

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

UNSTARRED QUESTION NO:486

ANSWERED ON:26.11.2012

FDI FROM PAKISTAN

Owaisi Shri Asaduddin;Sugavanam Shri E.G.

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

- (a) whether the Government proposes to open FDI with Pakistan;
- (b) if so, the details thereof along with the salient features/norms of the same;
- (c) whether business delegations of both the countries have visited each other's country to improve the bilateral trade between the two countries;
- (d) if so, the details thereof and the outcome therefor;
- (e) whether the Government proposes to set up India Pakistan Business Council and if so, the details thereof; and
- (f) the steps taken/being taken to improve the bilateral trade between the two countries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

a) Yes, Madam.

b)

(i) D/o Industrial Policy and Promotion(DIPP) vide Press Note No. 3(2012 Series) dated 1st August, 2012 permitted investments from Pakistan in sectors/activities other than defence, space and atomic energy. Subsequently RBI issued a Notification amending the FEMA regulations [RBI/2012-13/173 a.p.(D/R Series) Circular No.16 dated 22.08.2012].

(ii) RBI issued a Circular No. "RBI/2012-13/198 A.P. (DIR Series) Circular No. 25" dated 7th September, 2012. According to this, overseas direct investment by Indian Parties in Pakistan shall be considered under the government approval route.

c) Yes. Madam.

d) Business delegations from both countries have been regularly undertaking bilateral visits. Inter-alia, these include the business delegations which accompanied the Commerce Minister of Pakistan on his visits to India (September 2011, April 2012) and the Indian business delegation which accompanied the Commerce, Industry and Textiles Minister on his visit to Pakistan in February 2012. Visa regime between India and Pakistan has been liberalized to facilitate greater economic engagement.

e) Yes, Madam. The Commerce Ministers of India and Pakistan took a decision in April, 2012 to constitute a Joint Business Council (with prominent business persons to be nominated by each country) as an additional institutional framework for regular and sustained dialogue between the business communities.

f) Bilateral trade dialogue with Pakistan was re-initiated with the 5th round of India-Pakistan talks on Commercial and Economic Co-operation Commerce Secretary level talks in April 2011. This was followed by further rounds of talks held in November 2011 at Delhi and September, 2012 at Islamabad. Three Ministerial level dialogues were also held in September 2011, February 2012 and April 2012. The first ever bilateral visit of Commerce Minister of India to Pakistan was undertaken in February 2012.

Both sides have made considerable progress in improving bilateral trade ties. Pakistan has moved from a Positive List regime to a Negative List regime, which substantially increases the tradable items with India. India has similarly liberalized its earlier restrictions on inward/outward investment flows to Pakistan. Both sides have agreed on a detailed roadmap for Preferential Trading Arrangements under the SAFTA (South Asia Free Trade Area) process.