

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

STARRED QUESTION NO:183
ANSWERED ON:05.12.2014
MOST FAVOURED NATION STATUS
Gandhi Shri Feroze Varun

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

- (a) whether Pakistan has imposed certain conditionalities before granting Most Favoured Nation (MFN) status to India;
- (b) if so, the details thereof and the reaction of India thereon;
- (c) the present status on the issue; and
- (d) the benefits likely to accrue to both the countries as a result of granting MFN status to India?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 183 FOR ANSWER ON 5TH DECEMBER, 2014 REGARDING "MOST FAVOURED NATION STATUS"

(a) to (c) India has granted MFN status to Pakistan in 1996. Pakistan is yet to accord MFN status to India. During the 7th round of talks on Commercial and Economic Cooperation between Commerce Secretaries of India and Pakistan held in Islamabad on September 20-21, 2012 it was agreed, inter-alia that Pakistan would transition fully to MFN (non-discriminatory) status for India by December, 2012. Pakistan, however, did not adhere to the timelines. The Commerce Ministers of India and Pakistan met on 18th January, 2014 on the sidelines of the 5th SAARC Business Leaders Conclave held at New Delhi. Both Ministers reaffirmed the commitment of their Governments to expeditiously establish normal trading relations and in this context Pakistan to provide Non- Discriminatory Market Access (NDMA) to India. In the meeting between Prime Ministers of India and Pakistan on 27th May 2014, it was stated that the two countries could move immediately towards full trade normalization on the basis of the September 2012 roadmap worked out between the Commerce Secretaries of both countries. Progress in trade normalization would depend on the decision taken by Pakistan with regard to granting MFN Status to India.

(d) If MFN status is granted by Pakistan to India, it will facilitate direct bilateral trade. This would lead to economic gains for both countries.