

The Impact on Bilateral Trade of a Potential Pakistan – Japan Free Trade Agreement



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Pakistan Business Council (PBC)

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The PBC's Member Companies





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Executive Summary

Globally, Japan ranks third in terms of the size of its economy with a nominal GDP in 2018 of \$5.2 trillion.

This report provides an overview of ***'The impact on bilateral trade of a Potential Pakistan – Japan Free Trade Agreement.'*** Recently, the 11th round of bilateral negotiations at the government level were held in Tokyo, with both governments highlighting the need for strengthening cooperation in the areas of trade and economy. The two countries agreed on the need for enhancing mutual trade, possibly through a PTA / FTA and through encouraging new investment opportunities

Pakistan ranked 68th in terms global exports in 2018.¹ Pakistan exported \$23.6 billion worth of products in 2018. Exports comprised mainly of products in the categories of cotton, textiles, apparels and cereals. In the last 10 years, Pakistan's exports to the world increased by 34.6%. The top 10 export destinations of Pakistan in 2018 were the United States (\$3.8 billion), China (\$1.8 billion), the United Kingdom (\$1.7 billion), Afghanistan (\$1.3 billion), Germany (\$1.3 billion), United Arab Emirates (\$0.9 billion), Netherlands (\$0.9 billion), Spain (\$0.9 billion), Bangladesh (\$0.8 billion) and Italy (\$0.7 billion). On the other hand, Pakistan ranked 52nd in terms of imports in 2018.² Pakistan imported \$60.2 billion worth of products in 2018. Major products imported by Pakistan were from the categories of mineral oils, machinery, transportation, iron & steel, and chemicals. In the last 10 years, Pakistan's imports from the world have increased by 90.5%. The top 10 import sources of Pakistan in 2018 were China (\$14.5 billion), United Arab Emirates (\$8.7 billion), Saudi Arabia (\$3.2 billion), United States (\$2.9 billion), Indonesia (\$2.5 billion), Qatar (\$2.4 billion), Japan (\$2.3 billion), India (\$1.9 billion), Thailand (\$1.4 billion) and Kuwait (\$1.4 billion).

In 2018, Japan ranked 4th in the world in terms of exports. Japan exported \$738.2 billion worth of products in 2018. The major exported products included automobiles, machinery, metals, iron and steel, chemicals, and plastics. In the last 10 years, Japan's exports to the world increased by 27.1%. The top export destinations of Japan in 2018 were China (\$144.0 billion), the United States (\$140.6 billion), South Korea (\$52.5 billion), Taiwan, (\$42.4 billion), Hong Kong (\$34.7 billion), Thailand (\$32.3 billion), Singapore (\$23.4 billion), Germany (\$20.9 billion), Australia (\$17.1 billion) and Viet Nam (\$16.4 billion). On the other hand, Japan also ranked 4th in terms of imports in 2018. Japan imported \$748.4 billion worth of products in 2018. Major products imported by Japan were from the categories of mineral fuels, machinery, transportation and chemicals. In the last 10 years, Japan's imports from the world have increased by 35.6%. The top import sources of Japan in 2018 were China (\$173.5 billion), United States (\$83.6 billion), Australia (\$45.7 billion), Saudi Arabia (\$33.8 billion), Korea (\$32.1 billion), United Arab Emirates (\$27.6 billion), Taiwan (\$27.1 billion) Germany (\$26.0 billion), Thailand (\$25.1 billion) and Indonesia (\$21.6 billion).

Pakistan's trade balance with Japan has been deteriorating over the years. Pakistan imports more than it exports to Japan which has been consistent for the last 5 years. As of 2018, bilateral trade

¹ Economic Complexity Index (ECI)

² The World Factbook (CIA)

between Pakistan and Japan was in Japan's favor. Bilateral trade between the two countries amounted to \$2.5 billion in 2018. In calendar 2018, products worth \$216.1 billion were exported to Japan, whereas the goods imported by Pakistan amounted to \$2.3 billion, resulting in a deficit of \$2.1 billion. Pakistan's exports were dominated by cotton, textile articles and apparels, while imports were mostly from the categories of transportation, iron and steel, and machinery. Pakistan's exports to Japan have grown with a CAGR of 9.1 percent, whereas its imports from Japan grew by 6.6 percent.

Whereas, Pakistan's actual exports to Japan in 2018 amounted to \$216.1 million. The total trade potential within the top 100 high potential products exported by Pakistan to Japan at HS-06-digit level was \$6.6 billion. On the other hand, Japan's actual exports to Pakistan in 2018 amounted to \$2.1 billion, however, the total trade potential within the top 50 high potential products exported by Japan to Pakistan at HS-06-digit level was \$9.9 billion.³

The calculations of bilateral revealed comparative advantage (BRCA) shows that 26 of the 100 high potential exports items have BRCA>1, indicating that these items weigh heavier in Pakistan's export basket to Japan than they do in its export basket to the world. These 26 BRCA>1 represent total trade potential of \$1.7 billion. With respect to Japan, the calculations demonstrate that Japan enjoys a comparative advantage in 14 of the 50 high potential exports items that have BRCA>1, indicating that these items weigh heavier in Japan's export basket to Pakistan than they do in its export basket to the world. These 14 BRCA>1 represent total trade potential of \$1.7 billion.

Furthermore, to identify the items that Pakistan needs in Japan's concession list in case of a preferential market access agreement, the compound annual growth rates for Pakistan's exports to Japan, Japan's imports from the world and Pakistan's exports to the world were also calculated for the period 2009–18. These CAGR values possess long-term potential for trade between Pakistan and Japan. Based on Japanese imports from the world with high CAGR values, twenty-nine out of the high potential Pakistani exports to Japan are high CAGR items. Out of these twenty-nine-high potential CAGR items, at least twenty items need to be included in the concession list for Pakistan's exports.

In the last 60 years, Japan has transformed itself from a major exporter of textiles and clothing to a major importer of the same. It is now the third-largest import market after the United States and Germany. Pakistan exports are dominated by the textile sector. Therefore, Japan's textile import patterns and Pakistan's position in the Japanese textile market particularly in HS-61, 62 and 63 sectors have been analyzed. Japan's textile imports are not well diversified in terms of sources. In 2018, Japan imported 61.9 percent of knitted apparel products from China whereas Pakistan was ranked at number 16 with a 0.2 percent share in Japan's imports. Similarly, China is again the dominant player in the Japanese market when it comes to the import of woven articles of apparel and clothing accessories. China has the largest share of 57.7 percent in Japan's imports of woven apparel, whereas, in 2018, Pakistan was ranked number 25 in terms of exports of woven apparel to Japan. Pakistan is the 3rd largest exporter of other made-up textile articles HS-63 in the world. Items under HS-63 depicts Pakistan's share of 4.4 percent in total exports to Japan. If Pakistan and Japan were to sign a trade agreement, negotiators from Pakistan should ask for concessions not only for current textile products being exported but also for those showing positive CAGR for the high demand products by Japan.

Furthermore, to evaluate the impact of a hypothetical FTA on Pakistan's exports given that Japan reduces all tariffs for Pakistan to 0 percent as well as an impact on Japan's exports given Pakistan's reduces all tariffs for Japan to 0 percent, a trade and tariff simulation was conducted. According to the simulation results, Pakistan's exports to Japan would grow by 15.2 percent, whereas, Japan's exports to Pakistan would grow by 58.9 percent.

Pakistan has signed FTAs with China, Malaysia and Sri Lanka and PTAs with Indonesia, Iran and Mauritius along with multilateral trade agreements with ECO, PTA-D8 and SAFTA. Pakistan's trade balance with its FTA partners has been consistently negative even after signing of FTA, with the

exception of positive trade balance with Sri Lanka.

On the other hand, Japan has also signed a number of trade agreements which have helped Japan further its trade and strategic objectives.

An analysis is done to show the trade in textiles between Japan and Bangladesh. Since Bangladesh is a strong competitor for Pakistan in the textile sector, some of Japan's imports from Bangladesh are highlighted where the growth rate for Japan's imports from Pakistan is better than the growth rate for Japan's imports from Bangladesh indicating Pakistan's stability in the export of that particular product. Therefore, if Pakistan and Japan were to sign a trade agreement, negotiators from Pakistan should ask for concessions in those products in which Bangladesh is enjoying duty free access and Pakistan has a positive CAGR.

Pakistan is a beneficiary of Japan's Generalized System of Preferences Scheme. Out of 3,151 items offered by Japan, Pakistan is eligible to export 2,005 products duty-free products. It is to be noted that for some products Japan is not offering duty-free access, however, the rate is declining when the item is offered in GSP scheme. Japan's total imports from the world under GSP program amounted to \$82.4 billion. Japan's imports from Pakistan amounted to \$354.3 million in 2018. Out of these, \$17.3 million qualified under the GSP program. Pakistan needs to diversify its exports by looking into markets like Japan who offer concessional tariff under GSP.

Major Findings

- Pakistan's total exports to the world in calendar 2018 amounted to \$23.6 billion. Pakistan's exports to Japan in 2018 were valued at \$216.1 million. In calendar 2018, Pakistan's total imports from the world were worth \$60.2 billion, while Pakistan's total imports from Japan were valued at \$2.3 billion. Pakistan in the recent past has never enjoyed a positive trade balance with Japan, in 2018, the deficit was (-\$2.1 billion).
- Japan is the second largest economy in Asia with a GDP of \$5.1 trillion, however, Pakistan has only a 0.1 percent share in Japan's imports, this is despite the fact that Japan has granted Generalized System of Preferences (GSP) status to Pakistan for certain products in the agriculture, fishery and industrial sectors. While Pakistan has only a 0.1 percent share in Japanese imports, Japan has a 3.8 percent share in Pakistan's imports.
- Pakistan's exports to Japan are textile-centric with textiles having a share of 56.3 percent in Pakistan's exports to Japan. Similarly, Japan's exports to Pakistan are mostly concentrated in the transportation sector, with the sector contributing 50.5 percent to total exports.
- There are discrepancies in bilateral trade figures as reported by both countries to the International Trade Center (ITC). In 2018, Pakistan reported exports to Japan of \$216.1 million, while Japan reported imports from Pakistan of \$354.3 million. Similarly, Japan reported exports to Pakistan of \$2.1 billion, while Pakistan reported imports from Japan of \$2.3 billion.
- The 1,579 Pakistani export items with available data other than HS-27 indicate a total trade potential for Pakistan of \$8.8 billion in 2018 for exports to Japan. The total trade potential for the top 100 high potential products exported by Pakistan to Japan at HS-06-digit level was \$6.6 billion. Similarly, the total trade potential within the top 50 high potential products exported by Pakistan to Japan at HS-06-digit level was \$5.5 billion. Products with significant trade potential include 'Toilet linen and kitchen linen' (HS-630260), 'Semi-milled or wholly milled rice' (HS-100630), 'Undenatured ethyl alcohol' (HS-220710), 'Instruments and appliances used in medical' (HS-901890) and 'Men or boy's trousers' (HS-620342).
- The Compound Annual Growth Rates (CAGR) for Pakistan's exports to Japan, Japan's imports from the world and Pakistan's exports to the world were calculated for the period 2009–18.³ This exercise has been done to identify products which have long-term export potential for Pakistan to Japan. It is important from Pakistan's perspective that these items are included in any concession list offered by Japan to Pakistan. Twenty-Nine of the high potential Pakistani exports to Japan have high CAGR in Japan's imports from the world. The total trade potential of these 29 high potential Japanese imports amounted to \$2.6 billion. It may be noted that twenty of the twenty-nine high potential CAGR items are those products in which Japan does not offer any concession to Pakistan. Therefore, these goods need to be included in any concession list.

³ CAGR values have only been calculated if there are at least 3 consecutive years of recorded exports and at least one year of recorded exports within the period 2015–18. This is so that the numbers used are recent and consistent enough to be suggestive of future trends.

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Furthermore, to evaluate the impact of a hypothetical FTA on Pakistan's exports given that Japan reduces all tariffs for Pakistan to 0 percent as well as an impact on Japan's exports given Pakistan's reduces all tariffs for Japan to 0 percent, a trade and tariff simulation was conducted. According to the simulation results, Pakistan's exports to Japan would grow by 15.2 percent, whereas, Japan's exports to Pakistan would grow by 58.9 percent.

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- The Compound Annual Growth Rates (CAGR) for Pakistan's exports to Japan, Japan's imports from the world and Pakistan's exports to the world were calculated for the period 2009–18.³ This exercise has been done to identify products which have long-term export potential for Pakistan to Japan. It is important from Pakistan's perspective that these items are included in any concession list offered by Japan to Pakistan. Twenty-Nine of the high potential Pakistani exports to Japan have high CAGR in Japan's imports from the world. The total trade potential of these 29 high potential Japanese imports amounted to \$2.6 billion. It may be noted that twenty of the twenty-nine high potential CAGR items are those products in which Japan does not offer any concession to Pakistan. Therefore, these goods need to be included in any concession list.

³ CAGR values have only been calculated if there are at least 3 consecutive years of recorded exports and at least one year of recorded exports within the period 2015–18. This is so that the numbers used are recent and consistent enough to be suggestive of future trends.

- The total trade potential within the top 50 high potential products currently exported by Japan to Pakistan at HS-06-digit level was \$9.9 billion in 2018. Products with significant trade potential include Waste and scrap of iron or steel' (HS-720449), 'Turnings, shavings, chips, milling waste, sawdust, filings, trimmings and stampings of iron' (HS-720441), 'Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes' (HS-300490) and 'Motor cars and other motor vehicles principally designed for the transport of persons' (HS-870321).
- Pakistan's highest export potential of \$540.0 million is for "Toilet linen and kitchen linen, of terry toweling or similar terry fabrics of cotton" (HS-630260) where the tariff faced by Pakistan is significantly higher than that faced by other trading partners. The second highest export potential item is "Semi-milled or wholly milled rice, whether or not polished or glazed" (HS-100630), here Japan applies the highest tariff of 175.0 percent on all trading partners. As much as 50.8 percent of Pakistan's total trade potential for its top 100 high potential export items is covered under the textile sector. Among the top 100 export potential items, Pakistan enjoys concession on only 33 items exported to Japan in 2018. Products which face higher tariff rates include "Semi-milled or wholly milled rice, whether or not polished or glazed" (HS-100630), "Durum wheat" (HS-100119), and "Wheat and meslin" (HS-100199).
- In 2018, exports of the top 100 high potential items to Japan amounted to \$132.7 million. However, Pakistan's export of these same 100 items to the world amounted to \$12.3 billion in 2018.
- This report also highlights Pakistan's high potential items that currently enjoy low or zero tariffs when imported into Japan as well as high potential textile goods on which Japan does not offer any concession.
- Items under HS-61, HS-62 and HS-63 show Pakistan's share of 11.0 percent, 7.8 percent and 4.4 percent respectively in total exports to Japan. 6 of the top 25 HS-61 and HS-62 products are those where Japan's imports are declining while Pakistan has been able to maintain a positive CAGR. In case of HS-63, 9 of the top 25 items are those where Pakistan has the strength to meet Japanese demand.
- A comparison is made of Pakistan's high potential textile exports with exports of India and ASEAN for these same products after concessions were given by Japan to India and ASEAN exporters. The analysis shows that there has been trade diversion and Pakistan has suffered because of tariff concessions offered by Japan to India and ASEAN countries.
- From Japan's perspective, Japan faces MFN tariffs for the top 100 high potential items and these in certain cases are significantly higher than Pakistan's applied tariffs on its FTA partners i.e. China, Sri Lanka and Malaysia. While Pakistan's FTA partners have managed to secure preferential access for high potential export items, the same cannot be said for Pakistan which enjoys limited or no concessions for its high potential export items under the China, Malaysia and Sri Lanka FTAs. Pakistan has repeatedly failed to negotiate favorable terms for its high potential export items. Signing another major FTA is therefore not recommended pending a review of the existing FTAs.
- Japan's highest export potential of \$947.4 million is in "Waste and scrap of iron or steel" (HS-720449) and here the MFN tariff rate applied by Pakistan on Japan is comparatively higher than rates applied on FTA / PTA partners of Pakistan. In Japan's case, 29.8 percent, 22.7 percent and 14.1 percent of the total trade potential for the top 100 high potential items are covered under machinery, base metals and vehicles respectively. No concession is offered by Pakistan on any of the high potential Japanese export products to Pakistan. Products which face higher tariffs include "Motor cars and other motor vehicles principally designed for the transport of persons" (HS-870321),

HS-870322 & HS-870323), "Motor vehicles for the transport of goods" (HS-870421) and "Motorcycles, incl. mopeds, with reciprocating internal combustion piston engine of a cylinder" (HS-871120).

- The total trade potential within the top 100 high potential products exported by Japan to Pakistan at HS-06-digit level is \$13.4 billion. In 2018, exports of the top 100 high potential items to Pakistan amounted to \$698.4 million. However, Japan's export of these same 100 items to the world amounted to \$161.1 billion in the same year.
- A tariff and trade simulation have been conducted as part of this Study using the SMART methodology from the World Integrated Trade Solutions (WITS) to anticipate the potential gains for both Pakistan and Japan from signing an FTA. According to the simulation results, Pakistan's exports to Japan would grow by 15.2 percent for top 50 items at HS-06-digit level provided all tariffs are reduced to zero. Pakistan's highest increase in export revenue would be recorded under 'Grain splits leather "incl. parchment-dressed leather", of the portions, strips or sheets" (HS- 410792) amounting to \$6.9 million.
- Japan's highest prospective exports to Pakistan according to the change in export revenue would be recorded within vehicles, iron and steel, paper products and machinery items. According to the simulation results, Japan's exports to Pakistan for the top 50 items at HS-06 would grow by 58.9 percent if all tariffs are reduced to zero.
- Under the WITS (World Integrated Trade Solution) simulation study which anticipates the potential results of a Pakistan – Japan FTA, Pakistan's prospective exports to Japan for top 50 items according to the change in export revenue would rise to \$259.0 million and Japan's total prospective exports for the top 50 items to Pakistan would rise to \$2.4 billion.
- Out of 3,151 items offered by Japan under its GSP scheme, Pakistan is eligible to export 2,005 duty-free products. Japan's total imports from the world under the GSP program amounted to \$82.4 billion. Japan's imports from Pakistan amounted to \$354.3 million in 2018. Out of these products, \$17.3 million qualified under the GSP program.

Recommendations

PBC Position:

Looking at current bilateral trade patterns, Pakistan would be better off signing a limited Preferential Trade Agreement (PTA) with Japan as opposed to a deep and inclusive Free Trade Agreement (FTA).

While Japan stands to gain immediately from a reduction in tariffs for its major exports to Pakistan, Pakistan will need time to build capacity, mostly in the textile sector to gain from an FTA. The WITS simulation study anticipates that Pakistan's total exports to Japan would rise by \$32.4 million while its imports from Japan would rise by \$1,354.7 million.

"The Pakistan Business Council recommends that Pakistan seek preferential tariff access for its textile products or at least the same tariffs that Japan applies on these products when imported from ASEAN and Bangladesh. Once Pakistan has built sufficient presence in these textile categories, negotiations can begin for a free trade agreement".

List of Acronyms

AJCEP	ASEAN-Japan Comprehensive Economic Partnership
ASEAN	Association of South East Asian Nations
AVE	Ad Valorem Equivalent
BEPZA	Bangladesh Export Processing Zones Authority
BRCA	Bilateral Revealed Comparative Advantage
CAGR	Compound Annual Growth Rate
CEPA	Comprehensive Economic Partnership Agreement
CIA	Central Intelligence Agency
ECI	Economic Complexity Index
ECO	Economic Cooperation Organization
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GSP	Generalized Scheme of Preferences
HS	Harmonized System
ITC	International Trade Center
JBCCI	Japan-Bangladesh Chamber of Commerce and Industry
JBCE	Japan Business Council in Europe
JETRO	Japan External Trade Organization
METI	Ministry of Economy, Trade and Industry
MPCEPA	Malaysia Pakistan Closer Economic Partnership Agreement
OECD	Organization for Economic Cooperation and Development
PBC	Pakistan Business Council
PTA-D8	Preferential Tariff Agreement – Group of Eight Developing Countries
SAFTA	South Asian Free Trade Agreement
TPP-11	Trans-Pacific Partnership
UN	United Nations
US	United States
USD	United States Dollar
WTO	World Trade Organization

Study Objectives

The primary objective of this study is to contribute to an understanding of the impact on bilateral trade of a free trade agreement between Pakistan and Japan. The specific objectives of this study are:

- To study the global trade profiles of Pakistan and Japan.
- To review the trend of bilateral trade between Pakistan and Japan.
- To interpret the potential for bilateral trade between Pakistan and Japan through indicative trade potential and bilateral revealed comparative advantage.
- To identify goods that possess high potential for export from Pakistan to Japan
- To identify goods that possess high potential for import from Japan by Pakistan.

Data Sources

This study uses the data set from Trade Map which is collected and organized by the International Trade Center (ITC). All time-series data for the variables of exports, imports, trade balance, AVE tariff values are taken using the harmonized coding system (HS) as the international nomenclature for categorization of goods.

Key Definitions and Methodology

- **Compound Annual Growth Rate**

The Compound Annual Growth Rate (CAGR) is the average annual growth rate of a quantity over a certain period of time.

$$CAGR_{ijk} = \left[\left(\frac{x_{ijkt2}}{x_{ijkt1}} \right)^{\frac{1}{n}} \right] - 1$$

Where 'x_{ijkt2}' is the value of exports of product 'k' from country 'i' to country 'j' in t2 i.e. ending year 2018 and 'x_{ijkt1}' is the value of exports of product 'k' from country 'i' to country 'j' in t1 i.e. beginning year 2009 and 'n' is the number of years.

$$CAGR_{ijk} = \left[\left(\frac{m_{ijkt2}}{m_{ijkt1}} \right)^{\frac{1}{n}} \right] - 1$$

Similarly, 'm_{ijkt2}' is the value of imports of product 'k' of country 'i' by country 'j' in t2 i.e. ending year 2018 and 'm_{ijkt1}' is the value of imports of product 'k' of country 'i' by country 'j' in t1 i.e. beginning year 2009 and 'n' is the number of years.

- **Trade Complementarity Index**

The trade complementarity index indicates the extent to which the export profile of a reporting country matches or complements the import profile of a partner country. A high degree of complementarity is assumed to indicate more favorable prospects for a successful trade arrangement. It is calculated using the formula given below:

Complementarity of country i's exports with country j's imports

$$= 100 * \left\{ 1 - \sum \left(\frac{mjk - xik}{2} \right) \right\}$$

Where 'xik' is the share of product 'k' in exports of reporting country to the world and 'mjk' is the share of product 'k' in imports of partner country from the world.

Complementarity of country j's exports with country i's imports

$$= 100 * \left\{ 1 - \sum \left(\frac{mjk - xik}{2} \right) \right\}$$

Where 'xjk' is the share of product 'k' in exports of reporting country to the world and 'mik' is the share of product 'k' in imports of partner country from the world.

- **Indicative Trade Potential**

Indicative Trade Potential is the economic measure that allows us to examine the scope for growth in trade of a specific product.⁴ It is calculated using the formula given below:

Country i's Potential Goods for Export to country j = Minimum (Country i's exports of 'X' to the world, country j's imports of 'X' from the world) - Country i's exports of 'X' to country j

Similarly,

Country j's Potential Goods for Export to country i = Minimum (Country j's exports of 'X' to the world, country i's imports of 'X' from the world) - Country j's exports of 'X' to country i

- **Bilateral Revealed Comparative Advantage**

The BRCA is an index which shows whether a country has a revealed comparative advantage in a specific commodity over its partner or not as indicated by the trade flows. It is calculated using the formula given below:

$$BRCA \text{ of country 'i' for exporting X to country 'j'} = \frac{\left(\frac{\text{Country 'i' s export of X to country j}}{\text{Country 'i' s total exports to country j}} \right)}{\left(\frac{\text{Country 'i' s export of X to the world}}{\text{Country 'i' s total exports to the world}} \right)}$$

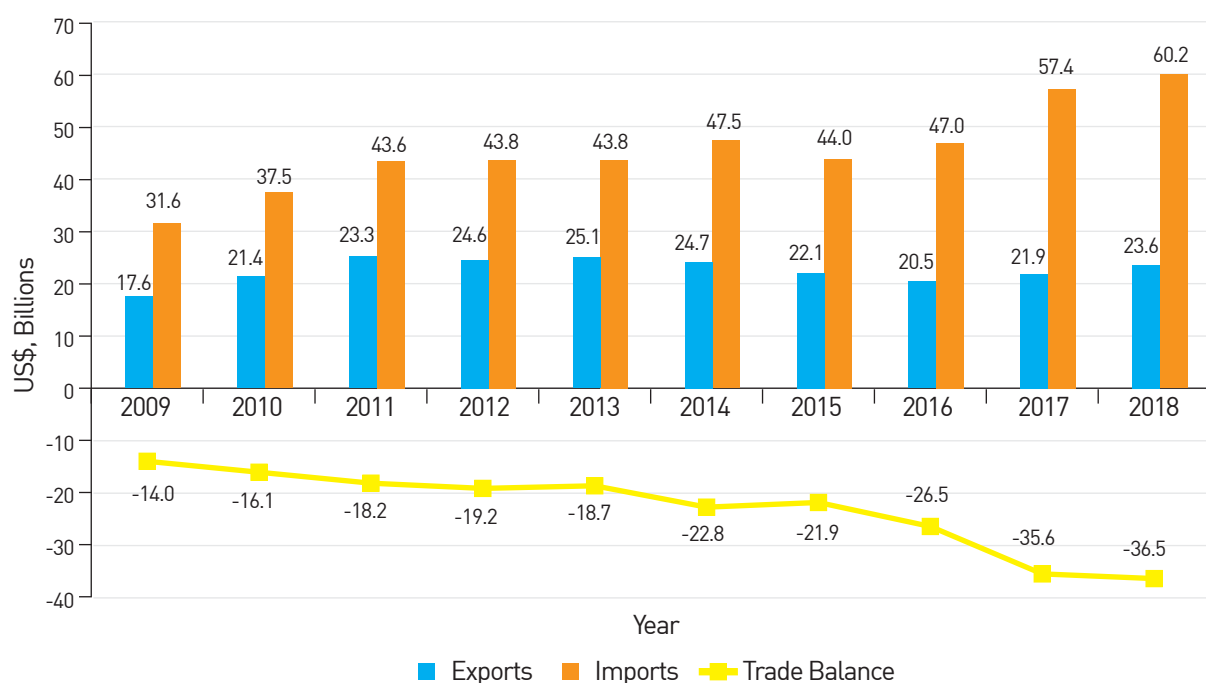
$$BRCA \text{ of country 'i' for exporting X to country 'i'} = \frac{\left(\frac{\text{Country 'i' s export of X to country i}}{\text{Country 'i' s total exports to country i}} \right)}{\left(\frac{\text{Country 'i' s export of X to the world}}{\text{Country 'i' s total exports to the world}} \right)}$$

⁴ All trade potential calculations are exclusive of product 27 'Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes'.

1.1 Trade Profile of Pakistan

Pakistan's Global Trade

FIGURE 1.1 Pakistan's Global Trade 2009–18



Source: ITC Trade Map

The figure shows that in the period 2009 to 2018, Pakistan's exports increased from \$17.6 billion to \$23.6 billion. Imports during the same period increased by 90.5 percent from \$31.6 billion to \$60.2 billion. In the same period, the trade deficit increased from \$14.0 billion to \$36.5 billion.

Pakistan's Top 10 Exports at HS-02 Level

Pakistan's Top 10 Exports to the World at HS-02 Level

The table below shows Pakistan's top 10 exports to the world at HS-02-digit level. In calendar 2018, Pakistan exported \$23.6 billion worth of products, of which "Other made-up textile articles" (HS-63) made up 17.1 percent of the total exports and were worth \$4.1 billion. The top 10 products exported by Pakistan are listed under the categories of textiles, cotton, articles of clothing, cereals, articles of leather, sugar and confectionery, mineral products, beverages and salt. The table below shows the share of each product in total exports in 2018 and their CAGR since 2009. The sector with the highest growth over the past 10 years has been "Sugars and sugar confectionery" with a CAGR of 16.2 percent.

TABLE 1.1 Pakistan's Top 10 Exports to the World at HS-02 Level

Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009–18 (%)
TOTAL	All products	24,722.2	22,089.0	20,533.8	21,877.8	23,630.9	100.0	3.0
63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	3,906.5	3,759.7	3,804.0	3,955.8	4,051.5	17.1	3.3
52	Cotton	4,731.4	4,040.3	3,497.4	3,497.7	3,499.0	14.8	0.9
61	Articles of apparel and clothing accessories, knitted or crocheted	2,402.6	2,359.6	2,347.5	2,515.9	2,860.8	12.1	5.5
62	Articles of apparel and clothing accessories, not knitted or crocheted	1,984.7	2,127.5	2,253.0	2,465.3	2,583.7	10.9	7.9
10	Cereals	2,211.3	1,942.3	1,717.1	1,751.5	2,325.6	9.8	2.5
42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles ...	742.0	687.6	644.9	632.0	660.4	2.8	1.3
17	Sugars and sugar confectionery	439.3	358.0	250.8	511.9	500.8	2.1	16.2
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral	647.6	265.1	155.1	258.5	499.4	2.1	-3.5
22	Beverages, spirits and vinegar	352.3	310.0	250.6	382.2	455.3	1.9	14.1
25	Salt; Sulphur; earths and stone; plastering materials, lime and cement	694.2	507.6	448.1	385.5	448.5	1.9	-2.3

Source: ITC Trade Map

Pakistan's Top 25 Exports at HS-06 Level

The table below shows Pakistan's top 25 exports to the world at HS-06-digit level for the period 2014–18. The total exports in 2018 were \$23.6 billion. The product with the highest export value of \$1.8 billion was “Semi-milled or wholly milled rice, whether or not polished or glazed” which contributed around 7.4 percent to total exports in 2018. From the top 25 exported items at HS-06 level, 15 are from the cotton/textile sectors. Further, the table shows the share of each product in total exports in 2018 and the product's CAGR since 2009. The highest CAGR recorded in the last 10 years is 61.2 percent for “Full-length or knee-length stockings, socks and other hosiery”.

TABLE 1.2 Pakistan's Top 25 Exports to the World at HS-06 Level

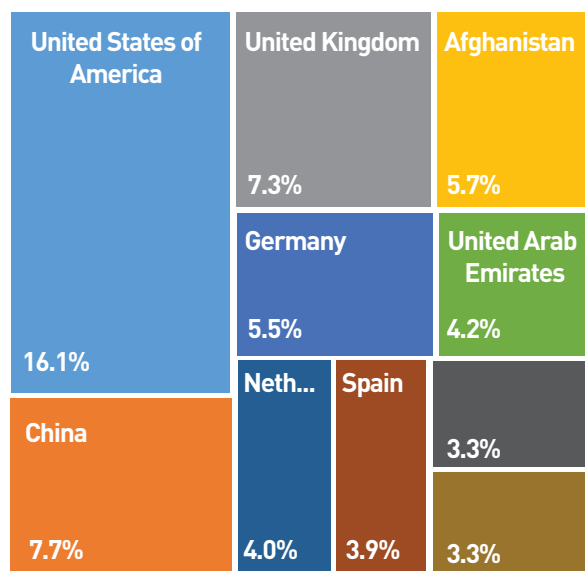
Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009–18 (%)
TOTAL	All products	24,722.2	22,089.0	20,533.8	21,877.8	23,630.9	100.0	3.0
100630	Semi-milled or wholly milled rice, whether or not polished or glazed	1,895.4	1,416.1	1,418.9	1,512.7	1,757.8	7.4	0.7
620322	Men's or boys ensembles of cotton (excluding knitted or crocheted, ski ensembles and swimwear)	231.8	199.5	708.8	1,291.7	1,530.2	6.5	57.1
630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	792.5	745.0	773.3	810.9	860.9	3.6	2.7
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...	776.4	820.8	777.1	805.0	786.3	3.3	2.2
520512	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight and with a linear ...	1,185.2	1,018.0	811.0	811.9	777.6	3.3	3.6

Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009-18 (%)
630239	Bedlinen of textile materials (excluding of cotton and man-made fibres, printed, knitted or ...	620.1	588.0	651.9	670.0	697.7	2.9	5.5
630210	Bedlinen, knitted or crocheted	684.0	654.7	606.9	665.3	691.6	2.9	2.5
520942	Denim, containing >= 85% cotton by weight and weighing > 200 g/m², made of yarn of different ...	445.7	447.2	461.8	482.5	498.1	2.1	9.7
630710	Floor cloths, dishcloths, dusters and similar cleaning cloths, of all types of textile materials	392.7	396.8	384.9	407.1	439.0	1.9	5.9
220710	Undenatured ethyl alcohol, of actual alcoholic strength of >= 80%	246.2	231.5	221.8	361.5	425.5	1.8	40.8
170199	Cane or beet sugar and chemically pure sucrose, in solid form (excluding cane and beet sugar ...	289.2	230.1	123.1	342.9	383.7	1.6	-
901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	319.5	332.6	326.0	360.6	373.2	1.6	4.8
620342	Mens or boys trousers, bib and brace overalls, breeches and shorts, of cotton (excluding ...	664.5	762.2	543.9	410.4	349.0	1.5	-4.2
610590	Mens or boys shirts of textile materials, knitted or crocheted (excluding of cotton or man-made ...	275.7	262.0	252.5	310.7	331.6	1.4	6.9
100119	Durum wheat (excluding seed for sowing)	0.0	1.3	0.0	-	272.6	1.1	-
611090	Jerseys, pullovers, cardigans, waistcoats and similar articles, of textile materials, knitted ...	121.1	129.8	151.1	195.8	268.4	1.1	24.9
270900	Petroleum oils and oils obtained from bituminous minerals, crude	222.9	175.7	77.0	114.5	262.1	1.1	-
420310	Articles of apparel, of leather or composition leather (excluding clothing accessories, footwear ...	378.7	321.0	298.0	275.6	258.6	1.1	-2.9
520812	Plain woven fabrics of cotton, containing >= 85% cotton by weight and weighing > 100 g to 200 ...	240.1	215.0	183.9	213.2	253.0	1.1	13.2
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	195.4	203.8	205.1	197.8	242.7	1.0	-0.7
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, ...	422.9	86.0	76.9	142.9	235.9	1.0	-10.4
610349	Mens or boys trousers, bib and brace overalls, breeches and shorts of textile materials, ...	123.7	135.7	159.1	175.7	230.7	0.9	17.7
420329	Gloves, mittens and mitts, of leather or composition leather (excluding special sports gloves)	210.6	201.5	187.6	196.4	219.3	0.9	7.0
611595	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	150.5	166.2	143.3	199.9	214.8	0.9	61.2
252329	Portland cement (excluding white, whether or not artificially colored)	502.1	337.4	293.4	208.2	199.3	0.8	-6.4

Source: ITC Trade Map

Pakistan's Top 10 Export Partners

FIGURE 1.2 Top 10 Export Partners of Pakistan in 2018



Source: ITC Trade Map

TABLE 1.3 Top 10 Export Partners of Pakistan, Share in Exports and CAGR (%)

Importers	Exported value in 2018 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009–18 (%)
World	23,630.9	100.0	3.0
United States of America	3,802.5	16.1	1.7
China	1,818.1	7.7	6.2
United Kingdom	1,728.6	7.3	6.3
Afghanistan	1,347.9	5.7	-0.2
Germany	1,310.4	5.5	6.2
United Arab Emirates	983.6	4.2	-4.4
Netherlands	942.8	4	9.1
Spain	922.9	3.9	8.5
Bangladesh	783.8	3.3	7.9

Source: ITC Trade Map

Pakistan's Top 10 Imports at HS-02 Level

The table below shows Pakistan's top 10 imports from the world at HS-02-digit level for the years 2014–18. The total imports in 2018 were \$60.2 billion. The product with the highest import value of \$17.2 billion was "Mineral fuels, mineral oils and products of their distillation; bituminous substances" which contributed about 28.5 percent to total imports. The top 10 products imported by Pakistan are classified in the categories of mineral products, machinery and electrical equipment, iron and steel, transportation, metals, chemical products, vegetable products, animal products, cotton, and articles of plastics. Furthermore, the share of each product in total imports in 2018 and their CAGR since 2009 is also given. The sector with the highest growth among the top 10 imported items over the past 10 years has been "Oil seeds and oleaginous fruits" with a CAGR of 12.3 percent. However, the product category "Mineral fuels, mineral oils and products of their distillation" had the largest share in the annual import bill for 2018.

TABLE 1.4 Pakistan's Top 10 Imports from the World at HS-02 Level

Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009–18 (%)
TOTAL	All products	47,544.9	43,989.6	46,998.3	57,440.0	60,162.9	100.0	6.7
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	14,821.8	10,030.5	9,528.8	13,712.1	17,153.1	28.5	6.9
84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	3,927.1	4,068.7	5,831.5	6,863.1	6,243.0	10.4	7.2
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	3,346.3	3,801.8	4,431.3	4,745.4	4,295.9	7.1	5.1
72	Iron and steel	2,301.8	2,551.8	2,756.0	3,418.9	3,673.5	6.1	8.1
29	Organic chemicals	1,964.3	1,864.0	1,944.0	2,372.4	2,758.7	4.6	6.2

Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009–18 (%)
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	1,313.9	1,744.6	2,101.4	2,665.5	2,599.0	4.3	10.4
39	Plastics and articles thereof	1,952.1	1,933.2	1,938.1	2,296.5	2,488.6	4.1	7.7
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal ...	2,150.3	1,853.4	1,928.0	2,370.3	2,124.1	3.5	4.2
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal ...	780.7	784.9	1,047.9	1,399.2	1,467.2	2.4	12.3
52	Cotton	741.6	663.0	719.3	975.0	1,243.8	2.1	9.6

Source: ITC Trade Map

Pakistan's Top 25 Imports at HS-06 Level

The table below shows Pakistan's top 25 imports from the world at HS-06 level for the years 2014–18. Total imports in 2018 were \$60.2 billion. The product with the highest import value of \$4.9 billion in 2018 was "Petroleum oils and oils obtained from bituminous minerals" which contributed 8.2 percent to total imports. The table further shows the share of each product in total imports in 2018 and the product's CAGR since 2009. The highest CAGR recorded in the last 10 years was 115.8 percent for "Bituminous Coal".

TABLE 1.5 Pakistan's Top 25 Imports from the World at HS-06 Level

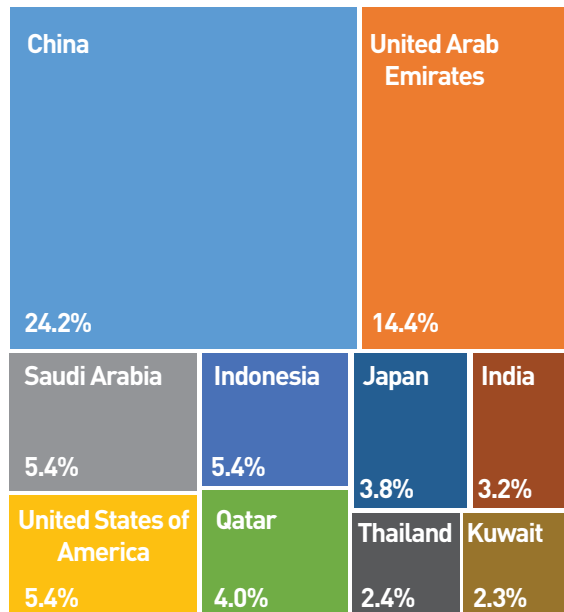
Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009–18 (%)
TOTAL	All products	47,544.9	43,989.6	46,998.3	57,440.0	60,162.9	100.0	6.7
270900	Petroleum oils and oils obtained from bituminous minerals, crude	5,609.1	3,022.9	1,983.0	3,135.4	4,903.9	8.2	4.6
271012	Light oils and preparations, of petroleum or bituminous minerals which >= 90% by volume "incl. ...	2,291.3	2,182.8	2,217.5	3,010.7	3,720.9	6.2	-
271111	Natural gas, liquefied	-	356.1	849.8	1,676.3	3,295.9	5.5	-
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, ...	6,266.7	3,715.1	3,532.1	4,398.8	3,115.6	5.2	-4.3
151190	Palm oil and its fractions, whether or not refined (excluding chemically modified and crude)	1,862.5	1,568.5	1,629.6	2,011.9	1,828.0	3.0	6.7
270112	Bituminous coal, whether or not pulverised, non-agglomerated	0.5	-	214.8	914.2	1,224.6	2.0	115.8
520100	Cotton, neither carded nor combed	521.6	543.7	580.5	761.5	1,049.0	1.7	8.1
720449	Waste and scrap of iron or steel (excluding slag, scale and other waste of the production of ...	560.4	563.7	571.1	866.8	949.2	1.6	13.4
120110	Soya bean seed, for sowing	6.5	248.0	383.4	745.1	943.4	1.6	-
310530	Diammonium hydrogenorthophosphate "diammonium phosphate" (excluding that in tablets or similar ...	477.7	619.4	473.0	647.9	842.3	1.4	8.7
851712	Telephones for cellular networks "mobile telephones" or for other wireless networks	643.1	750.0	707.6	760.3	833.1	1.4	16.3

Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009-18 (%)
720441	Turnings, shavings, chips, milling waste, sawdust, filings, trimmings and stampings of iron ...	302.2	415.0	426.1	543.4	585.1	1.0	5.9
090240	Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings ...	319.2	449.1	480.2	536.9	555.8	0.9	9.6
870321	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	283.2	345.9	402.1	575.2	542.1	0.9	16.9
390210	Polypropylene, in primary forms	458.4	412.1	384.9	466.1	539.1	0.9	7.1
890800	Vessels and other floating structures for breaking up	581.1	474.8	389.8	556.4	515.5	0.9	6.2
720839	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	153.8	148.0	260.8	347.5	465.9	0.8	80.3
300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...	279.6	283.7	318.5	368.1	432.8	0.7	6.6
120510	Low erucic acid rape or colza seeds "yielding a fixed oil which has an erucic acid content ...	543.2	369.1	464.4	474.8	398.9	0.7	3.6
270119	Coal, whether or not pulverised, non-agglomerated (excluding anthracite and bituminous coal)	466.8	478.3	308.6	125.1	394.4	0.7	-1.6
854140	Photosensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in ...	205.6	445.4	493.7	656.6	389.6	0.7	65.8
290243	P-Xylene	349.3	265.8	257.5	271.8	365.5	0.6	1.7
390110	Polyethylene with a specific gravity of < 0,94, in primary forms	304.5	292.4	286.9	331.6	337.0	0.6	7.5
071320	Dried, shelled chickpeas "garbanzos", whether or not skinned or split	36.6	34.6	116.1	448.3	334.5	0.6	12.1
290531	Ethylene glycol "ethanediol"	202.9	209.7	201.5	286.7	333.8	0.6	7.5

Source: ITC Trade Map

Pakistan's Top 10 Import Partners

FIGURE 1.3 Top 10 Import Partners of Pakistan in 2018



Source: ITC Trade Map

TABLE 1.6 Top 10 Import Partners of Pakistan, Share in Imports and CAGR (%)

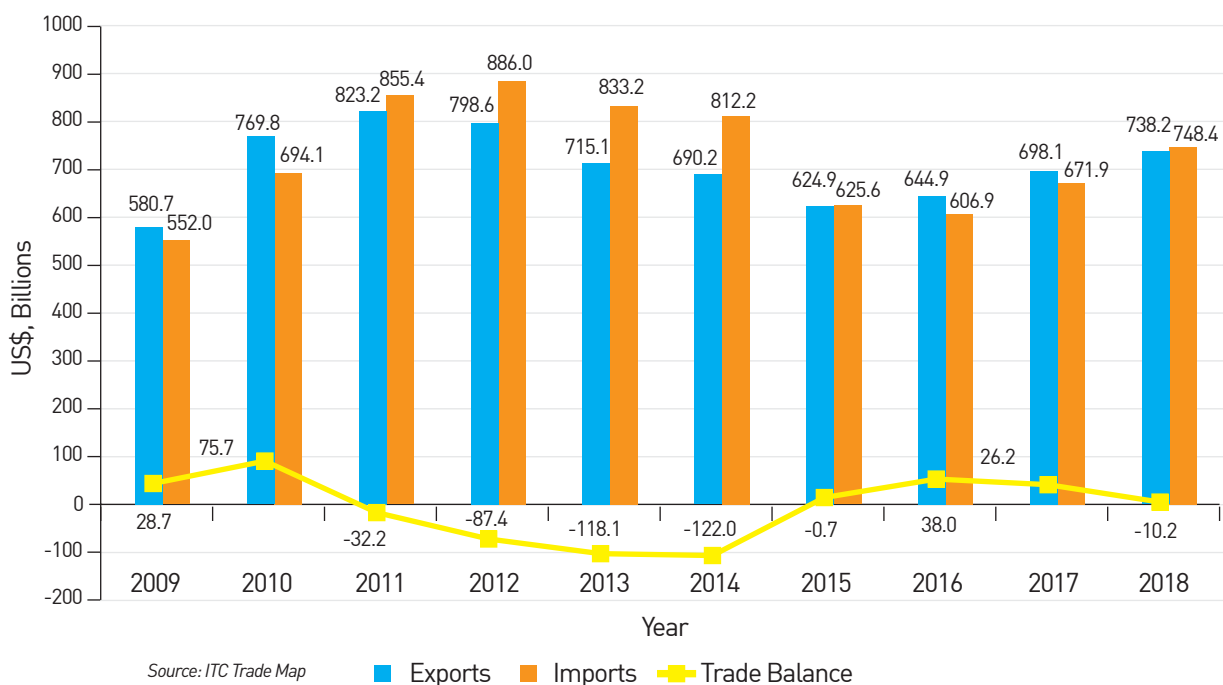
Exporters	Imported value in 2018 (\$ Mn)	Share in Imports 2018 (%)	CAGR 2009-18 (%)
World	60,162.9	100.0	6.7
China	14,544.7	24.2	14.4
United Arab Emirates	8,668.6	14.4	10.0
Saudi Arabia	3,242.3	5.4	-0.8
United States of America	2,946.7	4.9	5.1
Indonesia	2,502.4	4.2	14.4
Qatar	2,386.2	4.0	30.4
Japan	2,273.0	3.8	5.8
India	1,928.5	3.2	6.0
Thailand	1,430.7	2.4	9.1
Kuwait	1,407.7	2.3	-2.5

Source: ITC Trade Map

1.2 Trade Profile of Japan

Japan's Global Trade

FIGURE 1.4 Pakistan's Global Trade 2009-18



Source: ITC Trade Map

■ Exports ■ Imports — Trade Balance

The graph above shows Japan's trade with the world. Over the last 10 years, the value of products exported by Japan have increased by 27.1 percent from \$580.7 billion in 2009 to \$738.2 billion in 2018. Similarly, the value of imports also increased by 36.0 percent, from \$552.0 billion in 2009 to \$748.4 billion in 2018. Japan experienced a major earthquake in March 2011. This disaster led to the closure of Japan's nuclear plants, resulting in a drop in the value of exports and an increase in the trade deficit between 2011 and 2015. Japan recorded a trade surplus of \$38.0 billion in 2016 when a weaker yen helped exports and cheaper oil lowered the import bill.

Japan's Top 10 Exports at HS-02 Level

The table below shows Japan's top 10 exports to the world at HS-02-digit level, along with the relative share in the country's exports and CAGR since 2009 for each of these categories. In calendar 2018, Japan exported \$738.2 billion worth of products, of which "Vehicles other than railway or tramway rolling stock" made up 20.9 percent of total exports and were worth \$154.2 billion. This sector also recorded the highest CAGR of 4.2 percent. The top 10 products exported by Japan are classified under the categories of vehicles, machinery, electrical equipment, metals, optical, photographic and cinematographic products, iron and steel products, articles of plastics, chemical products, mineral products, and ships, boats & floating structures.

TABLE 1.7 Japan's Top 10 Exports to the World at HS-02 Level

Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009-18 (%)
TOTAL	All products	690,217.5	624,873.5	644,932.4	698,132.8	738,188.8	100.0	2.7
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	142,513.9	134,041.2	141,798.5	146,227.6	154,067.8	20.9	4.6
84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	132,442.7	117,641.8	123,979.7	138,413.8	148,025.6	20.1	4.2
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	104,055.3	95,606.8	98,151.2	105,570.4	109,373.6	14.8	0.2
99	Commodities not elsewhere specified	35,844.4	37,036.3	38,182.8	44,082.0	45,606.3	6.2	3.2
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	40,369.4	35,741.7	35,856.5	39,829.6	41,309.1	5.6	4.2
72	Iron and steel	33,383.0	27,504.4	24,510.8	27,980.1	29,930.0	4.1	0.6
39	Plastics and articles thereof	25,267.6	22,499.7	23,407.2	25,145.2	26,124.3	3.5	2.1
29	Organic chemicals	23,446.5	17,901.5	15,938.5	17,869.9	18,920.2	2.6	0.0
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	15,824.8	11,380.1	9,372.2	11,369.7	13,349.6	1.8	2.7
89	Ships, boats and floating structures	12,913.7	11,406.6	12,895.3	12,250.1	12,629.1	1.7	-6.1

Source: ITC Trade Map

Japan's Top 25 Exports at HS-06 Level

The table below shows Japan's top 25 exports to the world at HS-06-digit level. In calendar 2018, Japan exported \$738.2 billion worth of products, of which "Motor cars and other motor vehicles" (HS-870323) made up 6.7 percent of the total exports and were worth \$49.4 billion. The top 25 products exported by Japan are classified under the categories of mineral products, metals, machinery and mechanical appliances, electrical machinery and equipment, vehicles, and ships, boats and floating structures.

The table below also shows the share of each product in total exports in 2018 and that product's CAGR since 2009. The product with the highest CAGR in the past 10 years has been "Machines and apparatus for the manufacture of semiconductor devices or of electronic integrated" with a CAGR of 13.5 percent. From the top 25 items exported by Japan at HS 06 level, 7 products are from the category of vehicles.

TABLE 1.8 Japan's Top 25 Exports to the World at HS-06 Level

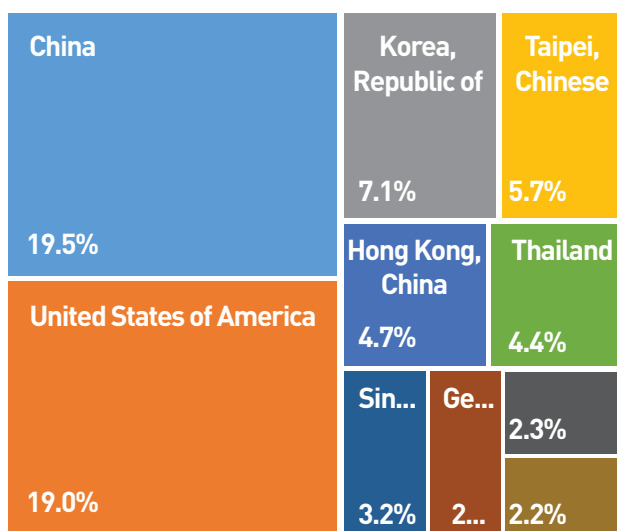
Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009-18 (%)
TOTAL	All products	690,217.5	624,873.5	644,932.4	698,132.8	738,188.8	100.0	2.4
870323	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	48,588.3	48,486.0	55,670.3	48,073.1	49,379.9	6.7	5.1
999999	Commodities not elsewhere specified	35,844.4	37,036.3	38,182.8	44,082.0	45,606.3	6.2	2.9
870324	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	24,971.9	23,414.7	21,543.7	20,403.4	21,884.0	3.0	1.8
870840	Gear boxes and parts thereof, for tractors, motor vehicles for the transport of ten or more ...	15,644.5	13,819.8	16,077.7	18,046.8	18,960.1	2.6	6.7
848620	Machines and apparatus for the manufacture of semiconductor devices or of electronic integrated ...	6,342.8	5,998.4	8,086.7	10,311.3	11,611.1	1.6	13.5
854232	Electronic integrated circuits as memories	8,403.7	8,399.3	8,998.9	9,741.7	11,598.6	1.6	4.5
870340	Motor cars and other motor vehicles principally designed for the transport of ...	-	-	-	10,714.4	11,076.3	1.5	-
854239	Electronic integrated circuits (excluding such as processors, controllers, memories and amplifiers)	9,824.5	9,058.9	9,053.3	10,818.4	10,794.0	1.5	0.9
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, ...	11,429.1	8,118.0	6,521.0	7,197.1	8,620.5	1.2	-0.3
844399	Parts and accessories of printers, copying machines and facsimile machines, n.e.s. (excluding ...	9,578.4	8,552.3	8,000.1	8,257.9	8,121.5	1.1	-2.8
842952	Self-propelled mechanical shovels, excavators and shovel loaders, with a 360° revolving su ...	6,302.9	5,436.4	5,958.0	6,952.4	7,968.8	1.1	8.0
870322	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	4,949.1	4,930.4	6,084.2	4,183.3	7,008.1	1.0	-0.7
890190	Vessels for the transport of goods and vessels for the transport of both persons and goods ...	9,998.1	9,209.2	8,228.9	7,572.2	6,354.5	0.9	-6.8
890120	Tankers	2,195.1	1,724.2	3,400.2	3,498.0	5,844.9	0.8	-3.6
848690	Parts and accessories for machines and apparatus of a kind used solely or principally for the ...	3,181.0	3,154.4	4,394.4	5,690.4	5,692.3	0.8	12.0
847989	Machines and mechanical appliances, n.e.s.	4,824.1	4,142.1	4,534.9	5,451.8	5,570.4	0.8	5.2

Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009–18 (%)
710812	Gold, incl. gold plated with platinum, unwrought, for non-monetary purposes (excluding gold ...	3,182.4	3,943.9	6,380.1	7,366.5	5,243.7	0.7	8.4
848630	Machines and apparatus for the manufacture of flat panel displays	1,907.9	2,548.0	3,465.6	4,536.2	5,054.9	0.7	10.3
840991	Parts suitable for use solely or principally with spark-ignition internal combustion piston ...	5,111.6	4,342.2	4,503.3	4,753.9	4,903.3	0.7	1.8
853690	Electrical apparatus for switching electrical circuits, or for making connections to or in ...	4,249.8	3,907.2	4,296.3	4,938.8	4,709.9	0.6	3.9
870422	Motor vehicles for the transport of goods, with compression-ignition internal combustion piston ...	5,314.7	4,947.8	4,592.5	4,215.3	4,194.0	0.6	3.7
870333	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	4,311.5	3,561.7	3,564.5	3,688.4	4,031.4	0.6	7.0
853224	Fixed electrical capacitors, ceramic dielectric, multilayer (excluding power capacitors)	2,703.4	2,801.9	2,803.1	3,207.6	4,030.3	0.6	7.7
840734	Spark-ignition reciprocating piston engine, of a kind used for vehicles of chapter 87, of a ...	2,595.3	2,664.3	3,166.1	3,491.6	3,981.9	0.5	4.2
854140	Photosensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in ...	4,535.9	4,032.3	3,908.8	3,883.7	3,953.4	0.5	-1.7

Source: ITC Trade Map

Japan's Top 10 Export Partners

FIGURE 1.5 Top 10 Export Partners of Japan in 2018



Source: ITC Trade Map

TABLE 1.9 Top 10 Export Partners of Japan, Share in Exports and CAGR (%)

Exporters	Exported value in 2018 (US\$, billions)	Share in Exports 2018 (%)	CAGR 2009–18 (%)
World	738.2	100.0	2.4
China	144.0	19.5	2.8
United States of America	140.6	19.0	4.0
Korea, Republic of	52.5	7.1	1.1
Taipei, Chinese	42.4	5.7	1.5
Hong Kong, China	34.7	4.7	0.8
Thailand	32.3	4.4	3.8
Singapore	23.4	3.2	1.2
Germany	20.9	2.8	2.3
Australia	17.1	2.3	3.5
Viet Nam	16.4	2.2	9.7

Source: ITC Trade Map

Japan's Top 10 Imports at HS-02 Level

The table below shows Japan's top 10 imports from the world at HS-02-digit level. In calendar 2018, Japan imported \$748.4 billion worth of products, of which "Mineral fuels, mineral oils and products" (HS-27) made up 23.3 percent of total imports and were worth \$174.6 billion. Other products from the top 10 categories were machinery and electrical equipment, optical products, pharmaceutical products, vehicles, ores, articles of plastics, chemical products and articles of apparel & clothing which made up another 43.3 percent of Japan's imports. Furthermore, the share of each product in total imports in 2018 and their CAGR since 2009 is also given. The sector with the highest growth among the top 10 imported items over the past 10 years has been 'Vehicles other than railway or tramway rolling stock' with a CAGR of 8.4 percent. However, the product category "Mineral fuels, mineral oils and products of their distillation" had the largest share in the annual import bill for 2018.

TABLE 1.10 Japan's Top 10 Imports from the World at HS-02 Level

Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Imports 2018 (%)	CAGR 2009-18 (%)
TOTAL	All products	812,184.8	625,568.4	606,924.0	671,892.3	748,361.6	100.0	3.1
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	262,106.1	128,287.3	110,878.1	141,218.2	174,569.0	23.3	1.4
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	99,346.2	90,248.0	89,834.0	97,670.2	101,011.6	13.5	4.5
84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	65,041.6	59,542.5	59,466.1	65,249.2	72,890.7	9.7	4.7
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	24,824.3	23,272.1	24,169.1	25,529.1	27,623.4	3.7	4.3
30	Pharmaceutical products	19,899.1	23,186.4	24,387.7	22,460.5	25,510.3	3.4	6.9
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	21,566.3	19,109.6	20,893.8	22,424.9	24,588.4	3.3	8.4
26	Ores, slag and ash	30,114.0	20,403.7	17,333.6	20,850.6	22,446.1	3.0	1.1
29	Organic chemicals	15,210.9	14,194.4	14,414.5	15,893.6	18,216.8	2.4	2.6
39	Plastics and articles thereof	15,472.6	13,779.1	13,932.2	15,052.8	16,905.7	2.3	5.6
62	Articles of apparel and clothing accessories, not knitted or crocheted	14,788.5	13,534.9	13,334.6	13,562.9	14,690.2	2.0	2.0

Source: ITC Trade Map

Japan's Top 25 Imports at HS-06 Level

The table below shows Japan's top 25 imports from the world at HS-06 level for the period 2014-18. In calendar 2018, Japan imported \$748.4 billion worth of products, with "Petroleum oils and oils obtained from bituminous minerals" (HS-270900) being the most imported product worth \$80.6 billion, and contributing 10.8 percent to total imports. The top 25 products imported by Japan are specified in the categories of mineral products, machinery and electrical equipment, pharmaceutical products, ores, vehicles, aircraft, and aluminum articles. Furthermore, the share of each product in total imports in 2018 and that product's CAGR since 2009 is also given. The highest CAGR recorded in the last 10 years is 24.4 percent for "Machines and apparatus for the manufacture of semiconductor devices".

TABLE 1.11 Japan's Top 25 Imports from the World at HS-06 Level

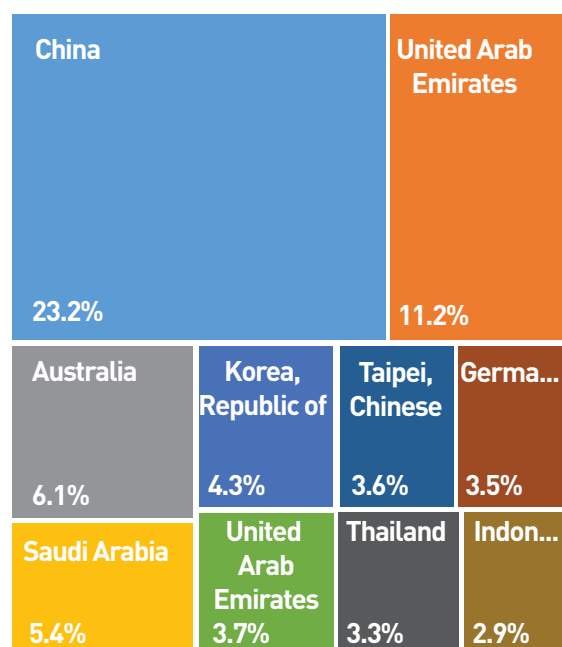
Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Imports 2018 (%)	CAGR 2009-18 (%)
TOTAL	All products	812,184.8	625,568.4	606,924.0	671,892.3	748,361.6	100.0	3.1
270900	Petroleum oils and oils obtained from bituminous minerals, crude	130,657.5	45,005.8	50,767.5	63,713.5	80,561.2	10.8	0.1
271111	Natural gas, liquefied	74,222.4	45,568.7	30,212.3	34,904.8	42,815.4	5.7	3.5
270112	Bituminous coal, whether or not pulverised, non-agglomerated	18,132.6	14,944.9	14,079.3	21,190.5	23,584.0	3.2	1.5
851712	Telephones for cellular networks "mobile telephones" or for other wireless networks	16,355.8	14,371.6	15,245.9	16,854.1	17,634.3	2.4	19.3
271012	Light oils and preparations, of petroleum or bituminous minerals which →= 90% by volume "incl. ...	18,443.2	11,129.2	7,586.6	10,248.8	13,753.4	1.8	-
300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...	11,125.4	14,935.2	14,356.9	12,301.3	13,738.5	1.8	6.4
999999	Commodities not elsewhere specified	10,460.8	10,695.8	10,572.1	11,299.5	11,727.8	1.6	1.4
260300	Copper ores and concentrates	9,886.6	7,817.7	7,430.9	8,342.4	9,848.9	1.3	1.8
854239	Electronic integrated circuits (excluding such as processors, controllers, memories and amplifiers)	9,185.0	9,238.7	9,845.8	9,882.2	9,005.6	1.2	3.7
260111	Non-agglomerated iron ores and concentrates (excluding roasted iron pyrites)	13,928.0	8,008.9	6,123.5	7,883.8	7,538.6	1.0	-0.6
847130	Data-processing machines, automatic, portable, weighing ≤ 10 kg, consisting of at least a ...	8,734.6	6,599.1	6,089.3	6,947.9	7,058.7	0.9	4.9
854231	Electronic integrated circuits as processors and controllers, whether or not combined with ...	4,723.1	4,688.0	4,354.6	6,011.0	6,928.6	0.9	5.2
300215	Immunological products, put up in measured doses or in forms or packings for retail sale	-	-	-	4,479.0	5,794.0	0.8	-
851762	Machines for the reception, conversion and transmission or regeneration of voice, images or ...	5,128.5	5,129.4	5,063.0	5,690.1	5,579.2	0.8	6.2
271112	Propane, liquefied	8,029.0	4,329.2	3,289.2	4,484.5	5,196.4	0.7	1.4
854430	Ignition wiring sets and other wiring sets for vehicles, aircraft or ships	4,205.8	4,030.2	4,019.6	4,405.0	4,823.0	0.6	7.5
870323	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	4,731.8	3,877.5	4,159.1	4,291.5	4,488.6	0.6	6.4
841191	Parts of turbojets or turbopropellers, n.e.s.	2,591.3	2,637.7	3,249.8	3,614.6	4,397.8	0.6	8.1
847150	Processing units for automatic data-processing machines, whether or not containing in the same ...	3,385.6	2,967.9	3,349.7	3,944.7	4,233.3	0.6	5.6
848620	Machines and apparatus for the manufacture of semiconductor devices or of electronic integrated ...	1,585.7	2,353.2	1,590.5	2,788.4	4,196.7	0.6	24.4
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, ...	6,520.0	3,349.1	1,807.5	2,655.0	3,941.8	0.5	2.0

Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Share in Imports 2018 (%)	CAGR 2009–18 (%)
854232	Electronic integrated circuits as memories	2,507.9	2,624.4	2,432.8	3,084.6	3,762.3	0.5	-3.9
854140	Photosensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in ...	8,757.4	6,401.6	4,811.8	3,936.1	3,675.0	0.5	11.7
760110	Aluminium, not alloyed, unwrought	3,647.1	3,019.4	2,402.5	3,201.3	3,621.2	0.5	4.6
880240	Aeroplanes and other powered aircraft of an of an unladen weight > 15000 kg (excluding helicopters ...)	4,119.0	3,320.5	3,895.7	2,655.6	3,566.7	0.5	1.8

Source: ITC Trade Map

Japan's Top 10 Import Partners

FIGURE 1.6 Top 10 Import Partners of Japan in 2018



Source: ITC Trade Map

TABLE 1.12 Top 10 Import Partners for Japan, Share in Imports and CAGR (%)

Exporters	Imported value in 2018 (US\$, billions)	Share in Imports 2018 (%)	CAGR 2009–18 (%)
World	748.4	100.0	3.1
China	173.5	23.2	3.5
United States of America	83.6	11.2	3.3
Australia	45.7	6.1	2.8
Saudi Arabia	33.8	4.5	1.5
Korea, Republic of	32.1	4.3	3.9
United Arab Emirates	27.6	3.7	2.0
Taipei, Chinese	27.1	3.6	4.0
Germany	26.0	3.5	4.5
Thailand	25.1	3.3	4.6
Indonesia	21.6	2.9	-0.1

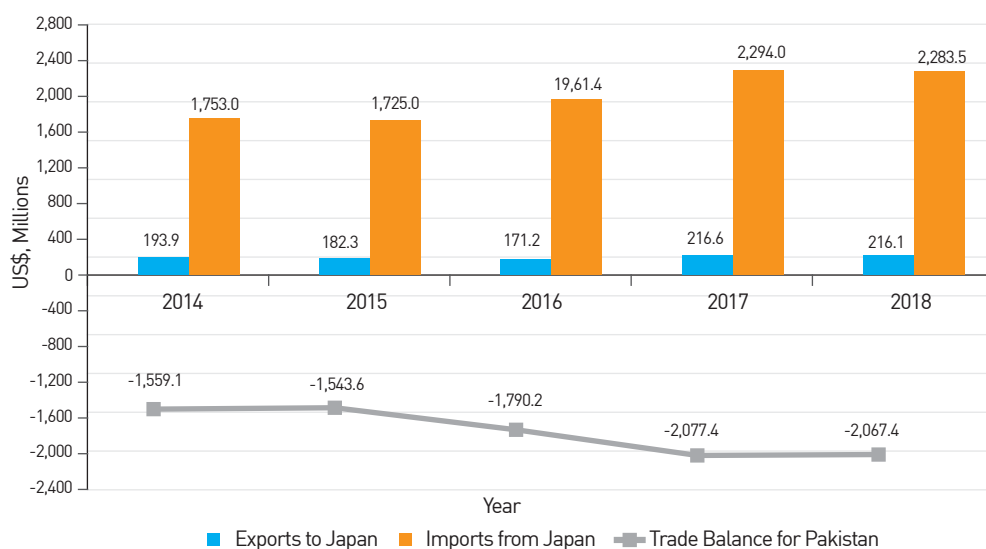
Source: ITC Trade Map

Pakistan's Bilateral Trade with Japan

Trade Trends

Japan is an important trading partners of Pakistan. With respect to imports, Japan is the 6th largest import partner for Pakistan. The graph below shows the trend of bilateral trade between Pakistan and Japan for the period 2014–18. Pakistan imports more than it exports to Japan and this has been consistent for the last 5 years. In calendar 2018, products worth \$216.1 million were exported, whereas goods imported by Pakistan amounted to \$2,283.5 million, resulting in a trade deficit of \$2,067.4 million.

FIGURE 2.1 Pakistan – Japan Bilateral Trade 2014–18

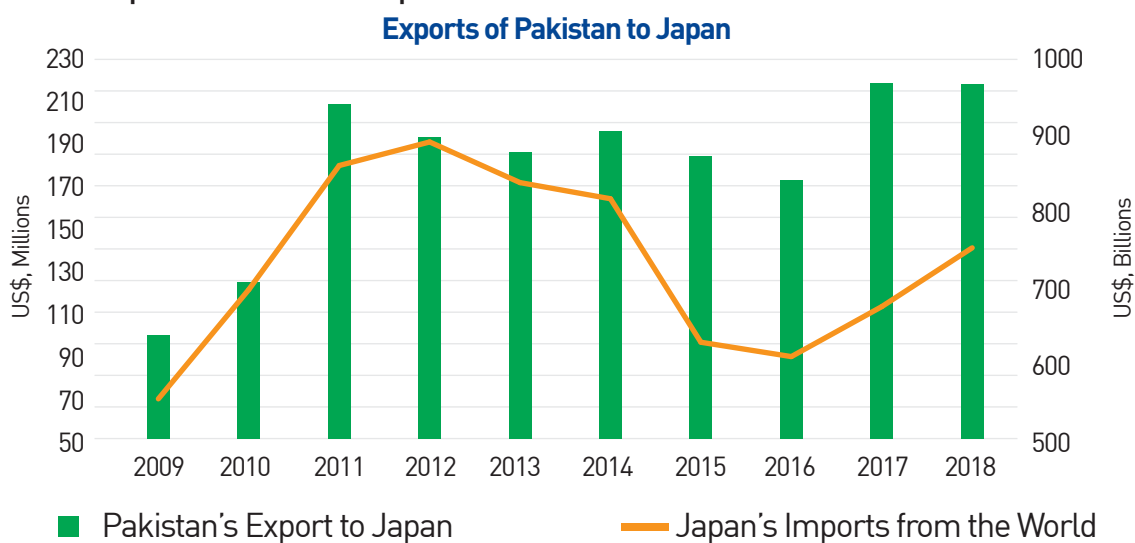


Source: ITC Trade Map

Pakistan's Trade with Japan in the Last Ten Years

For a better understanding of trends in bilateral trade, Pakistan's exports to Japan have been compared with Japan's imports from the world in the last ten years in Figure 2.2. Similarly, in Figure 2.3, a 10-year comparison has been made between Pakistan's imports from Japan and Japan's exports to the world.

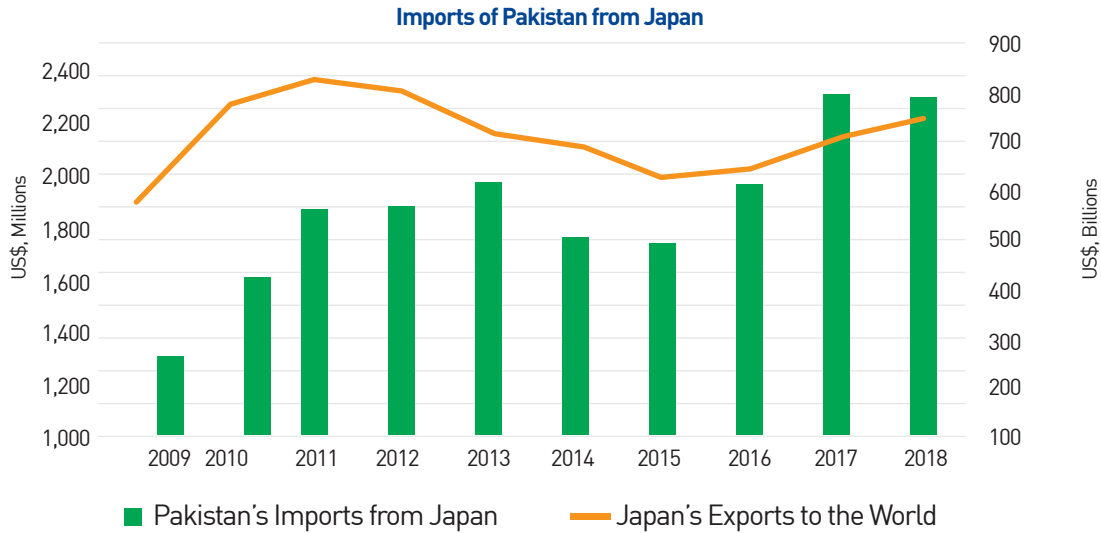
FIGURE 2.2 Exports of Pakistan to Japan 2009–18



Source: ITC Trade Map

Japan's imports from the world had a moderate correlation with Pakistan's exports to Japan, i.e. 0.6 over the period 2009 to 2018. This means that in the years where Japan increased its total imports from the world, Pakistan's exports to Japan also grew. Pakistan's exports to Japan were lowest in 2009 and highest in 2017.

FIGURE 2.3 Imports of Pakistan from Japan 2009–18



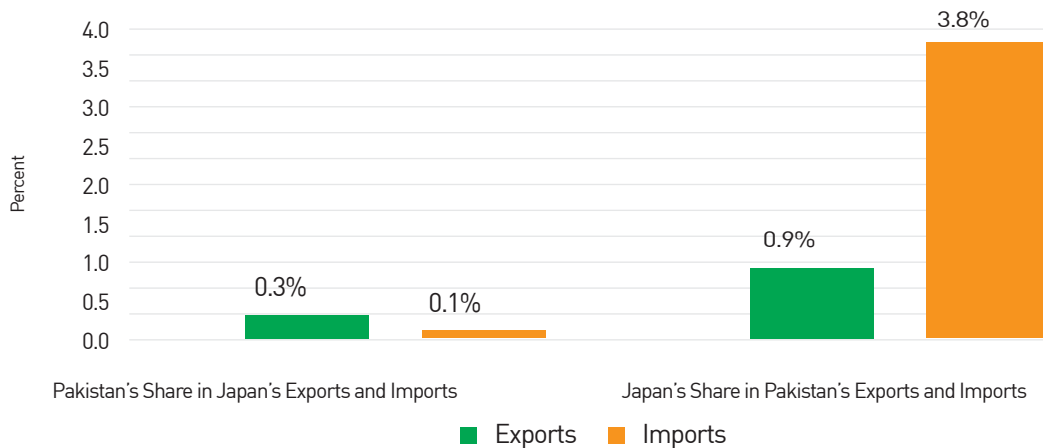
Source: ITC Trade Map

Japan's exports to the world had a low correlation with Pakistan's imports from Japan, i.e. 0.4 over the period 2009 to 2018. This means that the relationship between Japan's exports to the world and Pakistan's imports from Japan is weak and likely insignificant. Pakistan's imports from Japan were lowest in 2009 and highest in 2017. Japan's imports from the world were marked by large fluctuations, whereas its exports to the world have remained steady.

Importance of Pakistan - Japan Bilateral Trade

The graph below illustrates the importance of their bilateral trade for both Pakistan and Japan. The graph shows that Japan's share in Pakistan's exports and imports is far larger than Pakistan's share in Japan's exports and imports.

FIGURE 2.4 Importance of Bilateral Trade for Pakistan and Japan 2018

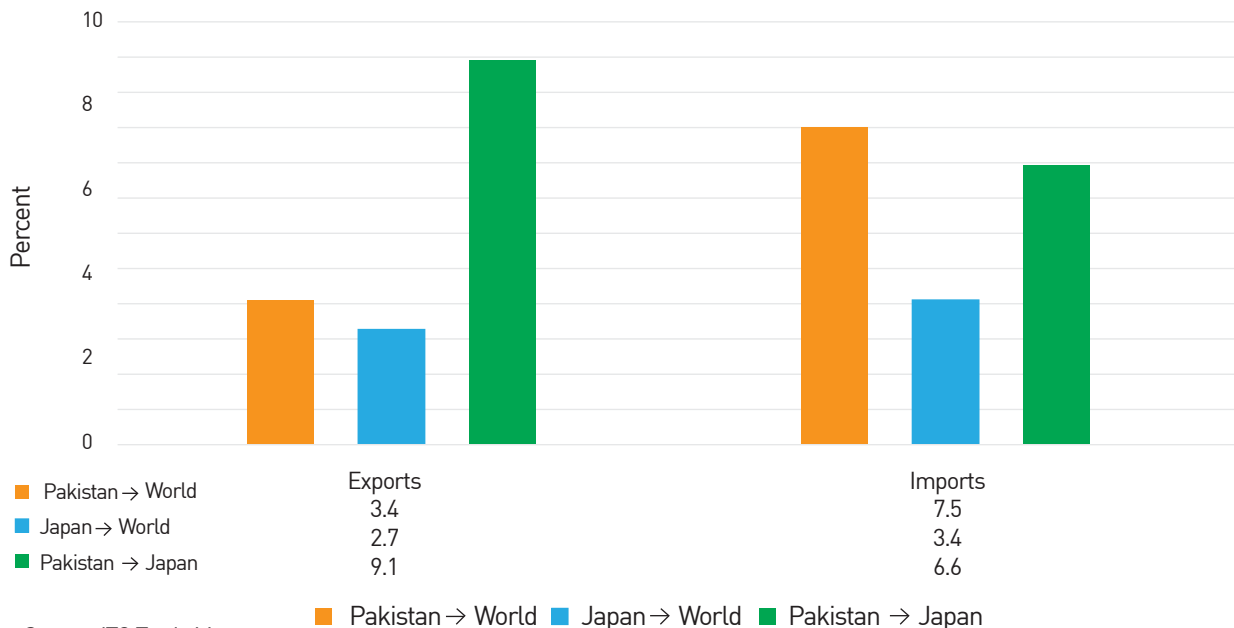


Source: ITC Trade Map

Compound Annual Growth Rate in Bilateral Trade

The graph below shows the Compound Annual Growth Rate (CAGR) of trade figures for Pakistan, Japan and their trade with the World over the last ten years, i.e. 2009–18. The graph illustrates that Pakistan’s exports to the world have grown with a CAGR of 3.4 percent, while its imports from the world increased with a CAGR of 7.5 percent. As far as bilateral trade between Pakistan and Japan is concerned, Pakistan’s exports to Japan have grown with a CAGR of 9.1 percent, whereas its imports from Japan grew by a CAGR of 6.6 percent.

FIGURE 2.5 Compound Annual Growth Rate of Pakistan 2009–18

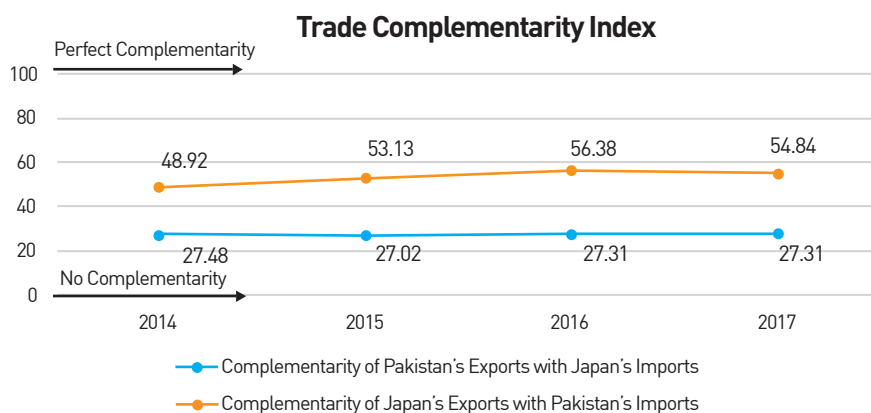


Source: ITC Trade Map

Trade Complementarity Index

The trade complementarity index indicates the extent to which the export profile of a reporting country matches or complements the import profile of a partner country. A high degree of complementarity is assumed to indicate more favorable prospects for a successful trade arrangement. The graph below illustrates that the exports of Japan complement the imports of Pakistan better than the exports of Pakistan complement imports of Japan. Over the span of three years from 2014 to 2016, exports of Japan have become increasingly complementary to Pakistan’s imports. However, trade complementarity index for Japan’s exports in 2017 decreased by 1.54 points. On the other hand, Pakistan exports showed a constant trend with Japan imports. Therefore, with respect to the bilateral trade between the two countries, Japan has an advantage; it is beneficial for Japan to supply to Pakistan as compared to Pakistan providing its products to Japan.

FIGURE 2.6 Trade Complementarity Index 2014–18

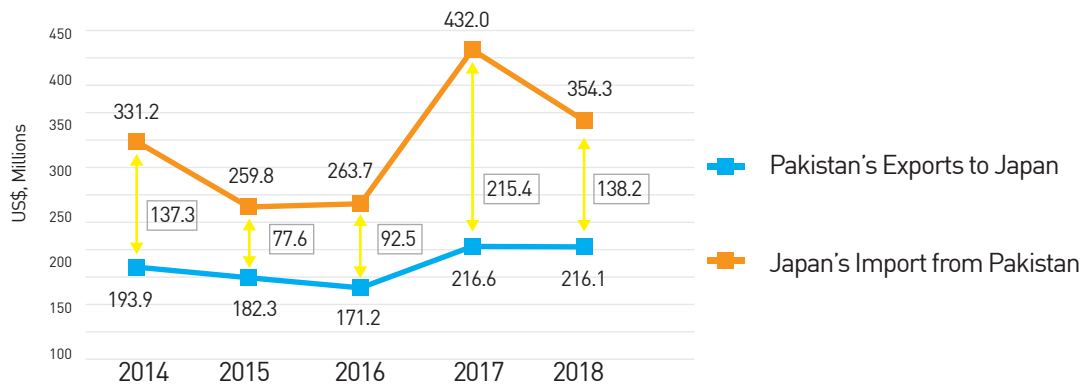


Source: ITC Trade Map

Discrepancies in Bilateral Trade Data

The graph below shows the discrepancies between the reported values of Pakistan's exports to Japan and Japan's reported imports from Pakistan for the period 2014 to 2018. There are differences in the trade values reported by Pakistan and Japan. The highest discrepancy recorded in the data was in 2017 when the discrepancy amounted to \$215.4 million.

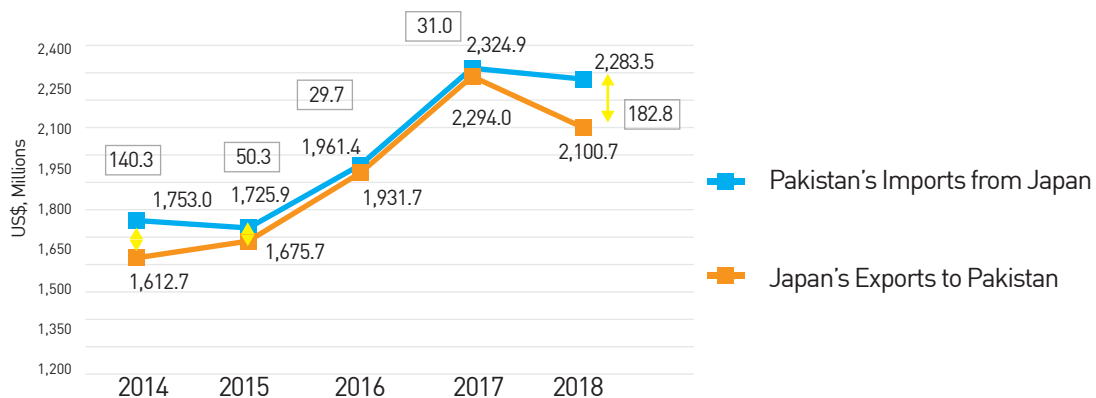
FIGURE 2.7 Discrepancy in Pakistan's Reported Exports to Japan



Source: ITC Trade Map

The graph below shows the discrepancy between the reported values of Pakistan's imports from Japan and Japan's reported exports to Pakistan for the period 2014 to 2018. Small variations can be seen in the values reported by Pakistan and Japan. The highest discrepancy recorded in the data is for \$182.8 million in 2018, where Pakistan's imports from Japan were reported as \$2,283.5 million, while Japan reported exports to Pakistan of \$2,100.7 million.

FIGURE 2.8 Discrepancy in Japan's Reported Exports to Pakistan



Source: ITC Trade Map

Pakistan's Top 10 Exports to Japan at HS-02 Level

Pakistan's exports to Japan are highly concentrated in a few products. This is demonstrated by the share of the top 10 export products at HS-02-digit level which contributed nearly 82.0 percent of total exports to Japan in 2018. In the same period, the top 3 products made up 51.0 percent of Pakistan's total exports to Japan. The top exports and the tariffs they faced from Japan include cotton (3.0 percent); articles of apparel and clothing accessories, knitted (9.5 percent); articles of apparel and clothing accessories, not knitted (8.9 percent). The highest Ad Valorem Equivalent (AVE) tariff applied by Japan among the top 10 export products is 10.7 percent on articles of leather. Among the top 10 exported products, no tariffs are applied by Japan on articles of iron & steel, and for optical, photographic, and cinematographic products valued at \$9.9 million and \$9.0 million respectively.

TABLE 2.1 Pakistan's Top 10 Exports to Japan at HS-02 Level, 2018

Product Code	Pakistan Exports to Japan (US\$, millions)	Pakistan Exports to Japan (US\$, millions)	Share in Total Exports to Japan (%)	Share in Total Exports to the World (%)	Tariffs Applied by Japan (%)
TOTAL	All Products	216.1	100	0.9	
	Top 10 Products	177.1	81.9	1.2	
52	Cotton	68.8	31.8	1.9	3.0
61	Articles of apparel and clothing accessories, knitted or crocheted	23.9	11.1	0.8	9.5
62	Articles of apparel and clothing accessories, not knitted or crocheted	17.1	7.9	0.7	8.9
03	Fish and crustaceans, molluscs and other aquatic invertebrates	11.7	5.4	2.7	4.3
73	Articles of iron or steel	9.9	4.6	11.3	0.0
42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles	9.7	4.5	1.5	10.7
63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	9.4	4.3	0.2	2.9
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal	9.4	4.3	8.4	3.5
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical	9.0	4.1	2.2	0.0
74	Copper and articles thereof	8.2	3.8	3.9	0.9

Source: ITC Trade Map

Pakistan's Top 25 Exports to Japan at HS-06 Level

The table below shows Pakistan's top 25 exports to Japan at HS-06-digit level between 2014 and 2018. In calendar 2018, Pakistan exported \$216.1 million worth of products, with "Single cotton yarn, of uncombed fibers, containing \geq 85 percent cotton by weight" (HS-520512) being the most exported product worth \$24.7 million, and contributing 11.4 percent to total exports. The top 25 products exported by Pakistan to Japan are identified under the categories of cotton, articles of apparel and clothing accessories, other made-up textile articles, oil seeds and oleaginous, vegetable extracts, optical and surgical instruments, fish and crustaceans, products of animal origin, articles of iron or steel, articles of copper, ores, slag and ash, leather articles, and toys, games, and sports requisites. A fluctuating trend can be seen in the overall value of exported products in the last five years. The product with the highest growth rate in the top 25 export items is "Structures and parts of structures, of iron or steel (excluding bridges and bridge-sections)" with a 1,149.0 percent change over the last five years. The highest tariff rate among the top 25 export products applied by Japan is 13.0 percent on "Articles of apparel, of leather or composition leather (excluding clothing accessories etc.)".

TABLE 2.2 Pakistan's Top 25 Exports to Japan at HS-06 Level 2014–18

Product Code	Product Label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Change over the period (Value)	Change over the period (%)	Tariffs Applied by Japan on Pakistan (%)
TOTAL	All products	193.9	182.3	171.2	216.6	216.1	22.2	11.4	
520512	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight and with a linear ...	14.3	14.4	15.9	20.0	24.7	10.4	72.5	3.5
620322	Mens or boys ensembles of cotton (excluding knitted or crocheted, ski ensembles and swimwear)	1.5	3.4	5.5	13.1	12.6	11.1	746.1	9.5
520812	Plain woven fabrics of cotton, containing >= 85% cotton by weight and weighing > 100 g to 200 ...	4.2	8.4	5.2	13.3	12.4	8.2	194.8	4.6
120740	Sesamum seeds, whether or not broken	7.6	3.2	1.8	3.1	8.9	1.3	16.6	0.0
901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	7.0	6.6	6.8	8.1	8.8	1.9	26.7	0.0
520912	Woven fabrics of cotton, containing >= 85% cotton by weight and weighing > 200 g/m ² , in three-thread	10.2	5.7	7.4	7.2	8.6	-1.6	-16.0	4.6
030617	Frozen shrimps and prawns, even smoked, whether in shell or not, incl. shrimps and prawns in ...	1.2	4.8	0.9	4.9	8.1	6.9	556.3	1.0
740400	Waste and scrap, of copper (excluding ingots or other similar unwrought shapes, of remelted ...	10.0	7.0	11.4	10.8	7.7	-2.3	-22.9	0.0
520919	Woven fabrics of cotton, containing >= 85% cotton by weight and weighing > 200 g/m ² , unbleached ...	5.2	3.2	4.1	3.9	5.7	0.6	11.3	4.6
730890	Structures and parts of structures, of iron or steel, n.e.s. (excluding bridges and bridge-sections, ...	0.5	0.6	2.1	3.9	5.7	5.2	1,149.0	0.0
611595	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	1.4	4.3	4.2	3.7	5.4	4.0	281.7	7.4
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	0.6	0.9	2.2	2.8	5.4	4.7	733.2	9.1
261000	Chromium ores and concentrates	4.5	7.3	3.5	4.3	5.3	0.8	18.8	0.0
130232	Mucilages and thickeners, derived from locust beans, locust bean seeds or guar seeds, whether ...	6.0	5.2	3.1	3.6	4.9	-1.1	-17.5	0.0
420310	Articles of apparel, of leather or composition leather (excluding clothing accessories, footwear ...	5.0	5.0	6.4	5.5	4.8	-0.1	-2.6	13.0
950662	Inflatable balls	6.3	4.2	4.2	4.4	4.5	-1.9	-29.5	0.0
731029	Tanks, casks, drums, cans, boxes and similar containers, of iron or any material, ...	2.3	2.6	1.8	24.7	3.9	1.6	67.4	0.0
520532	Multiple "folded" or cabled cotton yarn, of uncombed fibres, containing >= 85% cotton by weight ...	6.4	5.0	4.6	2.7	3.6	-2.8	-43.3	3.7

Product Code	Product Label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Change over the period (Value)	Change over the period (%)	Tariffs Applied by Japan on Pakistan (%)
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...	6.2	4.1	4.4	3.2	2.9	-3.3	-53.7	5.9
610349	Mens or boys trousers, bib and brace overalls, breeches and shorts of textile materials, ...	0.4	0.5	0.7	1.0	2.8	2.3	553.0	8.4
030499	Frozen fish meat n.e.s. (excluding fillets)	1.7	0.5	0.6	1.7	2.7	1.0	61.2	4.2
520522	Single cotton yarn, of combed fibres, containing →= 85% cotton by weight and with a linear ...	0.9	0.5	0.5	1.7	2.7	1.8	215.8	2.9
520911	Plain woven fabrics of cotton, containing →= 85% cotton by weight and weighing → 200 g/m², ...	3.9	5.3	3.4	2.8	2.6	-1.3	-33.6	4.5
050690	Bones and horn-cores and their powder and waste, unworked, defatted, degelatinised or simply ...	0.5	1.9	1.5	1.9	2.5	2.1	447.9	2.0
630790	Made-up articles of textile materials, incl. dress patterns, n.e.s.	1.1	1.0	0.7	2.2	2.5	1.4	127.7	0.9

Source: ITC Trade Map

Share in Japan's Imports for Pakistan's Top 25 Global Exports at HS-06 Level

The following table shows Pakistan's top 25 global exports at HS-06 level and compares Japan's import patterns for each of these products. The table also shows the top 3 import sources for Japan for the same products. As can be seen, Japan imports all the main items that Pakistan exports to the world. Overall, Japan has a 0.9 percent share in Pakistan's exports. From Pakistan's top 25 global exports, Japan currently imports single cotton yarn (HS-520512), Un-denatured ethyl alcohol (HS-220710) and plain-woven fabrics of cotton (HS-520812) in any significant quantities. Among the top 3 export destinations for Pakistan for its top 25 exports, Japan stands in third place in only one item that is "Single cotton yarn" (HS-520512).

TABLE 2.3 Share in Japan's Imports for Pakistan Top 25 Global Exports at HS-06

Pakistan				Japan			
Product Code	Product Label	Pakistan Exports to the World in 2018 (US\$, millions)	Top 3 Export Destinations	Imports from the World in 2018 (\$ Mn)	Exports by Pakistan in 2018 (US\$, millions)	% Share in Pakistan's Exports	Top 3 Import Sourcing Markets
TOTAL	All products	23,630.9	USA, 16.1% China, 7.7% UK, 7.3%	748,361.6	216.1	0.9	China, 23.2% USA, 11.2% Australia, 6.1%
100630	Semi-milled or wholly milled rice, whether or not polished or glazed	1,757.8	Kenya, 10.3% China, 6.8% UAE, 6.7%	478.7	1.1	0.1	USA, 55.3% Thailand, 23.7% China, 11.2%
620322	Mens or boys ensembles of cotton (excluding knitted or crocheted, ski ensembles and swim wear)	1,530.2	USA, 24.8% Spain, 14.6% Germany, 11.3%	7.3	12.4	0.8	China, 71.6% Cambodia, 16.3% Myanmar, 6.2%
630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	860.9	USA, 14.4% Germany, 13.7% UK, 11.5%	176.8	0.1	0.0	China, 83.0% Viet Nam, 6.0% Bangladesh, 5.2%
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...	786.3	USA, 42.9% UK, 9.6% Netherlands, 6.0%	542.9	2.9	0.4	China, 54.1% Viet Nam, 36.2% Bangladesh, 2.5%
520512	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight and with a linear...	777.6	China, 75.4% Bangladesh, 6.8% Japan, 3.2%	54.3	24.7	3.2	Pakistan, 46.5% Indonesia, 31.6% Viet Nam, 9.6%

Pakistan				Japan			
Product Code	Product Label	Pakistan Exports to the World in 2018 (US\$, millions)	Top 3 Export Destinations	Imports from the World in 2018 (\$)	Exports by Pakistan in 2018 (US\$, millions)	% Share in Pakistan's Exports	Top 3 Import Sourcing Markets
630239	Bedlinen of textile materials (excluding of cotton and man-made fibres, printed, knitted or...	697.7	UK, 31.5% USA, 18.1% Spain, 6.9%	6.0	1.2	0.2	China, 47.4% Cambodia, 45.4% Italy, 2.1%
630210	Bedlinen, knitted or crocheted	691.6	USA, 31.2% Germany, 13.2% UK, 12.4%	109.3	0.0	0.0	China, 86.5% Cambodia, 6.9% Viet Nam, 4.7%
520942	Denim, containing >= 85% cotton by weight and weighing > 200 g/m², made of yarn of different...	498.1	Bangladesh, 48.5% Turkey, 19.6% Egypt, 7.3%	4.6	-	0.0	China, 40.8% Turkey, 23.0% Taipei, Chinese 21.4%
630710	Floorcloths, dish cloths, dusters and similar cleaning cloths, of all types of textile materials	439.0	USA, 78.6% UK, 6.0% Netherlands, 2.1%	71.1	1.2	0.3	China, 62.1% Viet Nam, 21.9% Korea, Republic of, 5.1%
220710	Undenatured ethyl alcohol, of actual alcoholic strength of >= 80%	425.5	China, 30.1% Korea, Republic of, 24.6% Netherlands, 8.7%	452.8	1.2	0.3	Brazil, 58.4% Pakistan, 16.4% USA, 14.4%
170199	Cane or beet sugar and chemically pure sucrose, in solid form (excluding cane and beet sugar ...	383.7	Afghanistan, 48.8% Taipei, Chinese, 9.4% Djibouti, 7.6%	4.4	-	0.0	Belgium, 32.5% Thailand, 22.4% Brazil, 13.9%
901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	373.2	USA, 26.8% Germany, 13.7% UK, 9.3%	2,482.4	8.8	2.4	USA, 44.4% Mexico, 12.5% Germany, 8.9%
620342	Mens or boys trousers, bib and brace overalls, breeches and shorts, of cotton (excluding ...	349.0	Spain, 16.6% USA, 15.4% UK, 9.7%	839.6	1.0	0.3	China, 39.2% Bangladesh, 17.4% Viet Nam, 15.3%
610590	Mens or boys shirts of textile materials, knitted or crocheted (excluding of cotton or man-made ...	331.6	USA, 41.8% UK, 21.9% Spain, 6.3%	2.8	0.2	0.1	Italy, 43.6% China, 25.5% Viet Nam, 8.0%
100119	Durum wheat (excluding seed for sowing)	272.6	Bangladesh, 27.1% Indonesia, 24.3% Sri Lanka, 20.4%	65.5	0.0	0.0	Canada, 92.2% USA, 7.8%
611090	Jerseys, pullovers, cardigans, waistcoats and similar articles, of textile materials, knitted...	268.4	USA, 39.7% UK, 22.0% Spain, 9.6%	71.4	1.0	0.4	China, 73.3% Italy, 9.7% Thailand, 8.3%
270900	Petroleum oils and oils obtained from bituminous minerals, crude	262.1	UAE, 52.3% Australia, 17.4% Papua New Guinea, 11.4%	80,561.2	-	0.0	Saudi Arabia, 38.7% UAE, 25.6% Qatar, 7.9%
420310	Articles of apparel, of leather or composition leather (excluding clothing accessories, footwear ...	258.6	Germany, 28.5% USA, 12.6% France, 9.0%	103.8	4.9	1.9	China, 30.4% Italy, 27.2% India, 10.7%
520812	Plain woven fabrics of cotton, containing →= 85% cotton by weight and weighing → 100 g to 200 ...	253.0	Italy, 13.0% China, 12.7% Portugal, 11.9%	62.6	12.5	4.9	China, 45.3% Indonesia, 27.4% Pakistan, 21.2%
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	242.7	USA, 35.6% UK, 15.8% Germany, 11.5%	1,214.7	5.3	2.2	China, 47.3% Viet Nam, 16.2% Bangladesh, 10.8%
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, ...	235.9	Afghanistan, 69.8% Singapore, 19.6% Korea, Republic of, 4.0%	3,941.8	-	0.0	Korea, Republic of, 56.9% Singapore, 10.4% Malaysia, 8.6%
610349	Mens or boys trousers, bib and brace overalls, breeches and shorts of textile materials, ...	230.7	USA, 25.8% UK, 21.1% Spain, 14.8%	3.7	2.8	1.2	China, 61.9% Viet Nam, 11.7% Thailand, 9.8%

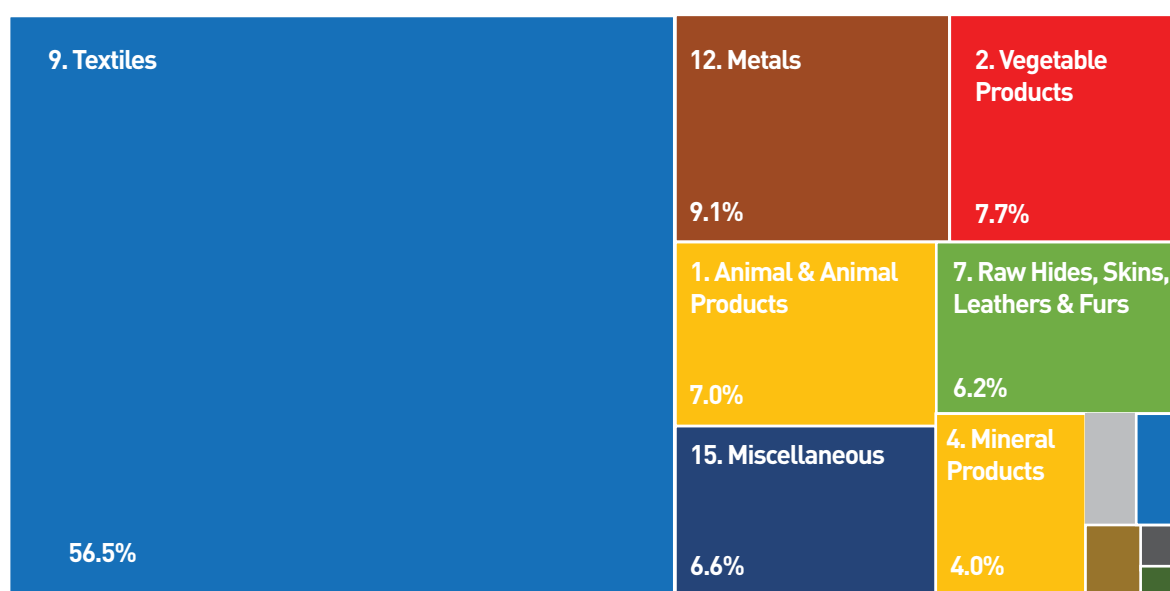
Pakistan				Japan			
Product Code	Product Label	Pakistan Exports to the World in 2018 (US\$, millions)	Top 3 Export Destinations	Imports from the World in 2018 (\$)	Exports by Pakistan in 2018 (US\$, millions)	% Share in Pakistan's Exports	Top 3 Import Sourcing Markets
420329	Gloves, mittens and mitts, of leather or composition leather (excluding special sports gloves)	219.3	USA, 19.8% Germany, 12.1% Canada, 9.6%	81.4	1.1	0.5	China, 64.1% Bangladesh, 15.7% Italy, 5.8%
611595	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied...	214.8	USA, 28.8% Netherlands, 17.8% Belgium, 16.6%	249.2	5.3	2.5	China, 67.6% Thailand, 16.6% Viet Nam, 4.0%
252329	Portland cement (excluding white, whether or not artificially coloured)	199.3	Afghanistan, 34.6% India, 31.2% Sri Lanka, 13.5%	5.3	-	0.0	Korea, Republic of, 95.5% Singapore, 1.8% USA, 1.5%

Source: ITC Trade Map

Composition of Pakistan's Exports to Japan, 2018

The following figure shows the composition of Pakistan's exports to Japan in 2018. The most significant component of exports are textiles, which constitute 56.5 percent of total exports to Japan. This is followed by metals at 9.1 percent. Other major product groups exported by Pakistan are vegetable products (7.7 percent), animal products (7.0 percent), miscellaneous products (6.6 percent), raw hides, skins, leathers and furs (6.2 percent), and mineral products (4.0 percent).

FIGURE 2.9 Composition of Pakistan's Exports to Japan 2018



Source: ITC Trade Map

Pakistan's Top 10 Imports from Japan at HS-02 Level

The following table shows Pakistan's top 10 imports from Japan at HS-02-digit level and the tariffs faced by Japan on these in 2018. The top 10 imports made up 92.4 percent of total imports from Japan. Pakistan's imports from Japan are concentrated in a few products, most significant of which is "Vehicles other than railway or tramway rolling stock, and parts and accessories thereof" amounting to 48.9 percent of total imports from Japan in 2018. For the same period, the top 3 products made up 76.7 percent of Pakistan's total imports from Japan. These top products and the tariffs Japan faced while exporting to Pakistan include: "Vehicles other than railway or tramway rolling stock" (59.1 percent); "Iron and Steel" (12.4 percent); "Machinery, mechanical appliances, nuclear reactors and boilers" (9.3 percent).

TABLE 2.4 Pakistan's Top 10 Imports from Japan at HS-02

Product Code	Product label	2017 (US\$, millions)	2017 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009-18 (%)
	All Products	2,283.5	100	3.8	
	Top 10 Products	2,109.0	92.4	10.1	
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	1,116.5	48.9	42.9	59.1
72	Iron and steel	319.9	14.0	8.7	12.4
84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	315.7	13.8	5.0	9.3
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical	102.3	4.5	11.4	6.3
85	Electrical machinery and equipment and parts thereof sound recorders and reproducers,	66.3	2.9	1.5	14.1
55	Man-made staple fibres	50.0	2.2	7.0	12.9
73	Articles of iron or steel	43.6	1.9	5.5	17.1
89	Ships, boats and floating structures	34.8	1.5	4.1	6.9
48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	33.1	1.5	5.3	18.1
82	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	26.9	1.2	21.5	10.3

Source: ITC Trade Map

Pakistan's Top 25 Imports from Japan at HS-06 Level

The table below shows Pakistan's top 25 imports from Japan at HS-06-digit level between 2014 and 2018. In calendar 2018, Pakistan imported \$2.3 billion worth of products, with "Motor cars and other motor vehicles principally designed for the transport of persons" (HS-870321) being the most imported product worth \$312.6 million, and contributing 13.7 percent to total imports. The top 25 products imported by Pakistan from Japan are listed in the categories of vehicles, iron and steel, man-made staple fibers, machinery and mechanical appliances, base metal tools, ships, boats and floating structures, manmade filaments, optical and photographic instruments, and paper & paperboard articles. Thirteen of the top 25 items imported by Pakistan are from the heading "Vehicles other than railway or tramway rolling stock, and parts and accessories thereof" (HS-87). A fluctuating trend is seen in the overall value of imported products in the last five years. The product with the highest growth rate in the top 25 import items is "Interchangeable tools for pressing, stamping or punching" with a growth of 129,517.6 percent. Three products with the highest tariffs in the top 25 imports from Japan belong to motor cars and other motor vehicles category.

TABLE 2.5 Pakistan's Top 25 Imports from Japan at HS-06

Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Change over the period (Value)	Change over the period (%)	Tariff Applied by Pakistan on Japan (%)
TOTAL	All products	1,753.0	1,725.9	1,961.4	2,294.0	2,283.5	530.5	30.3	
870321	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	236.8	307.8	323.7	385.1	312.6	75.8	32.0	52.5
720839	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	61.8	84.9	151.5	221.9	270.3	208.6	337.6	15.5
870322	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	108.0	155.5	180.2	179.3	116.2	8.1	7.5	60.0
870340	Motor cars and other motor vehicles principally designed for the transport of ...	-	-	-	44.3	112.4	112.4	-	72.3
870323	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	91.4	104.7	105.9	143.2	105.2	13.8	15.1	91.7
870120	Road tractors for semi-trailers	37.6	48.6	77.6	91.0	100.4	62.8	166.9	18.2
870422	Motor vehicles for the transport of goods, with compression-ignition internal combustion piston ...	27.6	53.7	73.6	98.3	98.6	71.0	257.4	28.0
550210	Artificial filament tow as specified in Note 1 to chapter 55, of acetate	-	-	-	1.1	44.0	44.0	-	11.0
840991	Parts suitable for use solely or principally with spark-ignition internal combustion piston ...	18.9	20.0	20.6	32.4	42.1	23.2	122.9	27.0
870431	Motor vehicles for the transport of goods, with spark-ignition internal combustion piston engine, ...	34.3	67.3	42.5	41.6	40.0	5.7	16.6	56.7
870210	Motor vehicles for the transport of >= 10 persons, incl. driver, with compression-ignition ...	23.4	35.0	46.6	45.6	34.5	11.1	47.4	20.0
870324	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	23.3	36.2	38.0	42.7	33.4	10.1	43.3	100.0
890800	Vessels and other floating structures for breaking up	24.0	9.2	28.3	2.4	27.3	3.3	13.7	3.0
842959	Self-propelled mechanical shovels, excavators and shovel loaders (excluding self-propelled ...	6.2	13.4	57.4	44.9	23.8	17.5	281.4	3.0
870421	Motor vehicles for the transport of goods, with compression-ignition internal combustion piston ...	17.3	14.9	21.6	28.7	23.2	6.0	34.6	60.0

Product Code	Product label	2014 (US\$, millions)	2015 (US\$, millions)	2016 (US\$, millions)	2017 (US\$, millions)	2018 (US\$, millions)	Change over the period (Value)	Change over the period (%)	Tariff Applied by Pakistan on Japan (%)
820730	Interchangeable tools for pressing, stamping or punching	0.0	0.0	2.1	3.5	22.0	22.0	129,517.6	3.0
870899	Parts and accessories, for tractors, motor vehicles for the transport of ten or more persons, ...	9.4	15.3	17.1	19.2	21.3	11.9	126.7	35.0
540339	Artificial filament yarn, incl artificial monofilament of < 67 decitex, single (excluding ...	6.3	9.4	11.0	17.7	20.4	14.2	225.8	7.0.
902214	Apparatus based on the use of X-rays, for medical, surgical or veterinary uses (excluding for ...	1.6	3.5	3.9	11.5	18.9	17.3	1,053.0	3.0
870423	Motor vehicles for the transport of goods, with compression-ignition internal combustion piston ...	7.8	16.9	17.8	5.0	18.9	11.1	141.1	28.0
844630	Weaving machines for weaving fabrics of a width > 30 cm, shuttleless type	45.6	19.9	30.9	22.4	16.7	-28.89	-63.39	3.0
721030	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	8.6	16.7	14.5	15.7	15.8	7.2	83.4	15.5
870333	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	1.8	3.2	4.7	2.2	15.7	13.9	764.9	100.0
481013	Paper and paperboard used for writing, printing or other graphic purposes, not containing fibres ...	1.7	5.8	3.7	5.8	14.5	12.8	737.1	20.0
847989	Machines and mechanical appliances, n.e.s.	2.6	1.5	2.9	11.0	14.1	11.5	438.7	4.9

Source: ITC Trade Map

Share in Pakistan's Top 25 Global Imports for Japan at HS-06 Level

The following table shows Pakistan's top 25 imports at HS-06 level and compares Japan's export patterns for each of the listed products. The table also shows the top 3 import sourcing countries for these products. Similarly, the top 3 export destinations of Japan for the same products that Pakistan imports have also been highlighted. This will help determine which products can potentially be imported from Japan at HS-06 level i.e. potential imports. Japan has a 3.8 percent share in Pakistan's imports. Among the top 25 HS-06 level products, Japan only exports 'Motor cars and other motor vehicles principally designed for the transport of persons' (HS-870321) to Pakistan in any significant numbers – Pakistan is the 2nd largest export market for this product for Japan. The table also shows that Japan is not a major exporter for most of Pakistan's top 25 imports.

TABLE 2.6 Share in Pakistan's Top 25 Global Imports for Japan at HS-06

Pakistan				Japan			
Product Code	Product Label	Pakistan Imports to the World in 2018 (US\$, millions)	Top 3 Import Sourcing Markets	Exports to from the World in 2018 (\$)	Imports by Pakistan in 2018 (US\$, millions)	% Share in Pakistan's Imports	Top 3 Export Sourcing Markets
TOTAL	All products	60,162.9	China, 24.2% UAE, 14.4% Saudi Arabia, 5.4%	738,188.8	2,273.0	3.8	China, 19.5% USA, 19% Korea, Republic of, 17.1%
270900	Petroleum oils and oils obtained from bituminous minerals, crude	4,903.9	UAE, 59.8% Saudi Arabia, 38.6% Qatar, 1.3%	-	-	0.0	-
271012	Light oils and preparations, of petroleum or bituminous minerals which >= 90% by volume "incl...	3,720.9	UAE, 69.8% Oman, 15.6% Netherlands, 5.0%	1,639.8	0.0	0.0	Singapore, 30.8% Korea, Republic of, 23.8% Malaysia, 12.6%

Pakistan				Japan			
Product Code	Product Label	Pakistan Imports to the World in 2018 (US\$, millions)	Top 3 Import Sourcing Markets	Exports to from the World in 2018 (\$)	Imports by Pakistan in 2018 (US\$, millions)	% Share in Pakistan's Imports	Top 3 Export Sourcing Markets
271111	Natural gas, liquefied	3,295.9	Qatar, 63.8% Nigeria, 10.4% Bermuda, 2.9%	-	-	0.0	-
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel,...	3,115.6	UAE, 53.3% Kuwait, 34.8% Korea, Republic of, 2.2%	8,620.5	4.2	0.1	Australia, 26.9% Korea, Republic of, 15.2% China, 13.4%
151190	Palm oil and its fractions, whether or not refined (excluding chemically modified and crude)	1,828.0	Indonesia, 77.9% Malaysia, 22.1% UAE, 0%	0.2	-	0.0	Taipei, Chinese, 66.3% Thailand, 15.2% Belgium, 10.7%
270112	Bituminous coal, whether or not pulverised, non-agglomerated	1,224.6	South Africa, 75.6% Indonesia, 11.9% Russian Federation, 4.3%	1.0	-	0.0	Indonesia, 98.0% Thailand, 1.9%
520100	Cotton, neither carded nor combed	1,049.0	USA, 43.6% India, 32.8% Brazil, 5.4%	0.2	-	0.0	Indonesia, 99.0% Taipei, Chinese 1.0%
720449	Waste and scrap of iron or steel (excluding slag, scale and other waste of the production of ...	949.2	UAE, 22.5% USA, 21.1% UK, 14.5%	2,370.3	2.6	0.3	Korea, Republic of, 39.4% China, 31.5% Viet Nam, 21.2%
120110	Soya bean seed, for sowing	943.4	USA, 71.3% Brazil, 28.3% Ukraine, 0.3%	0.0	-	0.0	Germany, 53.3% Italy, 23.3% Netherlands, 20.0%
310530	Diammonium hydrogenorthophosphate "diammonium phosphate" (excluding that in tablets or similar...	842.3	China, 77.1% Morocco, 12.8% Australia, 12.0%	0.3	-	0.0	Taipei, Chinese, 91.4% Viet Nam, 5.1% Korea, Republic of, 3.5%
851712	Telephones for cellular networks "mobile telephones" or for other wireless networks	833.1	China, 62.7% Viet Nam, 13.3% UAE, 12.4%	210.7	0.0	0.0	USA, 90.5% Thailand, 4.5% Hong Kong, China, 2.9%
720441	Turnings, shavings, chips, milling waste, sawdust, filings, trimmings and stampings of iron...	585.1	UK, 43.2% UAE, 8.1% Europe, 7.5%	509.9	-	0.0	Korea, Republic of, 89.5% Viet Nam, 4.5% Taipei Chinese, 2.5%
090240	Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings...	555.8	Kenya, 79.3% Rwanda, 7.7% India, 4.3%	1.4	-	0.0	Singapore, 30.0% Taipei, Chinese, 16.0% Hong Kong, China, 13.8%
870321	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	542.1	Japan, 57.6% Indonesia, 21.2% Thailand, 17.6%	684.1	312.5	57.6	Sri Lanka, 38.0% Pakistan, 18.4% USA, 5.8%
390210	Polypropylene, in primary forms	539.1	Saudi Arabia, 54.5% India, 14.1% UAE, 9.1%	301.4	0.4	0.1	China, 45.5% Thailand, 8.9% Viet Nam, 8.5%
890800	Vessels and other floating structures for breaking up	515.5	UAE, 38.9% Korea, Republic of 16.2% Singapore, 13.7%	1.4	27.4	5.3	Korea, Republic of, 100.0%
720839	Flat-rolled products of iron or non-alloy steel, of a width of →= 600 mm, in coils, simply ...	465.9	Japan, 56.6% Taipei, Chinese, 33.1% Ukraine, 2.8%	2,978.4	263.8	56.6	Korea, Republic of, 21.6% Thailand, 9.2%
300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...	432.8	Germany, 19.8% Switzerland, 18.7% Italy, 9.9%	3,326.0	0.7	0.2	Viet Nam, 7.6% USA, 43.1% China, 17.2% UK, 12.3%
120510	Low erucic acid rape or colza seeds "yielding a fixed oil which has an erucic acid conten...	398.9	Canada, 85.8% Ukraine, 10.6% Romania, 3.6%	0.0	-	0.0	Korea, Republic of, 100.0%

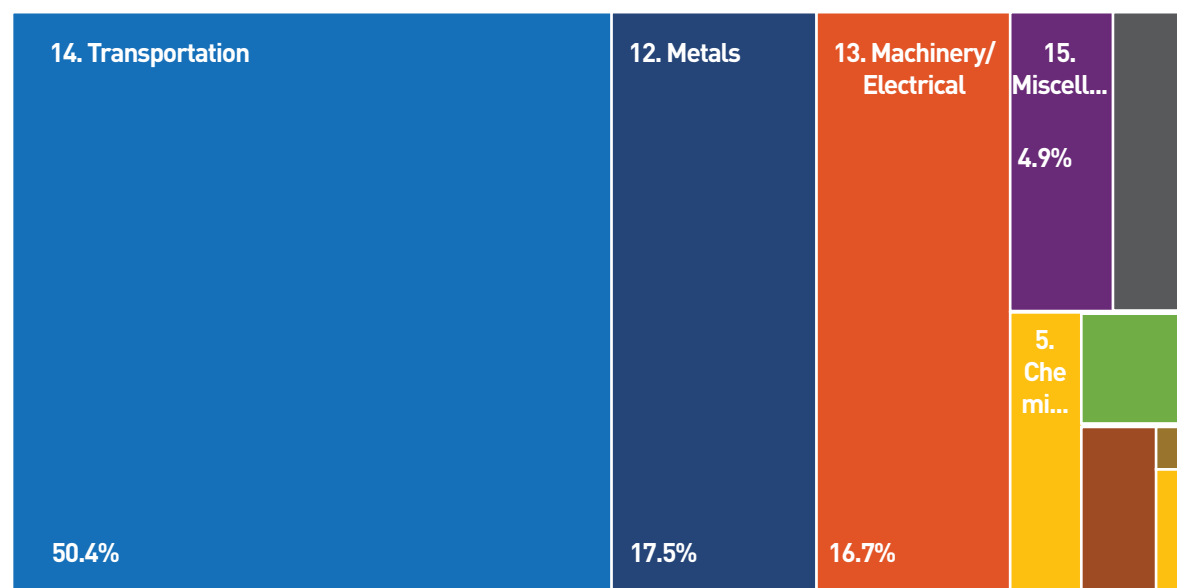
Pakistan				Japan			
Product Code	Product Label	Pakistan Imports to the World in 2018 (US\$, millions)	Top 3 Import Sourcing Markets	Exports to from the World in 2018 (\$)	Imports by Pakistan in 2018 (US\$, millions)	% Share in Pakistan's Imports	Top 3 Export Sourcing Markets
270119	Coal, whether or not pulverised, non-agglomerated (excluding anthracite and bituminous coal)	394.4	Indonesia, 40.4% South Africa, 27.8% Mozambique, 19.7%	2.8	-	0.0	Korea, Republic of, 99.5% Thailand, 0.2% USA, 0.2%
854140	Photo sensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in...	389.6	China, 92.0% Malaysia, 1.5% Korea, Republic of, 1.3%	3,953.4	0.2	0.0	China, 28.1% Hong Kong, China, 14.8% USA, 14.1%
290243	P-Xylene	365.5	Saudi Arabia, 46.2% India, 44.5% Kuwait, 9.2%	3,284.7	-	0.0	China, 79.0% Taipei, Chinese, 20.6% Korea, Republic of, 0.5%
390110	Polyethylene with a specific gravity of < 0,94, in primary forms	337.0	Saudi Arabia, 38.8% Qatar, 29.4% UAE, 8.4%	220.3	0.3	0.1	China, 46.7% Korea, Republic of, 9.2% Taipei, Chinese, 6.6%
071320	Dried, shelled chickpeas "garbanzos", whether or not skinned or split	334.5	Australia, 34.1% Russian Federation, 9.5% Iran, Islamic Republic of, 8.8%	-	-	0.0	World, 100.0%
290531	Ethylene glycol "ethane diol"	333.8	Kuwait, 54.3% Saudi Arabia, 38.3% UAE, 7.0%	231.0	0.0	0.0	China, 92.1% Korea, Republic of, 6.6% Taipei, Chinese, 1.2%

Source: ITC Trade Map

Composition of Pakistan's Imports from Japan, 2018

The following figure shows the composition of Pakistan's imports from Japan in 2018. Over 80.0 percent of Pakistan's imports from Japan are based on transportation, metals, and machinery and electrical equipment. In calendar 2018, transportation made up 50.4 percent of Pakistan's imports from Japan, clearly showing Pakistan's dependence on Japan in this sector.

FIGURE 2.10 Composition of Pakistan's Imports from Japan 2018



Source: ITC Trade Map

Impact on Bilateral Trade of a Free Trade Agreement

Impact of a Free Trade Agreement on Pakistan Japan Bilateral Trade:

The Indicative Trade Potential Method:

Indicative trade potential is an economic measure that allows us to examine the scope for growth in trade of a specific product.⁵ It is calculated using the formula given below:

Country *i*'s Potential Goods for Export to country *j*
= Minimum (Country '*i*' exports of '*X*' to the world, country '*j*' imports of '*X*' from the world) - Country '*i*' exports of '*X*' to country '*j*'

Indicative trade potential is a helpful method to anticipate the scope of the bilateral trade. It analyzes those items that have well-established production capacity in the supplying market and robust demand in the importing country, however, it also has some limitations. This method does not take into account the items whose demand could emerge in the importing country. Moreover, it does not give the estimated cost of the diversification of the products in trade.

Pakistan's Indicative Trade Potential at HS-06-Digit Level – Major Findings:

- The total trade potential within the 1,579 products exported by Pakistan to Japan with available data is \$8.8 billion.
- The total trade potential within the top 100 high potential products exported by Pakistan to Japan at HS-06-digit level is \$6.6 billion.
- The total trade potential within the top 50 high potential products exported by Pakistan to Japan at HS-06-digit level is \$5.5 billion.
- In 2018, exports of the top 100 high potential items to Japan amounted to a mere \$132.7 million. However, Pakistan's total exports of these same 100 items to the world amounted to \$12.3 billion in the same year.
- Pakistan's highest export potential of \$540.0 million is for "Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton" (HS-630260) and the tariff faced by Pakistan from Japan is significantly higher than that faced by other trading partners. Next largest export potential item of \$477.6 million is for "Semi-milled or wholly milled rice, whether or not polished or glazed" (HS-100630) and on which Japan applies the highest tariff rate of 175 percent on all its trading partners.
- For Pakistan 50.8 percent of the total trade potential for its top 100 high potential export items are covered under the textile sector.
- The Bilateral Revealed Comparative Advantage (BRCA) has also been calculated to show whether Pakistan has a revealed comparative advantage in a specific commodity over Japan or not as indicated by the trade flows.
- Twenty-six of the 100 high potential export items have BRCA>1, indicating that these items weigh heavier in Pakistan's export basket to Japan than they do in its export basket to the world.
- These 26 high potential products which have a BRCA>1 represent a total trade potential of \$1.7 billion.

⁵ All trade potential calculations are exclusive of product 27 'Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes'.

- Among the top 100 high potential export items, Pakistan has the highest comparative advantage in “Frozen shrimps and prawns, even smoked, whether in a shell or not” (HS-030617) with a BRCA of 14.3.
- Products with significant trade potential include ‘Toilet linen and kitchen linen’ (HS-630260), ‘Semi-milled or wholly milled rice’ (HS-100630), ‘Un-denatured ethyl alcohol’ (HS-220710), ‘Instruments and appliances used in medical’ (HS-901890) and ‘Men or boy’s trousers’ (HS-620342).
- Among the top 100 export potential items, Pakistan enjoys tariff concession on only 33 items.
- Among the top 50 export potential items, Pakistan enjoys tariff concession on only 16 items.
- Pakistan faces significantly higher tariff rates on most of these items than other trading partners of Japan namely: Australia, India, Indonesia, Thailand and Viet Nam.
- Products which face higher tariffs include “Semi-milled or wholly milled rice, whether or not polished or glazed” (HS-100630), “Durum wheat” (HS-100119), and “Wheat and meslin” (HS-100199).

TABLE 3.1 Pakistan’s Indicative Trade Potential for Top 100 Items at HS-06, 2018

Product Code	Product label	Pakistan Exports to Japan 2018 (US\$, millions)	Japan Imports from the World 2018 (US\$, millions)	Pakistan Exports to the World 2018 (US\$, millions)	Indicative Trade Potential 2018 (US\$, millions)	Tariffs Applied by Japan (%)						BRCA 2018
						Pakistan	Australia	India	Indonesia	Thailand	Viet Nam	
TOTAL	All products	216.1	748,361.6	23,696.5	23,480.5							
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...)	2.9	542.9	789.4	540.0	5.9	0.0	0.0	0.0	0.0	0.0	0.4
100630	Semi-milled or wholly milled rice, whether or not polished or glazed	1.1	478.7	1,771.1	477.6	175.0	175.0	175.0	175.0	175.0	175.0	0.1
220710	Undenatured ethyl alcohol, of actual alcoholic strength of →= 80	1.2	452.8	424.0	422.8	2.3	2.3	2.3	2.3	2.3	2.3	0.3
901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	8.8	2,482.4	373.0	364.2	0.0	0.0	0.0	0.0	0.0	0.0	2.6
620342	Mens or boys trousers, bib and brace overalls, breeches and shorts, of cotton (excluding ...)	1.1	839.6	350.3	349.2	9.6	3.6	0.0	0.0	0.0	0.0	0.3
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	5.4	1,214.7	242.4	237.0	9.2	0.0	0.0	0.0	0.0	0.0	2.4
611595	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	5.4	249.2	215.4	210.0	7.4	0.0	0.0	0.0	0.0	0.0	2.7
630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	0.1	176.8	860.2	176.7	3.6	0.0	0.0	0.0	0.0	0.0	0.0
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)	0.7	1,172.8	156.5	155.8	9.2	0.0	0.0	0.0	0.0	0.0	0.5
610510	Mens or boys shirts of cotton, knitted or crocheted (excluding nightshirts, T-shirts, singlets ...)	0.2	161.4	153.6	153.4	9.2	0.0	0.0	0.0	0.0	0.0	0.1
390761	Poly“ethylene terephthalate”, in primary forms, having a viscosity number of →=78 ml/g	0.5	1,091.8	131.2	130.7	0.0	0.0	0.0	0.0	0.0	0.0	0.4
630210	Bedlinen, knitted or crocheted	0.0	109.3	692.6	109.3	9.1	0.0	0.0	0.0	0.0	0.0	0.0
620462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton (excluding ...)	0.2	867.6	101.4	101.2	9.6	0.0	0.0	0.0	0.0	0.0	0.2
420310	Articles of apparel, of leather or composition leather (excluding clothing accessories, footwear ...)	4.8	103.8	259.0	98.9	13.0	7.1	3.6	0.0	0.0	0.0	2.0
611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber, knitted ...	0.6	191.2	95.2	94.6	1.4	0.0	0.0	0.0	0.0	0.0	0.7
940490	Articles of bedding and similar furnishing, fitted with springs or stuffed or internally filled ...	0.0	1,096.2	88.5	88.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
560819	Knotted netting of twine, cordage, ropes or cables, by the piece or metre; made-up nets, of ...	0.0	119.1	83.0	83.0	0.0	0.0	0.0	0.0	0.0	0.0	-
420329	Gloves, mittens and mitts, of leather or composition leather (excluding special sports gloves)	1.1	81.4	219.6	80.3	13.3	8.8	6.1	3.3	3.3	3.3	0.5
640399	Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather ...	0.2	861.6	78.3	78.2	39.8	15.6	11.2	6.9	6.9	7.7	0.2
300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...	0.0	13,738.5	72.9	72.9	0.0	0.0	0.0	0.0	0.0	0.0	-

Product Code	Product label	Pakistan Exports to Japan 2018 (US\$, millions)	Japan Imports from the World 2018 (US\$, millions)	Pakistan Exports to the World 2018 (US\$, millions)	Indicative Trade Potential 2018 (US\$, millions)	Tariffs Applied by Japan (%)						BRCA 2018
						Pakistan	Australia	India	Indonesia	Thailand	Viet Nam	
390769	Poly(ethylene terephthalate", in primary forms, having a viscosity number of <= 78 ml/g	0.0	227.0	71.5	71.5	0.0	0.0	0.0	0.0	0.0	0.0	-
611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	2.1	1,302.9	73.0	70.9	10.3	0.0	0.0	0.0	0.0	0.0	3.1
611090	Jerseys, pullovers, cardigans, waistcoats and similar articles, of textile materials, knitted ...	1.0	71.4	264.7	70.4	10.9	0.0	0.0	0.0	0.0	0.0	0.4
630710	Floorcloths, dishcloths, dusters and similar cleaning cloths, of all types of textile materials	1.2	71.1	438.9	69.9	0.0	0.0	0.0	0.0	0.0	0.0	0.3
481159	Paper and paperboard, surface-coloured, surface-decorated or printed, coated, impregnated or ...	0.0	92.8	68.4	68.4	0.0	0.0	0.0	0.0	0.0	0.0	-
610342	Mens or boys trousers, bib and brace overalls, breeches and shorts of cotton, knitted or ...	1.0	181.3	66.9	66.0	10.9	0.0	0.0	0.0	0.0	0.0	1.6
100119	Durum wheat (excluding seed for sowing)	0.0	65.5	283.7	65.5	155.1	155.1	155.1	155.1	155.1	155.1	0.0
120740	Sesamum seeds, whether or not broken	8.9	213.7	69.7	60.7	0.0	0.0	0.0	0.0	0.0	0.0	14.0
300439	Medicaments containing hormones or steroids used as hormones but not antibiotics, put up in ...	0.0	871.4	60.0	60.0	0.0	0.0	0.0	0.0	0.0	0.0	-
610711	Mens or boys underpants and briefs of cotton, knitted or crocheted	0.0	155.4	58.9	58.9	7.4	0.0	0.0	0.0	0.0	0.0	-
030617	Frozen shrimps and prawns, even smoked, whether in shell or not, incl. shrimps and prawns in ...	8.1	1,500.3	62.3	54.2	1.0	0.0	0.0	0.0	0.0	0.0	14.3
740400	Waste and scrap, of copper (excluding ingots or other similar unwrought shapes, of remelted ...	7.7	1,330.8	60.7	53.0	0.0	0.0	0.0	0.0	0.0	0.0	13.9
250100	Salts, incl. table salt and denatured salt, and pure sodium chloride, whether or not in aqueous ...	0.4	281.2	51.6	51.3	0.5	0.5	0.5	0.5	0.5	0.5	0.8
520812	Plain woven fabrics of cotton, containing →= 85 cotton by weight and weighing → 100 g to 200 ...	12.4	62.6	253.1	50.1	4.6	0.0	0.0	0.0	0.0	0.0	5.4
100199	Wheat and meslin (excluding seed for sowing, and durum wheat)	0.0	1,574.3	49.9	49.9	132.9	75.0	132.9	132.9	132.9	132.9	-
70310	Fresh or chilled onions and shallots	0.0	126.9	49.0	49.0	3.8	0.5	1.4	0.9	0.0	1.1	-
252620	Natural steatite and talc, crushed or powdered	0.7	63.2	45.0	44.3	0.0	0.0	0.0	0.0	0.0	0.0	1.8
620349	Mens or boys trousers, bib and brace overalls, breeches and shorts of textile materials (excluding ...	0.3	43.1	117.1	42.9	9.4	3.5	0.0	0.0	0.0	0.0	0.3
610469	Womens or girls trousers, bib and brace overalls, breeches and shorts of textile materials, ...	0.5	42.0	61.6	41.5	8.4	0.0	0.0	0.0	0.0	0.0	0.9
630790	Made-up articles of textile materials, incl. dress patterns, n.e.s.	2.5	1,260.3	42.5	40.0	0.9	0.0	0.0	0.0	0.0	0.0	6.3
611692	Gloves, mittens and mitts, of cotton, knitted or crocheted (excluding impregnated, coated or ...	0.0	45.9	39.1	39.1	7.4	0.0	0.0	0.0	0.0	0.0	0.0
630232	Bedlinen of man-made fibres (excluding printed, knitted or crocheted)	0.0	39.0	42.2	39.0	2.1	0.0	0.0	0.0	0.0	0.0	-
610462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton, knitted ...	0.3	226.8	37.2	36.9	10.9	0.0	0.0	0.0	0.0	0.0	0.8
420321	Specially designed gloves for use in sport, of leather or composition leather	1.8	38.0	122.6	36.2	13.7	11.2	9.8	8.3	8.3	10.0	1.7
620469	Womens or girls trousers, bib and brace overalls, breeches and shorts of textile materials ...	0.0	257.6	35.2	35.2	9.6	0.0	0.0	0.0	0.0	0.0	0.1
151620	Vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, ...	0.0	55.6	35.1	35.1	0.0	0.0	0.0	0.0	0.0	0.0	-
80450	Fresh or dried guavas, mangoes and mangosteens	0.3	35.4	72.9	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
130232	Mucilages and thickeners, derived from locust beans, locust bean seeds or guar seeds, whether ...	4.9	44.6	39.8	34.9	0.0	0.0	0.0	0.0	0.0	0.0	13.6
410792	Grain splits leather "incl. parchment-dressed leather", of the portions, strips or sheets of ...	0.3	35.1	49.3	34.8	22.8	6.5	2.9	0.0	0.0	2.5	0.7
950662	Inflatable balls	4.5	36.4	164.6	31.9	0.0	0.0	0.0	0.0	0.0	0.0	3.0
841199	Parts of gas turbines, n.e.s.	0.0	722.8	31.5	31.5	0.0	0.0	0.0	0.0	0.0	0.0	-

Product Code	Product label	Pakistan Exports to Japan 2018 (US\$, millions)	Japan Imports from the World 2018 (US\$, millions)	Pakistan Exports to the World 2018 (US\$, millions)	Indicative Trade Potential 2018 (US\$, millions)	Tariffs Applied by Japan (%)						BRCA 2018
						Pakistan	Australia	India	Indonesia	Thailand	Viet Nam	
030339	Frozen flat fish "Pleuronectidae, Bothidae, Cynoglossidae, Soleidae, Scophthalmidae and Citharidae" ...	0.2	30.7	161.5	30.5	3.5	0.0	1.0	0.0	0.0	0.0	0.1
950699	Articles and equipment for sport and outdoor games n.e.s; swimming and paddling pools	0.4	214.9	30.7	30.3	0.0	0.0	0.0	0.0	0.0	0.0	1.4
520512	Single cotton yarn, of uncombed fibres, containing →= 85 cotton by weight and with a linear ...	24.7	54.3	787.2	29.6	3.5	0.0	0.0	0.0	0.0	0.0	3.4
261000	Chromium ores and concentrates	5.3	33.4	71.1	28.1	0.0	0.0	0.0	0.0	0.0	0.0	8.2
170490	Sugar confectionery not containing cocoa, incl. white chocolate (excluding chewing gum)	0.0	109.5	27.7	27.7	20.0	20.0	20.0	20.0	20.0	20.0	0.0
610343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted ...	0.2	343.7	27.5	27.3	10.9	0.0	0.0	0.0	0.0	0.0	1.0
841451	Table, floor, wall, window, ceiling or roof fans, with a self-contained electric motor of an ...	0.0	273.6	27.1	27.1	0.0	0.0	0.0	0.0	0.0	0.0	-
570110	Carpets and other textile floor coverings, of wool or fine animal hair, knotted, whether or ...	1.7	28.8	65.8	27.0	1.6	0.0	0.0	0.0	0.0	0.0	2.8
230120	Flours, meals and pellets of fish or crustaceans, molluscs or other aquatic invertebrates, ...	0.0	286.6	26.9	26.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
630612	Tarpaulins, awnings and sunblinds of synthetic fibres (excluding flat covers of light fabrics ...)	0.0	48.4	26.2	26.2	0.0	0.0	0.0	0.0	0.0	0.0	-
070999	Fresh or chilled vegetables n.e.s.	0.0	42.7	25.3	25.3	4.5	0.0	0.0	0.0	0.0	0.0	-
721049	Flat-rolled products of iron or non-alloy steel, of a width of →= 600 mm, hot-rolled or cold-rolled ...	0.0	596.9	24.4	24.4	0.0	0.0	0.0	0.0	0.0	0.0	-
121300	Cereal straw and husks, unprepared, whether or not chopped, ground, pressed or in the form ...	0.0	94.6	24.3	24.3	0.0	0.0	0.0	0.0	0.0	0.0	-
620332	Mens or boys jackets and blazers of cotton (excluding knitted or crocheted, and wind-jackets ...)	0.1	52.9	23.3	23.3	11.0	4.1	0.0	0.0	0.0	0.0	0.4
611596	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	0.1	515.2	23.4	23.2	6.6	0.0	0.0	0.0	0.0	0.0	0.7
610520	Mens or boys shirts of man-made fibres, knitted or crocheted (excluding nightshirts, T-shirts, ...)	0.0	272.6	22.9	22.9	9.2	0.0	0.0	0.0	0.0	0.0	0.0
520523	Single cotton yarn, of combed fibres, containing →= 85 cotton by weight and with a linear ...	0.2	21.7	21.9	21.5	3.0	0.0	0.0	0.0	0.0	0.0	0.8
551412	Woven fabrics containing predominantly, but < 85 polyester staple fibres by weight, mixed ...	0.1	24.4	21.3	21.1	6.1	0.0	0.0	0.0	0.0	0.0	0.6
611120	Babies garments and clothing accessories of cotton, knitted or crocheted (excluding hats)	0.0	171.8	20.8	20.8	8.3	0.0	0.0	0.0	0.0	0.0	-
080390	Fresh or dried bananas (excluding plantains)	0.0	912.9	20.5	20.5	10.0	12.0	10.0	10.0	10.0	10.0	-
610610	Womens or girls blouses, shirts and shirt-blouses of cotton, knitted or crocheted (excluding ...)	0.0	298.3	20.4	20.4	9.1	0.0	0.0	0.0	0.0	0.0	0.1
621600	Gloves, mittens and mitts, of all types of textile materials (excluding knitted or crocheted ...)	0.1	57.5	20.4	20.2	2.6	0.0	0.0	0.0	0.0	0.0	0.8
050400	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, ...	0.0	280.8	20.2	20.2	0.0	0.0	0.0	0.0	0.0	0.0	0.1
761510	Table, kitchen or other household articles and parts thereof, and pot scourers and scouring ...	0.0	379.6	20.1	20.1	0.0	0.0	0.0	0.0	0.0	0.0	-
851712	Telephones for cellular networks "mobile telephones" or for other wireless networks	0.0	17,634.3	20.0	20.0	0.0	0.0	0.0	0.0	0.0	0.0	-
520299	Cotton waste (excluding yarn waste, thread waste and garnetted stock)	0.0	19.8	40.5	19.7	0.0	0.0	0.0	0.0	0.0	0.0	0.1

Product Code	Product label	Pakistan Exports to Japan 2018 (US\$, millions)	Japan Imports from the World 2018 (US\$, millions)	Pakistan Exports to the World 2018 (US\$, millions)	Indicative Trade Potential 2018 (US\$, millions)	Tariffs Applied by Japan (%)						BRCA 2018
						Pakistan	Australia	India	Indonesia	Thailand	Viet Nam	
030499	Frozen fish meat n.e.s. (excluding fillets)	2.7	523.3	22.0	19.3	4.3	2.6	3.2	2.9	2.8	2.9	13.6
252010	Gypsum; anhydrite	0.0	90.1	19.2	19.2	0.0	0.0	0.0	0.0	0.0	0.0	-
850710	Lead-acid accumulators of a kind used for starting piston engine "starter batteries" (excluding ...)	0.0	241.9	19.2	19.2	0.0	0.0	0.0	0.0	0.0	0.0	-
620333	Mens or boys jackets and blazers of synthetic fibres (excluding knitted or crocheted, and ...)	0.3	128.0	19.4	19.1	11.0	4.1	0.0	0.0	0.0	0.0	2.0
620343	Mens or boys trousers, bib and brace overalls breeches and shorts of synthetic fibres (excluding ...)	0.2	787.1	19.3	19.1	9.6	3.6	0.0	0.0	0.0	0.0	1.0
520100	Cotton, neither carded nor combed	0.0	113.6	19.0	19.0	0.0	0.0	0.0	0.0	0.0	0.0	-
210690	Food preparations, n.e.s.	0.0	1,021.3	19.0	18.9	27.6	27.2	27.2	26.1	26.1	26.1	0.1
081340	Dried peaches, pears, papaws "papayas", tamarinds and other edible fruits (excluding nuts, ...)	0.0	18.7	28.9	18.7	6.2	1.0	1.0	0.0	0.0	0.0	0.0
392490	Household articles and toilet articles, of plastics (excluding tableware, kitchenware, baths, ...)	0.0	336.3	18.2	18.2	0.0	0.0	0.0	0.0	0.0	0.0	-
610130	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets ...	0.0	81.9	18.0	18.0	10.9	0.0	0.0	0.0	0.0	0.0	0.2
240120	Tobacco, partly or wholly stemmed or stripped, otherwise unmanufactured	0.0	202.6	18.0	18.0	0.0	0.0	0.0	0.0	0.0	0.0	-
630130	Blankets and travelling rugs of cotton (excluding electric, table covers, bedspreads and articles ...)	0.0	38.8	17.7	17.7	7.2	0.0	0.0	0.0	0.0	0.0	-
070490	Fresh or chilled cabbages, kohlrabi, kale and similar edible brassicas (excluding cauliflowers, ...)	0.0	86.7	17.5	17.5	3.0	0.0	0.6	0.0	0.0	0.0	-
520819	Woven fabrics of cotton, containing → 85 cotton by weight and weighing ← 200 g/m ² , unbleached ...	1.2	18.6	70.1	17.4	4.3	0.0	0.0	0.0	0.0	0.0	1.9
090240	Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings ...	0.0	112.6	17.3	17.3	6.5	3.1	5.9	1.8	1.4	1.8	-
080529	Fresh or dried wilkings and similar citrus hybrids	0.0	17.2	109.9	17.2	17.0	11.7	17.0	5.3	4.3	5.3	-
030614	Frozen crabs, even smoked, whether in shell or not, incl. crabs in shell, cooked by steaming ...	0.1	526.4	17.1	17.0	4.0	0.0	1.7	2.4	1.6	1.6	0.4
170310	Cane molasses resulting from the extraction or refining of sugar	0.0	25.8	16.9	16.9	16.8	15.8	16.1	15.8	15.8	15.8	-
610332	Mens or boys jackets and blazers of cotton, knitted or crocheted (excluding wind-jackets ...)	0.3	17.1	30.2	16.9	10.9	0.0	0.0	0.0	0.0	0.0	1.0
550953	Yarn containing predominantly, but < 85 polyester staple fibres by weight, mixed principally ...	0.3	30.5	16.8	16.5	4.2	0.0	0.0	0.0	0.0	0.0	2.0
620339	Mens or boys jackets and blazers of textile materials (excluding of wool, fine animal hair, ...)	0.5	17.0	73.7	16.5	10.3	3.9	0.0	0.0	0.0	0.0	0.8
190590	Bread, pastry, cakes, biscuits and other bakers wares, whether or not containing cocoa; communion ...	0.1	372.7	16.5	16.4	13.9	16.1	13.9	13.9	13.9	13.9	0.4
551311	Plain woven fabrics containing predominantly but < 85 polyester staple fibres by weight, ...	0.0	21.0	16.4	16.4	6.1	0.0	0.0	0.0	0.0	0.0	0.1

Source: ITC Trade Map & Market Access Map

The Compound Annual Growth Rate Method:

Compound Annual Growth Rate at HS-06-Digit Level – Major Findings:

- The Compound Annual Growth Rates for Pakistan's exports to Japan, Japan's imports from the world and Pakistan's exports to the world were also calculated for the period 2009–18.⁶ The following table shows those import items for Japan which have high CAGR values. These are those items whose imports into Japan have been increasing in the past 10 years and are likely to continue to increase in the coming years.
- Twenty-Nine out of the high potential Pakistani exports to Japan are high CAGR items for Japan's imports from the world.

⁶ CAGR values have only been calculated if there are at least 3 consecutive years of recorded exports and at least one year of recorded exports within the period 2015–18. This is so that the numbers used are recent and consistent enough to be suggestive of future trends.

- The top 100 high potential Pakistan exports to Japan and top Japan imports from the world CAGR items represent a slight difference in demand for goods by Japan.
- The total trade potential within these 29 high potential Japan's imports from the world CAGR items amounted to \$2.6 billion.
- It may be noted that twenty of the twenty-nine high potential CAGR items are those products in which Japan does not offer any concession to Pakistan. Therefore, these goods need to be included in any concession list.

TABLE 3.2 High Potential Pakistani Exports to Japan based on Japan's imports from the world high CAGR items

Product Code	Product label	Pakistan Exports to Japan 2018 (US\$, millions)	Japan Imports from the World 2018 (US\$, millions)	Pakistan Exports to the World 2018 (US\$, millions)	Pakistan exports to Japan CAGR 2009-18 (%)	Japan Imports from the World CAGR 2009-18 (%)	Pakistan Exports to the World CAGR 2009-2018 (%)	Tariffs Applied by Japan (%)						
								Pakistan	Australia	India	Indonesia	Thailand	Viet Nam	
410792	Grain splits leather "incl. parchment-dressed leather", of the portions, strips or sheets of ...	0.3	35.1	48.6	53.9	14.5	14.4	22.8	6.5	2.9	0.0	0.0	0.0	2.5
620469	Womens or girls trousers, bib and brace overalls, breeches and shorts of textile materials ...	0.0	257.6	35.5	1.4	12.2	3.4	9.6	0.0	0.0	0.0	0.0	0.0	0.0
740400	Waste and scrap, of copper (excluding ingots or other similar unwrought shapes, of remelted ...	7.4	1,330.8	57.8	30.2	10.8	9.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
610332	Mens or boys jackets and blazers of cotton, knitted or crocheted (excluding wind-jackets ...	0.3	17.1	30.8	40.2	9.9	0.4	10.9	0.0	0.0	0.0	0.0	0.0	0.0
610342	Mens or boys trousers, bib and brace overalls, breeches and shorts of cotton, knitted or ...	0.9	181.3	66.8	38.7	9.6	7.3	10.9	0.0	0.0	0.0	0.0	0.0	0.0
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)	0.7	1,172.8	157.3	57.3	8.8	19.3	9.2	0.0	0.0	0.0	0.0	0.0	0.0
610343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted ...	0.2	343.7	27.4	36.3	8.3	16.2	10.9	0.0	0.0	0.0	0.0	0.0	0.0
520512	Single cotton yarn, of uncombed fibres, containing >= 85 cotton by weight and with a linear ...	24.7	54.3	777.6	3.2	7.9	3.6	3.5	0.0	0.0	0.0	0.0	0.0	0.0
620349	Mens or boys trousers, bib and brace overalls, breeches and shorts of textile materials (excluding ...	0.3	43.1	116.9	16.7	7.4	4.5	9.4	3.5	0.0	0.0	0.0	0.0	0.0
610130	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets ...	0.0	81.9	18.0	19.9	6.9	31.2	10.9	0.0	0.0	0.0	0.0	0.0	0.0
901890	Instruments and appliances used in medical, surgical or veterinary sciences,	8.8	2,482.4	373.2	6.2	6.7	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
620343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excluding ...	0.2	787.1	19.4	43.2	5.3	2.7	9.6	3.6	0.0	0.0	0.0	0.0	0.0
640399	Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather	0.2	861.6	78.1	42.9	5.1	0.9	39.8	15.6	11.2	6.9	6.9	7.7	7.7
611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber, knitted ...	0.6	191.2	96.7	11.3	4.5	19.5	1.4	0.0	0.0	0.0	0.0	0.0	0.0
130232	Mucilages and thickeners, derived from locust beans, locust bean seeds or guar seeds, whether ...	4.9	44.6	39.6	5.6	4.3	6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
550953	Yarn containing predominantly, but < 85 polyester staple fibres by weight, mixed principally ...	0.3	30.5	16.6	11.5	4.1	10.3	4.2	0.0	0.0	0.0	0.0	0.0	0.0
630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	0.1	176.8	860.9	5.6	4.0	2.7	3.6	0.0	0.0	0.0	0.0	0.0	0.0
940490	Articles of bedding and similar furnishing, fitted with springs or stuffed or internally filled ...	0.0	1,096.2	88.7	7.2	3.4	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
621600	Gloves, mittens and mitts, of all types of textile materials (excluding knitted or crocheted ...	0.1	57.5	20.5	18.9	2.9	4.9	2.6	0.0	0.0	0.0	0.0	0.0	0.0
950699	Articles and equipment for sport and outdoor games n.e.s.; swimming and paddling pools	0.4	214.9	30.3	2.1	2.8	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
190590	Bread, pastry, cakes, biscuits and other bakers wares, whether or not containing cocoa; communion ...	0.1	372.7	16.5	17.1	2.5	11.3	13.9	16.1	13.9	13.9	13.9	13.9	13.9

Product Code	Product label	Pakistan Exports to Japan 2018 (US\$, millions)	Japan Imports from the World 2018 (US\$, millions)	Pakistan Exports to the World 2018 (US\$, millions)	Pakistan exports to Japan CAGR 2007-18 (%)	Japan Imports from the World CAGR 2007-18 (%)	Pakistan Exports to the World CAGR 2007-2018 (%)	Tariffs Applied by Japan (%)					
								Pakistan	Australia	India	Indonesia	Thailand	Viet Nam
410792	Grain splits leather "incl. parchment-dressed leather", of the portions, strips or sheets of ...	0.3	35.1	48.6	53.9	14.5	14.4	22.8	6.5	2.9	0.0	0.0	2.5
620469	Womens or girls trousers, bib and brace overalls, breeches and shorts of textile materials ...	0.0	257.6	35.5	1.4	12.2	3.4	9.6	0.0	0.0	0.0	0.0	0.0
740400	Waste and scrap, of copper (excluding ingots or other similar unwrought shapes, of remelted ...	7.4	1,330.8	57.8	30.2	10.8	9.2	0.0	0.0	0.0	0.0	0.0	0.0
610332	Mens or boys jackets and blazers of cotton, knitted or crocheted (excluding wind-jackets ...	0.3	17.1	30.8	40.2	9.9	0.4	10.9	0.0	0.0	0.0	0.0	0.0
610342	Mens or boys trousers, bib and brace overalls, breeches and shorts of cotton, knitted or ...	0.9	181.3	66.8	38.7	9.6	7.3	10.9	0.0	0.0	0.0	0.0	0.0
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)	0.7	1,172.8	157.3	57.3	8.8	19.3	9.2	0.0	0.0	0.0	0.0	0.0
610343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted ...	0.2	343.7	27.4	36.3	8.3	16.2	10.9	0.0	0.0	0.0	0.0	0.0
520512	Single cotton yarn, of uncombed fibres, containing →= 85 cotton by weight and with a linear ...	24.7	54.3	777.6	3.2	7.9	3.6	3.5	0.0	0.0	0.0	0.0	0.0
620349	Mens or boys trousers, bib and brace overalls, breeches and shorts of textile materials (excluding ...	0.3	43.1	116.9	16.7	7.4	4.5	9.4	3.5	0.0	0.0	0.0	0.0
610130	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets ...	0.0	81.9	18.0	19.9	6.9	31.2	10.9	0.0	0.0	0.0	0.0	0.0
901890	Instruments and appliances used in medical, surgical or veterinary sciences,	8.8	2,482.4	373.2	6.2	6.7	4.8	0.0	0.0	0.0	0.0	0.0	0.0
620343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excluding ...	0.2	787.1	19.4	43.2	5.3	2.7	9.6	3.6	0.0	0.0	0.0	0.0
640399	Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather	0.2	861.6	78.1	42.9	5.1	0.9	39.8	15.6	11.2	6.9	6.9	7.7
611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber, knitted ...	0.6	191.2	96.7	11.3	4.5	19.5	1.4	0.0	0.0	0.0	0.0	0.0
130232	Mucilages and thickeners, derived from locust beans, locust bean seeds or guar seeds, whether ...	4.9	44.6	39.6	5.6	4.3	6.2	0.0	0.0	0.0	0.0	0.0	0.0
550953	Yarn containing predominantly, but ← 85 polyester staple fibres by weight, mixed principally ...	0.3	30.5	16.6	11.5	4.1	10.3	4.2	0.0	0.0	0.0	0.0	0.0
630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	0.1	176.8	860.9	5.6	4.0	2.7	3.6	0.0	0.0	0.0	0.0	0.0
940490	Articles of bedding and similar furnishing, fitted with springs or stuffed or internally filled ...	0.0	1,096.2	88.7	7.2	3.4	2.5	0.0	0.0	0.0	0.0	0.0	0.0
621600	Gloves, mittens and mitts, of all types of textile materials (excluding knitted or crocheted ...	0.1	57.5	20.5	18.9	2.9	4.9	2.6	0.0	0.0	0.0	0.0	0.0
950699	Articles and equipment for sport and outdoor games n.e.s.; swimming and paddling pools	0.4	214.9	30.3	2.1	2.8	-1.1	0.0	0.0	0.0	0.0	0.0	0.0
190590	Bread, pastry, cakes, biscuits and other bakers wares, whether or not containing cocoa; communion ...	0.1	372.7	16.5	17.1	2.5	11.3	13.9	16.1	13.9	13.9	13.9	13.9
841199	Parts of gas turbines, n.e.s.	-	722.8	31.0	-100.0	2.2	20.0	0.0	0.0	0.0	0.0	0.0	0.0
630710	Floorcloths, dishcloths, dusters and similar cleaning cloths, of all types of textile materials	1.2	71.1	439.0	5.6	2.0	5.9	0.0	0.0	0.0	0.0	0.0	0.0
210690	Food preparations, n.e.s.	0.0	1,021.3	18.6	8.6	2.0	4.8	27.6	27.2	27.2	26.1	26.1	26.1
120740	Sesamum seeds, whether or not broken	9.4	213.7	73.5	35.7	1.7	7.0	0.0	0.0	0.0	0.0	0.0	0.0
620342	Mens or boys trousers, bib and brace overalls, breeches and shorts, of cotton (excluding ...	1.0	839.6	349.0	4.5	1.4	-4.2	9.6	3.6	0.0	0.0	0.0	0.0
950662	Inflatable balls	4.5	36.4	163.4	3.8	0.8	3.3	0.0	0.0	0.0	0.0	0.0	0.0
420329	Gloves, mittens and mitts, of leather or composition leather (excluding special sports gloves)	1.1	81.4	219.3	8.4	0.7	7.0	13.3	8.8	6.1	3.3	3.3	3.3
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...	2.9	542.9	786.3	6.7	0.4	2.2	5.9	0.0	0.0	0.0	0.0	0.0

Source: ITC Trade Map & Market Access Map

Bilateral Revealed Comparative Advantage Method:

The table below shows Pakistan's bilateral revealed comparative advantage over Japan for the top 25 products at HS-06-digit level for the year 2018. The calculations demonstrate that Pakistan enjoys a comparative advantage in 23 of the top 25 products exported by Pakistan to Japan. Pakistan has the highest comparative advantage in "Tanks, casks, drums, cans, boxes and similar containers, of iron or steel, for any material" (HS-731029) followed by "Structures and parts of structures, of iron or steel" (HS-730890).

TABLE 3.3 Pakistan's Bilateral Revealed Comparative Advantage over Japan for Top 25 Items at HS-06, 2018

Product Code	Product label	BRCA Range: (0 - + ∞)
520512	Single cotton yarn, of uncombed fibres, containing >= 85 cotton by weight and with a linear ...	3.47
520812	Plain woven fabrics of cotton, containing >= 85 cotton by weight and weighing > 100 g to 200 ...	5.40
620322	Mens or boys ensembles of cotton (excluding knitted or crocheted, ski ensembles and swimwear)	0.88
120740	Sesamum seeds, whether or not broken	13.95
901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	2.59
520912	Woven fabrics of cotton, containing >= 85 cotton by weight and weighing > 200 g/m ² , in three-thread ...	7.11
30617	Frozen shrimps and prawns, even smoked, whether in shell or not, incl. shrimps and prawns in ...	14.31
740400	Waste and scrap, of copper (excluding ingots or other similar unwrought shapes, of remelted ...	14.01
520919	Woven fabrics of cotton, containing >= 85 cotton by weight and weighing > 200 g/m ² , unbleached ...	9.36
730890	Structures and parts of structures, of iron or steel, n.e.s. (excluding bridges and bridge-sections, ...	40.88
261000	Chromium ores and concentrates	8.37
611595	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	2.70
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	2.38
130232	Mucilages and thickeners, derived from locust beans, locust bean seeds or guar seeds, whether ...	13.63
420310	Articles of apparel, of leather or composition leather (excluding clothing accessories, footwear ...	2.06
950662	Inflatable balls	3.00
731029	Tanks, casks, drums, cans, boxes and similar containers, of iron or steel, for any material, ...	46.76
520532	Multiple "folded" or cabled cotton yarn, of uncombed fibres, containing >= 85 cotton by weight ...	2.97
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...	0.40
610349	Mens or boys trousers, bib and brace overalls, breeches and shorts of textile materials, ...	1.34
030499	Frozen fish meat n.e.s. (excluding fillets)	13.83
520522	Single cotton yarn, of combed fibres, containing >= 85 cotton by weight and with a linear ...	3.76
520911	Plain woven fabrics of cotton, containing >= 85 cotton by weight and weighing > 200 g/m ² , ...	12.88
050690	Bones and horn-cores and their powder and waste, unworked, defatted, degelatinised or simply ...	36.18
630790	Made-up articles of textile materials, incl. dress patterns, n.e.s.	6.56

Source: Own calculations based on the data from ITC Trade Map

High Potential Items on Japan's Concession List with Low Tariffs

Some high potential exports from Pakistan already enjoy low or zero tariffs and hence it is important that Pakistan ensures that concessions on these continue as part of any market access agreement. Among the top 100 export potential items, Pakistan enjoys concession on 33 items exported to Japan in 2018.

TABLE 3.4 Pakistan's High Potential Export Items Currently Enjoying Low Tariffs

Product Code	Product Label	Pakistan Exports to Japan 2018 (US\$, millions)	Japan Imports from the World 2018 (US\$, millions)	Pakistan Exports to the World 2018 (US\$, millions)	Indicative Trade Potential 2018 (US\$, millions)	Tariffs Applied by Japan (%)
901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	8.8	2,482.4	373.0	364.2	0.0
390761	Poly"ethylene terephthalate", in primary forms, having a viscosity number of →= 78 ml/g	0.5	1,091.8	131.2	130.7	0.0
611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber, knitted ...	0.6	191.2	95.2	94.6	1.4
940490	Articles of bedding and similar furnishing, fitted with springs or stuffed or internally filled ...	0.0	1,096.2	88.5	88.5	0.0
560819	Knotted netting of twine, cordage, ropes or cables, by the piece or metre; made-up nets, of ...	0.0	119.1	83.0	83.0	0.0
300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes,	0.0	13,738.5	72.9	72.9	0.0
390769	Poly"ethylene terephthalate", in primary forms, having a viscosity number of ← 78 ml/g	0.0	227.0	71.5	71.5	0.0
630710	Floorcloths, dishcloths, dusters and similar cleaning cloths, of all types of textile materials	1.2	71.1	438.9	69.9	0.0
481159	Paper and paperboard, surface-coloured, surface-decorated or printed, coated, impregnated or ...	0.0	92.8	68.4	68.4	0.0
120740	Sesamum seeds, whether or not broken	8.9	213.7	69.7	60.7	0.0
300439	Medicaments containing hormones or steroids used as hormones but not antibiotics, put up in ...	0.0	871.4	60.0	60.0	0.0
030617	Frozen shrimps and prawns, even smoked, whether in shell or not, incl. shrimps and prawns in ...	8.1	1,500.3	62.3	54.2	1.0
740400	Waste and scrap, of copper (excluding ingots or other similar unwrought shapes, of remelted ...	7.7	1,330.8	60.7	53.0	0.0
250100	Salts, incl. table salt and denatured salt, and pure sodium chloride, whether or not in aqueous ...	0.4	281.2	51.6	51.3	0.5
252620	Natural steatite and talc, crushed or powdered	0.7	63.2	45.0	44.3	0.0
630790	Made-up articles of textile materials, incl. dress patterns, n.e.s.	2.5	1,260.3	42.5	40.0	0.9
151620	Vegetable fats and oils and their fractions, partly vor wholly hydrogenated, inter-esterified, ...	0.0	55.6	35.1	35.1	0.0

Product Code	Product Label	Pakistan Exports to Japan 2018 (US\$, millions)	Japan Imports from the World 2018 (US\$, millions)	Pakistan Exports to the World 2018 (US\$, millions)	Indicative Trade Potential 2018 (US\$, millions)	Tariffs Applied by Japan (%)
080450	Fresh or dried guavas, mangoes and mangosteens	0.3	35.4	72.9	35.0	0.0
130232	Mucilages and thickeners, derived from locust beans, locust bean seeds or guar seeds, whether ...	4.9	44.6	39.8	34.9	0.0
950662	Inflatable balls	4.5	36.4	164.6	31.9	0.0
841199	Parts of gas turbines, n.e.s.	0.0	722.8	31.5	31.5	0.0
950699	Articles and equipment for sport and outdoor games n.e.s.; swimming and paddling pools	0.4	214.9	30.7	30.3	0.0
261000	Chromium ores and concentrates	5.3	33.4	71.1	28.1	0.0
841451	Table, floor, wall, window, ceiling or roof fans, with a self-contained electric motor of an ...	0.0	273.6	27.1	27.1	0.0
570110	Carpets and other textile floor coverings, of wool or fine animal hair, knotted, whether or ...	1.7	28.8	65.8	27.0	1.6
230120	Flours, meals and pellets of fish or crustaceans, molluscs or other aquatic invertebrates, ...	0.0	286.6	26.9	26.9	0.0
630612	Tarpaulins, awnings and sunblinds of synthetic fibres (excluding flat covers of light fabrics ...	0.0	48.4	26.2	26.2	0.0
721049	Flat-rolled products of iron or non-alloy steel, of a width of →= 600 mm, hot-rolled or cold-rolled ...	0.0	596.9	24.4	24.4	0.0
121300	Cereal straw and husks, unprepared, whether or not chopped, ground, pressed or in the form ...	0.0	94.6	24.3	24.3	0.0
050400	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, ...	0.0	280.8	20.2	20.2	0.0
761510	Table, kitchen or other household articles and parts thereof, and pot scourers and scouring ...	0.0	379.6	20.1	20.1	0.0
851712	Telephones for cellular networks "mobile telephones" or for other wireless networks	0.0	17,634.3	20.0	20.0	0.0
520299	Cotton waste (excluding yarn waste, thread waste and garnetted stock)	0.0	19.8	40.5	19.7	0.0
252010	Gypsum; anhydrite	0.0	90.1	19.2	19.2	0.0
850710	Lead-acid accumulators of a kind used for starting piston engine "starter batteries " (excluding ...	0.0	241.9	19.2	19.2	0.0
520100	Cotton, neither carded nor combed	0.0	113.6	19.0	19.0	0.0
392490	Household articles and toilet articles, of plastics (excluding tableware, kitchenware, baths, ...	0.0	336.3	18.2	18.2	0.0
240120	Tobacco, partly or wholly stemmed or stripped, otherwise unmanufactured	0.0	202.6	18.0	18.0	0.0

Source: ITC Trade Map & Market Access Map

Japanese Textile Imports:

- Articles of Apparel and Clothing Accessories, Knitted or Crocheted (HS-61)

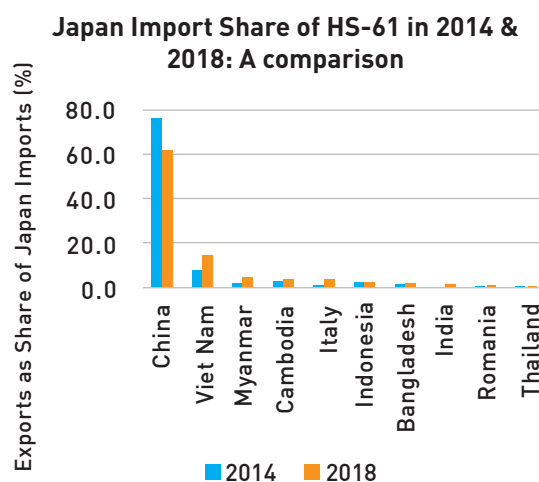
In the last 60 years, Japan has transformed itself from a major exporter of textiles and clothing to a major importer of the same. It is now the third-largest import market after the United States and Germany. China is the largest exporter to Japan of knitted apparel with a 62.0 percent share in imports. Viet Nam is a distant second with a 14.6 percent market share. In 2018, Pakistan was ranked at number 16 with a 0.2 percent share in Japanese imports. One of the reasons identified behind China's dominant share in Japanese imports of knitted apparel is the years of Japanese overseas investment in China, these started after domestic Japanese production and other production centers in South Asia started becoming uncompetitive with rising wages

TABLE 3.5 Top 10 Exporters of HS-61 to Japan 2018

Exporters	Imported value in 2018 (\$ Mn)	Share in Exports 2018 (%)	Rank
World	13,750.4	100.0	
China	8,517.4	61.9	1
Viet Nam	2,010.5	14.6	2
Bangladesh	607.9	4.4	3
Indonesia	500.5	3.6	4
Cambodia	483.4	3.5	5
Thailand	367.9	2.7	6
Italy	264.7	1.9	7
Myanmar	192.3	1.4	8
Malaysia	123.9	0.9	9
Philippines	79.9	0.6	10
Pakistan	34.1	0.2	16

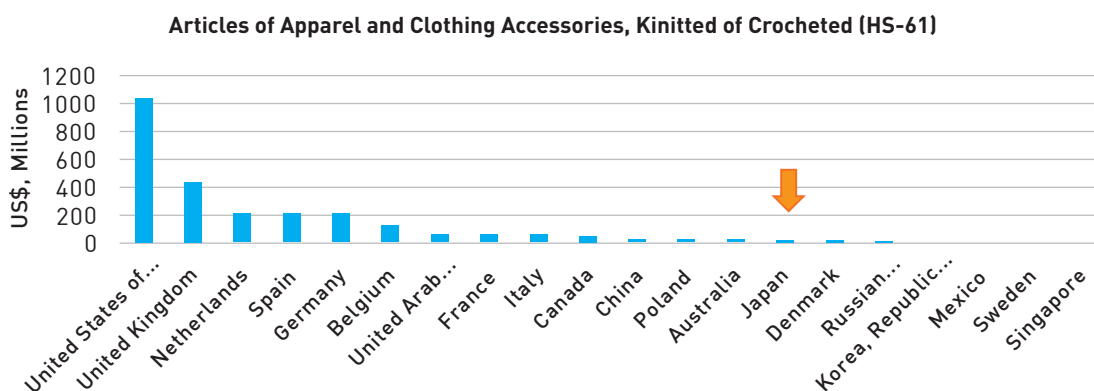
Source: ITC Trade Map

FIGURE 3.1 Exports of HS-61 as a Share of Japan Imports (%)



Source: ITC Trade Map

FIGURE 3.2 Pakistan's Top 20 Export Destinations for HS-61



Pakistan's exports of knitted apparel are concentrated in few markets namely the United States, the United Kingdom, Netherlands, Spain and Germany.

FIGURE 3.3 HS-61 as Share of Pakistan Exports and Japan Imports 2009–18



Source: ITC Trade Map

Pakistan exports of knitted apparel (HS-61) as a share of its world exports have been on an increasing trend for the last ten years. In 2018, out of its total knitted apparel exports of \$2.8 billion, Pakistan exported \$23.8 million to Japan, a 0.7 percent increase over 2009. However, the share in Japanese imports has increased by 0.15 percentage points from 0.02 percent in 2009 to 0.17 percent in 2018.

The following table shows a brief analysis of Japan's imports of knitted apparel from the world. The objective of this exercise is to determine which goods from the apparel sector should be included in Japan's concession list if a trade agreement were to be signed between the two countries. Keeping in view Japan's demand of knitted apparel products from the world, Pakistan should seek market access not only for current knitted apparel exports but also try to obtain access for products with robust growth rates. The following table also depicts Pakistan's share as a supplier of these goods to Japan along with the top 3 supplying markets and their share in Japan's imports. The AVE tariffs applied by Japan on Pakistan and top suppliers are also shown in the table below. The major findings of this exercise are:

- 11 of the top 25 products highlighted in yellow shows Japan's imports from the world with a CAGR greater than 3.0 percent indicating Japan's high demand on which Pakistani textile manufacturers need to focus.
- 5 of the top 25 products are made from man-made fibers indicating Pakistan's insignificant share of 0.0 percent. This shows that the global demand for cotton products is declining mainly because of competition from synthetic items.⁷ Pakistani manufacturers need to concentrate more on the production of synthetic products.
- The top 10 items at HS-06 show that the Japanese market for demand of knitted apparel is dominated by China and Viet Nam. China has continued being the top exporter even with no concessions having been provided by Japan.
- Top suppliers namely Viet Nam, Indonesia and Thailand have signed trade agreements with Japan that allow these countries to export at 100 percent concession.

⁷ Cotton: Market Structures, Policies and Development Issues – The World Bank Group

TABLE 3.6 Japan's import pattern of Top 25 HS-61 Items from World

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports/Share in Japan's Imports (%)	Tariff Applied by Japan on Top Exporter (%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports from the world (%)	Tariffs Applied by Japan on Pakistan (%)
611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	2,571.9	1.9	China (71.9) Viet Nam (9.2) Bangladesh (6.2)	10.5 0.0 0.0	1.6	36.5	0.0	10.0
611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	1,302.9	-0.9	China (50.2) Viet Nam (20.6) Indonesia (5.3)	10.3 0.0 0.0	10.0	34.7	1.0	10.0
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	1,214.7	-0.6	China (47.3) Viet Nam (16.2) Bangladesh (10.8)	9.2 0.0 0.0	5.9	34.2	0.0	9.0
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)	1,172.8	8.8	China (51.5) Viet Nam (21.5) Bangladesh (9.7)	9.2 0.0 0.0	0.2	16.6	0.0	9.0
611596	Full-length or knee length stockings, socks and other hosiery, incl. footwear without applied ...	515.2	5.2	China (84.4) Viet Nam (6.1) Thailand (4.8)	6.6 0.0 0.0	1.0	70.4	0.0	7.0
610463	Womens or girls trousers, bib and brace overalls, breeches and shorts of synthetic fibres, ...	471.8	7.0	China (66.5) Viet Nam (13.8) Cambodia (5.8)	10.9 0.0 0.0	0.0	-	0.0	11.0
610620	Womens or girls blouses, shirts and shirt blouses of man-made fibres, knitted or crocheted ...	471.3	0.7	China (72.2) Viet Nam (12.8) Myanmar (3.5)	9.2 0.0 0.0	0.0	7.2	0.0	9.0
611011	Jerseys, pullovers, cardigans, waistcoats and similar articles, of wool, knitted or crocheted ...	461.8	0.7	China (46.2) Viet Nam (22.1) Italy (10.2)	10.9 0.0 0.0	0.0	-	0.0	11.0
610343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted ...	343.7	8.3	China (61.8) Viet Nam (16.4) Indonesia (6.6)	10.9 0.0 0.0	2.9	93.4	1.0	11.0
610610	Womens or girls blouses, shirts and shirt blouses of cotton, knitted or crocheted (excluding ...	298.3	-4.4	China (57.0) Viet Nam (21.3) Bangladesh (8.1)	9.1 0.0 0.0	0.3	-	0.0	9.0
610520	Mens or boys shirts of man-made fibres, knitted or crocheted (excluding nightshirts, T-shirts, ...	272.6	6.9	China (58.1) Viet Nam (26.6) Indonesia (5.4)	9.2 0.0 0.0	0.0	9.6	0.0	9.0
611595	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	249.2	-3.5	China (67.6) Thailand (16.6) Viet Nam (4.0)	7.4 0.0 0.0	5.6	51.2	2.0	7.0
610443	Womens or girls dresses of synthetic fibres, knitted or crocheted (excluding petticoats)	239.6	-0.9	China (81.1) Viet Nam (6.6) Bangladesh (2.3)	10.9 0.0 0.0	0.0	-	0.0	11.0
610462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton, knitted...	226.8	0.7	China (60.6) Cambodia (13.2) Viet Nam (10.1)	10.9 0.0 0.0	0.9	71.3	0.0	11.0
610712	Mens or boys underpants and briefs of man-made fibres, knitted or crocheted	225.1	9.2	China (51.4) Viet Nam (37.3) Cambodia (4.4)	7.4 0.0 0.0	0.0	-	0.0	7.0
611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber, knitted ...	191.2	4.5	China (43.4) Malaysia (21.2) Viet Nam (17.4)	6.4 0.0 0.0	0.5	1.7	0.0	1.0
610822	Womens or girls briefs and panties of man-made fibres, knitted or crocheted	190.5	1.1	China (65.9) Viet Nam (15.1) Thailand (12.7)	7.4 0.0 0.0	0.0	-	0.0	7.0

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports/Share in Japan's Imports (%)	Tariff Applied by Japan on Top Exporter (%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports from the world (%)	Tariffs Applied by Japan on Pakistan (%)
611693	Gloves, mittens and mitts, of synthetic fibres, knitted or crocheted (excluding impregnated, ...	189.6	5.5	China (74.3) Viet Nam (6.2) Indonesia (4.2)	5.3 0.0 0.0	0.5	5.4	0.0	5.0
610342	Mens or boys trousers, bib and brace overalls, breeches and shorts of cotton, knitted or ...	181.3	9.6	China (48.1) Indonesia (13.4) Viet Nam (10.6)	10.9 0.0 0.0	3.0	66.1	2.0	11.0
610821	Womens or girls briefs and panties of cotton, knitted or crocheted	178.0	-2.0	China (61.7) Thailand (11.7) Viet Nam (9.8)	7.4 0.0 0.0	0.0	-	0.0	7.0
611120	Babies garments and clothing accessories of cotton, knitted or crocheted (excluding hats)	171.8	0.0	China (76.0) Cambodia (5.8) Bangladesh (4.4)	8.3 0.0 0.0	0.2	20.3	0.0	8.0
611012	Jerseys, pullovers, cardigans, waistcoats and similar articles, of hair of Kashmir "cashmere" ...	164.7	4.1	Viet Nam (36.6) China (34.4) Italy (17.3)	0.0 10.9 0.0	0.0	-	0.0	11.0
610510	Mens or boys shirts of cotton, knitted or crocheted (excluding nightshirts, -T shirts, singlets ...	161.4	-4.7	China (43.1) Viet Nam (29.3) Italy (4.6)	9.2 0.0 0.0	0.9	8.2	1.0	9.0
610711	Mens or boys underpants and briefs of cotton, knitted or crocheted	155.4	-2.5	China (58.2) Viet Nam (12.2) Cambodia (11.6)	7.4 0.0 0.0	0.1	-	0.0	7.0
611522	Pantyhose and tights of synthetic fibres, knitted or crocheted, measuring per single yarn >= ...	144.6	9.8	China (68.6) Viet Nam (21.5) Bangladesh (6.0)	7.4 0.0 0.0	0.0	-	0.0	7.0

Source: ITC Trade Map

The following table shows Japan's top 25 imports of knitted apparel from Pakistan, along with Pakistan's share in Japan's imports of these particular products. Compound annual growth rates for 10 years are also included to analyze the trend in Japan's knitted apparel imports from the world and Pakistan. Pakistan's rank in world exports and Japan's imports are also listed to showcase Pakistan's position in the supply of the specific product. The major findings of this table are:

- Items under HS-61 depicts Pakistan's share of 11.0 percent in total exports to Japan.
- All top 25 items represent positive CAGR for Japan's imports from Pakistan except 'Gloves, mittens and mitts, of cotton, knitted or crocheted' (HS-611692) indicating a positive trend for Pakistan to meet Japanese demand for these goods.
- 6 of the top 25 products highlighted in yellow are those products where Japan's imports are declining while Pakistan has been able to maintain a positive CAGR.
- If Pakistan and Japan were to sign a trade agreement, mediators from Pakistan should ask for concessions not only for current knitted apparel products being exported but also for those showing positive CAGR.

TABLE 3.7 Japan's import pattern of Top 25 HS-61 Items from Pakistan

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 [%]	Top 3 Suppliers for Japan Imports/Share in Japan's Imports [%]	Tariff Applied by Japan on Top Exporter [%]	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 [%]	Pakistan's Share in Japan Imports from the world [%]	Tariffs Applied by Japan on Pakistan [%]
611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted...	10.0	1,302.9	1.0	32	11	34.7	-0.9	10.0
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	5.9	1,214.7	0.0	28	17	34.2	-0.6	9.0
611595	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied...	5.6	249.2	2.0	5	4	51.2	-3.5	7.0
610342	Mens or boys trousers, bib and brace overalls, breeches and shorts of cotton, knitted or ...	3.0	181.3	2.0	15	7	66.1	9.6	11.0
610343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted ...	2.9	343.7	1.0	18	10	93.4	8.3	11.0
611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted...	1.6	2,571.9	0.0	77	19	36.5	1.9	10.0
611596	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied...	1.0	515.2	0.0	17	12	70.4	5.2	7.0
610462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton, knitted ...	0.9	226.8	0.0	23	16	71.3	0.7	11.0
610510	Mens or boys shirts of cotton, knitted or crocheted [excluding nightshirts, T-shirts, singlets ...	0.9	161.4	1.0	12	12	8.2	-4.7	9.0
611693	Gloves, mittens and mitts, of synthetic fibres, knitted or crocheted [excluding impregnated, ...	0.5	189.6	0.0	22	12	5.4	5.5	5.0
611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber, knitted...	0.5	191.2	0.0	7	11	1.7	4.5	1.0
610610	Womens or girls blouses, shirts and shirt-blouses of cotton, knitted or crocheted [excluding ...	0.3	298.3	0.0	25	19	-	-4.4	9.0
611120	Babies garments and clothing accessories of cotton, knitted or crocheted [excluding hats]	0.2	171.8	0.0	31	16	20.3	0.0	8.0
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted [excluding cotton]	0.2	1,172.8	0.0	24	32	16.6	8.8	9.0
611211	Track -suits of cotton, knitted or crocheted	0.2	2.2	7.0	10	5	-	-5.5	11.0
611430	Special garments for professional, sporting or other purposes, n.e.s., of man-made fibres, ...	0.1	128.0	0.0	48	24	5.4	-1.9	8.0
610711	Mens or boys underpants and briefs of cotton, knitted or crocheted	0.1	155.4	0.0	12	18	-	-2.5	7.0
610120	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets ...	0.1	13.5	1.0	22	14	16.2	-3.0	11.0
611420	Special garments for professional, sporting or other purposes, n.e.s., of cotton, knitted or...	0.1	29.7	0.0	34	14	-	-12.5	8.0
610442	Womens or girls dresses of cotton, knitted or crocheted [excluding petticoats]	0.0	110.1	0.0	48	25	-	-2.4	11.0
610130	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets ...	0.0	81.9	0.0	16	22	21.0	6.9	11.0
610463	Womens or girls trousers, bib and brace overalls, breeches and shorts of synthetic fibres, ...	0.0	471.8	0.0	72	31	-	7.0	11.0
611692	Gloves, mittens and mitts, of cotton, knitted or crocheted [excluding impregnated, coated or ...	0.0	45.9	0.0	2	11	-8.0	0.1	7.0
610620	Womens or girls blouses, shirts and shirt-blouses of man-made fibres, knitted or crocheted ...	0.0	471.3	0.0	68	35	7.2	0.7	9.0
610520	Mens or boys shirts of man-made fibres, knitted or crocheted [excluding nightshirts, T-shirts, ...	0.0	272.6	0.0	21	32	9.6	6.9	9.0

Source: ITC Trade Map

Articles of Apparel and Clothing Accessories, Not Knitted or Crocheted (HS-62)

China is the dominant player in the Japanese market when it comes to the import of woven articles of apparel and clothing accessories. China has the largest share of 57.7 percent followed by Viet Nam, Myanmar, Cambodia and Italy. These five countries account for 84.2 percent of the total woven apparel imports of Japan. Pakistan in 2018 had a share of 0.2 percent in Japan's imports for HS-62.

TABLE 3.8 Top 10 Exporters of HS-62 to Japan 2018

Exporters	Imported value in 2018 (\$ Mn)	Share in Exports 2018 (%)	Rank
World	14,690.2	100.0	
China	8,471.1	57.7	1
Viet Nam	2,017.3	13.7	2
Myanmar	718.3	4.9	3
Cambodia	581.7	4.0	4
Italy	566.0	3.9	5
Indonesia	563.5	3.8	6
Bangladesh	513.2	3.5	7
India	210.0	1.4	8
Romania	121.6	0.8	9
Thailand	118.5	0.8	10
Pakistan	22.5	0.2	25

Source: ITC Trade Map

FIGURE 3.4 Exports of HS-61 as a Share of Japan Imports (%)

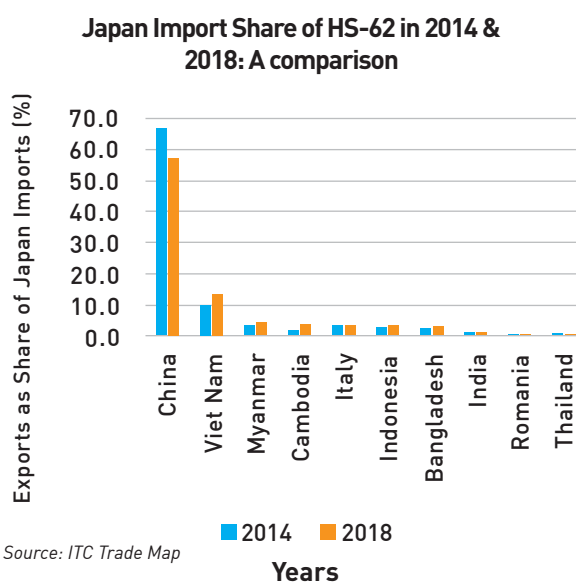
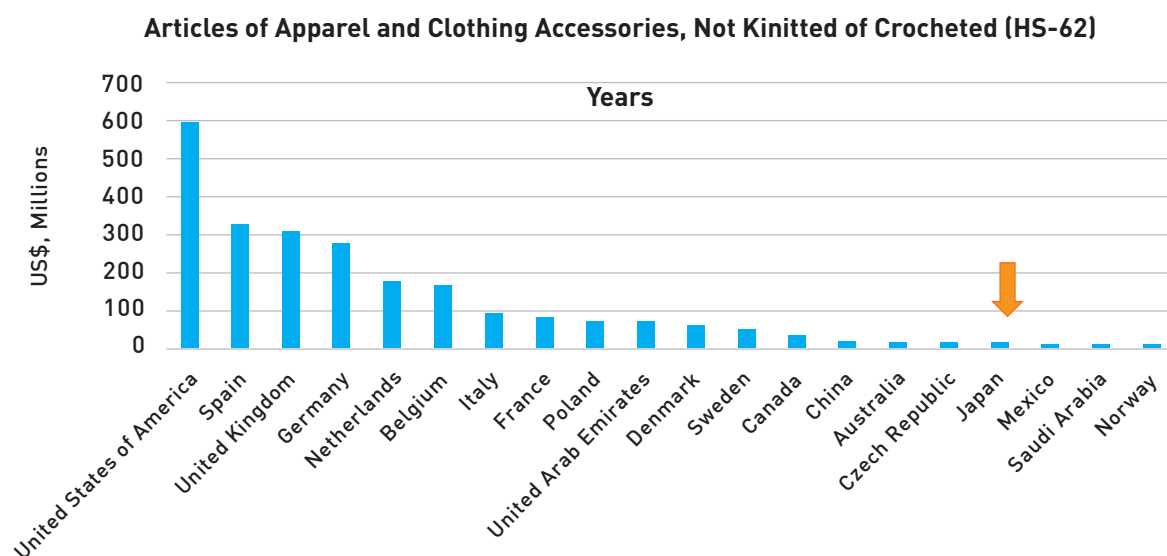


FIGURE 3.5 Pakistan's Top 20 Export Destinations for HS-62



Pakistan's exports of articles classified under HS-62 are concentrated in a few markets mainly the United States, Spain, the United Kingdom, Germany and Netherlands. Japan is the 17th largest export destination for articles classified under HS-62.

FIGURE 3.6 HS-62 as a Share of Pakistan Exports and Japan Imports 2009–18



Source: ITC Trade Map

The following table shows a brief analysis of Japan’s imports of woven apparel from the world. The objective of this exercise is to determine which goods from the apparel sector should be included in Japan’s concession list if a trade agreement were to sign between the two countries. Keeping in view Japan’s demand of woven apparel products from the world, Pakistan should seek market access not only for current woven apparel exports but also try to obtain access for products with robust growth rates. The following table also depicts Pakistan’s share as a supplier of these goods to Japan along with the top 3 supplying markets and their share in Japan’s imports. The AVE tariffs applied by Japan on Pakistan and top suppliers are also shown in the table below. The major findings of this exercise are:

- 16 of the top 25 products highlighted in yellow shows Japan’s imports from the world CAGR greater than 3.0 percent indicating Japan’s high demand on which Pakistani textile manufacturers need to focus.
- 8 of the top 25 products are made from man-made fibers indicating Pakistan’s insignificant share of 0.0 percent.
- The top 10 items at HS-06 show that the Japanese market for demand of woven apparel is dominated by China. China continued being the top exporter even when no concessions have been provided by Japan.

TABLE 3.9 Japan’s import pattern of Top 25 HS-62 Items from World

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports/Share in Japan's Imports (%)	Tariff Applied by Japan on Top Exporter (%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports from the world (%)	Tariffs Applied by Japan on Pakistan (%)
620193	Mens or boys anoraks, windcheaters, wind jackets and similar articles, of man made fibres ...	895.7	4.8	China (53.5) Viet Nam (23.1) Myanmar (7.6)	11.0 0.0 0.0	0.2	40.1	0.0	11.0

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports/Share in Japan's Imports (%)	Tariff Applied by Japan on Top Exporter (%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports from the world (%)	Tariffs Applied by Japan on Pakistan (%)
620462	Womens or girls trousers , bib and brace overalls, breeches and shorts of cotton (excluding ...	867.6	-2.8	China (56.7) Cambodia (12.0) Bangladesh (9.4)	9.6 0.0 0.0	7.2	32.5	1.0	10.0
620342	Mens or boys trousers, bib and brace overalls, breeches and shorts, of cotton (excluding ...	839.6	1.4	China (39.2) Bangladesh (17.4) Viet Nam (15.3)	9.6 0.0 0.0	10.1	25.8	1.0	10.0
620343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excluding ...	787.1	5.3	China (48.3) Viet Nam (25.6) Myanmar (9.3)	9.6 0.0 0.0	0.3	22.6	0.0	10.0
620213	Womens or girls overcoats, raincoats, car coats, capes, cloaks and similar articles, of man-made ...	655.4	4.6	China (69.8) Myanmar (9.7) Viet Nam (5.4)	11.0 0.0 0.0	0.0	-	0.0	11.0
620463	Womens or girls trousers, bib and brace overalls, breeches and shorts of synthetic fibres ...	638.2	7.1	China (62.7) Viet Nam (13.7) Indonesia (8.2)	9.6 0.0 0.0	0.0	-	0.0	10.0
621210	Brassieres of all types of textile materials, whether or not elasticated, incl. knitted or ...	569.3	2.1	China (68.1) Viet Nam (19.0) Thailand (7.2)	0.0 0.0 0.0	0.0	-	0.0	0.0
620520	Mens or boys shirts of cotton (excluding knitted or crocheted, nightshirts, singlets and ...	547.6	-0.5	China (45.9) Viet Nam (15.8) Bangladesh (8.3)	7.4 0.0 0.0	0.0	-13.2	0.0	7.0
620640	Womens or girls blouses, shirts and shirt-blouses of man-made fibres (excluding knitted or ...	544.7	7.4	China (71.5) Viet Nam (9.2) Myanmar (4.1)	8.8 0.0 0.0	0.0	-	0.0	9.0
620293	Womens or girls anoraks, windcheaters, wind jackets and similar articles, of man-made fibres ...	541.7	3.1	China (65.7) Viet Nam (8.8) Myanmar (8.2)	11.0 0.0 0.0	0.0	-18.2	0.0	11.0
620630	Womens or girls blouses, shirts and shirt-blouses of cotton (excluding knitted or crocheted ...	481.2	0.9	China (61.5) India (10.9) Viet Nam (8.0)	8.8 0.0 0.0	0.0	-100.0	0.0	9.0
620311	Mens or boys suits of wool or fine animal hair (excluding knitted or crocheted, tracksuits, ...	406.5	-2.1	China (62.2) Viet Nam (8.9) Italy (6.6)	11.0 0.0 0.0	0.0	-	0.0	11.0
621133	Mens or boys tracksuits and other garments, n.e.s. of manmade fibres (excluding knitted ...	385.7	4.1	China (45.4) Viet Nam (38.4) Myanmar (7.6)	11.0 0.0 0.0	0.6	34.2	0.0	11.0
621143	Womens or girls tracksuits and other garments, n.e.s. of man-made fibres (excluding knitted ...	382.4	2.3	China (60.8) Viet Nam (24.5) Indonesia (5.2)	11.0 0.0 0.0	0.5	65.5	0.0	11.0
620443	Womens or girls dresses of synthetic fibres (excluding knitted or crocheted and petticoats)	369.8	2.1	China (74.0) Viet Nam (9.7) Cambodia (2.4)	9.6 0.0 0.0	0.0	-	0.0	10.0
620453	Womens or girls skirts and divided skirts of synthetic fibres (excluding knitted or crocheted ...	349.6	7.3	China (78.5) Viet Nam (6.7) Cambodia (3.5)	9.6 0.0 0.0	0.0	-	0.0	10.0
620530	Mens or boys shirts of man-made fibres (excluding knitted or crocheted, nightshirts, singlets ...	308.4	3.2	China (38.9) Viet Nam (25.5) Myanmar (14.8)	7.4 0.0 0.0	0.0	-	0.0	7.0

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports/Share in Japan's Imports (%)	Tariff Applied by Japan on Top Exporter (%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports from the world (%)	Tariffs Applied by Japan on Pakistan (%)
621290	Corsets, braces, garters, suspenders and similar articles and parts thereof, incl. parts of...	305.7	26.1	China (84.4) Indonesia (8.9) Viet Nam (3.2)	0.0 0.0 0.0	0.0	-	0.0	0.0
620469	Womens or girls trousers, bib and brace overalls, breeches and shorts of textile materials	257.6	12.2	China (58.2) Cambodia (15.6) Viet Nam (5.9)	9.6 0.0 0.0	0.0	-	0.0	10.0
620452	Womens or girls skirts and divided skirts of cotton (excluding knitted or crocheted and ...)	234.6	3.7	China (70.0) Cambodia (5.8) Indonesia (5.2)	9.6 0.0 0.0	0.2	36.4	0.0	10.0
620211	Womens or girls overcoats, raincoats, car coats, capes, cloaks and similar articles, of wool ...	229.5	5.8	China (52.1) Italy (18.6) Viet Nam (11.9)	11.0 0.0 0.0	0.0	-	0.0	11.0
620113	Mens or boys overcoats, raincoats, car coats, capes, cloaks and similar articles, of man-made ...	217.5	6.0	China (55.0) Myanmar (17.8) Viet Nam (13.2)	11.0 0.0 0.0	0.0	27.1	0.0	11.0
620442	Womens or girls dresses of cotton (excluding knitted or crocheted and petticoats)	204.0	-4.2	China (64.2) India (13.5) Italy (4.7)	9.6 0.0 0.0	0.0	2.0	0.0	10.0
621040	Mens or boys garments of textile fabrics, rubberised or impregnated, coated, covered or laminated ...	201.7	4.1	China (49.6) Viet Nam (34.4) Myanmar (9.1)	9.6 0.0 0.0	0.0	16.2	0.0	10.0
620312	Mens or boys suits of synthetic fibres (excluding knitted or crocheted, tracksuits, ski suits ...)	186.5	3.5	China (35.6) Myanmar (18.6) Indonesia (15.8)	9.6 0.0 0.0	0.0	-	0.0	10.0

Source: ITC Trade Map

The following table shows Japan's top 25 imports of woven apparel from Pakistan, along with Pakistan's share in Japan's imports of these particular products. Compound annual growth rates for 10 years are also included to analyze the trend in Japan's woven apparel imports from the world and Pakistan. Pakistan's rank in world exports and Japan's imports are also listed to showcase Pakistan's position in the supply of the specific product. The major findings of this table are:

- Items under HS-62 depicts Pakistan's share of 7.8 percent in total exports to Japan.
- All top 25 items represent positive CAGR for Japan's imports from Pakistan except 'Mens or boys tracksuits and other garments, n.e.s. of cotton (excluding knitted or crocheted)' (HS-621132) indicating a positive trend for Pakistan to meet Japanese demand for these goods.
- 6 of the top 25 products highlighted in yellow are those products where Japan's imports are declining while Pakistan has been able to maintain a positive CAGR.
- If Pakistan and Japan were to sign a trade agreement, mediators from Pakistan should ask for concessions not only for current woven apparel products being exported but also for those showing positive CAGR.

TABLE 3.10 Japan's import pattern of Top 25 HS-62 Items from Pakistan

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports / Share in Japan's Imports (%)	Tariff Applied by Japan on Top Exporter(%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports from the world(%)	Tariffs Applied by Japan on Pakistan (%)
620342	Mens or boys trousers, bib and brace overalls, breeches and shorts, of cotton (excluding ...	10.1	839.6	1.0	16	11	25.8	1.4	10.0
620462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton (excluding ...	7.2	867.6	1.0	24	10	32.5	-2.8	10.0
621142	Womens or girls tracksuits and other garments, n.e.s. of cotton (excluding knitted or crocheted)	1.1	127.9	1.0	26	8	11.3	-3.1	10.0
621133	Mens or boys tracksuits and other garments, n.e.s. of man-made fibres (excluding knitted ...	0.6	385.7	0.0	66	11	34.2	4.1	11.0
621600	Gloves, mittens and mitts, of all types of textile materials (excluding knitted or crocheted ...	0.6	57.5	1.0	12	7	17.0	2.9	3.0
621143	Womens or girls tracksuits and other garments, n.e.s. of man-made fibres (excluding knitted ...	0.5	382.4	0.0	68	16	65.5	2.3	11.0
621132	Mens or boys tracksuits and other garments, n.e.s. of cotton (excluding knitted or crocheted)	0.5	110.2	0.0	29	8	-11.8	2.0	10.0
620332	Mens or boys jackets and blazers of cotton (excluding knitted or crocheted, and wind-jackets ...	0.4	52.9	1.0	16	13	-	-3.4	11.0
620343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excluding ...	0.3	787.1	0.0	41	25	22.6	5.3	10.0
620193	Mens or boys anoraks, windcheaters, wind jackets and similar articles, of man-made fibres ...	0.2	895.7	0.0	40	27	40.1	4.8	11.0
620920	Babies garments and accessories of cotton (excluding knitted or crocheted and hats, ...	0.2	30.5	1.0	30	11	21.0	1.7	8.0
620452	Womens or girls skirts and divided skirts of cotton (excluding knitted or crocheted and ...	0.2	234.6	0.0	31	19	36.4	3.7	10.0

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports/ Share in Japan's Imports (%)	Tariff Applied by Japan on Top Exporter(%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports from the world(%)	Tariffs Applied by Japan on Pakistan (%)
621710	Made-up clothing accessories, of all types of textile materials, n.e.s. (excluding knitted ...	0.1	49.4	0.0	34	11	9.5	-0.1	7.0
620432	Womens or girls jackets and blazers of cotton (excluding knitted or crocheted, wind-jackets ...	0.1	58.0	0.0	27	21	43.2	-8.1	11.0
620192	Mens or boys anoraks, windcheaters, wind jackets and similar articles, of cotton (not knitted ...	0.1	80.3	0.0	37	25	16.8	0.6	11.0
620892	Womens or girls singlets and other vests, briefs, panties, négligés, bathrobes, dressing.	0.1	13.8	0.0	44	15	-	0.4	9.0
620349	Mens or boys trousers, bib and brace overalls, breeches and shorts of textile materials (excluding ...	0.0	43.1	0.0	3	18	-	7.4	9.0
621050	Womens or girls garments of textile fabrics, rubberised or impregnated, coated, covered or ...	0.0	117.5	0.0	72	18	-	-2.0	10.0
620113	Mens or boys overcoats, raincoats, car coats, capes, cloaks and similar articles, of man-made ...	0.0	217.5	0.0	61	29	27.1	6.0	11.0
620322	Mens or boys ensembles of cotton (excluding knitted or crocheted, ski ensembles and swimwear)	0.0	7.3	0.0	1	8	-	10.7	10.0
620822	Womens or girls nightdresses and pyjamas of man-made fibres (excluding knitted or crocheted, ...	0.0	42.9	0.0	23	13	-	19.4	7.0
620891	Womens or girls singlets and other vests, briefs, panties, négligés, bathrobes, dressing.	0.0	9.3	0.0	8	13	-	-9.0	9.0
620292	Womens or girls anoraks, windcheaters, wind jackets and similar articles, of cotton (not ...	0.0	45.9	0.0	60	35	20.6	-3.4	11.0
620442	Womens or girls dresses of cotton (excluding knitted or crocheted and petticoats)	0.0	204.0	0.0	64	52	2.0	-4.2	10.0
621040	Mens or boys garments of textile fabrics, rubberised or impregnated, coated, covered or laminated ...	0.0	201.7	0.0	62	33	16.2	4.1	10.0

Source: ITC Trade Map

Other made-up textile articles; sets; worn clothing and worn textile articles; rags (HS-63)

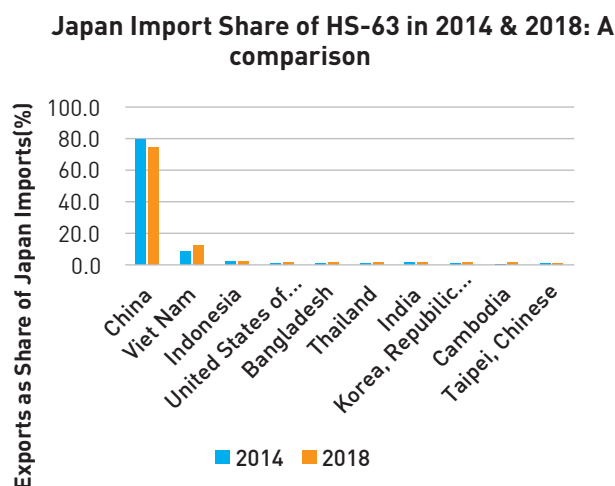
China is the dominant player in the Japanese market when it comes to the import of other made-up textile articles of apparel and clothing accessories. China has the largest share of 74.0 percent followed by Viet Nam, Indonesia, the United States, Bangladesh and Thailand. These five countries account for 18.5 percent of the total other made-up articles imports of Japan. Pakistan in 2018 had a share of 0.3 percent in Japan's imports for HS-63.

TABLE 3.11 Top 10 Exporters of HS-63 to Japan 2018

Exporters	Imported value in 2018 (\$ Mn)	Share in Exports 2018 (%)	Rank
World	3,714.9	100.0	
China	2,748.7	74.0	1
Viet Nam	454.4	12.2	2
Indonesia	82.2	2.2	3
United States of America	60.8	1.6	4
Bangladesh	49.9	1.3	5
Thailand	45.8	1.2	6
India	45.1	1.2	7
Korea, Republic of	43.1	1.2	8
Cambodia	35.8	1.0	9
Taipei, Chinese	34.5	0.9	10
Pakistan	9.6	0.3	12

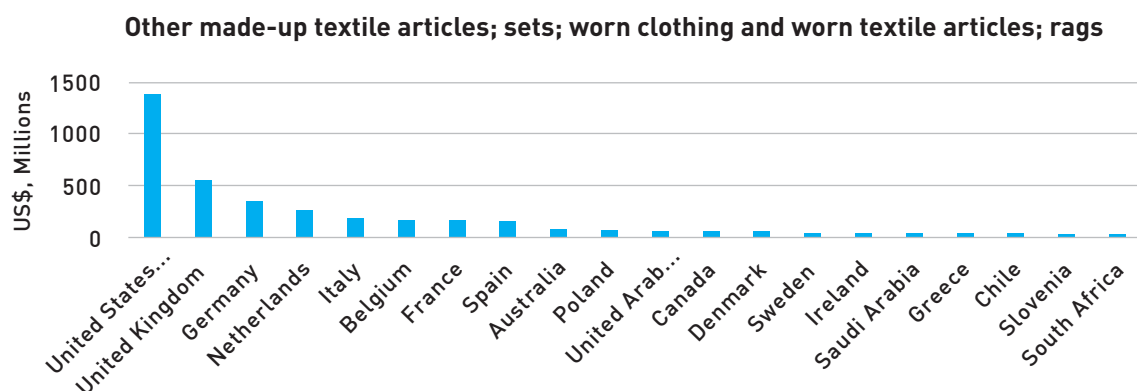
Source: ITC Trade Map

FIGURE 3.7 Exports of HS-63 as a Share of Japan Imports (%)



Source: ITC Trade Map

FIGURE 3.8 Pakistan's Top 20 Export Destinations for HS-63



Source: ITC Trade Map

Pakistan's exports of other made-up textile articles are concentrated in few markets namely the United States, the United Kingdom, Germany and Netherlands. Japan was ranked at number 32 with a 0.2 percent share in exports.

FIGURE 3.9 HS-63 as Share of Pakistan Exports and Japan Imports 2009–18



Source: ITC Trade Map

Pakistan exports of other made-up textile articles (HS-63) as a share of its world exports have been on a fluctuating trend for the last ten years. Same is the case with Pakistan's exports as percentage share of Japan's imports. In 2018, out of its total other made-up textile articles exports of \$4.2 billion, Pakistan exported \$9.4 million to Japan. However, the share in Japanese imports has increased by 0.17 percentage points from 0.08 percent in 2009 to 0.25 percent in 2018.

The following table shows a brief analysis of Japan's imports of other made-up textile articles from the world. The objective of this exercise is to determine which goods from the other made-up textile sector should be included in Japan's concession list if a trade agreement was to be signed between the two countries. Keeping in view Japan's demand of other made-up products from the world, Pakistan should seek market access not only for its current exports but also try to obtain access for products with robust growth rates. The following table also depicts Pakistan's share as a supplier of these goods to Japan along with the top 3 supplying markets and their share in Japan's imports. The AVE tariffs applied by Japan on Pakistan and top suppliers are also shown in the table below. The major findings of this exercise are:

- 12 of the top 25 products highlighted in yellow shows Japan's imports from the world have a CAGR greater than 3.0 percent indicating Japan's high demand on which Pakistani textile manufacturers need to focus.
- Pakistan ranks at number 2 among the top 3 supplying markets for the product 'Used or new rags, scrap twine, cordage, rope and cables and worn-out articles thereof, of textile' (HS-631010).
- 7 of the top 25 products highlighted in red are those products where Japan's demand from the world is lower than the demand from Pakistan.
- 23 of the top 25 items at HS-06 show that the Japanese market for demand of other made-up textile articles is dominated by China and Viet Nam. China continued being the top exporter even when no concessions have been provided by Japan.
- Japan rank at number 3 for the import of HS-63. Top suppliers namely Viet Nam, Indonesia, India, Malaysia and Thailand have signed trade agreement with Japan that allow these countries to export at 100 percent concession. Bangladesh also enjoys concession mainly because it has not graduated from the LDC list.

TABLE 3.12 Japan's import pattern of Top 25 HS-63 Items from the World

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports/Share in Japan's Imports (%)	Tariffs Applied by Japan on Top Exporter (%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports (%)	Tariffs Applied by Japan on Pakistan (%)
630790	Made-up articles of textile materials, incl. dress patterns, n.e.s.	1,260.3	-2.2	China (78.4) Viet Nam (6.9) Korea, Republic of (2.4)	5.3 0.0 5.3	0.2	7.2	0.0	1.0
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...	542.9	0.4	China (54.1) Viet Nam (36.2) Bangladesh (2.5)	7.4 0.0 0.0	2.6	3.6	0.0	6.0
630532	Flexible intermediate bulk containers, for the packing of goods, of synthetic or man-made textile ...	361.1	7.9	China (73.5) Viet Nam (16.6) Indonesia (5.7)	3.3 0.0 0.0	0.0	-	0.0	0.0
630392	Curtains, incl. drapes, and interior blinds, curtain or bed valances of synthetic fibres (excluding ...	186.0	2.3	China (80.6) Viet Nam (9.7) Indonesia (4.7)	5.3 0.0 0.0	0.0	-100.0	0.0	2.0
630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	176.8	4.0	China (83.0) Viet Nam (6.0) Bangladesh (5.2)	4.5 0.0 0.0	1.5	19.5	1.0	4.0
630140	Blankets and travelling rugs of synthetic fibres (excluding electric, table covers, bedspreads ...	154.7	1.3	China (96.1) Viet Nam (1.2) Taipei, Chinese (0.9)	5.3 0.0 5.3	0.0	2.9	0.0	4.0
630210	Bedlinen, knitted or crocheted	109.3	11.7	China (86.5) Cambodia (6.9) Viet Nam (4.7)	9.1 0.0 0.0	0.0	-	0.0	9.0
630622	Tents of synthetic fibres (excluding umbrella and play tents)	77.6	8.9	China (71.9) Viet Nam (13.5) Bangladesh (5.9)	4.0 0.0 0.0	0.0	-	0.0	0.0

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports/Share in Japan's Imports (%)	Tariffs Applied by Japan on Top Exporter (%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports (%)	Tariffs Applied by Japan on Pakistan (%)
630710	Floorcloths, dishcloths, dusters and similar cleaning cloths, of all types of textile materials	71.1	2.0	China (62.1) Viet Nam (21.9) Korea, Republic of (5.1)	5.6 0.0 5.6	0.6	6.6	1.0	0.0
630221	Printed bedlinen of cotton (excluding knitted or crocheted)	67.8	1.7	China (83.0) Bangladesh (10.7) India (1.5)	4.5 0.0 0.0	0.2	-9.8	0.0	4.0
630533	Sacks and bags, for the packing of goods, of polyethylene or polypropylene strip or the like ...	67.3	4.9	China (83.1) Viet Nam (13.4) Indonesia (2.2)	3.3 0.0 0.0	0.0	-	0.0	0.0
630293	Toilet linen and kitchen linen of man made fibres (excluding floorcloths, polishing cloths, ...)	59.7	15.0	China (95.7) Korea, Republic of (3.3) Viet Nam (0.4)	5.3 5.3 0.0	0.0	-	0.0	2.0
630222	Printed bedlinen of man-made fibres (excluding knitted or crocheted)	56.1	-2.8	China (97.9) Bangladesh (1.1) Thailand (0.5)	5.3 2.1 0.0	0.1	-2.0	0.0	2.0
630493	Articles for interior furnishing, of synthetic fibres (excluding knitted or crocheted, blankets ...)	53.7	1.4	China (87.4) Viet Nam (5.2) India (1.5)	5.3 0.0 0.0	0.0	-100.0	0.0	2.0
630612	Tarpaulins, awnings and sunblinds of synthetic fibres (excluding flat covers of light fabrics ...)	48.4	4.7	China (84.6) Bangladesh (6.6) Viet Nam (4.9)	4.0 0.0 0.0	0.0	-	0.0	0.0

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports/Share in Japan's Imports (%)	Tariffs Applied by Japan on Top Exporter (%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports (%)	Tariffs Applied by Japan on Pakistan (%)
630491	Articles for interior furnishing, knitted or crocheted (excluding blankets and travelling rugs, ...	48.3	4.5	China (87.0) Viet Nam (6.7) Thailand (3.8)	9.1 0.0 0.0	0.0	-	0.0	9.0
630900	Worn clothing and clothing accessories, blankets and travelling rugs, household linen and articles ...	46.7	6.7	United States (53.8) Thailand (16.0) Canada (6.0)	5.8 0.0 0.0	1.3	21.6	3.0	0.0
630232	Bedlinen of man-made fibres (excluding printed, knitted or crocheted)	39.0	-1.6	China (95.7) Viet Nam (2.9) United States (0.5)	5.3 0.0 5.3	0.0	-100.0	0.0	2.0
630130	Blankets and travelling rugs of cotton (excluding electric, table covers, bedspreads and articles ...	38.8	-3.3	China (77.6) Viet Nam (6.7) Thailand (3.8)	9.0 0.0 0.0	0.0	-9.7	0.0	7.0
630291	Toilet linen and kitchen linen of cotton (excluding of terry fabrics, floorcloths, polishing ...	37.0	0.7	China (61.1) Viet Nam (20.1) India (9.0)	7.4 0.0 0.0	0.1	24.6	0.0	6.0
630110	Electric blankets of all types of textile materials	34.5	3.7	China (50.4) Indonesia (36.6) Viet Nam (12.7)	5.3 0.0 0.0	0.0	-	0.0	0.0
630312	Curtains, incl. drapes, and interior blinds, curtain or bed valances of synthetic fibres, knitted...	32.9	2.6	China (70.3) Viet Nam (26.7) Indonesia (2.0)	9.1 0.0 0.0	0.0	-	0.0	9.0
630492	Articles for interior furnishing, of cotton (excluding	29.2	-1.1	China (64.5) India (28.8) Italy (1.2)	7.4 0.0 0.0	0.0	-	0.0	6.0

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports/Share in Japan's Imports (%)	Tariffs Applied by Japan on Top Exporter (%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports (%)	Tariffs Applied by Japan on Pakistan (%)
630720	knitted or crocheted, blankets and travelling ... Life jackets and life belts, of all types of textile materials	14.1	10.7	China (65.8) Viet Nam (12.2) United States (9.6)	5.6 0.0 5.6	0.0	-	0.0	0.0
631010	Used or new rags, scrap twine, cordage, rope and cables and worn-out articles thereof, of textile ...	13.4	7.6	Bangladesh (32.5) Pakistan (19.3) Malaysia (11.0)	0.0 0.0 0.0	2.6	10.1	19.0	0.0

Source: ITC Trade Map

The table below shows Japan's top 25 imports of other made-up textile articles from Pakistan, along with Pakistan's share in Japan's imports of these particular products. Compound annual growth rates for 10 years are also included to analyze the trend in Japan's imports of other made-up textile articles from the world and Pakistan. Pakistan's rank in world exports and Japan's imports are also listed to showcase Pakistan's position in the supply of the specific product. The major findings of this table are:

- Items under HS-63 depicts Pakistan's share of 4.4 percent in total exports to Japan.
- 9 of the top 25 products highlighted in yellow are those products where Japan's imports are declining while Pakistan has been able to maintain a positive CAGR showing the ability of Pakistan to meet Japanese demand.
- If Pakistan and Japan were to sign a trade agreement, negotiators from Pakistan should ask for concessions not only for current other made-up textile products being exported but also for those showing positive CAGR.

TABLE 3.13 Japan's import pattern of Top 25 HS-63 Items from Pakistan

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports / Share in Japan's Imports (%)	Tariff Applied by Japan on Top Exporter(%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports from the world(%)	Tariffs Applied by Japan on Pakistan (%)
631010	Used or new rags, scrap twine, cordage, rope and cables and worn-out articles thereof, of textile	2.6	13.4	19.0	2	2	10.1	7.6	0.0
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding	2.6	542.9	0.0	11	8	3.6	0.4	6.0
630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	1.5	176.8	1.0	23	6	19.5	4.0	4.0

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports / Share in Japan's Imports (%)	Tariff Applied by Japan on Top Exporter(%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports from the world(%)	Tariffs Applied by Japan on Pakistan (%)
630900	Worn clothing and clothing accessories, blankets and travelling rugs, household linen and articles ...	1.3	46.7	3.0	0	6	21.6	6.7	0.0
630710	Floorcloths, dishcloths, dusters and similar cleaning cloths, of all types of textile materials	0.6	71.1	1.0	18	8	6.6	2.0	0.0
631090	Used or new rags, scrap twine, cordage, rope and cables and worn-out articles thereof, of textile ...	0.4	5.3	7.0	6	5	7.2	6.8	0.0
630221	Printed bedlinen of cotton (excluding knitted or crocheted)	0.2	67.8	0.0	0	8	-9.8	1.7	4.0
630790	Made-up articles of textile materials, incl. dress patterns, n.e.s.	0.2	1260.3	0.0	0	38	7.2	-2.2	1.0
630291	Toilet linen and kitchen linen of cotton (excluding of terry fabrics, floorcloths, polishing	0.1	37.0	0.0	1	11	24.6	0.7	6.0
630222	Printed bedlinen of man-made fibres (excluding knitted or crocheted)	0.1	56.1	0.0	0	6	-2.0	-2.8	2.0
630130	Blankets and travelling rugs of cotton (excluding electric, table covers, bedspreads and articles ...	0.0	38.8	0.0	5	13	-9.7	-3.3	7.0
630629	Tents of textile materials (excluding of synthetic fibres, and umbrella and play tents)	0.0	1.5	1.0	17	10	-	23.2	0.0
630210	Bedlinen, knitted or crocheted	0.0	109.3	0.0	47	15	-	11.7	9.0
630391	Curtains, incl. drapes, and interior blinds, curtain or bed valances of cotton (excluding knitted ...	0.0	6.0	0.0	15	11	-5.0	-3.9	6.0
630251	Table linen of cotton (excluding knitted or crocheted)	0.0	12.9	0.0	10	25	-	-0.8	6.0
630140	Blankets and travelling rugs of synthetic fibres (excluding electric, table covers, bedspreads	0.0	154.7	0.0	0	23	2.9	1.3	4.0
630492	Articles for interior furnishing, of cotton (excluding knitted or crocheted, blankets and travelling ...	0.0	29.2	0.0	1	28	-	-1.1	6.0
630800	Sets consisting of woven fabric and yarn, whether or not with accessories, for making up into ...	0.0	0.4	0.0	0	45	-	4.1	0.0
630110	Electric blankets of all types of textile materials	0.0	34.5	0.0	0	-	-	3.7	0.0

Product Code	Product label	Japan Imports from the world in 2018 (US\$, millions)	Japan Imports from the world CAGR 2009-2018 (%)	Top 3 Suppliers for Japan Imports / Share in Japan's Imports (%)	Tariff Applied by Japan on Top Exporter(%)	Japan Imports from Pakistan in 2018 (US\$, millions)	Japan Imports from Pakistan CAGR 2009-2018 (%)	Pakistan's Share in Japan Imports from the world(%)	Tariffs Applied by Japan on Pakistan (%)
630232	Bedlinen of man-made fibres (excluding printed, knitted or crocheted)	0.0	39.0	0.0	2	22	-100.0	-1.6	2.0
630239	Bedlinen of textile materials (excluding of cotton and man-made fibres, printed, knitted or	0.0	6.0	0.0	63	15	-	10.4	5.0
630253	Table linen of man-made fibres (excluding knitted or crocheted)	0.0	8.3	0.0	0	41	-	-1.1	2.0
630312	Curtains, incl. drapes, and interior blinds, curtain or bed valances of synthetic fibres, knitted ...	0.0	32.9	0.0	0	44	-	2.6	9.0
630411	Knitted or crocheted bedspreads (excluding bedlinen, quilts and eiderdowns)	0.0	0.5	0.0	0	24	-	31.6	9.0
630240	Table linen, knitted or crocheted	0.0	0.3	0.0	13	8	-	-5.2	9.0

Source: ITC Trade Map

Pakistani High Potential Textile Items Currently Facing Higher Japanese Tariffs

- The table below shows the high potential Pakistani textile exports on Japan's no concession list.
- It can be seen that Pakistan faces higher tariffs than what is applied on Bangladesh and ASEAN countries.
- High potential textile products that Pakistan needs in the concession list are listed below along with percent share of each country in Japan's world imports.

TABLE 3.14 Pakistani High Potential Textile Currently Facing Higher Japanese Tariffs

Product Code	Product Label	Pakistan Exports to Japan 2018 (US\$, millions)	Japan Imports from the World 2018 (US\$, millions)	Pakistan Exports to the World 2018 (US\$, millions)	Indicative Trade Potential 2018 (US\$, millions)	Pakistan & Top Suppliers of Textile Products to Japan									
						Pakistan		China		Bangladesh		ASEAN		Cambodia	
						Share in Japan's imports (%)	Tariff Applied by Japan (%)	Share in Japan's imports (%)	Tariff Applied by Japan (%)	Share in Japan's imports (%)	Tariff Applied by Japan (%)	Share in Japan's imports (%)	Tariff Applied by Japan (%)	Share in Japan's imports (%)	Tariff Applied by Japan (%)
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...	2.9	542.9	789.4	540.0	0.0	6.0	54.0	7.0	3.0	0.0	36.0	0.0	0.0	0.0
620342	Mens or boys trousers, bib and brace overalls, breeches and shorts, of cotton (excluding	1.1	839.6	350.3	349.2	1.0	10.0	39.0	10.0	17.0	0.0	15.0	0.0	8.0	0.0
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	5.4	1,214.7	242.4	237.0	0.0	9.0	47.0	9.0	11.0	0.0	16.0	0.0	4.0	0.0
611595	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	5.4	249.2	215.4	210.0	2.0	7.0	68.0	7.0	0.0	0.0	4.0	0.0	1.0	0.0
630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	0.1	176.8	860.2	176.7	1.0	4.0	83.0	5.0	5.0	0.0	6.0	0.0	2.0	0.0
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)	0.7	1,172.8	156.5	155.8	0.0	9.0	52.0	9.0	10.0	0.0	21.0	0.0	4.0	0.0
610510	Mens or boys shirts of cotton, knitted or crocheted (excluding nightshirts, T-shirts, singlets ...	0.2	161.4	153.6	153.4	1.0	9.0	43.0	9.0	4.0	0.0	29.0	0.0	1.0	0.0
630210	Bedlinen, knitted or crocheted	0.0	109.3	692.6	109.3	0.0	9.0	87.0	9.0	0.0	0.0	5.0	0.0	7.0	0.0

Product Code	Product Label	Pakistan Exports to Japan 2018 (US\$, millions)	Japan Imports from the World 2018 (US\$, millions)	Pakistan Exports to the World 2018 (US\$, millions)	Indicative Trade Potential 2018 (US\$, millions)	Pakistan & Top Suppliers of Textile Products to Japan									
						Pakistan		China		Bangladesh		ASEAN		Cambodia	
						Share in Japan's imports (%)	Tariff Applied by Japan (%)	Share in Japan's imports (%)	Tariff Applied by Japan (%)	Share in Japan's imports (%)	Tariff Applied by Japan (%)	Share in Japan's imports (%)	Tariff Applied by Japan (%)	Share in Japan's imports (%)	Tariff Applied by Japan (%)
620462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton (excluding ...	0.2	867.6	101.4	101.2	1.0	10.0	57.0	10.0	9.0	0.0	5.0	0.0	12.0	0.0
611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber, knitted ...	0.6	191.2	95.2	94.6	0.0	1.0	43.0	6.0	1.0	0.0	17.0	0.0	0.0	0.0
611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	2.1	1,302.9	73.0	70.9	1.0	10.0	50.0	10.0	5.0	0.0	21.0	0.0	3.0	0.0
611090	Jerseys, pullovers, cardigans, waistcoats and similar articles, of textile materials, knitted ...	1.0	71.4	264.7	70.4	0.0	11.0	73.0	11.0	1.0	0.0	3.0	0.0	0.0	0.0
610342	Mens or boys trousers, bib and brace overalls, breeches and shorts of cotton, knitted or ...	1.0	181.3	66.9	66.0	2.0	11.0	48.0	11.0	6.0	0.0	11.0	0.0	8.0	0.0
610711	Mens or boys underpants and briefs of cotton, knitted or crocheted	0.0	155.4	58.9	58.9	0.0	7.0	58.0	7.0	2.0	0.0	12.0	0.0	12.0	0.0
520812	Plain woven fabrics of cotton, containing →= 85 cotton by weight and weighing → 100 g to 200 ...	12.4	62.6	253.1	50.1	21.0	5.0	45.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0
620349	Mens or boys trousers, bib and brace overalls, breeches and shorts of textile materials (excluding ...	0.3	43.1	117.1	42.9	0.0	9.0	49.0	9.0	4.0	0.0	5.0	0.0	18.0	0.0
610469	Womens or girls trousers, bib and brace overalls, breeches and shorts of textile materials, ...	0.5	42.0	61.6	41.5	0.0	8.0	32.0	8.0	1.0	0.0	49.0	0.0	8.0	0.0
630790	Made-up articles of textile materials, incl. dress patterns, n.e.s.	2.5	1,260.3	42.5	40.0	0.0	1.0	78.0	5.0	0.0	1.0	7.0	0.0	1.0	0.0
611692	Gloves, mittens and mitts, of cotton, knitted or crocheted (excluding impregnated, coated or	0.0	45.9	39.1	39.1	0.0	7.0	77.0	7.0	3.0	0.0	8.0	0.0	3.0	0.0
630232	Bedlinen of man-made fibres (excluding printed, knitted or crocheted)	0.0	39.0	42.2	39.0	0.0	2.0	96.0	5.0	0.0	2.0	3.0	0.0	0.0	0.0
610462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton, knitted ...	0.3	226.8	37.2	36.9	0.0	11.0	61.0	11.0	3.0	0.0	10.0	0.0	13.0	0.0
620469	Womens or girls trousers, bib and brace overalls, breeches and shorts of textile materials ...	0.0	257.6	35.2	35.2	0.0	10.0	58.0	10.0	2.0	0.0	6.0	0.0	16.0	0.0
520512	Single cotton yarn, of uncombed fibres, containing →= 85 cotton by weight and with a linear ...	24.7	54.3	787.2	29.6	47.0	4.0	4.0	4.0	0.0	0.0	10.0	0.0	0.0	0.0
610343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted	0.2	343.7	27.5	27.3	1.0	11.0	62.0	11.0	2.0	0.0	16.0	0.0	5.0	0.0
570110	Carpets and other textile floor coverings, of wool or fine animal hair, knotted, whether or ...	1.7	28.8	65.8	27.0	7.0	2.0	4.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0
620332	Mens or boys jackets and blazers of cotton (excluding knitted or crocheted, and wind-jackets ...	0.1	52.9	23.3	23.3	1.0	11.0	50.0	11.0	3.0	0.0	7.0	0.0	2.0	0.0
611596	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	0.1	515.2	23.4	23.2	0.0	7.0	84.0	7.0	0.0	0.0	6.0	0.0	0.0	0.0
610520	Mens or boys shirts of man-made fibres, knitted or crocheted (excluding night shirts, T-shirts, ...	0.0	272.6	22.9	22.9	0.0	9.0	58.0	9.0	2.0	0.0	27.0	0.0	0.0	0.0
520523	Single cotton yarn, of combed fibres, containing →= 85 cotton by weight and with a linear ...	0.2	21.7	21.9	21.5	1.0	4.0	9.0	4.0	0.0	0.0	36.0	0.0	0.0	0.0

Product Code	Product Label	Pakistan Exports to Japan 2018 (US\$, millions)	Japan Imports from the World 2018 (US\$, millions)	Pakistan Exports to the World 2018 (US\$, millions)	Indicative Trade Potential 2018 (US\$, millions)	Pakistan & Top Suppliers of Textile Products to Japan									
						Pakistan		China		Bangladesh		ASEAN		Cambodia	
						Share in Japan's imports (%)	Tariff Applied by Japan (%)	Share in Japan's imports (%)	Tariff Applied by Japan (%)	Share in Japan's imports (%)	Tariff Applied by Japan (%)	Share in Japan's imports (%)	Tariff Applied by Japan (%)	Share in Japan's imports (%)	Tariff Applied by Japan (%)
551412	Woven fabrics containing predominantly, but < 85 polyester staple fibres by weight, mixed ...	0.1	24.4	21.3	21.1	1.0	6.0	8.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0
611120	Babies garments and clothing accessories of cotton, knitted or crocheted (excluding hats)	0.0	171.8	20.8	20.8	0.0	8.0	76.0	8.0	4.0	0.0	4.0	0.0	6.0	0.0
610610	Womens or girls blouses, shirts and shirt-blouses of cotton, knitted or crocheted (excluding ...	0.0	298.3	20.4	20.4	0.0	9.0	57.0	9.0	8.0	0.0	21.0	0.0	2.0	0.0
621600	Gloves, mittens and mitts, of all types of textile materials (excluding knitted or crocheted	0.1	57.5	20.4	20.2	1.0	3.0	69.0	3.0	0.0	0.0	13.0	0.0	5.0	0.0
620333	Mens or boys jackets and blazers of synthetic fibres (excluding knitted or crocheted, and ...	0.3	128.0	19.4	19.1	0.0	11.0	61.0	11.0	2.0	0.0	14.0	0.0	5.0	0.0
620343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excluding ...	0.2	787.1	19.3	19.1	0.0	10.0	48.0	10.0	3.0	0.0	26.0	0.0	4.0	0.0
610130	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets ...	0.0	81.9	18.0	18.0	0.0	11.0	62.0	11.0	1.0	0.0	20.0	0.0	2.0	0.0
630130	Blankets and travelling rugs of cotton (excluding electric, table covers, bedspreads and articles ...	0.0	38.8	17.7	17.7	0.0	7.0	78.0	9.0	0.0	0.0	14.0	0.0	0.0	0.0
520819	Woven fabrics of cotton, containing ≥ 85 cotton by weight and weighing ≤ 200 g/m ² , unbleached ...	1.2	18.6	70.1	17.4	15.0	4.0	43.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0
610332	Mens or boys jackets and blazers of cotton, knitted or crocheted (excluding wind-jackets ...	0.3	17.1	30.2	16.9	0.0	11.0	59.0	11.0	1.0	0.0	16.0	0.0	4.0	0.0
550953	Yarn containing predominantly, but < 85 polyester staple fibres by weight, mixed principally ...	0.3	30.5	16.8	16.5	1.0	4.0	6.0	5.0	0.0	0.0	22.0	0.0	0.0	0.0
620339	Mens or boys jackets and blazers of textile materials (excluding of wool, fine animal hair, ...	0.5	17.0	73.7	16.5	0.0	10.0	37.0	10.0	1.0	0.0	4.0	0.0	3.0	0.0
551311	Plain woven fabrics containing predominantly, but < 85 polyester staple fibres by weight, ...	0.0	21.0	16.4	16.4	0.0	6.0	25.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: ITC Trade Map & Market Access Map

Changes in Market Share of Pakistan's High Potential Textile Exports Post Japanese Concessions to India and ASEAN

- The table below shows the percentage share of Pakistani high potential textile exports before and after concessions were given by Japan to India and ASEAN.
- Because of granting of tariff concessions by Japan to India and ASEAN, there has been trade diversion and Pakistan has suffered because of this.
- Due to data unavailability, we will not evaluate Bangladesh's share because it has not signed any trade agreement with Japan yet. However, it was listed as an LDCs in 1975 but Bangladesh was not a serious player for Japan back then.

TABLE 3.15 Changes in Market Share of Pakistan's High Potential Textile Exports Post Japanese Concessions to India and ASEAN

Product Code	Product label	Japan – India Comprehensive Economic Partnership Agreement				Japan – ASEAN Comprehensive Economic Partnership Agreement			
		Share in Exports (Pre-Agreement) 2010		Share in Exports 2018		Share in Exports (Pre-Agreement) 2007		Share in Exports 2018	
		Pakistan Exports to Japan (%)	India Exports to Japan (%)	Pakistan Exports to Japan (%)	India Exports to Japan (%)	Pakistan Exports to Japan (%)	ASEAN Exports to Japan (%)	Pakistan Exports to Japan (%)	ASEAN Exports to Japan (%)
520100	Cotton, neither carded nor combed	0.0	0.1	0.0	0.2	0.0	1.0	0.0	0.1
520299	Cotton waste (excluding yarn waste, thread waste and garnetted stock)	-	-	0.1	0.9	-	-	0.1	18.3
520512	Single cotton yarn, of uncombed fibres, containing >= 85 cotton by weight and with a linear ...	2.6	0.3	3.2	0.1	3.7	0.6	3.2	1.9
520523	Single cotton yarn, of combed fibres, containing >= 85 cotton by weight and with a linear ...	0.4	0.4	0.7	0.4	0.8	2.4	0.7	7.3
520812	Plain woven fabrics of cotton, containing >= 85 cotton by weight and weighing > 100 g to 200 ...	0.4	1.5	4.9	1.3	0.6	12.1	4.9	41.8
520819	Woven fabrics of cotton, containing >= 85 cotton by weight and weighing <= 200 g/m², unbleached ...	0.6	2.0	1.8	0.3	0.8	6.9	1.8	32.2
550953	Yarn containing predominantly, but < 85 polyester staple fibres by weight, mixed principally	4.6	0.0	1.9	0.1	0.1	5.1	1.9	7.9
551311	Plain woven fabrics containing predominantly, but < 85 polyester staple fibres by weight, ...	0.0	0.0	0.1	0.0	0.0	3.1	0.1	15.0
551412	Woven fabrics containing predominantly, but < 85 polyester staple fibres by weight, mixed ...	0.0	0.0	0.6	0.0	0.0	1.3	0.6	59.7
560819	Knotted netting of twine, cordage, ropes or cables, by the piece or metre; made-up nets, of ...	0.0	0.0	0.0	0.0	0.0	47.1	0.0	64.9
570110	Carpets and other textile floor coverings, of wool or fine animal hair, knotted, whether or ...	3.6	0.2	2.6	0.7	2.2	7.7	2.6	1.1
610130	Overcoats, car coats, capes, cloaks anoraks, incl. ski jackets, windcheaters, wind-jackets ...	0.7	0.0	0.2	0.2	0.1	2.1	0.2	6.6
610332	Mens or boys jackets and blazers of cotton, knitted or crocheted (excluding wind-jackets ...	0.0	0.9	1.0	0.6	0.0	1.8	1.0	6.2
610342	Mens or boys trousers, bib and brace overalls, breeches and shorts of cotton, knitted or ...	0.0	0.0	1.4	0.3	0.0	4.1	1.4	7.5
610343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted ...	0.4	0.0	0.8	0.7	0.1	2.3	0.8	11.3
610462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton, knitted ...	0.1	0.2	0.7	0.6	0.2	0.4	0.7	4.1
610469	Womens or girls trousers, bib and brace overalls, breeches and shorts of textile materials, ...	0.0	0.2	0.8	0.2	0.0	1.8	0.8	10.2

Product Code	Product label	Japan – India Comprehensive Economic Partnership Agreement				Japan – ASEAN Comprehensive Economic Partnership Agreement			
		Share in Exports (Pre-Agreement)2010		Share in Exports 2018		Share in Exports (Pre-Agreement) 2007		Share in Exports 2018	
		Pakistan Exports to Japan (%)	India Exports to Japan (%)	Pakistan Exports to Japan (%)	India Exports to Japan (%)	Pakistan Exports to Japan (%)	ASEAN Exports to Japan (%)	Pakistan Exports to Japan (%)	ASEAN Exports to Japan (%)
610510	Mens or boys shirts of cotton, knitted or crocheted (excluding nightshirts, T-shirts, singlets ...	0.3	0.2	0.1	0.4	0.0	3.4	0.1	7.5
610520	Mens or boys shirts of man-made fibres, knitted or crocheted (excluding nightshirts, T-shirts, ...	0.0	0.0	0.0	0.0	0.0	4.0	0.0	12.7
610610	Womens or girls blouses, shirts and shirt-blouses of cotton, knitted or crocheted (excluding ...	0.0	0.5	0.1	1.2	0.0	1.0	0.1	21.2
610711	Mens or boys underpants and briefs of cotton, knitted or crocheted	0.0	0.1	0.0	0.4	0.0	3.6	0.0	9.5
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	0.0	0.3	2.2	0.6	0.0	6.4	2.2	15.7
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)	0.2	0.1	0.5	0.1	0.0	2.2	0.5	18.6
611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	1.3	0.2	2.8	0.8	0.0	0.8	2.8	10.4
611090	Jerseys, pullovers, cardigans, waistcoats and similar articles, of textile materials, knitted ...	0.0	0.0	0.4	0.4	0.0	1.0	0.4	8.3
611120	Babies garments and clothing accessories of cotton, knitted or crocheted (excluding hats)	0.6	0.2	0.0	0.2	0.0	0.9	0.0	2.2
611595	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	0.0	1.7	2.5	1.4	-	10.0	2.5	15.5
611596	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	0.0	0.0	0.6	4.5	-	75.1	0.6	48.7
611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber, knitted ...	0.3	0.0	0.6	0.0	0.4	34.3	0.6	29.2
611692	Gloves, mittens and mitts, of cotton, knitted or crocheted (excluding i mpregnated, coated or ...	0.0	9.0	0.0	19.1	0.2	8.2	0.0	56.2
620332	Mens or boys jackets and blazers of cotton (excluding knitted or crocheted, and wind-jackets ...	0.0	3.0	0.3	1.0	0.2	5.8	0.3	15.5
620333	Mens or boys jackets and blazers of synthetic fibres (excluding knitted or crocheted, and ...	0.0	0.8	1.8	0.5	0.0	2.5	1.8	11.3
620339	Mens or boys jackets and blazers of textile materials (excluding of wool, fine animal hair, ...	0.1	0.3	0.7	0.5	0.1	7.3	0.7	20.8
620342	Mens or boys trousers, bib and brace overalls, breeches and shorts, of cotton (excluding ...	0.3	0.6	0.3	1.1	0.0	4.0	0.3	13.1

Product Code	Product label	Japan – India Comprehensive Economic Partnership Agreement				Japan – ASEAN Comprehensive Economic Partnership Agreement			
		Share in Exports (Pre-Agreement)2010		Share in Exports 2018		Share in Exports (Pre-Agreement) 2007		Share in Exports 2018	
		Pakistan Exports to Japan (%)	India Exports to Japan (%)	Pakistan Exports to Japan (%)	India Exports to Japan (%)	Pakistan Exports to Japan (%)	ASEAN Exports to Japan (%)	Pakistan Exports to Japan (%)	ASEAN Exports to Japan (%)
620343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excluding ...	0.1	0.3	0.9	1.4	0.0	4.1	0.9	15.3
620349	Mens or boys trousers, bib and brace overalls, breeches and shorts of textile materials (excluding ...	0.1	0.8	0.2	0.8	0.0	12.4	0.2	24.4
620462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton (excluding ...	0.3	1.4	0.2	5.2	0.0	5.3	0.2	9.2
620469	Womens or girls trousers, bib and brace overalls, breeches and shorts of textile materials ...	0.4	1.3	0.1	2.1	0.4	4.6	0.1	17.6
621600	Gloves, mittens and mitts, of all types of textile materials (excluding knitted or crocheted ...	0.2	2.1	0.7	1.7	0.6	5.1	0.7	5.3
630130	Blankets and travelling rugs of cotton (excluding electric, table covers, bedspreads and articles ...	0.0	0.9	0.0	0.2	0.0	2.8	0.0	58.1
630210	Bedlinen, knitted or crocheted	0.0	0.2	0.0	0.2	0.0	17.7	0.0	59.0
630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	0.1	0.0	0.0	0.1	0.0	2.3	0.0	27.7
630232	Bedlinen of man-made fibres (excluding printed, knitted or crocheted)	0.0	0.0	0.0	0.0	0.0	0.9	0.0	6.3
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...	0.2	0.4	0.4	0.7	0.0	16.4	0.4	72.9
630612	Tarpaulins, awnings and sunblinds of synthetic fibres (excluding flat covers of light fabrics ...	0.0	0.0	0.0	0.0	0.0	15.2	0.0	9.5
630710	Floorcloths, dishcloths, dusters and similar cleaning cloths, of all types of textile materials	0.2	2.4	0.3	3.6	0.1	3.1	0.3	16.6
630790	Made-up articles of textile materials, incl. dress patterns, n.e.s.	0.4	3.2	6.0	2.1	0.2	21.1	6.0	22.7

Source: ITC Trade Map

Analysis of High Potential Japanese Exports to Pakistan

Japan's Exports to Pakistan: Indicative Trade Potential, CAGR Overview, Tariff Analysis and BRCA

Top 50 High Potential Japanese Exports to Pakistan at HS-06-Digit Level

- The total trade potential within the top 50 high potential products exported by Japan to Pakistan at HS-06-digit level is \$9.9 billion.
- In 2018, exports of the top 50 high potential items to Pakistan amounted to \$491.6 million. However, Japan's export of these same 50 items to the world amounted to \$125.1 billion in the same year.
- 27.1 percent, 26.2 percent and 17.7 percent of Japan's total trade potential for its top 50 high potential items is covered by machinery, iron and steel and vehicles respectively.
- It is important to note that, no concession is provided by Pakistan on any product to Japan. Products with high tariffs include "Motor cars and other motor vehicles principally designed for the transport of persons" (HS-870321), (HS-870322), (HS-870323), "Motor vehicles for the transport of goods" (HS-870421) and "Motorcycles, incl. mopeds, with reciprocating internal combustion piston engine of a cylinder" (HS-871120).
- The Compound Annual Growth Rates for Japan's exports to Pakistan, Pakistan's imports from the world and Japan's exports to the world have also been calculated. All CAGR values are calculated for the period 2009–18.⁸
- Fourteen of these 50 items are high potential CAGR items (highlighted in red), which shows that these items have experienced upward trends in both Pakistan's imports from the world and Japan's exports to the world, without a corresponding rise in trade between Pakistan and Japan.
- The total trade potential within these 14-high potential CAGR items amounted to \$2.9 billion.
- The BRCA have also been calculated to show whether Japan has a revealed comparative advantage of a specific commodity over Pakistan or not as indicated by the trade flows.
- Fourteen of these 50 high potential exports items have BRCA>1, indicating that these items weigh heavier in Japan's export basket to Pakistan than they do in its export basket to the world.
- Among the top 50 high potential export items, Japan has a highest comparative advantage in "Motor cars and other motor vehicles principally designed for the transport of persons" (HS-870321) with a BRCA of 64.7.
- These 14 bilateral RCA>1 item represent total trade potential of \$1.7 billion.
- Products with significant trade potential include 'Waste and scrap of iron or steel' (HS-720449), 'Turnings, shavings, chips, milling waste, sawdust, filings, trimmings and stampings of iron' (HS-720441), 'Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes' (HS-300490) and 'Motor cars and other motor vehicles principally designed for the transport of persons' (HS-870321).
- Japan faces significantly higher tariff rates on most of the items from Pakistan than do existing trading partners of Pakistan namely: China, Sri Lanka and Malaysia.

⁸ CAGR values have only been calculated if there are at least 3 consecutive years of recorded exports and at least one year of recorded exports within the period 2015–18. This is so that the numbers used are recent and consistent enough to be suggestive of future trends. "/0" indicates that these requirements are not met, or in the case of non-CAGR values, unavailability of data. "-" indicates that while export numbers were reported in 2018, the years before did not meet the requirements. As a result, this generally indicates very spotty and/or low growth in that particular item and therefore the item should be considered to have not performed well in terms of exports/imports. A value preceded by "*" indicates that while there were no recorded exports in 2018, the previous years' numbers met the aforementioned requirements for calculating a CAGR. It should be noted that CAGR values furnish a suggestive but imprecise picture of growth trends, since very volatile growth cannot be represented accurately using measures such as CAGR or AAGR (annual average growth rate).

TABLE 4.1 Top 100 High Potential Japanese Exports to Pakistan at HS-06 Level

Product Code	Product label	Japan Exports to Pakistan 2018 (US\$, millions)	Pakistan Imports from the World 2018 (US\$, millions)	Japan Exports to the World 2018 (US\$, millions)	Indicative Trade Potential 2018 (US\$, millions)	Japan Exports to Pakistan CAGR 2009-18 (%)	Pakistan Imports from the World CAGR 2009-18 (%)	Japan Exports to the World CAGR 2009-18 (%)	Tariffs Applied by Pakistan (%)				BRCA 2018
									Japan	China	Sri Lanka	Malaysia	
720449	Waste and scrap of iron or steel (excluding slag, scale and other waste of the production of ...	2.0	949.4	2,370.3	947.4	12.8	13.4	-1.5	9.4	8.2	0.0	8.2	0.3
720441	Turnings, shavings, chips, milling waste, sawdust, filings, trimmings and stampings of iron ..	0.0	586.1	509.9	509.9	0.0	5.9	7.1	3.0	0.0	0.0	0.0	0.0
300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes,	0.1	431.5	3,326.0	431.4	-19.2	6.6	5.7	14.3	9.0	0.0	11.8	0.0
870321	Motor cars and other motor vehicles principally designed for the transport of persons, incl.	125.9	540.8	684.1	414.9	16.2	16.9	-2.6	52.5	52.5	52.5	52.5	64.7
854140	Photosensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in ...	0.2	391.9	3,953.4	391.7	0.0	65.8	-1.7	3.0	0.0	0.0	0.0	0.0
290243	P-Xylene	0.0	363.3	3,284.7	363.3	0.0	1.7	3.5	3.0	0.0	0.0	0.0	0.0
720839	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	168.4	470.0	2,978.4	301.6	30.9	80.3	3.9	15.5	10.5	0.0	10.0	19.9
390210	Polypropylene, in primary forms	0.0	540.0	301.4	301.4	-23.4	7.1	-2.6	11.0	11.0	0.0	5.0	0.0
722530	Flat-rolled products of alloy steel other than stainless, of a width of >= 600 mm, not further ...	0.0	299.7	1,429.8	299.7	*0.0	175.1	7.6	11.0	0.0	0.0	0.0	0.0
847130	Data-processing machines, automatic, portable, weighing <= 10 kg, consisting of at least a ...	0.0	287.8	578.5	287.8	-21.2	14.7	-7.1	3.0	0.0	0.0	0.0	0.0
890120	Tankers	0.0	273.8	5,844.9	273.8	0.0	77.1	-3.6	11.0	5.0	0.0	11.0	0.0
870322	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	30.2	291.1	7,008.1	260.9	7.3	3.7	-0.7	60.0	60.0	60.0	60.0	1.5
851762	Machines for the reception, conversion and transmission or regeneration of voice, images or ...	4.3	240.8	1,161.2	236.5	10.2	4.2	-2.4	10.6	7.3	4.4	6.4	1.3
290531	Ethylene glycol "ethanediol"	0.0	337.6	231.0	231.0	0.0	7.5	8.9	3.0	0.0	0.0	0.0	0.0
870323	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	36.7	267.5	49,379.9	230.8	21.4	15.4	5.1	91.7	91.7	91.7	91.7	0.3
390110	Polyethylene with a specific gravity of <= 0,94, in primary forms	0.2	338.2	220.3	220.0	-5.5	7.5	-5.6	11.0	11.0	5.0	5.0	0.4
851712	Telephones for cellular networks "mobile telephones" or for other wireless networks	0.0	839.4	210.7	210.7	0.0	16.3	0.9	9.8	7.2	0.0	9.4	0.0
841430	Compressors for refrigerating equipment	8.8	214.1	1,396.8	205.3	0.3	8.3	1.1	16.3	3.3	0.0	3.3	2.2
390120	Polyethylene with a specific gravity of >= 0,94, in primary forms	0.0	301.3	199.9	199.9	0.0	5.1	-6.1	11.0	11.0	5.0	5.0	0.0

Product Code	Product label	Japan Exports to Pakistan 2018 (US\$, millions)	Pakistan Imports from the World 2018 (US\$, millions)	Japan Exports to the World 2018 (US\$, millions)	Indicative Trade Potential 2018 (US\$, millions)	Japan Exports to Pakistan CAGR 2009-18 (%)	Pakistan Imports from the World CAGR 2009-18 (%)	Japan Exports to the World CAGR 2009-18 (%)	Tariffs Applied by Pakistan (%)				BRCA 2018
									Japan	China	Sri Lanka	Malaysia	
847989	Machines and mechanical appliances, n.e.s.	6.1	168.2	5,570.4	162.1	11.9	2.9	5.2	4.9	2.3	0.0	2.3	0.4
841989	Machinery, plant or laboratory equipment, whether or not electrically heated, for the treatment ...	0.3	157.4	538.4	157.2	-6.0	0.5	-2.1	20.0	16.0	0.0	13.0	0.2
390230	Propylene copolymers, in primary forms	0.0	154.3	220.6	154.3	-30.8	13.5	-0.5	11.0	11.0	0.0	5.0	0.1
730890	Structures and parts of structures, of iron or steel, n.e.s. (excluding bridges and bridge-sections, ...	1.1	144.1	284.2	143.0	20.9	12.9	-3.2	20.0	20.0	0.0	20.0	1.4
401120	New pneumatic tyres, of rubber, of a kind used for buses and lorries (excluding tyres with ...	2.0	139.5	1,008.6	137.5	-13.5	5.5	-3.2	9.5	8.0	8.8	9.5	0.7
841590	Parts of air conditioning machines, comprising a motor-driven fan and elements for changing ...	1.3	135.5	1,231.9	134.2	2.9	20.5	2.0	23.6	20.7	23.6	18.4	0.4
848180	Appliances for pipes, boiler shells, tanks, vats or the like (excluding pressure-reducing valves,	3.6	137.6	2,115.6	134.1	-3.2	2.8	3.8	30.3	17.3	0.0	28.8	0.6
850239	Generating sets (excluding wind-powered and powered by spark-ignition internal combustion piston ...	3.9	158.7	137.2	133.3	30.0	-5.0	-4.9	3.0	0.0	0.0	0.0	10.0
382499	Chemical products and preparations of the chemical or allied industries, incl. those consisting ...	1.3	133.5	3,905.2	132.1	_*	0.0	0.0	7.6	3.3	0.0	4.1	0.1
852349	Optical media for the recording of sound or of other phenomena (excluding unrecorded and goods ...	0.4	130.0	553.1	129.6	0.0	0.0	0.0	11.0	5.5	0.0	11.0	0.3
870120	Road tractors for semi-trailers	38.8	166.7	247.9	127.9	0.4	28.2	4.3	18.2	18.2	18.2	18.2	55.0
870421	Motor vehicles for the transport of goods, with compression-ignition internal combustion piston ...	3.8	127.8	1,951.1	124.0	16.2	13.9	4.3	60.0	60.0	60.0	60.0	0.7
850440	Static converters	1.5	124.8	2,230.0	123.3	11.0	10.6	7.1	14.8	10.5	0.0	10.5	0.2
870829	Parts and accessories of bodies for tractors, motor vehicles for the transport of ten or more ...	16.8	135.8	3,522.5	119.0	-1.4	16.8	1.6	35.0	35.0	31.5	35.0	1.7
901839	Needles, catheters, cannulae and the like, used in medical, surgical, dental or veterinary ...	2.3	115.1	974.4	112.8	26.2	14.5	8.5	7.6	4.6	0.0	5.1	0.8

Product Code	Product label	Japan Exports to Pakistan 2018 (US\$, millions)	Pakistan Imports from the World 2018 (US\$, millions)	Japan Exports to the World 2018 (US\$, millions)	Indicative Trade Potential 2018 (US\$, millions)	Japan Exports to Pakistan CAGR 2009-18 (%)	Pakistan Imports from the World CAGR 2009-18 (%)	Japan Exports to the World CAGR 2009-18 (%)	Tariffs Applied by Pakistan (%)				BRCA 2018
									Japan	China	Sri Lanka	Malaysia	
854449	Electric conductors, for a voltage ≤ 1.000 V, insulated, not fitted with connectors, n.e.s.	2.7	113.0	710.0	110.3	5.2	13.0	1.3	17.0	15.0	17.0	15.0	1.3
382200	Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents ...	0.8	110.5	637.1	109.6	13.9	11.5	8.0	20.0	16.0	0.0	5.0	0.5
871120	Motorcycles, incl. mopeds, with reciprocating internal combustion piston engine of a cylinder ...	0.0	108.8	351.6	108.8	-14.4	8.9	-1.1	50.0	50.0	50.0	50.0	0.0
840681	Steam and other vapour turbines, of an output → 40 MW (excluding those for marine propulsion)	0.0	105.1	219.5	105.1	0.0	2.1	-4.3	3.0	0.0	0.0	0.0	0.0
721070	Flat products of iron or non-alloy steel, of a width of →= 600 mm, hot-rolled or cold-rolled ...	0.6	109.6	103.9	103.3	-15.6	25.0	-6.2	11.3	8.0	0.0	7.7	2.0
860310	Self-propelled railway or tramway coaches, vans and trucks, powered from an external source ...	0.0	103.0	550.2	103.0	0.0	0.0	0.6	3.0	0.0	0.0	0.0	0.0
841370	Centrifugal pumps, power-driven (excluding those of subheading 8413.11 and 8413.19, fuel, lubricating ...)	1.9	104.1	642.0	102.2	9.3	8.0	-4.5	11.5	11.5	11.5	11.5	1.0
720916	Flat-rolled products of iron or non-alloy steel, of a width of →= 600 mm, in coils, simply ...	0.9	102.3	325.2	101.4	-14.9	6.9	3.4	15.5	10.5	0.0	10.0	0.9
740311	Copper, refined, in the form of cathodes and sections of cathodes	0.0	100.7	3,658.4	100.7	0.0	2.8	2.9	3.0	0.0	0.0	0.0	0.0
292910	Isocyanates	1.1	100.2	596.2	99.1	-2.4	12.6	0.9	3.0	0.0	0.0	0.0	0.7
850300	Parts suitable for use solely or principally with electric motors and generators, electric ...	4.0	102.3	1,004.7	98.3	29.0	6.5	-0.3	10.0	7.0	0.0	7.0	1.4
721049	Flat-rolled products of iron or non-alloy steel, of a width of →= 600 mm, hot-rolled or cold-rolled ...	13.6	108.4	993.0	94.8	2.5	-6.2	-4.1	15.5	10.5	0.0	10.0	4.8
841199	Parts of gas turbines, n.e.s.	1.5	95.8	1,393.8	94.3	38.8	4.6	-1.3	3.0	0.0	0.0	0.0	0.4
390720	Polyethers, in primary forms (excluding polyacetals and goods of 3002 10)	0.0	92.1	443.4	92.0	-4.2	7.2	2.4	3.0	0.0	0.0	0.0	0.0
290121	Ethylene	0.0	90.6	703.0	90.6	0.0	17.4	4.6	3.0	0.0	0.0	0.0	0.0
853710	Boards, cabinets and similar combinations of apparatus for electric control or the distribution ...	4.3	92.6	3,246.4	88.3	0.3	12.4	5.1	30.0	30.0	0.0	30.0	0.5

Source: ITC Trade Map & Market Access Map

Tariff and Trade Simulation

To anticipate the potential gains from the Pakistan – Japan FTA to both sides, a tariff and trade simulation was conducted using the SMART methodology from the World Integrated Trade Solutions (WITS) for the year 2018. The SMART methodology enables us to determine the impact of a proposed FTA on Pakistan’s exports where Japan reduced all tariffs for Pakistan to zero. Similarly, it also allows us to evaluate Japan’s exports when Pakistan reduces tariffs on all imports from Japan to zero. Substitution and supply elasticities are fixed at 1.5 and 99 respectively. The price effect which depicts the additional import value from increased world price is also fixed at 0.

Pakistan’s Prospective Exports to Japan of Top Growth Items at HS-06 Digit Level

- The application of simulation study suggests that 195 Pakistani export items at HS-06-digit level will experience trade creation and trade diversion effects after signing of the FTA between Pakistan and Japan.
- Before the reduction in tariff to 0 percent, the export value of top 50 commodities according to the change in export revenue for Pakistan were valued at \$224.8 million in 2018.
- With the reduction in tariff to 0 percent in 2019, Pakistan’s prospective trade after the application of duty concessions valued at \$259.0 million in 2019 for top 50 goods.
- The total change in export revenue for top 50 prospective exports is \$34.1 million.
- Pakistan’s highest change in export revenue would be recorded within “Grain splits leather “incl. parchment-dressed leather”, of the portions, strips or sheets” (HS- 410792) amounting to \$6.9 million.
- Pakistan’s exports to Japan would grow by 15.2 percent at the HS-06-digit level for top 50 commodities.
- The top 50 items with the highest change in export revenue are presented in the table below.

TABLE 5.1 Pakistan’s Prospective Exports to Japan of Top 50 Growth Items at HS-06

Product Code	Product label	Old Simple Duty Rate (%)	Pre-FTA Exports (US\$ millions)	New Simple Duty Rate (%)	Post-FTA Exports (US\$, millions)	Change in Export Revenue (US\$, millions)
410792	Grain splits leather "incl. parchment-dressed leather", of the portions, strips or sheets of ...	18.9	0.5	0.0	7.4	6.9
220710	Undenatured ethyl alcohol, of actual alcoholic strength of >= 80	1.4	73.7	0.0	76.4	2.7
620342	Mens or boys trousers, bib and brace overalls, breeches and shorts, of cotton (excluding ...	9.6	10.1	0.0	12.7	2.6
611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	10.3	10.0	0.0	12.2	2.1
611595	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	7.4	5.6	0.0	7.6	2.0
620462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton (excluding ...	9.6	7.1	0.0	9.1	2.0
410712	Grain splits leather "incl. parchment-dressed leather", of the whole hides and skins of bovine ...	18.9	0.1	0.0	2.0	1.8
420310	Articles of apparel, of leather or composition leather (excluding clothing accessories, footwear ...	13.0	4.9	0.0	6.2	1.3
520812	Plain woven fabrics of cotton, containing →= 85 cotton by weight and weighing → 100 g to 200 ...	5.6	13.3	0.0	14.5	1.2

Product Code	Product Label	Old Simple Duty Rate (%)	Pre-FTA Exports (US\$, millions)	New Simple Duty Rate (%)	Post-FTA Exports (US\$, millions)	Change in Export Revenue (US\$, millions)
520512	Single cotton yarn, of uncombed fibres, containing >= 85 cotton by weight and with a linear ...	2.6	25.3	0.0	26.4	1.1
420292	Travelling-bags, insulated food or beverage bags, toilet bags, rucksacks, shopping-bags, map-cases, ...	8.0	5.2	0.0	6.1	1.0
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	9.2	5.8	0.0	6.6	0.8
520912	Woven fabrics of cotton, containing →= 85 cotton by weight and weighing → 200 g/m ² , in three-thread	5.6	8.3	0.0	9.0	0.7
410530	Skins of sheep or lambs, in the dry state "crust", without wool on, whether or not split (excluding ...	15.3	0.4	0.0	1.1	0.6
610342	Mens or boys trousers, bib and brace overalls, breeches and shorts of cotton, knitted or ...	10.9	3.0	0.0	3.6	0.6
610343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted ...	10.9	2.9	0.0	3.5	0.6
410441	Full grains leather, unsplit and grain splits leather, in the dry state "crust", of hides and ...	19.3	0.0	0.0	0.4	0.4
611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	10.5	1.6	0.0	2.0	0.4
420329	Gloves, mittens and mitts, of leather or composition leather (excluding special sports gloves)	13.3	1.3	0.0	1.7	0.4
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...	5.9	2.6	0.0	2.9	0.3
520819	Woven fabrics of cotton, containing →= 85 cotton by weight and weighing ←= 200 g/m ² , unbleached ...	5.6	2.9	0.0	3.2	0.3
520919	Woven fabrics of cotton, containing →= 85 cotton by weight and weighing → 200 g/m ² , unbleached ...	5.6	4.5	0.0	4.8	0.3
621142	Womens or girls tracksuits and other garments, n.e.s. of cotton (excluding knitted or crocheted)	9.6	1.1	0.0	1.4	0.3
410622	Hides and skins of goats or kids, in the dry state "crust", without wool on, whether or not ...	15.3	1.8	0.0	2.1	0.3
30499	Frozen fish meat n.e.s. (excluding fillets)	4.3	3.3	0.0	3.6	0.3
411420	Patent leather and patent laminated leather; metallised leather (excluding lacquered or metallised ...	14.4	0.1	0.0	0.3	0.2
30617	Frozen shrimps and prawns, even smoked, whether in shell or not, incl. shrimps and prawns in ...	1.0	8.9	0.0	9.1	0.2
411200	Leather further prepared after tanning or crusting incl. parchment-dressed leather", of sheep ...	11.8	0.2	0.0	0.3	0.2
611596	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	6.6	1.0	0.0	1.2	0.2
550953	Yarn containing predominantly, but ← 85 polyester staple fibres by weight, mixed principally ...	4.2	0.4	0.0	0.5	0.2
630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	3.6	1.5	0.0	1.7	0.1
610510	Mens or boys shirts of cotton, knitted or crocheted (excluding nightshirts, T-shirts, singlets ...	9.2	0.8	0.0	1.0	0.1
610462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton, knitted ...	10.9	0.9	0.0	1.0	0.1
420321	Specially designed gloves for use in sport, of leather or composition leather	13.7	0.4	0.0	0.6	0.1

Product Code	Product label	Old Simple Duty Rate (%)	Pre-FTA Exports (US\$, millions)	New Simple Duty Rate (%)	Post-FTA Exports (US\$, millions)	Change in Export Revenue (US\$, millions)
520911	Plain woven fabrics of cotton, containing \geq 85 cotton by weight and weighing $>$ 200 g/m ² , ...	5.6	1.4	0.0	1.5	0.1
620332	Mens or boys jackets and blazers of cotton (excluding knitted or crocheted, and wind-jackets ...)	11.0	0.4	0.0	0.6	0.1
411310	Leather further prepared after tanning or crusting "incl. parchment-dressed leather", of goats ...	11.8	0.6	0.0	0.8	0.1
621133	Mens or boys tracksuits and other garments, n.e.s. of man-made fibres (excluding knitted ...)	11.0	0.6	0.0	0.7	0.1
520813	Woven fabrics of cotton, containing \rightarrow 85 cotton by weight and weighing \leq 200 g/m ² , in three-thread ...	5.6	1.3	0.0	1.5	0.1
520522	Single cotton yarn, of combed fibres, containing \rightarrow 85 cotton by weight and with a linear ...	2.6	2.3	0.0	2.4	0.1
621143	Womens or girls tracksuits and other garments, n.e.s. of man-made fibres (excluding knitted ...)	11.0	0.5	0.0	0.6	0.1
520532	Multiple "folded" or cabled cotton yarn, of uncombed fibres, containing \rightarrow 85 cotton by weight ...	3.2	3.4	0.0	3.5	0.1
521011	Plain woven fabrics of cotton, containing predominantly, but \leftarrow 85 cotton by weight, mixed ...	6.5	0.1	0.0	0.2	0.1
621132	Mens or boys tracksuits and other garments, n.e.s. of cotton (excluding knitted or crocheted)	9.6	0.5	0.0	0.5	0.1
520511	Single cotton yarn, of uncombed fibres, containing \rightarrow 85 cotton by weight and with a linear ...	3.2	1.5	0.0	1.6	0.1
520533	Multiple "folded" or cabled cotton yarn, of uncombed fibres, containing \rightarrow 85 cotton by weight ...	2.9	0.6	0.0	0.6	0.1
640610	Uppers and parts thereof (excluding stiffeners and general parts made of asbestos)	17.8	0.2	0.0	0.2	0.1
570110	Carpets and other textile floor coverings, of wool or fine animal hair, knotted, whether or ...	1.6	1.9	0.0	2.0	0.1
620322	Mens or boys ensembles of cotton (excluding knitted or crocheted, ski ensembles and swimwear)	9.6	0.0	0.0	0.1	0.1
410711	Full grains leather "incl. parchment-dressed leather", unsplit, of the whole hides and skins ...	18.9	0.0	0.0	0.1	0.1
	Total (50)		224.8		259.0	34.1

Source: World Integrated Trade Solution

Japan's Prospective Exports to Pakistan of Top Growth Items at HS-06 Digit Level

- The application of simulation study suggests that 1,697 Japanese export items at HS-06-digit level will experience trade creation and trade diversion effects after signing of an FTA between Pakistan and Japan.
- Before the reduction in tariff to 0 percent, the export value of top 50 commodities according to the change in export revenue for Japan were valued at \$1,500.7 million in 2018.
- With the reduction in tariff to 0 percent in 2019, Japan's prospective trade after the application of duty concessions was valued at \$2,384.7 million in 2019 for top 50 goods.
- The total change in export revenue for top 50 prospective exports is \$884.0 million.
- Japan's highest change in export revenue would be recorded within "Motor cars and other motor vehicles principally designed for the transport of persons" (HS- 870321) amounting to \$123.8 million.
- Japan's exports to Pakistan would grow by 58.9 percent at the HS-06-digit level for top 50 commodities.

- The top 50 items with the highest change in export revenue are presented in the table below.

TABLE 5.2 Japan's Prospective Exports to Pakistan of Top 50 Growth Items at HS-06

Product Code	Product label	Old Simple Duty Rate (%)	Pre-FTA Exports (US\$, millions)	New Simple Duty Rate (%)	Post-FTA Exports (US\$, millions)	Change in Export Revenue (US\$, millions)
870321	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	52.5	312.5	0.0	436.3	123.8
870422	Motor vehicles for the transport of goods, with compression-ignition internal combustion piston ...	28.0	97.6	0.0	211.6	114.0
870323	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	91.7	104.9	0.0	205.4	100.5
870322	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	60.0	116.3	0.0	192.0	75.6
870324	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	100.0	32.9	0.0	92.9	59.9
870333	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	100.0	15.5	0.0	70.8	55.3
870210	Motor vehicles for the transport of →= 10 persons, incl. driver, with compression-ignition ...	20.0	34.3	0.0	76.1	41.8
840991	Parts suitable for use solely or principally with spark-ignition internal combustion piston ...	27.0	42.4	0.0	82.1	39.7
720839	Flat-rolled products of iron or non-alloy steel, of a width of →= 600 mm, in coils, simply ...	15.5	263.8	0.0	298.4	34.6
890800	Vessels and other floating structures for breaking up	3.0	27.4	0.0	57.9	30.6
870120	Road tractors for semi-trailers	18.2	98.8	0.0	120.9	22.0
870431	Motor vehicles for the transport of goods, with spark-ignition internal combustion piston engine, ...	56.7	39.9	0.0	60.5	20.6
870421	Motor vehicles for the transport of goods, with compression-ignition internal combustion piston ...	60.0	23.4	0.0	42.8	19.4
870332	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	79.0	2.1	0.0	20.1	18.0
870899	Parts and accessories, for tractors, motor vehicles for the transport of ten or more persons, ...	35.0	21.5	0.0	31.4	10.0
871120	Motorcycles, incl. mopeds, with reciprocating internal combustion piston engine of a cylinder ...	50.0	13.5	0.0	23.0	9.6
721030	Flat-rolled products of iron or non-alloy steel, of a width of →= 600 mm, hot-rolled or cold-rolled ...	15.5	15.9	0.0	25.3	9.5
870410	Dumpers for off-highway use	30.0	3.5	0.0	12.6	9.1
870829	Parts and accessories of bodies for tractors, motor vehicles for the transport of ten or more ...	35.0	9.9	0.0	18.8	8.9
870423	Motor vehicles for the transport of goods, with compression-ignition internal combustion piston ...	28.0	19.1	0.0	25.7	6.7
871410	Parts and accessories of motorcycles, incl. mopeds, n.e.s.	35.0	10.4	0.0	16.5	6.1
540339	Artificial filament yarn, incl. artificial monofilament of ← 67 decitex, single (excluding ...	7.0	20.5	0.0	25.6	5.2
481013	Paper and paperboard used for writing, printing or other graphic purposes, not containing fibres ...	20.0	14.6	0.0	19.3	4.8
730429	Casing and tubing, seamless, of iron or steel, of a kind used in drilling for oil or gas (excluding ...	20.0	8.7	0.0	13.0	4.2

Product Code	Product label	Old Simple Duty Rate (%)	Pre-FTA Exports (US\$, millions)	New Simple Duty Rate (%)	Post-FTA Exports (US\$, millions)	Change in Export Revenue (US\$, millions)
841989	Machinery, plant or laboratory equipment, whether or not electrically heated, for the treatment ...	20.0	5.0	0.0	8.6	3.6
840999	Parts suitable for use solely or principally with compression-ignition internal combustion ...	25.7	7.6	0.0	11.2	3.6
840820	Compression-ignition internal combustion piston engine "diesel or semi-diesel engine", for ...	35.0	2.0	0.0	5.3	3.4
870880	Suspension systems and parts thereof, incl. shock-absorbers, for tractors, motor vehicles for ...	35.0	7.2	0.0	10.2	3.0
960720	Parts of slide fasteners	20.0	3.6	0.0	6.5	3.0
841430	Compressors for refrigerating equipment	16.3	8.7	0.0	11.6	2.9
870810	Bumpers and parts thereof for tractors, motor vehicles for the transport of ten or more persons, ...	35.0	5.3	0.0	8.0	2.7
730890	Structures and parts of structures, of iron or steel, n.e.s. excluding bridges and bridge-sections, ...	20.0	5.8	0.0	8.3	2.5
720927	Flat-rolled products of iron or non-alloy steel, of a width of →= 600 mm, not in coils, simply ...	15.5	4.0	0.0	6.1	2.1
870830	Brakes and servo-brakes and their parts, for tractors, motor vehicles for the transport of ...	35.0	3.4	0.0	5.5	2.1
848210	Ball bearings	11.0	9.0	0.0	11.0	2.0
853890	Parts suitable for use solely or principally with the apparatus of heading 8535, 8536 or 8537, ...	9.5	12.9	0.0	14.8	1.9
392690	Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s (excluding ...	11.4	7.3	0.0	9.2	1.9
890590	Light-vessels, fire-floats, floating cranes and other vessels, the navigability of which is ...	3.0	3.5	0.0	5.3	1.8
847989	Machines and mechanical appliances, n.e.s.	4.9	13.1	0.0	14.8	1.7
870130	Track-laying tractors (excluding pedestrian-controlled)	30.0	0.5	0.0	2.1	1.6
382200	Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents ...	20.0	4.0	0.0	5.6	1.6
870290	Motor vehicles for the transport of →= 10 persons, incl. driver, not with compression-ignition ...	20.0	5.7	0.0	7.2	1.6
848180	Appliances for pipes, boiler shells, tanks, vats or the like (excluding pressure-reducing valves, ...	30.3	2.4	0.0	3.9	1.5
730423	Drill pipe, seamless, of a kind used in drilling for oil or gas, of iron or steel (excluding ...	16.0	4.1	0.0	5.6	1.5
732690	Articles of iron or steel, n.e.s. (excluding cast articles or articles of iron or steel wire)	17.6	4.2	0.0	5.6	1.4
732020	Helical springs, of iron or steel (excluding flat spiral springs, clock and watch springs, ...	20.0	1.0	0.0	2.4	1.4
722511	Flat-rolled products of silicon-electrical steel, of a width of →= 600 mm, grain-oriented	11.0	5.8	0.0	7.1	1.4
842123	Oil or petrol-filters for internal combustion engines	35.0	2.0	0.0	3.4	1.3
870540	Concrete-mixer lorries	30.0	0.6	0.0	1.9	1.3
842959	Self-propelled mechanical shovels, excavators and shovel loaders (excluding self-propelled ...	3.0	22.9	0.0	24.2	1.3
	Total (50)		1,500.7		2,384.7	884.0

Source: World Integrated Trade Solution

Trade Agreements of Pakistan and Japan

Regional/Bilateral Trade Agreements – Pakistan

One of the primary goals of the Government of Pakistan is to develop trade and investment relations with the world by pursuing bilateral agreements. Pakistan has signed numerous trade agreements with its trading partners and neighboring countries. With respect to the Asian region, Pakistan has signed FTAs with China, Malaysia, and Sri Lanka. Moreover, it has also signed PTA's with Indonesia and Iran. Pakistan is also a part of various regional trade agreements on a broader level such as PTA-D8, ECO and SAFTA.

In calendar 2018, Pakistan exported products worth \$23.7 billion, whereas it imported goods worth \$60.3 billion. Out of the total exports, 31.2 percent of exports were destined for the countries and country groups with which Pakistan has a trade agreement.

The table below lists down the trade agreements along with their date of implementation, exports, imports and trade balance before and after signing of the agreement respectively.

TABLE 6.1 Regional/Bilateral Trade Agreements of Pakistan

FREE TRADE AGREEMENTS										
Country	Trade Agreements			Exports (US\$, millions)		Imports (US\$, millions)		Trade Balance (US\$, millions)		
	Title	Year	Status	in the year of agreement implemented	2018	in the year of agreement implemented	2018	in the year of agreement implemented	2018	
Malaysia	Malaysia-Pakistan Closer Economic Partnership Agreement(MPCEPA)	2008	Signed and In Effect	138.1	↑ 158.7	1,693.7	↓ 1,156.9	- 1,555.6	↑ -998.2	
People's Republic of China	Pakistan-People's Republic of China Free Trade Agreement	2007	Signed and In Effect	613.8	↑ 1,818.8	4,164.2	↑ 14,640.9	- 3,550.5	↓ -12,822.1	
Sri Lanka	Pakistan-Sri Lanka Free Trade Agreement	2005	Signed and In Effect	153.7	↑ 357.3	59.2	↑ 105.3	94.5	↑ 252.0	
PREFERENTIAL TRADE AGREEMENTS										
Country	Trade Agreements			Exports (US\$, millions)		Imports (US\$, millions)		Trade Balance (US\$, millions)		
	Title	Year	Status	in the year of agreement implemented	2018	in the year of agreement implemented	2018	in the year of agreement implemented	2018	
Indonesia	Indonesia-Pakistan Preferential Trade Agreement	2012	Signed and In Effect	144.4	↑ 310.6	1,208.3	↑ 2,501.6	- 1,063.9	↓ -2,191.0	
Mauritius	Pakistan-Mauritius Preferential Trade Agreement	2007	Signed and In Effect	35.5	↓ 19.3	0.5	↑ 8.5	35.0	↓ 10.8	
Iran	Pakistan-Iran Preferential Trade Agreement	2006	Signed and In Effect	178.8	↓ 22.9	443.2	↓ 372.8	- 264.4	↓ -349.8	

REGIONAL TRADE AGREEMENTS									
Country	Trade Agreements			Exports (US\$, millions)		Imports (US\$, millions)		Trade Balance (US\$, millions)	
	Title	Year	Status	in the year of agreement implemented	2018	in the year of agreement implemented	2018	in the year of agreement implemented	2018
PTA -D8	Preferential Tariff Arrangement-Group of Eight Developing Countries	2011	Signed and In Effect	-	-	-	-	-	-
Economic Cooperation Organization	Economic Cooperation Organization Trade Agreement	2008	Signed and In Effect	2,364.0	↓ 1,815.3	1,060.7	↑ 1,256.3	1,303.3	↓ 559.0
South Asia	SAFTA	2006	Signed and In Effect	1,768.1	↑ 2,876.7	1,311.3	↑ 2,615.0	456.8	↑ 2,876.7

Source: Asia Regional Integration Center; ITC Trade Map

Regional/Bilateral Trade Agreements – Japan

Japan signed its first bilateral trade agreement with Singapore in 2002. Japan is also a part of regional trade agreements on a broader level such as ASEAN and has recently signed an agreement with the European Union (28). The table below shows Japan's agreements with different countries/regions of the world which are mostly signed and in effect. In calendar 2018, Japan exported products worth \$738.2 billion, whereas it imported goods worth \$748.4 billion. Out of total exports, 48.5 percent of exports were destined for countries and country groups with which Japan has signed trade agreement. The table below shows how FTAs have helped Japan in improving its exports; on the other hand, countries like Brunei Darussalam, India, Peru and Switzerland have mostly failed to make most of their FTAs. Out of total goods imported, 51.4 percent of imports originated from countries and country groups with which Japan has signed a trade agreement.

TABLE 6.2 Regional/Bilateral Trade Agreements of Japan

Country	Trade Agreements			Exports (US\$, millions)		Imports (US\$, millions)		Trade Balance (US\$, millions)	
	Title	Year	Status	in the year of agreement implemented	2018	in the year of agreement implemented	2018	in the year of agreement implemented	2018
ASEAN	ASEAN -Japan Comprehensive Economic Partnership Agreement(AJCEP)	2008	Signed and In Effect	103.5	↑ 114.5	107.0	↑ 112.2	- 3.5	↑ 2.3
Australia	Australia-Japan Economic Partnership Agreement	2015	Signed and In Effect	12.9	↑ 17.1	34.8	↑ 45.7	- 21.9	↓ -28.6
Brunei Darussalam	Brunei Darussalam-Japan Free Trade Agreement	2008	Signed and In Effect	0.2	↓ 0.1	4.5	↓ 2.3	- 4.4	↑ -2.2
TPP-11	Comprehensive and Progressive Agreement for Trans-Pacific Partnership	2018	Signed and In Effect	0.0	0.0	0.0	0.0	0.0	0.0
India	India-Japan Comprehensive Economic Partnership Agreement	2011	Signed and In Effect	11.1	↓ 11.1	6.8	↓ 5.5	4.3	↑ 5.5
Indonesia	Indonesia-Japan Economic Partnership Agreement	2008	Signed and In Effect	12.6	↑ 15.8	32.6	↓ 21.6	- 20.1	↑ -5.8

Country	Trade Agreements			Exports (US\$, millions)		Imports (US\$, millions)		Trade Balance (US\$, millions)	
	Title	Year	Status	in the year of agreement implemented	2018	in the year of agreement implemented	2018	in the year of agreement implemented	2018
Chile	Japan-Chile Economic Partnership Agreement	2007	Signed and In Effect	1.8	↑ 2.0	8.2	↓ 7.4	-6.6	↑ -5.4
European Union (28)	Japan-European Union Economic Partnership Agreement	2019	Signed and In Effect	-	83.9	-	87.8	-	-3.9
Malaysia	Japan-Malaysia Economic Partnership Agreement	2006	Signed and In Effect	13.2	↑ 13.9	15.5	↑ 18.9	-2.3	↓ -5.0
Mexico	Japan-Mexico Economic Partnership Agreement	2005	Signed and In Effect	6.9	↑ 11.6	2.5	↑ 6.4	4.4	↑ 5.3
Mongolia	Japan-Mongolia Economic Partnership Agreement	2016	Signed and In Effect	0.3	↑ 0.5	0.0	↑ 0.0	0.3	↑ 0.5
Peru	Japan-Peru Free Trade Agreement	2012	Signed and In Effect	1.0	↓ 0.7	2.8	↓ 2.5	-1.8	↑ -1.7
Philippines	Japan-Philippines Economic Partnership Agreement	2008	Signed and In Effect	10.0	↑ 11.3	8.4	↑ 10.4	1.6	↓ 0.8
Singapore	Japan-Singapore Economic Partnership for a New-Age Partnership	2002	Signed and In Effect	14.2	↑ 23.4	5.0	↑ 9.8	9.2	↑ 13.7
Switzerland	Japan-Switzerland Economic Partnership Agreement	2009	Signed and In Effect	6.3	↓ 3.8	6.3	↑ 7.8	0.0	↓ -4.0
Thailand	Japan-Thailand Economic Partnership Agreement	2007	Signed and In Effect	25.6	↑ 32.3	18.3	↑ 25.1	7.3	↓ 7.2
Vietnam	Japan-Vietnam Economic Partnership Agreement	2009	Signed and In Effect	6.5	↑ 16.4	7.0	↑ 21.1	-0.4	↓ -4.7

Source: Asia Regional Integration Center; ITC Trade Map

Japan – Bangladesh Trade in Textiles

The textile sector of Bangladesh contributes the highest amount in the country's GDP, with a 76 percent contribution in exports. This sector employs 2.2 billion Bangladeshis, out of which 80 percent of the employees are women. In calendar 2018, Bangladesh exported \$42.5 billion of textile goods to the world. The United States is the biggest textile importer for Bangladesh, with \$5.7 billion worth of textile imports. Japan is the eighth largest export market for Bangladesh and has recently expressed its interest in signing a free trade agreement with Bangladesh. According to the JETRO annual report of 2018, about 270 Japanese companies are working in Bangladesh. There were 183 Japanese companies working in Bangladesh in 2014, which increased to 223 in 2015, 245 in 2016, 260 in 2017 and 269 in 2018. According to the JBCCI, total investment by Japanese companies is around \$326 million as of June 2018, most of which are in the textile sector. The FTA between Japan and Bangladesh will further improve the business relations between the two countries and will enhance the trade potential.

Japan – Bangladesh Trade in Textiles

The table below shows Japan's top 25 imports of textile products from Bangladesh, along with Bangladesh's share in Japan's imports of these particular products. Compound annual growth rates for 10 years are also included to analyze the trend in Japan's textile imports from the world and Bangladesh. The major findings of this table are:

- Items under textiles depict Bangladesh's share of 82.5 percent in total exports to Japan.
- All top 25 items represent positive CAGR for Japan's imports from Bangladesh.
- 15 out of the 25 items represent positive CAGR for Japan's imports from Pakistan indicating a positive trend for Pakistan to meet Japanese demand for these goods.
- 9 of the top 25 products highlighted in yellow are those products where Japan's imports from Bangladesh CAGR is less than Japan's imports from Pakistan CAGR indicating Pakistan's stability in the export of that particular product.
- If Pakistan and Japan were to sign a trade agreement, mediators from Pakistan should ask for concessions in those products in which Bangladesh is enjoying free trade and Pakistan has a positive CAGR.

TABLE 7.1 Japan's Top 25 Textile Imports from Bangladesh at HS-06 Level

Product Code	Product label	Japan imports from Bangladesh in 2018 (US\$, millions)	Japan imports from Pakistan in 2018 (US\$, millions)	Japan imports from world in 2018 (US\$, millions)	Japan imports from Bangladesh in 2018 CAGR 2009-18 (%)	Japan imports from Pakistan in 2018 CAGR 2009-18 (%)	Japan imports from world in 2018 CAGR 2009-18 (%)	Bangladesh's share in Japan's imports from the world in 2018 (%)	Pakistan's share in Japan's imports from the world in 2018 (%)	Tariffs Applied by Japan on Bangladesh (%)	Tariffs Applied by Japan on Pakistan (%)
611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	158.9	1.6	2,571.9	25.3	36.5	1.9	6.2	0.1	0.0	10.0
620342	Mens or boys trousers, bib and brace overalls, breeches and shorts, of cotton (excluding ...)	145.9	10.1	839.6	16.8	25.8	1.4	17.4	1.2	0.0	10.0
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	131.2	5.9	1,214.7	27.0	34.2	-0.6	10.8	0.5	0.0	9.0
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)	114.1	0.2	1,172.8	46.6	16.6	8.8	9.7	0.0	0.0	9.0
620462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton (excluding ...)	81.7	7.2	867.6	30.9	32.5	-2.8	9.4	0.8	0.0	10.0
611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	59.2	10.0	1,302.9	16.6	34.7	-0.9	4.5	0.8	0.0	10.0
620520	Mens or boys shirts of cotton (excluding knitted or crocheted, nightshirts, singlets and ...)	45.4	0.0	547.6	18.6	-13.2	-0.5	8.3	0.0	0.0	7.0

Product Code	Product label	Japan imports from Bangladesh in 2018 (US\$, millions)	Japan imports from Pakistan in 2018 (US\$, millions)	Japan imports from world in 2018 (US\$, millions)	Japan imports from Bangladesh in 2018 CAGR 2009-18 (%)	Japan imports from Pakistan in 2018 CAGR 2009-18 (%)	Japan imports from world in 2018 CAGR 2009-18 (%)	Bangladesh's share in Japan's imports from the world in 2018 (%)	Pakistan's share in Japan's imports from the world in 2018 (%)	Tariffs Applied by Japan on Bangladesh (%)	Tariffs Applied by Japan on Pakistan (%)
620530	Mens or boys shirts of man-made fibres (excluding knitted or crocheted, nightshirts, singlets ...	29.8	0.0	308.4	13.0	-	3.2	9.6	0.0	0.0	7.0
610610	Womens or girls blouses, shirts and shirt-blouses of cotton, knitted or crocheted (excluding ...	24.2	0.3	298.3	34.6	-	-4.4	8.1	0.1	0.0	9.0
620193	Mens or boys anoraks, windcheaters, wind jackets and similar articles, of man-made fibres ...	23.8	0.2	895.7	14.8	40.1	4.8	2.7	0.0	0.0	11.0
620343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excluding ...	19.9	0.3	787.1	49.6	22.6	5.3	2.5	0.0	0.0	10.0
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...	13.7	2.6	542.9	43.4	3.6	0.4	2.5	0.5	0.0	6.0
610342	Mens or boys trousers, bib and brace overalls, breeches and shorts of cotton, knitted or ...	11.6	3.0	181.3	79.7	66.1	9.6	6.4	1.7	0.0	11.0
620630	Womens or girls blouses, shirts and shirt-blouses of cotton (excluding knitted or crocheted ...	10.2	0.0	481.2	37.0	-100.0	0.9	2.1	0.0	0.0	9.0
620312	Mens or boys suits of synthetic fibres (excluding knitted or crocheted, tracksuits, ski suits ...	10.0	0.0	186.5	-	-	3.5	5.4	0.0	0.0	10.0
630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	9.3	1.5	176.8	70.0	19.5	4.0	5.2	0.9	0.0	4.0
620293	Womens or girls anoraks, wind cheaters, wind jackets and similar articles, of man-made fibres ...	9.2	0.0	541.7	21.4	-18.2	3.1	1.7	0.0	0.0	11.0
620640	Womens or girls blouses, shirts and shirt-blouses of man-made fibres (excluding knitted or ...	8.9	0.0	544.7	67.0	-	7.4	1.6	0.0	0.0	9.0
611522	Pantyhose and tights of synthetic fibres, knitted or crocheted, measuring per single yarn →= ...	8.7	0.0	144.6	-	-	9.8	6.0	0.0	0.0	7.0
611120	Babies garments and clothing accessories of cotton, knitted or crocheted (excluding hats)	7.6	0.2	171.8	49.0	20.3	0.0	4.4	0.1	0.0	8.0
610442	Womens or girls dresses of cotton, knitted or crocheted (excluding petticoats)	7.6	0.0	110.1	30.2	-	-2.4	6.9	0.0	0.0	11.0
620452	Womens or girls skirts and divided skirts of cotton (excluding knitted or crocheted and ...	7.5	0.2	234.6	30.6	36.4	3.7	3.2	0.1	0.0	10.0
630221	Printed bedlinen of cotton (excluding knitted or crocheted)	7.3	0.2	67.8	25.8	-9.8	1.7	10.7	0.3	0.0	4.0
610462	Womens or girls trousers, bib and brace overalls, breeches and shorts of cotton, knitted ...	7.1	0.9	226.8	34.6	71.3	0.7	3.1	0.4	0.0	11.0
610343	Mens or boys trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted ...	7.1	2.9	343.7	57.2	93.4	8.3	2.1	0.9	0.0	11.0

Source: ITC Trade Map

Japan's Generalized System of Preferences Scheme

Generalized system of preference scheme (GSP) is introduced to enable the process of economic development in developing or least developed countries/territories by providing access to established markets at reduced duty/tariff rates, under the agreement with UNCTAD. Under its GSP scheme effective from August 1, 1971, Japan applies reduced tariff rates on the beneficiary countries for beneficiary products to encourage and promote industrialization, economic development/growth and also increase export income for beneficiaries. Major products that fall under Japan's GSP scheme beneficiary products list include agriculture, fishery products (HS chapters 1-24) and industrial products (HS chapters 25-97). The beneficiary countries/territories, products, and their respective duty/tariff rates are designated under the Temporary Tariff Measures Law and the Cabinet Order for Enforcement of the Temporary Tariff Measures Law. Beneficiary products from least developed countries (LDCs) are given special preferential treatment through duty-free, quota-free (DFQF) market access. However, when increased preferential imports tend to threaten the local industry for similar or competitive products in Japan, the preferential duty rates are suspended to protect the local industry.

TABLE 8.1 Japan's GSP Scheme

Japan's GSP Scheme	
Started on	August 1, 1971
Effective until	March 31, 2021
Total imports of Japan from the world under GSP in 2018	\$82.4 Billion
List of GSP Beneficiaries (Countries and Territories)	143
List of GSP Beneficiaries (Least Developed Countries)	47
Sectors under GSP: Total number of agriculture and fishery Products 9-digit Japan tariff line	408
Total number of industrial products 9-digit Japan tariff line	3,151

Source: Japan Customs;
Handbook on the Scheme of Japan (UNCTAD)

The following table showcases Japan's imports from Pakistan under the GSP scheme. Out of 3,151 items offered by Japan, Pakistan is eligible to export 2,005 duty-free products. It is to be noted that for some products Japan is not offering duty-free access, however, the rate is declining when the item is offered in GSP scheme. Japan's total imports from the world under the GSP program amounted to \$82.4 billion. Japan's imports from Pakistan amounted to \$354.3 million in 2018. Out of these products, \$17.3 million qualified under the GSP program. Pakistan needs to diversify its exports market base by looking into markets like Japan who offer concessional tariff in Japan GSP scheme for high quality, value-added products. Thus, taking into account the MFN and GSP rates, Pakistan should focus on improving and diversifying its exports to Japan.

TABLE 8.2 Japan's Top 25 Imports from Pakistan under the GSP Scheme

Product Code	Product label	2017 (US\$, millions)	2017 (US\$, millions)	Share in Exports 2018 (%)	CAGR 2009-18 (%)
950662000	Balls, other than golf balls and table-tennis balls, inflatable, of rubber	4,886	36,355	3	Free
630260000	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics, of cotton	2,559	542,898	7.4	5.92
570110000	Carpets and other textile floor coverings, knotted, of wool or fine animal hair	1,900	28,753	7.9	1.58
630231000	Other bed linen, of cotton	1,539	176,777	4.5	3.6
630900000	Worn clothing and other worn articles, of textile materials	1,259	46,742	5.8	Free
630710010	Floor-cloths, dish-cloths, dusters & similar cleaning cloths, of tex mat: Of cotton	615	30,736	6.5	Free
821300000	Scissors, tailors' shears and similar shears, and blades therefor	428	38,474	3.7	Free
392620000	Articles of apparel and clothing accessories (including gloves, mittens and mitts), of plastics	393	428,960	4.8	Free
550953010	Yarn of polyester staple fibres mixed with cotton, not put up, nes: Containing more than 50 ...	355	27,141	6.6	5.28
821420000	Manicure or pedicure sets and instruments (including nail files)	353	12,124	3.9	Free
80450011	Guavas, mangoes and mangosteens, fresh or dried: Fresh: Mangoes	346	33,810	3	Free
551412090	Twill weave polyest stapl fib fab, 170g/m2, unbl/bl: Other	226	24,416	7	5.68
630221000	Other bed linen, printed, of cotton	218	67,808	4.5	3.6
611610262	Gloves impregnated, coated or covered with plastics or rubber, knitted: Other: Other: Gloves: ...	185	3,577	5.3	Free
570249010	Carpets of oth textile materials, of wovn pile construction, made up, nes: Of cotton	182	11,746	8.4	6.72
950669000	Balls, other than golf balls and table-tennis balls, not inflatable	171	21,157	3.2	Free
121190999	Plants, parts of plants, incl. seeds and fruits, used primarily in perfumery, in pharmacy or ...	161	30,158	2.5	Free
630790029	Made up articles, of textile materials, nes, including dress patterns: Other: Other	146	1,178,268	4.7	Free
91091210	Mixtures of two/more of the prods of different headgs to this chapter: Other: Put up in containers ...	132	2,056	3.6	Free
621600500	Gloves, mittens and mitts, of textile materials	131	6,337	6.5	5.2
630291000	Toilet linen and kitchen linen, of cotton	108	37,004	7.4	5.92
551311090	Plain weave polyest stapl fib fab,	70	20,942	7.1	5.68
200190290	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar ...	62	24,806	12	9
630222090	Bed linen, of man-made fibres, printed, not knitted: Other	59	56,132	5.3	4.24
630790010	Made up articles, of textile materials, nes, including dress patterns: Of cotton	59	81,344	6.5	Free

Source: Ministry of Foreign Affairs of Japan

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