

**Minutes of India-Pakistan Meeting of Joint Working Group on "Economic and Commercial Cooperation and Trade Promotion"**  
**(23-24 August 2011, New Delhi)**

The India-Pakistan Joint Secretary level meeting of Joint Working Group on "Economic and Commercial Cooperation and Trade Promotion" was held at New Delhi on 23-24 August, 2011. The Indian delegation was led by Mr. Arvind Mehta, Joint Secretary, Ministry of Commerce & Industry, Government of India. The Pakistan delegation was led by Mrs. Robina Ather, Joint Secretary, Ministry of Commerce, Government of Pakistan. The lists of members of both delegations are at Annexures I and II. The Joint Working Group reviewed the implementation of decisions taken in the 5<sup>th</sup> Round of Talks on Commercial and Economic Cooperation held in Islamabad on 27-28 April, 2011, between Commerce Secretaries of India and Pakistan.

2. The leader of the Indian delegation, Mr. Arvind Mehta welcomed the Pakistan delegation and hoped that their stay in India would be pleasant and productive. He stated that both sides had been tasked with the objective of rapidly increasing bilateral trade and commerce. This implied that roadmaps needed to be set with firm timelines, to dismantle all policy barriers to trade. An increase in trade would result in multifarious benefits for both countries. With this purpose, he hoped that the present round of talks could take stock of all such barriers to trade and sincerely move towards their removal. The mandate received by the respective Joint Secretaries of both countries is to evolve all possible strategies to increase bilateral trade. He ended his opening remarks by assuring that the Indian side supports all possible policy measures that can increase bilateral trade. It is important for the Pakistan side to fully reciprocate with complete commitment in its policy measures, for a liberal and non discriminatory bilateral trade regime.

3. The leader of the Pakistani delegation, Mrs. Robina Ather thanked the Government of India for the generous hospitality extended to her delegation and also for excellent arrangements made for the meeting. She expressed great satisfaction about the progress achieved in implementing and adhering to time lines of almost all the issues agreed during the meeting of the Commerce Secretaries in April, 2011.

**Agenda Item No.1**

**Support for business communities in promotion of bilateral trading:**

Pakistan side informed that a one day seminar was held at Karachi on 4<sup>th</sup> July, 2011 which was organized by India-Pakistan Joint Chamber of Commerce. It was well received by all as the topics discussed were of importance to the exporters and importers. They therefore, suggested that similar seminar could be organized in Delhi synchronizing with the forthcoming visit of Pakistan Commerce Minister to India during the last week

of September, 2011. Pakistan side informed that the tentative date for the Minister's visit is 26<sup>th</sup> September and that he will be accompanied by a business delegation.

Indian side responded that it would ask FICCI to coordinate this business seminar during September 2011.

It was also decided that FICCI, Federation of Indian Exporters Organization (FIEO), EEPC etc would coordinate with TDAP to promote trade events in both countries.

## **Agenda Item No. 2**

**To promote trade, both tariff and non-tariff barriers (NTBs) need to be reduced/removed.**

Pakistan side provided a list of perceived NTBs. Both sides agreed to discuss the issue in detail. The following was discussed and decided in respect of the NTBs:-

- (i) Cement: Two main issues were raised
  - (a) The procedure to be followed for obtaining a Bureau of Indian Standards (BIS) license. Pakistan side highlighted that the cumbersome process followed by BIS, especially with regard to inspection of the factory being a mandatory requirement is causing undue delay in obtaining a license and therefore hampering the export of cement to India. The Pakistan side also stated that the BIS offers simplified procedure for Indian domestic manufacturers wherein they are able to get their testing done through a BIS accredited lab and on the basis of the report so received, BIS license is granted. Pakistan side therefore, suggested that BIS can accredit a lab in Pakistan whose report can then be accepted and license granted on that basis. This will simplify the procedure and also cut down delays.
  - (b) Renewal of license:- Pakistan side suggested that the license for the Indian domestic manufacturers is being renewed after two years and the same facility may be provided to them also.

Indian side responded that they will examine the issue in consultation with BIS and revert.

- (ii) Fruits and Vegetables: The main issues raised were that (a) the Plant Quarantine Division of the Ministry of Agriculture issues permit for particular fixed quantity. No tolerance limit is specified which results in the exporters having to go through the lengthy procedure of obtaining another permit for the extra quantity even if it

is just 3% more than the quantity specified in the earlier license. (b) The inspection, sampling and testing procedures are long and cumbersome.

The Indian side asked for details of specific consignments along with the number of days of delay. Pakistan side agreed to provide such details. Both sides also agreed that the custom liaison border committee (CLBC) should be mandated to document such specific problems and share it with Department of Commerce of both countries, so that the problem areas can be better identified for redressal.

- (iii) Processed food items: The Pakistan side said that due to lack of awareness with regard to labeling and packaging requirements in respect of processed food items, the Pakistani exporters are finding it difficult to fulfill all the requirements laid down by Indian Customs. Indian side responded that minor defects or unavailable information on the label are allowed to be rectified by the exporters within the port area. Indian side also suggested that if Pakistan side shares the top 5 items wherein the Pakistani exporters are facing problems with regard to labeling, the same can be examined better. Indian side also wanted a list of the labeling requirements asked for by the Indian side but not considered mandatory within Pakistan. Pakistan side suggested that a team comprising representatives from BIS and all other concerned regulatory authorities may visit Pakistan to educate the exporters better regarding the mandatory requirements that need to be followed for exporting goods to India.
- (iv) Textiles: Pakistan side raised the issue of accreditation of some laboratories in Pakistan for certification and testing of textiles. They also suggested that to improve trade facilitation, Trade Facilitation Offices may be opened at Mumbai/Karachi port, to be handled by customs liaison officers and members from Chambers of Commerce and Industry. These offices would provide a forum to the traders for registration and redressal of their complaints. They would address all issues including complaints arising out of disputes of classification, assessment and clearance of goods, testing requirements etc. Indian side responded that this proposal would need to be examined by concerned agencies, once a formal proposal is received from Pakistan side. Indian side, however, stated that an Indian Customs Officer posted at Mumbai could be nominated for trade facilitation. The details of the officer(s) so nominated will be shared with the Pakistan side.
- (v) Surgical instruments: the problem being faced by the Pakistani exporters is that in addition to the BIS or ISO certification possessed by them, they are required to obtain the Indian Conformity Assessment Certificate mark (ICAC Mark). The Pakistani side expressed their desire to know the procedure for obtaining the ICAC mark and also the BIS certification required.

- (vi) Leather: The Pakistani exporters are having difficulty with regard to undue delays suffered by them due to the lengthy testing procedures being followed by India. The Indian side requested the Pakistani side to provide details of specific consignments which were delayed so that the matter could be better examined.
- (vii) Customs clearance procedure: The Pakistani side requested that the procedural aspects followed by Indian customs should be made known to the Pakistan exporters. It was agreed by both sides that this issue will be discussed in the customs cooperation agreement meeting to be held on 24.8.2011 at New Delhi.
- (viii) Business Visas: Pakistani side suggested that the issue of business visas should be separately discussed and decided by a subgroup consisting of relevant ministries members of both sides.

Indian side reiterated its earlier offer that Pakistan may formulate a reciprocal scheme to liberalise business visas which can thereafter be examined by Indian side.

Pakistan side responded that such proposal would be formulated and shared with the Indian side by 15<sup>th</sup> September, 2011.

- (ix) SAARC Visas: Pakistan side suggested that the number of business category visas under SAARC process should be increased as the present overall limit of 100 visas is very low. Indian side responded that it supports the proposal. It was agreed that both sides would work towards an increase in business category visas under SAARC.
- (x) Investments: Pakistan side stated that they follow a liberal investment regime and no restrictions have been imposed on Indian investments in Pakistan. They requested for similar policy regime by India.

The Indian side informed that necessary inter-ministerial consultation is being done.

### **Agenda Item No. 3**

#### **Infrastructure at Integrated Check Post on Attari-Wagah Border:**

With a view to improve land border trade infrastructure, the first bilateral meeting of the Joint Technical Group was held on 25<sup>th</sup> March 2011. Consequent to the Commerce Secretary level talks, the second meeting of the JTG was held on 27.06.2011. Both sides have expressed satisfaction at the progress of work being made at the ICP. 3<sup>rd</sup> meeting of

JTG was scheduled to be held on 22.7.2011 but was postponed. This meeting is now scheduled to be held on 26.8.2011 to review the progress of work.

Both sides agreed that currently, the most important milestone to be achieved is the opening of the second gate dedicated to cargo movement. Pakistan side assured that the road connecting their LCS, with the Indian side will be constructed before October, 2011.

#### **Agenda Item No. 4**

##### **Expansion of trade through Wagah-Attari**

Both sides agreed to expand trade through Wagah-Attari by *inter-alia* (a) increasing trading hours taking advantage of the new infrastructure (b) expeditious clearance of cargo and (c) facilitating movement of large vehicles and containerized cargo. Pakistan side emphasized that the main objective of infrastructure development is "expeditious clearance of goods". Unless other measures such as joint scanning, testing facilities, containerized traffic, data sharing, simplified customs procedures are not adopted by both the sides, opening of second gate would not be enough to ensure expeditious clearance of goods.

Both sides agreed to

(a) Increase the trading hours immediately after the opening up of the second gate as follows:-

March to September (Summer) 7 A.M. to 7 P.M. (Indian Standard Time)

October to February (Winter) 7 A.M. to 5 P.M. (Indian Standard Time)

(These timings could be liberalized further, through mutual customs consultations).

(b) Work towards accepting containerized cargo before the end of October, 2011.

(c) Data sharing (examination report sharing in real time), and other related issues would be discussed in the customs cooperation meeting to be held on 24.8.2011.

#### **Agenda Item No. 5**

##### **Removal of trade restrictions**

It was agreed that Pakistan side would remove its present restrictions on trade by land route by upgrading its infrastructure to facilitate mutual trade. The timeline for this purpose would be before October 2011.

Pakistan side assured that the timeline agreed earlier will be met.

## **Agenda Item No. 6**

### **Customs Liaison Arrangement at Wagha-Attari**

Both sides noted that two meetings have already been held. The second meeting was held on 5-6 August 2011 at Lahore. A schedule of meetings has also been drawn up for 2011-12, with two monthly intervals.

Both sides expressed their satisfaction with regard to the work being done by the CLBC, to smoothen all customs related transactions.

## **Agenda Item No. 7**

### **Harmonization of Customs procedures**

Sh. Satish K. Reddy, Director (International Cooperation Division) has been nominated as the nodal officer from Indian side, for the Sub-Group on Customs Cooperation.

Pakistan side nominated (i) Sh. Fateh Muhammad Sheikh, Chief (T&T), Federal Board of Revenue (ii) Mrs. Robina Ather, Joint Secretary, Ministry of Commerce (iii) Mr. Shahid Jan, Second Secretary, Federal Board of Revenue.

The first meeting of the sub-group on Customs Cooperation is scheduled to be held on 24 August, 2011.

GOP also informed that the Customs Cooperation Agreement has been drafted but is awaiting approval of the Cabinet.

Both sides agreed that customs related trade facilitation issues would be resolved through frequent mutual consultations.

## **Agenda Item No. 8**

### **Trade of Electricity between both countries:**

The names of the members nominated in the group of experts from Indian side are as follows:-

- (i) Dr. M. Ravi Kant, JS(Transmission) , Ministry of Power
- (ii) Sh. A.K. Saxena, Director(OM) , M/o Power
- (iii) Sh. S.K. Soonee, Chief Executive Officer, Power System Operation Cooperation.

The names of the members nominated in the group of experts from Pakistan side are as follows:-

- (i) Mr. Muhammad Zargham Eshaq Khan, JS (Power), M/o Water & Power.
- (ii) Mr. Arshad Mehmood, Adviser (Technical), M/o W&P
- (iii) Mr. Rasul Khan Mahsud, Chief Executive Officer, NTDC
- (iv) Mr. Saifullah, Engineering Adviser (Power), M/o W&P
- (v) Mr. Khalid Mehmood, Director General (Commercial), PEPCO

Indian side had proposed two sets of dates (25 or 28 of July, 2011) for the first meeting of the expert group.

Pakistan had subsequently proposed 23-24 August 2011 for the meeting. Indian side had informed that these dates were not convenient, due to the ongoing Parliament session. The Indian side has now proposed to hold the first meeting on 21-22 September, 2011 at New Delhi. Pakistani side will confirm.

Indian side stated that the draft Terms Of Reference (TOR) have already been finalized and will be shared with Pakistan side.

Pakistan side also stated that they will share the TOR drafted by them, along with the agenda for the meeting.

Both sides agreed that creation of a bilateral transmission corridor would open new pathway for electricity trade.

### **Agenda Item No. 9**

#### **Expand trade in all types of petroleum products**

The names of the members nominated in the group of experts from Indian side are as follows:-

- (i) Sh. Vivek Kumar, JS (IC), MoP&NG - Co-Chairman
- (ii) Sh. Sanjiv Kumar, Deputy Secretary, Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals.
- (iii) Sh. Rajendra Meena, OSD(LC), M/o Finance, D/o Revenue (Central Board of Excise & Customs).
- (iv) Sh. L Jeyakumar, Director TT(POL), 152, Rail Bhawan, New Delhi.
- (v) Ms. Indira Murthy, Director, D/o Commerce, M/o Commerce & Industry.

The names of the members nominated in the group of experts from Pakistan side are as follows:-

1. Mr. Raashid Bashir Mazari, JS (Development), M/o Petroleum & Natural Resources.

2. Mr. Sabar Hussain, Director General (Oil), Policy Wing, M/o Petrodum & Natural Gas.

Pakistan side proposed that 21-22 September may also be fixed for the first meeting of the Expert Group on Petroleum.

Indian side noted the request and stated that it will revert after consultation with the Ministry of Petroleum.

#### **Agenda Item No. 10**

##### **Initiative to promote bilateral trade in Bt. Cotton seeds**

It was noted that M/s Nath Bio Gene had meetings with the concerned Pakistani officials and this matter was being progressed.

Pakistan side informed that the two main concerns of Pakistan are that the yield may not be as high as in India and Bt cotton seeds may not be resistant to Curl Leaf Virus which is common in Pakistan. GOP is considering allowing commercial import only for large scale testing, if recommended by the committee constituted for this purpose.

#### **Agenda Item No. 11**

##### **Cooperation in Information Technology (IT) Sector**

It was noted that NASSCOM has nominated Dr. Ganesh Natarajan, Past Chairman of NASSCOM and Vice Chairman and CEO of Zensar, to coordinate cooperation activities, on behalf of NASSCOM.

Pakistan side stated that it has identified 'Software Export Promotion Board' as its nodal body and the details of the nodal officer will be shared with India.

Both sides agreed that the nodal persons may meet during the Commerce Minister's visit and explore areas of possible cooperation and may work out an MOU.

#### **Agenda Item No. 12**

##### **MFN status**

Pakistan side informed that work on Negative List has been almost completed and the issue will be opened for public discussion shortly.

In this context, Indian side specifically mentioned that Pakistan side needed to implement at the earliest, the policy changes for non-discriminatory trade access for Indian goods, in



the same manner that India has granted such MFN status to Pakistan since 1995 and that by doing so, Pakistan's economy in fact could reap benefits of avoiding higher costs of circuitous trade, as also bringing down inventory costs for many Pakistan Business Enterprises.

Pakistan side assured that timeline earlier agreed for October, 2011 would be met.

### **Agenda Item No.13**

#### **Non-discriminatory trade regime**

Indian side emphasized that India has meticulously implemented all its SAFTA obligations towards Pakistan, ever since SAFTA Agreement was signed by all SAARC countries in 2004. India has also been bringing down its tariffs under SAFTA in a very transparent manner for imports from Pakistan, and the peak tariff rates would be 8% on this account by 1<sup>st</sup> January, 2012 and then again 5% by 1<sup>st</sup> January, 2013. It was emphasized that Pakistan needs to meet all its SAFTA obligations to India. Pakistan side assured that it is internally working towards meeting its SAFTA obligations to India. A timeline for the same would be evolved in due course.

### **Agenda Item No.14**

#### **Preferential Trading Arrangement**

Indian side stated that it is important for Pakistan to normalize its trade policy towards India before further preferential trading agreements can be worked out. Normalization of trade relation would happen through (i) implementation of non-discriminatory treatment by Pakistan (ii) Implementation of SAFTA obligation by Pakistan (iii) removal of restriction on import through land route by Pakistan. Indian side emphasized that in all such trade matters it has a liberal and normal trade policy towards Pakistan. It is important that Pakistan reciprocates for such normal trade. Indian side pointed out that all other countries of the world offer a normal and liberal trade policy for India. Pakistan alone is not following this policy of normal trade.

Indian side thus emphasized that normal trade relation is the building block for formulating a preferential trading arrangement.

Pakistan side responded that they are working on these issues and since it involves major policy changes, internal discussions are taking time. They assured that earlier timelines agreed at Commerce Secretary level talks, would be met.

## **Agenda Item No.15**

### **Business Visas**

Pakistani side suggested that the issue of business visas should be separately discussed and decided by a subgroup consisting of relevant ministries' members of both sides.

Indian side reiterated its earlier offer that Pakistan may formulate a reciprocal scheme to liberalise business visas which can thereafter be examined by Indian side.

Pakistan side responded that such proposal would be formulated and shared with the Indian side by 15<sup>th</sup> September, 2011.

## **Agenda Item No. 16**

### **Official recognition of Chambers of Commerce**

From the Indian side, FICCI has been officially nominated as the Apex Chamber and at the regional level, Bombay Chamber of Commerce & Industry and PHD Chamber of Commerce & Industry have been officially recognized.

● GOP has informed that FPCCI, Karachi Chamber of Commerce and Lahore Chamber of Commerce have been nominated from Pakistan side.

Both sides agreed to encourage business-to-business contacts and efforts made by the Chambers of Commerce of both countries towards trade promotion. It was noted that in this context an MoU has also recently been signed between Bombay Chamber of Commerce, India and the Karachi Chamber of Commerce, Pakistan. Both sides agreed that Lahore Chamber of Commerce and Industry and PHD Chamber of Commerce and Industry may be encouraged to forge similar cooperation.

## **Agenda No. 17**

### **Promotion of Bilateral Investment**

Pakistan side stated that they follow a liberal investment regime and no restrictions have been imposed on Indian investments in Pakistan. They requested for similar policy regime by India.

The Indian side informed that necessary inter-ministerial consultation is being done

**Agenda No. 18**

**Opening of Bank Branches**

Both sides agreed to encourage the regulators to meet and decide modalities for taking the issue forward. It is expected that Central Bank of Pakistan will send an invite to Reserve Bank of India for holding a meeting at Karachi before mid-September.

**Agenda No. 19.**

**Collaboration in Trade Promotional Activities**

Draft MoU has been sent by TDAP. The same has been shared with ITPO.

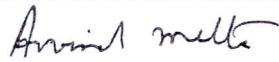
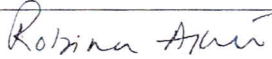
Indian side informed that ITPO is working out on a counter draft which will soon be shared with the Pakistani side.

**Agenda No. 20**

**Joint Working Group on Economic and Commercial Cooperation**

Both sides agreed that the Secretary level meeting will be held in November, 2011. Possible dates will be conveyed by Pakistan side so that necessary arrangement could be made.

This first meeting of the 'Joint Working Group on Economic and Commercial Cooperation', was held in a very cordial atmosphere with both sides constructively engaging towards the objective of normal and liberal trade relations between India and Pakistan.

 <b>(Arvind Mehta)</b> Joint Secretary Ministry of Commerce & Industry Government of India	 <b>(Robina Ather)</b> Joint Secretary, M/o Commerce, Government of Pakistan
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New Delhi,

Dated: 24<sup>th</sup> August, 2011

List of Indian Delegation

1. Shri Arvind Mehta, Joint Secretary, D/o Commerce – Leader
2. Smt. Indira Murthy, Director, D/o Commerce
3. Shri Satish Kr. Reddy, Director, D/o Revenue
4. Shri Arvind Saxena, Counsellor, High Commission of India, Islamabad
5. Shri Jagjeet Kumar, Under Secretary, D/o Commerce
6. Shri U.S . Pandey, Under Secretary, D/o Commerce
7. Shri V. Surendra, Section Officer, D/o Commerce

List of Pakistan Delegation

Sl. No.	Name	Designation	Department/ Organization
1.	Ms. Robina Ather	Joint Secretary	GoP
2.	Mr.Khawaja Umar Mehdi	Collector , Customs	Federal Board of Revenue
3.	Mr.Abrar H. Hashmi	Counsellor	Pakistan High Commission, New Delhi
4.	Mr.Akhtar Ali Khan	First Secretary	Pakistan High Commission, New Delhi
5.	Mr.Shahid Jan	Second Secretary	Federal Board of Revenue
6.	Mr. Muhammad Awais Butt	Section Officer	Ministry of Commerce