

Pakistan & United States of America



Economy - overview:

- ✓ The US has the most technologically powerful economy in the world, with a per capita GDP of \$54,800. US firms are at or near the forefront in technological advances, especially in computers, pharmaceuticals, and medical, aerospace, and military equipment; however, their advantage has narrowed since the end of World War II.
- ✓ Based on a comparison of GDP measured at Purchasing Power Parity conversion rates, the US economy in 2014, having stood as the largest in the world for more than a century, slipped into second place behind China, which has more than tripled the US growth rate for each year of the past four decades.
- ✓ US business firms enjoy greater flexibility than their counterparts in Western Europe and Japan in decisions to expand capital plant, to lay off surplus workers, and to develop new products. At the same time, they face higher barriers to enter their rivals' home markets than foreign firms face entering US markets.
- ✓ Long-term problems for the US include stagnation of wages for lower-income families, inadequate investment in deteriorating infrastructure, rapidly rising medical and pension costs of an aging population, energy shortages, and sizable current account and budget deficits.
- ✓ Imported oil accounts for nearly 55% of US consumption and oil has a major impact on the overall health of the economy. Crude oil prices doubled between 2001 and 2006, Oil prices climbed another 50% between 2006 and 2008.
- ✓ GDP contracted until the third quarter of 2009, making this the deepest and longest downturn since the Great Depression. To help stabilize financial markets, the US Congress established a \$700 billion Troubled Asset Relief Program (TARP) in October 2008.
- ✓ The government used some of these funds to purchase equity in US banks and industrial corporations, much of which had been returned to the government by early 2011.
- ✓ In January 2009 the US Congress passed and President Barack OBAMA signed a bill providing an additional \$787 billion fiscal stimulus to be used over 10 years - two-thirds on additional spending and one-third on tax cuts - to create jobs and to help the economy recover.
- ✓ In 2010 and 2011, the federal budget deficit reached nearly 9% of GDP. In 2012, the federal government reduced the growth of spending and the deficit shrank to 7.6% of GDP.
- ✓ Wars in Iraq and Afghanistan required major shifts in national resources from civilian to military purposes and contributed to the growth of the budget deficit and public debt.
- ✓ Through 2014, the direct costs of the wars totaled more than \$1.5 trillion, according to US Government figures.
- ✓ In December 2012, the Federal Reserve Board (Fed) announced plans to purchase \$85 billion per month of mortgage-backed and Treasury securities in an effort to hold down long-term interest rates, and to keep short term rates near zero until unemployment dropped below 6.5% or inflation rose above 2.5%. In late 2013, the Fed announced that it would begin scaling back long-term bond purchases to \$75 billion per month in January 2014 and reduce them further as conditions warranted; the Fed ended the purchases during the summer of 2014. In 2014, the unemployment rate dropped to 6.2%, and continued to fall to 5.5% by mid-2015, the lowest rate of joblessness since before the global recession began; inflation stood at 1.7%, and public debt as a share of GDP continued to decline, following several years of increase.

| Key Economic Indicators | 2013 | 2014 | 2015 |
|----------------------------------|------------------|------------------|------------------|
| GDP (purchasing power parity) | \$17.1 trillion | \$17.52 trillion | \$17.97 trillion |
| GDP (official exchange rate) | \$16.72 trillion | \$17.42 trillion | \$17.97 trillion |
| GDP - real growth rate | 1.5% | 2.4% | 2.6% |
| GDP - per capita (PPP) | \$53,600 | \$54,900 | \$56,300 |
| Inflation rate (consumer prices) | 1.5% | 1.6% | 0.2% |

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GDP-composition by sector: Agriculture: 1.6%, Industry: 20.8%, Services: 77.6%

Major Industries: Highly diversified, world leading, high-technology innovator, second-largest industrial output in the world; petroleum, steel, motor vehicles, aerospace, telecommunications, chemicals, electronics, food processing, consumer goods, lumber, mining

Agriculture - products: Wheat, corn, other grains, fruits, vegetables, cotton; beef, pork, poultry, dairy products; fish; forest products

Industrial production growth rate: 3% (2015 est.)

| Sr No. | Export Partner | Share |
|--------|----------------|-------|
| 1. | Canada | 19.2% |
| 2. | Mexico | 14.8% |
| 3. | China | 7.6% |
| 4. | Japan | 4.1% |

| Sr No. | Import Partner | Share |
|--------|----------------|-------|
| 1. | China | 19.9% |
| 2. | Canada | 14.8% |
| 3. | Mexico | 12.5% |
| 4. | Japan | 5.7% |
| 5. | Germany | 5.3% |

Pakistan Export to United State of America

Unit: US Dollar thousand

| Product code | Product label | Pakistan's exports to United States of America | |
|--------------|--------------------------------------------------------|------------------------------------------------|---------------|
| | | Value in 2013 | Value in 2014 |
| TOTAL | All products | 3,746,252 | 3,646,509 |
| '01 | Live animals | 0 | 0 |
| '02 | Meat and edible meat offal | 0 | 0 |
| '03 | Fish, crustaceans, molluscs, aquatic invertebrates nes | 1,227 | 916 |
| '04 | Dairy products, eggs, honey, edible animal product nes | 968 | 781 |
| '05 | Products of animal origin, nes | 0 | 403 |
| '06 | Live trees, plants, bulbs, roots, cut flowers etc | 302 | 79 |
| '07 | Edible vegetables and certain roots and tubers | 145 | 218 |
| '08 | Edible fruit, nuts, peel of citrus fruit, melons | 4,504 | 8,193 |
| '09 | Coffee, tea, mate and spices | 10,430 | 12,222 |
| '10 | Cereals | 32,670 | 30,319 |

Pakistan & United States of America



Pakistan Import from United State of America

Unit: US Dollar thousand

| Product code | Product label | Pakistan's imports from United States of America | |
|--------------|--------------------------------------------------------|--------------------------------------------------|---------------|
| | | Value in 2013 | Value in 2014 |
| TOTAL | All products | 1,669,789 | 1,799,568 |
| '01 | Live animals | 2,418 | 2,646 |
| '02 | Meat and edible meat offal | 589 | 183 |
| '03 | Fish, crustaceans, molluscs, aquatic invertebrates nes | 4 | 33 |
| '04 | Dairy products, eggs, honey, edible animal products | 27,234 | 16,862 |
| '05 | Products of animal origin, nes | 674 | 621 |
| '06 | Live trees, plants, bulbs, roots, cut flowers etc | 17 | 33 |
| '07 | Edible vegetables and certain roots and tubers | 6,017 | 6,705 |
| '08 | Edible fruit, nuts, peel of citrus fruit, melons | 4,873 | 3,500 |
| '09 | Coffee, tea, mate and spices | 98 | 30 |
| '10 | Cereals | 34,937 | 29,703 |
| '11 | Milling products, malt, starches, inulin, wheat gluten | 1,477 | 139 |