



Economic Cooperation Organization:
neighbors, yet strangers!

Compiled & Researched by PRGMEA

ECO Highlights

Total ECO population: 425.5 million
(represents 6% of world population)

Total ECO GDP: 1.51 trillion
(represents 2.4% of world GDP)

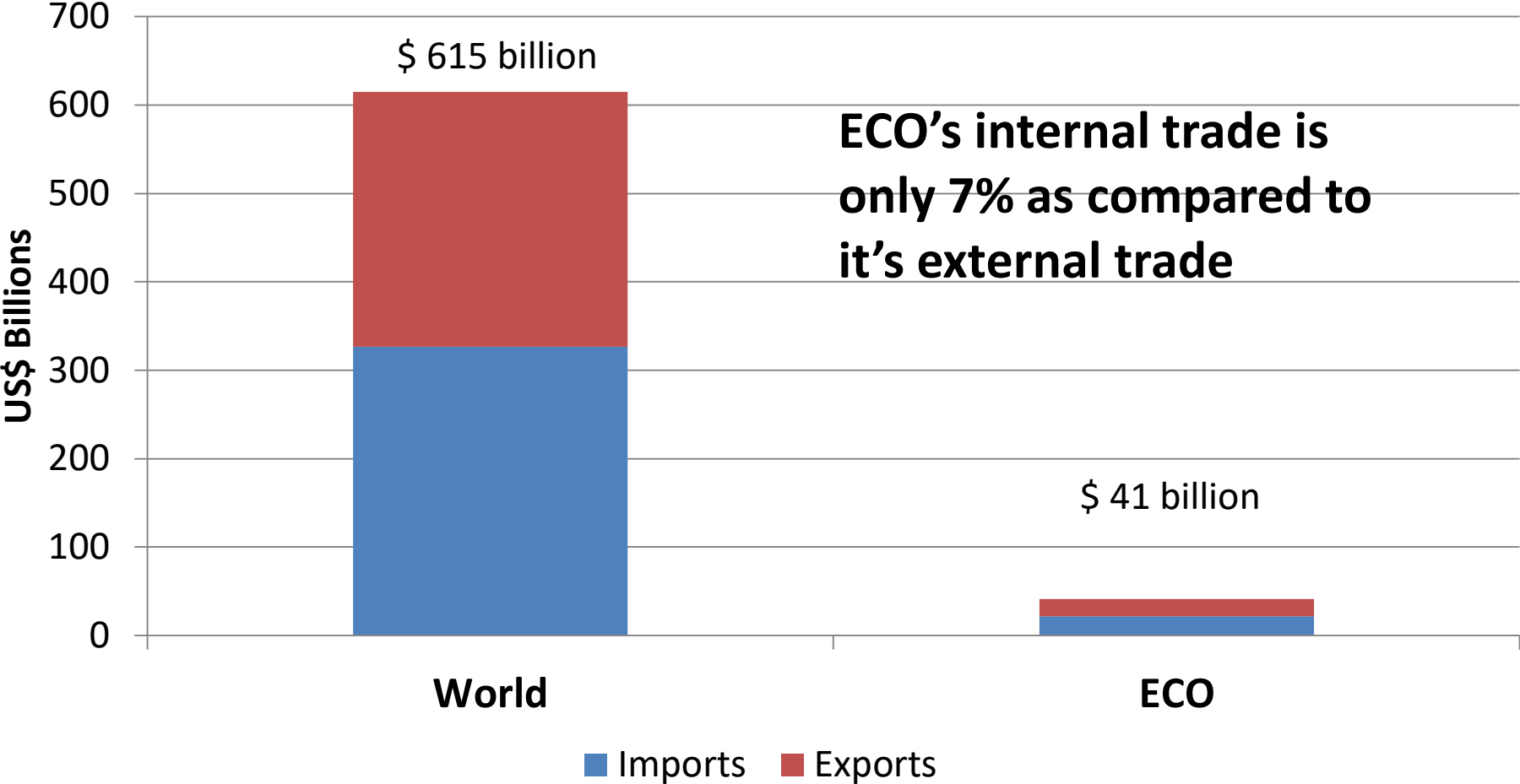
Total ECO imports: 326 billion
(represents 3% of world imports)

Total ECO exports: 289 billion
(represents 2% of world exports)

Total ECO area: 8 million square km
(represents 5% area of the world area)



ECO: External vs. Internal Trade



Country Profile

Country	Population (mil) / Rank		GDP (\$ bil) / Rank		Port	Major Industrial Sectors
Pakistan	174	1	175	3	Yes	Textiles, commodities, dairy products
Iran	74	2	*331	2	Yes	Oil & gas, petrochemicals, steel, etc.
Turkey	73	3	735	1	Yes	Machinery, textiles, chemicals, etc.
Afghanistan	34	4	*12	8	No	Precious stones, commodities, wool, etc.
Uzbekistan	28	5	39	6	No	Food processing, machinery, chemicals, etc
Kazakhstan	16	6	143	4	No	Chemicals, minerals, metals, etc.
Azerbaijan	9	7	51	5	No	Engineering, metallurgy, etc.
Tajikistan	7	8	6	9	No	Metals, engineering, textiles, etc.
Kyrgyzstan	5	9	5	10	No	Machinery, commodities, grains, etc.
Turkmenistan	5	10	21	7	No	Carpets, Chemicals, Oil & gas, textiles, etc.

* 2009 & 2008 figures, respectively

Source: World Bank, World Development Indicators

Import Profile

Country	Import Value	Products	Partners
Pakistan	\$ 37.54 bln. (2010)	Fuels, machinery, electrical & electronic equipment, fats & oils, etc.	USA, China, Saudi Arabia, Kuwait.
Afghanistan	\$ 3.33 bil. (2009)	Vehicles, fuels, electrical & electronic equipment, commodities, etc.	Uzbekistan, China, Japan, Pakistan.
Azerbaijan	\$ 6.60 bil. (2010)	Machinery, vehicles, Iron & steel products, electrical & electronic equipment, cereals, etc.	Russia, Turkey, Germany, China.
Iran	\$ 48.19 bil. (2010)	Machinery, iron & steel, vehicles, electrical & electronic equipment, plastic products, etc.	China, France, India, Japan.
Kazakhstan	\$ 28.41 bil. (2009)	Machinery, electrical & electronic equipment, fuels, Iron & steel prod., vehicles, etc.	Russia, China, Ukraine, Germany.

Import Profile (cont.)

Country	Import Value	Products	Partners
Kyrgyzstan	\$ 3.22 bil. (2010)	Fuels, vehicles, machinery, electrical & electronic equipment, pharma.	Russia, China, Kazakhstan, USA.
Tajikistan	\$ 2.64 bil. (2010)	Fuels, knit & woven apparels, vehicles, machinery, footwear, etc.	China, Russia, Turkey, Ukraine.
Turkey	185.54 bln. (2010)	Fuels, machinery, iron & steel, electrical & electronic equipment, vehicles, etc.	Russia, Germany, China, USA.
Turkmenistan	\$ 4.11 bln. (2010)	Machinery, iron & steel products, electrical & electronic equipment, vehicles, ships & boats, etc.	Turkey, Russia, China, Germany.
Uzbekistan	\$ 7.05 bln. (2010)	Machinery, vehicles, electrical & electronic equipment, iron & steel products, etc.	Russia, Korea, China, Germany.

Export Profile

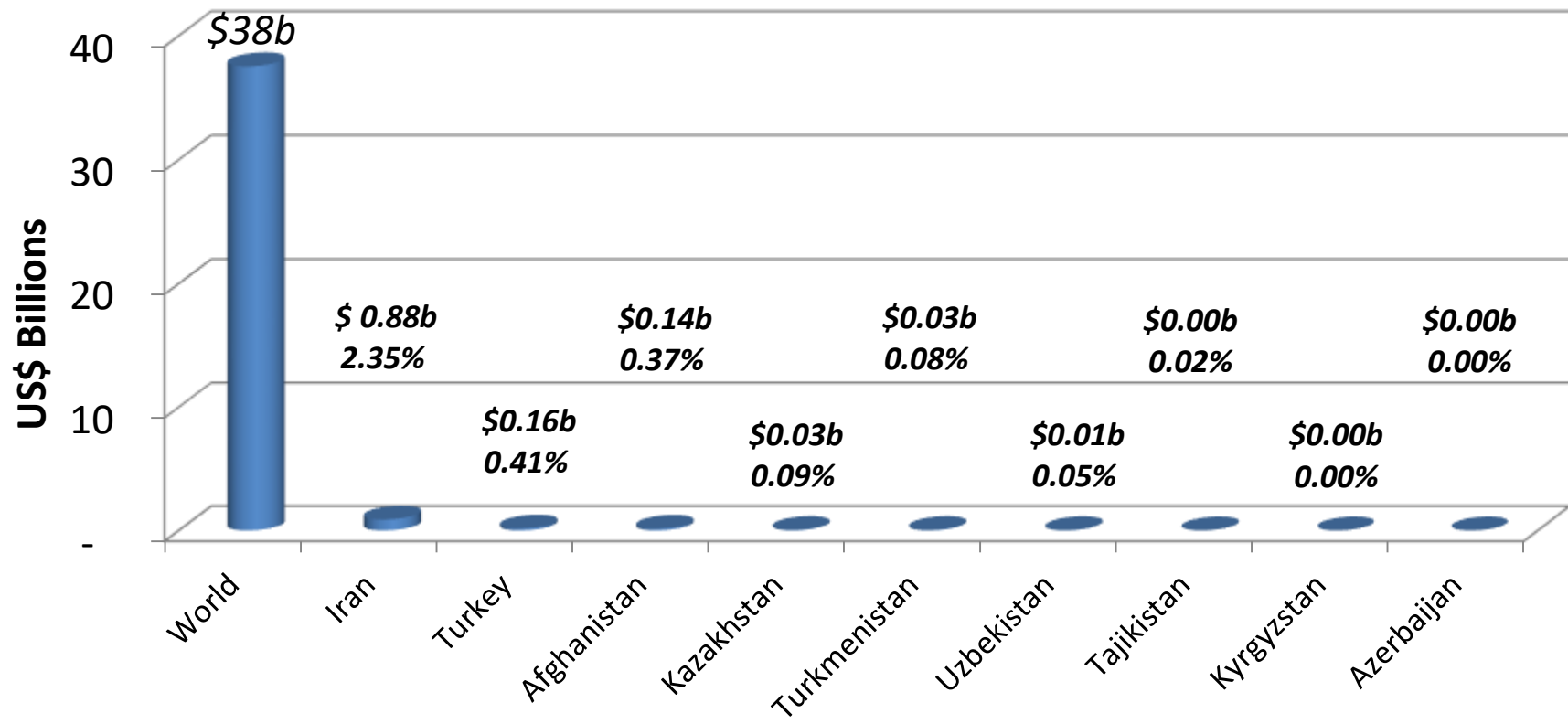
Country	Export Value	Products	Partners
Pakistan	\$ 21.41 bil. (2010)	Cotton, home textiles, cereals, knit & woven apparel, fuels, leather products, precious stones, etc.	USA, UAE, Afghanistan, China.
Afghanistan	\$ 0.40 bil. (2009)	Fruits & nuts, oil seed & grains, carpets, gums & resins, other commodities, etc.	Pakistan, India, Iran, Russia.
Azerbaijan	21.28 bil. (2010)	Fuels, fats & oils, ships & boats, sugar & confectionery, fruits & nuts, etc.	Italy, France, Israel, USA.
Iran	\$ 75.85 bil. (2010)	Fuels, chemicals, plastics, slag & ash, fruits & nuts, copper, aluminum, iron, etc.	Japan, Taiwan, Italy, France.
Kazakhstan	\$ 45.79 bil. (2010)	Fuels, iron & steel, slag & ash, copper, chemicals, cereals, etc.	Italy, China, Russia, France.

Export Profile (cont.)

Country	Export Value	Products	Partners
Kyrgyzstan	\$ 1.49 bil. (2010)	Pearls & precious stones, fuels, woven apparel, vegetables, dairy products, fruits & nuts, etc.	Russia, China, Kazakhstan, USA.
Tajikistan	\$ 0.91 bil. (2010)	Aluminum, cotton, fruits & nuts, vegetables, slag & ash, woven apparel, etc.	Turkey, Russia, Korea, Taiwan.
Turkey	113.98 bil. (2010)	Vehicles, machinery, iron & steel products, knit & woven apparel, electrical & electronic equipment, fuels, Pearls & precious stones, etc.	Germany, UK, Italy, France.
Turkmenistan	\$ 2.37 bil. (2010)	Fuels, cotton, plastics, home textiles, woven apparel, etc.	China, Turkey, Italy, Russia.
Uzbekistan	\$ 5.05 bil. (2010)	Cotton, chemicals, copper & it's products, fuels, vehicles, etc.	Russia, China, Turkey, Italy.

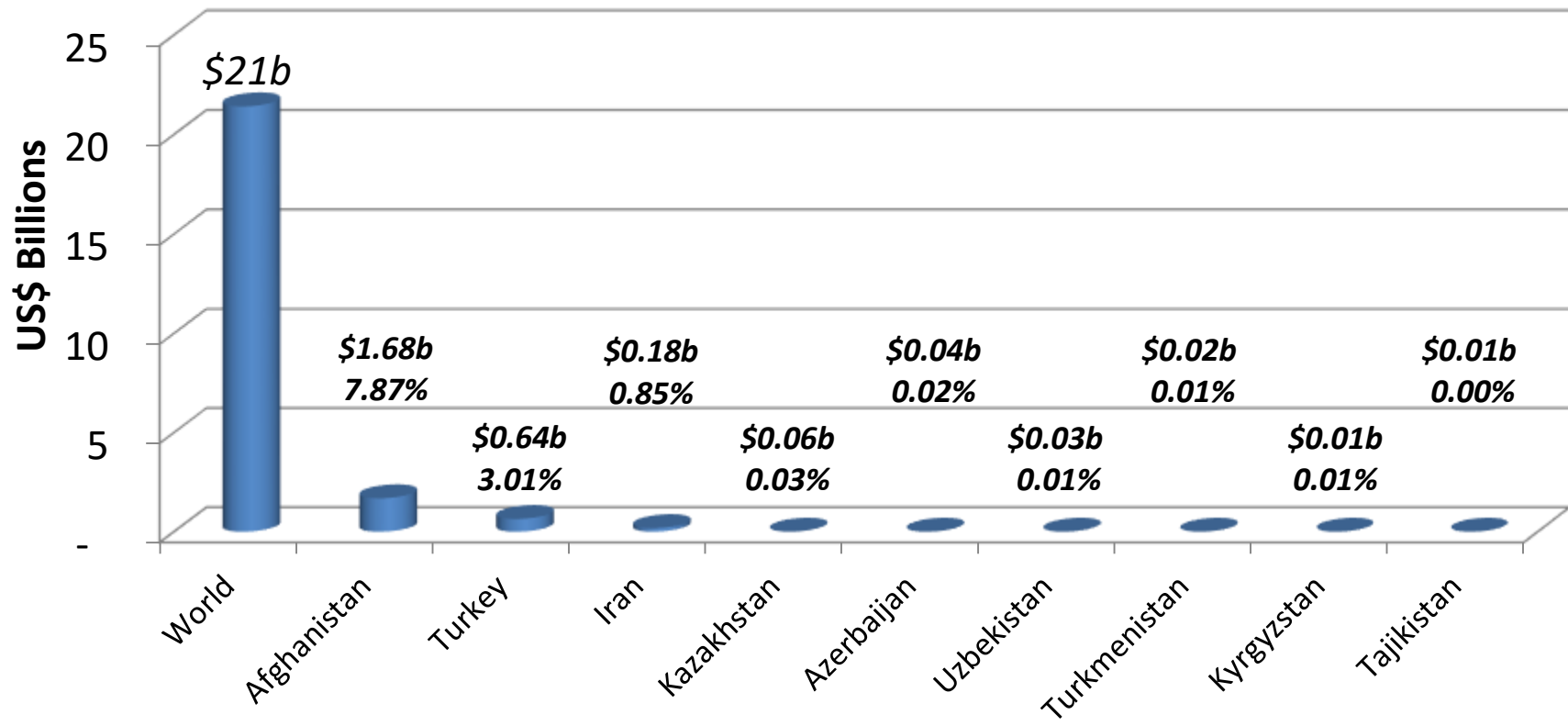
Imports: Pakistan & ECO States

Imports in 2010

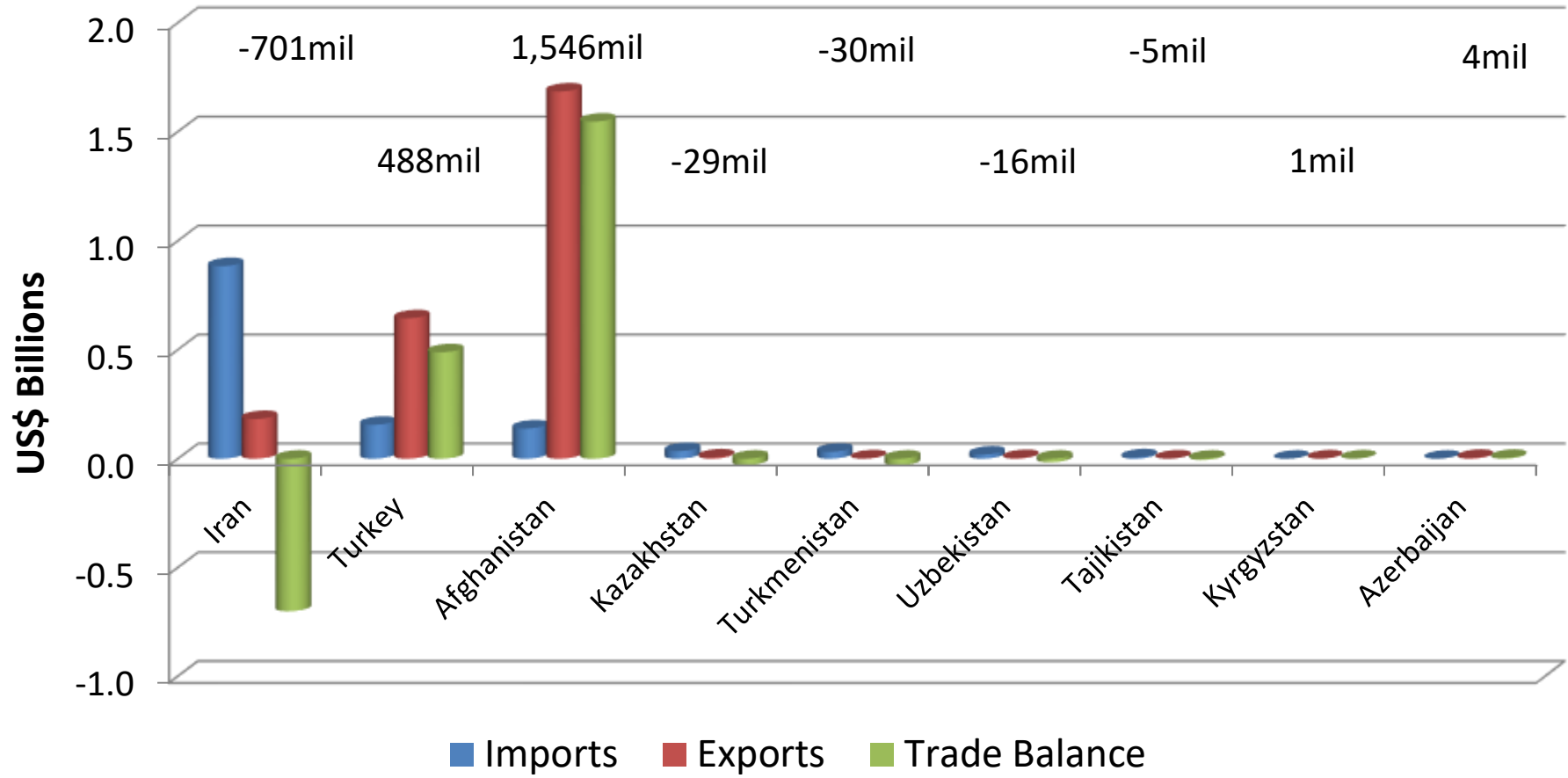


Exports: Pakistan & ECO States

Exports in 2010



Trade Balance: Pakistan & ECO



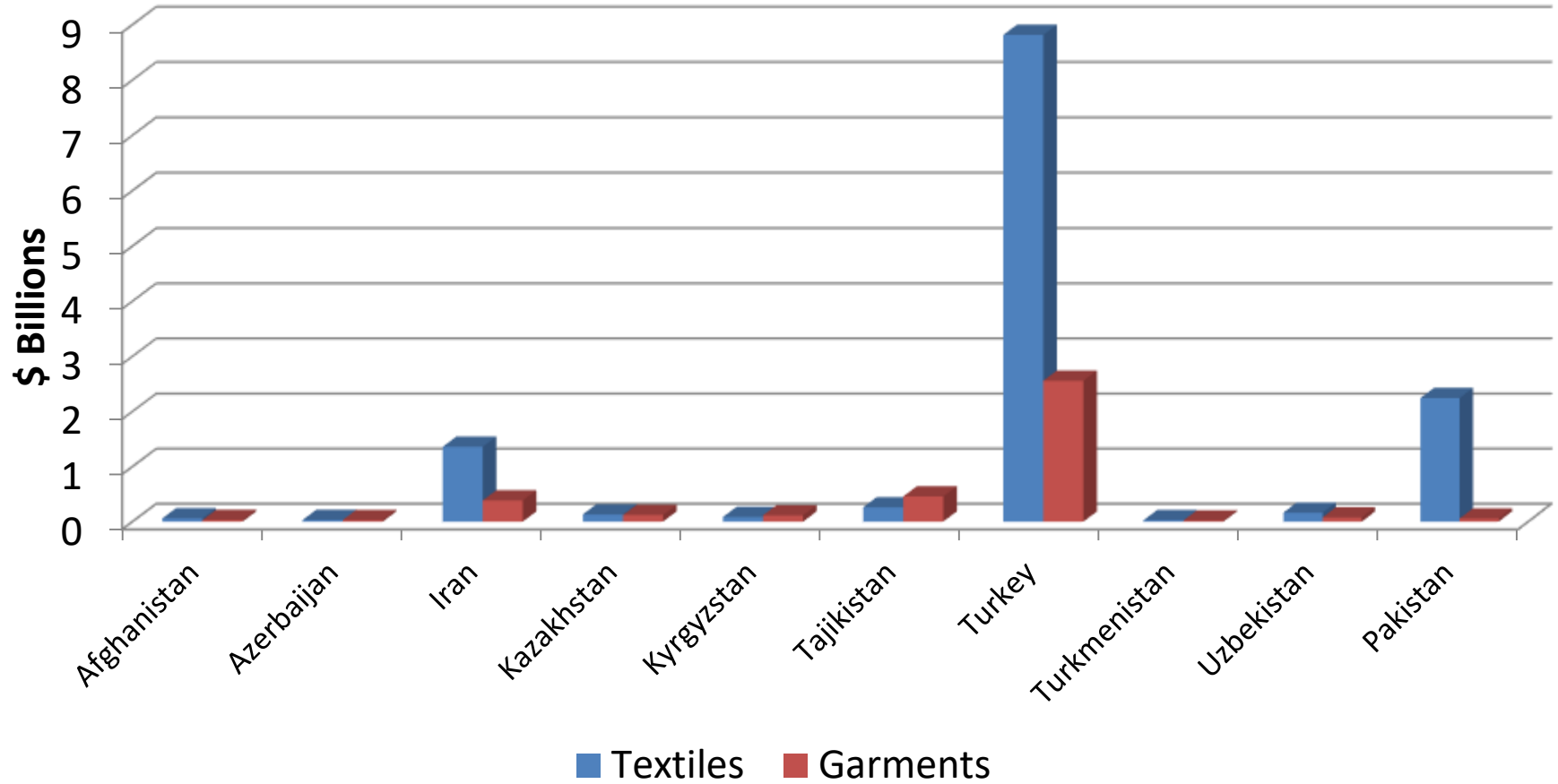
Textile & Garment Imports

Country	Textile Import Value	Garment Import Value
Turkey	\$ 8,816.14 mil. (2010)	\$ 2,557.39 mil. (2010)
Pakistan	\$ 2,241.89 mil. (2010)	\$ 56.05 mil. (2010)
Iran	\$ 1,359.86 mil. (2010)	\$ 385.51 mil. (2010)
Tajikistan	\$ 260.62 mil. (2010)	\$ 457.18 mil. (2010)
Kazakhstan	\$ 129.96 mil. (2009)	\$ 119.32 mil. (2009)
Uzbekistan	\$ 163.49 mil. (2010)	\$ 76.71 mil. (2010)
Kyrgyzstan	\$ 85.71 mil. (2010)	\$ 114.36 mil. (2010)
Afghanistan	\$ 61.94 mil. (2010)	\$ 29.63 mil. (2010)
Azerbaijan	\$ 30.54 mil. (2010)	\$ 25.85 mil. (2010)
Turkmenistan	\$ 27.01 mil. (2010)	\$ 21.39 mil. (2010)

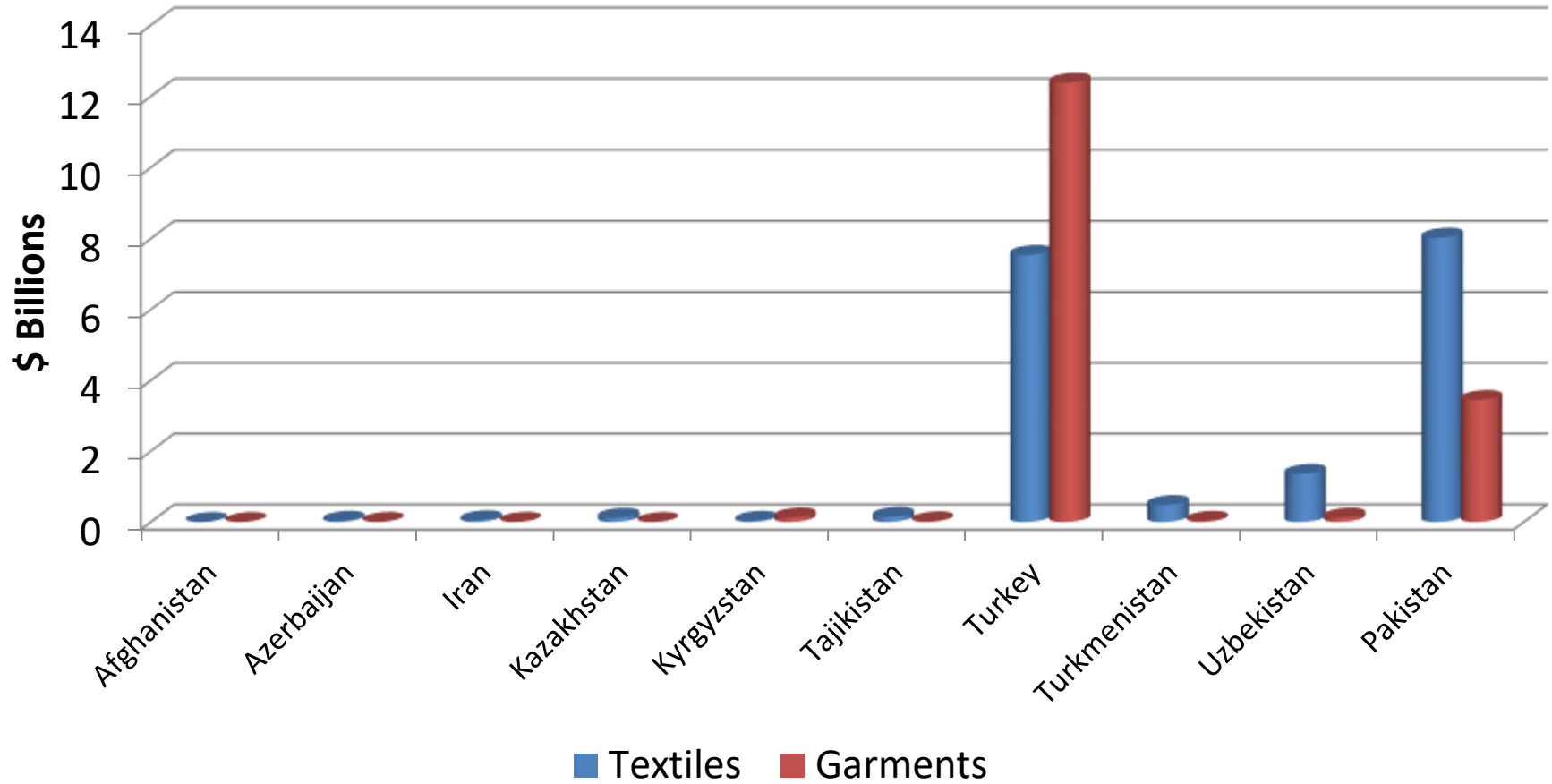
Textile & Garment Exports

Country	Textile Export Value	Garment Export Value
Turkey	\$ 7,538.38 mil. (2010)	\$ 12,381.64 mil. (2010)
Pakistan	\$ 8,024.12 mil. (2010)	\$ 3,444.07 mil. (2010)
Uzbekistan	\$ 1,365.45 mil. (2010)	\$ 121.32 mil. (2010)
Turkmenistan	\$ 479.09 mil. (2010)	\$ 33.41 mil. (2010)
Tajikistan	\$ 144.74 mil. (2010)	\$ 18.90 mil. (2010)
Kyrgyzstan	\$ 34.74 mil. (2010)	\$ 124.93 mil. (2010)
Kazakhstan	\$ 116.26 mil. (2010)	\$ 0.77 mil. (2010)
Iran	\$ 48.41 mil. (2010)	\$ 5.31 mil. (2010)
Azerbaijan	\$ 35.21 mil. (2010)	\$ 5.47 mil. (2010)
Afghanistan	\$ 0.31 mil. (2009)	Nil

ECO: Textile & Garment Imports



ECO: Textile & Garment Exports



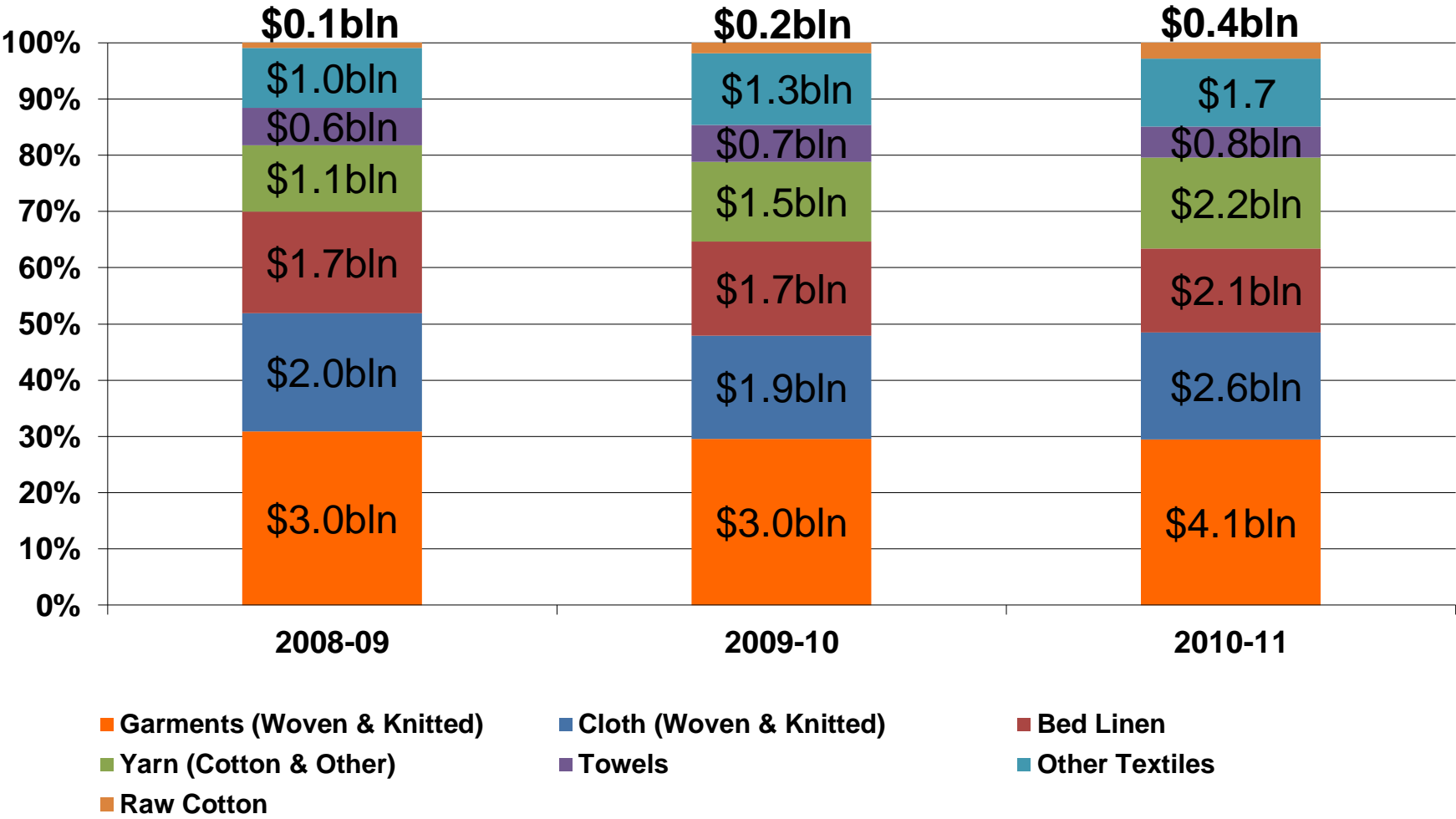
Share of textiles in Pakistan's economy

Contribution of the textile industry to Pakistan's economy is that it;

- **Generates** 54 % of exports
- **Constitutes** 46 % of Manufacturing Industry
- **Employs** 38 % of country's working force
- **Contributes** 8.5% to the total GDP
- **Drives** Banking, Shipping ,Transport , Insurance, Machinery & the ancillary industry.

Source: TCO

Textile Industry Exports



Textile Products

- **Home Textiles**: bed linen, towels, cleaning cloths, blankets, curtains and furnishings, canvas products and table linen.
- **Knitwear**: T-shirts, sleeping, suits and sportswear.
- **Woven Garments**: Trousers, denim jeans and shirts.

Garment Export Markets:

EU and the USA account for 91% of Pakistan's total garment exports.

Pakistan's exports of woven garments to EU and USA

Importers	Exports in 2008	Exports in 2009	Exports in 2010
Total Exports to World	1,361,171	1,206,499	1,461,643
USA	470,904	386,189	435,268
EU-27	729,398	668,475	859,684

Pakistan's exports of knit garments to EU and USA

Importers	Exports in 2008	Exports in 2009	Exports in 2010
Total Exports to World	1,888,467	1,680,773	1,982,423
USA	1,166,899	1,038,702	1,238,550
EU-27	569,690	497,859	580,854

All figures in USD 000

Barriers to Trade

- Simplification and harmonization of customs system and procedures. (Trade policy regimes in ECO vary widely).
- Some ECO states have other taxes on imports. (i.e., excise tax)
- Some ECO states have quantitative restrictions on exports.
- Some ECO states have restrictions on access to foreign exchange.
- Logistical issues (deficiencies in transport networks, high costs and low quality of transport and logistics services).
- Banking issues
- Identification of specific tariffs, ad valorem tariffs, licenses, import quotas, voluntary export restraints & local content requirements.

What Pakistan has to offer.....

- Vibrant textile and garment industry for joint ventures.
- Large and efficient workforce.
- Low cost of doing business, i.e., labor costs and other input costs.
- Port facilities.
- Land route to growing market of India, China and sea route to ASEAN states.
- Pakistan is expected to get the duty concession from EU on 75 tariff lines later this year and the GSP+ by 2014, which would open up tremendous opportunities for the RMG and textile sectors.
- Ready market for oil and gas, machinery and minerals and other ECO consumer products.
- Pakistan can offer competitive dairy products, pharmaceuticals, textiles & garments and commodities.

Conclusion & Recommendations

- In order to promote trade, integration of civil society is of utmost importance. Language is also a major barrier. Promotion of culture, food, tourism, etc. is of vital importance.
- In order to improve trade and interaction amongst ECO states it is imperative that land and rail links be improved.
- Region can overcome the problems of food security and energy shortages if cooperation between ECO increases.
- CAS countries can benefit from transit trade.
- Pakistan's textile industry can benefit from ECO member states especially the Central Asian countries by gaining access to their raw material, i.e., cotton. Pakistan's textile industry can also provide its expertise to the cotton growing Central Asian states by helping their industry forward integrate into spinning and weaving sectors.

Thank you

The logo for PRGMEA features the letters 'PRGMEA' in a bold, dark blue serif font. A green square with a white outline is positioned behind the letter 'G', partially overlapping it.

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