

PAKISTAN –THAILAND: ECONOMIC, AND TRADE RELATIONS

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Abstract

The research paper entitled “Pakistan –Thailand: Economic and trade Relations” is written with the purpose to see economic and trade relations of both the countries from very beginning and their tourism sector, agriculture sector and natural resources, Thailand’s tourism sector is already developed and its income is much better as compared to Pakistan. At this time Pakistan faces the problems of terrorism, law and order situation, corruption, and load-shedding in this regard present government of PPP is taking efforts to come out from all the mentioned problems, and moves to wards the miracle of Thailand. The following are the main sections of the study:

Section 1 starts with introduction, section 2 explains trade agreements of Pak-Thailand. Section 3 points out the back ground of Pak-Thailand relations, section 4 describes tourism sector, section 5 discusses agriculture sector in Thailand and Pakistan, Section 6 Describes natural resources of Pak-Thailand, Section 7 Pakistan and Thailand trade relations, finally Section 8 shows conclusions and suggestions.

Introduction

Pakistan projected to take efforts for the best foreign policy and economic goals, growing security and strategic needs, for national interest, and the need to look East—especially in the post 9/11 period—are the driving factors behind this vision in response to our neighbor country India’s growing alliances and interests in the East.

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Although Pakistan has always maintained warm relations with most of the countries in South East Asia such as Thailand, it has lagged behind in devising and implementing strategic plans for its economy to benefit from these relations, especially in the context of globalization. However, this alignment would boost South-South cooperation and help to improve relations with South East Asia. Perhaps the only advantage that Pakistan has over India is that it does not face any border disputes with the East Asian region¹.

From a very beginning Pakistan has traditionally aligned itself with the United States, receiving immense rewards for supporting United States military expeditions. Throughout the past, its economic growth rates have remained high, especially during these military expeditions; there has, though, been little development in the range and level of its exports. After 9/11, Pakistan has had to change its alliances; it has to some extent changed direction, but has included the East Asian region in its economic growth. Indeed, the post 9/11 situation has presented new options and choices for Pakistan to develop its economy, mainly in terms of economic, trade and investment relations.

Since independence, Pakistan and most of the East Asian countries of the region faced related problems, although Thailand had resolved their political differences in 1932. Pakistan since Zia regime still suffers from terrorism, political instability, law and order situation, corruption, and other violence.

More recently, Pakistan has begun to focus on the ASEAN region in economic and trade terms, attempting to become reacquainted with the region. In 1993, the Pak-ASEAN Sectoral Partnership was formed on the insistence of Thailand, Indonesia, and Brunei². Thereafter, Pakistan made active efforts to move up its profile in the region through increased diplomatic and official interactions as well as through trade and investment linkages.

Trade Agreements of Pak-Thailand

Pak-Thailand decided to enter the Comprehensive Economic Partnership leading to a Free Trade Agreement in goods and services. The technical meetings held to identify the items for early harvest as quickly as possible. This decision was made at a meeting between Federal Minister for Commerce, Humayun Akhtar Khan and Thai Trade Representative Prachuab Chaiyasan along with their delegations at Islamabad³.

Leaders of both sides observed that present level of trade between the two countries was much below their potential and it was in the interest of both the countries to take measures at least double the trade in the short run. The Thai Trade Representative observed that Pakistan was a gateway for Central Asian Republic States, China and Middle East whereas Thailand was also strategically placed in East Asia and was a gateway for emerging economies of ASEAN States⁴. Commerce Minister appraised the Thai delegation of the trade and economic liberalization carried out by Pakistan in recent years. Pakistan offered very favorable environment to attract foreign investment in various segments particularly textile, housing, cement, telecom and electronics.

Pak-Thailand agreed that a Joint Economic Commission would be established between the two countries to enhance bilateral trade and economic relations. It was realized by both the sides that although the relationship between the two governments was satisfactory yet people to people contact was need to be greatly enhanced. For this purpose, commerce minister proposed a business forum between the private sectors of the two countries, to which the Thai side also agreed. The meeting ended with a resolve to enhance the level of trade and economic cooperation between the two countries.

Back Ground of Pak-Thailand Relationship

Pak-Thailand relationship since 58 years when the two countries signed an agreement and established Ambassadorial Relation on 10 October 1951 in Karachi. Afterward, in 1956, Pakistan appointed the first Ambassador to Thailand and soon after, Thailand appointed its first Ambassador to Pakistan. A milestone of history of the two countries has placed when Their Majesties King Bhumibol Adulyadej and Queen Sirikit visited our country followed by visits of Prince Maha Vajiralongkorn in 1992 and 1998, and Princess Chulabhorn's in 1994. There have also been reciprocal visits by the leaders of the two countries over the years, especially the visit of Gen. Zia-ul-Haque in 1980 followed by the visit of the then Prime Minister of Thailand, Gen. Prem Tinsulanonda. These visits have strengthened the dealings and good relations further⁵.

In March 1999, M.R. Sukhumbhand Paribatra, Deputy Minister of Foreign Affairs of Thailand led the Thai Delegation to the Inaugural Meeting of Joint Economic Commission held in Islamabad. The Meeting brought about the successful outcome which led to the Thailand Trade Exhibition and Thailand Food Festival in Karachi. This confirms that Thailand and Pakistan have many things in common and will benefit from the strengthening of cooperation both in economic sector. In Pakistan the official visit of Dr. Surakiart Sathirathai, Thailand Foreign Minister between 3rd March to 5th March 2002 has opened a new chapter of Pak-Thailand relationship towards more materialized benefits to both countries' political and economic interests. The Foreign Minister has paid a courtesy call to President of Pakistan, General Pervez Musharraf, and informed him of the development of Asia Cooperation Dialogue, which later became a successful platform for cooperation for countries in South, East, and Southeast Asia⁶. Moreover, the Pakistani President informed FM. Surakiart of his country's rudeness to join hands with Thailand, India and Vietnam in rice export promotion. Foreign Minister Surakiart also met with Pakistani Ministers of Foreign

Affairs, Commerce, and Industries and discussed ways to promote trade and investment in areas of process food, jewellery, and auto parts. Pakistan offered to be a gateway to central Asia while Thailand was also ready to serve as a gateway to Southeast Asia. A Memorandum of Understanding between Thai-Pakistan on Logistic Support has also been signed during the time of the visit.

The Prime Minister of Thailand paid an official visit to Pakistan between 1st and 2nd July 2002. During his visit, Dr. Thaksin Shinawatra met with General Pervez Musharraf, and several other ministers. Matters of common interests have been discussed in many aspects and the memorandum of understanding of tourism has been signed to facilitate tourism business between the two countries and cultural programme in areas of mutual interest⁷.

In September, 2001 unfortunate incident appear Thailand's contribution of 3,000 tons of rice and 10,000 blankets for Afghan refugees in Pakistan has proved a yet stronger friendship ties between Thailand and Pakistan.

Tourism Sector of Pak-Thailand

Tourism sector plays pivotal role in the development of any country. With Thailand experience in tourism, in the service sector, the country has a very large tourism industry and there are more than 8 million arrivals every year and worth about \$7 billion to the economy in the year 2007. It expressed its readiness to assist Pakistan to develop tourist industries, particularly in various areas where Buddhist archaeological sites are excavated. An open sky policy agreed upon by the two countries would increase people to people contacts together with new economic opportunity. Except this Pakistan is also gifted with natural beauty which is available in the whole country⁸. On the other hand Pakistan had old civilization such Moenjo Daro, Harappa, Taxela and archaeological places also available in whole Pakistan, they all attract to the foreigners in our country. and Pak-Thailand agreed to work together towards an

increase in number of direct flights in the existing routes including an additional route between Bangkok and Islamabad.

National and International Visitors

In Pakistan the number of the national and international visitors for various places of touristic importance during 2006, followed by structural analysis is presented as under:

Table -1: Visitors to Places of Cultural Importance 2004 to 2005

Year	Domestic Visitors (D)	Foreign Visitors (F)	Change over Previous Year (%)
2004	2.587	0.034	87.9
2005	2.864	0.042	23.5
Total	5.451	0.076	
Increase over the period	10.71	23.53	
Share of each D x F	98.62	1.38	100.00

Source: Government of Pakistan(2006) Department of Archaeology and Museums, Lok Virsa, Islamabad, Culture Department of Sindh, Archaeology Department of N.W.F.P. Planning & Development Department, Northern Areas, Administration.

It is clear from the above table 1 that the domestic visitors number has increased to 10.7% in the year 2005 when compared with 2004. Similarly the foreign visitors number is not sufficient because of law and order situation from very beginning but their number has increased 23.5% in the year 2005 when compared with 2004 figures and in this way the overall visitors number has also increased by 10.9% in the year 2005 than the numbers of 2004⁹.

Thus, it is clear that our cultural importance is very famous all over in the world but due to political, and non democratic government we are facing uncountable revenue problems for our country. The following Table-2 shows visitors to places of cultural importance

from 1996 to 2005.

Table 2: Visitors to Places of Cultural Importance 1996 to 2005

Year	Domestic Visitors	Percentage Change over previous year	Foreign Visitors	Percentage Change over previous year	Over all visitors	Change over Previous Year
1996	1.956	(-)7.0	0.112	(-)0.4	2.068	(-)6.6
1997	1.728	(-)11.6	0.070	(-)37.4	1.798	(-)13.0
1998	2.105	21.82	0.070	0.1	2.175	21.0
1999	2.215	5.2	0.058	(-)17.9	2.273	4.5
2000	2.524	13.96	0.057	(-)1.9	2.581	13.5
2001	2.173	(-)13.90	0.062	9.84	2.235	(-)13.4
2002	2.280	4.93	0.018	(-)71.27	2.298	2.8
2003	2.758	20.96	0.018	1.79	2.776	21.0
2004	2.587	(-)6.2	0.034	87.9	2.621	(-)6.2
2005	2.864	10.7	0.042	23.5	2.906	10.9
Total	23.19	-	0.541	-	23.731	-
Increase over the period	46.42	-	-62.5	-	8.43	-
Share of each D x F	97.72	-	2.28	-	100	-

Source: Government of Pakistan (2006) Department of Archaeology and Museums, Lok Virsa, Islamabad, Culture Department of Sindh, Archaeology Department, of N.W.F.P. Planning & Development Department, Northern Areas, Administration.

It is clear from the table 2: that the number of domestic visitors increases by 46.42% and number of foreign visitors declined by – 62.5% during the period from 1996 to 2005, it is also clear that the domestic visitors share increased by 97.72% when foreign visitors share appeared only 2.28% only. It is noted that our country is very rich in historical and archaeological sites but we are not getting proper benefit from hotel and tourism industry in this regard we must get help from Government of Thailand they already have offered to us¹⁰. If we develop law and order situation then our environment will attract

to the foreigners. When foreigners come in Pakistan on one hand we will develop more infrastructure facilities on other hand we will generate more revenue for the government. Table -3: shows relative share of visitors of cultural places.

Table- 4: Relative Share of Visitors to Cultural Places 2004 to 2005

Year	Historical places	% Share in total	Archaeo-logical sites	% share in total	Museum	% share in total	Overall
2004	1.896	72.40	0.153	5.80	0.572	21.80	2.621
2005	1.987	68.38	0.200	6.88	0.719	24.74	2.906
% Change in 2005 over 2004	4.8	--	30.7	--	25.7	--	10.9

Source: Government of Pakistan (2006) Department of Archaeology and Museums, Lok Virsa, Islamabad, Culture Department of Sindh, Archaeology Department, of N.W.F.P. Planning & Development Department, Northern Areas, Administration.

It is evident from table 3: that relative share of visitors to cultural places during 2004 shows that in 2004 the visitors had seen 1.896 historical places, 0.153 archaeological sites and 0.572 museums, overall 2.621%. Similarly in the year 2005 the relative share of visitors to cultural places in 2005 was 1.987% historical places, 0.200 archaeological sites, 0.719 museums and 2.906 % overall. It is also noted among from three sites that people had visited more historical places as compared to archaeological sites and museums. When we compare Pakistan with Thailand then occurred huge difference, in Pakistan foreigners are coming on finger tips and in Thailand in millions. The following Table-4 shows seasonal variation in visitors to places of cultural importance¹¹.

Table 5: Indices of Seasonal Variation in Visitors to Places of Cultural Importance 2004 to 2005

(Based on the Monthly Average of Each Year)

Year/Month	2004	2005
January	82	48
February	101	87
March	89	95
April	92	105
May	75	105
June	83	91
July	122	136
August	138	136
September	105	108
October	107	53
November	109	148
December	95	87
Seasonality Ratio	1.38	1.48

Source: Government of Pakistan (2006) Department of Archaeology and Museums, Lok Virsa, Islamabad, Culture Department of Sindh, Archaeology Department, of N.W.F.P. Planning & Development Department, Northern Areas, Administration

It is depicted in table 4 that there is a seasonal variation in visitors of the cultural places. The highest visits are noted in the months of July, August, and November but in other months there is the variation in the visits of visitors. It is also noted the seasonality ratio appears 1.38 in 2004 and 1.48 in 2005.

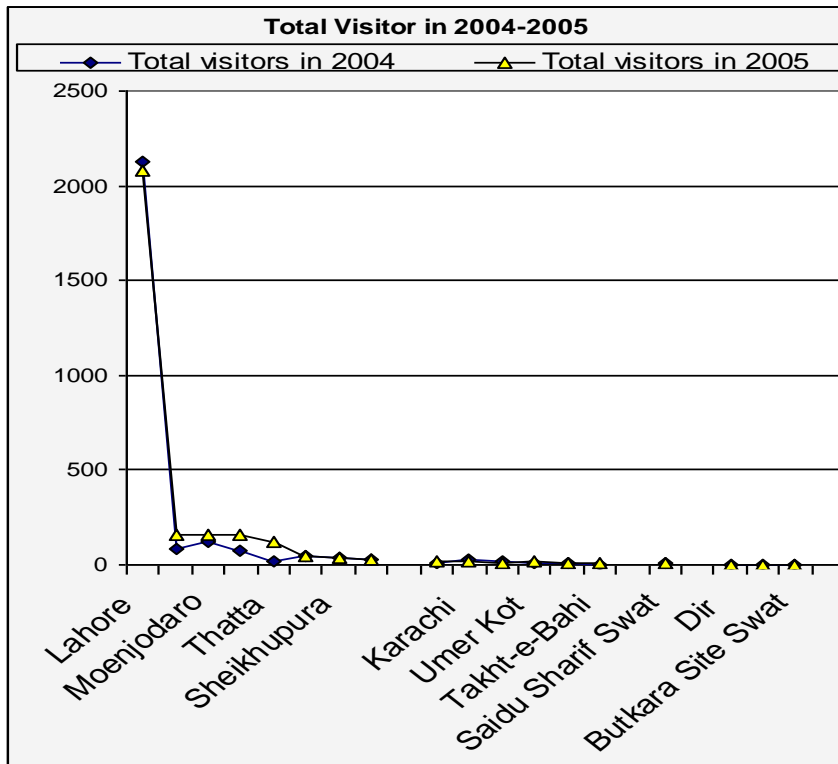
It is also noted that in past the government of Pakistan had ignored the tourism sector, but now the present government of PPP is giving much importance to this sector. In the province of Sindh, Honorable Ms Sasui Palejo, Minister of cultural and tourism is taking all the efforts to give boost to this sector.

The following table shows city-wise visitors to places of cultural importance.

Table 5: City-wise Visitors to Places of Cultural Importance 2004 to 2005.

Location	2004			2005			000 (Nos)
	Domestic visitors	Foreign visitors	Total visitors	Domestic visitors	Foreign visitors	Total visitors	% Share in 2005
Lahore	2107.08	16.74	2123.82	2063.89	18.04	2081.93	71.6
Taxila	73.13	6.38	79.51	154.15	8.72	162.87	5.6
Moenjodaro	120.09	0.76	120.85	157.43	0.90	158.33	5.4
Islamabad	73.60	1.41	75.01	152.59	3.20	155.79	5.4
Thatta	20.13	0.08	20.21	123.27	0.60	123.87	4.3
Hyderabad	46.60	0.10	46.70	49.96	0.28	50.24	1.7
Sheikhupura	40.51	0.17	40.68	40.48	0.14	40.62	1.4
Harappa (Sahiwal)	31.29	0.46	31.75	27.27	0.33	27.60	0.9
Peshawar	3.63	1.55	5.18	20.49	2.23	22.72	0.8
Karachi	27.03	0.67	27.70	18.78	1.21	19.99	0.7
Hunza	10.93	3.63	14.56	9.35	4.38	13.73	0.5
Umer Kot	8.02	0.00	8.02	15.66	--	15.66	0.5
Sialkot	8.43	0.04	8.47	7.50	0.03	7.53	0.3
Takht-e-Bahi	2.56	1.08	3.64	7.53	1.03	8.56	0.3
Saidu Sharif Swat	10.27	1.07	11.34	6.39	0.71	7.10	0.2
Dir	3.36	0.06	3.42	3.70	0.01	3.71	0.1
Skardu	-	-	-	3.90	0.25	4.15	0.1
Butkara Site Swat	-	-	-	1.10	0.41	1.51	-
Grand Total:	2586.66	34.20	2620.86	2863.44	42.47	2905.91	100.0

Source: Government of Sindh (2006) Department of Archaeology and Museums, Lok Virsa, Islamabad, Pakistan Science Foundation, Government of Pakistan, Culture Department, Archaeology Department, Government of N.W.F.P. and Planning & Development Department, Northern Areas, Administration.



It is clear from the above table 6 and figure 2, that the internal and external visitors had visited Lahore in the year 2005 their share of Lahore was, 71.6% the share of Taxila was 5.6%, Mohenjo-Daro was 5.4%, Islamabad was 5.4%, Thatta was 4.3%, Hyderabad 1.7%, Sheikhupura was 1.4%, Harappa (Sahiwal) was 0.9%, Peshawar was 0.8%, Karachi was 0.7, Hunza was 0.5%, Umer Kot was 0.5%, Sialkot 0.3%, Takht-e-Bahi was 0.3%, Saidu Sharif Swat was 0.2%, Dir was 0.1%, Skardu was 0.1%, Butkara Site was 0.0% , Swat was 0.0%. It is also noted that in the year 2004 the grand total of domestic visitors was 2586.66 and in the year 2005 the number of domestic visitors was 2863.44, in the year 2004 the number of foreign visitors was 34.20 and in the year 2005 the number of the foreign visitors was 42.47 and the total visitors have visited different places near about 2905.91 in thousands.

Agriculture in Thailand and in Pakistan

When Thailand assumed its position as one of the Asian tiger economies, agriculture had been the chief economic activity: this has declined somewhat in relative importance as the industrial and service base grew and developed. Agriculture endures important nonetheless: the major crops are rice, sugar, maize, cassava, rubber, cotton and tobacco. Fishing is also big, particularly for prawns, which have become of Thailand's main exports. Another significant resource, timber, was very profitable for Thai economy¹². Thailand is the world's major rice exporter.

Pakistan Agriculture

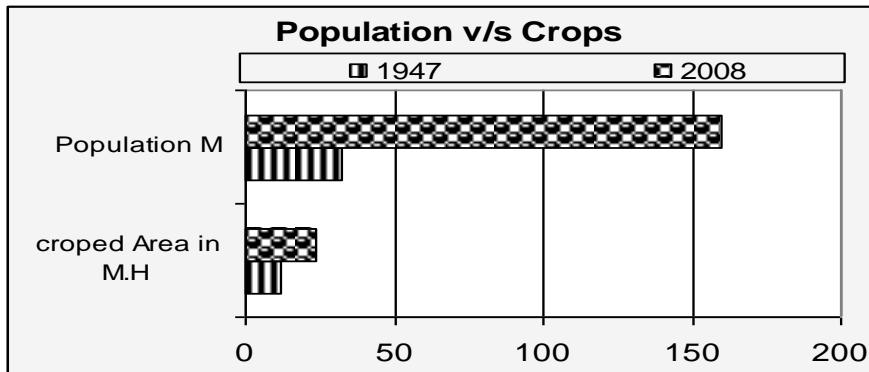
Pakistan has a great potential for producing all types of food merchandise. It has important direct and indirect roles in generating economic expansion. The importance of agriculture to the economy is seen in three ways:

1. It provides food to consumers and fibers for domestic industry;
2. It is a source of scarce foreign exchange earnings; and
3. It provides a market for industrial goods.

Land Use, Farming Systems and Institutions

In Pakistan total geographical area is 79.6 million hectares. About 27% of the area is currently under cultivation, of this area, 80% is irrigated. In this regard, Pakistan has one of the highest proportions of irrigated cropped area, like rice, wheat, cotton, sugarcane in the world. The cultivable waste lands offering good possibilities of crop production amount to 8.9 million hectares. Increase in cropped area is very impressive: from 11.6 million hectares in 1947 to 23.6 million hectares in 2008. it is clear from the following figure-2 that cropped

area increased double and population increased five times in Pakistan in 2008 when it is compared with the figures in 1947.



Source: Government of Pakistan (2008-09) Economic Survey of Pakistan, Islamabad.

Pakistan is classified as arid to semi-arid because rainfall is not enough to grow agricultural crops, forest and fruit plants and pastures. About 68% of the geographical area has annual rainfall of 250 mm, whereas about 24% has annual rainfall of 251 to 500 mm, in this way only 8% of the geographical area has annual rainfall exceeding 500 mm. Thus additional water is required for profitable agricultural production, either from irrigation or through water harvesting¹³.

Agriculture is mostly dependent on source of irrigation, of the total cultivated area around 17.58 million hectares is irrigated, while crop production in the remaining 3.96 million hectares depends mainly upon rainfall. Thus, Pakistan needs to overhaul its entire drainage and reclamation strategies reduce its cost and make it competent. Because, agriculture is an important sector, providing food to the fast-growing population of the country. According the 2008, the total population of Pakistan is 160 million. With a population growth rate of 1.9% there is a net addition of 3.4 million people each year. In 1947

the population of Pakistan was 32.5 million; in 61 years it has increased fivefold. During this period the production of wheat, the major food crop, has increased only 2.9 fold. During 1970-71 the amount of wheat imported was 0.3 million tons; it has increased to **4.1** million tons in 2009. Tremendous efforts have been carried out to narrow the gap between population growth and food production.

Natural Resources of Pak-Thailand

Pakistan is the leading natural resources country, and there are main parts of any country's economy, in our country the contribution of minerals is still in between 1-2 in GDP which is the very less. There are three categories of natural resources:

1. Category of natural resources is power resources, which are ready for consumption only after they have gone through the processing stage. Such processes are inclusive of procedures like refining, sterilization and even distillation.
2. Another category of natural resources are sustainable natural resources, which consist mostly of raw materials that are used in the primary stages of the production process. Materials (natural resources) such as timber or raw materials that are used in the manufacture of paper, varnishes industries etc could be categorized in the realm of sustainable resources.
3. Category of natural resources constitutes the metallic minerals and the non-metallic minerals. The metallic minerals are inclusive of metals like gold, silver, iron and copper. As far the non-metallic minerals, these include gypsum, limestone, marble china clay, sulphur and soapstone. Natural gas and oil fields and large deposits of coal are available at present.

Thailand's other leading natural resources are minerals and

gemstones. They are the most profitable and their wealth of unlawful activities in this industry. There are also principal deposits of tin, and lead copper, gold, iron and zinc, and rare metal ores comprising antimony, manganese and tungsten. Natural gas and oil fields have been exposed offshore and are at present being developed. In the industrial sector, Thailand manufactures cement, jewellery, electronics and refined sugar; there is also a considerable oil refinery.

Pakistan |& Thailand Trade Relations

Pakistan Export to Thailand

Pakistan is the agricultural country, and mainly exports not value added products, because of it, its trade is in deficit in every year, Pakistan exports mainly to Thailand textile, yarn, crude oil, lubricate oil, leather, chemical products and medical instruments and equipments etc.,

Thailand Export to Pakistan

Thailand trading focused on the international arena. It remains an example of a dynamic transformation from a primary producing economy into a rapidly industrializing one. During the past few decades, Thailand has taken solid steps to improve the openness of the economy. This outward-looking approach has certainly paid dividends in terms of rapid economic growth and development, but is has also made the economy¹⁴.

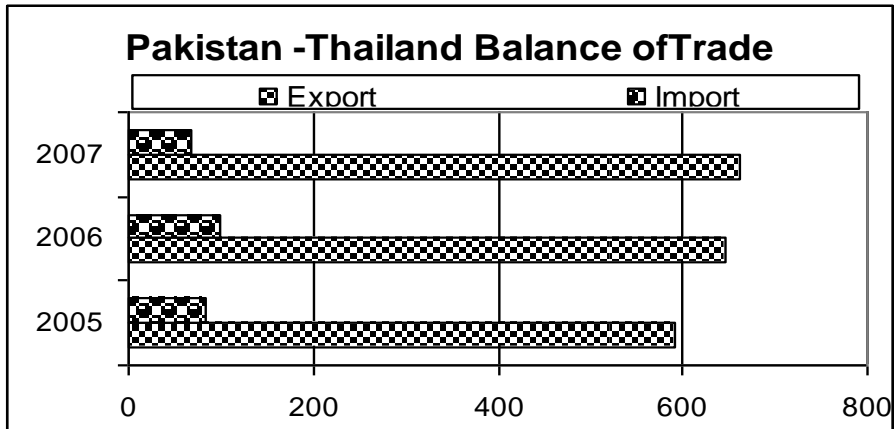
Thailand is the leading exporter of several primary commodities, but in Pakistan it exports which include rubber product, chemical products, auto parts, air conditioner and parts, syntactic textile, plastic, refrigerator and cloth as well as electrical and electronic goods. Export diversification has considerably strengthened the export base. There is considerable concentration of trading partners with the major import sources acting as the main export destinations.

Table -1: Pakistan-Thailand Balance of Trade (Value Million US\$)

Year	Total Trade	Thai Export to Pak	Thai Import from Pak	Balance	Thailand World Balance
2004	497.00	436.00	61	-	-
2005	676.25	592.05	84.20	84.20	-7,237.57
2006	746.37	647.20	99.17	99.17	948.10
2007	729.76	661.68	68.08	68.08	12,466.98
2007 Jan-May	312.77	275.54	37.23	238.31	4,007.46
2008 Jan-May	309.39	275.54	38.18	233.03	-1,695.09
Growth (%) 2005	36.14	35.83	38.32	35.43	0.00
%2006	10.37	9.32	38.32	7.91	0.00
%2007	-2.23	2.24	17.78	8.31	1,214.95
% 2007 Jan-May	-5.94	1.82	-31.35	14.17	0.00
%2008 Jan-May	-1.08	-1.57	2.55	14.17	0.00

Source: Government of Thailand (2009) Department of Business Economics, Ministry of Commerce. Bangkok.

Figure -1: Pakistan-Thailand Balance of Trade (Value Million US\$)



Source: Government of Thailand (2009) Department of Business Economics, Ministry of Commerce. Bangkok.

It is clear from above Table and Figure 1: that Pakistan and Thailand's volume of trade in the year 2004 reached 497 million dollars. Thailand's export to Pakistan valued at 436 million dollars while total of import was at 61 million dollars. In the year 2005 volume of trade reached 676.25 million dollars. Thailand's export to Pakistan valued at 592.05 million dollars while total of import was at 84.20 million dollars. In the same way in the year 2006 volume of trade reached 746.37 million dollars. Thailand's export to Pakistan valued at 647.20 million dollars while total of import was at 99.17 million dollars. Similarly, Thailand exports were more as compared to Pakistan, so in the year 2007 volume of trade reached 729.76 million dollars¹⁵. Thailand's export to Pakistan valued at 661.68 million dollars while total of import was at 68.08 million dollars.

Thailand's major export products to Pakistan are chemicals, automobile parts and accessories, plastics, filament, rubber, electronic appliances, iron and steel, glass, copper etc. Thailand's major imports from Pakistan were like a product of cotton, mineral

fuel oil wax, fish, organic chemical, oil seed, oleaginous fruits, leather, optical apparatus, Pharmaceutical, oil products etc. The flow of trade from both sides expanded both in volume and diversity. During the visit of Mr. Shaukat Aziz, the Ex-Prime Minister of Pakistan, to Thailand in May 2005, the two countries agreed to begin a joint study of Free Trade Agreement (FTA) with the aim of boosting bilateral trade between the two countries. The establishment of the Thai - Pakistan Chamber of commerce in Bangkok in January 2005 is another milestone in the history of economic relations between the two countries. The TPCC has been working closely with the Governments to promote mutual contacts between the businessmen and the investors of the two countries¹⁶.

The investment cooperation will focus on potential areas of mutual benefit such as information technology, telecommunication, construction, automobile parts, food processing, fisheries, agriculture, hotel industry and real estate. With an extensive experience in these areas, Thailand is ready to support joint ventures as well as to participate in Pakistan's development and infrastructure projects. The Agreement on Promotion and Protection of the Investment between the two countries is expected to be concluded in 2005.

Conclusion / Suggestions

It is concluded from the above study that Pakistan's economy is still under the pressure of various problems, then there is not development in any sector, in this regard Pakistan must follow the miracles of Thailand.

Pakistan-Thailand's trade in the year 2004 reached 497 million dollars. Thailand's export to Pakistan valued at 436 million dollars while total import was at 61 million dollars from Pakistan. In this way year after year Thailand had exports more than imports from Pakistan. Similarly in the year 2007 volume of trade was 729.76

million dollars. Thailand's export value at 661.68 million dollars while total of import came from Pakistan 68.08 million dollars. Study reveals that Thailand generated revenue from tourism sector worth of 7 billion US\$ in the year 2007 and more than 8 million tourists visited Thailand in the same year. But in our country foreigners are coming very few because of law and order situation. Pakistan's agriculture crops per hectare yield is not good because of poor access on canal water, in the irrigated areas and in arid areas no good frequency of rain falls, further more the exploitation of natural resource is at the initial stage, many countries such as Thailand contribution is more in her GDP but in Pakistan the share of natural resources is very less because our country has other major problems, such as terrorism, law and order situation, corruption, and load-shedding. It is advised to the policy makers and planners that they must rely on our own resources and generate more and more energy because Pakistan had 200 years energy resource available in Thar, which is the 660 billion barrels when in Saudi Arabia is at the top but their oil reserves are only 183 billion barrels.

It is suggested that Pakistan must take positive efforts to export innovative value added products to make balance of payment favorable, and should not rely on foreign made products.

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