

JOINT PRESS STATEMENT
OF THE COMMERCE MINISTERS OF PAKISTAN AND INDIA

At the invitation of Commerce Minister of Pakistan, Makhdoom Mohammad Amin Fahim, Mr. Anand Sharma, Indian Minister for Commerce, Industry and Textiles, along with a high powered business delegation, is visiting Pakistan from 13th to 16th February 2012.

2. This is the first ever visit by the Commerce Minister of India for substantive bilateral meetings. Accompanied by more than hundred business delegates, this visit marks a historic moment for both the countries, when political leadership and the business communities have extended unequivocal support for full normalization and preferential trading arrangements between the two countries.

3. The Ministers along with their official delegations met for the bilateral meeting on February 15, 2012. Both sides reviewed the considerable progress achieved in taking forward the bilateral trade relationship.

4. Both sides noted that the EU Package has been approved by the General Council of WTO in its meeting held on February 14, 2012. Pakistan side expressed its deep appreciation for the support extended by India to get this approved.

5. After Mr. Sharma's arrival through Attari-Wagah border both the Ministers jointly inspected the infrastructure development for trade facilitation and expressed their satisfaction. The Integrated Check Post is expected to be operational by April 2012. Once the

infrastructure requirements are fulfilled, trade through Wagah will be allowed as per earlier decisions taken by both sides.

6. During the 6th Round of Commerce Secretary Level Talks held on 14-16 November 2011 at New Delhi, both sides agreed to develop mechanisms to address issues of Non-Tariff Barriers. The two countries have now initialled three agreements i.e., Customs Cooperation Agreement, Mutual Recognition Agreement and Redressal of Trade Grievances Agreement to build confidence of the business community on both sides. Through implementation of these Agreements the two countries will systematically address the issues related to Non-Tariff Barriers.

7. Regarding opening of new trade routes, it was agreed that as desired by Indian side, opening of Munabao/Khokharapar route for trade will be explored in consultation with the stakeholders. A Joint Working Group will be constituted which will report to the respective Governments before the next Round of talks between the Commerce Secretaries. The matter will be discussed in the next round of Commerce Secretaries' meeting.

8. During the visit of Commerce Minister of Pakistan to India, the Indian side arranged meetings between Pakistani businessmen and Indian Regulatory Authorities on trade regulations, standards, labelling and marking requirements. On request by Pakistan during the 6th Round of talks between the Commerce Secretaries, the Indian side agreed that a delegation comprising various regulatory bodies would visit Lahore and Karachi in the first quarter of 2012 to provide necessary outreach so that the businessmen in Pakistan can be better informed about these regulations. Accordingly, an

Indian delegation consisting of officials from Indian Regulatory Authorities visited Pakistan from 26-27 January 2012. The delegates held meetings with the leading chambers of Pakistan and the business community on the Indian trade regulations, standards and labelling/marketing requirements. The two countries will continue interacting on these lines.

9. The first meeting of the Expert Group on Electricity was held on 20th October, 2011 at New Delhi. The 2nd Meeting of the Expert Group will be held at Lahore to finalize the modalities of electricity trade between Pakistan and India. The two sides shall meet in the month of March 2012.

10. It was agreed that the First meeting of Expert Group on Trade in Petroleum Products will be held in the first week of March at New Delhi, India.

11. The Joint Working Group of Ministry of Interior Pakistan and Ministry of Home Affairs India is working on agreement on visa facilitation for movement of businessmen across the border.

12. On issue of opening of Bank branches of both countries, it was informed that both Central Banks are scheduled for meeting in Mumbai in first fortnight of March, 2012.

13. The two sides are encouraging trade promotional activities. After signing MoU between TDAP and ITPO, FICCI has held a successful "India Show" from 11-13 February 2012 at Expo Centre Lahore. Trade Development Authority of Pakistan has planned to organize Lifestyle Exhibition in New Delhi in the month of March

2012. In addition, TDAP and ITPO have also planned participation in five ITPO organised fairs for 2012-13.

14. The Ministers firmly reiterated that both sides would scrupulously adhere to the roadmap drawn up by the Commerce Secretaries for full normalisation of trade relations. It has been agreed that Pakistan will move from a Positive List to a small Negative List by February 2012. The negative list is to be phased out; the timing for this will be announced in February 2012 at the time the list is notified. It is expected that the phasing out will be completed before the end of 2012. The understanding is that when the transition to MFN is effected, all items other than those in the SAFTA sensitive list would get preferential access at peak tariff levels of 5% by the end of 2012.

15. The Commerce Secretaries had also agreed to advance the preferential trading arrangement agenda through SAFTA. This too shall be done in a sequenced manner. When Pakistan notifies its negative list, discussions shall be launched on reducing the size of the Sensitive lists and drawing up a program for phasing in tariff liberalisation on such items. Tariff liberalisation for up to 30% of the Sensitive List shall be considered by India within four months of the notification of the small Negative List by Pakistan. After the negative list is dismantled and trade transitions fully to MFN/SAFTA basis, the Sensitive Lists shall undergo further liberalisation.