

Trade Stats for the ECO Region

As we have seen the Pandemic followed up by geo political conflicts have brought about unprecedented challenges to the world economy, which resulted in supply shortages, increasing energy & food prices and disruptions in the supply chains uncertainties and we are uncertain about the global GDP growth in 2023, which have been revised downward to around 2%.¹

The world trade (in value terms) was recorded at at US\$ 17.7 trillion in 2020 due to Pandemic, but increased to US\$ 22.43 trillion² in 2021 and further grew to US\$ 25.05 trillion in 2022.¹

In the trade sector, which is a core priority area of the ECO, the world trade share of the ECO region increased to US\$ 1035 billion in 2022.³ In the year 2022, imports of the ECO region from the world were recorded at US\$ 577.55 billion while exports to the world were recorded at US\$ 459.08 billion.

The ECO region's contribution in world trade, at around 4.1%, clearly falls below its commensurate potential for a region that is strategically located on important trade routes with a share of more than 6% of world population and abundance of endowments in natural and human resource.

On the other hand, intra-regional trade was recorded at US\$ 85.6 billion in 2022, which is only 8.2% of the region's total trade with rest of the world. In the year 2022 imports of ECO countries, sourced from within the ECO region, were recorded at US\$ 39.7 billion out of their total world imports of US\$ 577.5 billion in the same period making only 6.81%. Likewise the Exports of ECO countries to ECO regional destinations were recorded at US \$ 46 billion against their total exports to the world, which were recorded at US\$ 459 billion that constitutes 10%. The ECO region has recorded a trade deficit of US \$ 118.4 billion (11.43% of their total trade with the rest of world) which shows that the region's exports are far below its true potential--- a target set in the ECO Vision 2025 to increase exports from ECO region to the world.

The highest exports of the ECO countries within ECO region in 2022 have been recorded in Mineral Fuels, Mineral Oils and products thereof (HS -27) with a value of

¹ Global data and forecasts are based on World Bank Global Economic Prospects, June 2023 accessed on 25th July 2023 at <https://www.worldbank.org/en/publication/global-economic-prospects>.

² ITC Web based tools, Trade map accessed on 25th July 2023 (https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c%7c27%7c000%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c1%7c

³ ITC Web based tools, Trade map accessed on 25th July 2023 (https://www.trademap.org/Bilateral_TS).

US\$ 10.5 billion out of US \$ 46 billion (22.8%), followed by Refrigerators, Machinery, Nuclear centrifuges etc (HS 84) with 5.4 %, Cereals (HS-10) with 5%, Plastics and products thereof (HS-39) 4.3%, Cotton (HS-52) 4.2 % etc.

The Major exports of the ECO region to the rest of world with share are:

1. Mineral Fuels, Mineral Oils and products thereof (HS -27) recorded at US\$ 120 billion out of total exports of the region to world at us\$ 459 billion (share of 26%).
2. Refrigerators, Machinery, Nuclear centrifuges etc (HS 84) recorded at US\$ 24.8 billion with a share of 5.4 %⁴
3. Plastics and products thereof (HS-39) recorded at US\$ 16.7 billion with a share of 3.6 % in region's exports to the world.

Following are the top exports of the ECO region to the world:

- Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral. . . (HS- 27) US\$ 120 billion. (26 % of the total ECO exports to world).
- Refrigerators, Machinery, Nuclear centrifuges etc, (HS 84) US\$ 24.8 billion (5.4 % of the total ECO exports to world).
- Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television . .(HS- 85) US\$ 15.8 billion (3.4 % of the total ECO exports to world)
- Aluminum and articles thereof (HS-76) , US\$ 9.1 billion ((2 % of the total ECO exports to world)
- Other made-up textile articles; sets; worn clothing and worn textile articles; rags (HS-63) US\$ 8.6 billion , 8.6 billion (1.8 % of world imports in the Tariff line).
- Products of the milling industry; malt; starches; insulin; wheat gluten (HS-11) US \$ 3.06 billion

Form the above analysis, it is clear that the share of the ECO in global trade is more in the raw materials/ primary products and the share of intermediate and finished products is below its potential. This reflects the need for industrialization for diversification and value addition in the region through greater investment nd making experts basket competitive thereon.

⁴https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c%7c56416%7c000%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c2%7c1%7c1%7c1%7c1%7c1