

Session: B6

Future of India-Pakistan Trade and Economic Relations



Dr Abid Suleri presents SDC Anthology to Mr Khurram Dastagir while H.E. T.C.A. Raghavan is seen in centre. Mr Shaban Khalid and Mr Pradeep Mehta are on the left while Mr Amin Hashwani and Mr Aqdas Ali Kazmi are on the right.

Chair	H.E. T.C.A. Raghavan, Indian High Commissioner to Pakistan
Guest of Honour	Mr Khurram Dastagir, Minister of State for Privatization, Pakistan
Speakers	Mr Pradeep Mehta, Secretary-General at Consumer Unity and Trust Society (CUTS) International Mr Aqdas Ali Kazmi, former Joint Chief Economist (Macro) Planning and Development Mr Shaban Khalid, President of Islamabad Chambers of Commerce and Industry, Islamabad Mr Amin Hashwani, Director, Hashwani Group of Companies, Islamabad
Report by	Saad Shabbir

His Excellency, T.C.A. Raghavan congratulated SDPI and CUTS International for hosting an event where high officials from India and Pakistan were together on one platform to fight the challenges and problems being faced by the two countries. Policy and Implementations & Infrastructure are the two main themes that should be focused, he said.

Pradeep Mehta said the bilateral trade between India and Pakistan is far below than its potential and the volume can be enhanced to three times with manifold benefits. It is

wrong to calculate the balance of trade in absolute terms because a negative trade balance discourages the traders on either side of the border, he said, adding that it is important to boost the trade for peace in this region, as the regional connectivity will help alleviate poverty. He suggested more gatherings of businessmen by holding such dialogues. To a question on Kashmir issue, he said border tension exists everywhere, but it should not affect trade. He suggested that we should keep the matter aside to boost trade.

Aqdas Ali Kazmi, to the queries on

Balance of Trade (BoT) between Pakistan and India, quoted the data for the last six years (2007-2013) from the Ministry of Commerce, which shows that on average the imports were five times the exports to India. This is because our exports include only fruit and fruits preparations whereas the commodities that Pakistan imports have a range of 15 different products. Keeping in view the fragile foreign exchange regime, it is very straightforward to expect an adverse BoT, which needs to be monitored, he suggested. Commenting on the two non-tariff barriers undertaken by India on the imports from Pakistan, including Pakistan specific tariff barrier and commodity specific tariff barrier, he said a contradictory paragraph of Article XXIV of the WTO Charter specific to Pakistan and India is being misused since the partition.

Shaban Khalid said that it is not possible to discuss the future without settling the past. "We term the long list of negatives of the past as naïve

mistakes and get over them and focus mainly on the positives,” he said, adding that India has the largest steel industry and Pakistan imports metallurgical equipments from India. He said that equipments are first shipped to Dubai and then they come to Pakistan. To a question, he said there has been successful implementation of a few policies and now is the time to highlight them.

He said people-to-people interaction is vital for trade normalization and the delay in issuance of visa is making it a nuisance. He further said that Pakistan can learn from India which generates energy through coal and iron ore. “You can buy a house and sell it if you do not like your neighbors, but you cannot sell your country. You can only compromise and live in harmony,” he concluded.

Amin Hashwani said the business community of Pakistan wants a vibrant trade with India but hitherto we did not have a level playing field. He said that the challenges the world faces today cannot be dealt with in isolation and we must aspire towards globalism through the creation of a regional

block. He said that it is much easier for the SAARC region to cooperate than the EU because of their common history. He suggested to the governments to privatize the peace process and let the business community take the charge. The business community influences the government decisions so it would be wise to let them be a part of the peace process, he said, and added that the people of this region need to be connected emotionally. He also proposed to form regional cricket teams to play with each other rather than against each other.

Khurram Dastagir Khan said the economic integration and growth is highly dependent on trade. South Asia Free Trade Agreement (SAFTA) has failed to boost trade, and we must make ourselves independent by making the markets more accessible to one another, he said. It is important to build a consistent and sustainable relation to alleviate poverty. He added that the bilateral trade between Pakistan and India is complex, and the relations should be uninterrupted to avoid the derailing of the process of dialogue. Lauding the studies done by

CUTS and SDPI, he said that Pakistan-India trade is a win-win situation. He pointed out that after India granted Most Favored Nation (MFN) status to Pakistan in 1996, the ratio of imports to exports fell from 1:2 in 1996 to 1:6 in 2013. The reason was that India did not relax its Non-Tariff Barriers (NTBs).

He suggested that both the countries should be granted non-discriminatory access to each others' economies. Now looking at the other side of the picture, he said there are restrictions from Pakistan as well that cannot be ignored. “Pakistan has signed trade agreements but did not raise the capacity to make them operational. He also said that both the countries face energy crisis, moreover their source of production is exhaustible hence cooperation in the energy sector is also required. Providing a broad picture of the Indo-Pak region, he highlighted the point that India and Pakistan are interdependent. He said that Prime Minister Nawaz Sharif has shown interest in developing healthy relations with India, and that Pakistan too expects the same from India. ■