

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

UNSTARRED QUESTION NO:210  
ANSWERED ON:05.08.2013  
TRADE WITH PAKISTAN  
Gangaram Shri Awale Jaywant

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

- (a) the details of the trade carried out between India and Pakistan during each of the last three years and the current year;
- (b) whether Pakistan has accorded the status of the Most Favoured Nations to India and agreed to reduce the list of items from the negative list notified earlier and if so, the details thereof;
- (c) whether India has entered into any high level discussion with Pakistan to improve the trade relation with India and if so, the details thereof along with the outcome of such meetings between both the countries;
- (d) whether the prevailing tension at the line of control has any adverse impact on the trade between the two countries and if so, the details thereof; and
- (e) the steps taken/being taken to improve the trade relation between India and Pakistan including the details of the proposals for opening of the railway and road trade routes across the border with Pakistan?

**Answer**

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

(a) The details of the trade between India and Pakistan during last 3 financial years and in the current financial year i.e 2013-14(April-June 2013) are given below:

(in US\$ million)

Year	Exports	Imports	Total Trade
2010-11	2039.61	332.51	2372.12
2011-12	1541.57	401.19	1942.76
2012-13	1837.86	513.23	2351.09
2013-14#	432.16	57.87	490.03

(April-June)

#Provisional figure. Source: DGCIS, Kolkata

(b) With regard to Most Favoured Nation status for India, a decision was taken in the cabinet meeting of Pakistan and communicated through the Press Release of Pakistan Government dated 2nd November 2011. This states that "the (Pakistan) Cabinet gave Ministry of Commerce the mandate to take the process of normalization forward, which would culminate in the observance of Most Favoured Nation (MFN) principle in its true spirit".

The Commerce Ministers of India and Pakistan along with their official delegations, held a bilateral meeting on February 15, 2012 at Islamabad. It was agreed that Pakistan will move from a 'Positive List' to a small 'Negative List'. Accordingly, Government of Pakistan formally notified the Negative List on 20th March, 2012 containing 1209 tariff lines for trade with India.

It was 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. But this deadline of MFN status has not been adhered to by Pakistan.

(c) Bilateral trade dialogue with Pakistan was re-initiated with the 5th round of India- Pakistan Commerce Secretary level talks held at Islamabad 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 also agreed on a detailed roadmap for Preferential Trading Arrangements under the SAFTA (South Asia Free Trade Area) process.

First India/Pakistan Joint Business Forum meeting was held in June 2013 in Islamabad. This forum also had very productive meeting with Pakistan Prime Minister for further improving bilateral trade ties.

(d) Bilateral trade has been progressing smoothly between India and Pakistan.

(e) During the 7th round of India-Pakistan Commerce Secretary level talks held at Islamabad from 20-21 September, 2012, both countries emphasized the need for more trade traffic to be carried through Railways.

An Integrated Check Post (ICP) has already been operationalised at Attari(Amritsar). This includes a dedicated gate to streamline the movement of trucks between India and Pakistan and significantly enhance the flow of trade through land route.