

Normalizing India Pakistan Trade: Opening up the Automobile Sector in Pakistan

As India and Pakistan move towards normalizing their trade relations, one of the biggest worries that Pakistan faces is that trade normalization would lead to a surge in imports of automobile products from India. This is reflected in the composition of Pakistan's negative list for India. Almost 21 percent of the items on this list (at HS 6-digit level) belong to the automobile sector.

The automobile sector in Pakistan has been highly protected through prohibitively high duties, especially on the import of completely built units (CBU's). The same duties apply to items on the sensitive list. The question arises as to whether these items when removed from the negative list will still form a part of the sensitive list, as only then they will enjoy the high tariff and the auto industry would remain protected.

Out of 167 automobile items in the negative list, Pakistan will face competition only in those items in which India is globally competitive but Pakistan is not. There are only 35 such items in which Pakistan would be vulnerable¹ (Table 1). Of the 35 items, 30 are on Pakistan's sensitive list under the South Asian Free Trade Agreement (SAFTA), that draw MFN tariffs- which are currently very high for items in this sector. Thus, when the negative list is abandoned, these 30 items will continue to be protected as they would come within the ambit of the sensitive list.



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Table 1: List of 35 'Vulnerable Auto Items' on Pakistan's Negative List for India

HS Code	Item Description	On SAFTA Sensitive List?	CBU
400821	Plates, sheets and strips, of rubber		
400829	Rods and profile shapes, of rubber		
401032	Transmission belts	yes	
401290	Tyres, tyre treads, and tyre flaps	yes	
570330	Carpets and other floor coverings	yes	

¹ Items in which India has a Revealed Comparative Advantage (RCA)>1, while Pakistan has an RCA<1.

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HS Code	Item Description	On SAFTA Sensitive List?	CBU
681320	Friction material and articles thereof, not mounted for brakes, for clutches/the like		
681381	Material and articles thereof, not mounted for brakes, for clutches/the like, with basis of asbestos	yes	
730791	Flanges of iron/steel		
731822	Washers of iron/steel	yes	
732010	Leaf-springs and leaves thereof, of iron/steel	yes	
848310	Transmission shafts	yes	
848360	Clutches and shaft couplings	yes	
848410	Gaskets	yes	
851120	Ignition magnetos; magneto-dynamos	yes	
851190	Parts of the equip. of 8511	yes	
851230	Sound signaling equipment for vehicles	yes	
870210	Motor vehicles with C-I internal combustion piston engine (diesel / semi diesel)	yes	CBU
870321	Vehicles with cylinder capacity not >1000cc	yes	CBU*
870322	Vehicles with cylinder capacity >1000cc but not >1500cc	yes	CBU*
870410	Dumpers	yes	CBU
870490	Motor vehicles for the transport of goods, n.e.s. in 8704	yes	CBU
870600	Chassis	yes	
870810	Bumpers and parts thereof	yes	
870899	Other parts and accessories for motor vehicles	yes	
871110	Motorcycles and cycles	yes	CBU
871120	Motorcycles (incl. mopeds) with reciprocating internal combustion piston engine of a cylinder capacity >50cc but not >250cc	yes	CBU
871419	Parts and accessories of motorcycles	yes	
871420	Parts and accessories of carriages for disabled persons		
871491	Frames and forks, and parts thereof, for vehicles	yes	
871492	Wheel rims and spokes, for vehicles 8711-8713 (excl. motorcycles and mopeds)	yes	
871493	Hubs for vehicles of 8711-8713	yes	
871494	Brakes, and parts thereof	yes	
871495	Saddles for vehicles	yes	
871496	Pedals and crank-gear, and parts thereof	yes	
871499	Parts and accessories of the vehicles	yes	

Source: Ministry of Commerce, Government of Pakistan

Note: (*) Specified as including a completely built unit (CBU) item on Pakistan's negative list at 8-digit level

A closer look at Pakistan's import data shows that the share of China, Thailand and Japan in Pakistan's imports of these 35 vulnerable items was 14 percent, 12 percent and 34 percent in 2011; taking the combined import share from these three countries to 60 percent of Pakistan's total imports from the world. Pakistan signed a Free Trade Agreement (FTA) with China in 2006; wherein it gives China tariff concessions, barring the items on the FTA sensitive list. Of the 30 items identified as being vulnerable to competition from India and belonging to the SAFTA sensitive list, only two items, i.e. automobiles with engine capacity 1000-1500cc and dumpers designed for off-highway use, appear on the Pakistan-China FTA sensitive list- thereby providing evidence towards a far more liberal regime. What is noticeable is that Japan accounts for the largest

import share in Pakistan even though there is no FTA between the two. However, import of automobile components from Japan is a costly affair for Pakistan. Opening up to imports from India would create the option of providing access to cheaper imports than exists currently. This is supported by India's large export potential² in these 35 items, amounting to US\$ 948.2 million with Pakistan (Table 2).

Table 2: Automobile Trade with Pakistan: Export Value and Potential (2011)

Auto Items	India's Export Potential (US\$ million)	Pakistan's Imports from World (US\$ million)	China's Exports to Pakistan		Japan's Exports to Pakistan		Thailand's Exports to Pakistan	
			US\$ million	Share (%)	US\$ million	Share (%)	US\$ million	Share (%)
Vulnerable items (35)	948.24	945.73	130.22	13.77	316.84	33.50	116.6	12.33
All auto items on Negative List (167)	1908.63	2384.04	538.92	22.61	1003.33	42.09	227.86	9.56

Source: UNCOMTRADE WITS Database (6-digit level data); Authors' calculations

One of the biggest reasons for Pakistan to import automobile components from Japan in such large amounts is because of the historic presence of Japanese manufacturers in their auto-industry. In the past few years, Japanese investments in India have been rising with Foreign Direct Investment (FDI) largely flowing into the automobile manufacturing sector. Japan is seeking to have India as an export base to other markets, and the same items that Pakistan is importing from Japan can be sourced from India if these items are removed from the negative list.

Recognizing these benefits, some automobile manufacturers in Pakistan have recently indicated their willingness to import completely knocked down (CKD) units from India; while they continue to stand against the import of CBU's. This decision is based on the economic premise of lowering costs by importing cheaper auto-components from India, instead of Thailand or Japan.

Under this scenario, Pakistan stands to gain through cheaper imports from India, as it would provide lower cost substitutes to imports from Japan and Thailand. These benefits would in fact be much larger if Pakistan removes the automobile items from the sensitive list, as these items would then draw a maximum concessional tariff of 5 percent under SAFTA.

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² Trade potential is the difference between the "minimum of India's global exports/Pakistan's global imports" minus "the existing trade between India and Pakistan".

Pakistan's Trade with India: Case of Auto Sector in Pakistan



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The auto industry is the 5th largest contributor to large scale manufacturing in Pakistan which registered an impressive growth in the past decade¹. This industry includes 2-3 wheelers, motorcars, light commercial vehicles (LCVs), tractors, prime-movers, and trucks, contributing approximately US\$ 3.6 billion to GDP and US\$ 1 billion to Pakistan's government revenue².

Even though the sector has been growing in the past several years, there is a strong lobby restricting the import of automobile parts and components, including completely built units (CBU's), from India. However, there are divergent views within the Pakistan economy towards opening up automobile trade with India. The divergence in views emerges from the different stakeholders in Pakistan- consumers, local auto manufacturers/assemblers, automobile traders, and the government.



Samavia Batool

As per the views of Pakistani consumers, even though the auto industry in Pakistan has been receiving subsidies for many decades and has remained protected through various tariff and non-tariff barriers, Pakistan has not been able to become a major exporter of CBU's and the industry continues to largely comprise of auto-assemblers rather than CBU manufacturers. Considering that three major assemblers, namely Honda, Suzuki and Toyota, control the pricing structure in the industry, the burden falls upon consumers who purchase the automobiles at a price much higher than that prevailing in India. A comparison of average prices of automobiles with different engine capacities reflects the huge disparity in automobile prices in India and Pakistan (Table 1).

Table 1: Average Price Comparison of Automobile Engines (2012)

Engine Size	Price in India (PKR)	Price in Pakistan (PKR)	Difference (PKR)
800 CC	2,47,521	5,20,000	2,72,479
1000 CC	4,46,700	7,37,000	2,90,300
1300 CC	7,02,332	14,74,000	7,71,668
1800 CC	12,30,600	18,39,000	6,08,400

Source: Official Websites of Manufacturers/Assemblers



Umer Bhatti

The second group of stakeholders comprising the local auto manufacturers and assemblers fear that they may have to face competition due to cheaper automobile imports from India.

From their point of view, Indian auto industry enjoys economies of scale, enabling them to sell their products at much lower prices. If imports are permitted from India, it could make the Pakistani auto industry vulnerable to competition, and push them out of business. The industry fears loss of jobs on this account and has often been responsible for influencing the government on this issue. The assemblers/manufactures have also been at the forefront in suggesting that they can compete, if India makes a move towards reducing non-tariff barriers in this sector. While the industry accepts that non-tariff measures (NTMs) in India are non-discriminatory, they feel that NTMs are applied more strictly to goods from Pakistan.

A third group comprising of traders -in particular those trading in auto parts- believe that by opening trade with India, they can import cheaper automobile parts and components leading to a greater turnover for the auto parts industry, and ultimately a higher producer and consumer surplus. It is reported that Suzuki Motor Company shares this view and was

¹ Sadaf, J. (2011), 'Pakistan Industrial Growth', The Rawalpindi Chamber of Commerce and Industry.

² Competition Commission of Pakistan (2013), Competition Impact Assessment Report on the Automobile Industry of Pakistan, Government of Pakistan.

willing to import its assembly parts from Suzuki-India, instead of Suzuki-Japan. The Japanese manufacturer has yet to agree to this arrangement. Meanwhile Suzuki-Pakistan has been negotiating with the Japanese to provide the same technology to Suzuki in Pakistan as is being given to Suzuki in India.

Finally the most important stakeholder- the Pakistani government- is now suggesting that trade in auto parts in completely knocked down (CKD) form should be liberalized but trade in CBU's should be introduced in a gradual manner. In 2012, Pakistan's exports to India in automobile sector were US\$ 0.6 million, while the imports from India stood at US\$ 35,000 only (Table 2).

Table 2: India-Pakistan Auto Sector Trade (2012)

Pakistan's Imports from India			Pakistan's Exports to India		
Product code	Product label	Value in '000 US\$	Product code	Product label	Value in '000 US\$
870899	Motor vehicle parts n.e.s	20	870840	Transmissions for motor vehicles	252
870190	Wheeled tractors n.e.s	12	870899	Motor vehicle parts n.e.s	241
870321	Automobiles reciprocating piston engine displacing not more than 1000 cc	2	870829	Parts and accessories of bodies n.e.s for motor vehicles	128
870990	Work truck parts	1			
Total Imports		35	Total Exports		621

Source: ITC Trade Map (2013)

Thus, a comparison of the views of all four segments of stakeholders suggests that the consumers and automobile traders are in favor of liberalized trade with India. But the negative aspects and prospective losses highlighted by the local assemblers and manufacturers has led the government to take a step by step approach towards liberalizing this sector. Unfortunately, the reforms have been extremely slow, with resultant benefits being elusive to the automobile industry in Pakistan.

The consumer demand for Indian automobile items in Pakistan has been high. The recent research by Sustainable Development Policy Institute (SDPI) indicates that there is substantial 'informal' inflow of automobile products from India into Pakistan. In 2013, the value of spare parts that informally entered Pakistani market was estimated at US\$ 5.7 million. The value of informally traded tyres was estimated to be US\$ 170 million in the same year. Hence, despite current barriers to 'formal' trade, informal trade has continued; which calls for the government to take steps to formalize such trade flows.

A report by the Competition Commission of Pakistan (2013) has highlighted that the automobile industry in Pakistan is inward looking, and repeatedly maneuvers protection from the government through regulatory instruments. Even after the policy of deregulation (pursued since early 1990s), all governments in power have protected the domestic automobile assemblers at the cost of consumers. The assemblers have also failed to comply with minimum international standards of passenger safety, and most assembled cars lack compliance with emission standards and quality specifications.

It is important to understand that supply chain barriers in developing economies hurt more, relative to tariff/related restrictions. As Pakistan and India move towards trade normalization, it is important to create a win-win scenario in auto sector, with one such avenue being the creation of cross-border supply chain in automobile sector. For two wheelers, there is a case for specialization whereby import of large engine capacity motorcycles can be allowed from India, considering Pakistan has already shown a competitive advantage in smaller engine capacity motorcycles. Similarly, if auto parts of four wheelers are allowed on more liberal terms from India, Pakistan will be in a position to export low-cost CBU's. The same holds

true for mobile agricultural machinery, which could use imported engines from India with improved emissions standards and better operational efficiency.

A success story of such an arrangement in auto sector has been examined in a report by World Trade Advisors. The report highlights the Argentina-Brazil Agreement of 1999 in auto trade, whereby duty free exports from Brazil were linked to its auto imports from Argentina. Today 80 percent of Argentina's units are bought by Brazil. It is also noteworthy that such an arrangement has helped Argentina sharpen its competitive advantage in auto sector- which represents 13 percent of total exports of the country. Another example is that of Canada-US auto sector agreement of 1965. Under this arrangement, for every US car sold in Canada, the US manufacturer had to produce one unit in Canada. This not only employed local labor force, but also allowed for technology transfer. Today, Canada's production of automobiles is close to 2.6 million units with the auto parts production valued at US\$ 35 billion. This example can be replicated in case of India-Pakistan trade as both countries have formally liberalized the bilateral investment regime.

The track-II meetings of automobile associations of India and Pakistan, involving participation from consumer groups, think-tanks, business journalists and government officials, can help develop a platform for future trade in the sector. Such meetings could explore the prospect of horizontal and vertical Foreign Direct Investment (FDI) from India; design and R&D support to Pakistani automobile manufacturers/assemblers by Indian manufacturers; and joint ventures in automobile manufacturing- all of which could help strengthen bilateral trade relations.

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Normalizing Automobile Trade between India and Pakistan: Concerns and Way Forward

To normalize trade between India and Pakistan, the government of Pakistan has decided to gradually shift goods from the 'negative list' to the 'positive list' before granting Most Favored Nation (MFN) status to India. However, all automobile products (including components) are still under the 'negative list' and are backed by a strong automobile lobby in Pakistan. This has been due to the fear that increased auto imports from India will have a major negative impact on Pakistan's domestic industry. In this context, this article makes an attempt to analyze the current status of auto-industry in Pakistan, and examine whether exports from India will jeopardize the Pakistani auto industry or prove beneficial.



It is important to note that India's automobile industry is unable to export because most automotive components (385) are still under the negative list of Pakistan. Considering that in recent times there has been a significant growth in Pakistan's automotive market, there is a scope of export growth from India to Pakistan as the trade normalizes. Having gained comparative advantage in some components, Pakistan is also interested in exporting to India. However, the sector has remained a major stumbling block to normalizing the trade relations due to misconceptions and communication gap between manufacturers on both sides.

There are 500 auto-parts manufacturers in Pakistan that supply parts to original equipment manufacturers. Vehicles' manufacturers directly employ over 192,000 people with a total investment of over US\$1.5 billion¹. Auto industry in Pakistan saw a major boom during 2006-07 when sales figures touched 180,834; with 2.8 percent contribution to GDP and 16 percent to the manufacturing sector in 2007. From a mere 6.7 percent contribution to the manufacturing sector during 2001-02, the share was expected to increase to 25 percent by 2014. However, the industry has been struggling to reach the same level as 2007 with total car sales being around 120,332 only during 2012-13.

During 1985-2005, Pakistan's automobile policy was based on the formulation and implementation of compulsory local content conditions, commonly referred to as the deletion program. The only locally-assembled car which has achieved a significantly high local content, under its deletion program, is Suzuki Mehran². Having the highest market share in passenger car segment, Suzuki has reached 65 percent of deletion with in-house production of almost 25 percent of the complex components. Indus Motors producing Toyota cars has reached 45 percent of deletion level with 15 percent of critical components being manufactured by Toyota or by its vendors in Pakistan. So far, Honda Motor Company is getting only 5 percent parts manufactured locally, due to non-forceful implementation of the government policy and to avoid giving any design and manufacturing know how to the local vendor industry. In the absence of good infrastructure and manufacturing facilities at the SME level, Japanese auto companies have not been very successful in providing technological assistance to local companies. Along with this, the absence of adequate quality control standards and lack of competition at the vendor front have resulted in deterioration of quality of final products.

In today's world, automobile industry is very dynamic; driven by consumer choice, comfort, safety, and design. In this competitive environment, the Pakistan government requires to encourage development of R&D centres, schools for advanced learning of auto technology, and development of quality control instruments which create an enabling environment for the auto-component industry to grow. Apart from this, competition among component manufacturers is also important to drive local innovation. Though Pakistan has achieved some level of localization, it lacks the capability to move to the next level of value addition. As a result, the entire industry is stuck to only a few models.

¹ Source: Economic Pakistan <http://economicpakistan.wordpress.com/2008/02/08/automobile-industry/>

² 'Local Auto Industry: Foreign Competition', by Zaheer Ahmed; published in Dawn.com dated 8th Feb 2012, <http://www.dawn.com/news/739064/local-auto-industry-foreign-competition>

In 2012, Pakistan's total imports in automobile sector have been around US\$2.04 billion, of which the import value of various vehicles- mostly in completely knocked down (CKD) form- was US\$1.27 billion. Small cars and cars with engine capacity between 1000-1500cc have taken up the lions share. Mini-vans and other vehicles with more than 1500cc engine capacity have also emerged as major imports (Table 1). It is important to note that Japan and China are the main source of imports, with many critical components coming in from Thailand and Indonesia as well. Japanese auto companies prefer to import components from their trusted vendors in Thailand, considering that they face difficulty in transferring technology to local Pakistani players due to lack of infrastructure, capability and absence of precision machineries and R&D facilities. However, product wise share of the rest of the world (RoW) in automobile items gives an indication that Pakistan depends on other countries for its imports as well (Table 2). This is indicative of there being enough room for India to compete with RoW in exporting automobile items to Pakistan.

Table 1: Pakistan's Import of Vehicles and Components for Assembly (CKD) under HS-87 (Value in US\$ '000)

HS Code	Description	World	China	Japan	Korea Rep	Rest of the World
870120	Road tractors for semi-trailers	14628.79	4518.78	9353.58		756.43
870190	Wheeled tractors n.e.s.	37982.68	1871.23	3845.39		32266.06
870210	Diesel powered buses with a seating more than 10	51620.6	15430.36	31269.11	4423.65	497.48
870290	Other Buses (CNG, LPG, others)	39132.5	27900.03	6525.14	2483.28	2224.05
870321	Cars (not exceeding 1000 cc)	290441.32	5315.38	276130.68	51.94	8943.32
870322	Cars (more than 1000 cc, not exceeding 1500 cc)	400407.05	293.37	304961.22	135.65	95016.81
870323	Automobiles (more than 1500 cc, not exceeding 3000 cc)	151281.91	454.44	76401.73	83.65	74342.09
870324	Automobiles (exceeding 3000 cc)	30587.57	249.91	17622.13	494.91	12220.62
870421	Diesel powered trucks with a GVW not exceeding 5 tons	79106.34	797.52	19303.04		59005.78
870422	Diesel powered trucks with a GVW more than 5 tons but not exceeding 20 tons	28803.44	4824.96	19588.19		4390.29
870423	Diesel powered trucks with a GVW exceeding 20 tons	24881.95	2286.56	20746.64		1848.75
870431	Gas powered trucks with a GVW not exceeding 5 tons	35407.78	167.61	34738.33		501.84
870590	Special purpose motor vehicles n.e.s.	39975.57	2331.31	7657.41	3.25	29983.6

Source: UNCOMTRADE WITS Database; Authors' calculations

Table 2: Major Sources of Pakistan's Import of Auto Components in 2012 (Value in US\$ '000)

HS Code	Description	China	Indonesia	Japan	Korea Rep	Thailand	Rest of the World	Share of RoW in Total Import (%)
401699	Other Articles of Vulcanized Rubber	4132.92	30.42	4038.20	41.03	309.99	7487.74	46.68
720449	Other Ferrous Waste and Scrap	144.14	10.28	1174.29	912.99	290.36	318523.70	99.21
731815	Other screws and bolts	3972.40	68.83	902.78	122.21	2132.58	7199.69	50.00
760200	Aluminium waste and scrap	18.52		14.84	125.46	2.22	46269.56	99.65
840991	Parts of Spark-ignition Internal Combustion Piston Engines	13108.48	79.51	61894.67	31.34	6444.58	7879.46	8.81
840999	Parts of Compression-ignition Internal Combustion Piston Engines	17785.62	78.04	4078.35	457.72	14.34	41734.64	65.06
841330	Fuel, Lubricating or Cooling Medium Pumps	1930.60	0.94	368.42	26.08	126.83	13457.72	84.58
841391	Parts of Pumps for Liquids	2793.68	3.89	1032.46	197.92	10.32	17902.94	81.60
841590	Parts of Air Conditioning Machines	23360.45	301.22	3216.88	8.52	9590.05	1103.75	2.94
842131	Intake Air Filters for Internal Combustion Engines	1285.18	70.37	621.76	69.67	290.45	16993.20	87.91
848180	Other Valves and Other Appliances for Pipes, Tanks,	8147.96	417.63	3778.52	1104.07	848.08	46111.76	76.33
848310	Transmission Shafts (Including Camshafts and Crankshafts)	8767.07	0.81	716.80	78.48	46.70	11893.25	55.31
848330	Bearing Housings; Plain Shaft Bearings	1898.86	63.20	1495.16	184.76	56.88	16014.04	81.24
848340	Gears and Gearing; Ball Screws; Gear Boxes	5667.37	0.22	852.02	226.20	96.29	10444.70	60.42
853710	Bases for Electric Control or the Distribution, Not Exceeding 1,000v	5400.04	0.33	3090.73	65.56	14.18	10104.18	54.11
870829	Other Parts and Accessories of Bodies for the Motor Vehicles	1513.07	638.50	11947.22	68.92	48403.92	12123.36	16.23
870880	Suspension shock absorbers	430.43	1.47	9002.45	24.64	3959.91	1282.80	8.73
870899	Other parts and accessories of vehicles	4542.86	542.59	17153.22	2459.20	13424.71	21899.92	36.49
871419	Other Parts and accessories of motorbikes	23686.99	682.42	8952.71		4132.15	1698.54	4.34
903289	Other Automatic Regulating or Controlling Instruments	2153.67	3.49	2080.51	1333.81	59.09	10937.93	66.02

Source: UNCOMTRADE WITS Database; Authors' calculations

Note: Values in bold denote higher share in that category

Pakistan's auto industry is in general apprehensive about the normalization of trade between India and Pakistan; fearing that Indian automakers (because of their big industry size and economies of scale) will dump their products in Pakistan leaving them non-competitive, whereas they will have fewer opportunities in India because of non-tariff barriers (NTBs). However, by importing automobile components from India, Pakistan can save a substantial amount of foreign exchange since Pakistani Rupee has been depreciating against Japanese Yen in the last five years. In addition, considering that the culture and preferences in Pakistan are similar to India, easing auto imports from India can allow companies to introduce models in Pakistan without much R&D.

To deal with the NTB's faced by Pakistan's industry in India, it is important to increase the knowledge and awareness of standards set by the Indian authorities for automobile imports. India's two wheeler emission norms are unique and cannot be compared with European standards. While Europe uses WMTC (Worldwide harmonized Motorcycle emission Test Cycle), India has traditionally used the India Drive Cycle (IDC), which is said to more closely represent Indian driving norms. India recently made testing under the WMTC optional for two-wheelers. It is expected to become mandatory for the next stage of two-wheeler emission standards after 2015. This will open up an opportunity for Atlas Honda to export motorcycles to India.

Suzuki is interested in transferring technology to Pakistan and work as catalyst between Indian and Pakistani vendors to form joint ventures. Toyota too can help both of its set-ups in Pakistan and India and encourage bilateral trade. Toyota India is now producing engines, gears and other auto components which can be exported to Pakistan. Similarly, Toyota Indus in Pakistan can export special sheet metals, chemicals and paints to India.

Lastly, Pakistan is also concerned about India's ability to enter into Pakistani market with a lower tariff under South Asian Free Trade Agreement (SAFTA) once MFN status is given to India. It is argued that average duties of all auto products under SAFTA is around 5 percent, and once given the MFN status, India will be able to enter the Pakistani market through SAFTA route by by-passing the MFN duties (average 32.5 percent). However, most of the auto products are already covered by the SAFTA Sensitive List, and only 14 percent of those products (54 in number) attract a duty of 5 percent under SAFTA scheme. These products include cash carrying vehicles, carriages for disabled persons, saddles, and engine components for motorcycles, for which current import values are very small. Hence, Pakistani automobile industry already enjoys the protection under SAFTA regime and should not fear India flooding their market once MFN is granted. As discussion on lifting the sensitive list products is already on the table, Pakistan can suitably negotiate to protect the important product lines while allowing a slow exit of other items.

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www.indiapakistantrade.org

**The website provides regular updates on current policy developments,
macroeconomic data and project's research activities.**



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