

## **TRADE POLICY REVIEW OF NORWAY**

### Statement by Pakistan

09.10.2012

Chairman,

Pakistan extends warm welcome to the delegation of Norway led by Mr. Dagfinn Sorli to the Trade Policy Review. We thank the Chairman for giving a concise but comprehensive opening statement and the Discussant Ambassador H.E. Mr. Yonov Frederic Agah for raising pertinent questions on the Trade Policy of Norway.

2. During the 2008 financial crisis, Norway also experienced decline in its GDP growth, rise in interest rates and unemployment. The trade regime, however, remained liberal and protectionism was successfully resisted by the Government. Due to these policies, Norway's GDP declined by only 1.7% from 2008 to 2009. Fiscal stimulus and low interest rates in 2009 providing a boost to consumption put Norway's GDP back on upward trend. The macroeconomic indicators have always remained stable. The performance of Norway's economy in the period of crisis is commendable.

3. Norway is richly endowed with natural resources, such as petroleum, natural gas, fish, forests and minerals. So far export of petroleum, natural gas and fish is the mainstay of Norway's exports, the minerals sector has not remained in focus, this sector deserved. Perhaps this will be the future direction of Norway's investment and trade.

4. Norway maintains a liberal trade and investment policies with respect to industrial products. Its agricultural sector has remained highly protected, though agriculture accounts only for slightly more than 1% of its gross domestic product. Support provided by Norway to its agricultural producers as a percentage of total farm receipt is among the highest in the world.

5. Norway has TRQs for 64 agriculture and horticulture products and the Norwegian agriculture authority holds online auctions for the allocation of quotas for 54 of these products. Norwegian importers are primarily interested in TRQs for grains or niche products. Participation in the auctions is

inexpensive but the quota holders are not actually required to import the entire quantity of allocated TRQ. The Agriculture Authority does not have a system to reallocate any unused quota. Norway is requested to look into these issues, monitor shortfalls in imports under TRQs and develop a system to reduce quota under fill.

6. In spite of Norway's concerns in the Doha Round in the area of Agriculture; Norway led by Amb. Elin Johansen, has played an active role to positively push the Round for an equitable and balanced outcome. Spearheading the initiative to the successful negotiation of services waiver and to provide Duty Free Quota Free (DFQF) market access for the LDCs is only an example.

7. Norway is the second home of a large number of expatriates from Pakistan, who are playing their due role in various areas of activity in Norway. This is amplified from the fact that a Pakistan origin woman H.E. Ms. Hadia Tajik has recently become the Minister of Culture in the Norwegian Cabinet. In spite of excellent political relations and people to people contacts, bilateral trade is much below our potential. We are trying to address this issue with all the EFTA countries to translate deep political relations into deep economic and trade linkage.

8. Given Norway's record of robust economic performance and sound macroeconomic policies, Pakistan is interested in learning from Norway to successfully manage its resources, to forecast and plan future expenditures.

9. Pakistan posed a few questions to Norway to further understand its trade and economic policies. We have received the answers, which will be carefully examined and we will revert back to Norway, if required.

10. We wish Norway a successful trade policy review.

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