



### Luxembourg – a brief overview

Luxembourg, officially the Grand Duchy of Luxembourg, one of the wealthiest however smallest countries in the EU, is considered to be among the nations that play vital role in formulating major policies for the European integration. The country has been largely benefitted with its once copious deposits of iron ore which helped it in setting up one of most viable steel industries in the world. Luxembourg is surrounded by neighboring countries Belgium, France and Germany that are its export partners as well. It also enjoys strong financial position due to its central location in the European Union.

### Economy of Luxembourg

The economy of Luxembourg has one of the highest GDP per capita in the world and possess one of the finest living standards by its people. The country has strong banking and manufacturing sector with low public debt and inflation. The GDP growth has remained slow but is consistently increasing owing to the positive current account surplus with very low budget deficits. The presence of quality infrastructure in Luxembourg supports the fiscal and legal framework to spur the prosperity. The effective financial framework has also given strength to the country where banks from all over the world have established their head offices. The workforce is internally skilled however its aging population poses threat for the future of its economy.

### Key Industries and Agricultural Products of Luxembourg

The key industries of Luxembourg are pharmaceuticals, construction materials, paper products, textiles and apparel, food processing, shrimp and fertilizer. Among major agricultural products; wheat, cotton, fruits, eggs, mutton, beef, milk, sugarcane, rice, beef, vegetables are the important ones in Luxembourg.

### Luxembourg's major trading commodities and partners

Luxembourg export several commodities including rice, sport goods, yarn, cotton cloth, bed linen, garments, chemicals, rugs and carpets and leather goods to its exports partners U.S. (1.5%), China (9.6%), Afghanistan (7.5%), U.K. (6.3%) and Germany (4.6%). The commodities imported by Luxembourg include petroleum and petroleum products, iron and steel, machinery, transportation equipment, paper and paperboard, plastics, edible oils, tea etc which it mainly imports from China (17.1%), U.A.E. (16.4%), Saudi Arabia (9.9%), Kuwait (7.5%), and India (4.5%).

### Economic Relations between Pakistan and Luxembourg

Pakistan and Luxembourg shares healthy bilateral relations with each other. Pakistan's consulate also has its office in Luxembourg through which both countries have maintained cordial diplomatic relations.

### Bilateral Trade Relations between Pakistan and Luxembourg

Pakistan and Luxembourg trade relations are increasing with every passing year. The goods import by Pakistan from Luxembourg recorded an increase of 42% in Fiscal Year 2014 to \$ 82.53Mn as compared to \$ 58.05Mn last year in Fiscal Year 2013. However, during Fiscal Year 2014, Pakistan exported goods to Luxembourg of merely \$ 0.81Mn as against exports of \$ 1.24Mn in Fiscal Year 2013 showing decline of 34%. The trade balance is heavily tilted in the favour of Luxembourg by \$ 81.72Mn. There exists good potential of increasing trade even exceeding \$ 1Bn by exchanging commodities of interest between the two countries.

### Trading Commodities between Pakistan and Luxembourg

Several commodities are exchanged between Pakistan and Luxembourg. The commodities imported by Pakistan from Luxembourg include aluminium and articles, iron, steel and its articles, copper and articles, machinery, boilers, electrical and electronic equipment, optical and technical and medical apparatus, plastics and articles thereof, rubber and articles, non wovens, yarns. The commodities exported by Pakistan to Luxembourg include leather and its articles, carpets and other textile floor coverings, knitted articles of apparel and accessories, not knitted articles of apparel and accessories, tools, cutlery, moulding box, manufacturing machinery for rubber and plastic etc.

### Potential for enhancing bilateral trade relations between Luxembourg and Pakistan

There is a vast potential existing between Pakistan and Luxembourg where both countries can collaborate for exchange in various fields of goods and services trade.

As Pakistan is engaged in exports of vehicles other than railway, edible animal products, pharmaceutical products, edible fruits, nuts, peel of citrus fruit, footwear, pearls and precious stones etc. all over the world, which Luxembourg imports from different countries.

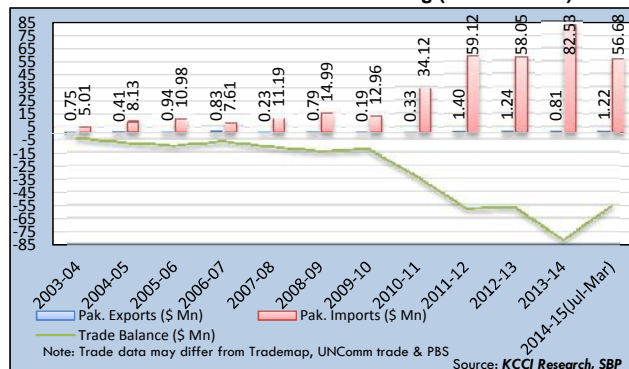
There is a need to increase interaction of business community on both sides for which frequent visits of various trade delegations between Pakistan and Luxembourg can be arranged so that trade linkages among industries are developed and strengthened.

### Economic Indicators

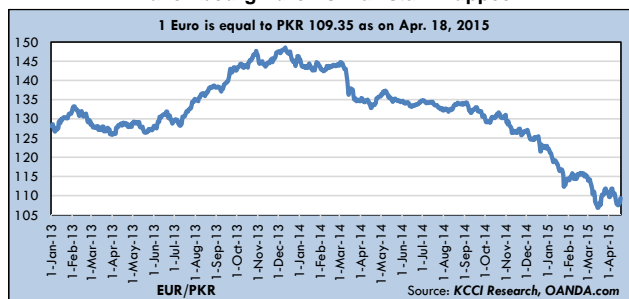
Indicators	Unit	2013	2014	Change
GDP (PPP)	\$ Bn	49.33	50.65	2.68%
GDP per Capita	\$	91,900	92,400	0.54%
GDP growth	%	2.1	2.7	0.60%
Forex Reserves	\$ Bn	0.96	-	-
External Debt	\$ Bn	101.40	99.80	-1.58%
Exports	\$ Bn	16.98	18.90	11.31%
Imports	\$ Bn	25.34	27.92	10.18%
Trade Balance	\$ Bn	-8.36	-9.02	7.89%
Current Account	\$ Bn	3.16	2.70	-14.58%
CPI	%	1.7	0.8	-0.90%
Unemployment	%	6.9	7.1	0.20%
Discount Rate	%	0.75	-	-

Sources: KCCI Research, CIA Factbook

### Trade between Pakistan & Luxembourg (FY04-Mar.'15)



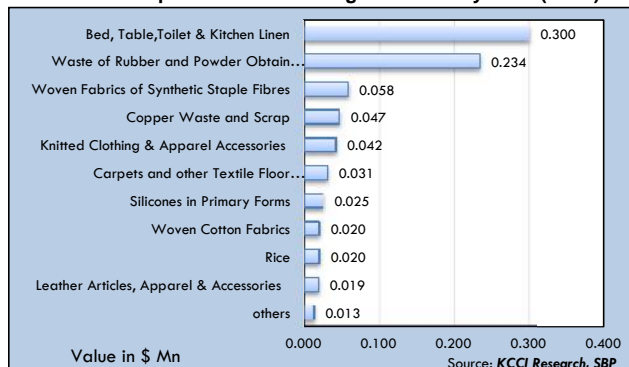
### Luxembourg Euro Vs. Pakistani Rupee



### Key Memberships

Luxembourg has a membership in ADB, EBRD, ECB, EIB, EMU, ESA, EU, FAO, FATF, IAEA, IBRD, ICAO, ICRM, IDA, IEA, IFAD, IFC, IFRCs, ILO, IMF, IMO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, MIGA, NATO, OECD, OIF, OPCW, OSCE, PCA, Schengen Convention, UN, UNCTAD, UNESCO, UNHCR, UNIDO, UNRWA, UPU, WCO, WHO, WIPO, WMO, WTO

### Pakistan Exports to Luxembourg - Commodity Wise (FY14)



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