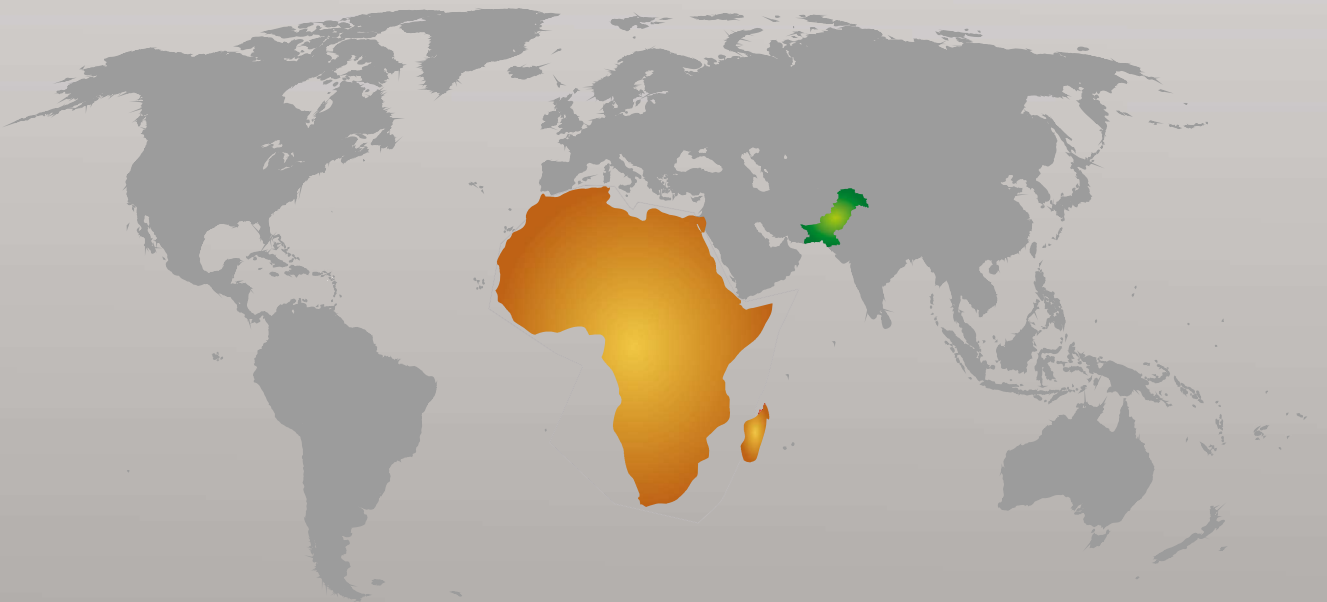


**STRATEGY  
PAPER**

**EVALUATING PAKISTAN'S ENGAGEMENT  
IN AFRICA THROUGH THE LENS OF  
LOOK AFRICA POLICY 2017**



**AYESHA AFGUN**



## **STRATEGY PAPER**

### **EVALUATING PAKISTAN'S ENGAGEMENT IN AFRICA THROUGH THE LENS OF LOOK AFRICA POLICY 2017**

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Disclaimer: The views expressed in this paper belong to the author alone and do not reflect the policy of the ISSRA/NDU.

# Contents

Acronyms .....	1
Executive Summary.....	2
Introduction .....	3
Global Significance of the African Continent .....	4
Significance of Africa for Pakistan.....	5
Overview of Pakistan - Africa Trade Relations.....	6
Current Status of Pakistan's Policies for Africa.....	7
1. Engagement by the Ministry of Commerce.....	8
2. Engagement by the Ministry of Foreign Affairs .....	8
Evaluating the Progress of Pakistan's Look Africa Policy 2017.....	8
Looking for Niche Markets in Africa .....	13
Challenges in LAP's Implementation and the Way Forward .....	13
Conclusion .....	17
References .....	18



# Acronyms

AfCFTA	Africa Continental Free Trade Area Agreement
AMU	Arab Maghreb Union
BTA	Bilateral Trade Agreement
B2B	Business to Business
COMESA	Common Market for Eastern and Southern Africa
CEN-SAD	Community of Sahel Saharan States
DLTL	Drawbacks on Local Taxes and Levies
EAC	East African Community
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of Western African States
EAI	Engage Africa Initiative
EU	European Union
EMFTA	Euro-Mediterranean Free Trade Area
EU-AEPA	EU-African Economic Partnership Agreement
FBR	Federal Board of Revenue
FPCCI	Federation of Pakistan Chambers of Commerce
FTA	Free Trade Agreement
G2G	Government to Government
HEC	Higher Education Commission
IMC	Indus Motor Company
IMF	International Monetary Fund
IGAD	Intergovernmental Authority on Development
JWG	Joint Working Groups
JTCs	Joint Trade Committees
JITC	Joint Trade and Investment Committee
LAP	Look Africa Policy
MoC	Ministry of Commerce
MoFA	Ministry of Foreign Affairs
MoUs	Memorandums of Understanding
MENA	Middle East and North Africa
NTBs	Non-Tariff Barriers
PTA	Preferential Trade Agreement
PATDC	Pakistan-Africa Trade and Development Conferences
REC	Regional Economic Communities
SADC	Southern African Development Community
TDAP	Trade and Development Authority of Pakistan
SACU	Southern African Customs Union
SCE	Single Country Exhibitions
SPS	Sanitary and Phytosanitary
TDOs	Trade Development Officers
TIFA	Trade and Investment Framework Agreements
VAT	Value Added Tax
WAEMU	West African Economic and Monetary Union



# Executive Summary

Pakistan has been keen to increase its engagement with the African region over the last few years, especially after the inception of its “Look Africa Policy (LAP) 2017” spearheaded by the Ministry of Commerce (MoC). The LAP 2017 aims to bolster trade and economic relations with Africa due to its immense potential in terms of natural resources and economic and investment incentives. Although Pakistan-Africa trade has increased to US\$ 6 billion after adopting LAP, its true potential is yet to be achieved.

This strategy paper comprehensively evaluates the LAP 2017. It identifies the impediments and suggests strategies to eradicate the challenges and maximise the potential of Pakistan-Africa trade relations. It also evaluates the Engage Africa Initiative (EAI) of Pakistan's Ministry of Foreign Affairs (MoFA).

The paper's first part assesses the current status of Pakistan's engagement in Africa through the LAP and EAI, including a thorough assessment of the broad objectives stipulated in the policy. The evaluation shows that although some work has been done on these objectives, many have yet to be achieved.

The second part identifies key challenges in implementing LAP and strategies to overcome them. As reflected in the findings, significant hurdles in Pakistan-Africa trade promotion include low political engagement with African countries, insufficient physical representation, lack of implementation on trade agreements with regional blocs, high tariffs, and non-tariff barriers. Hence, policy recommendations to address impediments include:

- Increasing high-level political visits to fortify bilateral relations with African states.
- Encouraging Pakistan's businessmen to establish local offices in African countries.
- Conducting awareness campaigns and educational programmes.
- Negotiating trade agreements with regional blocs.
- Lowering tariff through preferential trade agreements.
- Simplifying and rationalising non-tariff measures.

The paper concludes that the LAP 2017 is a well-conceived strategy to invigorate Pakistan's relations with Africa. However, Pakistan needs to address challenges systematically and implement strategies effectively to harness full potential of trade relations with African states.

# Evaluating Pakistan's Engagement in Africa through the Lens of Look Africa Policy 2017

## Introduction

Africa, dubbed the “continent of the future,” is home to several emerging economies, such as Nigeria, South Africa, Morocco, Egypt, and Kenya.<sup>1</sup> This makes Africa an attractive market for Pakistani products. In 2017, Pakistan's MoC launched LAP (**Annex A**) to increase trade and investment between Pakistan and Africa.<sup>2</sup> The policy has already met some success, with trade between Pakistan and Africa increasing by almost 20% in the last two years.

Despite Africa's share in Pakistan's total exports being around 6%, which is higher than only the Oceania region that includes Australia, New Zealand, and the Pacific Islands, having around 1% share, there is significant potential for growth. Africa's trade with developed countries has declined over the years and is increasing with developing countries. Trade relations are being enhanced with China, Türkiye and India, which also hold a major share in Africa's imports and exports.<sup>3</sup>

The African region presents a vast market with numerous sectors holding high and untapped export potential.<sup>4</sup> Currently, Pakistan's major sectoral exports to Africa include cereals, cotton, made-up textiles, sugar, and confectionary, whereas the largest imports include mineral fuels, coffee and tea, inorganic chemicals, iron, and steel.<sup>5</sup>

Pakistan's total potential of trade with Africa is almost US\$ 3 trillion. Still, trade is not being conducted to its full potential.<sup>6</sup> Therefore, evaluating the existing trade policy and identifying loopholes by analysing the “before and after” statistical performance of Pakistan-Africa trade relations is important.

Hence, it is hypothesised that if the existing trade policies are improved after identifying the loopholes, the policy's effectiveness will be enhanced, promoting economic growth and increasing market share and product diversification.

This strategy paper focuses on countries identified in the LAP 2017. The research is based on qualitative and quantitative data for an insightful analysis. The semi-structured interviews of relevant government officials from MoC and MoFA, and annual reports of MoC and Trade and Development Authority of Pakistan (TDAP) are primary sources. Moreover, data was gathered by arranging an international seminar and roundtable discussion on Africa and collected from various events organised by local think tanks.

## Global Significance of the African Continent

Africa, the world's second largest continent with a landmass of over 30 million square kilometres and a population of around 1.3 billion, is gaining increasing economic significance. Situated at the intersection of international commerce routes and is adjacent to critical sea lanes of communication, Africa is the hub of activity. It has abundance of natural resources and minerals, including 10% of world oil reserves, nearly 8% of gas reserves, 60% of diamonds, 40% of phosphate, and 30% of cobalt. Each passing year sees Africa's economic importance grow.

Major powers like the United States (US) and China and middle powers like Türkiye are actively trading with African countries and hold influence over the markets. According to the findings of the International Monetary Fund (IMF) report based on Gross Domestic Product (GDP) growth, out of the top twenty (20), twelve (12) of the fastest-growing world economies are from Africa, with an average of 3-4% whereas the world average is around 2.9%.

Apart from Africa's rich, lucrative potential, another opportunity arises in the recently introduced Africa Continental Free Trade Area Agreement (AfCFTA), the largest Free Trade Agreement (FTA) in terms of participating countries. It will create an integrated market for trade in goods and services along with free movement of people and capital.

The AfCFTA presents a significant opportunity for Pakistan. This agreement, which has been signed by fifty-four (54) out of the fifty-six (56) African countries and ratified by almost forty-four (44) creates a compliant and collaborative environment that facilitates trade movement and overall accessibility to African market, services and produce. The elimination of trade barriers and gaining preferential access to a market of over 1.3 billion people are key benefits for Pakistan.

Africa comprises several economic zones. The African Union recognizes eight (08) Intra-African Regional Economic Communities (RECs) whose FTAs are the building blocks of AfCFTA. These economic communities contribute to 14% of world trade share.<sup>10</sup> The RECs are listed below:

- a. COMESA – Common Market for Eastern and Southern Africa
- b. SADC – Southern African Development Community
- c. ECOWAS – Economic Community of Western African States
- d. AMU – Arab Maghreb Union
- e. EAC – East African Community
- f. ECCAS – Economic Community of Central African States
- g. IGAD – Intergovernmental Authority on Development
- h. CEN-SAD – Community of Sahel Saharan States

Figure 1 shows the countries in the eight RECs. Many countries in these RECs are members of more than one regional community. For instance, Egypt is a member of CEN-SAD and COMESA. Therefore, this setup presents wider opportunities to penetrate the African markets.

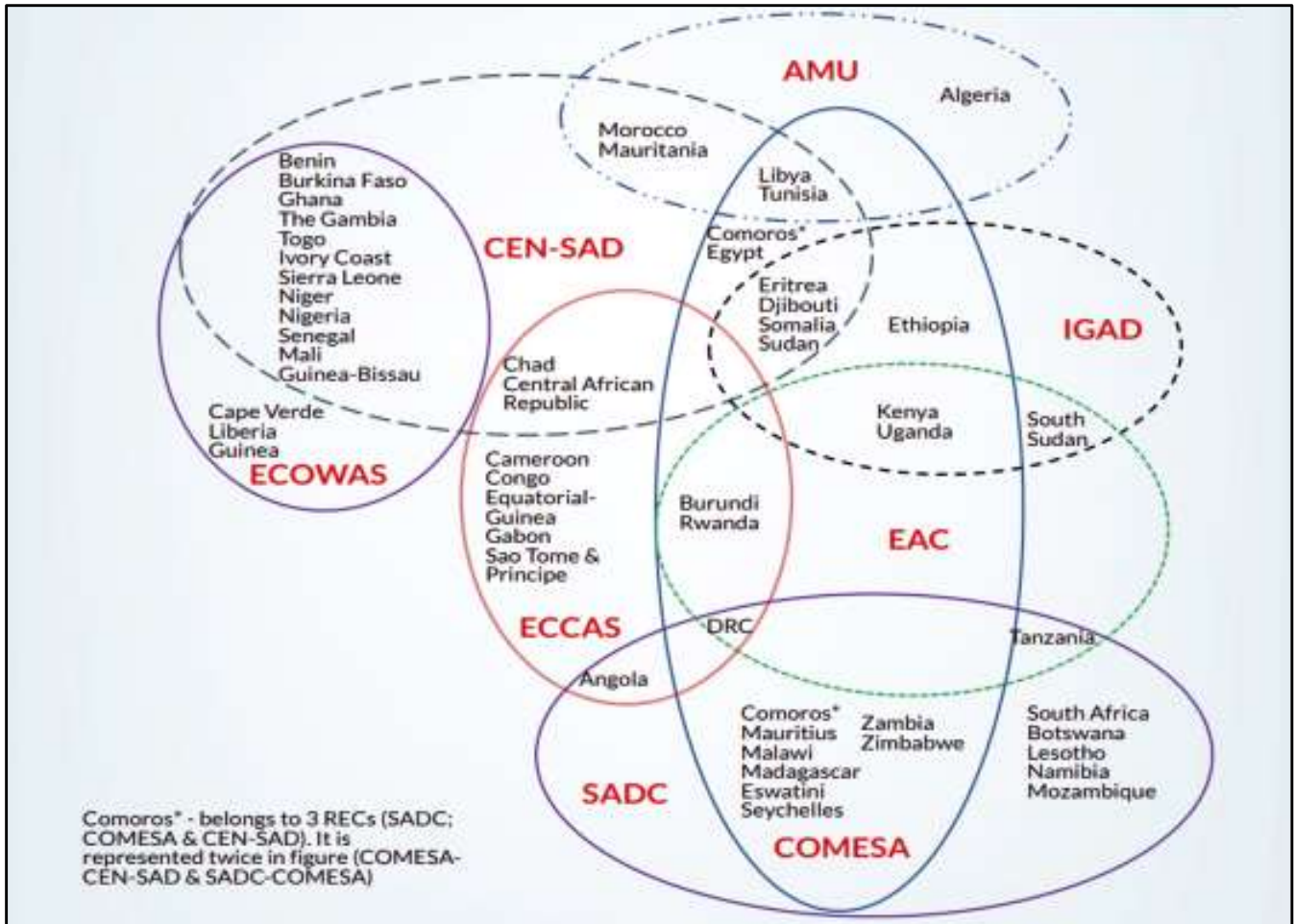


Figure 1: The African Regional Economic Communities<sup>11</sup>

## Significance of Africa for Pakistan

Africa’s potential as a non-traditional market, i.e., markets that conform to unconventional trading practices, is paramount. It is a lucrative market for Pakistan for the following four (4) reasons:

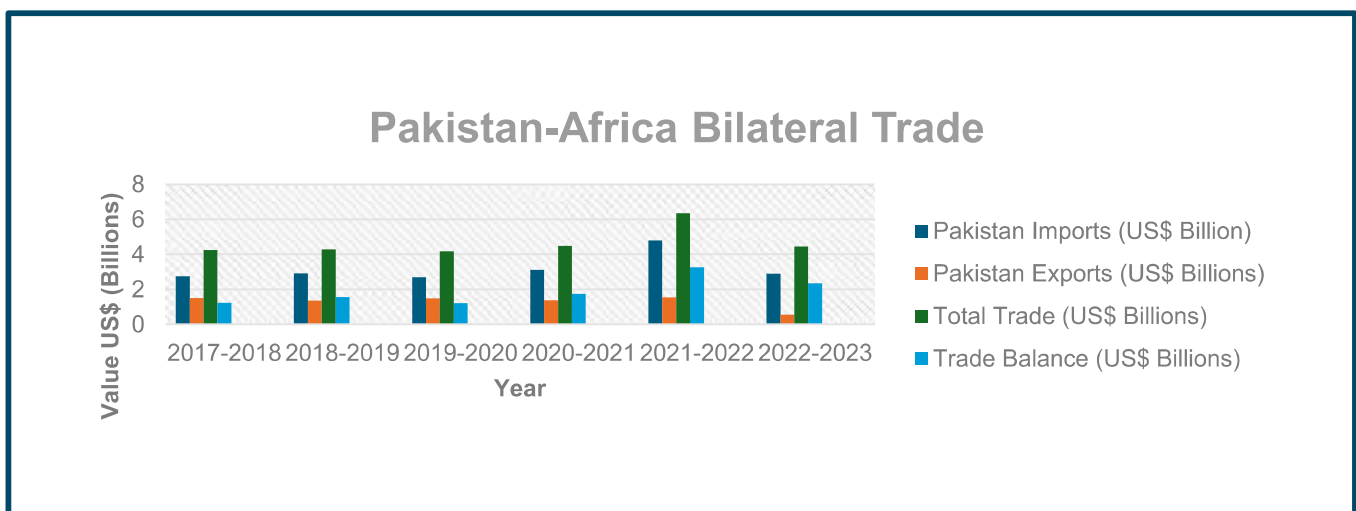
- a. Pakistan has an over-dependence on its traditional markets, such as the European Union (EU), other European countries, and the US.<sup>12</sup> To diversify trade patterns and lessen dependence on a few, the MoC, in collaboration with other relevant ministries, has identified four regions to target for trade: Africa, Latin America, non-EU European countries, Commonwealth of Independent States, and Oceania. Africa is on top with vast potential and fastest growing markets.

- b. Pakistan is dependent on imports of raw materials for various products from its traditional markets, especially for industrial use.<sup>13</sup> Hence, African countries, with their diverse and abundant resources, provide lucrative options for Pakistan to import raw materials at a competitive cost.<sup>14</sup>
- c. Africa is also a potential niche market for Pakistan to export defence equipment. Pakistan already has goodwill in the continent due to its participation in United Nations peacekeeping missions. Thus, forging close relations, especially in defence cooperation, will be easier.
- d. Many African countries face almost the same political, social, and economic challenges as Pakistan. Increasing Pakistan’s footprint in Africa will help both sides collaborate and cooperate more closely to find solutions to such challenges.

## Overview of Pakistan-Africa Trade Relations

Pakistan has bilateral trade relations with many African countries. It exports several items to African countries and imports a wide variety of goods. The total bilateral trade volume is worth US\$ 6 billion, as shown in Figure 2.

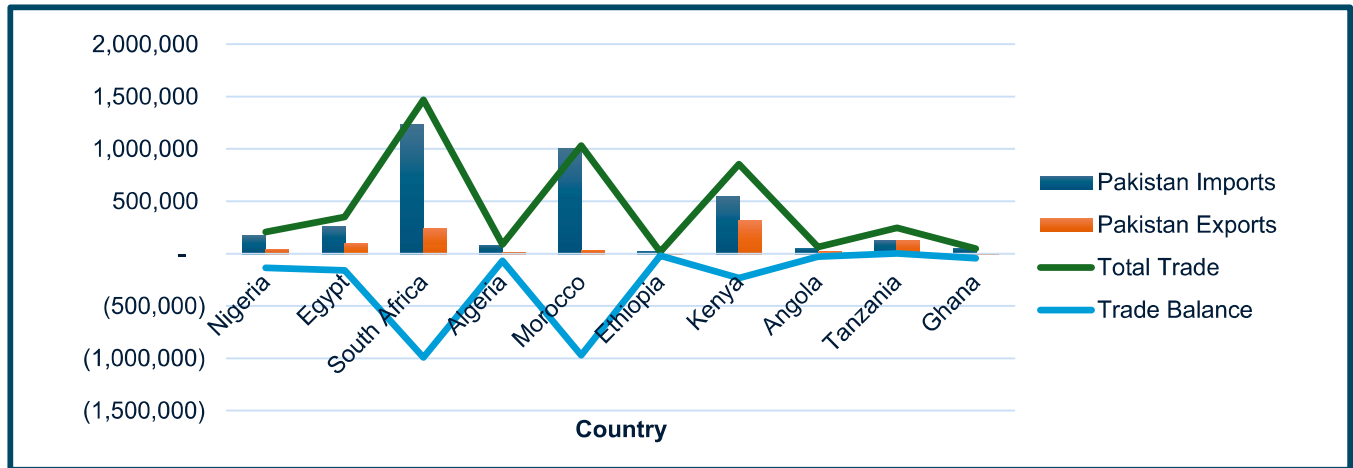
Figure 2 highlights that Pakistan’s trade with Africa is significantly skewed in favour of the latter, as evidenced by substantial trade deficits with key African economies such as Nigeria, Egypt, and South Africa. This imbalance of trade is largely driven by tariff and non-tariff barriers, lack of infrastructure, narrow product base and other trade restrictions imposed on Pakistani goods.<sup>15</sup>



Source: Prepared by the Author

Figure 2: Pakistan Africa Trade Data<sup>16</sup>

Figure 3 portrays the status of Pakistan’s existing trade figures for fiscal year (FY) 2022-2023 with the top economies of Africa. Pakistan’s bilateral trade volume with South Africa stood at US\$ 1.47 billion, Morocco US\$ 1.03 billion, Kenya US\$ 855.4 million, Egypt US\$ 353.1 million, Tanzania US\$ 247.1 million, and Nigeria US\$ 206.8 million. Bilateral trade volume with Algeria is US\$ 89.5 million, Senegal US\$ 66.15 million, Angola US\$ 63.4 million, Ghana US\$ 48.4 million and Ethiopia US\$ 19.6 million.



Source: Prepared by the Author

Figure 3: Pakistan Trade Data with Top Ten Economies of Africa<sup>18</sup>

## Current Status of Pakistan’s Policies for Africa

### 1. Engagement by the Ministry of Commerce

Pakistan’s MoC formulated the Look Africa Policy in 2017 to adopt measures to boost trade with the African continent focused on broader objectives.<sup>19</sup> The policy targets the top ten growing economies of Africa in 2017, including Nigeria, South Africa, Morocco, Egypt, Ethiopia, Tanzania, Kenya, Sudan, Ivory Coast, and Senegal. According to the IMF report of 2023, Algeria and Angola have moved up, whereas Senegal and Sudan have moved further below the top ten economies.<sup>20</sup>

Foreseeing Africa’s potential for non-traditional products, Pakistan’s policymakers have reoriented their focus towards trading items such as pharmaceutical and surgical instruments, electrical appliances, crops (rice, wheat, corn), cement, construction materials, and services. In this regard, TDAP targeted these sectors and started various expos to attract buyers.

The LAP aims to accomplish the following four objectives:

- a. Trade promotion
- b. Trade diplomacy
- c. Institutional linkages
- d. Investment promotion



## **2. Engagement by the Ministry of Foreign Affairs**

The “Engage Africa Initiative 2019” of Pakistan’s MoFA was one of the outcomes of African Envoys Conference held at Islamabad in 2019. This holistic initiative further aims to pragmatically engage Africa through a targeted approach to increase political, diplomatic, social, and people-to-people and government contacts.

Pakistan has taken substantial steps under this initiative, as follows:

- a. Five (05) new resident missions of Pakistan have been opened in Africa, including Djibouti, Ghana, Ivory Coast, Rwanda, and Uganda, with the total number rising to twenty (20).
- b. Eleven (11) honorary councils of Pakistan have been established, with a total number reaching thirty-eight (38).
- c. Six (06) bilateral political consultations have been organised.
- d. Thirteen (13) joint economic commissions have been created.
- e. Four (04) social identification systems have been launched in partnership with Pakistan’s National Database and Registration Authority (NADRA) in Somalia, Kenya, Nigeria, and Sudan.
- f. The Ethiopian embassy has been opened in Pakistan.

Moreover, Pakistan is offering training facilities to diplomats from African countries in its foreign and defence services academies. Educational scholarships are also being offered under Pakistan Technical Assistance Programme (PTAP). The training and academic courses include diplomacy, agriculture, banking, finance, public administration, railways, postal services, human resource management, and professional disciplines of medicine and engineering. Pakistan and African countries are also cooperating in many international forums, especially in the United Nations Security Council (UNSC).

All the steps mentioned above by the MoC and MoFA mark a big leap for Pakistan to increase its diplomatic and economic ingress in Africa. However, the changing nature of world politics and the engagement of other players in Africa call for Pakistan's enhanced commitment. The physical representation, such as in the form of foreign missions, needs to be advanced further. Every country should have a separate designated Pakistani mission to explore and establish new opportunities for collaboration. A vast network of diplomatic missions in Africa will provide better representation, cooperation on regional and global issues, and, most importantly, an opportunity to interact closely and establish relations with local communities. Such an engagement will provide a solid foundation for Pakistan's bilateral relations with Africa.

## **Evaluating the Progress of Pakistan’s Look Africa Policy 2017**

This section evaluates LAP’s progress over the past six years, from 2017 to 2024. It presents the objectives identified in the policy and their subsequent analyses in several phases, according to the information released by the MoC and TDAP.

## **Objective 1: Appointment of Trade Development Officers**

As stipulated in the LAP, individuals from the local community have been appointed within the trade wings as trade development officers (TDOs) where resident missions are not stationed. Appointing local people as TDOs in African countries is a positive step. They are responsible for trade development activities in their respective countries and work under the supervision of an accredited Ambassador. The countries where Pakistan has appointed TDOs are Algeria, Egypt, Ethiopia, Kenya, Morocco, Nigeria, Sudan, South Africa, Senegal, and Tanzania.

## **Objective 2: Opening of New Commercial Sections<sup>ns</sup>**

Before the introduction of LAP, Pakistan maintained commercial sections in Morocco, Kenya, Nigeria, and South Africa. It has now opened six (06) new commercial sections in Algeria, Egypt, Sudan, Ethiopia, Senegal, and Tanzania to enhance trade and economic prospects at no additional cost to the national exchequer. These specific countries are chosen based on their lucrative trade potential as follows:

- a. South Africa is Pakistan's top trading partner in Africa. Its GDP is US\$ 368.3 billion as of 2024, and it is a leader in the SADC and the Southern African Customs Union (SACU), a trading bloc targeted in LAP.
- b. Nigeria is Pakistan's fourth largest trading partner in Africa and the gateway to West Africa and ECOWAS, one of the major trading blocs targeted in the LAP. Nigeria's GDP, as of 2024, is US\$ 199.72 billion.
- c. Egypt is Pakistan's fourth largest export destination in Africa and is known as the gateway to the region. It houses the headquarters of the Arab League and has a GDP of US\$ 476.7 billion as of 2023.
- d. Morocco is Pakistan's third-largest African trade partner and a key player in AMU and the Euro-Mediterranean Free Trade Area (EFTA). Its GDP, as of 2024, is US\$ 157.09 billion.
- e. Algeria is the largest country in the Arab world and a key player in AMU and EFTA. Algeria's GDP is US\$ 266.78 billion as of 2024.
- f. Ethiopia is the fastest-growing economy in Africa. Its GDP is US\$ 126.8 billion, and it houses the headquarters of AU and AfCFTA.
- g. Kenya is Pakistan's top export destination in Africa and is a gateway to EAC and COMESA. Its GDP is US\$ 116.4 billion as of 2024.
- h. Senegal is a member of the EU-African Economic Partnership Agreement (EU-AEPA) and Trade and Investment Framework Agreements (TIFA) with the US and a critical player in the West African Economic and Monetary Union (WAEMU) and ECOWAS.
- i. Tanzania is the top third export destination for Pakistani products in Africa and a key player in EAC/SADC. Its Dar-es-Salam port serves as a route to six (6) landlocked countries.
- j. Sudan has vast investments by the GCC and is a significant player in EAC and COMESA.



### **Objective 3: Establishment of Joint Working Groups**

As part of LAP, some work has been done for setting up Joint Working Groups (JWGs). To date, Pakistan has managed to establish a JWG on trade with Egypt, Joint Trade Committees (JTCs) with Kenya, Algeria, and Ethiopia, and a Joint Trade and Investment Committee (JITC) with Mozambique.<sup>22</sup> A JWG between Pakistan and Nigeria under the Bilateral Trade Agreement (BTA) is proposed but is pending from the Nigerian side. A JTC between Rwanda and Pakistan under BTA is also proposed and pending from Pakistan's side.<sup>23</sup>

### **Objective 4: Negotiations on Bilateral/Multilateral Trade Agreements**

Negotiations on the Pakistan-Tunisia Preferential Trade Agreement (PTA) have been ongoing, which could enhance bilateral trade between both countries. A PTA between Pakistan and Mozambique is also in the pipeline.<sup>24</sup> A BTA was signed between Pakistan and Ethiopia in February 2023.<sup>25</sup> Preliminary work on the Pakistan-Kenya PTA has been initiated.<sup>26</sup>

### **Objective 5: Creation of Africa Cell in TDAP**

In line with the LAP, an Africa cell has been established at TDAP to explore further avenues in Africa and enhance bilateral relations. TDAP has held meetings with trade promotion organisations in Kenya, Egypt, Mozambique, Senegal, and South Africa intending to collaborate in the form of exhibitions, business forums, and other similar activities. TDAP also held its first Engineering and Healthcare Show in Lahore, inviting African delegates to market Pakistan's healthcare and pharmaceutical sectors.<sup>27</sup>

Trade missions in collaboration with TDAP have arranged for Pakistani companies to participate in various exhibitions in Africa for trade promotion. To promote the exhibitions, the government has given TDAP an 80% subsidy for exhibitions in Africa, while for other regions it is 50%. Seven (07) international exhibitions related to agriculture, food, engineering, and minerals sectors were attended by Pakistani companies held in Senegal, Egypt, South Africa, Morocco and Brunei Darussalam in FY 2021-2022. Similarly, in FY 2022-2023, seven (07) international exhibitions were attended by Pakistani companies in Egypt, South Africa, Rwanda, and Nigeria in the same sectors as previous exhibitions.<sup>28</sup>

### **Objective 6: Additional Duty Drawback on Selected Exports Item to Africa**

The Federal Government of Pakistan is facilitating the exporters of non-textile sectors by providing them with Drawbacks on Local Taxes and Levies (DLTL) on the exports of specific tariff lines at the specific rate of 3 and 4%, as specified under this scheme. The facility further incentivises an additional 2% drawback rate on exports of products to non-traditional markets, such as Africa.<sup>29</sup>

## **Objective 7: Organise Pakistan-Africa Trade and Development Conferences**

So far, under the ambit of LAP, four (04) Pakistan-Africa Trade and Development Conferences (PATDC) and Single Country Exhibitions (SCE) have been organised. The first ever PATDC was organised in Nairobi, Kenya, on 30-31 January 2020, inaugurated by the President of Kenya. It was attended by two hundred and forty-six (246) delegates from twenty-six (26) African countries, including government officials and the business community. A total of one hundred and fifteen (115) delegates, including eighty five (85) companies from Pakistan, participated in the conference.<sup>30</sup>

The second PATDC was held from 23-25 November 2021 to explore the potential of Nigeria, the biggest market in Africa. TDAP arranged for the participation of more than two hundred and forty (240) business people from Pakistan, representing one hundred and three (103) companies. The Nigerian and ECOWAS business people participated in the event, during which business deals worth around US\$ 32 million were finalised along with the signing of thirty-three (33) Memorandums of Understanding (MoUs) between Pakistani exporters and African buyers.<sup>31</sup>

The third PATDC was held in Johannesburg, South Africa, from 29 November to 1 December 2022. This conference was a breakthrough as Pakistan engaged with South Africa and the regional countries after a long time at a high governmental level. An estimated US\$ 2.4 million worth of trade deals were penned during this exhibition. One hundred and twenty (120) companies from Pakistan and sixteen (16) member-states of SADC participated.<sup>32</sup> Moreover, seven hundred (700) business-to-business (B2B) meetings took place. More than twenty (20) MoUs were signed.

In addition, a series of bilateral webinars were held with various African states on textile, leather, pharmaceuticals, agriculture, engineering, and minerals. Many more webinars are also in the pipeline to sensitise and educate Pakistani exporters about the immense potential that Africa offers and the regulatory framework of the host countries.

The fourth PATDC and SCE were held from 09-11 January 2024 in Cairo, Egypt.<sup>33</sup> Delegates from the Middle East and North Africa (MENA) region and major private and public organisations of Pakistan were a part of it. Several B2B and government-to-government (G2G) meetings were planned, along with a cultural night and gala dinner. The fifth PATDC and SCE are planned in Ethiopia in January 2025.

## **Objective 8: Target Three Major Trading Blocs of Africa: SACU, ECOWAS, and EAC**

Exhibitions, conferences, and bilateral meetings have been held to educate the relevant departments about the potential of these trading blocs. The focus of the first PATDC was the EAC bloc, while exhibitors from twenty-six (26) African countries were invited. The second PATDC focused on ECOWAS, with invites to ten (10) countries, and the third was dedicated to the SACU and SADU blocs.

Furthermore, an MoU has been shared with the EAC, with the goal of reaching an FTA with the trade bloc. The potential market access for Pakistan is substantial if a PTA or FTA can be finalised with these trading blocs, especially considering they are led by Kenya, Nigeria, and South Africa, which share some commonalities with Pakistan as former British colonies.

## **Objective 9: Granting Accreditations**

The MoC has granted accreditation to countries that did not have trade missions in Africa to increase market share and exposure. The table below shows the details.

<b>No.</b>	<b>Resident Country</b>	<b>Accreditation</b>
1	Nigeria	Niger, Togo, Cameroon, Ghana, Benin
2	South Africa	Botswana, Lesotho, Namibia, Swaziland
3	Egypt	Libya, Chad
4	Algeria	Mali, Burkina Faso
5	Senegal	Guinea, Sierra Leone, Liberia
6	Morocco	Tunisia, Mauritania
7	Ethiopia	Djibouti, Somalia
8	Kenya	Uganda, Rwanda, Burundi, Eretria
9	Tanzania	Mozambique, Zambia, Angola, Zimbabwe
10	Sudan	South Sudan, Eretria, Central African Republic

**List of Accreditation Countries**

## **Objective 10: Special Facilitation to Delegations between Pakistan and Africa**

Since the introduction of the LAP, Pakistan's MoC and TDAP have been facilitating the delegations to and from Africa. In this regard, an enhanced level of subsidy is also being offered to exporters to participate in trade exhibitions in Africa. Similarly, in October and November of 2022, despite short notice by relevant embassies and commercial sections, trade delegations from Tanzania, Nigeria, Kenya, and Sudan were received by TDAP. Furthermore, the MoC and TDAP facilitated incoming delegations of agriculture and pharmaceutical companies from Tanzania and Nigeria, and the technical veterinary team from Egypt.<sup>34</sup>

## Looking for Niche Markets in Africa

Under the ambit of Pakistan's LAP 2017, several new products have been introduced in African markets, as follows:

### 1. Egypt

- a. The Egyptian authorities have approved eight (08) slaughterhouses to begin the export of meat and its products, thus increasing Pakistan's access to the country's meat market.<sup>35</sup>
- b. Pakistani branded rice and pink salt have been introduced in retail outlets.
- c. The Indus Motor Company signed a deal with Toyota Egypt to import semi-processed parts.<sup>36</sup>
- d. Football manufacturing factory has been established in Egypt by Forward Sports in partnership with Pakistan's GS Group based in Sialkot in 2022.<sup>37</sup>

### 2. Nigeria and Senegal

- a. Pakistan's two and three-wheelers have been introduced in the Nigerian and Senegalese markets.
- b. Pakistan's herbal and cosmetic products, kitchenware, and paints are being exported to Nigeria.

### 3. South Africa

- a. Pakistan's export of paper and paperboard material to South Africa has increased.
- b. There are plans to increase market access for Pakistan's mangoes in South Africa.
- c. Pakistan's Lab Diagnostic System and United Prime Health Pharmaceuticals have entered into an agreement with South Africa's National Bioproducts Institute for the export of surplus plasma.<sup>38</sup>

Some new markets that Pakistan can explore include artisan and handicrafts, confectionary, frozen halal meat, and floral industry. Tourism is a potential industry that can provide a foundation for people-to-people contacts. The MoC, in conjunction with the Ministry of Tourism in Pakistan and targeted African countries, can devise programmes to promote tourism. In order to further encourage the relevant departments, the government can provide incentives to these departments and facilitate them.

## Challenges in LAP's Implementation and the Way Forward

Despite the LAP being in place and steps taken to increase Pakistan's share in the African markets, the vast potential is still untapped. The majority of the market is captured by traditional partners, including the US, EU, China, Türkiye, and India. Pakistan faces several tariff-related and Non-Tariff Barriers (NTBs) that are hampering its economic and trade engagements with Africa.

Some of the major impediments to the implementation of LAP, along with possible strategies to overcome them, are discussed as follows:

## **1. High Tariffs**

Pakistan faces significant challenges due to high tariffs, which, although not Pakistan-specific, hinder its ability to strengthen trade relations with African nations. Pakistani exporters encounter tariffs as high as 35-40% on products exported to Africa, in addition to Value Added Tax (VAT). When compared to its competitors, Pakistan faces even higher duties. For instance, in the case of textile exports to Kenya, Pakistan is subject to a duty of 25-40% due to poor policy decisions, while Egypt, its main competitor, faces only a 5% duty. Similarly, Pakistan's men's clothing exports to South Africa are hit with a 45% tariff, while Mauritius imposes no tariff at all.<sup>39</sup> These high tariffs and duties undermine Pakistan's export potential and make its products less competitive in key markets.

Africa's trade is primarily driven by inter-regional commerce through its economic blocs. To tap into this, Pakistan's MoC should focus on securing preferential tariffs with key African nations. This would boost exports and enable Pakistan to negotiate PTAs with relevant trade blocs, improving market access and competitiveness.

Being part of an economic bloc would expand Pakistan's market reach, as registration in one-member state grants access to all. The Federal Board of Revenue (FBR) should work with African customs and regulatory authorities, particularly those identified by the MoC, to establish MoUs that facilitate smoother exports for Pakistani businesses.

## **2. Non-Tariff Barriers**

Non-tariff measures, such as the sanitary and phytosanitary (SPS) regulations, pose significant challenges to effective trade between Pakistan and several African countries, especially in food products. This is particularly true for Tunisia, Kenya, South Africa, and Egypt, which have stringent requirements in this area. Although these measures are legitimate, they are costly and time-consuming, involving substantial bureaucratic procedures and tedious documentation.

To address the issues of NTBs, it is essential to simplify procedures. Trading countries should establish non-tariff measure committees and focus on cost-saving strategies. Additionally, they can mitigate the impact of these measures by adhering to international standards or implementing common approaches for testing methods and conformity assessments. Furthermore, these measures should be streamlined and rationalised, applied only to the extent they are mandatory.

### **3. Lack of Trade Agreement with Blocs**

Almost all African countries are part of regional trading blocs. Africa mainly engages in inter-regional trade rather than intra-regional trade. Pakistan lacks trade agreements with many regional blocs, which hinders trade ties.

The LAP focuses on three trading blocs: ECOWAS, SACU, and EAC. The MoC has shared trade agreements and MoUs with EAC. However, progress in these efforts is slower than desired. The MoC should take more proactive measures and initiate talks of agreements with other blocs, especially the AMU, which mainly comprises economically prosperous North African states that generate one-third of Africa's total GDP.

Furthermore, this region intersects the Arab world and has a substantial Muslim population. Pakistan can target other blocs that include countries with whom it already shares strong trade relations, for instance, members of COMESA and SADC. Signing a trade agreement with one bloc would assist Pakistani exporters in selling their registered products in one-member country to be exported to all member countries of that bloc from a regulatory perspective.

### **4. Lack of Awareness and Education**

There is a significant lack of awareness, education, and communication between Pakistani and African businessmen. Moreover, Africa is a non-traditional market and uncharted territory of commerce and trade. Pakistan seems to have received less education about the market and its demands.

A parallel strategy with various small steps to increase stakeholders' awareness and understanding of Africa is needed in Pakistan. This can be achieved by following a two-pronged strategy. One, the relevant ministries and departments, such as the MoC, TDAP, and MoFA, organise large-scale expos, roadshows, guided trade initiatives, conferences and exchange programmes. Two, the Higher Education Commission (HEC) Pakistan establishes and promotes Africa Study Centres in universities, offering certifications, diplomas, and short courses for professionals, investors, traders, and businessmen.

Similarly, starting an African language programme at Pakistan's National University of Modern Languages (NUML) will be a valuable initiative for individuals and parties working with African people. Around 1250-2100 languages are spoken in the African continent. Initially, courses can be run for the five most spoken languages in Africa, namely Swahili (100-150 million speakers), French (over 120 million), Hausa (40 million), Amharic (20 million) and Igbo (20 million). Arabic, already being taught, is also useful since it is spoken in Egypt, Morocco, Tunisia, Algeria, Eretria, and Libya. The TDAP can hire language professionals to teach Pakistani exporters languages like French, Arabic, Portuguese, Swahili, and others widely spoken in Africa. These steps will surely enhance the ease of business with Pakistan.



## **5. Lack of Visits by Top Level Leadership**

Since the launch of the LAP, working-level visits of political, defence, trade, and commerce experts and professionals have increased. However, high-level visits are still lacking especially at the political level. This aspect needs to be addressed. Pakistan's Prime Minister visited Egypt for the Climate Implementation Summit (COP27) in 2022. However, the interim Prime Minister of Pakistan's high-level visit to the Africa Climate Summit 2023 in Kenya in September 2023 was cancelled at the last minute due to other commitments. Such last-minute changes do not send positive signals to the leadership of African countries.

In 2013, Pakistan's President attended Nelson Mandela's funeral and visited Nigeria in 2014 to meet his Nigerian counterpart. Likewise, the former Foreign Minister visited Kenya, Nigeria, and Egypt during 2019 and 2021. Although the former Minister of Commerce and the Advisor to the Prime Minister have visited Africa under the pretext of PATDC, the interaction between the heads of state and governments is vital. For instance, Indian Prime Minister Modi visited 42 of the 54 African countries in his first tenure. The importance of these visits can be underscored by the fact that big trade agreements are always signed during the highest-level interactions.

Continued engagement is also important to understand Africa and build strong ties in a comprehensive manner. The African culture demands engagement at the top level. More interaction through visits will add symbolic value to bilateral relations, creating space for new agreements and MoUs in areas of mutual interest. In addition to high-level state visits, the political leadership of Pakistan and Africa can meet on the side-lines of international and multilateral events and conferences for friendly exchanges, followed by bilateral visits. African countries can be visited by the President, Prime Minister or Foreign Minister, depending on their importance.

## **6. Limited Commercial and Trade Representation**

Limited commercial presence in Africa is another hindrance to the smooth conduct of trade relations. Learning from the examples of China and India, which operate around three hundred (300) and one hundred and fifty (150) companies in Africa, respectively, on-ground presence of business people and entities in the host country is essential to facilitate exporters. It also helps monitor changing conditions regarding payments, documentation, regulation, theft, etc., in real-time and communicate them back home.

These business entities can assist in cultivating trade relations and promoting trade networks. An on-ground presence is also necessary to capture relevant markets successfully. Due to the limited physical representation of its diaspora in African states, Pakistan's trade takes place through indirect routes, such as Dubai. Therefore, there is a need to forge public-private partnerships and increase bilateral business engagements by targeting areas that need less effort and more remittances.

The MoC and the Federation of Pakistan Chambers of Commerce (FPCCI) should identify relevant companies and incentivise them through subsidies and discounts to set up offices in the embassies of relevant African countries and promote the export of Pakistani products to their countries. Establishing and supporting the physical presence of Pakistanis in Africa would assist exporters in navigating evolving regulatory requirements and harmonising standards between Pakistan and the host country. It will facilitate more accessible exports and ensure effective communication for any changes in customs regulations. Additionally, similar facilitation desks, such as those for rice, textiles, and pharmaceuticals, could be set up in relevant ministries of the African countries, including the Ministry of Foreign Affairs or the Ministry of Industry, to support Pakistani exporters and businesses.

## **Conclusion**

Pakistan launched its Look Africa Policy in 2017. Seven (7) years later, with a few scattered successes, the country has yet to make substantial inroads into the African markets. Given the vastness of the African region, it should be divided into several sub-regions to facilitate trade and commercial relations. Pakistan needs to engage with the countries on the African continent on equal terms, emphasising mutual respect and benefits, much like it does with Europe and America.

It is essential to recognise that strategies effective in our traditional markets may not be suitable for Africa. Therefore, a deep understanding of the continent and its cultures is crucial. Unlike Europe, China, or America, Africa is a vast region with diverse cultures, traditions, and customs, and it should not be viewed as a single entity. The Pakistani business community, government ministries, and departments must comprehend the African countries' cultural and economic priorities identified in the LAP's cluster of ten (10) states.

Introducing policies alone is an insufficient effort on the part of nations; consistent efforts must be made to ensure their implementation. This implementation should not be restricted to the political framework but should operate as an ongoing process. Africa represents an untapped market for Pakistani goods, so Pakistan needs to engage actively with the continent, leveraging its historical and cultural ties. Pakistan-Africa strong trade linkages benefit the entire region and beyond.



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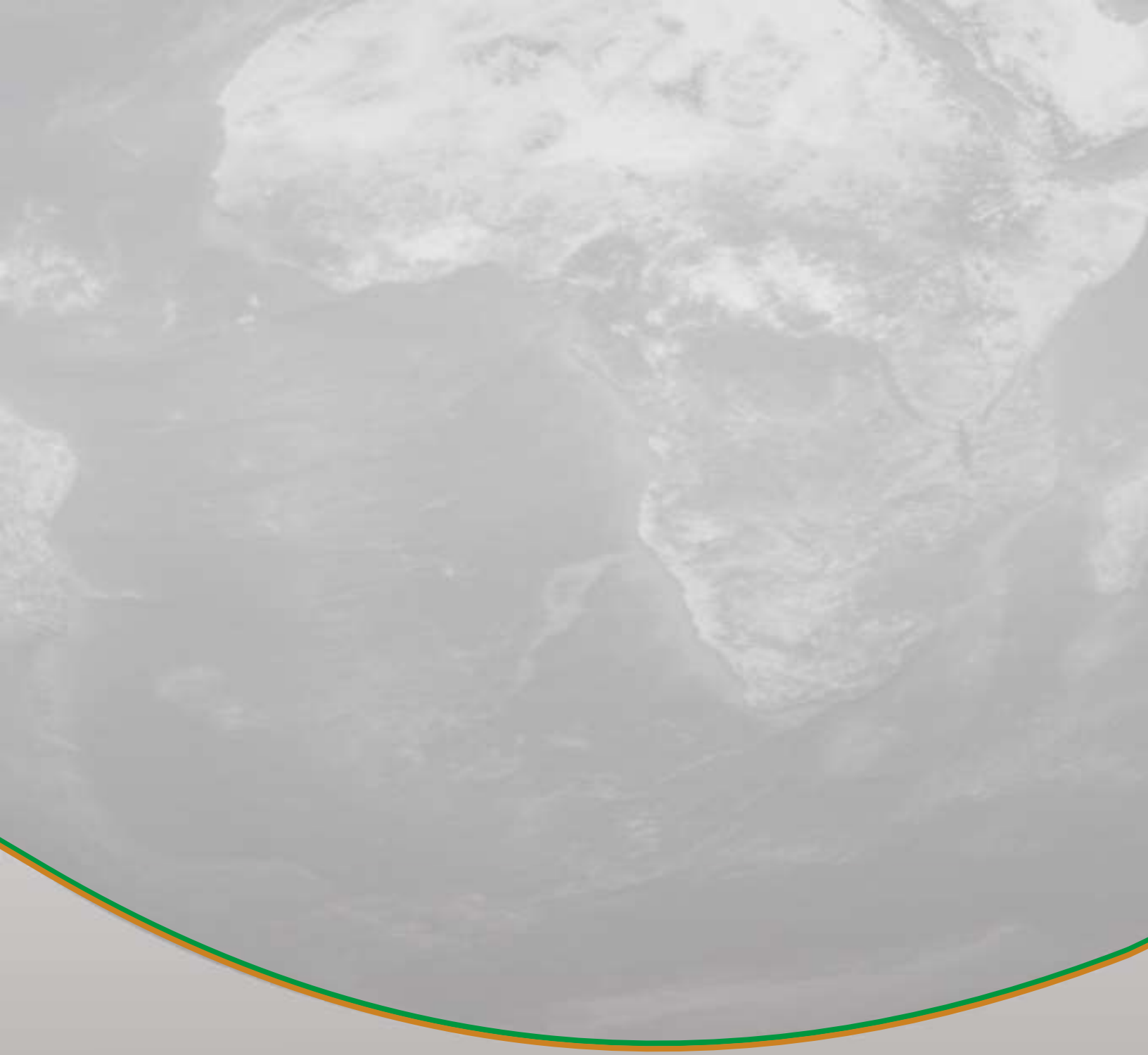
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