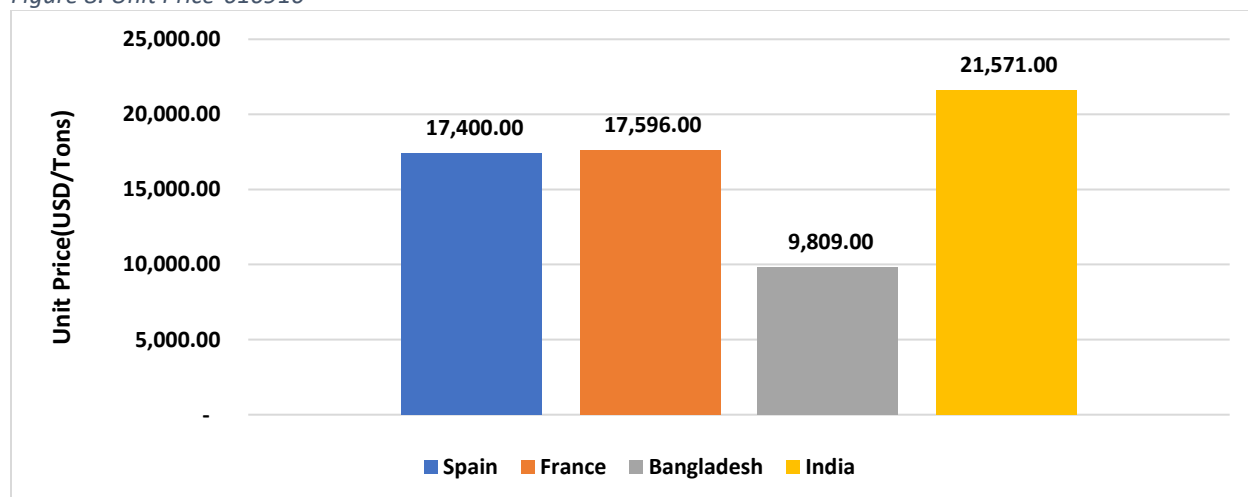
Table 7. Export of 610910 to Portugal

Countries	Value Exported to Portugal (USD Million)					Market Share 2017	Avg. Tariff Rate (%)	ECI Ranking	
	2013	2014	2015	2016	2017			2013	2017
Spain	70.02	70.33	81.40	86.30	92.95	54.07%	0	1	1
France	17.08	18.08	15.88	18.15	16.29	9.48%	0	2	3
Bangladesh	7.96	6.73	6.71	9.84	11.63	6.77%	0	6	6
India	2.11	2.54	3.66	4.67	4.23	2.46%	9.6	10	10
Total 4 of Records	97.17	97.67	107.66	118.96	125.11	72.77%			
Total Export to Portugal	158.36	175.20	154.35	159.16	171.92				

Source: Trade Map

India faces a tariff rate 9.6 percent while the remaining competitors enjoy zero tariff rate. ECI ranking shows that from 2013 to 2017 all the identified competitors have maintained their position. Unit price analysis for T-shirts and singlets in Portuguese market shows that, among the listed competitors, Bangladesh offers the least of USD 9,809/tons, while Spain offers the next higher price followed by France with a little margin. Indian unit price for this product in this market is counted as the highest at USD 21,571/tons.

Figure 8. Unit Price-610910



Source: Trade Map

5.5.1. Competitors' Strategies for 610910

The export promotion strategies of India and Bangladesh have been elaborated in detail while discussing competitors' strategy for 620462.

5.5.2. Non-Tariff Barriers for 610910

In the EU market the export of this product from India, Pakistan face following NTBs:

- Labelling requirements
- Marking requirements
- Product quality or performance requirement
- Testing requirement
- Certification requirement
- Inspection requirement

6. Supply and Demand Side Issues

This section provides an overview of demand and supply side issues other than tariff and non-tariff barriers which may hinder the bilateral trade.

6.1. Supply Side issues

On the supply side there exist some issues in the exports of goods and the production sectors across the country. Lack of innovation, automation of production processes, inflexibility in adopting evolving market trends, and absence of branding are some of the common problems Pakistan faces. Further, the country also lacks country and product-specific marketing. In the following section, an attempt is made to identify the supply-side issues for potential products.

6.1.1. Surgical Instruments

a. Absence of Brand Name

One of the significant problems the surgical instrument industry of Pakistan faces is the absence of brand names. Despite having a history of more than six decades, not a single brand name has been developed. The absence of local brand names deprives the industry to participate directly in tender business to cater the end users in foreign markets. It also adversely affects bargaining power in business deals. In addition to that, due to the absence of brand names the distribution of Pakistani instruments is carried out in the international market by international distributors and traders.

b. Need to Equip with Modern Technology

The surgical industry is technology-based production sector owing to its nature of production – the everchanging scientific developments and needs in the medical sciences. However, in Pakistan, this industry lacks the availability of modern technology as well as a technically equipped human resource.

6.1.2. Apparels and Textile Made-ups

a. Reliance on factor driven production

The competitiveness of Pakistan's textile industry has generally been based on the local availability of high-quality cotton and cost-effective labour. However, the industry needs to modernize its plants and manufacturing processes to keep pace with the international market and to increase exports in a sustained manner.

b. Limited Product-Basket

The textile export basket of Pakistan is limited to garments and made-ups. Measures are needed to expand the production base to include value-added products such as children wear, lingerie, beachwear, leisure wear, technical textiles, geotextiles and medical textiles.

c. Lagging in meeting international standards

In the world market preferences have shifted from cotton-based apparel to synthetic man-made apparel. The demand for the use of man-made fibre and other natural fibres in comparison to cotton has reversed the ratio from 30: 70 to 70:30, whereas Pakistani products are heavily dependent on cotton. Thus, there is a need to diversify this reliance by including man-made fibre in production. Further, to produce man-made fibre locally, Polyester Staple Fibre (PSF) and polyester are imported which face the customs duty of 16 and 11 percent respectively, adding to the cost of production of the apparels.

6.1.3. Leather

Leather manufacturing in Pakistan continued its declining trend and suffered a contraction of 5.9 percent during the first quarter of the fiscal year 2018 on a yearly basis. The industry is facing pressure from regional competitors, who are focusing on high value-added products. On the other hand, it lags behind in terms of product diversification and value addition. For instance, during September 6 Pakistani firms participated in the All China Leather Exhibition and concluded a business deal of USD 5.3 million. Similarly, in October 2017 around 22 Pakistani firms from leather industry participated Line Apelle fair held in Italy and concluded a business deal of USD 11 million. However, the trade predominantly involved selling intermediate items to other countries for further value addition -mostly to China to produce shoes, garments, and handbags. The low-value addition is partly due to increase in the cost of doing business and partly due to inefficient raw material procurement systems is adapted by the industry.

There is a need to automate the industry with modern technology. In this regard, the government under its Strategic Trade Policy Framework has addressed this issue by “providing 25 percent matching grant to eight leather manufacturers”¹³ for the up graduation of their treatment plants.

Moreover, Pakistan’s non-compliance with Leather Working Group’s (LWG)¹⁴ environmental standards restrains the potential induction of domestic manufacturers into the global platform. So far only three Pakistani manufacturers are LWG members as compared regional competitors such as China and India with 76 and 88 members respectively.

6.2. Demand Side Issue

In the Portuguese market demand is more responsive to quality of product in addition to price. High demand exists for high-quality products exhibiting price-competitiveness. Moreover, the demand pattern in the EU has evolved to be brand conscious. This pattern may hinder the demand for Pakistan’s exports of textile products and surgical instruments to Portugal. As there are very few brands for Pakistani textile, while in the case of surgical instruments Pakistan acts as the whole-seller in the value chain with low-value added products. Mostly Germany, US, and UK import this product from Pakistan and re-export it to the Portugal.

Moreover, the current negative population growth rate and increasing GDP growth will consequently increase the purchasing power of consumers, hence, increasing demand for Pakistani products can be anticipated.

7. SWOT Analysis

After analyzing the bilateral trade between Portugal and Pakistan, this section assesses both internal, external factors which affect the trade flow.

Strengths:

- Pakistan trade with EU under GSP Plus scheme which provides duty-free access to Pakistan for export over 66 percent of its tariff lines, while the regional competitors, i.e. India and China trade in the EU under Standard GSP status.
- Seventy-four percent of all EU imports under GSP Plus come from Pakistan – with apparel making up the largest portion

¹³ (The State of Pakistan's Economy: Second Quarterly Report for the year 2017-18 2018)

¹⁴ a multi-stakeholder international platform, comprising retailers, manufacturers, and other related parties involved in the global leather industry aiming to ensure and promote environmental-compliance in the production of leather commodities to be traded around the world.

- Pakistan has strengths in textile and cotton products, moreover, products from this sector are covered under GSP Plus. The country is the top exporter of plain woven fabric of cotton in the Portuguese market. The item has captured more than 50 percent export share in the said market.
- Pakistani products like women's or girls' trousers and shorts of cotton (620462) and grain splits leather (410712) are price-competitive in the Portuguese market as compared to its competitors.
- Devaluation of PKR has provided an edge over other countries in the international market by making our exports cheaper.

Weaknesses:

- The export basket to Portugal predominantly consists of textile products. However, there is an opportunity to diversify the export basket by including surgical instruments, leather, and leather products.
- Inefficient raw material procurement systems, and lack of product diversification and value addition in the leather industry.
- Non-compliance with environmental standards of the Leather Working Group. only three Pakistani manufacturers are LWG members as compared regional competitors such as China and India with 76 and 88 members respectively.
- The textile industry structure remains inflexible to incorporate markets trends, as our textile production is predominantly cotton based, whereas the market demand is for products with 70 percent content of man-made fibre.
- The absence of brand names for surgical instruments is a hindrance to capture market share
- Lagging behind in incorporation of modern technology and innovation in both leather and textile sector have adversely affected our competitiveness.
- Pakistan ranks 115 on Global Competitiveness Index, way behind of its regional competitors namely Bangladesh, India, and China.
- Pakistani leather production employs around 70 percent imported raw materials which are contributing towards higher production cost in the presence of customs duty and withholding tax. Similarly, customs duty on the import of man-made fibre ranges from 11 to 16 percent.

Opportunities:

- India has graduated from standard GSP scheme for products categories including textiles and leather. Thus there is an opportunity for Pakistan to capture the market share.

- The ceiling for import share under GSP Plus has been increased from 2 to 6.5 percent. Pakistan can exploit this opportunity to increase its exports to Portugal.

Threats:

- Portugal depicts evolving consumption patterns, while Pakistan heavily relies on the textile sector for its export to Portugal.
- There has been observed a shift in the demand for textile products in Portugal with polyester content while Pakistani products are cotton based.
- Bangladesh is an emerging competitor in textile products as it enjoys EBA status in the EU markets. Under EBA 66 percent of all EU imports of textile comes from Bangladesh.

8. Conclusion and Recommendations

Pakistan trades with Portugal under the GSP Plus scheme. The bilateral trade between Portugal and Pakistan is recorded at US\$210.34 million in 2017. It registered a compound annual growth rate of 4.58 percent from 2013 through 2017. Pakistan's existing export basket to Portugal is dominated by textile products and apparels. The exports to Portugal account only 0.23 percent of Portugal's total imports from the world. Despite a low share in Portugal's imports, the Pakistani exports to Portugal have shown a growth rate of 14.04 percent over the year in 2017, indicating that there exists an opportunity to enhance the trade between the two countries. This study has identified instruments and appliances used in medical, surgical or veterinary sciences, T-shirts, singlets of cotton, women's or girls' trousers, grain splits leather, footwear with composition leather as the potential products in some of them Pakistan enjoys economies of scale in terms of price competitiveness. Under current circumstances there exists substantial trade potential between Pakistan in the Portuguese market. Pakistan can exploit the GSP Plus scheme by diversifying its export basket. Hence, the following options can be explored to enhance the bilateral trade.

- The current export basket is predominantly reliant on textile products which need to diversify by including more value-added products from minerals, leather, surgical instruments, pharmaceuticals, and footwear categories.
- Instruments and appliances used in medical, surgical or veterinary sciences with HS-code 901890 possess the potential for the exports to Portugal. Pakistan's share is increasing. However, it is still less than 1% of Portugal's imports. It is suggested to prioritize trade promotion activities in this market for the said product. Furthermore, there is a dire need to develop brand names in this product to capture more market share in the developed countries.
- There is a need to include textile-related trade fairs of this market in the annual exhibition calendar. As textile products like men's or boys' trousers, and shorts of cotton (HS-620342), women's or girls' trousers, (HS-620462), T-shirts, singlets and other vests of cotton (HS-610910) have huge potential for export to Portugal.
- Customs duty on raw materials for leather products and surgical instruments need to be rationalized. The current customs duty on raw materials for leather products ranges from 16 to 20 percent, while that on raw materials for surgical instrument ranges between 11 to 16 percent.

- An integrated mechanism is needed in the leather sector to procure raw materials. Further, the forward and backward linkages in the surgical instruments industry and leather industry need special attention.
- Production machinery and process for both surgical and leather products need up-gradation on modern lines.

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Appendix

Table 8. Portugal's Top Exports to World

HS Code	Product label	Exported Value (USD Million)					Share in Total Exports 2017
		2013	2014	2015	2016	2017	
'271019	Medium oils and preparations, of petroleum	4239.82	3413.52	2593.72	1738.75	2129.75	3.43%
'870332	Motor cars and other motor vehicles principally designed for the transport of persons	1432.53	1409.87	1272.76	1326.51	1286.72	2.07%
'271012	Light oils and preparations, of petroleum or bituminous minerals which \geq 90% by volume	1562.43	1252.12	1161.07	916.24	1196.37	1.92%
'870899	Parts and accessories, for tractors, motor vehicles for the transport of ten or more persons	848.57	962.08	815.79	913.20	1026.10	1.65%
'401110	New pneumatic tyres, of rubber, of a kind used for motor cars	1072.24	1055.10	981.78	983.89	1018.18	1.64%
'640399	Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather	846.11	931.91	827.85	856.20	874.20	1.41%
'220421	Wine of fresh grapes, incl. fortified wine	851.71	883.88	752.05	746.88	810.21	1.30%
'870892	Silencers "mufflers" and exhaust pipes, and parts thereof, for tractors	330.86	433.06	614.47	652.07	746.48	1.20%
'852721	Radio-broadcast receivers not capable of operating without an external source of power, of ...	693.23	508.61	431.83	635.08	739.85	1.19%
'870323	Motor cars and other motor vehicles principally designed for the transport of persons	833.45	994.88	881.14	515.22	738.47	1.19%
'610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	675.94	726.36	615.11	648.81	726.01	1.17%
'480256	Uncoated paper and paperboard, of a kind used for writing, printing	831.18	819.52	726.86	731.92	717.39	1.15%
'300490	Medicaments consisting of mixed or unmixed products	738.13	864.89	690.20	818.28	709.87	1.14%
'848071	Injection or compression-type moulds for rubber or plastics	607.53	641.57	572.91	601.38	662.77	1.07%
'940190	Parts of seats, n.e.s.	449.32	586.31	604.85	629.37	661.99	1.06%
Total of 15 Records		16013.04	15483.68	13542.37	12713.79	14044.36	22.59%
Total Exported Value		62794.14	63834.39	55258.69	55676.84	62169.9	100.00%

Source: Trade Map

Table 9. Portugal's Top Imports from World

HS Code	Product label	Imported Value (USD Million)					Share in Total Imports 2017
		2013	2014	2015	2016	2017	
'270900	Petroleum oils and oils obtained from bituminous minerals, crude	9,355.13	8,161.38	5,465.90	4,286.73	5,544.58	7.12%
'870332	Motor cars and other motor vehicles principally designed for the transport of persons	1,277.57	1,825.43	1,835.60	2,014.43	1,989.64	2.56%
'300490	Medicaments consisting of mixed or unmixed	1,947.43	1,939.72	1,786.03	1,863.71	1,788.42	2.30%
'870899	Parts and accessories, for tractors, motor vehicles for the transport of ten or more persons	1,384.37	1,500.79	1,267.49	1,186.74	1,323.36	1.70%
'870331	Motor cars and other motor vehicles principally designed for the transport of persons	462.71	750.47	972.78	1,088.48	1,148.04	1.47%
'271019	Medium oils and preparations, of petroleum	1,667.75	1,825.94	952.53	717.30	915.19	1.18%
'851712	Telephones for cellular networks "mobile telephones" or for other wireless networks	569.97	640.18	587.49	607.76	673.62	0.87%
'271121	Natural gas in gaseous state	1,214.06	1,314.26	929.10	670.73	666.08	0.86%
'852990	Parts suitable for use solely or principally with transmission and reception apparatus	166.73	178.30	214.99	352.43	554.73	0.71%
'271111	Natural gas, liquefied	742.50	469.79	340.94	253.68	550.35	0.71%
'880240	Aeroplanes and other powered aircraft of an of an unladen weight > 15000 kg	279.03	394.11	96.31	500.91	536.73	0.69%
'870322	Motor cars and other motor vehicles principally designed for the transport of persons	216.47	356.54	374.89	432.62	499.03	0.64%
'270112	Bituminous coal, whether or not pulverised, non-agglomerated	325.46	317.97	287.57	304.56	469.76	0.60%
'940190	Parts of seats, n.e.s.	252.84	311.76	319.07	388.68	465.70	0.60%
'381512	Supported catalysts with precious metal	84.65	189.61	192.48	246.79	411.96	0.53%
Total of 15 Record		19,946.65	20,176.23	15,623.17	14,915.53	17,537.18	22.53%
Total Import value		75,713.90	78,395.89	66,870.95	67,631.78	77,833.79	100.00%

Source: Trade Map

Table 10. Pakistan's Top Export to Portugal

HS Code	Product label	Exported Value (USD Million)					Portugal's Imports from World 2017	Share in Portugal's Total Imports from World 2017	Pakistan's Export to World 2017
		2013	2014	2015	2016	2017			
'520812	Plain woven fabrics of cotton, containing >= 85% cotton by weight and weighing > 100g	20.29	21.56	25.24	26.78	29.38	47.51	61.84%	213.20
'520522	Single cotton yarn, of combed fibres, containing >= 85% cotton by weight	5.68	6.79	5.03	5.33	13.97	46.36	30.14%	97.06
'520532	Multiple "folded" cotton yarn of uncombed fibres, containing >= 85% cotton	11.28	12.85	7.44	11.19	13.49	40.46	33.35%	129.24
'520512	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight	12.54	13.98	11.14	8.56	11.63	33.76	34.46%	811.87
'550953	Yarn containing predominantly, but < 85% polyester staple fibres by weight	10.30	13.44	14.18	10.99	11.48	40.55	28.30%	16.23
'520819	Woven fabrics of cotton, containing >= 85% cotton by weight and weighing <= 200 g/m ²	6.36	4.52	7.71	6.96	10.95	18.90	57.93%	64.48
'520513	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight	8.58	4.55	2.70	6.34	6.17	35.24	17.52%	12.08
'520919	Woven fabrics of cotton, containing >= 85% cotton by weight and weighing > 200 g/m ²	3.09	1.66	1.46	1.84	6.16	1.20	513.86%	70.17
'521011	Plain woven fabrics of cotton, containing predominantly, but < 85% cotton by weight	4.38	6.51	5.87	6.69	6.06	3.10	195.51%	86.65
'521211	Woven fabrics of cotton, containing predominantly, but < 85% cotton by weight	1.54	2.30	4.62	5.70	4.36	0.27	1601.47%	36.05
'521021	Plain woven fabrics of cotton, containing predominantly, but < 85% cotton by weight	2.27	3.94	3.30	3.42	4.34	0.34	1264.14%	119.44
'521031	Plain woven fabrics of cotton, containing predominantly, but < 85% cotton by weight	4.89	4.98	5.31	3.11	3.60	1.94	185.76%	57.79
'630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton	2.90	3.45	2.03	2.29	3.02	13.06	23.13%	805.01
'620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton	1.01	2.14	3.65	3.57	2.82	173.55	1.62%	410.42
'620322	Men's or boys' ensembles of cotton (excluding knitted or crocheted)	0.05	0.37	1.35	2.56	2.40	0.41	592.10%	1,291.73
Total of 15 Records		95.15	103.04	101.02	105.32	129.81	456.62	28.43%	4,221.42
All products		155.11	166.97	153.64	159.86	182.31	77,833.79	0.23%	21,877.79

Source: Trade Map

Table 11. Pakistani's Top Imports from Portugal

HS Code	Product label	Imported Value (USD Million)					Portugal's Exports to World 2017	Share in Portugal's overall Exports 2017	Pakistan's Imports from World 2017	Share in Pakistan's overall Imports 2017
		2013	2014	2015	2016	2017				
'270730	Xylol "xylenes" containing > 50% of xylenes	1.09	0.21	6.25	6.47	11.13	86.71	12.84%	22.15	50.26%
'550130	Filament tow	6.97	8.00	6.01	7.09	2.47	68.06	3.63%	7.53	32.83%
'290230	Toluene	0.24	0.00	0.00	1.92	1.68	76.52	2.19%	8.10	20.71%
'550630	Acrylic or modacrylic staple fibres, carded, combed	0.09	0.00	0.00	0.00	1.51	11.09	13.62%	9.14	16.53%
'850213	Generating sets with compression-ignition internal combustion piston engine	0.00	0.00	0.00	0.00	1.31	25.06	5.22%	77.93	1.68%
'550330	Acrylic or modacrylic staple fibres, not carded, combed	0.28	0.00	0.00	0.00	1.11	27.76	3.99%	22.04	5.02%
'480262	Uncoated paper and paperboard, of a kind used for writing, printing	0.00	0.16	0.66	1.07	1.10	0.33	330.03%	40.27	2.73%
'300490	Medicaments consisting of mixed or unmixed products for therapy	0.32	0.02	0.00	0.69	0.88	709.87	0.12%	368.14	0.24%
'850212	Generating sets with compression-ignition internal combustion piston engine	0.00	0.00	0.00	0.02	0.79	9.85	8.00%	24.36	3.23%
'720449	Waste and scrap of iron or steel	0.31	0.37	0.18	0.32	0.79	96.33	0.82%	866.80	0.09%
'320417	Synthetic organic pigments; preparations based on synthetic organic pigments	0.71	0.66	0.95	0.64	0.59	8.98	6.59%	28.97	2.04%
'271012	Light oils and preparations, of petroleum	0.00	0.00	0.00	0.34	0.57	1,196.37	0.05%	3,010.66	0.02%
'040210	Milk and cream in solid forms, of a fat content by weight of <= 1,5%	0.00	0.00	0.00	0.00	0.47	35.07	1.33%	116.50	0.40%
'630900	Worn clothing and clothing accessories, blankets and travelling rugs,	0.29	0.22	0.42	0.27	0.27	12.69	2.11%	240.19	0.11%
'450410	Tiles of any shape, blocks, plates, sheets and strip, solid cylinders	0.16	0.20	0.17	0.23	0.22	511.50	0.04%	0.31	70.65%
Total of 15 Records		10.44	9.84	14.62	19.06	24.88	2,876.18	0.86%	4,843.07	0.51%
All products		13.05	19.25	18.91	27.74	28.04	62,169.90	0.05%	57,440.01	0.05%

Source: Trade Map

Table 12. Pakistan's Potential Exports to Portugal

Code	Product label	Pak Export to World 2017	Portugal's Imports from World 2017	Pakistan's exports to Portugal	Pak Export Share in Portugal's Imports
620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton	410.42	173.55	2.82	1.62%
'901890	Instruments and appliances used in medical, surgical or veterinary sciences	360.58	203.15	1.89	0.93%
'170199	Cane or beet sugar and chemically pure sucrose, in solid form	342.90	60.04	0.00	0.00%
'610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	197.76	171.92	0.02	0.01%
'620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton	197.08	138.49	1.03	0.74%
'271019	Medium oils and preparations, of petroleum or bituminous minerals	142.87	915.19	0.00	0.00%
'390761	Poly"ethylene terephthalate", in primary form	134.58	90.27	0.00	0.00%
'270900	Petroleum oils and oils obtained from bituminous minerals, crude	114.48	5,544.58	0.00	0.00%
'410712	Grain splits leather "incl. parchment-dressed leather", of the whole hides and skins of bovine	114.40	87.94	1.87	2.13%
'020110	Carcases or half-carcases of bovine animals, fresh or chilled	110.28	146.52	0.00	0.00%
'610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted	106.42	78.73	0.09	0.11%
'481159	Paper and paperboard, surface-coloured, surface-decorated or printed	81.07	107.08	0.00	0.00%
'070190	Fresh or chilled potatoes (excluding seed)	80.84	74.37	0.00	0.00%
'300490	Medicaments consisting of mixed or unmixed products	70.79	1,788.42	0.00	0.00%
'640399	Footwear with outer soles of rubber, plastics or composition leather	68.99	138.40	0.02	0.02%
'520100	Cotton, neither carded nor combed	60.95	65.20	0.12	0.19%
'030617	Frozen shrimps and prawns, even smoked, whether in shell	54.69	215.78	0.00	0.00%
'410792	Grain splits leather "incl. parchment-dressed leather", of the portions, strips	50.70	56.29	0.37	0.66%

Source: Trade Map