

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:170

ANSWERED ON:26.03.2012

MFN STATUS TO INDIA

Gaikwad Shri Eknath Mahadeo;Rao Shri Nama Nageswara

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether India`s bilateral trade with Pakistan was the lowest in comparison to trade with other South Asian countries during each of the last three years;
- (b) if so, the details thereof, year-wise;
- (c) whether during the discussion with the high level Pakistani delegation recently, Pakistan has agreed to phase out the negative list approach for trade with India and also to extend the Most Favoured Nation (MFN) Status to India;
- (d) if so, the details of the time schedule fixed in this regard; and
- (e) the extent up to which it is likely to benefit promotion of trade between the two countries?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

a)toe): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 170 FOR ANSWER ON 26TH MARCH 2012 REGARDING "MFN STATUS TO INDIA"

(a) No, Madam.

(b) Does not arise.

(c) Yes, Madam.

(d) The Commerce Ministers' of India and Pakistan along with their official delegations, held a bilateral meeting on February 15, 2012. Both sides reviewed the considerable progress achieved in taking forward the bilateral trade relationship. In the Joint Statement issued after the discussion, the Ministers firmly reiterated that both sides would scrupulously adhere to the roadmap drawn up by the Commerce Secretaries for full normalisation of trade relations. It had been agreed that Pakistan will move from a 'Positive List' to a small 'Negative List' by February 2012. The Negative List of 1209 items has been formally notified by the Government of Pakistan on 20th March, 2012.

It is expected that the complete phasing out of the Negative List before the end of 2012, would complete the transition to Most Favoured Nation(MFN) status for India, by Pakistan.

(e) Normalization of trade relations shall substantially benefit promotion of bilateral trade.