

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO: 1031

ANSWERED ON:17.12.2018

Bilateral Trade between India and Pakistan

PONGULETI SRINIVASA REDDY

(a)the details of the trade between India and Pakistan during each of the last three years and the current year;

(b)whether it is a fact that according to various estimates, the annual bilateral trade between the two countries has the potential to surpass \$20 billion, if both the countries cooperate and remove barriers and restrictions because currently, most of the trade happens indirectly through Dubai, Singapore, Port of Bandar Abbas (Iran); and

(c)if so, the details thereof and the steps being taken by the Government to improve the trade to Pakistan?

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

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

(a) The value of India's exports to Pakistan and imports from Pakistan, during the last three years and the current year, as available upto October 2018, is given below:-

Value in US\$ Million

Period Exports Imports

2015-16 2,171.14 441.03

2016-17 1,821.87 454.49

2017-18 1,924.28 488.56

2018-19 (April-October) (Provisional) 1,179.91 338.66

Source: DGCI&S database

(b) and (c) : A study titled 'Normalizing India-Pakistan Trade' by Indian Council for Research on International Economic Relations (ICRIER) released in September 2013 estimated the trade potential between India and Pakistan in the range of US\$ 10.9 Billion and US\$ 19.8 Billion. Another study titled 'A Glass Half Full: The Promise of Regional Trade in South Asia' released by the World Bank in October 2018 estimates the trade potential between India and Pakistan at US\$ 36.9 billion. The two studies have suggested that the identified trade potential remains unrealised on account of various factors, including, inter-alia, impediments in transport and transit facilities, non-tariff issues, restrictions on exports from India, etc.

The Government has made several efforts to improve trade with Pakistan.

In the 7th round of Commerce Secretary level talks with Pakistan, held in September 2012 in Islamabad, a roadmap was agreed for facilitating trade, identifying several actions to be taken by both the countries in a time bound manner. The agreed roadmap could not be implemented since Pakistan did not notify the removal of trade restrictions through Wagah-Attari land route (the first step identified in the roadmap).

The Commerce Ministers of India and Pakistan met in 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 to provide Non-Discriminatory Market Access (NDMA), on a reciprocal basis. Both sides decided to intensify and accelerate the process of trade normalisation, liberalisation and facilitation and to implement the agreed measures.

In the meeting between Prime Ministers of India and Pakistan on 27th May 2014, India stated that the two countries could move immediately towards full trade normalisation on the basis of September 2012 roadmap worked out between the Commerce Secretaries of both countries. No bilateral trade meeting between India and Pakistan has taken place since then.
