

**NORMALIZATION OF TRADE WITH INDIA:
OPPORTUNITIES AND CHALLENGES FOR PAKISTAN**

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Trade Development Authority of Pakistan (TDAP) is the primary agency for promotion of external trade of Pakistan. It was established in November, 2006, under a Presidential Ordinance to replace the Export Promotion Bureau. The TDAP falls within the administration of the Ministry of Commerce, Pakistan.

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Pakistan India Trade Normalization: Opportunities and Challenges for Pakistan

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The views expressed in this study are those of the authors and do not necessarily reflect the positions or the policies of the Government of Pakistan. The paper describes research by the authors and is issued to elicit comments for further discussion.

ABOUT THE AUTHORS

Dr. Manzoor Ahmad is a Senior Fellow at the International Center for Trade and Sustainable Development, Geneva. He previously served as Pakistan's Ambassador to WTO, Geneva and Member (Customs) at the Federal Board of Revenue, Islamabad.

Nadia Rehman is a graduate of Duke University, USA. After working for Microsoft Corporation (USA) for five years, she served at Pakistan Telecommunication Ltd. as General Manager, Planning and Development in Islamabad. In 2009 Nadia joined the Federal Government of Pakistan and was posted as the Commercial Counsellor to Prague.

Sohaib Shahid is a Doctoral Candidate in International Economics at the Graduate Institute of International and Development Studies, Geneva.

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ACRONYMS

ACU	Asian Clearing Union
AFTA	ASEAN Free Trade Area
AITEX	Representative Agency of OEKO-TEX in Pakistan
APLAC	Asia Pacific Laboratory Accreditation Cooperation
APTMA	Pakistan Textile Mills Association
ASEAN	Association of Southeast Asian Nations
ASTM	American Society for Testing and Materials
AVE	Ad Valorem Equivalents
BBB	Behind the Border Barriers
BIS	Bureau of Indian Standards
CBEC	Central Board of Excise and Customs
CCR	Compulsory Customs Requirements
CECA	Comprehensive Economic Cooperation Agreement
CEPII	Centre de Recherche Spécialisé en Economie Internationale
CKD	Complete Knock Down
CTH	Change in Tariff Heading
CVD	Countervailing Duty
DEPB	Duty Entitlement Pass Book
DG	Director General
DGAD	Directorate General of Anti-dumping and Allied Duties
DGFT	Director General of Foreign Trade
DGTO	Director General of Trade Organizations
DVA	Domestic Value Added
EDI	Electronic Data Interchange
EOU	Export Oriented Units
EPZ	Export Processing Zones
EU	European Union
FBR	Federal Bureau of Revenue
FCL	Full Container Load
FICCI	Federation of Indian Chambers of Commerce and Industry
FOB	Free on Board
FPCCI	Federation of Pakistan Chambers of Commerce and Industry
FSS	Food Safety and Standards
FSSAI	Food Safety and Standards Authority of India
FTA	Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
HS	Harmonized System
HS-code	Harmonized System of classification
ICRIER	Indian Council for Research on International Economic Relations
IMFS	Indian Made Foreign Spirits
INR	Indian Rupee

ICI	Imperial Chemical Industries
ICP	Integrated Checkpost
ILAC	International Laboratory Accreditation Cooperation
ISO	International Organization for Standardization
ITC	International Trade Centre
KCCI	Karachi Chamber of Commerce and Industry
LC	Letters of Credit
LDC	Least Developed Country
LPG	Liquefied Petroleum Gas
MFA	Multi Fibre Arrangement
MFN	Most-Favoured-Nation
MINFAL	Ministry of Food, Agriculture and Livestock
MOU	Memorandum of Understanding
MRA	Mutual Recognition Arrangement
MT	Metric Ton
NATRIP	National Automotive Testing and R&D Infrastructure Project
NLC	National Logistics Cell
NLDCS	Non-Least Developed Contracting State
NSB	National Standards Body
NTB	Non Tariff Barriers
NTC	National Tariff Commission
OEKO-TEX	International Association for Research and Testing in the Field of Textile Ecology
OEM	Original Equipment Manufacturer
OLS	Ordinary Least Squared
PAAPAM	Pakistan Association of Automotive Parts Accessories Manufacturers
PFA	Prevention of Food Adulteration
PHO	Port Health Officer
PIA	Pakistan International Airlines
PKR	Pakistani Rupee
POI	Ordinance, Period of Investigation
PRAL	Pakistan Revenue Automation Ltd.
PSI	Pre-shipment Inspection
PSQCA	Pakistan Standards and Quality Control Authority
PST	Pacific Standard Time
PTA	Preferential Trade Agreement
RCA	Revealed Comparative Advantage
RCVO	Circuit Breakers with Integral Overcurrent Protection
RMS	Risk Management System
RoO	Rules of Origin
RTA	Regional Trade Agreement
SAARC	South Asian Association for Regional Cooperation
SAFTA	South Asian Free Trade Area
SBN	State Bank of Pakistan
SEZ	Special Economic Zones
SGS	Société Generale de Surveillance (Switzerland)
SIMAP	Surgical Instrument Manufacturers Association of Pakistan



SIMTEL	Sialkot Material Testing Laboratory
SOPs	Standard Operating procedures
SKD	Semi Knock Down
SPS	Sanitary and Phyto-Sanitary
SRO	Statutory Rules and Order
TBT	Technical Barriers to Trade
TCI	Trade Complementarity Index
TDAP	Trade Development Authority Pakistan
TPA	Terephthalic Acid
TPL	Tariff Liberalization Programme
TPR	Trade Policy Review
TT	Telephonic transfer
UN-COMTRADE	United Nations Commodities Trade Statistics Database
UNCTAD	United Nations Conference on Trade and Development
VAT	Value Added Tax
WHO	World Health Organization
WTO	World Trade Organization

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I. EXECUTIVE SUMMARY

Over the last three decades, countries around the world have been successfully integrating themselves into regional economic blocks thus creating new trade flows and in the process bringing unmatched prosperity and peace to their regions. With the stagnation of the multilateral trade liberalization process under the Doha Development Agenda, this process of regional and bilateral trade integration gained momentum. South Asia was initially slow to adapt, however, the last decade saw this trend changing. Sri Lanka and Bangladesh did it at a relatively faster pace while Pakistan's efforts at regional integration were much slower.

Pakistan has to catch up and quickly adjust itself to the changing economic scenario. Like other successful countries, it has to build on its regional trade. By officially designating 2012 as the "Year of Regional Trade and Economic Connectivity", and taking a number of concrete steps for normalizing trade with India, the Government of Pakistan has shown its commitment towards achieving this goal.

In this connection, the Trade Development Authority of Pakistan asked us to undertake the following two inter-related projects:

First, to undertake a study to:

- i. assess the potential of Pakistan's exports to India
- ii. understand barriers (tariff and non tariff) that currently restrict exports from Pakistan
- iii. assist the Government of Pakistan in its efforts to negotiate removal of non-tariff barriers (NTBs) within 2012
- iv. facilitate the Government of Pakistan in its objective of making the year 2012 a "Year of Regional Trade and Economic Connectivity".

Second, to conduct a series of seminars in all major cities across the country to share the

salient features of the study and to explain how Pakistani exporters can benefit from those opportunities.

The Study

As per the terms of reference, the study presents the following:

- Overall potential of trade between India and Pakistan
- High potential exports of Pakistan to India
- Tariff regime of India
- Non-Tariff barriers on exports from Pakistan based on the following:
 - i. Survey of exporters & associations of high potential products
 - ii. Interviews of business delegations from both countries
 - iii. Interviews of government officers from the Federal Board of Revenue, Ministries of Railways, Ports and Shipping, Commerce and Pakistan Standards and Quality Control Authority
 - iv. A preliminary assessment of infrastructure at road, railway (*Samjhota Express*, Interchange) and sea ports
 - v. Desk research
- Bilateral Trade Facilitation Protocols
- Trade Defense Measures
- Recommendations

The Seminars

Based on findings of the report, a series of interactive seminars were conducted at 10 major Chambers of Commerce and Industry across Pakistan. These seminars were attended by over 1000 prominent businessmen including manufacturers and traders.



The main focus of seminars was to explain why it was important to normalize trade with India and how Pakistani exporters can benefit from the new market access opportunities.

During these interactive seminars, salient features of the Study were also shared with the participants and particular attention was paid to the following issues:

- i. Estimate of high potential exports
- ii. The tariff regime of India and its implications on exports from Pakistan.
- iii. An overview of non-tariff barriers and the efforts being made to address them
- iv. The bilateral trade facilitation protocols signed in February 2012.
- v. Future road map for normalization of trade

A brochure relating to Trade Defence Measures was also prepared and distributed. The brochure explained how the businesses being adversely affected by unfair trade or flooding of goods in the Pakistani market can approach the National Tariff Commission for their redressal.

I.1 KEY FINDINGS

Following are the key findings of this Study.

I.1.1. HIGH POTENTIAL EXPORTS TO INDIAN MARKET

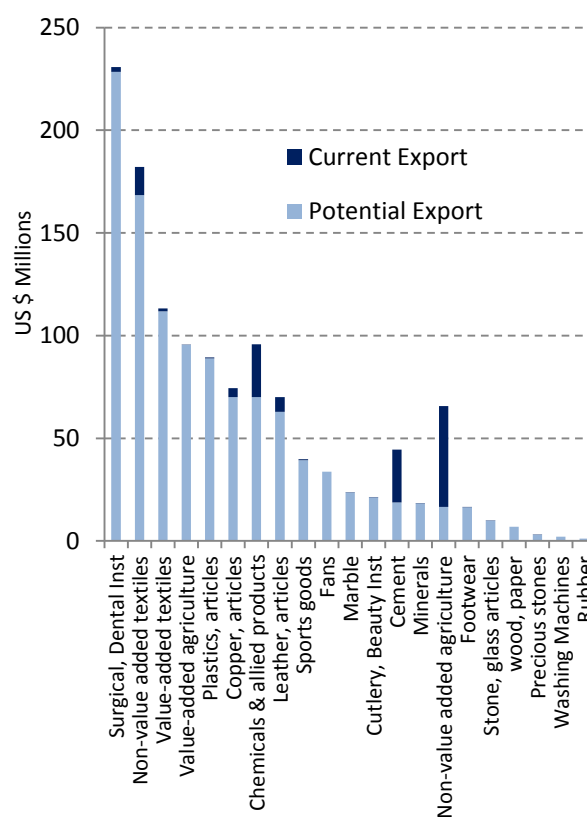
It is estimated that the current trade of US \$2.6 billion can increase at least fourfold¹. While Pakistan's exports of US \$ 248.14 million are rather low, it has a potential to export at least ten times more.

Pakistan has a positive net Revealed Comparative Advantage (RCA) in a number of

sectors particularly in textiles and clothing where it has an advantage in 354 out of 654 tariff lines as compared to India.² Other key products/sectors in which it can gain export markets are agriculture (especially fresh fruit and ethanol), cement, light engineering goods such as fans, washing machines, surgical and sports goods, leather products, cutlery, plastic goods; and certain chemicals.

The following figure gives a summary of high potential exports to India.³ A detailed list may be found in the Appendix.

FIGURE 1: HIGH POTENTIAL PRODUCTS WITH NET RCA > 1 AND INDICATIVE POTENTIAL > US \$ 1 MILLION. (AT HS 6, ONLY QUALIFYING PRODUCTS HAVE BEEN AGGREGATED INTO SECTORS)



Source: Authors' calculations based on data from UN COMTRADE, 2010.

² Positive Net Revealed Comparative Advantage.

³ This analysis excludes Light Petroleum Distillates (base oil, naphtha etc.) which show an indicative potential of US \$ 1.16 Billion.

¹ KCCI 1996, FICCI 2003, Batra 2004, Baroncelli 2006, SBP 2006.

Figures show a total indicative potential of US \$ 2.13 billion for products in which Pakistan has a positive net RCA over India.

Major manufacturers were of the view that if all tariff and non-tariff barriers were removed, their exports of major products could exceed US \$3.7 billion. These estimates included raising of exports of cement to over US \$ 1 billion, textiles US \$ 1.5 billion, light engineering (surgical, fans, sports goods, cutlery etc) US \$ 200 million, chemicals US \$ 200 million and agricultural products US \$800 million. No studies were cited in support of these estimates but it was explained to us that these figures were based on their potential manufacturing capacity and demand in India.

1.1.2. TARIFF REGIME OF INDIA

While India has been gradually reducing its tariffs over the last two decades and the average applied MFN tariff currently stands at 12 per cent, the tariff regime is still complex. Import taxes are high in sectors of interest to Pakistan, namely textiles and agriculture.

Para-tariff measures further increase the effective applied duty rates. While the average MFN customs duty rate is 12%, with para-tariffs it becomes 25.6% on average. In general, rates increase twofold for textiles and clothing and threefold for chemicals and cement from the average applied MFN rate.

Key observations are as follows:

- Composite taxes are levied on certain textiles and clothing. Composite tariffs are applied on 685 tariff lines of textiles and clothing. If Ad Valorem Equivalents (AVEs) are included in the tariff analysis, the average protection increases from 9.6 to 16.2 per cent for textiles and 10 to 25.7 per cent for clothing. In some cases (e.g. shawls, scarves exceeding 60 cm) tariffs are very high. These duties do not include para tariffs.

- India's tariff regime protects agriculture. Average tariff protection for agricultural products in 2010/11 was considerably high at 33.2%, as compared to manufactured products at 8.9%. About 57% of agricultural goods bear tariffs of 30%. A wide spread between bound (10%-300%) and applied tariff rates (0%-150%) for many agricultural products leads to frequent fluctuations in tariffs and acts as an impediment to trade. The variability in tariffs is noticeably marked in the case of food staples including rice and sugar.
- India's tariff regime promotes tariff escalation. Tariffs for semi-manufactures are lower compared to processed goods. This provides cheaper inputs to the manufacturing industry. Moreover, various import duty concessions are granted for intermediate goods under different export and investment promotion schemes. While this provides a potential venue for exports from Pakistan, it was suggested by local manufacturers (especially in the automotive parts and surgical equipment sectors) that exports of intermediate goods should be regulated in order to support the local manufacturing industry.
- India will reduce tariffs to 0 to 5 per cent on all products except those on the Sensitive List, as per its commitments as a non-LDC member of SAFTA, by 2013. However the impact on Pakistan will be limited as textiles and agriculture are protected by India's Sensitive List.
- India's Sensitive List protects a wide range of textiles and agriculture products. At HS level 6, 30 per cent of the items on India's sensitive list are agricultural while 34 per cent are textile products. The corresponding figures for Pakistan are 4 per cent and 24 per cent respectively.



- India also imposes para tariff measures such as CVD and educational cess which substantially raise the effective duty rates. The para-tariffs are levied in lieu of domestic taxes on imports to give a level playing field to local producers. However, as in the case of sales tax and withholding income tax for imports in Pakistan, these taxes are also adjustable for manufacturers.
- India has the most protective tariff regime for Pakistan in the SAARC region. India has an FTA with Nepal, Bhutan and Sri Lanka and a PTA with Afghanistan. Being an LDC, Bangladesh also gets deeper preferential treatment under SAFTA.

NON TARIFF BARRIERS FACED BY PAKISTANI EXPORTERS

Wagah/Attari is presently the only land route through which trade is permitted between the two countries although they share over 1800 miles long border. While the working hours have recently been extended, this single route is insufficient to meet the increasing trade flows. Also exporters from other provinces find it difficult and expensive to export through this route. Further bilateral protocols of rail and truck movement are very restrictive and repose considerable discretionary powers in government officials thus resulting in arbitrary stoppages and delays.

There are also serious problems of infrastructure such as lack of computerized weigh bridges, scanners, cranes, transport vehicles, cold storage chains and other port infrastructure on both sides. With the recent inauguration of the integrated check post at the Indian side on Wagah, the Pakistani side will also have to expedite the development of infrastructure to facilitate trade.

Lack of harmonization and non acceptance of standards in particular for agricultural produce and textiles is a major barrier. While

a mutual recognition agreement has been signed by the two countries for harmonization of standards, for the time being it only covers one commodity (cement).

Non-existence of trade-related services including direct banking channels, direct shipping lines, courier service and mobile roaming facility also hamper the flow of goods.

Other major issues are multiple documentation, lengthy procedures; manual processing and lack of use of information technology, lack of transparency and consistency and primitive cargo handling procedures.

Arbitrary Customs procedures including application of minimum Customs value, compulsory requirement of pre-shipment inspection for certain items, import permits and original SPS certificates for agricultural products, checking by multiple agencies and bureaucratic hurdles are some of the other problems.

One of the most difficult problems is getting visa for multiple cities and multiple visits.

I.2 RECOMMENDATIONS

The following issues need to be addressed simultaneously and on priority.

1. Lowering of tariff barriers through negotiations of SAFTA concessions on items of Pakistan's export interest in particular textiles, light engineering and agricultural goods.
2. Prompt removal of non-tariff barriers including the following:
 - i. Transport Protocol:
 - Open all routes that were previously in operation before 1965. For example:



- Munabao-Khokharapar rail route to link Karachi with Mumbai
- Sahiwal-Fazilka to connect the Southern parts of Punjab
- Lahore-Patti road
- Kasur-Firozpur road
- Provide direct shipping routes to east and south India.
- Allow direct transportation from all existing dry ports without the requirement of rechecking at the port of exit.
- Allow warehouse to warehouse shipment in order to address yard capacity issues at the port.
- Allow containerized shipment at land ports.
- Improve the bilateral railway SOPs to allow 8 wheeler train wagons and more than one interchange a day.
- Allow vehicles to carry full container loads.

ii. Port Infrastructure:

- Upgrade infrastructure (including covered sheds, automated handling, cold storage, weighbridges, fork lifters etc.) at all ports. Also develop an ICP at the railway port.
- Provide electronically generated reports for scanners and weighbridges so they may be used as evidence in case of disputes on quantities exported.
- Provide auxiliary services at ports for faster clearance.
- Establish bank branches of each other's countries at ports.

iii. Standards:

- Establish a single point of enquiry for TBT and SPS regulations. Changes should be disseminated through a subscription system.
- Establish certification, inspection and textile laboratories at ports.
- PSQCA may be allowed to issue certificates and conduct inspections on behalf of BIS.
- Training may be offered for packaging and labeling requirements via online tutorials.
- Extend the MRA signed in February 2012 to remove the requirement of establishing a branch office in India to get BIS certification.
- Certificates of third part international laboratories e.g. SGS may be accepted.

iv. Clearance procedures:

- Allow electronic issuance of SPS, Rules of Origin and SAFTA certificates in a mutually recognized format.
- Enforce best practices identified in electronic risk management system (RMS), including opening a "green channel" for reliable importers at land ports.
- Develop inter-Customs SOPs to address classification and valuation issues.
- Create an automated mapping of HS codes at level 8 to address classification issues.
- Make Customs SOPs available electronically.
- Encourage data sharing between Customs.



- Accept copies of the SPS certificate for fast clearance of perishables without waiting for the original to arrive via courier.
- v. Visa Facilitation:
- There should be no restrictions of cities and visas should be for multiple visits.
 - Till the establishment of a more facilitative mechanism, visas should be allowed on the recommendations of the Chambers of Commerce and Industry.
 - Additional visa processing offices should be opened. There should be a visa office at Karachi, Lahore and Faisalabad.
 - Single day permits may be issued to businessman for meetings in a designated area.
- vi. Other:
- Open direct courier services.
 - Allow opening of bank branches of the other country.
3. Prompt harmonization of the following non-tariff barriers:
- SPS requirements for agricultural products (vegetables, fruit, vegetable oils and packaged halal foods)
 - Customs SOPs for import of agricultural products
 - Pre-shipment test requirements for textiles
 - Certification requirements for cement
 - Labeling and packaging requirements for all packaged commodities including food products
- Labeling requirements for textiles
 - Standards requirements for automotives including two wheelers

II. OVERVIEW OF THE STUDY

Section I is an overall Executive Summary which highlights the background for normalization of trade and the terms of reference of the Study. It provides an overview of the seminars and key findings of this study. It also summarizes key Recommendations for further work.

Section III gives a review of some of the more important papers published on the topic. In particular, key findings of Bin Najib, Baig and Ansari (2012), Nabi (2011 and 1996), Khan and Tabish (2011), Hussain (2011), Taneja (2011 and 2007), and Naqvi and Schuler (2007) have been summarized.

Section IV of the paper presents an estimate of potential bilateral trade based on Gravity model. It further identifies Trade Complementarity and Export Profile, high potential exports to India based on RCA and Indicative Market Potential.

Section V delineates the tariff regime of India and focuses on agriculture, implications of composite tariffs on textiles, tariff escalations and tariff regime for sensitive items under SAFTA. This section gives an overview of SAFTA and explains why tariff concessions agreed under this Agreement are of limited benefit to Pakistan. Section V also refers to Pakistan's isolation within SAFTA.

Section VI is about Non-Tariff Barriers in general and how they restrict exports from Pakistan. It gives the details of the survey conducted to ascertain the nature of NTBs and lists the major NTBs pointed out by potential exporters. It gives details of Customs regulations and procedures, rules of origin, standards, additional taxes and such other NTBs that restrict exports from Pakistan.

Section VII presents an overview of sector wise non tariff barriers that are of particular importance for Pakistani exporters. These

include surgical goods, textiles, ethanol, cement, metal scrap and agricultural products.

Section VIII highlights tariff barriers due to port infrastructure and bilateral transport protocols. This section explains location-based NTBs such as those at Wagah, Karachi and via Railroad (*Samjhota Express & Interchange Train*). Procedural problems faced by exporters at Wagah have been explained in details

Section IX gives a summary of the 10 seminars conducted at major Chambers of Commerce and Industry throughout Pakistan. It also highlights major concerns raised at various Chambers.

Section X describes the efforts made by the Governments of Pakistan thus far to address NTBs, including the bilateral trade facilitation protocols signed in February 2012.

Section XI explains salient features of legal instruments (anti-dumping; anti-subsidy and safeguard rules) available to address any unfair practices and how the affected parties can approach the National Tariff Commission for redressal of their grievances.

Section XII outlines policy recommendations and how an integrated approach for reducing tariff and non-tariff barriers could be used to achieve the desired results.

Section XIII gives the impact of India's current and potential bilateral free trade agreements on Pakistan's exports.

Section XIV suggests a roadmap for future research and also gives the status of the various targets achieved so far.

Section XV provides the list of references used in this Study.

Finally, some key information which was either used for this Study or was generally



found to be useful has been incorporated in various Appendices. These include current profile of exports to India, total indicative potential of exports, major exports and imports, fastest growing exports and imports, import policy of India for high potential exports, legislation for Standards & Certifications In India, exports profiles at

ports, summary of NTBs by sector and by port, high potential exports, list of products with minimum export price, list of items importable through Wagah, Pakistan's sensitive list under SAFTA, India's sensitive list of non-LDCs, details of gravity equation and a sample of the survey form.

III. LITERATURE REVIEW

In a recent Punjab Board of Investment and Trade (PBIT) Working Paper on Pakistan-India trade potential by Bin Najib, Baig and Ansari (2012), the authors give a summary of various aspects of Pak-India trade including tariff and non-tariff barriers to trade; opportunities for Pakistani exports; general fears of the local industry, and specifically lists the opportunities and threats for Agriculture, Cotton & Textile, Manufacturing Automobile and Pharmaceutical sectors. The paper concludes that overall Pakistan's economy would benefit from opening trade with India and that the fear of being over-run by cheaper Indian commodities was unfounded as India's industry is considerably less competitive than China's.

Amongst numerous other studies on the subject, one of the notable one is that of Nabi (2011). The author examines regional trade in the context of Pakistan's overall economic objectives, and promotes a view of India as a possible significant export market. The author also presents some sectoral case studies, such as the role of trade in accessing the Indian technical expertise in the pharmaceuticals. The same author in a 1996 study concludes that treating India at par with the WTO-GATT signatories would make Pakistan consistent with the rules and regulations that govern the WTO. Doing so would improve Pakistan's access to the global market. Tariffs need to be reformed to ensure that Pakistani producers do not suffer negative protection vis-à-vis Indian competitors. The author suggests the opening of more land border crossings, ease of visa restrictions, and tightening of customs administration. The author further proposes that a 'stop-go' relationship between the two countries should be avoided at all costs, as this would damage business confidence.

Khan and Tabish (2011) in a joint TDAP/SAARC study propose policy options to decision makers in both countries. They

discuss the issue of non-tariff barriers in India and the previous denial of MFN status by Pakistan. The study also offers short-term and medium-term remedial options, covering trade facilitation, infrastructure, government policy and other areas of bilateral cooperation. The paper also outlines the potential gains based on empirical investigation by researchers and proposes means to enhance bilateral trade between the two countries.

Husain (2011) highlights how greater trade with India offers an immediate and rich possibility of economic growth for both Pakistan and India. The author stresses that the Pakistani economy can hugely benefit if better trade relations with India were established, mainly via the positive impacts to the private sector. This paper analyses, by key sectors, some of the challenges and benefits greater trade with India would create. The author mentions several empirical studies and concludes that India-Pakistan enhanced trade would lead to a win-win situation. The author lists some rules and regulations that inhibit trade, and concludes that both countries should reactivate SAFTA and agree on a phasing out of the sensitive list (of items that each country deems important for its economy) over the next few years. According to the author, a restrictive list would nullify all the potential gains of preferential trade access. The countries should also promote trade facilitation through expeditious border crossings; streamlining of documentation requirements; coordination of border agencies; quick customs clearance; improvement of electronic data interchange; telecommunication; and transport links; creation of new shipping protocols and easing of visa restrictions for businessmen, The author also suggests the harmonization of legal regulations for investor protection,



contract and intellectual property rights enforcement, and labor relations.

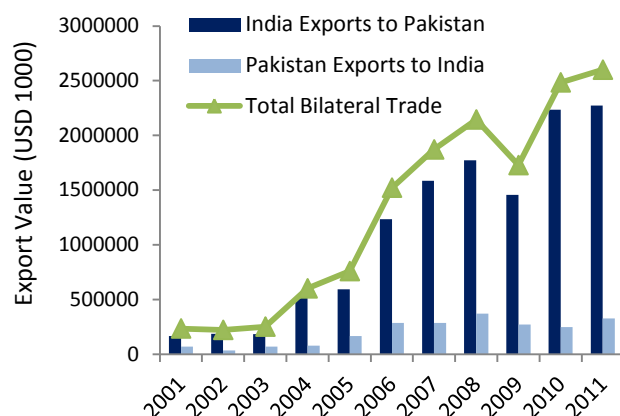
Taneja and Kalita (2011) suggested that the most important step towards enhancing trade would be to adopt the MFN principle, as the current policy inhibits trade, lacks transparency and leads to high transaction costs. In a previous study Taneja (2007) identifies the bilateral trade possibilities and non-tariff barriers between India and Pakistan. Using the potential trade approach, the study finds that the export potential from India to Pakistan is to the tune of US\$ 9.5 billion while that from Pakistan to India is US\$ 2.2 billion. The author also indicates that the imposition and application of standards in India was perceived as a major non-tariff barrier by Pakistani exporters. The study found that even though the TBT and SPS measures are not discriminatory across trading partners, Pakistani exports to India are surely affected by these. Pakistan has an export interest in textiles and agricultural products which also happen to be sectors where import restrictions/standards are most rigorously applied by India. It also found that due to a restrictive visa regime only selected traders have access to trade-related information. Thus lack of transparency, market imperfections and information asymmetries on both sides raise transaction costs and restrict market access for several other aspiring traders.

Naqvi and Schuler, editors in a World Bank publication (June 2007) on “The Challenges and Potential of Pakistan–India Trade, draw upon a series of papers on Pakistan–India trade and link them thematically from a more general overview to impact on specific sectors. While giving reasons for the low trade volume, they cite three main reasons: political tensions, the use of import-substitution policies to promote industrialization, and, in contrast to other regions of the world, relatively little commitment to regional integration. In other papers in the publication, various authors discuss several related issues such as quantification of informal trade between the two countries which is estimated at US\$545 million; the trade cost of bilateral animosities through a standard gravity model; the welfare implications of bilateral trade and free trade in the context of SAFTA and impact of normalization of trade on textiles, light engineering, chemicals and agriculture.



IV. BILATERAL TRADE POTENTIAL

FIGURE 2: TREND OF BILATERAL TRADE BETWEEN INDIA AND PAKISTAN



Source: Authors calculations based on UN COMTRADE statistics and PRAL data

In 2011, bilateral trade between the two countries was US \$ 2.6 billion. India's exports represented 88 per cent of trade.

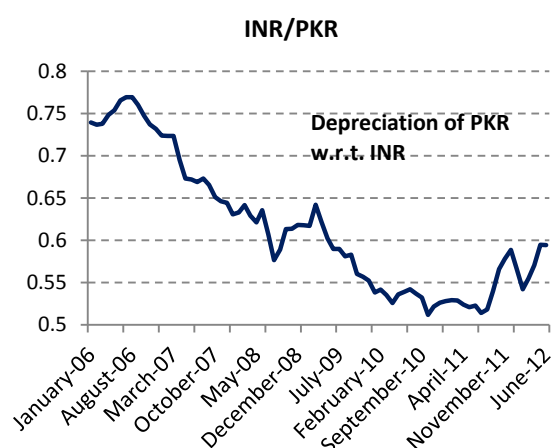
Once trade is normalized between the two countries, studies suggest that potential trade could be in the region of US \$10-11 billion.⁴ Informal trade between the two countries is estimated to be anywhere from US \$ 500 Million to US \$ 2 Billion.⁵ Trade normalization will also formalize informal trade leading to a reduction in transport costs, more tax revenue and higher gains from trade for both countries.

Geographical proximity gives Pakistan an edge over its competitors in the Indian market. Pakistani exporters will also be able to tap into India's burgeoning middle class estimated at 330 million.

Pakistani exporters can also benefit from the substantial depreciation of the Pakistani Rupee (PKR) against the Indian Rupee (INR) in the past few years. As shown in Figure 3, the PKR depreciated by 34% since February

2007. Pakistani exporters can take advantage of this trend, which means that today the real value of Pakistani exports to India would be lower, and due to the lower unit cost of Pakistani goods, India would have a greater incentive to import from Pakistan rather than other countries.

FIGURE 3: DEPRECIATION OF THE PAKISTANI RUPEE VS. THE INDIAN RUPEE



Note: Figure 3 shows INRs required to purchase 1 PKR. There is a downtrend, showing the depreciating PKR.

India has already opened Foreign Direct Investment to Pakistan. Full modalities are not yet clear but if this is applicable to all sectors and allows favorable returns, it will provide increased access to markets with which India has an FTA.⁶ This shall also allow Pakistani exporters to setup factories or outlets in India in order to meet the requirement of contingent sourcing that has been stipulated by large international buyers.

The bordering region on Indian Punjab has not developed at the same pace as the rest of India. This is an opportunity for Pakistan to penetrate into this market.

⁴ KCCI 1996, FICCI 2003, Batra 2004, Baroncelli 2006, SBP 2006

⁵ Taneja (2011)

⁶ For example, EU-India FTA has been under negotiation since 2007. Once finalised, this would be present an opening for Pakistani exporters too.



In recent years India has signed trade agreements with several other countries. Given the similarity of Pakistan and India's export baskets, this may lead to trade diversion away from Pakistan. It is important that Pakistan takes necessary steps to safeguard against such an eventuality. For more details please see XXIX.

IV.1 GRAVITY MODEL

Results from the gravity equation show us that if both Pakistan and India trade on an MFN basis and make SAFTA operational they can have their trade increase from the current \$2.6 billion to approximately \$10-11 billion.

An interesting result we get is that if both Pakistan and India decide to make SAFTA functional, their trade volume is bound to increase by more than twice the current amount. This is significant, especially if compared to other countries that on average would increase their trade volume by 70 per cent after signing an FTA

Many of the findings regarding trade potential between Pakistan and India should be analyzed carefully because standard measures of trade potential are often difficult to apply to trading partners like Pakistan and India. This is due to the fact that structural and political aspects hinder trade more than the imposition of tariff regimes.

METHODOLOGY:

The gravity model explains bilateral trade flows as being proportional to the GDP of the trading countries and inversely proportional to the distance between them. In line with the literature, we also constructed an augmented gravity equation, including variables like the gross domestic product, countries' distance, common language, common border, common colonizer and an FTA binary variable (dummy).

To see the impact of a functioning FTA (SAFTA) we used the gravity model, where

the FTA variable was a binary variable (1 if there is an FTA, 0 otherwise). The FTA variable did not give us information regarding the depth of the agreement, but instead gave us information on whether there was an FTA signed or not.

To analyze the trade potential, the estimated value and consequently the predicted value were found using an Ordinary Least Squared estimation procedure. Running an OLS regression would not take care of the endogeneity issues, therefore, country-pair fixed effects were taken into consideration in order to control for characteristics that are common to a particular country pair. Apart from that, time fixed effects were also taken, which controls for time variant unobserved characteristics. Lastly, country-specific fixed effects were taken which idiosyncratic unobserved features of the country were taken into account.

The gravity results were obtained using panel data from 1970-2010. Batra (2004) uses cross-sectional data which usually gives a higher number coefficient, and therefore a higher trade potential, whereas panel data sets as used in our analysis give a more conservative estimate. Also, using a panel data in a gravity equation setting allows more accurate inference of the model parameters, controls for heterogeneity, reduces the problem of collinearity among variables and increased efficiency.

See Appendix EE for a detailed analysis of the gravity model.

DATA:

This calculation was done using annual trade data from WITS, gravity variables data (distance, common border, and common language) from the *Centre de recherche spécialisé en économie internationale* (CEPII), GDP data from Penn World Table and the



World Bank, and FTA data from the WTO. The time period used was 1970-2010

IV.2 TRADE COMPLEMENTARITY AND EXPORT PROFILE

Pakistan's total exports to India amounted to US \$ 248.4 million in 2010. 25 per cent of the export basket comprised of mineral products (cement, gypsum, and light petroleum distillates) while another quarter was non-value added agricultural products, mainly dried dates. Chemicals and non-value added textiles constitute another 16 percent and 11 percent respectively.

Using the Trade Complementarity Approach to assess the demand for Pakistani products from the India market, it emerges that over time India's import basket has become more favorable to Pakistan's export basket.⁷ This shows an increasing trend in the potential Pakistani exports have in the Indian market. Compared to 2003, we witness a substantial increase in the TCI in 2009.

TABLE 1: TRADE COMPLEMENTARITY INDEX FOR PAKISTAN'S EXPORTS TO INDIA

Year	TCI for Pakistan's Exports to India
2003	13.60
2004	15.56
2005	17.32
2006	16.79
Pre-Average (2003-06)	15.82
2007	19.85
2008	20.57
2009	20.66
Post-Average (2007-09)	20.36

Source: Authors' Calculations based on UN COMTRADE Statistics

⁷ The trade complementarity index measures the degree to which the export pattern of one country measures the import pattern of another. The higher the complementarity, the more favorable would be the prospects of realizing the trade potential.

IV.3 HIGH POTENTIAL EXPORTS TO INDIA

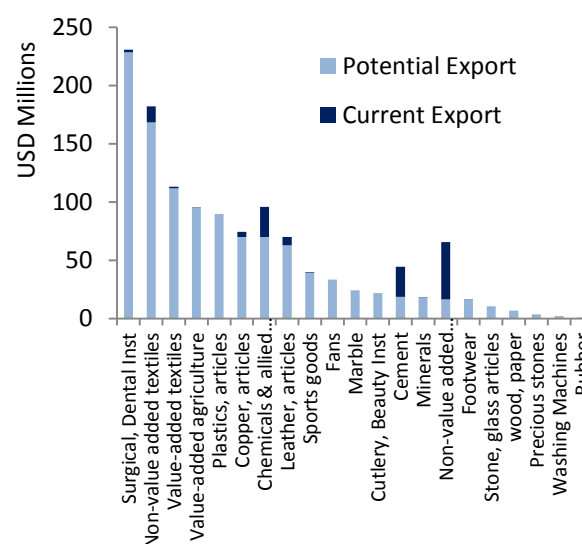
Figures indicate a total Indicative Potential of US \$ 2.13 billion in the Indian market for products in which Pakistan has a positive net (revealed comparative advantage) RCA over India.^{8,9}

For the purpose of this analysis, the high potential products were determined based on the following two criteria:

1. Pakistan has a net RCA above 1 and
2. Indicative potential is more than US \$ 1 Million per year in the Indian market

The resulting list of 126 products with an indicative potential of US \$ 1.24 billion is in 0. The identified products were then aggregated into sectors. The final list of products/aggregated sectors is shown in FIGURE 45.

FIGURE 4: HIGH POTENTIAL EXPORTS (AGGREGATED PRODUCTS WITH NET RCA >1, INDICATIVE POTENTIAL < 1 MIL)



Source: Authors' calculations based on UN COMTRADE data 2010.

⁸ Computed as $\text{Min}(\text{Total Import of India from the world for } a, \text{ Total Export of Pakistan to the World for } a) - \text{Current Exports of Pakistan to India of } a$, where a is any product at HS level 6.

⁹ Computed as $\text{RCA Pakistan} - \text{RCA India}$ for a product at HS level 6.

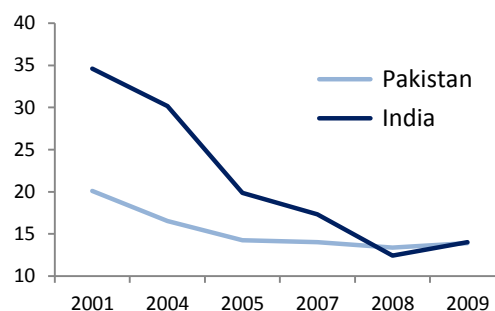
V. TARIFF REGIME OF INDIA

While India has reduced its tariffs over the last 20 years and the average applied MFN tariff is currently 12 per cent, the tariff regime is still complex. Import taxes are high in sectors of interest to Pakistan, namely textiles and agriculture. Key observations are as follows:

- India's tariff regime protects agriculture: Average tariff protection for agricultural products in 2010/11 was considerably high at 33.2%, as compared to manufactured products at 8.9%. About 57% of agricultural goods bear tariffs of 30%. A wide spread between bound (10%-300%) and applied tariff rates (0%-150%) for many agricultural products leads to frequent fluctuations in tariffs and acts as an impediment to trade. The variability in tariffs is noticeably marked in the case of food staples including rice and sugar.
- Composite tariffs are applied on 685 tariff lines of textiles and clothing. If Ad Valorem Equivalent (AVEs) are included in the tariff analysis, the average protection increases from 9.6 to 16.2 per cent for textiles and 10 to 25.7 per cent for clothing. In some cases (e.g. shawls, scarves exceeding 60 cm) tariffs are substantially high. These duties are exclusive of additional charges and do not include para tariffs.
- India's tariff regime promotes the manufacturing sector. Tariffs for semi-manufactures are lower compared to processed goods. This provides cheaper inputs to the manufacturing industry. Moreover, various import duty concessions are granted for intermediate goods under different export and investment promotion schemes. While this provides a potential venue for exports from Pakistan, it was suggested by

manufacturers in Pakistan (especially in the automotive parts and surgical equipment sectors) that exports of intermediate goods should be regulated in order to support the local manufacturing industry.

FIGURE 5: TREND OF AVERAGE APPLIED MFN RATES FOR PAKISTAN AND INDIA



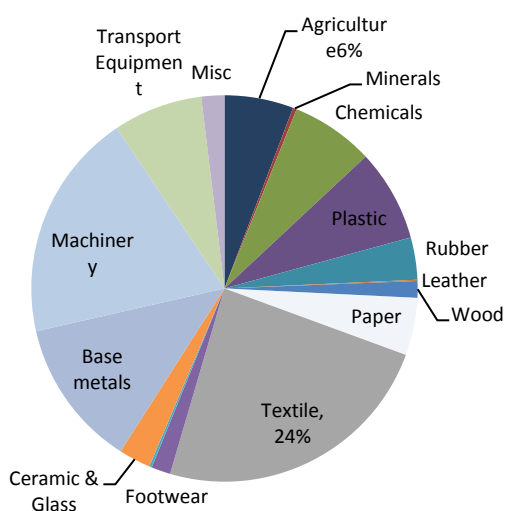
- India is bound to reduce tariffs to 0 to 5 per cent on all products except those on the Sensitive List by 2013, as per its commitments as a non LDC member of SAFTA. However the impact on Pakistan will be limited as textiles and agriculture are protected by the Sensitive List.
- India's Sensitive List protects a wide range of textiles and agricultural products. At HS-6 level, 30 per cent of the items on India's sensitive list are agricultural while 34 per cent are textile products. The corresponding figures for Pakistan are 4 per cent and 24 per cent respectively.

India has the most protective tariff regime against Pakistan in the SAARC region. India has an FTA with Nepal, Bhutan and Sri Lanka and a PTA with Afghanistan. Being an LDC, Bangladesh also gets deeper preferential treatment under SAFTA.

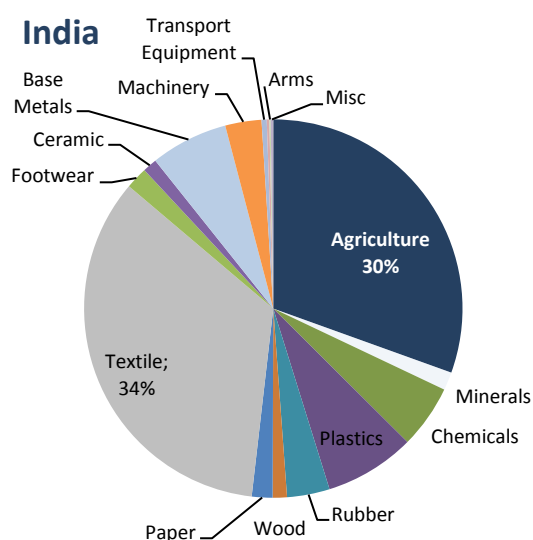


FIGURE 6 AND 7: COMPARISON OF SAFTA SENSITIVE LISTS OF INDIA AND PAKISTAN

Pakistan



India



- India has reduced peak tariff rates to 8% for Non-Least Developed Countries (Pakistan and Sri Lanka) under SAFTA, vide notification no. 125/2011-Customs dated 30.12.2011. India.
- India also imposes para tariff measures such as CVD and educational cess which substantially raise the effective duty rates, increasing the average applied MFN tariff from 12 per cent to 25.6 per cent.

V.1 SAFTA

The **South Asian Free Trade Area** or **SAFTA** was signed in 6 January 2004 to gradually eliminate tariff barriers amongst SAARC members. It came into force on 1 January 2006. As non LDC members of SAFTA, Pakistan and India are bound to reduce tariffs on all tariff lines except the sensitive list to 0-5 per cent by June 2013.

If we examine the SAFTA Sensitive Lists of Pakistan and India at HS level 6, the following becomes apparent:

- A significant number of tariff lines on India's Sensitive List for non LDCs are of export interest to Pakistan e.g. textiles, agriculture and light engineering, plastic articles and tractors.
- The Sensitive List provides limited protection for agriculture in Pakistan. Only 6 per cent of tariff lines in the Sensitive List of Pakistan are agricultural while the corresponding number for India is 30 per cent.
- Textiles constitute 24 per cent of the Sensitive List for Pakistan and 34 per cent of India's Sensitive List.
- Pakistan's Sensitive List restricts only 17 per cent of imports into the country, whereas the Sensitive List of India restricts about 40 per cent of imports. A possible reason for the low coverage of Pakistan's sensitive list may be that previously only a limited number of imports were allowed from India as per the Positive List approach.

LIMITATIONS OF SAFTA

It is recommended that NTBs and reduction of the Sensitive Lists (SL) are negotiated on a bilateral platform. There is no binding provision in the framework of SAFTA to reduce the SL. In the ASEAN Free Trade



Agreement (AFTA), the corresponding temporary exclusion lists have to be phased out in four equal installments but there is no such stipulation in SAFTA. Also, there is no explicit commitment to deal with NTBs.

ISOLATION OF PAKISTAN IN THE SAARC REGION

Whereas India has FTAs with Sri Lanka, Nepal and Bhutan, RTAs with Bangladesh, Maldives, Sri Lanka and a PTA with Afghanistan, Pakistan only has an FTA with Sri Lanka, therefore relatively isolated in the SAARC region.

Under SAFTA, India also maintains the largest Sensitive List against imports from Pakistan.

- In June 2006, when SAFTA was signed, India maintained a list of 743 items for Least Developed Countries (LDCs) and 868 items for Developing countries (NLDCs).
- India repeatedly made attempts to reduce the items in the sensitive list for LDCs. In October 2008, a further reduction was made for LDCs from 743 to 480 items.
- India has reduced its Sensitive List for LDCs from 480 items to 25 items and granted zero basic Customs duty access on all the items removed vide notification no. 99/2011-Customs dated 09.11.2011. Afghanistan, Bhutan, Bangladesh, Maldives and Nepal are the LDCs.
- However the Sensitive List for NLDCs is at 868. This applies only to Pakistan as India has an FTA with Sri Lanka and the operational Sensitive List for Sri Lanka has only 215 items.¹⁰

¹⁰ CBEC Notification No. 52/2008 dated 22nd April 2008 on sourcing of fabric from India up to a limit of 3 million pieces



VI. NON TARIFF BARRIERS

It is generally believed that despite tariff reforms and liberalization of the economy over the last few years, India is an active user of Non-tariff barriers (NTBs) to restrict imports. A majority of Pakistani exporters are of the view that had it not been so, they would have been able to export much more than the current export figures suggest. They also believe that this is one of the reasons why the balance of trade is sharply tilted in favor of India despite the fact that Pakistan has not granted MFN status to India and has so far only allowed a limited number of products. In successive high level talks between the senior officials of India and Pakistan, this issue has been repeatedly discussed.

It was for this reason that, as a precondition for normalizing trade, Pakistan insisted on establishing a framework for addressing non-tariff barriers. As a result, the two countries agreed to sign three agreements including one on Customs cooperation to avoid arbitrary stoppage of goods at each other's ports, one for acceptance of certificates of internationally accredited laboratories, and one for redressal of grievances to address any disagreements.

These agreements are a good first step but may not suffice. In order to effectively address non-tariff barriers, it is important to ascertain their nature. For this purpose, a detailed study was carried out. This study is the result of desk research, interviews of key stakeholders and a qualitative survey of exporters across key product categories.

BOX 1: SURVEY METHODOLOGY

An open-ended survey was conducted to interview the exporters of products identified as high potential exports. The questionnaire can be found in Appendix FF.

Company profile and contact information was extracted from Customs PRAL database.

The following stakeholders were interviewed in person or/and by telephone:

- ✓ Major manufacturing units
- ✓ Companies exhibiting in India
- ✓ New entrants in the Indian market
- ✓ Logistics companies
- ✓ Clearing agents
- ✓ Chambers of Commerce & trade associations
- ✓ Pakistan Standards and Quality Control Authority (PSQCA)
- ✓ Ministries of Commerce, Textile and Industries in Pakistan
- ✓ Importers, logistics providers, potential exporters and major manufacturers who were part of the Indian Trade Minister's delegation to Pakistan in February, 2012.
- ✓ Companies exporting from four routes (sea, road, railway interchange and *Samjhota Express*).

In addition, interactive seminars were held at key regional chambers in 10 major cities of Pakistan. A total of over 1000 businessmen participated in the interactive sessions.



While India's NTBs may not be country specific, they were reported to be extensive in sectors of high export potential for Pakistan, namely textiles, agriculture, marble and cement. These NTBs range from specific tariffs, para tariff measures to complicated labeling requirements and licensing regimes.

Also, non tariff barriers due to infrastructural constraints at land ports and restrictive bilateral transport protocols act as an impediment to trade, specifically between India and Pakistan.

This section lists the various NTBs reported in the surveys and at seminars.

VI.1 CUSTOMS PROCEDURES

This issue is a major cause for the delay in clearance of goods across the border. The main concerns reported are as follows

1. India Customs require an extensive list of documents in addition to the invoice, packing list, and bill of lading/airway bill, for example:
 - Import licenses from the Directorate General of Foreign Trade, India for certain products
 - Sanitary and Phyto-Sanitary (SPS) certificates for agricultural products must be obtained prior to import and submitted along with the Customs declaration, if it has not already been sent by the exporter from an accredited facility in Pakistan. Only the original is accepted, which may take one week to 10 days to arrive as there are no direct courier services.
 - Certificate of origin
 - For goods imported under SAFTA or under an export incentive scheme and qualifying for duty reductions additional certificates are required.
2. Indian Customs clearance process is largely manual.
 - While Customs clearance is automated at 48 ports in India and

85% of cargo is cleared through the Electronic Data Interchange (EDI), operations are still manual at India-Pakistan land borders. This may change once the ICP at Wagah is fully operational. The EDI problem would still persist at the Wagah railway port.

- In 2005, India introduced a risk management system (RMS) to selectively screen only high and medium risk cargo for Customs examination. A "green channel" clearance facility was developed to expedite clearance. However, even if RMS is installed at ICP at the Wagah border, security concerns may impede the actual use of RMS.

VI.2 CUSTOM VALUATION

Arbitrary custom valuation procedures in India have been reported to be a major concern for exporters. While the policy

***Pakistan Fruits and Vegetable Association** complained that agricultural produce (e.g. onions) is at times valued as 'similar' or 'identical' products imported from EU, thus raising the value by 200% or more.*

*Certain exporters of **bed linen** export to India via Dubai mainly to avoid Customs valuation issues.*

stipulates that imports shall be evaluated based on the *transaction value* Custom Valuation Rules 2007 allow the Customs Officer to reject the declared transaction value based on "reasonable doubt".¹¹ As a result, the

¹¹ i.e. "the price actually paid or payable for the goods when sold for export to India". This value included the costs paid for any services including commissions and brokerage, insurance costs, and handling charges, royalties and license fees, transport costs including the



Customs Officer has substantial authority to reject declared value and use alternative valuation methods to raise the value of goods. Following observations have been reported by some exporters.

- Customs officials apply their discretionary powers to arbitrarily re-classify goods under descriptions that attracted higher duties, including classes where specific duties are applicable.
- For products that are traded at international prices, the Customs office values them at the price on the day of arrival at the port rather than the price at the time of sale, if it is higher.
- Customs determine value of goods based on prices of similar products from much more expensive markets such as the EU thus raising the Customs value for determination of Customs duty substantially.
- A large cross section of textiles exporters complained of an arbitrary increase in value of up to 30%.
- Valuation is a major concern for exporters of gems and semi precious stones. It was requested that Customs officials may be trained for assessment even on the Pakistani side of the border.
- Delegations and participants also reported valuation issues. While the shipment was exempted from any otherwise required certifications, the entire consignment of goods to be exhibited was valued at up to 50 percent more than that declared.¹²

ship demurrage charges on chartered vessels, and lighterage or barge charges.

¹² Participants in trade fair in Ludhiana, India.

Exporters of fans are trying to enter the Indian market. It was reported by one exporter that mist fans priced at US \$ 80 were evaluated at approximately US \$ 300. As a result, the Indian importer did not place a follow up order.

There is a significant market for fans in India. However once import value is set much above the actual price, the value of all subsequent shipments could increase as per the 'similar' and 'identical' valuation rules.

VI.3 CUSTOMS CLASSIFICATION

SAFTA lists are also at the HS level 4, 6 and 8. Pakistan's Negative List is at HS level 8 and the list of importable items through Wagah is also at HS level 8. There is no clear mapping between HS 8 codes of the two countries thus raising classification issues.

Moreover, the previously used positive list approach used to create confusion due to ad hoc changes. The same may be avoided with the list of items allowed through Wagah.

VI.4 RULES OF ORIGIN

Under SAFTA, as an NLDC, rules of origin are more stringent for Pakistan.

A SAFTA certificate is required if the product receives a concession under the SAFTA regime. It was reported that in some instances a SAFTA certificate of origin is not accepted at land borders as the relevant SROs have not been communicated to the Customs authorities.

The TDAP issues SAFTA certificates at a cost of PKR 100. The certificate of origin is issued by Chambers of Commerce & Industry in Pakistan at a cost of PKR 400.

As the above two certificates are required for every shipment, it was requested that issuance booths may be setup at ports.



VI.5 OTHER CHARGES AFFECTING EXPORTS

Import duties that roughly double the duty to pay at the entry. The method for the calculation of import duties, and the administration of tariffs through numerous notifications, make the tariff structure complicated and non-transparent.

Calculation of all charges applied to imports including landing charges, the effective Customs duty, the additional Customs duty, the special additional Customs duty, and the education cess show an average protection of 25.6% compared to the average applied MFN rate of 12%.¹³

LANDING CHARGE

A "landing charge" (for loading, unloading, and handling) of 1% of the c.i.f. value is added to the c.i.f. value, to calculate the transaction value.

ADDITIONAL DUTIES & CESS

India applies a number of duties and charges on imports, other than tariffs "in lieu" of domestic taxes. This is reportedly to ensure a level playing field for domestic manufacturers. An education cess is levied for education development in India.

TABLE 2: DUTIES APPLIED AS PER CUSTOMS TARIFF ACT

Duty	Description
Basic Customs duty	MFN tariff or Preferential tariff
Countervailing Duty (CVD)	CVD equal to excise duty is payable on imported goods to counterbalance impact of excise duty on indigenous manufactures and to ensure a level playing field. CVD can be levied only if there is a 'manufacture' ¹⁴ CVD is payable equal to excise duty payable on like articles if produced in India. It is payable at effective rate of excise duty.
Special CVD	Special CVD is payable at 4% on imported good. This is in lieu of VAT/Sales Tax to provide a level playing field to Indian goods
Education Cess	Education cess of Customs @ 2% and SAH Education cess of 1% is payable.
Other duties	Duties have been imposed on a few specific articles. In addition, on certain goods, anti-dumping duty, safeguard duty, protective duty etc. can be imposed

Total effective duties for some of the major exports of Pakistan to India are given in the table below. Effective duties on textiles, clothing and chemicals increase by more than twice as much.

Calculation for averages in the table below is based on extra charges include landing charges, effective custom duty, additional duty, special additional duty, and education cess.

¹³ TPR, 2011

¹⁴ 'Manufacture' is distinct from 'Manufacturer' and may include basic activities like labelling also.



TABLE 3: EFFECTIVE TARIFF INCLUDING ADDITIONAL DUTIES

Product/Tariff Line	Effective applied rates	Rate with additional charges
	Average (%)	Average (%)
Total	12	25.6
HS 01-24	35.1	42.6
HS 25-97	8.6	23.1
Cotton	5.5	7.3
Minerals and metals	7.1	21
Chemicals	8.1	23.6
Wood, pulp, paper, and furniture	9.2	21.1
Textiles	9.6	23.5
Clothing	10	22
Leather, rubber, footwear, travel goods	10.2	25.2

Source: TPR, 2011

INTERSTATE TAXES

Apprehension about interstate taxation regime was reported in interviews. However, it was found that:

- Octroi previously applied for interstate movement of goods has been abolished for both domestic and imported goods in all states except Maharashtra.
- Trans-shipment of containers at Indian ports is allowed without any examination by Customs.
- Transit of goods through India is allowed without payment of duty and without examination by Customs.
- Inter-state tax would be payable only if an inter-state sale has taken place.

VI.6 PRE-SHIPMENT INSPECTION

Pre-shipment inspection is required for some goods including metallic scrap and textiles which are of export interest to Pakistan.

PSI FOR METALLIC SCRAP

Pre-shipment inspection (PSI) is required for metallic waste and scrap to ensure that consignments are free of arms, explosives, and radioactive contaminated materials. Companies interviewed in Pakistan, had developed in-house inspection facilities with sorting instruments, portable analyzers and screening instruments for radio-active substances. These private facilities are surveyed and approved by their Indian counterparts and all certificates issued are accepted without any issues.

PSI FOR TEXTILES AND CLOTHING

All products, including samples not intended for sale, are subject to pre-shipment inspection on safety and health grounds to preclude use of Azo-dyes.

According to the Textile (Development and Regulation) Order, 2001;

- A pre-shipment certificate is required from a textile testing laboratory accredited to the National Accreditation Agency of the exporting country. There is no such laboratory in Pakistan.
- As a result, sample testing & certification of consignments from Pakistan are conducted at Indian agencies.¹⁵ The closest agency to Wagah is based in Ludhiana.
- The testing procedure is extensive. At least 25% of samples are drawn for testing.
- Textile Order 2001 stipulates that test reports are valid for six months for textiles articles of the same specification for the same importer and supplier. However it was reported that the

¹⁵ Public Notice No. 12 (RE-2001)/1997-2002 dated 3rd May, 2001



PSI is mandatory for textiles in order to preclude the use of hazardous dyes. PSI certificates from Pakistani or 3rd party laboratories (e.g. SGS) are not accepted. Certificates are issued after rigorous testing in laboratories based in India. The closest laboratory to Wagah is based in Ludhiana, India.

While the Textile (Development and Regulation) Order, 2001 states that certificate will be valid for 6 months, it was reported by a major exporter that the certificates have to be renewed every 3 months.

certificate has to be renewed every three months.

- Textile Order 2001 recommends that the majority of samples should be drawn from consignments originating from countries where there is no legal prohibition on the use of harmful hazardous dyes. However this exemption is not applied to Pakistan despite legal prohibition on the use of hazardous dyes in Pakistan.¹⁶
- Test costs are incurred by the importer for each different model including samples not intended to be sold.
- Testing fees and procedures particularly impede the imports of high quality apparel products which are imported in small quantities and different models. Importers must submit a sample of each model/design for testing.
- In addition to testing and certification at Indian agencies, the following requirements for woolen textiles:¹⁷
 - Mandatory marking must display markings or selvedge description indicating the composition of fibre blends.

¹⁶ Section 14 of Pakistan Environmental Protection Act 1997.

¹⁷ Notification No. CER (18)/99-CLB dated 7th March, 1988 read with the Textile (Development & Regulation) Order, 2001 and the Essential Commodities Act, 1955.

- Certificate from the brand owners certifying the genuineness of the product and markings thereon; the authority to use their brand names is also required.

VI.7 CERTIFICATIONS, TECHNICAL REGULATIONS AND STANDARDS

BIS STANDARDS

BIS imposes mandatory standards for 14 sectors ranging over 75 products categories (see Appendix B), which includes high potential exports like cement, tubes and pipes of steel.¹⁸

The following issues were reported with BIS specification:

- The list of items notified for mandatory standards is not linked to actual 8 digits Tariff Lines of the Indian Customs Tariff. This at times may create classification issues to determine if mandatory BIS are applicable or not.
- The exporter has to set up a liaison/branch office located in India with the permission of Reserve Bank of India in accordance with the BIS Act.
 - The requirement to set up an office in India shall not apply, if BIS enters into an MOU with the respective foreign government for implementation of BIS Act, or if the foreign manufacturer nominates an authorized representative located in India.
 - In case the authorized representative is not an Indian national, the exporter will have to submit a bank guarantee of US \$ 10,000 in favor of BIS, so that

¹⁸ Some sectors are: chemicals; milk products, steel products, automotive tyres, water resources and other general and civil engineering products.



in case of a default, the amount can be adjusted accordingly.

- The initial validity period of the license is only one year and subsequently for one or two years.
- BIS conducts onsite inspection for initial award of the license and also regular surveillance at the expense of the foreign manufacturer. The expenses are in the Appendix.

IMPROVEMENT IN THE BIS SCHEME FOR SAARC COUNTRIES

Recent improvements in BIS regulation were made for SAARC countries as follows:

1. Renewal of license can be done at a time up to a maximum of two years both for Indian industries and foreign manufacturers.
2. With effect from 1st August 2007, marking fees for obtaining a license from BIS has been brought down for SAARC countries to the same level as applicable for domestic industries.
3. Processing charges for SAARC countries has been abolished since 1st August 2007.

BILATERAL COOPERATION AGREEMENT RELATED TO TESTING & CERTIFICATION STANDARDIZATION

In February 2012, a protocol was signed between India and Pakistan for harmonization of standards between the BIS and PSQCA.

In the first phase, BIS and PSQCA shall harmonize testing and inspection protocols.

BIS will verify if PSQCA processes are compliant with ISO IEC 17025 standards for competence of testing and calibration laboratories.

PSQCA will also implement ISO IEC 65 to fulfill requirements for third-party operating a product certification system.

Once the processes of PSQCA are approved, PSQCA will be able to conduct inspection and surveillance for cement companies in Pakistan on behalf of BIS.

This shall reduce the inspection costs and processing time (see Section XXVI.1.) This agreement only covers cement.

BIS STANDARDS FOR VOLUNTARY PRODUCT CERTIFICATION

BIS has developed 18,592 standards for various categories of products. Out of these, only 84 percent are equivalent to International Standards. There is no data available regarding how many standards are actually enforced. This creates an environment of uncertainty for exporters to Indian markets as confirmed by results of the survey.

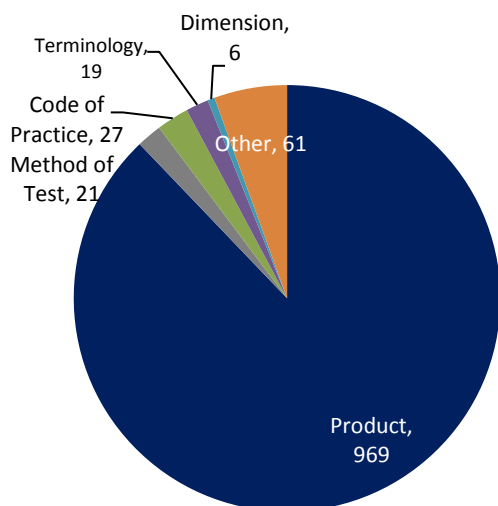
These standards are used by BIS to operate a product certification scheme for foreign manufacturers on a voluntary basis. However, our survey findings show that these are theoretical requirements. In general, ISO certification for most goods (surgical, auto parts, etc) is enough. Further details about the requirements in important sectors are given below.

STANDARDS FOR SURGICAL INSTRUMENTS

As per the Work Program of Medical Equipment & Hospital Planning Department, there are 1,103 standards for various medical devices. However, the only requirement for exporters of surgical goods from Pakistan is ISO 9001/13485 certification. In addition a Free Sale Certificate is required by some importers which is issued by SIMAP immediately.



FIGURE 8: INDIAN STANDARDS FOR MEDICAL DEVICES

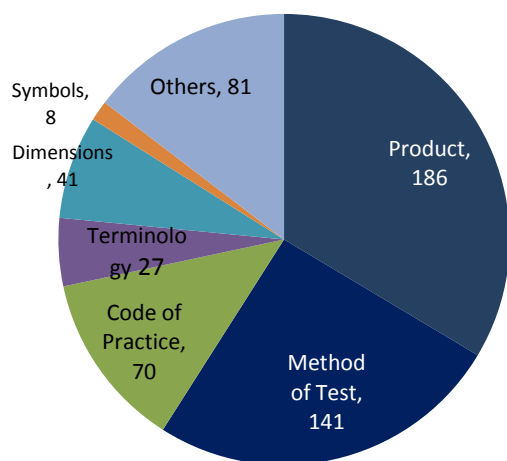


Source: Based on Program of Work, Medical Equipment and Hospital Planning Department, April 2011

STANDARDS FOR AUTOMOTIVE PARTS

The Transport Engineering Department of India has formulated a total of 1,085 standards for the field of transport engineering, including air, water, road and rail transport out of which 554 standards are for automotives and parts¹⁹.

FIGURE 9: INDIAN STANDARDS FOR AUTOMOTIVE AND PARTS



Source: Based on Program of Work, Transport Engineering Department, Dec. 2011

¹⁹ The remaining standards formulated by TEC Committees 12, 14, 16, 17, 18, and 19 are for ship vessels, aircrafts, bicycles and parts.

The number and nature of these standards has created an atmosphere of apprehension among the exporters of automotive parts in Pakistan (PAAPAM) regarding the costs and additional paperwork. However, when individual exporters of automotive components were interviewed, they reported that they do not have to be certified for Indian standards.²⁰ ISO certifications like ISO 9000 certification and TS 16494 suffice.

In addition, the components have to be as per required company specification for which an extensive sample testing is done in India. If the specification requirements are not met, the lending cost of the sample equipment is claimed from the exporter.

The ISO certification has to be submitted to the company annually, while the specification reports for products have to be included with every shipment.

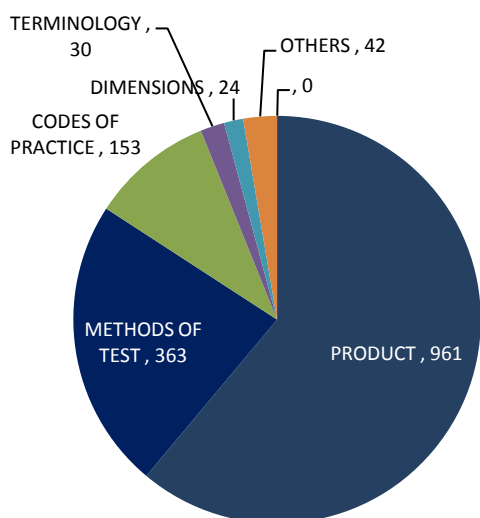
STANDARDS FOR CHEMICALS

Chemical Division Council of India has formulated 1,573 standards on terminology, methods of sampling and tests, code of practices, and specification for all chemicals and allied products. However, chemical exports from Pakistan to India do not require any standard certifications.

²⁰ Exporters of tractor parts (counter shaft, carrier planetary pinion) and oil pump gears



FIGURE 10: INDIAN STANDARDS FOR CHEMICALS

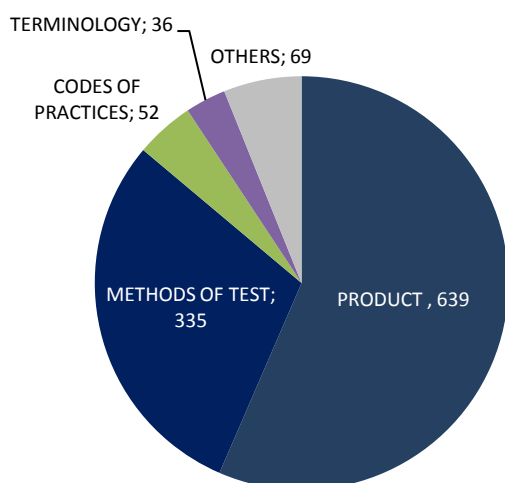


Source: Based on Program of Work, Chemical Department of India, January 2012

STANDARDS FOR TEXTILES

A total of 1131 Standards (including drafts) have been formulated.

FIGURE 11: INDIAN STANDARDS FOR TEXTILES (INCLUDING GRAPHS)



Source: Based on data from BIS website.²¹

²¹<http://www.bis.org.in/sf/pow/txd.pdf>

MARKING REQUIREMENTS FOR TEXTILES

Marking requirements for textiles are tedious and involve extensive compliance testing.

India's Textiles (Consumer Protection) Regulation 1988, imposes strict requirements for yarns, fibers, fabrics and clothing products, which include producer identification and product composition, the color and the form of letters and signs. Many of the markings have to be made on every alternate metre of the cloth at a height not exceeding 2.5 cm from the selvage:

- Seconds or defectives
- Construction: made from, followed by the fibre and words such as "spun X spun" filament X filament as the case may be
- Month and year of packing
- The exact composition of the total yarn content
- If blended, then mention blended fabric (point 12)

In addition, several other requirements have to be met.

PACKAGING AND LABELING REQUIREMENTS FOR FOOD AND PACKAGED COMMODITIES

Labeling and Packing requirements for food and all packaged commodities are complex and regulated by various different acts.²² In addition there are a number of notifications that make the requirements very complex and tedious. Further there are various exceptions

²² The Standards of Weights and Measures Act, 1976, The Standards of Weights and Measure (Packaged Commodities) Rules, 1977 and Prevention of Food Adulteration Act, 1955. Labeling of seeds is regulated by the Seeds Act, 1966 and packages containing food articles are regulated by the Prevention of Food Adulteration Act 1954. For packages containing cosmetics products, the provisions of the Drugs and Cosmetics Rules, 1945 shall apply.



and additional requirements in different states.²³ The rules govern minute details such as the following:

- (i) Specific commodities to be packed and sold in recommended standard packages.²⁴
- (ii) All packages must have:
 - a. Name and address of the manufacturer/packer
 - b. Generic names of the commodity
 - c. For case of packages with more than one product, the name and number of each
 - d. Net quantity, in terms of the standard unit of weight or measure
 - e. The month and year in which the commodity is manufactured/imported
 - f. Retail sale price of the package
 - g. Sizes of the commodity contained in the package if relevant
 - h. Contact for consumer complaints.
- (iii) It is not permissible to affix individual stickers on the package for altering or making declaration required under these rules, except for a lower MRP.
- (iv) Rules for principal display panel-its area, size and letter etc. are as follows:
 - a. For packages with capacity of five cubic centimeters or less, the principal display panel may be a card or tape affixed to the package
 - b. The height of any numeral in the declaration is stipulated and is different if the net quantity is declared in terms of weight/volume or length, area or number.
 - c. The height of letters in the declaration shall not be less than 1 mm height and when

- d. Blown, formed, molded, embossed or perforated, the height of letters shall not be less than 2 mm.
- e. The width of the letter or numeral shall not be less than one third of its height, except in the case of numeral '1' and certain letters
- f. Position and manner of the declaration in both Devnagari and English script.
- (v) There are also rules regarding declaration of quantity, dimensions and weight.
- (vi) For food items, as per Prevention of Food Adulteration Act, the following additional rules apply:
 - a. List of ingredients in descending order, date of manufacture, batch no., and best before date etc. are mandatory requirements.
 - b. Details of best before on all food packages.²⁵

VI.8 SANITARY AND PHYTO-SANITARY STANDARDS

India continues import licensing of about 600 items on the grounds that restrictions are needed to ensure protection for "human, animal or plant life or health". Imports of nearly all livestock, agricultural and food products require a phyto-sanitary or sanitary certificate and/or import permission from the Plant Quarantine authorities.

A copy of the import permit has to be sent to the exporter in the origin country. The exporter is required to quote the import permit number in the phyto-sanitary certificate obtained for such shipments.

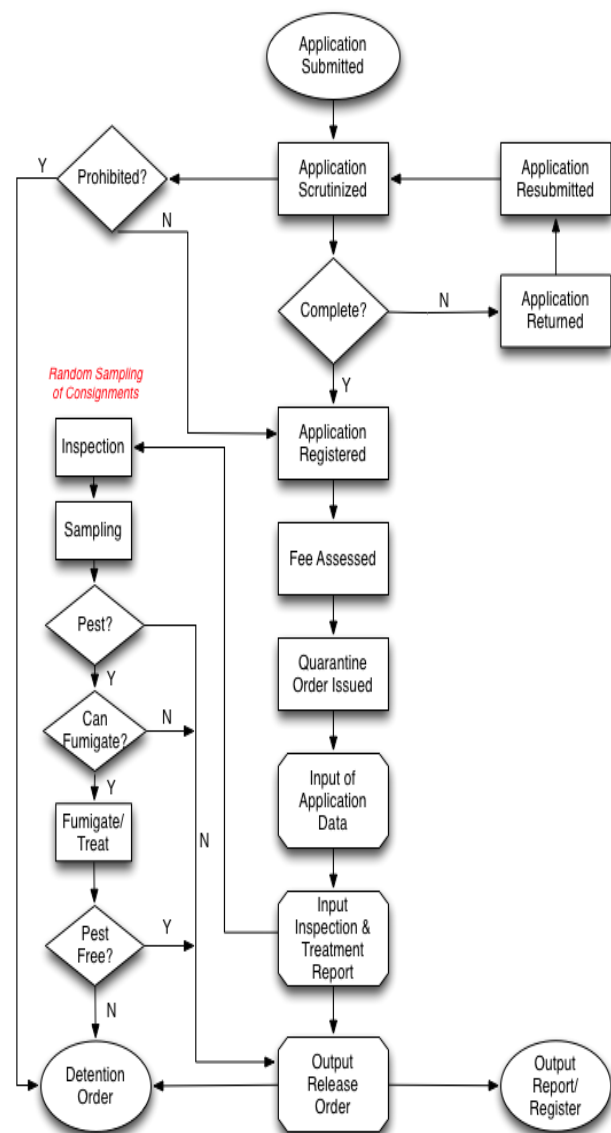
²³ There are different rules for retail price of alcohol in certain states.

²⁴ For example cement may only be packed in 1 kg, 2 kg, 5 kg, 10 kg, 20 kg, 25 kg, 40 kg (for White cement only) and 18.50 kg.

²⁵Reference Ministry of Health notification No. GSR 537(E) dated 13th June 2000).



FIGURE 12 : INDIA IMPORT INSPECTION FLOW FOR PLANTS AND PLANT MATERIALS



Source: Plant Quarantine Organization of India, Ministry of Agriculture

The following challenges are faced in completing the SPS requirements as per PQ Order, 2003:

- A major non-tariff barrier is the mandatory requirement of the original SPS certificate as per the Plant Quarantine Order, 2003. The Release Order of an import consignment cannot be issued with a photocopy. The original SPS document invariably arrives after the goods have reached. The issue with the delay of documents is twofold:

- The SPS certificate along with the Bill of Lading and other documents is required by the Issuing Bank to initiate the L/C. The Bill of Lading is issued only once the vessel sails. The papers are then submitted to the issuing bank, then couriered to the receiving bank in India after which they reach the importer.
- Given the short transport time between India and Pakistan, the goods shipment invariably arrives before the documents and demurrages are incurred at the port. Documents take 7-10 days to reach the importer at the sea port. The vessel reaches in less than 1 day.
- International courier services between India and Pakistan are not direct.²⁶ All packages are routed via Dubai for security reasons.
- However, it is pertinent to note that a copy of the SPS certificate is accepted in Pakistan and the perishables are cleared the same day so as to avoid plug-in charges of US \$ 150 a day for refrigeration of perishables.
- All consignments of imported food products are tested by the Port Health Officer (PHO). The process of inspection is long drawn and random as indicated in the flow chart in Figure 53.
- At the Custom Clearance Offices where PHOs are not available, various samples are drawn and forwarded for the clearance to some other laboratory, which results in the loss of valuable time.
- Consignments with pending test reports are stored in warehouses/unloading

²⁶ Pakistan Postal Services has a courier service called *Shaheen* that goes direct to India. However this is limited by the biweekly schedule of PIA.



sheds which are not equipped to cater for preservation of perishable goods.

- If the product fails the test, the Customs authorities will ensure that the goods are re-exported out of the country by following the usual adjudication procedure, or destroyed as required under the relevant rules.
- Results of laboratory tests cannot be challenged.

A 100% sample testing was reported on food products prior to clearance. The PHO tests for compliance with the Prevention of Food Adulteration Rules, Standards and Measures Rules and other requirements. This covers aspects ranging from product composition, the size of packaging to labels.

In order to reduce transaction cost on 100% sampling of edible food, the Government of India has taken several steps:

- The list of items where 100% testing is required has been reduced to 14.²⁷
- Perishable food items e.g., fruits, vegetables and meat for direct use by the importer (e.g. hotels) is exempted from sample testing if test results are submitted from internationally known testing labs or accredited government laboratories. However inspection is conducted for conditions of the hold, physical appearance and compliance of labelling requirements with the PFA rules²⁸.

²⁷Under the PFA, the criteria for 100 per cent sampling applies to high risk and perishable food items such as fruits, vegetables, meat, fish, cheese, etc. On June 14, 2004, the DGFT issued Policy Circular Number 37 (RE-2003)/2002-2007 to classify high risk food items as follows: Edible Oils and Fats, Infant formulae, Pulses and Pulses products, Food colors, Cereals and Cereal products, Food additives, Milk powders, Natural Mineral Water, Condensed milk, Packaged Drinking Water, Infant milk food 13. Tea and Coffee, Milk cereal base weaning foods, Cocoa butter equivalent or substitutes.

²⁸ Customs Circular No. 58/2001-CUS issued on 25/10/2001.

- It was reported that certificates from government labs from Pakistan are not accepted.

For all other food items, the following rules apply:

- Samples are drawn from the first five consecutive consignments of each food item, imported by an individual importer and referred to Port Health officers (PHOs) for testing to ascertain the quality and health safety standards of the consignments.

The PFVA reported that a shipment of ten containers of onions from Pakistan had to be rerouted to Sri Lanka after being detained at Nhava Shiva port, as the original SPS certificate did not arrive in time via courier.

- In the event of the samples conforming to the prescribed standards, the Customs would switch to a system of checking 5% – 20% of the consignments of these food items on a random basis, for checking conformity to the prescribed standards;
- The selection of food items for random checking and testing would be done by the Customs taking into consideration factors like the nature of the food products, its source of origin as well as track record of the importers.
- In case, a sample drawn from a food item in a particular consignment fails to meet the prescribed standards, the Customs would place the import of the said food item on alert, discontinue random checking for import of such food items and revert to the procedure of compulsory checking. The system of random sampling for import of such food items would be restored only if the test results of the samples drawn from the five consecutive consignments re-



establish that the food items are in conformity with the prescribed standards.

- Authorized Officers will ascertain compliance with the labeling provisions under PFA Rules, failing which sample may not be drawn from such consignment for testing.
- The Risk Management System (RMS) module for import consignments food items presently does not provide for random sampling as it is one of its Compulsory Customs Requirements. Until, the Risk Management System (RMS) conforms to the new requirements, this waiver will be granted at the discretion of the jurisdictional Commissioner of Customs or an officer authorized by him for this purpose who shall not be below the rank of Additional/Joint Commissioner of Customs.
- Exemptions for exporters that import under Advance licenses for exports and imports made by 100% EOUs and units in EPZ / SEZ.
- Products are required to have a valid shelf life of not less than 60% of the original shelf life.²⁹

While the above process attempts to replace compulsory checking with random tests, it transfers a high amount of discretionary power to the Customs officials. Furthermore, the random sampling is still not automated in the RMS and permission has to be granted by an officer of the rank above Joint Commissioner. Customs performance should be regulated in order to check undue bias against any particular country.

To consolidate the laws relating to food, the government has enacted The Food Safety and

Standards Act, 2006 (FSS Act, 2006).³⁰ Under the Act, the Food Safety and Standards Authority of India (FSSAI) has been established to lay down standards and regulate/monitor the manufacturing, import, processing, distribution and sale of food. It is still unclear as to how this would simplify SPS requirements.

VI.9 IMPORT RESTRICTIONS, PROHIBITIONS, QUOTAS

IMPORT PERMIT

Imports of animal products into India require sanitary import permits issued by the Department of Animal Husbandry, Dairy and Fisheries. The permits must be obtained prior to shipment from the country of origin.

MINIMUM IMPORT PRICE

There is a minimum import price for 25 categories of products (at HS 8 tariff lines). For example, for marble a minimum price of US \$ 50/Kg is fixed for calculation of customs duty. Thus the duty works out to be much higher than it should normally be under the WTO system of customs valuation of goods.

Since Indian importers have to pay high duties when the minimum value is taken at US \$ 50/kg, this makes the buyers selective. Moreover, duty for value-added marbles such as cut slabs is charged per square meter at an even higher rate. This scheme discourages import of value added products.

²⁹ Para 13 of Chapter I A (General Notes Regarding Import Policy) of the ITC (HS) Classification of Export and Import items, import of all such edible/ food products, domestic sale and manufacture which are governed by PFA Act, 1954

³⁰ Section 97 of the FSS Act, 2006 provides that the existing Acts and Orders relating to food items such as PFA Act, 1954; Food Products Order, 1955; Meat Food Products Order, 1973; Vegetable Oil Products (Control) Order, 1947; Edible Oils Packaging (Regulation) Order, 1988; Solvent Extracted Oil, Deoiled Meal, and Edible Flour Control (Order), 1967; Milk and Milk Products Order, 1992 etc shall be repealed from a date to be notified.



IMPORT LICENSING

Import of marble blocks is regulated by licensing. Interestingly, import licenses are awarded to large exporters of value added marble products as an incentive to encourage exports.

Import licenses are used to regulate imports of agricultural products, mineral products, chemicals, plastic and rubber, leather hides and skins, pulp and paper, textiles, footwear, stones, base metals, machinery and precision instruments. All of these sectors are essential for Pakistani exports. Out of these sectors, the highest regulation (as a percentage of HS section) is observed for import of live animals & products (18%), vegetables (8%), minerals (13%), paper (7%).³¹

VI.10 STATE TRADING

India maintains state trading for certain agricultural goods (rice, wheat, coarse grains copra, and coconut oil) to ensure, a "fair" return to farmers as well as food security and the supply of fertilizer to farmers.³² Urea, petroleum and refined oil are also subject to state trading.

VI.11 SUBSIDIES

Agriculture is heavily subsidized in India. Total subsidies to agriculture in the year 2009/10 amounted to US \$ 28.9 Billion (2.2% of GDP), up from US \$ 11.6 billion (1.3% of GDP) in 2006/07.³³

The agricultural sector is subsidized through minimum support prices, input support programmers, and credit and insurance schemes. Input support programmers provide fertilizers, rates for irrigation water, electricity rates, diesel prices, and seeds at subsidized rates

³¹ TPR for India, 2011

³² Except maize and barley

³³ TPR for India, 2011

VI.12 FINANCIAL MEASURES

Several modes of payment (LC, Advance payment, direct payment) are used to conduct business depending on the relationship between the two business parties.

The following observations were made.

LETTER OF CREDIT

- It was reported that Indian banks do not honor L/Cs opened by Pakistani banks issuing beyond an arbitrary limit of about US \$ 10,000 due to a trust deficit. The fear is based on suspected non-compliance of terms of credit or a delay in payment by the issuing bank. As a result, shipments are released in parts replicating overheads, transport costs and processing. This was reported by importers of refined petroleum distillates.
- Some trade of fabric, garments and lawn fabric takes place via trusted

A major exporter of textiles to India, due to past defaults now only exports on advance payment. They had currently prepared a shipment of made-ups amounting to US \$ 50,000, but held the consignment as the buyer refused to make the payment in advance as agreed earlier.

intermediaries in the EU, mainly Belgium. L/C is issued in India and if there is an issue, the intermediary in Belgium is bound by the sale contract to ensure the payment to the Pakistani exporters.

- Indian banks at times request for an extension in the maturity date of the L/C for up to 60 days.
- Exporters of refined base oil reported that on large L/Cs opened in India,



intentional typing mistakes are made in the documents which results in ten to fifteen days of delay in payment. As per terms and conditions of the contract the payment has to arrive in five working days.

- Since there is no direct courier service between India and Pakistan, the process of mailing the Bill of Lading to the receiving banks takes several days.

DIRECT PAYMENT

Apprehensions of Indian buyers about quality of imports from Pakistan were a major barrier to enter the market for new products. This was addressed by exporting goods on deposit. If the buyer was satisfied with the quality, only then would the buyer release the payment to the agent based in India. However, after the trust is developed, the transactions are based on direct payment.

Exporters of dates and plastic sheets reportedly conduct business on direct payment. Many of them had long term relationships with their buyers. However it was reported that payments via Indian Telegraphic Transfers take many days to be credited.

ASIAN CLEARING UNION

None of the interviewees used the Asian Clearing Union due to the cumbersome process, number of days and high cost of the ACU dollar.

VI.13 REDRESSAL OF GRIEVANCES

Importers may file an appeal against Customs decisions on valuation matters to the Appeals Commissioner or the Customs, Excise, and Service Tax Appellate Tribunal (Customs Act 1962).

However, as the appeal process is lengthy and cumbersome, importers have no option but to accept the re-classification, over-valuation

and other disputes in order to avoid detention and eventually other business consequences.

VI.14 VISA ISSUES

Most interviewees conducted trading over telephone or via agents and were not able to travel to India due to the restrictive visa protocol. The following issues were reported.

VISA REQUIREMENTS

There are stringent conditions for granting of visa. Many businessmen were of the view that this was one of the worst NTB as they were neither able to explore new markets nor meet their current customers. They pointed out to the long list of conditions they have to meet (as given below) and have to wait for an indefinite period to get a reply. Some of the difficulties pointed out by them are detailed below.

Check list of documents for business visa are as follows:

- Copy of Income Tax return/audited accounts/bank statement for the last two years to demonstrate gross sales/turnover of at least PKR 10,000,000 per annum or individual salary of the applicant at least PKR 500,000 per annum
- Letter from the company/firm in Pakistan giving details of the applicant, his/her designation and the purpose of visit
- Copy of membership certificate of any Chamber of commerce in Pakistan and/or recommendation from any Chamber of Commerce in Pakistan (preferred).
- Letter of invitation from any registered Indian Company/firm in India or any Federation/Chamber of Commerce and Industries.
- Copy of letter of credit/correspondence with the registered company/firm in India.
- Recommendation from any prominent chamber of Commerce in India (preferred)



- If applicable, participation in a trade/business exhibition/fair in India, details of the nature of participation and a copy of the invitation form, the exhibition/fair authorities or Federation/Chambers concerned in India.
- Any two documents of the Indian invitee such as passport (preferred), copy of electricity bill, telephone bill, ration card, Election I-card, along with their address and contact telephone numbers.
- Previous Passports, if any or the latest passport with a previously issued India Visa.

On the other hand, the requirements for a business visa for Pakistanis are relatively fewer:

- Recommendation Letter from the concerned Chamber of Commerce & Industry in Pakistan
- Invitation Letter from sponsor company in Pakistan
- Request letter from company in India
- Complete address and contact information of sponsor(s) in Pakistan

LIMITED NUMBER OF DAYS

Visa is granted for very few days and most of the time is spent in travel by train from city to city.

REPORTING VISA

Visas may be given on a reporting basis. Reporting to a local police station is very time consuming and may take up to half a working day.

VISA PROCESSING TIME

Visa process may take up to two months. For a business exporting internationally, this was too long a period to tie up the passport for. It is learnt that recently the visa protocol has been changed to require only a passport copy until the passport is requested for visa stamping.

ARBITRARY REFUSAL OF VISA

Visas are at times only granted to senior management and not technical teams, thus making any meaningful business discussion difficult.

In some cases it was reported that visas are not granted even if fees for exhibition have been paid.

VI.15 COURIER SERVICES

There are no direct courier services. The Post Office of Pakistan has a direct service called Shaheen Express. It is sent via PIA and has long and delayed delivery times as there are only 2 flights weekly. PIA only services Delhi and Mumbai.

VI.16 NEGATIVE PERCEPTION

TRADE BY SEA

Similarly there is a prevalent view that trade via sea route is restricted despite the liberalization of the shipping protocol in 2006. A shipping company based in Mumbai was of the view that only national flag ships are allowed to carry cargo between India in Pakistan, despite the fact that this restriction was abolished in 2006.

RELUCTANCE TO VISIT PAKISTAN

Many Indian importers conduct a site inspection before signing a contract. However, they are reluctant to come to Pakistan for various reasons.



RELUCTANCE FOR FUTURE INVESTMENT FOR EXPORT TO INDIA

A key member of APTMA opined that Pakistani companies should not invest in expansion of their business to meet the increase in demand from India as the process of trade normalization between the two countries may easily be derailed due to any event.

BOX 2: NEGATIVE PERCEPTION ON TRUCK MOVEMENT AT WAGAH

TRADE BY ROAD

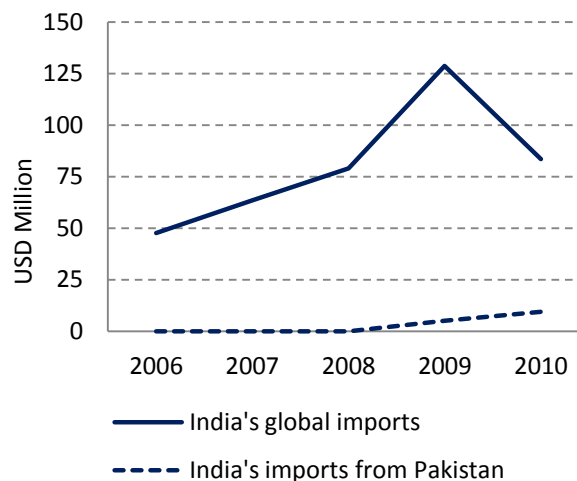
A cross-truck transportation agreement was signed in August/September 2007, allowing 100 trucks daily from each side of the Wagah/Attari check post. Approximately 100 Indian trucks enter Pakistan daily with Indian products since 2007. But Pakistani trucks only started to go in October, 2010.

There was a perception that Pakistani trucks were not allowed to carry goods to India. However, Mr. Tahir Ali Cheema, Assistant Collector of Customs on an informal inquiry from his Indian counterpart learnt that there was no such prohibition from India. After learning this, the Custom official encouraged the businessmen to make use of the facility. The first truck from Pakistan to India crossed through Wagah on 7th October, 2010.

VI.17 ANTI-DUMPING MEASURES

According to WTO figures, India is one of the highest users of anti-dumping duties. Since so far Pakistan's exports have been low, it did not face this problem. However, a recent incident shows that this could change. Recently there was a rise in export of Soda Ash (disodium carbonate) to India, in which Pakistan is highly competitive. Although exports from Pakistan increased to just US \$ 9.4 Million in 2010 and constituted a small percentage of the total imports of Soda Ash to India which were US \$ 83.5 Million. India started anti-dumping investigations, which led to a levy of US \$5.6 per tonne on the Pakistani exporter, ICI. This was despite the fact that Pakistan's export prices were the highest compared to other countries exporting to India during the POI and its share in total imports was the lowest amongst all exporting countries.

FIGURE 13: TREND OF EXPORT OF SODA ASH FROM PAKISTAN TO INDIA



BOX 3: ANTI-DUMPING DUTY ON SODA ASH EXPORTS FROM PAKISTAN TO INDIA

Product Name: Soda Ash (HS Code: 28362000)

Application: Sodium Silicate, Detergents, Glass, Soap, Paper, Textiles, Chemicals.

Current Status: On the SAFTA Sensitive List of Pakistan. Ant-dumping Duties of US \$ 5.6/ tonnes have been imposed by India on exports from ICI.

Potential of Export to India: Pakistan's capacity of Soda Ash is about 470,000 tonnes per year while local demand is 360,000 tonnes. Pakistan has a current surplus of over 130,000 tonnes to export as the domestic market is in a slump and has been contracting by 2 per cent a year. However, Pakistan has not been able to export more than 10 per cent of its export surplus.

Pakistan's exports of Soda Ash amounted to US \$ 9.4 Million in 2010. This constitutes a low share in the overall imports of US \$ 83.5 Million total in the Indian market which is rapidly growing at a rate of 7 to 8 percent. It is estimated that given its surplus capacity and abundance of raw material, Pakistan can supply more than 100,000 tonnes of Soda Ash to India annually.

Pakistan has a significant price advantage over India as the main manufacturers are located in the South of India. The freight cost from South to Delhi is US \$ 30 per tonne while the freight cost from Pakistani Manufacturers (ICI, Olympia) is US \$ 7-14 per tonne. As a result India offers a promising market for Pakistan.

Anti-Dumping Duties on Soda Ash in India and its Implications on Pakistan:

India started anti-dumping investigation on imports of Soda Ash from Pakistan and other countries including China, EU, Kenya, Iran, Ukraine & USA. The notification was released to this effect in February, 2012. The fact that the petition for imposition of Anti-Dumping duties was filed on 96% of all the Soda Ash exporters to India shows that this was more of a protectionist measure rather than a genuine case of Anti-Dumping.

Pakistani exporter ICI Soda Ash was handed an Anti-Dumping duty of US \$ 5.6/tonne. Pakistan's export price to India during the POI (April 2009-March 2010) was the **highest** amongst all the alleged dumpers. The exporting company fully cooperated with the anti dumping investigation agency throughout the course of the investigation through their legal counsel in India, M/S Trilegal Law Associates.

The soda ash industry in Pakistan is based in remote areas and provides employment to thousands of people directly and indirectly in remote towns as Khewra (District. Jhelum) and Warcha (District. Khushab). Adverse impact of imports, leading to closure of these industries will have serious socio – political implications.



VII. NON TARIFF BARRIERS BY SECTOR

This section lists NTBs faced by sectors that present a high potential for export to India.

The Appendix lists out the tariffs, para tariffs and import policy of India for the above identified high potential products.

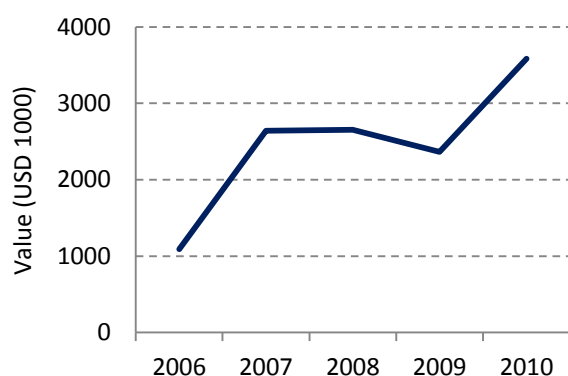
VII.1 SURGICAL



POTENTIAL

At HS level 6, surgical goods figure as the highest potential export to India with a potential market of US \$ 215 million. Currently the exports amount to US \$ 5.8 million. As indicated in the graph below, Pakistan's exports have seen a recent upward trend, despite the economic downturn.

FIGURE 14: TREND OF EXPORTS OF SURGICAL INSTRUMENTS FROM PAKISTAN TO INDIA



TARIFF & IMPORT POLICY

- Tariff on surgical instruments is 7.5 percent. An additional CVD of 16 per cent and an education cess of 3 per cent are also applied.
- As per SAFTA rules of origin a minimum value addition of 30 percent is required if SAFTA concessions are claimed.
- There is no central regulatory body (like the FDA in the US) for registration of exporters.
- Surgical instruments are not on the SAFTA sensitive list.

NTBs

As can be seen from the points below, NTB's are relatively low for this tariff line:

- Manufacturers are required to be ISO certified.
- Various standards have been formulated for voluntary product certification schemes. These standards are not mandatory.

VII.2 ETHANOL, DENATURED

POTENTIAL

Pakistan is presently the fifth largest country in the world in terms of area under sugar cane cultivation. In the last two decades Pakistan has consistently been one of the three largest molasses exporters in the world. The country is also a major ethanol exporter. Ethanol exports increased from 100,000 tonnes in 2004 to 225,000 tonnes in 2010. Record highest exports of 350,000 tonnes were seen in 2008.

There are 15 distilleries operating in Pakistan with an installed capacity of 400,000 tonnes



(500 million litres) producing different grades of ethanol.

There is a growing demand for ethanol in India, which is used for producing potable alcohol, chemicals and fuel blending. An increased emphasis by the government on ethanol blending for bio-fuels has further triggered demand. We estimate that the market has an indicative potential of US \$ 66 Million per year.

In India, ethanol is mainly produced in three states; Uttar Pradesh, Maharashtra and Tamil Nadu. From time to time local governments impose restrictions on the export of ethanol out of the state.³⁴ As a result, national oil companies have had difficulties supplying ethanol for the E10 mandated fuel blend to the states of Punjab, Haryana, Uttarakhand and Rajasthan.³⁵ Three of these four states border Pakistan; consequently there is a very viable export opportunity for local manufacturers of ethanol.

India imports substantial quantities of ethanol from Brazil and USA whereas only small volumes are shipped from Pakistan in FCL.

Low volume of trade could be attributed to perception issues, lack of knowledge with procedures, registration requirements, and market pricing.

TARIFF & IMPORT POLICY

Denatured ethanol enjoys duty concession under SAFTA (tariff is 8 % as against MFN

³⁴ In Uttar Pradesh, the largest sugarcane producing area in the country, the state's excise department stopped issuing ethanol export permits that would allow for transit out of the state on April 1, 2011.

The Tamil Nadu government has not allowed the use of ethanol for petrol-blending purposes. In India, sugar mills in Tamil Nadu are forced to sell food grade ethanol to manufacturers of Indian Made Foreign Spirits (IMFS) while they're not allowed to ship ethanol to other states, keeping them out of the fuel ethanol supply chain and limiting their trade opportunities. This has led to a huge stockpile of ethanol.

³⁵<http://www.biofuelsdigest.com/bdigest/2011/08/29/india-continues-to-struggle-with-production-for-e10-mandate/>

tariff of 30%). Pakistani exporters not only have an edge in duty rates but also in freight charges. Therefore, they can take advantage of this opportunity to increase their market share.

NTBs

- Indian importers need to have a license to import, transport, store and use ethanol, which involves state and central government authorities.
- Regulations differ from state to state and are based on the end use of ethanol.
- Exports to India are not price competitive as the Government of India regulates the price of locally produced ethanol, at times even below manufacturing costs.³⁶



- Transport Issues:
 - a. Most of the Pakistani exporters, export on an FOB basis in bulk to traders based in Europe. Most exporters do not want to deal with transport related issues and prefer to export on an FOB basis. This is not the most suitable mode for making an entry into the Indian market as the transactions involved are large (of up to 3000 MT).

³⁶ Ethanol price has been fixed at INR 27/liter in order to ensure cheap supply for mixing with petrol. Maharashtra State Federation of Cooperative Sugar Factories has told India's Union Government to raise the ethanol price from Rs 27/liter to Rs 35/liter, citing increased production costs.





b. Non-availability of liquid handling facilities at land ports had previously precluded the possibility of FCL and ISO containerized shipments via road. However, containerized shipments have recently been allowed through Wagah. This facility will now open up the following two modes of ethanol exports that are price competitive:

- *ISO Containers*: One 20' ISO container can load approximately 18.5 – 20 MT of ethanol, depending upon the size of the ISO container.
- *Full Container Load (FCL)*: Ethanol can also be transported plastic drums (210 and 250 litres) and loaded in a 20' dry container. One 20' container can load around 13.44 MT of ethanol (80 drums are loaded in one container).

VII.3 METAL SCRAP

POTENTIAL

There is a significant demand for metal scrap in India. Pakistan exported copper scrap worth US \$ 4.3 Million in 2010.

TARIFF & IMPORT POLICY

MFN Duty of 5 per cent is applied. In addition a 16 per cent CVD, 4 per cent additional CVD and 3 per cent cess are also levied.

NTBS

- Pre-shipment quality tests are required. The testing facility is inspected and approved by the competent authority at the company. The test reports for elemental composition and screening for radioactive material. If the elemental composition is not as per the specifications, the payment is adjusted accordingly.
- Due to fluctuations in the international prices, the value of a shipment may change from the time of the sale to when it arrives at the port if international prices become higher. In such a case, the Indian Customs does not accept the transaction value and instead base their valuation at the higher prevalent international prices.
- There have been some instances of theft if the shipment is sent from Sialkot to Karachi via truck. Exporters would prefer to export by bonded containers via the Sambrial dry port although the cost of shipment increases by 5 percent as port and handling charges have to be paid at both the dry port and the sea port.
- Theft of even low quantities such as of 4-5 kg en route creates unreliability with the buyer as the L/C is issued for a different weight.

VII.4 TEXTILES & CLOTHING

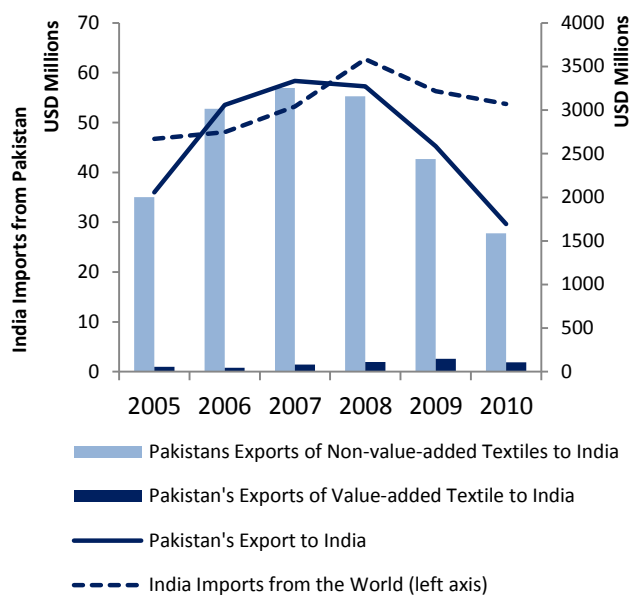
The textile sector has the largest export potential to India. However as textiles form a large part of India's own exports, this sector is heavily regulated across different tariff lines.

This section provides a macro view of existing exports to India as well as NTBs across specific tariff lines.



POTENTIAL

FIGURE 15: TREND OF INDIA'S TEXTILE IMPORTS



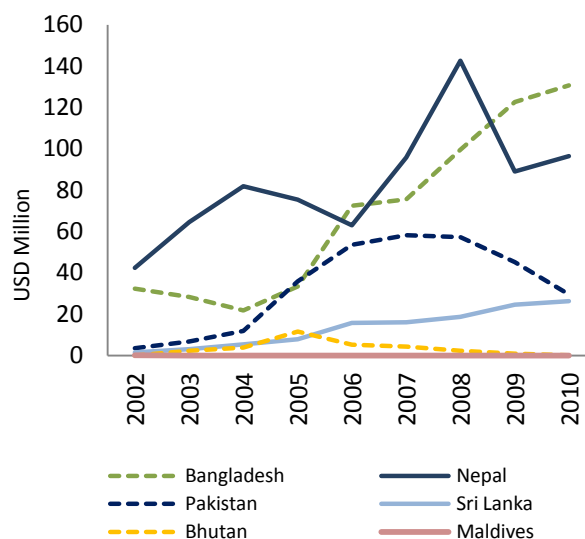
India offers a large potential market for textiles. Figure 56 shows that total import of textiles in India was over US \$ 3 Billion with imports from China and Chinese Taipei constituting US \$ 1.6 Billion of that mix.

The total import from Pakistan to India was a mere US \$ 30 Million in 2010. Most of this was non-value added textiles.³⁷

Total import from SAARC countries was approximately US \$ 300 Million in 2010. Bangladesh and Nepal were the largest exporters of textiles to India. This may be attributed to the deeper concessions awarded to the two countries as LDCs under SAFTA.

As is seen in Figure 57, exports from Sri Lanka and Bangladesh are on the rise, while exports from Pakistan are decreasing. This is on account preferential treatment to Bangladesh (LDC under SAFTA) and Sri Lanka (FTA).

FIGURE 16 TREND OF INDIA'S TEXTILE IMPORTS FROM SAARC COUNTRIES



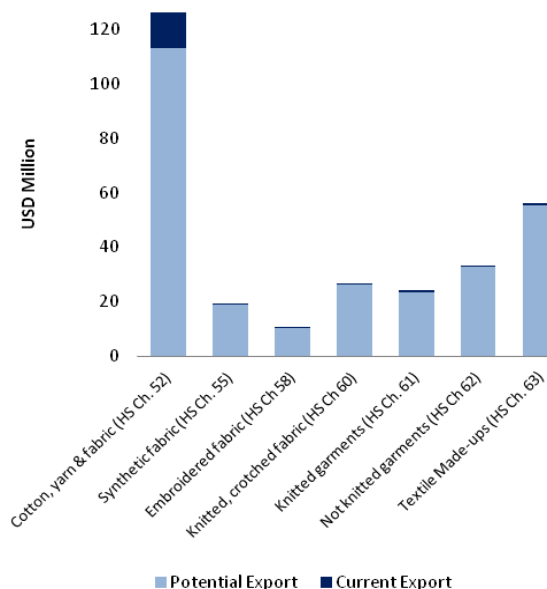
Out of a total of 654 tariff lines at HS level 6 for textiles, Pakistan has a positive net RCA in 354 tariff lines. The total indicative potential for the determined 354 tariff lines is \$ 360.87 Million, which is larger than the total current import from SAARC countries (see 0 for a list of high potential textiles).

³⁷ HS Chapter 50-60



Figure 58 below lists textile tariff lines where Pakistan has a competitive advantage as an exporter. The main potential products are woven cotton fabrics including denim and lawn. In addition there is a substantial potential for synthetic, knitted fabrics and garments as well.

FIGURE 17: TOP POTENTIAL TEXTILE EXPORTS TO INDIA, aggregated for HS Level 6 items with net RCA > 1, indicative potential > US \$ 1 MIL



TARIFF & IMPORT POLICY

Composite tariffs are applied on 685 tariff lines of textiles and clothing. If Ad Valorem Equivalents (AVEs) are included in the tariff analysis, the average protection increases from 9.6 to 16.2 per cent for textiles and 10 to 25.7 per cent for clothing. In some cases (e.g. shawls, scarves exceeding 60 cm) tariffs are very high.

Textiles are protected under SAFTA as well.

COTTON



Pakistan has an exportable surplus of short staple cotton. Due to its coarse nature of fibre, short-staple cotton is mainly used for thick textile materials including denim and knitwear.

There is an absence of BT seed for short staple in India. Efforts are being made by private as well as government agencies to develop BT seed for short staple variety.³⁸ Until this variety is developed, there will be a large demand for coarse strain cotton from Pakistan.

Pakistan is a net importer of cotton as its consumption exceeds its production. Furthermore, it also needs to import better finer cotton for blending and for producing export oriented quality textile products. Last year Pakistan imported raw cotton worth US \$375 million dollars and India was the major source.

Pakistan follows a free trade policy for cotton with no quantitative restrictions or duties on either imports or exports. It will be in Pakistan's interest if both countries follow a free trade policy and do not impose export/import taxes or other restrictions on import/export of cotton.

Considering our dependence on import of cotton from India, it would be best if some assurance was obtained from India for not placing any export restrictions or export duties on cotton.

DENIM

Denim from Pakistan is price competitive as increasing dependence on imported short-staple variety of cotton has put an additional cost pressure on Indian denim manufacturers.

Figures show an indicative export potential of US \$ 16 Million.

³⁸<http://www.business-standard.com/india/news/short-staple-cotton-imports-may-rise-to-meet-denim-requirements/157410/on>



LAWN FABRIC

POTENTIAL

The lawn business has been posting a steady 10 per cent annual growth despite rising inflation. The growth in lawn business has doubled in the last 10 years.³⁹ The annual size of the lawn market in Pakistan is PKR 50 billion. There has been an increasing demand for lawn in India. While some formal trade takes place via sea and rail, a substantial amount of informal export has also been reported through suit cases.

TARIFF & IMPORT POLICY

While most lawn fabric product lines face specific tariffs on an MFN basis, under SAFTA, the duty for Pakistan is 8 per cent. Lawn is not protected by the sensitive list. For details, please see Appendix.

NTBS

- Importers need to submit the shipment samples in their government laboratories to ensure that the dyes and colours used are non hazardous.
- Certificates of quality are issued after extensive sample testing for 3 months after which they are required to be renewed.
- Automatically generated invoices by the companies are not accepted and have to be reformatted as per cumbersome requirements i.e., in the order of specific serial blocks and commodities etc.
- The company's specifications and standards are certified by the company lab and are (in rare instances) not accepted in India.
- Certificates of International certification and testing labs like SJS are not accepted.

³⁹ Orient Textile Mills

POTENTIAL

Pakistan exported US \$ 5.8 million worth of degreased wool in 2010. Wool is used in the carpet industry in Bikaner, Rajasthan. According to an exporter, because of his ability to export to India, he can get four times higher price than he gets in Pakistan.

TARIFF

This product is eligible for a 20% duty concession under SAFTA. The preferential tariff is 8 percent. An additional CVD of 4 percent and educational cess of 3% is levied on the product.

NTBS

An SPS certificate is required. It is issued by the Health Department (Ministry of Food and Livestock) in Karachi and is accepted in India.

BED LINEN

Pakistan has a large comparative advantage over India in bed linen; however exports have been limited due to stringent testing requirements. Most bed linen exported from Pakistan is reported to be sold under European or local Indian labels. There are serious Customs valuation issues also. In order to avoid Customs complications, many exporters export via middlemen in Dubai.

Plain cotton bed linen is on the sensitive list and faces a tariff of 10 per cent. All other categories get a 20 percent concession under SAFTA. Specific tariffs on certain categories do not apply to Pakistan under SAFTA.

VII.5 MINERALS

Main potential exports are Gypsum, Chromium Ores, Fluorspar, Marble and Natural Steatite. Except for marble, no NTB was reported in this sector. In addition to the 8% customs duty, other charges levied on



imports include CVD 8%, additional CVD 4% and educational cess 3 %.

VII.6 CEMENT

POTENTIAL

The cement industry in India is facing challenges to meet local demand despite a domestic installed capacity of about 234 million tonnes and an aggregate production capacity of 167 million tonnes. Due to an acute shortage, it takes approximately fifteen days for delivery of cement bags on cash basis. This has delayed projects and construction schedules in the country and is thus forcing the government to import cement.⁴⁰

The bordering Indian states of Punjab and Haryana alone have the capacity to import 6 to 7 million tonnes of cement (after utilising domestic production of 4 million tonnes). The total current cement export to Indian is estimated to be well short of one million tonnes.⁴

FIGURE 18 PAKISTAN'S PRODUCTION CAPACITY AND EXPORT OF CEMENT (MILLION METRIC TONNES)



Source: Cement Exporters' Association of Pakistan

⁴⁰ Daily Times reported on November 10, 2011

As shown in Figure 18, Pakistan has the surplus production capacity export to India. Pakistan cement manufacturers have a combined installed capacity of around 44 million tonnes whereas cement demand stands at approximately 31 million tonnes.

Pakistani cement exporters also have a price advantage over Indian cement. Indian cement prices stand at almost 280 rupees per 50-kg bag but if cement is imported from Pakistan, the landed cost is 16 percent cheaper at almost 235 rupees per 50-kg bag.

TARIFF & IMPORT POLICY

The tariff is 8 percent under SAFTA as opposed to the 10 percent MFN tariff. A CVD of INR 600 per tonne is applied. An additional CVD of 4 per cent and education cess of 3 per cent is also levied.

NTBs

- A BIS Certification is required to export cement to India. The cost of this certification is approximately US \$ 2,000 for two years (one year for the first time renewal).
- The BIS issues licenses to cement exporters after an on-site inspection of the factories to ensure compliance with BIS quality standards. It may take one to six months to renew this licence. All travel and living expenses are covered by the exporter.
- While, Pakistan and India have recently signed an MRA, it has been reported that the Bureau of Indian Standards (BIS) is delaying the renewal of export licenses to major Pakistani cement manufacturers.⁴¹ BIS officials are reluctant to visit Pakistan as the Indian Ministry of Interior has

⁴¹ The *Business Recorder* on 05/04/2012 reported that several Pakistani cement companies are waiting for Indian inspection to get licenses to start cement export to India.



not granted an NOC to visit Pakistan on security grounds.

Four Pakistani companies – Attock Cement, Cherat Cement, DG Khan Cement and Kohat Cement – have been unable to export cement to India after their BIS license expired. A BIS team was scheduled to visit Pakistan in August 2011 to grant license to the four cement factories. However, the BIS team has still not visited despite the recent commitment to harmonise standards requirements.

- Limited shipping routes are available for key ports in south India (e.g. Cochin, Chennai and Calcutta). Ships are mostly routed through Colombo.
- Local cement manufacturers until recently could only export to India through trains. Therefore, only a limited quantity of cement could be exported to India. However, the recent permission to export through Wagah is expected to boost cement exports.

VII.7 AGRICULTURE



POTENTIAL

Pakistan is one of the world's largest producers of several agricultural products including chickpeas (2nd), apricot (4th), cotton (4th), milk (4th), dates (4th), sugarcane (5th), onion (5th), kinnow, mandarin oranges, Clementine (6th), mango (6th), wheat (8th) and rice (11th).

However, except for rice, kinnow (and other citrus fruit), mangoes, dates and apricots, where it is a net-exporter, it often imports agriculture products like cotton, sugar, and milk. Wheat used to be another major import but recently Pakistan has been producing more than its needs and has been seeking export markets for its surplus stocks.

During 2010 main agricultural exports to Pakistan with a value of more than \$10 million were: cotton (\$357 million); sugar (\$157million); soybean (\$117million); chickpeas (\$161 million); tomatoes (\$40million); black tea (\$26million); chillies (\$14 million) and onions (\$13 million).

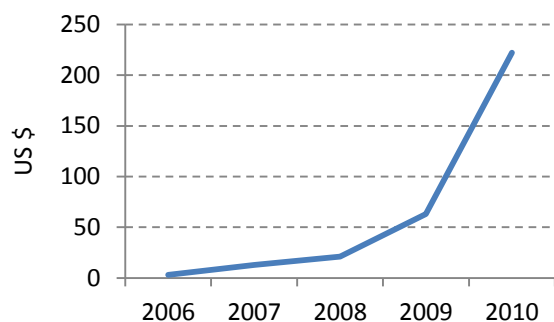
Agriculture is far more relevant in Pakistan's total trade than it is for India. In case of Pakistan, its relevance for exports is 18.4% vs India's 10.7% and for imports it is 17.3% vs India 5.4%. Therefore, questions are likely to be raised as to why so many agricultural products are being imported from India and why is Pakistan not doing enough to export those agricultural products where it is competitive.

Pakistan has to insist on seeking market access under SAFTA for products of its export interest and thus balance its trade in agricultural products. Pakistan has enough surplus of value added agricultural produce like citrus (kinnow), mangoes, and other fruits.

In the past decade, India has experienced a shift in consumption patterns from traditional food grains to high value fruits and vegetables and processed foods. Its imports of citrus fruit and juices have been growing rapidly. During the last decade, it is estimated that the compound annual growth rate from around the world was over 60%. Therefore, Pakistan can substitute other countries and can be a major exporter of citrus fruit to India.



FIGURE 19: TREND OF IMPORT OF MANDARINS IN INDIA



Another major fruit that Pakistan can export to India in substantial quantities is mango. Currently Pakistan's annual production is 1.6 million tons but only 0.13 million tons is exported because mangoes have a short shelf life and also meeting sanitary and phytosanitary (SPS) conditions of developed countries has been rather challenging. The Alfonso variety of Indian mango comes in March and April and there is a shortage in June when the mango season in Pakistan is at its peak.

Chwara (dried dates) are the leading current export of Pakistan to India, amounting to US \$ 49 million in 2010.

The exports are expected to rise in the coming years due to a fall in local consumption patterns. Dates are mostly consumed in the month of Ramadan in Pakistan, and for the next cycle of 33 years Ramadan will not fall in the peak season of dates.⁴² Hence there will be an additional exportable surplus of 70%.

In order to gain access to the Indian market, Pakistan can rest its case on the following arguments:

- In general, Pakistan's applied tariffs on agricultural products are lower than India. Our average tariff rate works out to be 20 percent whereas in India it is 33 percent. In addition, India also

levies education cess of 3 per cent on these products.

- Pakistan however, allows import of several agricultural products between 0 to 5 per cent duty where India is competitive such as vegetables. India does not do so for those products such as kinnows where Pakistan is competitive. Indian duty on fruits ranges from 30 to 50%.
- India is one of the biggest subsidizers of agricultural inputs. For example, India pays fertilizer producers directly in exchange for the companies selling fertilizer at lower than market prices. Irrigation and electricity are supplied directly to farmers at prices that are below the cost of production. These policies result in effective subsidies to the farmer of 40 to 75 percent for fertilizer and 70 to 90 percent for irrigation and electricity.
- India's sanitary and phytosanitary (SPS) regime is rather strict. There are many other restrictions on import of agriculture products. See appendix C and D. Many international studies show that these measures are used to restrict imports rather than for any scientific reasons to control crop-related diseases.
- India has high WTO bound tariffs and it often adjusts its applied tariffs periodically to help meet domestic price stability goals; either raising tariffs to help strengthen producer prices or reducing tariffs to help moderate rising consumer prices. Pakistan also follows this policy but only for major products such as sugar and wheat.
- For major agriculture produce such as wheat, rice, sugar and cotton status quo may have to be maintained. In these cases, it would be best if the situation were reviewed each year depending on local crop conditions. A summary of the existing trade policy,

⁴²Pakistan Fruits and Vegetable Association.



tariff regime and competitive position of Pakistan's major products is given below:

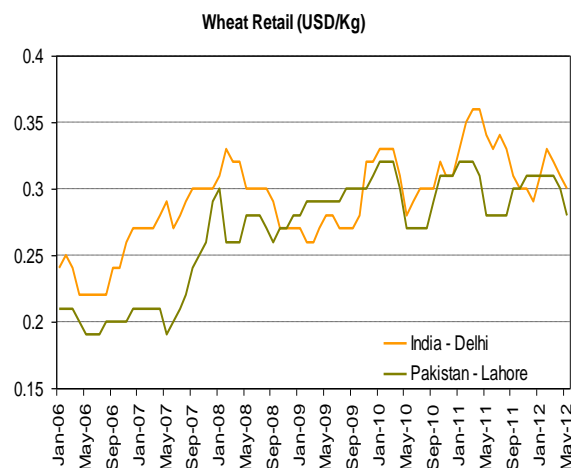
Wheat

In the recent past, both India and Pakistan have been producing more wheat than their requirements. However, this is not always so as both have also resorted to imports when the crop fails.

There is no import duty on wheat in India but wheat flour is subject to 30% tariff. In Pakistan, there is no duty on wheat flour but wheat is subject to 10 % duty. The duty rate is often raised or reduced depending on the local wheat crop.

The following graph compares retail prices (USD/kg) for wheat in Pakistan (Lahore) and India (Delhi). In the last months the price has decreased in both countries. When there is substantial difference in the retail prices, wheat gets smuggled across the borders as happened in 2007. The following graph shows that the wheat retail prices have been similar for the last several months.

FIGURE 20: RETAIL PRICE OF WHEAT IN DELHI AND LAHORE



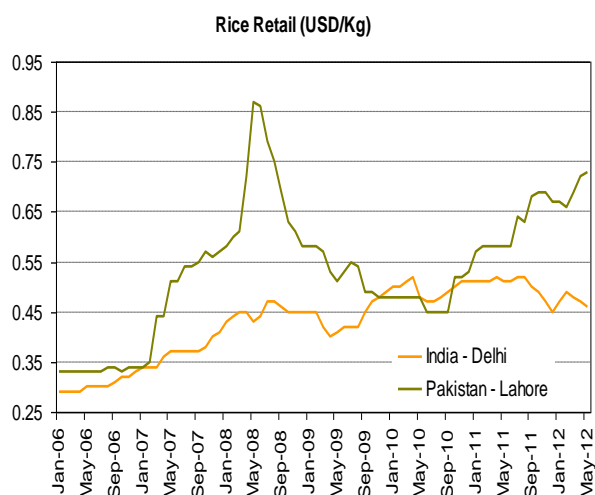
Source: own elaboration on FAO data

Rice

Both India and Pakistan are the world's leading producers and exporters of rice. Pakistan's exports of basmati and Irri amount to about \$2 billion. Indian exports of rice are expected to be about \$3.7 billion during the current year.

Our rice producers have been expressing concern about opening of trade with India. This could be due to the fact that prices of Indian rice currently range from \$360 to \$450 per ton whereas average price of Pakistani rice is \$480 per ton. The following graph compares retail prices for rice in Pakistan (Lahore) and India (Delhi). Over time, rice prices in Pakistan have been more volatile than in India, and also higher. Furthermore, since the last months of 2011 the price for rice in Pakistan has significantly increased while the price in India has been much more stable.

FIGURE 21: RETAIL PRICE OF RICE IN DELHI AND LAHORE



Source: own elaboration on FAO data.

Furthermore, last year India had a bumper harvest in excess of 100 mt and it has stocks of over 34 mt in state-run warehouses. India is expected to export up to 7 million tons, which would be a record.

Currently Pakistan has an import duty of 10% whereas there is no duty in India. Considering the concerns of our rice producers, it may be prudent not to open rice trade. It should however be noted that according to FAO, despite bumper crop in India, Pakistan should not only be able to keep its export share in the international market but also increase it.

Both countries could cooperate on attaining GI mark for basmati rice in the international market. It is not going to be an easy exercise as it will be extremely difficult to agree on specified areas where basmati is grown and what varieties could be considered as genuine basmati.

Sugar

Sugar is Pakistan's second largest agro-industry after textiles. Yet local production often fails to meet domestic demand and sugar has to be imported. For example, in 2010/11 Pakistan imported 1.1 million tons of sugar worth \$800 million.

Similarly, Indian production is also cyclic. This year they are expected to export about 3 million tons but in 2009 they had to import 2.5 million tons.

Both countries follow flexible policies and vary their trade policy and tariff regime from year to year. When there is a short fall, both waive import duties. On the other hand, whenever there is surplus, regulatory duty is imposed to check imports. Also different policies are followed for raw and refined sugars. In Pakistan, the Trade Corporation of Pakistan plays significant role in stabilizing the prices of sugar in the domestic market.

Considering the politics and sensitivity of the sugar prices for consumers, it is not easy to have any predictable tariff or trade policy regime for sugar. However, having a flexible trade policy regime may be in the interest of both countries.

NTBs

- Imports of plants and plant material are required to be accompanied by a SPS issued by the national plant protection organization of the exporting country and an import permit issued by the officer in charge of the plant quarantine station.
- Certain products can be imported without import permit but may be required to fulfill other conditions such as fumigation.
- Imports of plant and plant products may only enter the Indian Territory through designated ports.
- Lack of cold storage facilities on the Indian side near the border discourages the export of perishable food products from Pakistan. Shipments therefore mainly comprise of dry fruits and dried medicinal herbs.
- Unnecessary delay occurs at ports in India, because the documents including the original SPS certificates,



bill of lading etc are routed through third country courier (i.e. Dubai) and then these documents are sent to the bank of the importer in India thereby resulting in demurrages and loss of quality of perishable items. 60-70% of the shipment can perish in hotter climate.

- The containers for onions are open tray top, which are designed to allow circulation of wind while the vessel is at sea, however when the container lies on ground the circulation of air stops. Thus if placed there for longer period of time, the onions can perish.
- Refer containers are required to export kinnows and mangoes. The lack of transport infrastructure and cold storages to discourage the export of fresh fruit e.g. kinnow and mango to India.
- Packing standards negatively impact the export of agricultural produce.
- Date exporters have reported a theft of 2-4 kilograms on average per truck. If a bag is opened, the importer may exaggerate the amount of theft. To prevent theft, a dry port in Sukkur or Khairpur was suggested so that bogeys may be sealed in the presence of a trusted clearing agent at Sukkur.

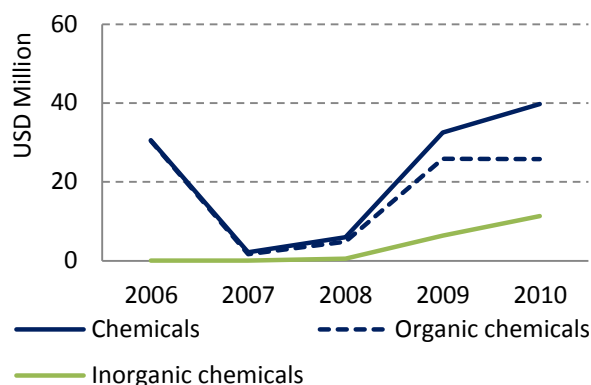
VII.8 CHEMICALS

POTENTIAL

The exports of chemicals from Pakistan were almost US \$ 40 Million in 2010.

The indicative potential of top ten high potential chemicals (net RCA > 1, indicative potential > 1 Mil) is US \$ 70 Million. Key potential exports are 1,2-Dichloroethane (ethylene dichloride), disodium carbonate (soda ash) and terephthalic acid (TPA).

FIGURE 22: TREND OF EXPORT OF CHEMICALS FROM PAKISTAN TO INDIA



Source: UN COMTRADE, 2006-2010

TARIFF & IMPORT POLICY

Certain chemicals are on the negative list of SAFTA including Soda Ash.

However for other high potential chemicals (e.g. di-ethylene chloride), there is a preferential tariff of 6.5-8% (MFN is 10%). Additional duties of CVD (16%), additional CVD (4 %) percent and educational cess (3%) percent are also levied. According to the Import Policy of India, no certifications or permits are required.

NTBS

- Chemical products have short shelf life, and therefore there should be proper storage facilities and should not be left out in open sheds.
- Hazardous material in chemicals and liquid forms cannot be exported to India due to unavailability of handling facilities at dry ports in Pakistan and India.

VII.9 LEATHER

POTENTIAL

Pakistan's exports to India in leather, including footwear thereof, have been well below US \$ 1 Million. However figures



indicate a potential of US \$ 356 Million in this category with a significant potential in value added goods like leather suitcases, handbags, and footwear.

TARIFF AND IMPORT POLICY

It may be noted that except footwear, leather items are not on the sensitive list. They are granted concessions under SAFTA of 20 per cent. Leather goods face a CVD (16%), additional CVD (4 %) and education cess (3 %).

NTBS

- Leather footwear is on the Sensitive List of SAFTA and thus no tariff concessions are available.
- Some manufacturers are of the view that Leather products may not be competitive in price with Indian products as the main input chemicals are locally produced in India.
- Exporters also requested that the export of raw hides to India may be regulated in order to protect the local manufacturers.

VII.10 MARBLE



POTENTIAL & TARIFF

The indicative potential is US \$ 23.6 Million.

Tariff of 10 per cent is applied. An addition CVD of 4 per cent and education cess of 3 per cent are also levied.

NTBS

- India maintains import quotas for marble and similar stones (HS 2515.11.00, 2515.12.10, 2515.12.20, and 2515.12.90).

Quotas are established annually and administered on an MFN basis.

- Criteria of awarding a license are revised via notifications and circulars issued by DGTP on a yearly basis, thus creating an atmosphere of uncertainty.⁴³
- Marble is currently on the list of 415 sensitive items whose import is monitored.⁴⁴ There is a minimum import price of US\$ 50/kg.
- As the import of marble blocks and slabs is regulated with licensing and quotas, only a few companies hold the license to import. Companies lend licenses at Indian Rupees 10,000 per tonne rather than experiment with newer varieties from Pakistan.
- New importers wish to conduct a site inspection before signing a contract. However, they are reluctant to come to Pakistan, as they fear that a Pakistani visa stamp on their passport will create visa issues with western countries.
- Pakistan mainly exports marble blocks as the duty is much higher for marble slabs. In some cases, Pakistan has been able to secure contracts for marble slabs directly from architects working on hotel projects.

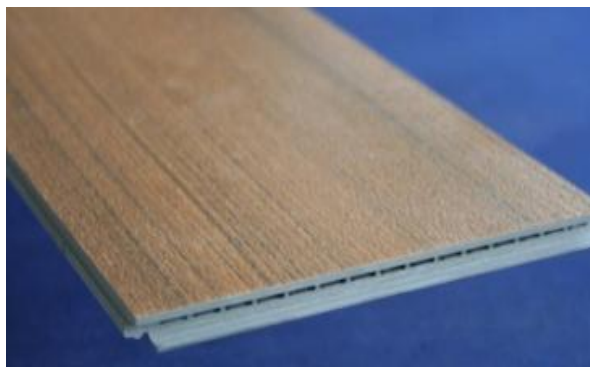
The main marble processing region is in Rajasthan. The shipment reaches the Mundira port from Karachi in 12 hours. The Bill of Lading is issued in 24 hours. Documents take another three days to courier (via Dubai) and another week for processing at the bank. As a result, demurrages are incurred. However, there is a possibility to negotiate an agreement with the shipping carrier to provide free detention for 14 days.

⁴³ DFGT Notification No. 36/2009-2014, 31 March 2010; and DGFT Circular No. 29/2009-2014, 31 March 2010.

⁴⁴ Department of Commerce online information, "Trade Statistics: Imports of Sensitive Items".



VII.11 PLASTIC WARE



POTENTIAL

A major exporter (Allied Plastic Industries) of PVC printed and laminated sheet, flooring and PVC flex for use in bill boards reported that Pakistani products compete on quality in the Indian market against the cheaper imports from China and Thailand. It was reported that this export is in great demand and is marketed as high quality import from Pakistan. There is a notable demand for Pakistani tableware and kitchenware including water coolers.

TARIFF AND IMPORT POLICY

The MFN tariff is 10 percent. Many plastic items are on the Sensitive List of SAFTA.

NTBS

- There were no specific NTBS reported except for the general ones such as lack of direct shipments .

VII.12 AUTOMOTIVE COMPONENTS

For the purpose of this study, all companies that exported automotive components to India in 2011 were interviewed.

The Pakistan Association of Automotive Parts Accessories Manufacturers (PAAPAM) was also interviewed.

TARIFFS & IMPORT POLICY

Tariff is 8 per cent under SAFTA. Additional charges of CVD (16 %), special CVD (4 %) and education cess (3 %) are also levied on these products. There are no import restrictions,

licenses or permits for auto components in India.

TABLE 4: IMPORT POLICY OF INDIA FOR AUTOMOTIVE PARTS, 2009-2013

	Tractor Parts HS 870810	Liquid Pumps HS 841381
Unit	Kg	per piece
Standard rate of duty	10	7.5
SAFTA Tariff	8	8
CVD	16	16
Spl. CVD	4	4
Educational Cess	3	3
Policy Conditions/Licensing Requirement	None	None
SAFTA RoO	General	30% DVA

Source: Foreign Trade Policy of India, 2009-2013

NTBS

The following NTBS were identified in the survey:

MISPERCEPTION OF EXTENSIVE STANDARDS REQUIREMENTS

Contrary to the prevalent view, the import in the automotive sector is not regulated by mandatory standards of the Bureau of Indian Standards. The exporters interviewed also confirmed this fact.

International ISO certifications are accepted and no other certifications are required. All the companies interviewed had an ISO certification including ISO 9000 and ISO TS 16494.

It should be noted that BIS has a voluntary product certification scheme for quality certification. For the purpose of this scheme, the BIS have formulated standards for vehicle equipments and systems in association with the Automotive Research Association of India, Central Institute for Road Transport and manufacturers.

The Transport Engineering Division Council has developed a total of 1085 standards for



the field of transport engineering including air, water, road and rail transport out of which 554 standards are for automotives and parts.⁴⁵ The standards cover a range of aspects including product standards and methods of testing.

Despite the fact, that these standards are not mandatory, the number of these standards has created an atmosphere of apprehension among the exporters of automotive parts in Pakistan. Concerns were reported regarding the cost and process of certification at laboratories inconveniently located far away from ports.

EXTENSIVE SAMPLE TESTING

Exporters are required to comply with company specifications and submit elemental composition reports. An extensive sample integration testing is conducted in India for this purpose. If the sample is not per stated specifications, the landed cost of the sample is claimed from the exporter. The ISO certification has to be submitted to the company just once and the product specification reports have to be included with every shipment.

LACK OF HANDLING INFRASTRUCTURE AT THE LAND PORTS

Lack of fork lifters is a major barrier. This issue arises in all land ports and the sea port in Karachi. The Nhava Shiva port in India is fully equipped with state of the art facilities and there are no handling issues there. Fork lifters are required at Wagah as the consignment has to be unloaded at the port as containerized transport is not allowed. The shipment is packed in pellets of 22 tonnes

each. These are heavy and risk damage if handled manually.

OBSTRUCTION BY INDIAN CUSTOMS

At Wagah authorities do not allow shipment of tractor parts (e.g. counter shafts and pinions) as they resemble weapons in appearance as shown in the picture.

ADDITIONAL CONCERNS OF PAAPAM

In addition to misperception of standards requirements, PAAPAM expressed the following observations:

- They expressed an apprehension regarding the demand for Pakistani products in the Indian after market of automotive parts.
- Pakistani products are not competitive enough to be acceptable for OEM plants as 80-90 % inputs are imported.

OBSERVATIONS

Pakistan's automotive and components industry is currently protected by the Negative List as well as high tariffs. Once the Negative List is phased out, the high protective tariff structure will continue to shield the automotive industry from imports from India. Further the automotives and components are also on the Sensitive List of Pakistan in SAFTA.

Pakistan currently imports CKD and SKD kits from Japan and parts from Thailand at higher prices than those from India. Opening of trade with India will make cheaper inputs available and enable the automotive industry to become more competitive. PAAPAM also noted that import of cheaper raw material from India will benefit the components sector.

An important example of growth due to trade liberalization is the automobile and components industry of Turkey.

⁴⁵ The remaining standards formulated by TEC Committees 12, 14, 16, 17, 18, and 19 are for ship vessels, aircrafts, bicycles and parts.



BOX 4: GROWTH OF THE AUTOMOTIVE AND AUTOMOTIVE COMPONENTS INDUSTRY IN TURKEY

Case: Growth of the Automotive and Automotive Components Industry in Turkey

Increased competition in the form of higher imports forces productivity improvements in the manufacturing industry. A case in point is the automotive sector in Turkey that saw significant productivity gains and rapid growth following the import liberalization in mid 1990s.

In the 1980s Turkey went through massive import liberalization but the automotive sector continued to receive protection behind high tariff barriers until the mid 1990s and did not experience a growth in productivity as much as the import competing sectors. However when the average tariff rate for the manufacturing industry came down from 13.5 percent in 1995 to 3.6 percent in 1996, the automobile exports started to rise. The automobile exports grew at a rapid rate and the share of automobiles in manufactured exports increased from 2.5 percent in 1993 to 16 percent in 2006.

It is pertinent to note that while trade liberalization results in growth of economies, there may be an adjustment period in the short term. In Turkey, the imports of motor vehicles and automobile components also increased as a result of integrating in the global production chains. Turkey imported US\$ 8.3 billion of motor vehicles and US\$ 3.9 billion of automobile components in 2005.. In 2011, Turkey's automotive exports hit US \$20.4 billion surpassing the exports from world leaders like Italy.

VII.13 FANS

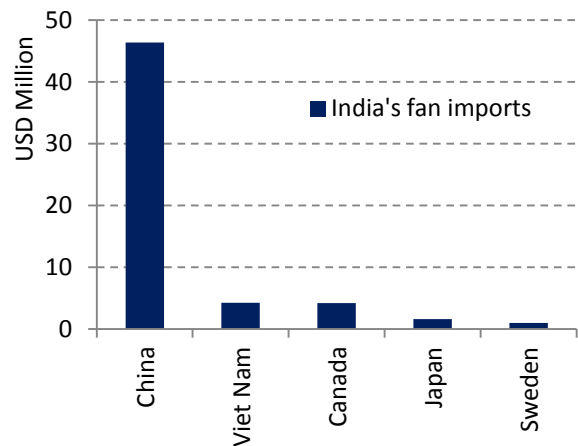
POTENTIAL

Indicative potential is US \$ 34 Million. While the highest imports are from China, there is also a demand of better quality and more expensive fans from Canada, Japan and Sweden. Pakistan can compete with cheaper imports from China on quality. There is a demand for specialized fans (e.g. mist fans) in India.

TARIFF & IMPORT POLICY

There is a 10 percent tariff. Fans are on the Negative List of SAFTA for Pakistan. A CVD of 16 per cent, additional CVD of 4 per cent and education cess of 3 per cent are also levied.

FIGURE 23: COMPETING SUPPLIERS FOR FANS TO THE INDIAN MARKET



NTBS

The main NTB reported was customs valuation, a lack of awareness about the duty structure, distribution channels and general apprehension regarding non tariff barriers.

Fans are on the negative list of SAFTA. Being a new export to the Indian market, exporters of fans encounter Customs valuation issues. There were no exports of fans to India in 2010. It was reported that mist fans of CIF value of US \$ 90 were valued at US \$ 200 for a trial container that was exported to India in 2012.



VII.14 OTHER HIGH POTENTIAL SECTORS

This section focuses on NTBs faced by the products with very high indicative potential but relatively lower competitiveness relative to India.

PIPES, TUBES OF IRON OR STEEL

Pakistan makes specialized seamless pipes for extreme temperature services and boilers etc. This is exported to USA, Germany, Australia, Sri Lanka, Bangladesh, Afghanistan and the Middle East.

When the Steel Pipes Association of Pakistan was interviewed, it was reported that Pakistan has no potential to supply this product to India, as India is a major exporter itself. While India is a net exporter of this category in 2010, with a positive trade balance of US \$ 308,000 it is pertinent to note that the exports in this category fell by 39 percent from 2009 to 2010.

Figures show a high RCA and considerable indicative potential for exports of tubes, pipes and hollow profiles of iron or steel to India. Pakistan has an RCA of 35.50 while India has an RCA of 4.01. Also, the indicative market potential is over US\$ 69 million for Pakistan. This product is subject to a mandatory BIS certification.

PET

Figures indicate an export potential of US \$ 40.7 million of Polyethylene Terephthalate to India from Pakistan. However a further investigation reveals that while India imported US \$ 40.7 million worth of PET in 2010, India is a net exporter of PET with a positive trade balance of US \$ 417.64 million. India's exports represent 4.27% of world exports for this product; its ranking in world exports is 10.

The PET manufacturers in Pakistan are of the view that exports in India are subsidized through a deemed duty drawback scheme.⁴⁶ They feel that if a level playing field is not provided, the domestic industry may suffer in Pakistan.

70 CC TWO WHEELER

The two wheeler sector in Pakistan has shown a steady growth of 31 per cent over the last 10 years. The main driver of this increasing trend has been the success of the 70 cc two wheeler which has created a niche because of its economy and low maintenance cost.

The 70 cc engine is not manufactured in India. The Indian market is predominantly based on 100 cc and 125 cc engines that constitute 65 percent of the market. The Indian market has a huge potential for this product only if the testing procedures and standards are harmonized.

TARIFFS

Basic MFN duty on motor cycles (CBU) is 100 percent but the SAFTA tariff is 8 per cent. An additional CVD (16%), special CVD(4%), education cess (3 percent) are also levied.

NTBS

1. **Homologation:** India has a strict homologation policy for import of vehicles. Obtaining the homologation certificate is time consuming and involves excessive red tape. This has also been reported as a concern by the motor cycle manufacturers association in EU, Association des Constructeurs Europeens de Motocycles G.E.I.E (ACEM).

India has established several testing facilities across the country as a part of the National Automotive Testing and R&D

⁴⁶ Customs Circular No 42/2011



Infrastructure Project (NATRiP). Earlier the vehicles had to be tested at facilities of competitors which posed a greater problem.

2. **Emission standards:** These standards are stringent for two wheelers even when compared to EU and Japan.



VIII. NTBs DUE TO PORT INFRASTRUCTURE & BILATERAL TRANSPORT PROTOCOL

VIII.1 COMPARATIVE ASSESSMENT OF PORTS AND LOGISTICS

In addition to sector-wise NTB's there are location-based NTBs that occur at Wagah, Karachi and via Railroad (*Samjhota Express & Interchange Train*) that complicate cross-border trade between the two nations.

The graphs below based on World Bank data rate port facilities in India marginally higher than in Pakistan. However, when it comes to the burden resulting from Customs procedures both India and Pakistan operate at sub-optimal levels, with India being slightly more efficient than Pakistan.

India inaugurated the Integrated Check-Post at the Wagah-Attari border in April, 2012. The ICP at the Wagah-Attari is part of a larger project to build 13 ICPs at international land borders across the country. The Wagah-Attari ICP project amounts to INR 150 crores (approx. US \$ 30 million) and spans over an area of 120 acres. The ICP has been built as a sanitized zone with dedicated passenger and cargo terminal providing adequate Customs and immigration counters, X-ray scanners, passenger amenities and facilities like service stations, fuel stations, accommodation etc. in a single complex.

It is imperative to augment port infrastructure and Customs procedures at the Pakistan side to simplify and expedite cross-border trade with India.

FIGURE 24: LOGISTIC PERFORMANCE INDEX

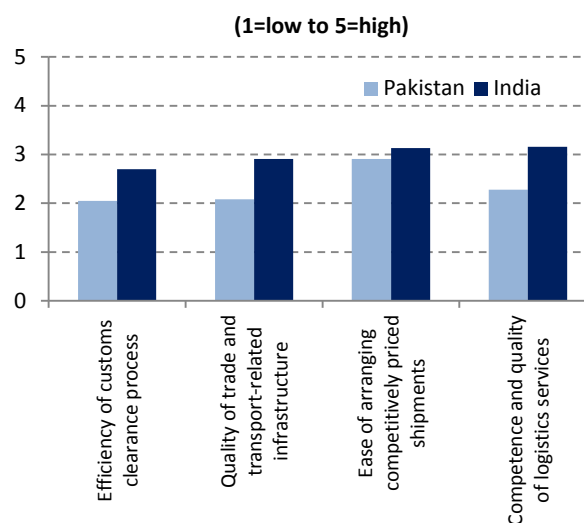
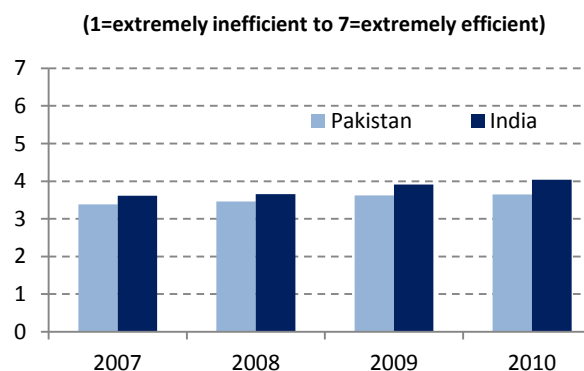


FIGURE 25: BURDEN OF CUSTOM PROCEDURES, WEF



VIII.2 EXPORT PROFILE AT WAGAH

Wagah is a key land port between India and Pakistan. The exports through Wagah to India amounted to US \$ 52.2 in the period (01-Jan-2011-31-Jan-2012) representing 16.7 percent of overall exports in the same period.

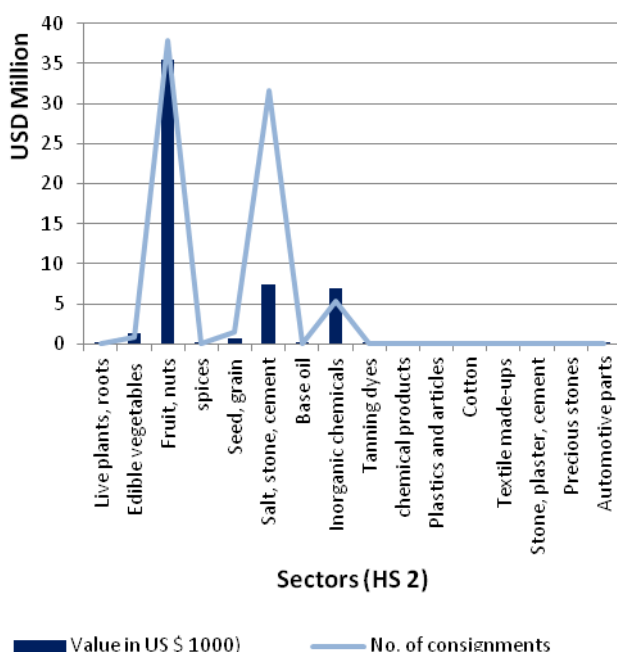
- If we review the profile of exports from Wagah, by road, it becomes apparent that about 70 per cent of exports are dried dates, 13 per cent are gypsum. Another 13-15 percent is based on chemicals.
- Agricultural exports mainly comprise of dried dates and dried medicinal



herbs. While there is a potential for exports of fresh produce only a meager 3 percent (3% onions and 0.1% fresh apricots) is exported. The main reason is the reported concern that shipment would perish due to long waiting times for trucks in Pakistan and lack of cold storage facilities on both sides of the border.

- While a substantial portion of the export basket at Wagah is based on high value chemicals, the full potential is not exploited due to lack of handling facilities for liquid and hazardous materials on both sides of the border. Provision of such services will boost exports of chemicals via Wagah. A large number of chemical factories (Sitara, Ittehad etc) are based in Punjab.

FIGURE 26: NUMBER OF CONSIGNMENTS EXPORTED THROUGH WAGAH



- Looking at the number of consignments exported to India from Wagah it is observed that the number of consignments cleared for gypsum in 2011 is over 3000, however the total value is only about US \$ 5 million. In

contrast the total value of inorganic chemical exports is about the same with only 500 consignments. It is recommended that given the high value, shorter shelf life and smaller consignment size of chemical products, their trucks may be given the same priority as perishables.

NTBs

In 2012, several major issues at Wagah were resolved as per the standing order of the Model Customs Collectorate.⁴⁷

1. Time for which the gate remained open was increased. Earlier trade used to take place only from 8:00 a.m. to 4:00 p.m. This gate was also used for transit trade and passengers. However this problem was resolved in April 2012 with the opening of a dedicated trade gate which remains open from 6:30 a.m. to 6:30 p.m. PST.
2. The prohibition of any trucks other than 10 wheelers was abolished, also allowing 22 wheeler trucks and containers.

It is expected that with the opening of the ICP on the Indian side of the border, the following reported NTBs have been addressed.

- Facilities are sub-par and figure as the main constraint to India Pakistan trade.
- The GT road becomes very narrow as it enters India. Drivers do not have sufficient space to turn back easily towards Pakistan thus slowing down traffic and causing road blockages.

However the following NTBs remain:

- There are two covered sheds at Attari that are used for Afghan Transit Trade. Pakistan's imports into India lie uncovered in open sheds. This is a major problem for perishables and

⁴⁷ Standing Order No: 01/2012, Model Customs Collectorate, FBR, Pakistan, Dated 18th April, 2012



high-value products like chemicals that have short shelf lives and lose their potency due to temperature changes.

- Incidents of theft have also been reported, as the goods lie unattended in the open.
- There is a shortage of staff for unloading goods and porter charges are very high.
- On the Pakistani side, exporters have to interface with Rangers, NLC, Customs departments and the Anti-Narcotics Force as indicated in Figure 27.
- Agencies have overlapping functions.
- Also each agency has multiple checks of its own. For example, when a consignment is examined by a customs inspector, it is not considered as the final check by Customs. Quite often a Deputy Superintendent verifies it and in many cases the Superintendent also does the same. Most of this work is manual.
- There is no risk profiling. Unlike other ports where there is a greater emphasis on checking of imported goods, at Wagah the emphasis is on exported goods. While 100 percent of exports are scanned and physically checked, in case of imports only 50 percent goods are scanned and checked. It is not clear why exports are examined so thoroughly when no revenue is involved.
- There is only one scanner on the Pakistani side of the border and a hundred percent of goods are scanned. This becomes a bottleneck and causes delays.
- In addition to scanning, all trucks are weighed. Since there is only one weighbridge, this creates another bottleneck.
- There is currently no computerized weighbridge. The reports are hand written and cannot be used as proof in

case of a dispute on delivered quantity with the Indian importer.

- If an exporter needs a Sanitary or Phyto-Sanitary certificate or the certificate needs any amendments, there are no arrangements at the border. These offices are located at Lahore.
- Only a limited number of items are allowed to be traded via the road route. This is a problem for importers of raw materials and machinery for the industry in the Punjab. There is no Plant Quarantine Authority at Wagah, due to which cotton is only imported through Karachi.
- Each time a driver takes a truck across the border, he is given a single entry permit. This means that each time, he goes through the process of getting photographed and getting an identity card for crossing the border.

Further, trucks are not served on a first come first serve basis and priorities are assigned in an ad hoc manner. It was reported that dates and chemicals are a lower priority at the Pakistani end and gypsum trucks dominate the traffic going from Pakistan.

- There is currently no warehouse on either side of the border and a warehouse-to-warehouse transportation facility is also not available.

Truck charges for trucks above 10 wheelers and containers are very high (Rs. 3,600) as compared to 10 wheelers (Rs. 2,100). In addition there are the following charges:

○ <i>Entry fee</i>	<i>Rs.55</i>
○ <i>Gate pass</i>	<i>Rs.870</i>
○ <i>Weighing</i>	<i>Rs.175</i>
○ <i>Scanning</i>	<i>Rs.1,000</i>

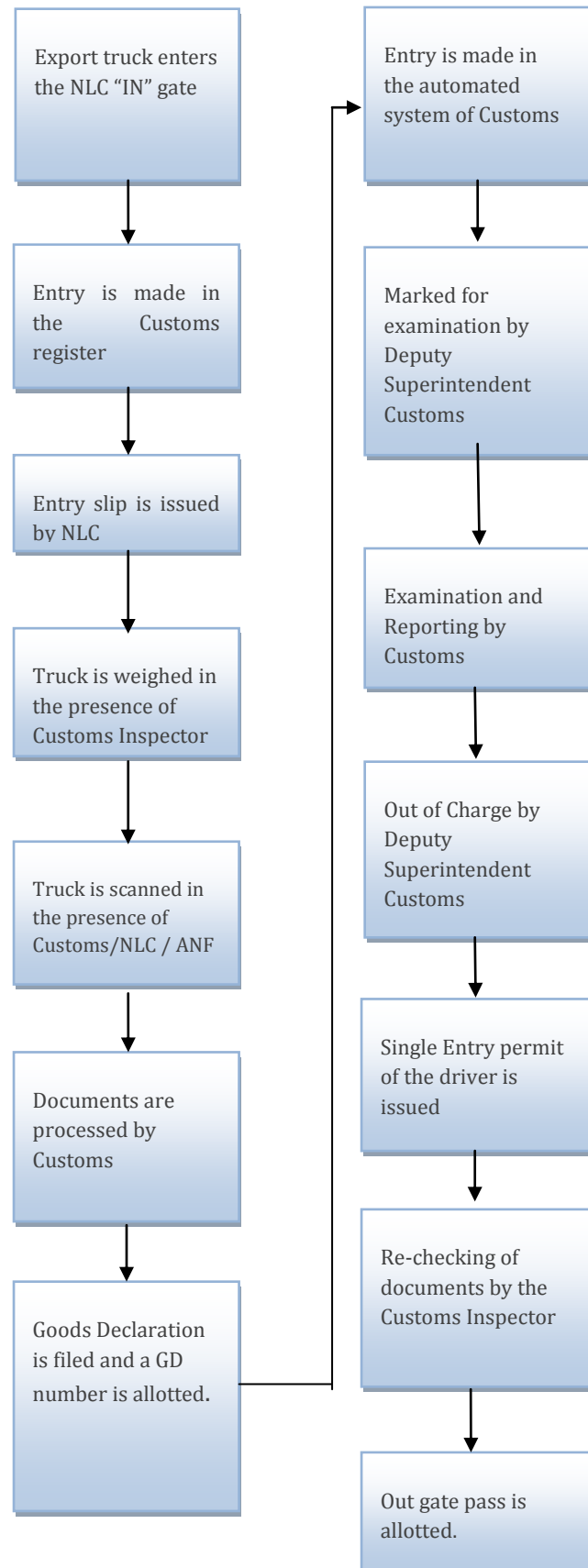
As a result of all the above mentioned bottlenecks and repetitive procedures, a truck could take several hours to queue and cross the border.



Once the truck enters the “IN” gate of the NLC terminal, it takes 4 to 5 hours to cross the zero line. A similar process should take not more than 30 minutes.

While at this stage when the number of trucks is limited, it does not create serious problems but if the trade volume increases or particularly when Pakistan starts exporting perishable items like fruits, these barriers would considerably hamper trade.

FIGURE 27: FLOW CHART OF MOVEMENT OF TRUCKS AT WAGAH



BOX 5: TRANSPORT OF TRUCKS AT WAGAH

The Indian Authorities allowed the transport of 22 wheeler trucks and containers through Wagah on the 13th of April, 2010. Further there is no limit on the weight carried per truck/container. However hurdles have been reported on both sides of the border, rendering this policy change ineffective in spirit.

The National Logistics Cell (NLC) has stipulated that trucks will not carry more than 40 tonnes. This is what a 10 wheeler truck could carry previously, whereas the 22 wheeler has a capacity to carry over 70 tonnes. Thus a bottleneck has been created again and is severely impacting the exports of cement.

Following the opening of the new gate, cement exports saw a surge and on certain days as many as 30 trucks were exported to India. However to check the exports of cement, in May 2012, the Indian Customs made a decision to take only 10 trucks of cement a day.

It is evident that the transport protocols between the two countries, repose a large amount of discretion in Customs officials. If not monitored regularly by a higher authority, this may create arbitrary bottlenecks and hamper the process of normalization

VIII.3 EXPORT PROFILE AT RAILROAD

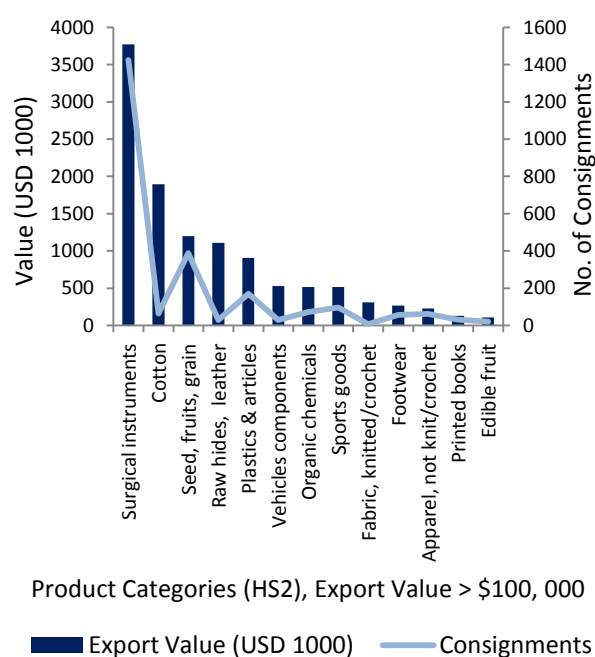
There are two modes of transport via rail, *Samjhota* Express and the Interchange train. The exports by rail from 1st January 2011 to 31st January 2012 amounted to US \$ 53.9 million representing 17.3 percent of overall exports in the same period.

SAMJHOTA EXPRESS

The exports by *Samjhota* Express from 1st January 2011 to 31st January 2012 amounted to US \$ 11.9 million representing 3.8 percent of overall exports in the same period.

- The exports comprised primarily of surgical instruments (31%), medicinal herbs, leather and textiles. While the export basket is relatively diverse as compared to Wagah (111 HS 6 level products exported), the size of individual consignments is small.
- Goods are transported via 10 parcel wagons attached to the *Samjhota* Express at the Mughalpura dry port. Wagons may also be attached at the T 10 terminal.
- *Samjhota* runs on a biweekly schedule.

FIGURE 28: CONSIGNMENTS AT SAMJHOTA EXPRESS



Product Categories (HS2), Export Value > \$100, 000

■ Export Value (USD 1000) — Consignments

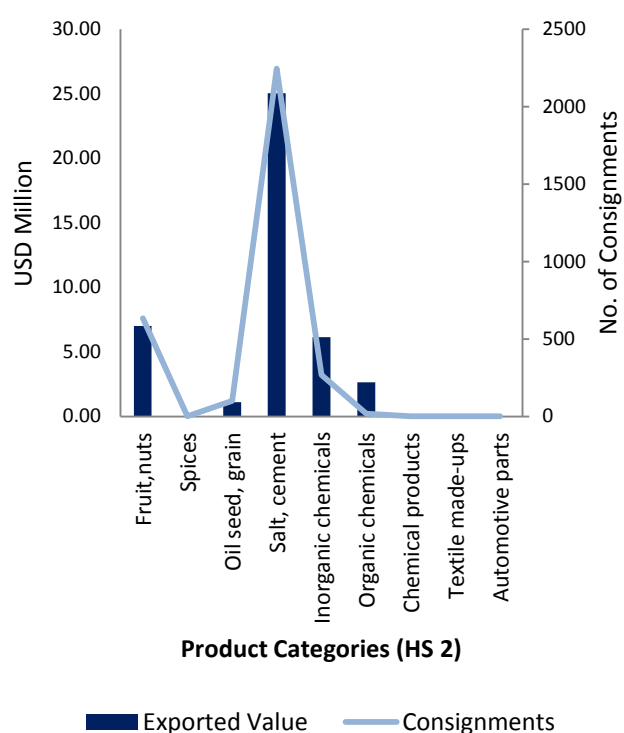
INTERCHANGE TRAIN

Total exports via the interchange train amounted to US \$ 42 million in the period 1st January 2012 to 31st January 2012 representing 13.5 percent of overall exports in the same period.



- More than half the exports (57%) comprise of Portland cement. Dried dates are another 17 percent while chemicals constitute a little over 20 percent.
- The volume of exports by interchange train is almost equal to the exports via Wagah road. However, the infrastructure on both sides of the border is in an even worse condition and may remain so for some time as an ICP is now being constructed at the railway port in India.

FIGURE 29: NO. OF CONSIGNMENTS AT THE INTERCHANGE



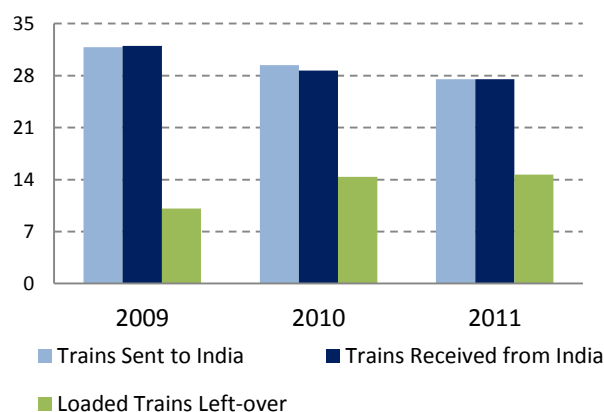
NTBs

- Yard space for unloading the cargo is very limited on the Indian side. It is reported that the yard gets choked in the first week of every month and then the Indian side refuses to accept the daily interchanges.
- In June, 2008 it was agreed by the two countries to introduce 8 wheeler bogie wagons in the India-Pakistan circuit. However, India has decided not to allow 8-wheelers bogies from Pakistan

until the specifications of these wagons are approved by the Safety Commission in India. The required specifications for 8-wheelers Air Brake ZBCz/BCX were to be submitted by the Ministry of Railways to their Indian counterpart in December 2011.

- The capacity of an 8 wheeler bogie wagon is 60 tonnes, while that of the current 4 wheelers is 22 tonnes. Approval of 8 wheelers will be able to increase the cargo traded between the two countries by threefold for each interchange.²⁶ It has also been requested to increase the number of interchanges to at least 2 a day.

FIGURE 30: AVERAGE NUMBER OF INTERCHANGES BETWEEN INDIA AND PAKISTAN PER MONTH.



- According to data from the Ministry of Railways, Pakistan, on average 600-650 loaded wagon are left behind. While the general conception is that up to 4 interchanges are allowed per day, the bilateral protocol for railways does not stipulate an upper limit. However the average has been well below 30 per month since 2010 as indicated in the graph above. Among various reasons cited are: limited yard space on the Indian side or lack of diesel on the Pakistani side.
- There is also a requirement to zero-balance wagons on the 10th, 20th and



the last date of every month as per the bilateral railway protocol.⁴⁸ As a result the Indian side refuses to take more interchanges as they start holding the wagons until they are full so that they may be returned with cargo.

- A discrepancy was noticed in the protocol for zero balancing: While the Bilateral Railway Protocol mandates that zero balancing should happen every 10 days, DG Railways reported that currently zero balancing happens once, at the end of the month.

VIII.4 EXPORT PROFILE AT KARACHI PORT

The exports via Karachi from 1st January 2011 to 31st January 2012 amounted to US \$ 205.9 million representing 65.9 percent of overall exports in the same period.

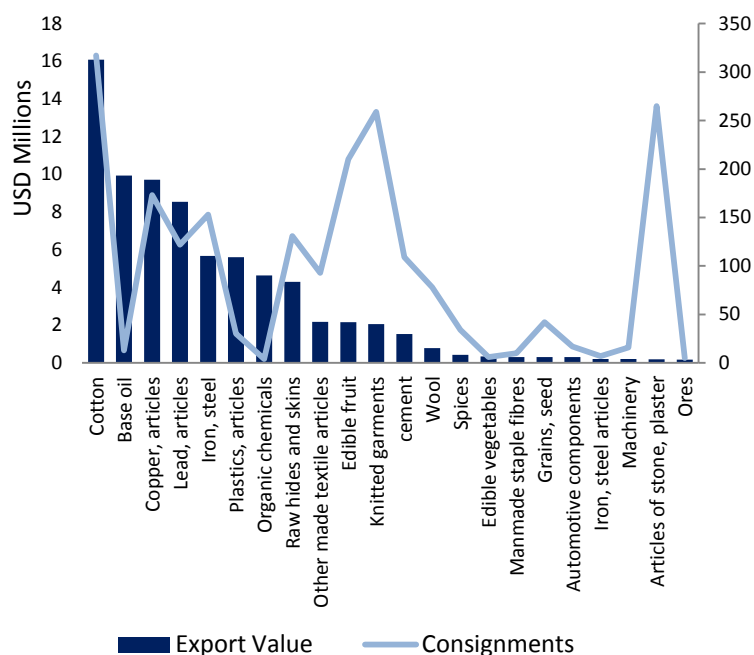
- Export basket at the Karachi port is diversified with a total of 177 HS 6 level products. The largest export via Karachi port at HS 6 is Cotton (15 %), followed by scrap of copper (13%); lead (13%) and stainless steel scrap (11%).
- If we look at the exports at HS Level 2, the largest sector is Cotton, followed by high value minerals fuels and metal scrap.

The protocol of shipping was liberalized in 2006. Clauses 3 and 5 of the India – Pakistan Shipping Protocol of 1975 had restricted trade by sea route as follows:

- Only Indian/Pakistani Mercantile Flag vessels allowed sailing between the two countries.

- Vessels not to lift cargo for a third country and only transport to India or Pakistan.

FIGURE 31: NUMBER OF CONSIGNMENTS AT KARACHI PORT



In 2006, the above clauses were amended and trade was opened allowing third flag vessels, including vessels of convenience to sail between the two countries.²⁶ The two countries were also allowed to lift cargo destined for third countries. As a result, trade volumes between the two countries increased sharply driven by higher exports from India to Pakistan.

⁴⁸ Agreements Relating to Rail Communication between India and Pakistan 1976&1991& Renewal in 2001 & 2003.



FIGURE 32: TREND OF EXPORTS AFTER LIBERALIZATION OF SHIPPING PROTOCOL



NTBs

- There are no direct shipping routes to key ports like Chennai, Calcutta and Cochin. Ships are routed through the heavily congested port of Sri Lanka. This adds up to 15 days to the transport time. A direct vessel can reach in four days.
- If a vessel is delayed in Karachi and the connection is missed in Sri Lanka, the cargo may be stranded in Colombo for up to a week.
- Despite liberalization of the shipping protocol, exporters are under the perception that that only national flag vessels are allowed to carry cargo
- While the port facilities at Nhava Shiva have been reported to be state of the art, improvements were suggested for cargo handling mechanisms and theft control at the Karachi port.
- It was reported by a shipping company, that there are many requests for a Switch Bill of Lading to show another country of origin (e.g. UAE) instead of India in order to import banned items from India.

IX. INTERACTIVE SEMINARS AT CHAMBERS OF COMMERCE AND INDUSTRY

1. Ten seminars to create awareness about exporting opportunities arising from normalization of trade with India were held at Rawalpindi, Peshawar, Hyderabad, Karachi, Faisalabad, Sialkot, Gujranwala, Sialkot, Lahore and Quetta from 3rd April to 5th May 2012.
2. On an average 100 businessmen including traders and manufacturers attended each seminar although in some places like Faisalabad, there were about 250 participants.
3. The format of all the seminars was similar. All of them were organized by TDAP in cooperation with local chambers of Commerce and Industry.
4. After introductory comments by the President of the concerned Chamber, Dr. Manzoor Ahmad made a detailed presentation explaining the following issues:
 - i. Motivation for normalization of trade with India
 - ii. High potential export items from Pakistan
 - iii. Details about export potential of major sectors
 - iv. Tariff regime of India especially on products of our export interest
 - v. Non Tariff Barriers (NTBs) and dealing with those barriers
 - vi. Trade Facilitation Agreements
 - vii. Trade Defense Instruments and how they can be used to manage imports which hurt our domestic industry

In several cities, Nadia Rehman explained the details of tariff and non-tariff barriers our exporters may face in India.
5. In addition, a simple brochure explaining Trade Defence Instruments such as anti-dumping, anti-subsidy and safeguard measures was also circulated.
6. All seminars were interactive and each presentation was followed by a Question and Answer session. In addition to Questions and Answers, many comments were also made.
7. Most of the comments related to various difficulties being faced by the business community in obtaining visa, energy crisis, lack of information about penetrating in the Indian market, non-level playing field, dealing with NTBs, non-availability of infrastructure, rigorous checking of exports, and higher tariffs on imports in India.
8. Most businesses were enthusiastic about opening of a new market and also having the possibility of getting cheaper inputs for their manufacturing. On the basis of various comments, it was obvious that a clear majority was in favour of normalization of trade with India.
9. However, manufacturers of auto-mobiles, auto-parts and pharmaceuticals expressed concerns that their industries may feel serious challenges in case imports were allowed at lower tariffs from India.
10. Some agricultural commodity producers were also apprehensive that in many cases, Indian crops arrive earlier in time and they may flood the markets. This would ruin their livelihoods. Also some farm producers were worried that unless adequate sanitary and phyto-sanitary



measures were taken, their crops could face unknown pests and diseases which at present do not exist in Pakistan.

11. Representatives of some industries were of the view that unless adequate checks such as regulatory duty or export bans were not introduced, many Pakistani exporters would export non-value added items and thus deprive the local market of essential inputs. On the other hand, a significant number of traders were opposed to any restrictions.
12. There were many queries regarding the procedures for opening of offices and outlets in India
13. Till such time that visa formalities are not considerably eased, a number of suggestions were made to enable businesspeople to be able to meet easily. It was suggested that the governments should:
 - a. Make meeting points for businesspeople at the border.
 - b. Issue one-day permits to businesspeople as they are issued to drivers.
 - c. Designate certain areas as visa free zones where entry passes may be issued.
 - d. Issue multiple visas for executive members and businesses with large turnover.
 - e. Single entry visa may also be issued to smaller exporters.
14. It was reported that in order to apply for a business visa, a guarantee is required from an officer of Deputy Commissioner level official.

15. The idea of mobile exhibition caravans was proposed which would travel from city to city.

16. To avoid hassle at Customs, the exporters preferred exporting via middlemen in Dubai. The middlemen also sold some of the merchandise locally in the middle-east while exporting the rest to India.
17. Businessmen were of the view that FDI in India presents a good opportunity as there is a direct road link to India.
18. FDI in India would also provide an opportunity to manufacturers to open factories in order to qualify for the contingent sourcing requirement of international retail chains.
19. Energy trade between the two neighbors may help relieve the industry in Punjab if offered at competitive rates.
20. There should be an SPS booth at Wagah.
21. Businessmen proposed that there should be uninterrupted supply of electricity for a few days and a few days of load-shedding rather than intermittent load-shedding which affected the productivity of laborers.

Some specific points at each of the Chamber are summarized below:

IX.1 KARACHI

- Representatives of textile industries seemed very pleased with their recent visit to India and were keen that composite duties on their exports to India be removed and reduced.



- They were not pleased with the way the negative list has been put together as some of their raw materials (e.g. synthetic yarns) were on that list but manufactured products were not.
- Auto and pharma-manufacturers were concerned that cheaper imports from India would hurt their industry.
- PRGMEA showed concerns about the sensitive list and tariff escalation for value added textiles.

IX.2 LAHORE

- Serious problems of infrastructure need to be addressed. Some participants asked that the private sector be allowed to construct warehouses, port terminals and other facilities at the Wagah border.
- Communication issues were reported in the border area. One company that has an office in the Wagah area said that cell phones get jammed, and there are no land line connections for offices in Wagah due to which exporters get cut off and cannot operate an office there.
- Inspection of export consignments by multiple agencies need to be brought under control on both sides of the border.
- As at Karachi, manufactures of automobiles, pharmaceutical products and chemicals were apprehensive about allowing imports from India unless a level playing field was established. Their key concerns were the following:

IX.3 FAISALABAD

- Most comments related to the problems the textiles industry was facing due to shortage of gas and electricity and the impact it was having on their productivity. Most participants were of the view that if energy shortage was mitigated, their industry can out-compete Indian bed-

linen and cotton-fabrics manufacturing. However, they were apprehensive about their ability to compete against synthetic fabrics.

- They were also not happy with the way the negative import list has been put together as some of their raw materials were on that list but manufactured products were not.
- Businessmen expressed concerns that India should control the practice of imposing frequent bans on cotton exports as that caused significant shocks to the textile industry.
- Due to image issues, bed linen is exported from Pakistan and sold under local Indian or European labels.
- It was reported that four large textile mills have taken over Pakistan's share in the international market after the MFA ended in 2005. They would also give competition to large Pakistani exporters in the local Indian market. While there is a large potential for lawn exported to the Indian market, there is also a chance that the India voile would capture the local market as it is cheaper than lawn.
- Excessive valuation issues were reported for textiles items.

IX.4 SIALKOT

- Most participants seemed eager to have opportunities of being able to export sports goods and leather products to India.
- Many exporters wanted the Ministry of Commerce to ensure that non-value added items such as forgings, unprocessed leather and other non-value added products are not allowed to be exported.
- Participants wanted to have the opportunity to be able to export and



import from Sialkot or Sambrial Dry Port rather than clear their goods from Lahore.

- It was requested that imports of goods for re-export may be opened on priority from Wagah.
- There was a wide support for opening of Sialkot Jammu land route for trade.

IX.5 GUJRANWALA

- Exporters of cutlery, plastic wares and metals recovered from waste were keen to explore export opportunities.
- Manufacturers of ceramic wares asked the Ministry to monitor import of ceramic goods so that dumped imports do not hurt the local industry.

IX.6 RAWALPINDI

- Interest in exporting non-traditional products and opening services related to communications and media.
- Concerns that cheaper pharmaceuticals may damage local industry.

IX.7 PESHAWAR

- Maximum number of women entrepreneurs (about 25) took part in the proceedings and were keen to find out how the government could assist them and SMEs in exploiting business opportunities
- Keen interest in export of non-traditional items such as honey, furniture, minerals, semi-precious stones, safety matches, hand-made chappals, etc.

IX.8 HYDERABAD

- Strongly favored opening of Khokhra-par border at the earliest as their exports (e.g. dates etc) as well as imports become expensive and also get spoiled by taking the long route through Wagah.

IX.9 QUETTA

- Wanted specific incentives for import-cum-export of dry fruits and spices from Afghanistan. They would like the Ministry of Commerce to give special attention so that they can export their minerals such as chromite, iron ore, marble etc.



X. BILATERAL TRADE FACILITATION PROTOCOLS

This section presents the salient features of the three protocols that were signed in February 2012 to facilitate trade between the two countries.

X.1 BILATERAL COOPERATION AGREEMENT RELATED TO TESTING & CERTIFICATION STANDARDIZATION

Validity: Indefinite with 3 months notice to cancel.

Agreement Partners: (National Standards Body (NSB) for each Country).

Pakistan Standards & Quality Control Authority (PSQCA) – *Ministry of Science & Technology*.

The Bureau of Indian Standards – Ministry of Consumer Affairs, Food & Public Distribution.

AGREEMENT GOALS:

- Achieve end state of harmonized Standards and Test Methods i.e., both parties accept inspection & test reports provided by the other party as satisfactory
- Reach agreement in the field of Standardization & Conformity Assessment (Inspection, Testing & Certification) of traded goods
- Empower each other to issue certificates, licenses and marks of conformity for product and management systems according to applicable standards

AGREEMENT SUMMARY:

- A critical requirement in achieving standardized inspection, testing and certification of goods is to mandate that the laboratories conducting these tests are ISO/IEC 17025 accredited (for ALL test methods). Additionally, the accreditation of the laboratory/testing facility must come from a body that is a signatory of the APLAC or ILAC
- The agreement proposes to achieve standards harmony in *four* steps –
- Each party can carry out an inspection or draw samples on request from the other party. An inspection report must be submitted which is the equivalent of an operation of certificate or license
- Each party can carry out pre-certification & testing of samples at the applicant's facility. The ensuing Inspection Report should be accepted by the other party as a basis for grant of license
- Allow 3rd party testing labs to conduct pre-certification or surveillance inspection at applicant's facility. Lab required to be ISO/IEC 17025 accredited in all test methods by a signatory of the APLAC or ILAC
- Achieve Standards & Test Methods harmony and view inspection & test reports from the other party at face value
- Suggests co-operation between parties in the following key areas -
- Exchange & training programs for personnel



- Cross-border claim resolution through expedited information sharing
- Prompt cross-border transaction data sharing upon request
- Transparency on each other's policies processes and potential changes to the same
- Mentions that the agreement applies to all products on *The List*. No such list is elaborated in or appended to the agreement.

X.2 AGREEMENT FOR REDRESSAL OF TRADE GRIEVANCES

Validity: Indefinite with 6 months notice to cancel

Agreement Partners (Customs Administrations from each country):

- Pakistan Federal Board of Revenue
- Indian Central Board of Excise and Customs

AGREEMENT GOALS:

- End goal of fully normalizing cross-border trade
- Strengthen mechanisms to redress trade grievances
- Promote bilateral trade between countries

AGREEMENT SUMMARY:

- Trade Grievances covered in this agreement are:
 - Delay in clearance
 - Disputes on Applicable Standards
 - Disputes on Conformity Assessments

- Delays due to issues with goods valuation or Customs classification
- Introduce institutional mechanisms to collect grievances from stakeholders at each entry port. Assign a Nodal Officer responsible for such collection
- Nodal Officer to be point person for grievances with his contact information shared across chambers of commerce and trade issue resolution websites
- Nodal Officers have 7 days to address a grievance or escalate it to the concerned Ministry or Department
- The concerned Ministry or Department then has 30 days to communicate their decision on the stakeholder's grievance
- The Joint Customs Co-operation Committee will meet bi-annually and as part of this meeting will resolve any pending grievances
- Grievance collection *may* be handwritten on an exception basis. The norm should be to electronically collect grievance data and also share it with the other party in this format.

X.3 AGREEMENT FOR CO-OPERATION AND MUTUAL ASSISTANCE IN CUSTOMS MATTERS

Validity: Indefinite with 6 months notice to cancel

Agreement Partners: (Customs Administrations)

Pakistan Federal Board of Revenue
Indian Central Board of Excise and Customs



AGREEMENT GOALS:

- Have structured cooperation between both Customs administration agencies
- Set up legal provisions to systematically eradicate Customs offences
- Streamline procedural issues for efficient clearance of goods
- Voice concern over illicit drug and psychotropic substance trafficking.

AGREEMENT SUMMARY:

- Customs valuation to trade governed by WTO Agreement on Implementation of Article VII of the GATT 1994 agreement
- Open Information sharing between Customs Administration related to traded goods e.g. copies of Customs documents, shipment documents, records of evidence etc, for scenarios such as but not limited to:
 - Issues around proper assessment of duties on goods;
 - Issues around determination of origin & class of goods;
 - Cases where Customs law has been violated;
 - Cases where there is suspicion of Customs law being violated
- Three key areas of investment identified to drive faster clearance of cargo:
 - Implement infrastructural improvements at entry and exit stations that expedites the flow of trade
 - Implement transparent and consistent security risk assessment profiling for all cross-border trade
 - Leverage Information Technology to streamline processes
- Best practice identified in electronic based risk management systems to be applied 'to whatever extent possible' for the purposes of goods inspection
- Endeavor to make all Customs and trade laws, trade regulations and general administrative procedures available electronically
- Committed co-operation between Customs Administrations for data sharing
- Creation of Joint Customs Co-operation Committee to oversee implementation of this agreement and help it achieve its goals
- Create Joint Customs Border Liaison Committees that will meet once every two months (or more) to track progress of agreement goals



XI. TRADE DEFENSE MEASURES

Trade defense measures are policies that permit tariffs or other trade restrictions to prevent or correct injury to domestic industry due to imports. These include safeguards, anti-dumping duties, and countervailing duties among others. These measures could address the concerns of the local industry as some sections of the local industry expressed serious concerns that due to various distortions such as dumping, subsidization or through sheer economies of scale, their industry may not be able to compete against cheaper imports from India.

In order to promptly deal with any such situations, the Government of Pakistan has in place the necessary legal mechanism and departments to assist the industry.

It was stressed that normalization of trade with India would be a gradual process and will depend on ensuring a level playing field between domestic and Indian imports.

The legal instruments available to address any unfair practices are: anti-dumping; anti-subsidy and safeguard rules. The government department that ensures their implementation is the National Tariff Commission (also referred to as “Commission” or NTC).

BOX 6: WTO LEGAL FRAMEWORK AND PAKISTAN’S REGULATIONS

Legal Framework For Trade Defense Instruments WTO

- Agreement on implementation of Article VI of GATT 1994
- Agreement on Subsidies and Countervailing Measures
- Agreement on Safeguards

Government of Pakistan Implementing Regulations

- Anti-dumping: Ordinance No. LXV of 2000
- Subsidies: Countervailing Duties Ordinance 2001
- Safeguards: Safeguard Measures Ordinance 2002 framed under Safeguard Measures Rules, 2003

XI.1 TRADE DEFENSE INSTRUMENTS

ANTI-DUMPING

“Dumping” is the unfair practice of selling a good in a country at less than its normal value (price charged for the product in the exporter’s home country). Such dumping causes, or threatens to cause, damage to the domestic industry.

Therefore, this unfair trade practice has a distortive trade effect, whereby sales, market share and profitability of the domestic industry is, or threatens to be, adversely impacted, leading to job losses and, in extreme cases, foreclosure of businesses.

Anti-dumping seeks to redress this distortion, aiming to re-establish fair trade



by providing a level playing field. Thus, the bases of anti-dumping are: 'dumping'; injury to domestic industry; and a causal link between dumping and the defined injury to domestic industry. Domestic producers, constituting at least 25% of total production of the product allegedly being dumped, must support the application and prove a causal link between dumping and injury.

If proved, the National Tariff Commission may impose anti-dumping duty up to the margin of dumping determined.

ANTI-SUBSIDY

Anti-subsidy measures aim to redress the injury caused to domestic industry as a result of trade distortion occurring due to the provision of financial assistance (subsidy) given to the exporting producer by his government.

The National Tariff Commission is constitutionally charged with determining trade distortions arising due to financial assistance being extended to exporting producers, and assigning countervailing duties if such products are causing harm to the domestic producers vide Countervailing Duties Ordinance 2001.

The said financial contribution may be in the form of direct transfer of funds; taxes otherwise due, and which are exempted or not collected; goods and services provided at less than the market value; or any other form of income or price support.

As with anti-dumping, a prerequisite for anti-subsidy measures to be initiated is for the establishment of a causal relationship between the subsidy and material harm to domestic industry.

SAFEGUARDS MEASURES

Both anti-dumping and anti-subsidy measures work to redress trade distortions

as a result of unfair trade practices. Safeguards, on the other hand, carry no such accusations, and are designed to protect against unforeseen surges in imports which harm, or threaten to harm, the domestic industry.

Thus, the Safeguard Measures Ordinance 2002 (framed under Safeguard Measure Rules 2003), protects domestic industry by imposing safeguard duty, or restricts imports through the imposition of import quotas.

In such cases where tariff bindings committed by Pakistan due to its obligations to WTO cause a surge in imports owing to unforeseen circumstances, safeguard measures may be initiated.

Once again, the onus is on ascertaining that the surge in imports (both absolute, and relative as in the case of a declining industry) caused, or threatens to cause injury to the domestic industry.

XI.2 TRANSPARENCY

These three measures are all designed to redress any harm, or the potential to harm, a domestic industry under the aegis of the World Trade Organization Agreement.

The WTO allows member countries to initiate such measures, but also establishes requirements for investigations by local competent authorities.

The emphasis is on transparency, where authorities must publicly declare date of the hearings and also provide adequate opportunity to all parties to present evidence.

Furthermore, investigating authorities must also follow prescribed processes and procedures and refrain from adopting arbitrary methods during investigations and initiation of actions.



XI.3 APPROACHING THE COMMISSION

An application may be submitted to the Commission on the prescribed forms.

The Commission also advises on how the forms should be completed and what type of evidence would be needed to process the request. In addition, a Pre-Application Counselling Section is available for guidance and assistance of the applicants. These services are provided by professional staff of the Commission comprising of accountants, lawyers and economists.

The staff has been trained at various international institutions and investigating agencies such as, World Trade Institute, United States Department of Commerce, United States International Trade Commission and European Commission.

XII. POLICY RECOMMENDATIONS

The following issues need to be addressed simultaneously and on priority.

XII.1 MARKET ACCESS:

TARIFF NEGOTIATIONS UNDER SAFTA

It is imperative to negotiate the reduction of Sensitive List of India for key exports of Pakistan including in particular removal of:

- Agriculture, in particular, kinnow, mangoes, other fruits and fruit juices, beer, honey. Negotiate for removal of agriculture from both sensitive lists.
- Textiles with composite duties including knit ware.
- Light engineering products, particularly fans, refrigerators, washing machines.
- Tractors.
- Footwear.
- Plastic ware.
- Light petroleum distillates.

In case tariff reduction through SAFTA is difficult to negotiate then Pakistan would consider a comprehensive FTA with India.

An FTA may also allow Pakistan and India to get a deeper harmonization of non tariff barriers.

XII.2 STANDARDS HARMONIZATION:

- Establish a single point of enquiry for TBT and SPS regulations. Changes should be disseminated through a subscription system.
- Allow PSQCA to issue certificates and conduct inspections on behalf of BIS

- Allow mutual recognition of laboratories.
- Training courses should be provided by affiliation of Metrological Institute of India with PCSIR or PSQCA.
- Training may be offered for packaging and labeling requirements via online tutorials.
- Accept pre-shipment certificates of international agencies like SGS for textiles azo dye tests.
- Extend the standards harmonization agreement to remove the requirement of establishing a branch office in India to get BIS certification.
- In order to resolve BIS license related issues Pakistani cement exporters have suggested that the BIS should do the following in the short term.
 - issue certificate valid for longer durations
 - out-source the quality inspection process to mutually acceptable international inspection bodies for e.g. Moody's International and SGS.

RECOMMENDED LIST OF PRODUCTS FOR THE MUTUAL RECOGNITION AGREEMENT

PSQCA may consider harmonization of the following two products with BIS:

Industrial Products

- Pakistan has the potential to export specialized steel pipes to India (See Section XXIII.14). However, steel pipes currently require a mandatory BIS certification.
- While BIS certification is not mandatory but is highly recommended for leather footwear.



Agricultural products

- Harmonize standards for fruit, vegetable and milk products order with FSSAI.

HARMONIZATION OF TEXTILE STANDARDS AND CERTIFICATION

India has shown a commitment to relax protocol of certification of textiles from Pakistan. As per Textile Order 2001, certification for textiles will be accepted from

- Internationally recognized labs shall be accepted.
- Pakistan National Accreditation Council (PNAC) accredited laboratories.

Given this development, Pakistan may consider a competitive incentive based scheme to encourage development of local textile labs that may then be accredited with PNAC. This would provide a more cost effective alternative to international labs.

XII.3 TRANSPORT PROTOCOLS

- Open all routes that were previously in operation before 1965. For example:
 - Munabao-Khokharapar rail route
 - Gandapur-Fazilka route
 - Sahiwal-Pakpattau road
 - Kasur-Firozpur road
 - Lahore-Patti road (Barki road)
- Provide direct shipping routes to east and south India.
 - Ships are routed through Colombo. There are no direct shipping routes to Calcutta and Chennai. Ships are routed through Colombo. There is

congestion at Colombo and ships are delayed by up to 15 days. Further if the connection in Sri Lanka is missed, there could be a further delay of 7 seven. A direct route will take only 4 days.

- Allow direct transportation from all existing dry ports without the requirement of rechecking at the port of exit.
- Allow warehouse to warehouse shipment in order to address yard capacity issues at the port.
- Allow containerized shipment at land ports.
- Improve the bilateral railway SOPs to allow 8 wheeler train wagons and more than one interchange a day.
- Allow vehicles to carry full container loads
- Ensure that containerized shipment is allowed as per the decision in April 2012 at land ports to enable FCL and ISO container mode of transport.
- Eliminate the requirement for zero balancing and increase the availability of wagons.
- Build product supply chains and appropriate land corridors for agricultural and chemical exports.
 - Dedicated cargo trains from Sukkur to Wagah
 - Establish a dry port in Sukkur and Sambrial
 - Open the Gujarat port to for cement export.
- Upgrade Kandla and Mundira ports.

XII.4 PORT INFRASTRUCTURE:

- Upgrade infrastructure (including covered sheds, automated handling, cold storage, weighbridges, fork



lifters etc.) at all ports. Also develop an ICP at the railway port.

- Provide electronically generated reports for scanners and weighbridges so they may be used as evidence in case of disputes on quantities exported.
- Install additional scanners and weigh bridges to prevent bottlenecks
- Provide auxiliary services at ports for faster clearance.
- Establish bank branches of each other's countries at ports.
- Establish certification, inspection and textile laboratories at ports
- Provide fumigation facilities at ports
- Build facility for liquid handling.

XII.5 CUSTOMS PROCEDURES:

- Allow electronic issuance of SPS, Rules of Origin and SAFTA certificates in a mutually recognized format.
- Enforce best practices identified in electronic risk management system (RMS), including opening a "green channel" for reliable importers at land ports.
- Develop inter-Customs SOPs to address classification and valuation issues.
- Make Customs SOPs available electronically.
- Encourage data sharing between Customs.
- Accept copies of the SPS certificate for fast clearance of perishables without waiting for the original to arrive via courier.
- Develop inter-Customs SOPs to address classification and valuation issues.
- For edible agricultural produce, the Customs shall also develop a data base regarding importers and import sources and products which are found to consistently fail the tests and give some feedback on the nature of the

shortcomings noted to the DGHS to serve as input for policy formulation

- Grievance re-dressal mechanism should involve the NLC, Customs and Rangers at Wagah.

CUSTOMS CLASSIFICATION

- Create an automated mapping of HS codes at level 8 to address classification issues.
- The Negative List, Sensitive List and the list of items importable from Wagah must be at HS 4 or 6. In case it is at HS level 8, a clear mapping should be provided.
- In order to promote bilateral trade, it is imperative that SAFTA duty concessions are honored at the border. This is a major blocker that has been hindering the import of refined petroleum products into Pakistan.

XII.6 VISA:

- There should be no restrictions of cities and visas should be for multiple visits.
- Till the establishment of a more facilitative mechanism, visas should be allowed on the recommendations of the Chambers of Commerce and Industry.
- Additional visa processing offices should be opened. There should be a visa office at Karachi, Lahore and Faisalabad.
- Multiple, non-reporting, multiple city visas may be granted to businessmen with an annual turnover larger than a stipulated value
- For smaller exporters, single entry visas may be granted.
- Till the time visa protocol is not relaxed, the following measure may prove effective:



- Allow daily permits to businessmen into a designated meeting area, for e.g. the PTDC motel or rangers cafeteria at Wagah. These permits are granted to truck drivers daily for a duration of 4 to 5 hours until the truck is unloaded.
- Designate visa free zones and create meeting points.

7. Banking information
8. Courier information
9. List of all required documents
10. Internal transport in India

XII.7 OTHER:

- Reduce the number of agencies which interact with exporters. In general, they should only have to deal with Customs and NLC. Anti-narcotics Force and Rangers should not intervene in normal trading activities.
- Open direct courier services, allow opening of bank branches of the other country
- SIMAP has suggested that export of intermediate products to India may be regulated with regulatory duties to maintain a competitive advantage vis à vis India in Surgical goods.
- Anti-dumping investigations. A streamlined process may be developed to address cases of anti-dumping on a proactive basis.

ONLINE PORTAL

A portal may be developed for exporters' guidance. For a given tariff line, origin, destination it should provide the following information

1. SPS and certification requirements, procedures and accredited labs
2. Packaging and labeling requirements and samples
3. Distribution channels
4. Tariffs and Para-tariffs
5. Modes of shipment and available routes
6. List of Logistics companies



XIII. IMPACT OF INDIA'S RTAs ON PAKISTAN

In recent years India has taken many steps to integrate its economy into the global free market. India signed trade agreements with other countries which led to eliminating tariffs, import quotas and preferences on most goods traded between them. Table 26 shows the various free trade agreements India has already signed:

TABLE 5: LIST OF RTAs SIGNED BY INDIA

Ser. #	Agreement	Date
1	South Asian Free Trade Area	1 st January, 2006
2	Asia-Pacific Trade Agreement	31 st July, 1975
3	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation	8 th February, 2004
4	India-Mercosur Preferential Trade Agreement	25 th January, 2004
5	India - Singapore Comprehensive Economic Cooperation Agreement (CECA)	29 th June, 2005
6	India-Sri Lanka Free Trade Agreement	28 th December, 1999
7	India-Chile Preferential Trade Agreement	20 th January, 2005
8	India-Afghanistan Preferential Trade Agreement	6 th March, 2003
9	India-Bhutan Trade Agreement	29 th July, 2006
10	India-Nepal Trade Treaty	6 th January, 1999
11	Free Trade Agreement (FTA) between India and Gulf Cooperation Council	1 st January, 2004
12	India-Japan Trade Agreement	16 th February, 2011
13	Trade Agreement between India and Bangladesh	1 st April, 2006

Source: Indian Ministry of Commerce

India's signing of various RTAs with countries across the globe has many implications for Pakistan.

The analysis focuses on the EU and major South Asian countries with which India has signed an RTA, which includes Sri Lanka and Bangladesh. We address the question of how Pakistani exports were affected after the signing of RTAs between India and these trade partners.

IMPACT ON PAKISTAN OF EU-INDIA FTA

To see the impact of the EU-India FTA on Pakistan, we focus on the issue of 'trade diversion'.⁴⁹ This FTA would lead EU purchasers to switch from importing from an efficient excluded country (Pakistan) to importing from India (which hitherto was less efficient). EU being the largest trade partner of Pakistan, studying the impact of the EU-India FTA on Pakistan is imperative.

We can study the impact on Pakistan based on the concept of 'terms of trade' whereby the prices of Pakistan's exports may be affected due to the preferences given by the EU and India to each other. For the case of Pakistan, this might be more significant than a fall in exports because this entails that for each unit Pakistan exports to the EU, it would earn less, rather than just losing marginal units of exports.

For Pakistan, the EU represents nearly 23 percent of their exports and about 16 percent of its total trade. Since one-quarter of Pakistan's exports go to the EU, Pakistani exporters would face a strong negative impact. The magnitude of this impact would depend on the level of the tariffs agreed upon by both trading partners and how deep the FTA would be. It is also important

⁴⁹ Trade diversion is when trade is diverted from a more efficient exporter towards a less efficient one due to the formation of a free trade agreement.



to see how similar the compositions of Pakistani and Indian exports to the EU are. It is observed that Pakistan's exports of textile and clothing to the EU consist of 70% of its overall exports to the EU. There is considerable overlap between what Pakistan exports to the EU and what India exports to the EU. The more the similarity between Pakistan and Indian exports, the larger the impact on the Pakistani exporter.

Both India and the EU have relatively high tariffs in the agricultural sector compared to other industries. This entails an acute impact on Pakistani exporters of agricultural goods as any reduction or elimination of tariffs on agricultural products between the two is expected to have an important effect on Pakistan's exports of agricultural products.

The more similar the export structure of a preferential vs. a non-preferential country the higher the probability of trade diversion. Using a Finger Kreinin (FK) index of trade similarity, Table 27: FK indices of import similarity shows the scenario in which the EU grants preferences to India. Column (1) examines the similarity between imports from India and imports from Pakistan in the EU market across all product categories. Column(2) gives the FK index for all tariffs lines in which India faces a positive tariff and would therefore be at advantage from the signing of the FTA. This would help us identify the similarities between the composition of EU imports from India and those from Pakistan. Column (3) takes into account two issues; first, it takes those industries where both India and Pakistan export to the EU, and secondly, where both India and Pakistan face a positive tariff. This would help us know the similarity of the import composition of the EU from partners in lines that are most likely to suffer from trade diversion. Therefore Table identified all cases where

an EU-India FTA would improve India's access to the EU vis-à-vis the tariff being currently faced by Pakistan.

For Pakistan, the FK index shows a high degree of similarity (0.259). The degree of overlap between India's and Pakistan's exports to the EU in the cases where India currently faces positive tariffs is the highest in the region (0.241). There is also considerable overlap between the exports of Pakistan and India where both trade with the EU and both faces positive tariffs (column 3). Columns 2 and 3 shows that the potential for negative effects due to an EU-India FTA would be the highest for Pakistan in the South Asian region.

TABLE 6: FK INDICES OF IMPORT SIMILARITY

Country	FK for EU imports from India and imports from Selected Partners		
	(1)	(2)	(3)
Afghanistan	0.058	0.052	0.00
Bangladesh	0.179	0.173	0.00
Bhutan	0.046	0.038	0.00
Maldives	0.016	0.013	0.00
Nepal	0.138	0.126	0.00
Pakistan	0.259	0.241	0.2
Sri Lanka	0.269	0.18	0.152

According to a study out of all the countries that are being negatively affected by the EU-India FTA, Pakistan would be the one most affected since 78.7 percent of its exports to the EU will face increased competition from India.⁵⁰

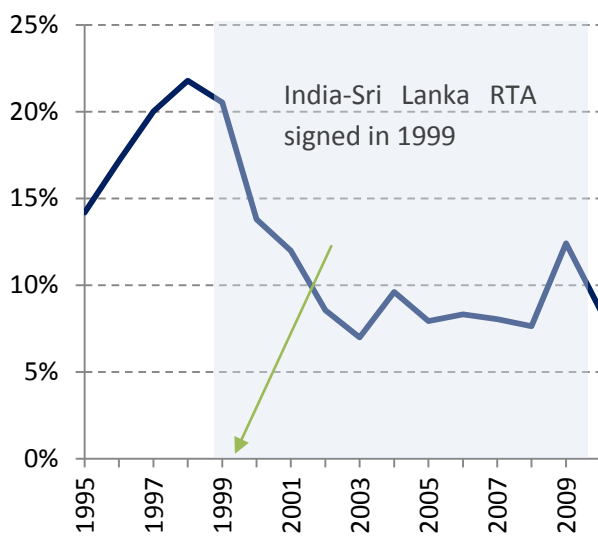
⁵⁰ An EU-India Free Trade Agreement: Reflections on the Implications for Excluded Countries, by the Centre for Analysis of Regional Integration at Sussecc (CARIS), December 2008.



IMPACT OF INDIA SRI LANKA FTA

Figure 33 shows a fall of Pakistan's exports to Sri Lanka as a percentage of India exports to the same country, related to the signature of the RTA between India and Sri Lanka in 1999. The signing of the India-Sri Lanka agreement led to a fall in Pakistani exports to Sri Lanka but this negative impact was countered once Pakistan signed a trade agreement Sri Lanka.

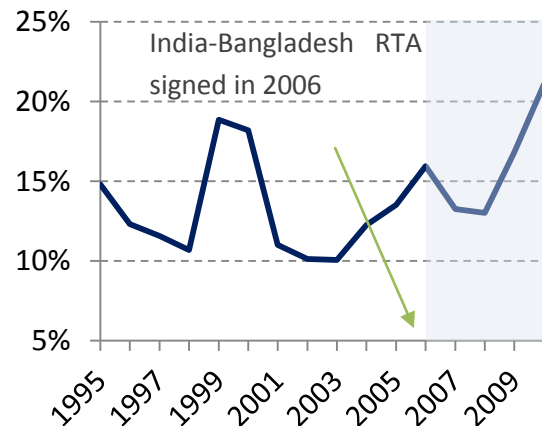
FIGURE 33: PAKISTANI EXPORTS TO SRI LANKA AS A PERCENTAGE OF INDIAN EXPORTS TO SRI LANKA



IMPACT OF INDIA BANGLADESH RTA

In Figure 34, we see the effect of the India-Bangladesh RTA on Pakistani exports as a percentage of Indian exports. This RTA was signed in 2006. Pakistani exports to Bangladesh fell in proportion to those of India until 2008. From 2008 onwards Pakistan's exports to Bangladesh as a percentage of Indian exports went down primarily because of India losing ground to China. We can attribute this once again to the better access enjoyed by Indian exporters in the Bangladeshi market, which take up the share of the market that was previously owned by Pakistani exports.

FIGURE 34: PAKISTANI EXPORTS TO BANGLADESH AS A PERCENTAGE OF INDIAN EXPORTS TO BANGLADESH



XIV. FUTURE RESEARCH

A proposed roadmap for future research is as follows:

PHASE 1	TIMELINE	STATUS
Submission of Study	First Draft: 6 th April, 2012	Done
Survey	March/April 2012	Done
10 seminars were conducted throughout the country for creating awareness amongst stakeholders.	3 rd April - 7 th May 2012	Done
Guidebook	May 2012	Done
Study	30 th June 2012	Submitted to TDAP
PHASE 2		
The scope of the current study will be expanded to cover the following components:		
<ul style="list-style-type: none"> ✓ Need assessment of the following: <ul style="list-style-type: none"> ○ Additional transport routes (sea, land) ○ Infrastructure up-gradation at ports ○ Banking channels 		
✓ Sector specific export guide booklets		
✓ Analysis of the trade defense law framework of Pakistan		
✓ Identification of products to be included in the Mutual Recognition Agreements for standards harmonization		
PHASE 3		
✓ Impact analysis of trade normalization on the domestic industry		
✓ Negotiation of reduction of tariffs under SAFTA		
✓ Review of progress on elimination of non-tariff barriers.		
✓ Elimination of Negative List for imports from India		



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XVI. APPENDICES

Appendix A CURRENT AND POTENTIAL EXPORT PROFILE TO INDIA

FIGURE 35: CURRENT EXPORTS TO INDIA, 2010

TOTAL CURRENT EXPORT: US \$ 248.4 MILLION

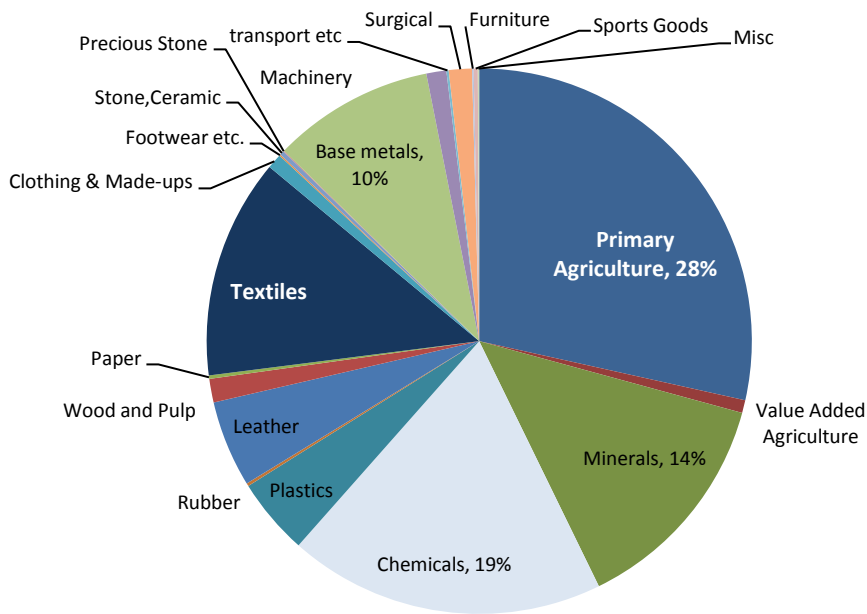


FIGURE 36: POTENTIAL EXPORTS TO INDIA: US\$ 2.7 BILLION

TOTAL INDICATIVE POTENTIAL: US \$ 2.7 BILLION

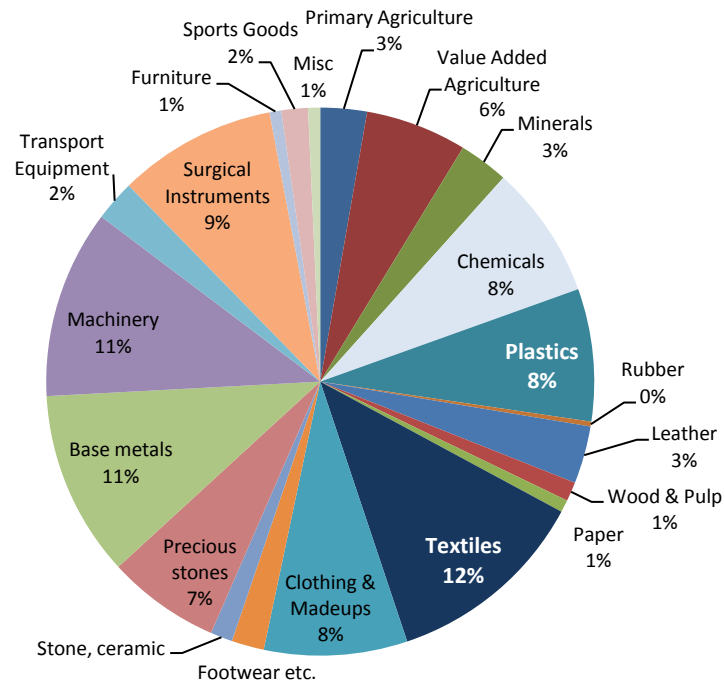
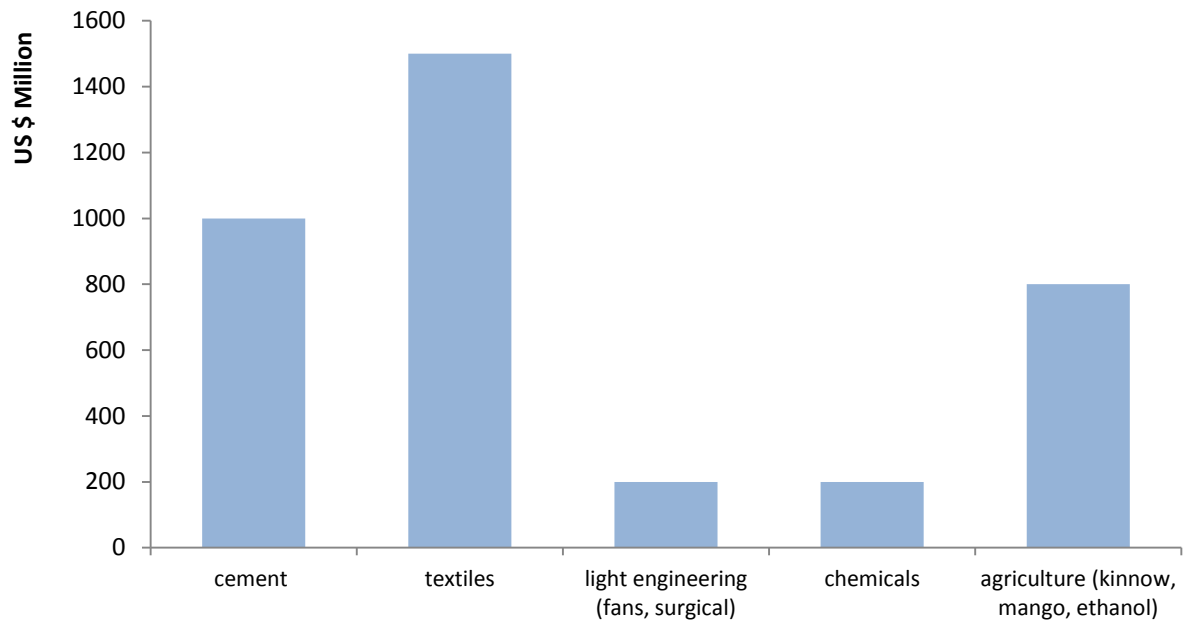


FIGURE 37: POTENTIAL EXPORTS OF MAJOR ITEMS TO INDIA BASED ON INDUSTRY ESTIMATES



Source: Industry interviews, 2012



Appendix B MAJOR EXPORTS AND IMPORTS

TABLE 7: TOP EXPORTS TO INDIA (2011)

	Product	Export (US \$ 1000)	Share in Pakistan's Exports (%)	Share in India's Imports(%)
080410	Dates	47182	73.6	98.2
252329	Portland cement	36646	8.6	99.3
291736	Terephthalic acid	18340	28.8	2.1
271019	Light petroleum distillates	9232	0.7	0.2
283620	Disodium carbonate	9162	93	24.7
740400	Waste and scrap, copper	8811	10.3	1.3
780110	Lead refined	8314	55.4	4.6
252010	Gypsum; anhydrite	6344	98.5	23
410712	Grain splits leather	6016	13	10.1
720421	Waste and scrap, stainless steel	5863	56.9	0.9
901890	Surgical instruments	5660	2.1	1
390410	Polyvinyl chloride	5289	66.7	0.6
284700	Hydrogen peroxide	4001	80	22.6
520932	Twill weave cotton fabrics, >/=85%, more than 200 g/m2, dyed	3922	2.6	53.7

TABLE 8: TOP IMPORTS FROM INDIA (2011)

Product	Export (US \$ 1000)	Share in Pakistan's Imports (%)	Share in India's Exports
Cotton, not carded or combed	291929	35.4	1.6
P-xylene	210576	40.6	8.8
Soya-bean oil	186307	99.8	9
Tomatoes	76179	98.8	1.4
Refined sugar	51484	61.3	68
Chickpeas	45807	24.9	16.9
Polypropylene	41192	10.4	73.3
Black tea	37310	10.9	1.5
Containers for compressed or liquefied gas of iron or steel	31387	45.7	0.7
O-xylene	26579	98.3	0.1
Pneumatic tires new of rubber for buses or lorries	22576	12.5	0.1



TABLE 9: FASTEST GROWING INDUSTRIAL EXPORTS TO INDIA, 2007-2011

Product	HS 6	Export Value	Rate of growth	Ad valorem tariff
Cotton yarn >85% single combed	520528	2030	273	7
Cotton yarn,>/=85%, multi, uncombed	520531	2907	217	7
Household and toilet articles of plastics	392490	307	154	10
Fluorspar	252921	226	151	5
Copper-zinc base alloys	740321	395	148	5
Portland cement, white	252321	466	144	10
Wire of refined copper	740811	293	144	5

TABLE 10: FASTEST GROWING INDUSTRIAL IMPORTS FROM INDIA, 2007-2011

Product	HS 6	Export Value	Rate of Growth	Ad valorem Tariff
Cotton yarn >85% single combed 106- 83 dtex,not retail	520527	913	529	5
Refined sugar, in solid form	170199	51484	467	12.5
Stoppers,caps,lids,seals & other packing accessories of base metal	830990	823	418	22.5
Parts of slide fasteners	960720	4473	369	20
Ion-exchangers basd on polymers	391400	409	257	5
Refrigerating or freezing equipment	841869	104	255	15
Transformers electric power handling capacity not exceeding 1 KVA,	850431	73	252	20
Leather further prepared after tanning or crusting "incl. parchment-dr	411310	446	248	0



TABLE 11: FASTEST GROWING AGRICULTURAL EXPORTS TO INDIA, 2007-2011

Product	Export	Rate of growth (%) 2007-2011	Share in Pakistan's Exports (%)	Share in India's Exports(%)	Ad valorem Tariff
Onions and shallots, fresh or chilled	2144	454	5.4	88	12.5
Shrimps	637	200	3.3	51.8	20
Vegetable products nes	61	117	2.1	3.8	20
Natural gums, resins	64	99	18.8	0.3	26.6
Fruits, fresh	21	77	0.4	1.2	12
Fruits, dried	309	77	1.4	10.3	30
Caraway seeds	253	74	67.1	10.3	30
Mucilages & thickeners derived from locust beans or guar seeds	54	68	0.1	1.6	20
Apricots, fresh	63	56	20.9	76.8	27
Uncooked pasta,	8	56	0.1	0.2	20

TABLE 12: FASTEST GROWING AGRICULTURAL IMPORTS FROM INDIA, 2007-2011

Product	Exports	Rate of Growth 2007-2011	Share of Pakistan's Imports	Share in India's Exports
Refined sugar, in solid form, nes	51484	467	61.3	8.8
Ginger	2354	425	4.6	9
Peppers of the genus Capsicum or of the genus Pimenta, fresh or chilled	1684	342	98.2	16.9
Garlic, fresh or chilled	4973	333	8.4	73.3
Mucilages & thickeners derived from locust beans & seeds or guar seeds	1711	190	66	0.1
Potatoes seed, fresh or chilled	119	189	2.3	50.6
Ground-nuts in shell not roasted or otherwise cooked	2370	162	95.9	1.8
Tomatoes, fresh or chilled	76179	134	98.8	99
Maize (corn) seed	1991	111	5.6	2.3
Fruits, dried nes	4015	109	78.5	19.7



Appendix C IMPORT POLICY OF INDIA ON HIGH POTENTIAL EXPORTS

TABLE 13: IMPORT POLICY OF INDIA ON HIGH POTENTIAL EXPORTS FROM PAKISTAN, 2009-2013

Item Description	HS 6	MFN Tariff	SAFTA Tariff	CVD	Spl. CVD	Edu Cess	Policy Conditions	Standards
Surgical Instruments	901890	7.5	7.5	16	Nil	3	None	ISO Certification
Copper scrap	740400	5	5	16	4	3	None	PSI
Copper weld wire	740819	5	Sensitive List	16	4	3	None	ISO Certification
Plastic kitchenware	392410	10	Sensitive List	16	Nil	3	None	None
Terephthalic Acid	291736	10	8	16	4	3	None	None
Soda Ash	283620	10	6.5	16	4	3	Anti- dumping \$ 5.6/tonne	None
Cement	252329	10	8	Rs. 600 per tonne	4	3	None	BIS
Fans	841451	10	Sensitive List	16	4	3	None	None
Marble	251512	10	Sensitive List	nil	4	3	Import licence	None
Washing Machines	845019	10	8	16	4	3	None	ISO Certification
Cutlery	821599	10	8	16	4	3	None	ISO Certification
Footwear (Leather)	640399	10	Sensitive List	16	4	3	None	BIS
Leather	420292	10	8	16	4	3	None	None
Refrigerators	841821	10	Sensitive List	16	4	3	None	ISO Certification



TABLE 14 IMPORT POLICY OF INDIA FOR HIGH POTENTIAL AGRICULTURAL PRODUCTS, 2009-2013

Item Description	HS 6	MFN Tariff	SAFTA Tariff	CVD	Spl. CVD	Edu Cess	Policy Conditions	Standards
Kinnow	080520	30	Sensitive List	Nil	Ntn 20/06	3	Import Permit for plant/plant material	PQ Order 2003
Mango	080450	30	Negative List	Nil	Ntn 20/06	3	Import Permit for plant/plant material	PQ Order 2003
Guava	080450	30	14	Nil	Ntn 20/06	3	Import Permit for plant/plant material	PQ Order 2003
Dates	080410	30	14	Nil	Ntn 20/06	3	Import Permit for plant/plant material	PQ Order 2003
Honey	040900	60	Sensitive List	Nil	4	3	Sanitary permit, special procedure for clearance, special notification	Food Safety and Standards
Beer	220300	100	Sensitive List	Nil	Nil	3	None	None
Orange Juice	200911	35	14	16	4	3	Food Standards and Packaging requirements under PFA (Prevention of Food Adulteration) Act applicable	Food Safety and Standards
Biscuits	190590	30	Sensitive List	8	4	3	None	Food Safety and Standards
Confectionery	170490	30	14	14	4	3	Mandatory registration of import contract with Agricultural and Processed Food Products Export Development Authority (APEDA)	Food Safety and Standards
Ethyl alcohol, denatured	220720	30	8	16	4	3	Mandatory requirements as stipulated by various State Governments	None
Shrimp	030613	30	Sensitive List	Nil	4	3		Health Protocol, Food Safety and Standards
Onion	070310	30	Sensitive List	Nil	Nil	3	Import Permit for plant/plant material	PQ Order 2003



TABLE 15 IMPORT POLICY OF INDIA ON HIGH POTENTIAL TEXTILES, 2009-2013

Product Description	HS Level 6	MFN	SAFTA	CVD	Spl. CVD	Edu Cess	Policy Conditions	Standards
Dyed cotton fabrics, knitted or crocheted, of a width of > 30 cm (excl	600622	10	Sensitive List	8	4	3	None	PSI,
T-shirts, singlet's and other vests, of cotton, knitted	610910	10% or Rs. 45 per piece, whichever is higher	Sensitive List	8	Nil	Nil	None	PSI
Men's/boys trousers and shorts, of cotton, not knitted	620342	10% or Rs. 135 per piece, whichever is higher	Sensitive List	8	Nil	Nil	None	PSI
Bedspreads of Cotton	630210	10	Sensitive List	8	4	3	None	PSI
Denim	520942	10% or Rs. 25 per sq. metre whichever is higher	8	8	4	Nil	General	PSI
Cotton yarn	520511	10	Sensitive List	8	4	3	Section 11 of Customs Act, 1962 Marking Rule[1]	None

TABLE 16: IMPORT POLICY OF INDIA FOR LAWN TEXTILES, 2009-2013

Lawn Description		HS 6	Unit	MFN	SAFTA A	CVD	Spl. CVD	Edu Cess	Policy Conditions	Standards
100% Silk Printed	100% Silk PRINT Embroidered	500720	m2	10	Neg. List	8	4	3	None	PSI
100% Cotton Printed		520851	m2	10% or Rs. 27 per sq. metre whichever is higher	8	8	4	Nil	None	PSI
100% Cotton PRINT Embroidered		520859	m2	10% or Rs. 50 per sq. metre whichever is higher	8	8	4	Nil	None	PSI
100% Cotton Plain Fabric		520839	m2	10% or Rs. 150 per sq. metre whichever is higher	8	8	4	Nil	None	PSI
GALA POLYESTER		581092	kg	10	8	8	4	3	None	PSI
LACE 100% Silk Printed	LACE 100% Silk Embroidered	580429	kg	10% or Rs. 200 per kg., whichever is higher	8	8	4	Nil	None	PSI



Appendix D LEGISLATION FOR STANDARDS & CERTIFICATIONS IN INDIA

TABLE 17: SPS LEGISLATION IN INDIA, 2011

Legislation	Description	Implementing institution
Prevention of Food Adulteration Act 1954	<ul style="list-style-type: none"> Aims to protect consumers against the supply of adulterated food Specifies minimum quality level standards for various food products The Act is mandatory; infringement may lead to fines and imprisonment 	Central Committee for Food Standards, Directorate General of Health Services (Ministry of Health and Family Welfare)
Essential Commodities Act 1954	<ul style="list-style-type: none"> Regulates the manufacture, commerce, and distribution of essential commodities, including food 	Central and state government agencies
Fruit Products Order 1955	<ul style="list-style-type: none"> Regulates the manufacture and distribution of all fruit and vegetable products, sweetened/aerated waters and vinegar & synthetic syrups The manufacture or re-labeling of products requires a license from the Ministry for Food Processing Industries. This is granted when the quality of products, sanitation, personnel, machinery, and equipment and work area standards are satisfactory 	Ministry for Food Processing Industries
Solvent Extracted Oils, De-oiled Meal, and Edible Four Control Order 1967; Vegetable Products Control Order 1976	<ul style="list-style-type: none"> Production and distribution of Vanaspati products requires a license, which is granted when products conform to the specifications laid down in the schedules 	Directorate of Vanaspati, Vegetable Oils, and Fats, Dept. of Food and Public Distribution (Ministry of Consumer Affairs, Food, and Public Distribution)
Meat Products Control Order 1973	<ul style="list-style-type: none"> Regulates the manufacture, quality, and sales of all meat products 	Directorate of Marketing and Inspection, Dept. of Agriculture and Cooperation (Ministry of Agriculture)
Milk and Milk Product Order 1992	<ul style="list-style-type: none"> Registration required by units with installed capacity for handling milk of over 10,000 litres per day, or milk products containing milk solids in excess of 500 tonnes per year 	Dept. of Animal Husbandry, Dairying, and Fisheries (Ministry of Agriculture)
Livestock Importation Act 1898 (amended in 2001)	<ul style="list-style-type: none"> Allows central government to regulate, restrict or prohibit import of animal and animal products into India 	Dept. of Animal Husbandry, Dairying, and Fisheries (Ministry of Agriculture)
Destructive Insects and Pests Act 1914	<ul style="list-style-type: none"> Regulates import of plants Aims to prevent introduction of any insects, fungus or other pest that may be destructive to crops 	Directorate of Plant Protection, Quarantine and Storage (Ministry of Agriculture)
Plant Quarantine (Regulation of Import into India) Order 2003	<ul style="list-style-type: none"> Regulates the import of plants and plant materials 	Plant Quarantine Division in the Ministry of Agriculture
Standards on Weights and Measures (Packaged Commodities) Rules 1977	<ul style="list-style-type: none"> Lays down obligatory conditions for all commodities in packed form, with respect to declarations on quantities contained 	Directorate of Weights and Measures under Dept. of Consumer Affairs (Ministry of Consumer Affairs, Food, and Public Distribution)

Source: Ministry of Industries and Trade, India



TABLE 18: EMISSION STANDARDS FOR TWO WHEELERS

Country	Emission Standard	Displacement	Emission Requirement (g/km)				Measuring Method
			HC	Noc	HC+Nox	CO	
Pakistan	Pak II	< 150 cc			1.5 g	5.5	ECER 40
		>150 cc			1.3	5.5	
India	Bharat Stage II	Gasoline	2		1.5	1.5	Durability 30,000 km
	Bharat Stage III	wheeler			1	1.0	
Brazil	Euro 3	<150 cc		0.8	0.2	2.0	UN-ECE Reg 40+ EUDC
		>/150 cc		0.3	0.2	2.0	
Japan		</125 cc		0.5	0.15	2.0	ECE R40-Cold Start ECE R40 Cold + EUDC Cold Start
		>125		0.3	0.15	2.0	

TABLE 19: MANDATORY STANDARDS IMPOSED BY BUREAU OF INDIAN STANDARDS (BIS)

Sr. No.	Indian Customs Classification	Product Description
1.	IS 1165	Milk powder
2.	IS 1166	Condensed milk, partly skimmed and skimmed condensed milk
3.	IS 1656	Milk-cereal based weaning foods
4.	IS 11536	Processed cereal based complementary foods for infants
5.	12176	Sweetened ultra high temperature treated condensed milk
6.	13334(Part 1)	Skimmed milk powder, standard grade
7.	13334(Part 2)	Skimmed milk powder, extra grade
8.	14542	Partly skimmed milk powder
9.	14433 (Part 1)	Infant milk substitute, milk protein based
10.	IS 13428	Packaged Natural Mineral Water
-11.	IS 14543	Packaged Drinking Water (Other than Packaged Natural Mineral Water)
12.	IS 269	33 Grade Ordinary Portland cement
13	IS 455	Portland Slag cement
14.	IS 1489(Pt1 & Pt2)	Portland pozzolana cement - Part 1 Fly Ash based and Part 2 Calcined Clay based
15.	IS 3466	Masonry cement
16.	IS 6452	High alumina cement for structural use
17.	IS 6909	Super sulphated cement
18.	IS 8041	Rapid hardening Portland cement
19.	IS 8042	White Portland Cement
20.	IS 8043	Hydrophobic Portland Cement
21.	IS 8112	43 Grade Ordinary Portland cement
22.	IS 8229	Oil well cement
23.	IS 12269	53 Grade Ordinary Portland cement
24.	IS 12330	Sulphate resisting Portland cement
25.	IS 12600	Low heat Portland Cement
26.	IS 302(Pt2/Sec 3)	Safety of household and similar electrical appliances -Electric Iron
27.	IS 302(Pt2/Sec 30)	Safety of household and similar electrical appliances- Electric radiators
28.	IS 302(Pt2/Sec 201)	Safety of household and similar electrical appliances - Electric immersion water heater
29.	IS 302 (Pt2/Sec 202)	Safety of household and similar electrical appliances - Electric stove
30.	IS 418	Tungsten filament general service electric lamps (upto 100 W)
31.	IS 694	PVC insulated cables for working Voltages upto and including 1100 V
32.	IS 3854	Switches for domestic and similar purposes
33.	IS 8828	Electrical Accessories - Circuit Breakers for over current protection for household and similar installations
34.	IS 9968 (Pt.1)	Elastomer insulated cables (Pt.1): For working voltages upto and including 1100 V
35.	IS 12640 (Pt.1)	Residual current operated circuit breakers for household and similar uses - (Pt.1) : Circuit breakers without integral overcurrent protection (RCCBs)
36.	IS 12640 (Pt.2)	Residual current operated circuit breakers for household and similar uses - (Pt.2) : Circuit breakers with integral overcurrent protection (RCVOs)
37.	IS 13010	AC Watt-hour meters, class 0.5, 1 & 2
38.	IS 13779	AC static watt-hour meters, class 1 & 2
39.	IS 14697	AC static transformer operated watt-hour and VAR- hour meters, class 0.2S & 0.5S
40.	IS 15111 (Pt1 & Pt 2)	Self ballasted lamps for general lighting services Part 1 Safety requirements and Part 2 Performance requirements
41.	IS 8144	Multipurpose dry batteries
42.	3055(Part 1)	Clinical Thermometers : Part 1 Solid Stem Type
43.	3055(Part 2)	Clinical Thermometers : Part 2 Enclosed Scale Type
44.	IS 1161	Steel tubes for structural purposes



45.	IS 1239(Pt1)	Mild steel tubes, tubular products and other wrought steel fittings: Part 1 Mild Steel Tubes
46.	IS 4270	Steel tubes used for water wells (upto 200 mm dia)
47.	IS 1342	Oil pressure stoves
48.	IS 2787	Multi-burner oil pressure stoves
49.	IS 10109	Oil pressure stove, offset burner type
50.	IS 3470	Hexane, Food grade
51.	IS 3196(Pt1)	Welded low carbon steel gas cylinder exceeding 5 litre water capacity for low pressure liquefiable gases: Pt1 Cylinders for liquefied petroleum gas (LPG)
52.	IS 3196(Pt2)	Welded low carbon steel gas cylinder exceeding 5-litre water capacity for low- pressure liquefiable gases: Pt 2 Cylinders for liquefiable gases other than LPG.
53.	IS 3196 (Part 4)	Welded low carbon steel cylinders exceeding 5 litre Water capacity for low pressure liquefiable gases- Specification Part 4 Cylinders for toxic and corrosive gases
54.	IS 3224	Valve fittings for compressed gas cylinder excluding liquefied petroleum gas cylinders
55.	IS 3745	Yoke type valve connections for small medical gas cylinders
56.	IS 7142	Welded low carbon steel gas cylinder for low pressure liquefiable gases not exceeding 5 litre water capacity
57.	IS 7285 (Part 1)	Refillable Seamless steel gas cylinders – Specification – Part 1: Normalized Steel Cylinders
58.	IS 7285 (Part 2)	Refillable Seamless steel gas cylinders – Specification – Part 2: Quenched and Tempered Steel Cylinders with Tensile strength less than 1 100 MPa (112 kgf/mm ²)
59.	IS 7302	Valve fittings for gas cylinder valves for use with breathing apparatus
60.	IS 7312	Welded and seamless steel dissolved acetylene gas cylinders
61.	IS 8737	Valve fittings for use with liquefied petroleum gas cylinders of more than 5 litre water capacity: Pt 2 Valve fittings for newly manufactured LPG cylinders
62.	IS 8776	Valve fittings for use with liquefied petroleum gas cylinder up to and including 5 litre water capacity
63.	IS 9798	Low pressure regulators for use with liquefied petroleum gas (LPG) mixtures
64.	IS 14899	Liquefied petroleum gas containers for automotive use
65.	IS 15100	Multifunction valve assembly for permanently fixed liquefied petroleum gas (LPG) containers for automotive use
66.	IS 7620(Pt1)	Diagnostic Medical X-Ray Equipment
67.	IS 14625	Plastic Feeding Bottles
68.	10001	Constant speed compression ignition (diesel) engines for general purposes (up to 20 KW)
69.	1785(Part 1)	Specification for plain hard-drawn steel wire for pre-stressed concrete; Part 1 Cold-drawn stress relieved wire.
70.	1785(Part 2)	Specification for plain hard-drawn steel wire for pre-stressed concrete; Part 2 as drawn wire.
71.	6003	Specification for indented wire for pre-stressed concrete.
72.	6006	Specification for uncoated stress relieved strand for pre-stressed concrete.
73.	13620	Specification for fusion bonded epoxy coated reinforcing bars.
74.	14268	Specification for uncoated stress relieved low relaxation seven ply strand for pre-stressed concrete.
75.	IS 277	Galvanized steel sheets (plain and corrugated).



TABLE 20: BIS LICENSE FEE STRUCTURE, FOR FOREIGN MANUFACTURERS CERTIFICATION SCHEME (1999) AND AMENDMENTS (2007) APPLICABLE TO CEMENT MANUFACTURERS

Type of Fee/Charges	SAARC Country ¹	Non-SAARC Country ²
Application Fee	INR 1000/-	INR 1000/-
Processing Fee	NIL	US \$ 300/-
Renewal Application Fee	INR 500/-	INR 500/-
Marking Fee (annual)	Minimum Marking Fee fixed for Large Scale Domestic Manufacturer OR Marking Fee based on Unit Rate calculation , whichever is higher	US \$ 2,000 PLUS - Marking Fee based on Unit Rate calculation
Annual License Fee	INR 1000/-	INR 1000/-
Visit Charges		
Visits prior to Grant of license or visits for considering inclusion or Resumption of Marking	INR 4000/- for first day INR 3000/- per day for subsequent days PLUS Cost of Ticket, Visa, Insurance and per-diem expenses	Cost of Ticket, Visa Insurance and per-diem expenses
Surveillance Inspection	Same as above	Same as above
Testing Charge		
Samples drawn prior to GOL or inclusion samples or samples drawn to consider RO	Borne by Applicant/Licensee on actual	Borne by Applicant/Licensee on actual
Samples drawn during Surveillance inspections	-- ³	Borne by Applicant/Licensee on actual
Market Sample	-- ³	Borne by Applicant/Licensee on actual



Appendix E SUMMARY OF NTBs BY SECTOR

Sector	Main NTB
Fruit and Vegetables	<ul style="list-style-type: none"> • Import permit, original SPS, fumigation. Only through designated ports. Lack of cold storage facilities • Certain items (e.g. onions) require air circulation and are transported in open tray top containers. When these containers lie on ground the circulation of air stops and the produce perishes when clearance is delayed. • Tedious packing standards • Theft of 2-4 kilograms on average per truck. If a bag is opened, the importer may exaggerate the amount of theft.
Ethanol	<ul style="list-style-type: none"> • License to import / transport/store and use ethanol, involving state and central government authorities. • Regulations differ from state to state and based on the end us. • GoI regulates the price of locally produced ethanol, at times even below manufacturing costs.
Textiles	<ul style="list-style-type: none"> • Pre-shipment Inspection • Shipment samples in their government labs to ensure that the dyes and colour used are non hazardous. • The company's specifications and standards are certified by the company lab and are (in rare instances) not accepted in India. • Certificates of International certification and testing labs like SJS are not accepted • Certificates of quality are issued after extensive sample testing for 3 months after which they are required to be renewed. • An SPS quarantine certificate is also required for woolen textiles. It is issued by the Health Department (Ministry of Food and Livestock) in Karachi and is accepted in India.
Fans	Valuation
Surgical	ISO
Automotive Components	ISO
Cement	<ul style="list-style-type: none"> • BIS Certification of cost US \$ 2000 for two years (one year for the first time renewal). • BIS licenses issued after an on-site inspection by BIS officials. May take one to six months to renew this licence. All travel and living expenses are covered by the exporter. • While, the Pakistan and India have recently signed an MRA, it has been reported that the Bureau of Indian Standards (BIS) is delaying the renewal of export licenses to major Pakistani cement manufacturers⁵¹. BIS officials are reluctant to visit Pakistan as the Indian Ministry of Interior has not granted an NOC to visit Pakistan on security grounds. • Limited shipping routes are available for key ports in south India (e.g. Cochin, Chennai and Calcutta) mostly routed through Colombo. • Local cement manufacturers are exporting cement to India through trains only. Therefore, only a limited quantity of cement could be exported to India.
Chemicals	<ul style="list-style-type: none"> • Chemical products have short shelf life and therefore there

⁵¹ The *Business Recorder* on 05/04/2012 reported that several Pakistani cement companies are waiting for Indian inspection to get licenses to start cement export to India.



	<p>should be proper storage facilities and should not be left out in the open sheds.</p> <ul style="list-style-type: none"> • Hazardous material in chemicals and liquid forms cannot be exported to India due to unavailability of handling facilities at dry ports in Pakistan and India.
Leather	<ul style="list-style-type: none"> • Some manufacturers are of the view that Leather products may not be competitive in price with Indian products as the main input chemicals are locally produced in India. • Exporters also requested that the export of raw hides to India may be regulated in order to protect the local manufacturers
Marble	<ul style="list-style-type: none"> • India maintains import quotas for marble and similar stones (HS 2515.11.00, 2515.12.10, 2515.12.20, and 2515.12.90). Quotas are established annually and administered on an MFN basis. • Criteria of awarding a license are revised via notifications and circulars issued by DGTP on a yearly basis⁵², thus creating an atmosphere of uncertainty. • Marble is currently on the list of 415 sensitive items whose import is monitored⁵³. There is a minimum import price of US\$ 50/kg. • As the import of marble blocks and slabs is regulated with licensing and quotas, only a few companies hold the license to import. Companies rather lend licenses at Indian Rupees 10,000 per tonne than experiment with newer varieties from Pakistan. • New importers wish to conduct a site inspection before signing a contract. However, they are reluctant to come to Pakistan, as they fear that a Pakistani visa stamp on their passport will create visa issues with western countries. • Pakistan mainly exports marble blocks as the duty is much higher for marble slab. In some cases, Pakistan has been able to secure contracts for marble slabs directly from architects working on hotel projects. • The main marble processing region is in Rajasthan. The shipment reaches the Mundira port from Karachi in 12 hours. The Bill of Lading is issued in 24 hours. Documents take another three days to courier (via Dubai) and another week for processing at the bank. As a result, demurrages are incurred. However, there is a possibility to negotiate an agreement with the shipping carrier to provide free detention for 14 days.
Automotive Components	<ul style="list-style-type: none"> • Extensive sample testing . If the sample is not per stated specifications, the landed cost of the sample is claimed from the exporter. • The ISO certification has to be submitted to the company just once and the product specification reports have to be included

⁵² DFGT Notification No. 36/2009-2014, 31 March 2010; and DGFT Circular No. 29/2009-2014, 31 March 2010.

⁵³ Department of Commerce online information, "Trade Statistics: Imports of Sensitive Items". Viewed at: <http://commerce.nic.in/tradestats/import.asp>.



	<p>with every shipment.</p> <ul style="list-style-type: none"> • Lack of fork lifters is a major barrier. This issue arises in all land ports and the sea port in Karachi. Fork lifters are required at Wagah as the consignment has to be unloaded at the port as containerized transport is not allowed. The shipment is packed in pellets of 22 tonnes each. These are heavy and risk damage if handled manually. • Obstruction by Indian CustomsAt Wagah authorities do not allow shipment of tractor parts (e.g. counter shafts and pinions) as they resemble weapons in appearance as shown in the picture. • They also expressed an apprehension regarding the demand for Pakistani products in the Indian after market of automotive parts. • Pakistani products are not competitive enough to be acceptable for OEM plants as 80-90 % inputs are imported.
Two wheelers	<ul style="list-style-type: none"> • Homologation: India has a strict homologation policy for import of vehicles. Obtaining the homologation certificate is time consuming and involves excessive red tape. This has also been reported as a concern by the motor cycle manufacturers association in EU, Association des Constructeurs Europeens de Motocycles G.E.I.E (ACEM). • India has established several testing facilities across the country as a part of the National Automotive Testing and R&D Infrastructure Project (NATRiP). Earlier the vehicles had to be tested at facilities of competitors which posed a greater problem. • Emission standards: These standards are stringent for two wheelers even as compared to EU and Japan.

Appendix F SUMMARY OF NTBs BY PORT

Port	NTBs
Wagah Road	<p>Interfacing with multiple agencies</p> <p>Repetitive and overlapping checks and processes</p> <p>Trucks not attended on a first come first serve basis.</p> <ul style="list-style-type: none"> • Arbitrary stoppages on trucks • Arbitrary weight limits on trucks • Bottlenecks due to only one scanner and weigh bridge • Weight measurement records are handwritten and cannot be used as evidence in case of theft or a dispute with buyer on delivered weight. • Manual loading/unloading • No cold storage facility • No liquid handling facility • Only one route • Containerised shipments and 22 wheelers recently allowed in 2012, but not operational due to weight limits and extra charges by NLC
Wagah Rail	<p>8 wheelers are not allowed</p> <p>Less than 1 interchange a day due to various reasons (no labourers, no diesel, no capacity in the yard etc.)</p> <p>Broken scanner</p>
Karachi Sea port	<p>Limited sea routes to South and East India</p> <p>Indirect routes via Colombo. If a vessel is missed cargo is stranded for up to a week in Colombo</p> <p>Misperception that only national flag vessels can carry cargo despite liberalisation of the shipping protocol in 2006</p>

Appendix G EXPORT PROFILES AT PORTS

FIGURE 38: EXPORT PROFILE AT WAGAH

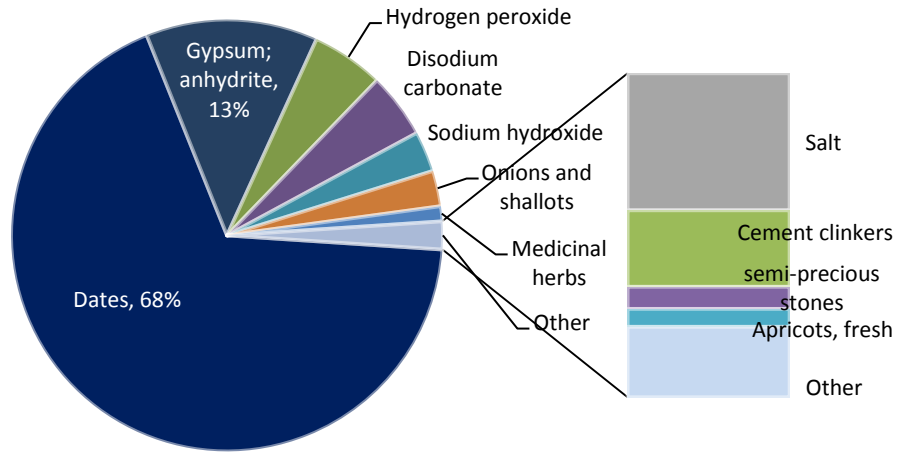


FIGURE 39: EXPORT PROFILE AT KARACHI PORT

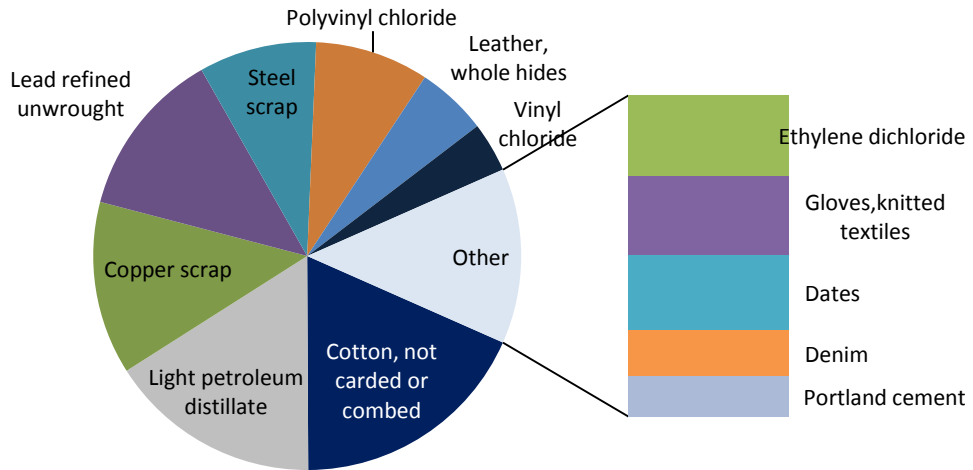


FIGURE 40: EXPORT PROFILE AT THE INTERCHANGE

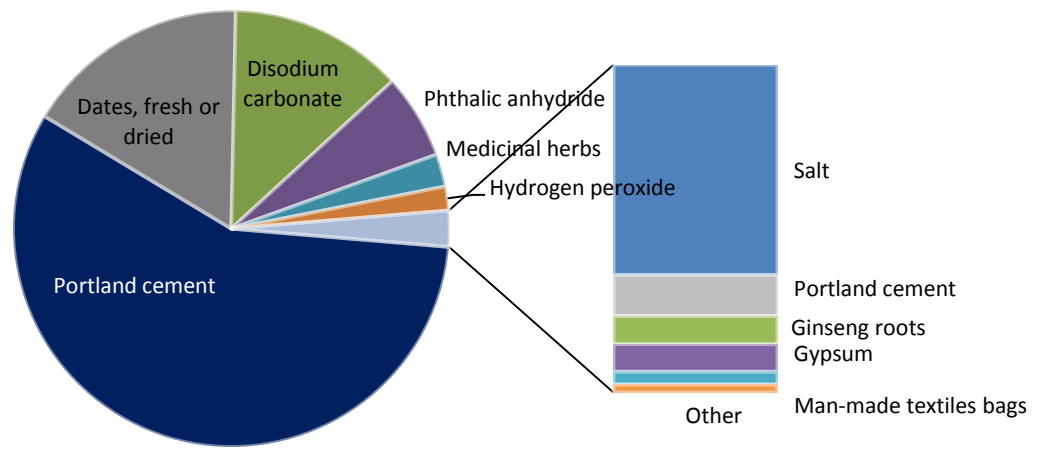
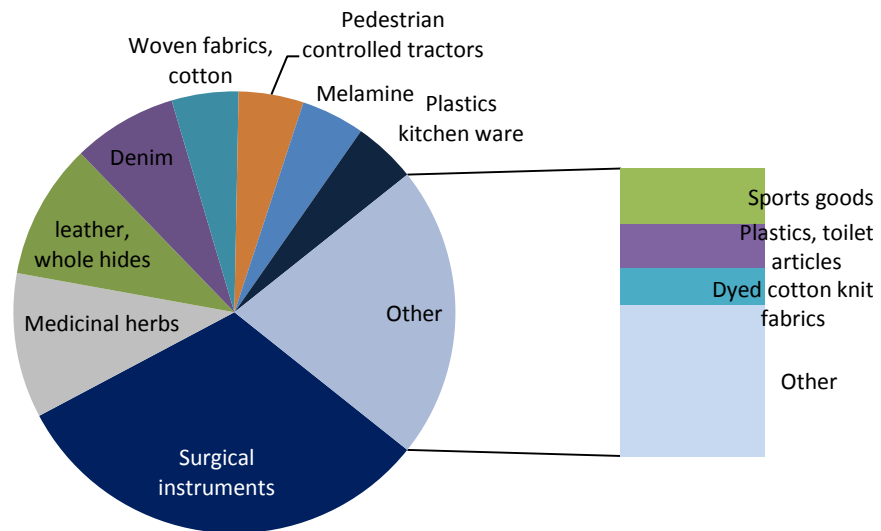


FIGURE 41: EXPORT PROFILE AT SAMJHOTA EXPRESS



Appendix H HIGH POTENTIAL EXPORTS

This lists the products that have been identified to have a significant potential in this study. The products have been selected as per the following criteria:

- Net RCA > 0
- Minimum Indicative Potential > US \$ 1 Million
 - Minimum Indicative Potential for product $p = \min(\text{Global Import of India } p, \text{Global Export of Pakistan } p) - \text{Export of Pakistan to India } p$

HS 6	Product Description	India RCA	Pakistan RCA	Net RCA	Potential Export	Current Export
Total					1456033	131072
080410	Dates, fresh/dried	0.0441	58.6144	58.5703	3393	49018
252329	Portland cement (excl. white cement, whether/not a	1.9634	40.6431	38.6797	16799	25655
290315	1,2-Dichloroethane (ethylene dichloride)	0.0001	11.4281	11.428	6662	11056
291736	Terephthalic acid & its salts	0.0201	1.3192	1.2991	10022	7843
283620	Sodium carbonate	0.5975	4.5724	3.9749	6241	6876
740400	Copper waste & scrap	0.1166	1.3254	1.2088	38167	4343
410799	Leather further prepared after tanning/crusting, i	3.9918	10.3208	6.329	20361	3012
520819	Woven fabrics of cotton (excl. of 5208.11-5208.13)	3.5695	73.4531	69.8836	6506	2688
520511	Cotton yarn, single (excl. sewing thread), of unco	7.1021	128.2538	121.152	4561	2466
520931	Woven fabrics of cotton, containing 85%/more by we	4.6463	12.9394	8.2931	4142	2121
901890	Instruments & appliances used in medical/surgical/	0.2032	3.8636	3.6604	216974	2026
410719	Leather further prepared after tanning/crusting, i	3.2284	38.7869	35.5585	19330	1916
520932	Woven fabrics of cotton, containing 85%/more by we	2.0946	67.8807	65.7861	5981	1834
410449	Tanned/crust hides & skins of bovine (incl. buffal	3.0074	13.8658	10.8584	13833	1543
520942	Woven fabrics of cotton, containing 85%/more by we	2.6258	49.9833	47.3575	16385	1517
520832	Woven fabrics of cotton, containing 85%/more by we	1.3506	10.5934	9.2428	15283	954
611699	Gloves, mittens & mitts, knitted/crocheted, other	0.4309	51.3033	50.8724	2698	786
520829	Woven fabrics of cotton (excl. of 5208.21-5208.23)	2.8236	24.1162	21.2926	4332	600
411390	Leather further prepared after tanning/crusting, i	0.882	117.1079	116.226	3815	556
520851	Woven fabrics of cotton, containing 85%/more by we	2.0674	53.2227	51.1553	2094	388
901849	Instruments & appliances used in dental sciences (	0.0738	2.2622	2.1884	11443	373
631090	Used/new rags, scrap twine, cordage, rope & cables	1.608	34.9121	33.3041	12705	354
391890	Floor coverings of plastics other than polymers of	0.6455	3.4847	2.8392	2994	317
600690	Knitted/crocheted fabrics, n.e.s. in Ch.60	1.2067	4.1879	2.9812	3615	253
520831	Woven fabrics of cotton, containing 85%/more by we	2.1652	68.6996	66.5344	7790	220
950699	Articles & equip. for sports, n.e.s. in Ch.95 (exc	0.7816	5.4990	4.7174	34403	190
252921	Fluorspar, containing by weight 97%/less of calciu	0.0127	6.5635	6.5508	1201	180
520929	Woven fabrics of cotton (excl. of 5209.21 & 5209.2	3.2586	25.7023	22.4437	1105	173
950662	Inflatable balls	3.0517	82.0302	78.9785	2828	156
520833	Woven fabrics of cotton, containing 85%/more by we	0.8951	10.0716	9.1765	1701	151
251512	Marble & travertine, merely cut, by sawing/othw.,	0.9519	19.4730	18.5211	23600	132
390799	Polystyrene (excl. of 3907.10-3907.91), in primary	0.2752	1.4263	1.1511	15850	127
630790	Other made-up textile articles, incl. dress patter	1.1791	2.5176	1.3385	8661	104
710310	Precious stones (excl. diamonds) & semi-precious s	2.9659	6.0444	3.0785	2998	102
551311	Woven fabrics of polyester staple fibres, containi	0.5808	94.0872	93.5064	1853	98
411200	Leather further prepared after tanning/crusting, i	6.4043	32.7723	26.368	2072	97
081310	Apricots, dried	0.0251	2.3806	2.3555	1419	95
520811	Woven fabrics of cotton, unbleached, containing 85	9.5237	34.2515	24.7278	7549	93
220720	Ethyl alcohol & other spirits, denatured, of any s	0.3096	46.7068	46.3972	66532	86
520852	Woven fabrics of cotton, containing 85%/more by we	1.5653	10.2185	8.6532	2635	85
681599	Articles of stone/of other mineral substance, n.e.	0.4598	5.7565	5.2967	8156	68
600622	Knitted/crocheted fabrics, n.e.s. in Ch.60, of cot	0.8007	5.6463	4.8456	11266	55
630419	Bedspreads other than knitted/crocheted	19.5671	27.1164	7.5493	13150	45
521213	Woven fabrics of cotton (excl. of 52.08-52.11), dy	2.7429	107.3356	104.593	2432	29
620333	Men's/boys' jackets & blazers (excl. knitted/croch	1.012	4.0317	3.0197	1289	29
610910	T-shirts, singlets & other vests, knitted/crochete	5.3159	8.7306	3.4147	9052	28
551211	Woven fabrics of synthetic staple fibres, containi	3.1873	6.9948	3.8075	2950	24
730690	Tubes, pipes & hollow profiles of iron (excl. cast	4.011	35.5050	31.494	69154	22
520822	Woven fabrics of cotton, containing 85%/more by we	1.6144	22.3384	20.724	1041	19
190219	Uncooked pasta, not stuffed/othw. prepared, not co	0.1112	1.2508	1.1396	5826	18
630190	Blankets (excl. electric) & travelling rugs other	2.7859	34.6819	31.896	6440	17
080290	Nuts, n.e.s. in 08.01 & 08.02, fresh/dried, whethe	0.3615	2.2805	1.919	3249	17



HS 6	Product Description	India RCA	Pakistan RCA	Net RCA	Potential Export	Current Export
611599	Other n.e.s. in 61.15, knitted/crocheted, of other	0.366	81.6157	81.2497	3361	15
620462	Women's/girls', trousers, bib & brace overalls, br	1.5813	12.3180	10.7367	6475	12
821300	Scissors, tailors' shears & similar shears, & blad	0.1339	6.1375	6.0036	2360	12
620342	Men's/boys' trousers, bib & brace overalls, breech	1.6289	24.0245	22.3956	15649	11
821420	Manicure/pedicure sets & instr. (incl. nail files)	1.2627	85.4047	84.142	2809	8
631010	Used/new rags, scrap twine, cordage, rope & cables	2.3331	8.7218	6.3887	1618	8
420329	Gloves, mittens & mitts, of leather/composition le	10.2005	47.2176	37.0171	1010	7
950669	Balls other than golf/table-tennis/lawn-tennis/inf	2.5403	24.9925	22.4522	2177	6
420310	Articles of apparel, of leather/composition leathe	15.6871	66.1095	50.4224	1460	5
521142	Woven fabrics of cotton, containing <85% by weight	0.8679	50.9951	50.1272	2356	5
551323	Dyed Woven fabrics of synthetic, polyester staple	0.7991	21.7943	20.9952	1839	3
630710	Floor-cloths, dish-cloths, dusters & similar clean	1.5713	125.8199	124.249	1444	2
610510	Men's/boys' shirts, knitted/crocheted, of cotton	7.3012	51.4701	44.1689	3213	2
580710	Labels, badges & similar articles of textile mater	0.535	4.1646	3.6296	6173	2
620339	Men's/boys' jackets & blazers (excl. knitted/croch	1.5185	36.6118	35.0933	1194	1
640320	Footwear with outer soles of leather & uppers whic	9.2134	15.4243	6.2109	8513	1
390319	Polystyrene other than expansible, in primary form	0.8926	2.4552	1.5626	16328	1
521021	Woven fabrics of cotton, containing <85% by weight	0.5449	356.3239	355.779	2851	0
521212	Woven fabrics of cotton (excl. of 52.08-52.11), un	1.6621	273.5608	271.899	1180	0
521215	Woven fabrics of cotton (excl. of 52.08-52.11), pr	6.5628	171.1581	164.595	1325	0
521031	Woven fabrics of cotton, containing <85% by weight	0.7153	118.3903	117.675	6127	0
252390	Hydraulic cements (e.g., slag cement, supersulphat	0.9622	89.2931	88.3309	1967	0
520531	Cotton yarn, mult./cab. (excl. sewing thread), of	19.0552	106.6548	87.5996	2807	0
630399	Curtains (incl. drapes) & interior blinds (excl. k	5.095	89.9927	84.8977	2637	0
620799	Men's/boys' singlets & other vests, bathrobes, dre	1.1166	79.8938	78.7772	4585	0
520513	Cotton yarn, single (excl. sewing thread), of unco	10.6953	79.8618	69.1665	2632	0
520812	Woven fabrics of cotton, unbleached, containing 85	3.0778	66.0492	62.9714	1866	0
620349	Men's/boys' trousers, bib & brace overalls, breech	2.6076	54.9646	52.357	1296	0
170310	Cane molasses	6.5916	56.9160	50.3244	1317	0
261000	Chromium ores & concentrates	4.1998	44.9625	40.7627	15784	0
520299	Cotton waste other than yarn waste (incl. thread w	8.2788	42.3339	34.0551	2072	0
520921	Woven fabrics of cotton, containing 85%/more by we	4.7647	25.2654	20.5007	1662	0
551219	Woven fabrics of synthetic staple fibres, containi	1.3729	21.6153	20.2424	12096	0
720510	Granules of pig iron, spiegeleisen, iron/steel	0.0768	12.8315	12.7547	7246	0
520841	Woven fabrics of cotton, containing 85%/more by we	1.6792	14.3297	12.6505	4666	0
611190	Babies' garments & clothing accessories, of other	2.0043	13.9610	11.9567	1749	0
151620	Vegetable fats & oils & fractions thereof , partly	2.132	13.2530	11.121	4564	0
390760	Poly(ethylene terephthalate), in primary forms	3.1406	13.0254	9.8848	40733	0
600590	Warp knit fabrics, including those made on galloon	0.5992	9.6228	9.0236	1081	0
630510	Sacks & bags, of a kind used for the packing of go	22.5462	30.8050	8.2588	7847	0
170230	Glucose & glucose syrup, not containing fructose/c	0.6196	8.5211	7.9015	4283	0
620469	Women's/girls', trousers, bib & brace overalls, br	1.2771	9.0783	7.8012	1159	0
620332	Men's/boys' jackets & blazers (excl. knitted/croch	1.3152	8.9539	7.6387	1197	0
841451	Table/floor/wall/window/ceiling/roof fans, with a	0.417	7.9598	7.5428	33666	0
081090	Fresh fruit, n.e.s. in Ch. 8	0.6711	8.2075	7.5364	4444	0
300310	Medicaments containing penicillins/derivatives the	0.521	7.2576	6.7366	3268	0
740312	Wire-bars of refined copper, unwrought	0.1392	6.7202	6.581	1462	0
740321	Copper-zinc base alloys (brass), unwrought	0.7148	7.2112	6.4964	6808	0
630590	Sacks & bags, of a kind used for the packing of go	2.5051	8.6611	6.156	1098	0
282720	Calcium chloride	0.0963	5.6522	5.5559	1382	0
230690	Oil-cake & other solid residues, whether/not groun	12.8109	18.1626	5.3517	6179	0
741820	Sanitary ware & parts thereof , of copper	1.7317	7.0539	5.3222	7233	0
840710	Spark-ignition reciprocating/rotary internal combu	0.2168	5.5142	5.2974	11024	0
600522	Warp knit fabrics. incl. those made on galloon kni	0.095	5.3767	5.2817	1458	0
400400	Waste, parings & scrap, of rubber (excl. hard rubb	3.1877	7.8165	4.6288	1170	0
420340	Clothing accessories (excl. of 4203.21-4203.30), o	4.7775	9.1958	4.4183	1071	0
560790	Twine, cordage, ropes & cables of fibres n.e.s. o	3.3298	7.4417	4.1119	2429	0
940490	Other articles of bedding & similar furnishing (eg	3.3872	7.4897	4.1025	7788	0
852110	Video recording/repr. apparatus, whether/ not incor	0.0858	4.1319	4.0461	2530	0
580790	Labels, badges & similar articles of textile mater	0.8552	4.8512	3.996	1537	0
761519	Table/kitchen/other h-hold. articles & parts there	1.5636	5.5093	3.9457	8377	0
960200	Worked vegetable/mineral carving material & articl	4.6879	8.3142	3.6263	9450	0
640319	Sports footwear other than ski-boots/cross-country	0.6535	4.1850	3.5315	7864	0
610610	Women's/girls' blouses, shirts & shirt-blouses, kn	5.1792	8.6585	3.4793	1577	0
300510	Adhesive dressings & other articles having an adhe	0.4516	3.8865	3.4349	4971	0
040229	Milk in powder/granules/other solid form, sweetene	2.5874	5.8832	3.2958	2785	0
600532	Warp knit fabrics. incl. those made on galloon kni	0.0391	3.1770	3.1379	6672	0
340119	Soap & organic surface-active products & preparati	0.8251	3.9581	3.133	7377	0



HS 6	Product Description	India RCA	Pakistan RCA	Net RCA	Potential Export	Current Export
730290	Railway/tramway track construction material of iron	1.1095	4.1443	3.0348	2751	0
470692	Pulps of fibres derived from recovered (waste & scrap)	0.0116	3.0284	3.0168	1028	0
283919	Silicates of sodium other than sodiummetasilicates	1.2361	4.2250	2.9889	2093	0
391590	Waste, parings & scrap, of plastics n.e.s. in 39.1	0.3263	3.2298	2.9035	17577	0
720529	Powders, of pig iron, spiegeleisen, iron/steel (excl. of 7205.29.10)	0.3741	3.1886	2.8145	2597	0
845019	Household/laundry-type washing machines (incl. of 8450.19.10)	0.7432	3.4958	2.7526	2127	0
740819	Copper wire, of refined copper (excl. of 7408.11)	0.8699	3.5737	2.7038	14859	0
821220	Safety razor blades, incl. razor blade blanks in sets	0.3851	2.8513	2.4662	7706	0
843830	Machinery for sugar manufacture	9.8358	12.2517	2.4159	3521	0
392490	Household articles & toilet articles (excl. tableware)	0.3507	2.7554	2.4047	11853	0
844590	Machinery for producing textile yarns & machines for spinning	0.8971	3.2601	2.363	1320	0
441840	Shuttering for concrete constructional work, of wood	0.0918	2.3700	2.2782	1352	0
740313	Billets of refined copper, unwrought	0.0348	2.2964	2.2616	1593	0
701310	Glassware of a kind used for table/kitchen/toilet/	0.7678	2.9876	2.2198	1778	0
480519	Fluting paper (excl. semi-chemical/straw fluting paper)	0.0321	2.1384	2.1063	2632	0
392340	Spools, cops, bobbins & similar supports, of plastic	0.2218	2.1589	1.9371	2384	0
845899	Lathes other than horizontal lathes (incl. turning lathes)	0.4772	2.3421	1.8649	1444	0
300339	Medicaments containing hormones/other products of animal origin	2.0874	3.8600	1.7726	5637	0
611780	Other made up clothing accessories, other than shoes	0.6691	2.2955	1.6264	1779	0
392390	Articles for the conveyance/packing of goods, of plastic	0.6777	2.2014	1.5237	17623	0
600642	Knitted/crocheted fabrics, n.e.s. in Ch.60, of artificial	0.0421	1.5443	1.5022	2352	0
300590	Wadding, gauze, bandages & similar articles (eg. of cotton)	0.7971	2.2883	1.4912	8007	0
391510	Waste, parings & scrap, of polymers of ethylene	0.1392	1.5466	1.4074	4397	0
840682	Steam turbines & other vapour turbines (excl. for power)	0.4652	1.6910	1.2258	2371	0
040299	Milk & cream, concentrated (excl. in powder), sweetened	0.0313	1.2191	1.1878	1223	0
401390	Inner tubes, of rubber (excl. of 4013.10 & 4013.20)	2.0711	3.2578	1.1867	1481	0
320890	Paints & varnishes (incl. enamels & lacquers, excl. of 3208.10)	0.1312	1.2934	1.1622	12927	0
441299	Plywood, veneered panels&similar laminated wood, of other	0.0995	1.2613	1.1618	2923	0
170490	Sugar confectionery other than chewing gum (incl. of 1704.90.10)	0.2411	1.3478	1.1067	10516	0
711319	Articles of jewellery & parts thereof, of other precious	6.6559	7.7343	1.0784	178117	0
291732	Diocetyl orthophthalates	0.1181	1.1842	1.0661	1478	0
200990	Mixtures of juices, unfermented & not containing alcohol	0.082	1.1413	1.0593	2385	0



Appendix I HIGH POTENTIAL TEXTILES (HS CHAPTER 50-63)

The following numbers are based on data from UN COMTRADE, 2010 and are sorted according to exports levels.

HS 6	Product Description	India RCA	Pakistan RCA	Potential Export (US \$ 1000)	Current Export (US \$ 1000)
520819	Woven fabrics of cotton (excl. of 5208.11-5208.13)	3.5695	73.4531	6506	2688
520511	Cotton yarn, single (excl. sewing thread), of unco	7.1021	128.2538	4561	2466
520931	Woven fabrics of cotton, containing 85%/more by we	4.6463	12.9394	4142	2121
520528	Cotton yarn, single (excl. sewing thread), of comb	14.525	20.8831	824	1869
520932	Woven fabrics of cotton, containing 85%/more by we	2.0946	67.8807	5981	1834
520959	Woven fabrics of cotton (excl. of 5209.51 & 5209.5	3.6675	41.3377	948	1691
520942	Woven fabrics of cotton, containing 85%/more by we	2.6258	49.9833	16385	1517
520832	Woven fabrics of cotton, containing 85%/more by we	1.3506	10.5934	15283	954
611699	Gloves, mittens & mitts, knitted/crocheted, other	0.4309	51.3033	2698	786
520622	Cotton yarn, single (excl. sewing thread), of comb	3.2875	25.1128	156	602
520829	Woven fabrics of cotton (excl. of 5208.21-5208.23)	2.8236	24.1162	4332	600
520851	Woven fabrics of cotton, containing 85%/more by we	2.0674	53.2227	2094	388
520912	Woven fabrics of cotton, containing 85%/more by we	2.7473	141.2385	745	373
631090	Used/new rags, scrap twine, cordage, rope & cables	1.608	34.9121	12705	354
520939	Woven fabrics of cotton (excl. of 5209.31 & 5209.3	3.6611	27.9550	771	335
600690	Knitted/crocheted fabrics, n.e.s. in Ch.60	1.2067	4.1879	3615	253
520831	Woven fabrics of cotton, containing 85%/more by we	2.1652	68.6996	7790	220
611692	Gloves, mittens & mitts, knitted/crocheted, other	0.9425	68.8175	504	197
520929	Woven fabrics of cotton (excl. of 5209.21 & 5209.2	3.2586	25.7023	1105	173
520833	Woven fabrics of cotton, containing 85%/more by we	0.8951	10.0716	1701	151
560129	Wadding; other articles of wadding other than of c	0.9926	55.0693	833	146
551412	Woven fabrics of polyester staple fibres, containi	9.6547	102.2433	295	130
630790	Other made-up textile articles, incl. dress patter	1.1791	2.5176	8661	104
551311	Woven fabrics of polyester staple fibres, containi	0.5808	94.0872	1853	98
520811	Woven fabrics of cotton, unbleached, containing 85	9.5237	34.2515	7549	93
520852	Woven fabrics of cotton, containing 85%/more by we	1.5653	10.2185	2635	85
520859	Woven fabrics of cotton, containing 85%/more by w	5.7031	29.0435	801	61
611610	Gloves, mittens & mitts, knitted/crocheted, impreg	0.6183	7.6841	515	56
600622	Knitted/crocheted fabrics, n.e.s. in Ch.60, of cot	0.8007	5.6463	11266	55
520839	Woven fabrics of cotton (excl. of 5208.31-5208.33)	1.7877	28.3188	692	48
531090	Woven fabrics of jute/other textile bast fibres of	33.3791	87.8419	721	47
630419	Bedspreads other than knitted/crocheted	19.5671	27.1164	13150	45
520922	Woven fabrics of cotton, containing 85%/more by we	1.4829	39.5444	563	43
630900	Worn clothing & other worn articles	0.7814	1.2794	5655	38
521213	Woven fabrics of cotton (excl. of 52.08-52.11), dy	2.7429	107.3356	2432	29
620333	Men's/boys' jackets & blazers (excl. knitted/croch	1.012	4.0317	1289	29
610910	T-shirts, singlets & other vests, knitted/crochete	5.3159	8.7306	9052	28
620412	Women's/girls' suits (excl. knitted/crocheted), of	6.0046	44.7509	16	25
551211	Woven fabrics of synthetic staple fibres, containi	3.1873	6.9948	2950	24
520822	Woven fabrics of cotton, containing 85%/more by we	1.6144	22.3384	1041	19
521222	Woven fabrics of cotton (excl. of 52.08-52.11), bl	2.6856	335.9570	20	18
551411	Woven fabrics of polyester staple fibres, containi	3.7454	145.3172	17	17
630190	Blankets (excl. electric) & travelling rugs other	2.7859	34.6819	6440	17
611599	Other n.e.s. in 61.15, knitted/crocheted, of other	0.366	81.6157	3361	15
540784	Woven fabrics (excl. of 5407.10-5407.30), containi	0.6766	3.2114	209	15
620791	Men's/boys' singlets & other vests, bathrobes, dre	2.4106	89.9116	156	14
520911	Woven fabrics of cotton, containing 85%/more by we	9.1096	367.6653	666	13
521019	Woven fabrics of cotton(excl. of 5210.11), contain	1.068	48.6463	237	13



HS 6	Product Description	India RCA	Pakistan RCA	Potential Export (US \$ 1000)	Current Export (US \$ 1000)
521111	Woven fabrics of cotton, containing <85% by weight	3.8352	121.9495	101	12
620462	Women's/girls', trousers, bib & brace overalls, br	1.5813	12.3180	6475	12
620342	Men's/boys' trousers, bib & brace overalls, breech	1.6289	24.0245	15649	11
610799	Men's/boys' bathrobes, dressing gowns & similar ar	0.3111	16.0220	61	11
620891	Women's/girls' singlets & other vests, briefs, pan	4.1376	15.4349	26	11
610990	T-shirts, singlets & other vests, knitted/crochete	1.4215	2.4068	4170	10
621120	Ski suits (excl. knitted/crocheted)	0.2976	0.9377	41	9
631010	Used/new rags, scrap twine, cordage, rope & cables	2.3331	8.7218	1618	8
590390	Textile fabrics impregnated/coated/covered/laminat	0.5315	1.3527	6283	7
521142	Woven fabrics of cotton, containing <85% by weight	0.8679	50.9951	2356	5
620892	Women's/girls' singlets & other vests, briefs, pan	1.0272	1.6539	63	5
520611	Cotton yarn, single (excl. sewing thread), of unco	9.2237	34.5443	112	4
600624	Knitted/crocheted fabrics, n.e.s. in Ch.60, of cot	1.0948	6.8998	703	4
540239	Textured yarn other than sewing thread (excl. of 5	0.7309	1.9700	258	4
510320	Waste of wool/of fine animal hair, incl. yarn wast	2.2	109.2825	828	3
521112	Woven fabrics of cotton, containing <85% by weight	0.1141	35.4827	268	3
551323	Dyed Woven fabrics of synthetic, polyester staple	0.7991	21.7943	1839	3
630710	Floor-cloths, dish-cloths, dusters & similar clean	1.5713	125.8199	1444	2
610510	Men's/boys' shirts, knitted/crocheted, of cotton	7.3012	51.4701	3213	2
610690	Women's/girls' blouses, shirts & shirt-blouses, kn	2.2774	45.5470	575	2
611710	Shawls, scarves, mufflers, mantillas, veils & the	3.0703	9.6938	858	2
580710	Labels, badges & similar articles of textile mater	0.535	4.1646	6173	2
620343	Men's/boys' trousers, bib & brace overalls, breech	1.4339	3.7458	650	2
600129	Looped pile fabrics, of other textile materials (e	0.0422	0.5654	32	2
600632	Knitted/crocheted fabrics, n.e.s. in Ch.60, of syn	0.0727	0.0809	421	2
610349	Men's/boys' trousers, bib & brace overalls, breech	0.9849	66.6372	513	1
620339	Men's/boys' jackets & blazers (excl. knitted/croch	1.5185	36.6118	1194	1
621600	Gloves, mittens & mitts (excl. knitted/crocheted)	0.9419	16.8983	585	1
620899	Women's/girls' singlets & other vests, briefs, pan	1.555	4.8391	185	1
611693	Gloves, mittens & mitts, knitted/crocheted, other	0.8716	3.8656	294	1
620413	Women's/girls' suits (excl. knitted/crocheted), of	1.7753	3.4229	6	1
551229	Woven fabrics of synthetic staple fibres, containi	0.2861	1.2989	636	1
630239	Bed linen (excl. knitted/crocheted), of textile ma	3.488	467.9711	68	0
521221	Woven fabrics of cotton (excl. of 52.08-52.11), un	4.1074	453.0900	11	0
521051	Woven fabrics of cotton, containing <85% by weight	0.2426	432.8088	743	0
521021	Woven fabrics of cotton, containing <85% by weight	0.5449	356.3239	2851	0
630210	Bed linen, knitted/crocheted	2.1402	350.6214	258	0
520813	Woven fabrics of cotton, unbleached, containing 85	1.8864	312.2139	886	0
551312	Woven fabrics of polyester staple fibres, containi	0.238	288.3518	1	0
520532	Cotton yarn, multiple(folded)/cabled . (excl. sewi	7.4327	283.4760	1	0
610590	Men's/boys' shirts, knitted/crocheted, of other te	1.3577	273.5694	133	0
521212	Woven fabrics of cotton (excl. of 52.08-52.11), un	1.6621	273.5608	1180	0
551341	Woven fabrics of polyester staple fibres, containi	0.3899	247.4745	94	0
521011	Woven fabrics of cotton, containing <85% by weight	0.6293	233.2011	807	0
521211	Woven fabrics of cotton (excl. of 52.08-52.11), bl	4.5928	229.6729	365	0
520512	Cotton yarn, single (excl. sewing thread), of unco	6.663	221.3553	71	0
551441	Woven fabrics of polyester staple fibres, containi	4.6535	212.2088	55	0
610339	Men's/boys' jackets & blazers, knitted/crocheted,	2.7948	204.8830	243	0
520919	Woven fabrics of cotton (excl. of 5209.11 & 5209.1	3.8535	181.7526	254	0
630229	Bed linen (excl. knitted/crocheted), printed, of t	2.4332	179.4306	133	0
521059	Woven fabrics of cotton(excl. of 5210.51), contain	0.9394	170.1195	319	0
521215	Woven fabrics of cotton (excl. of 52.08-52.11), pr	6.5628	171.1581	1325	0
520210	Yarn waste (incl. thread waste), of cotton	1.8333	164.1413	788	0
551644	Woven fabrics of artificial staple fibres containi	2.2072	153.2120	3	0
620322	Men's/boys' ensembles (excl. knitted/crocheted), o	1.295	139.5555	214	0
521223	Woven fabrics of cotton (excl. of 52.08-52.11), dy	1.4149	137.3407	424	0
620729	Men's/boys' nightshirts & pyjamas (excl. knitted/c	4.8567	138.7804	4	0
630231	Bed linen (excl. knitted/crocheted), of cotton (ex	13.3163	140.6874	7	0



HS 6	Product Description	India RCA	Pakistan RCA	Potential Export (US \$ 1000)	Current Export (US \$ 1000)
521029	Woven fabrics of cotton(excl. of 5210.21), contain	1.0659	127.3106	222	0
521031	Woven fabrics of cotton, containing <85% by weight	0.7153	118.3903	6127	0
580430	Hand-made lace in the piece/in strips/in motifs, o	2.4294	116.0876	278	0
551313	Woven fabrics of polyester staple fibres (excl. of	1.0791	98.6697	15	0
520531	Cotton yarn, mult./cab. (excl. sewing thread), of	19.0552	106.6548	2807	0
630399	Curtains (incl. drapes) & interior blinds (excl. k	5.095	89.9927	2637	0
520821	Woven fabrics of cotton, containing 85%/more by we	8.4077	92.1577	563	0
570110	Carpets & other textile floor coverings, knotted,	18.5422	99.5162	807	0
521225	Woven fabrics of cotton (excl. of 52.08-52.11), pr	6.2775	87.1065	25	0
620799	Men's/boys' singlets & other vests, bathrobes, dre	1.1166	79.8938	4585	0
580219	Terry towelling & similar woven terry fabrics (exc	3.8289	82.0294	1	0
630260	Toilet linen & kitchen linen, of terry towelling/s	11.4458	87.6578	435	0
520514	Cotton yarn, single (excl. sewing thread), of unco	6.847	80.9850	130	0
540774	Woven fabrics (excl. of 5407.10-5407.30), containi	4.6335	78.1843	549	0
630629	Tents, Of other textile materials, other than of s	1.1047	70.7503	486	0
520513	Cotton yarn, single (excl. sewing thread), of unco	10.6953	79.8618	2632	0
520812	Woven fabrics of cotton, unbleached, containing 85	3.0778	66.0492	1866	0
630259	Table linen (excl. knitted/crocheted), of other te	5.8101	67.7738	23	0
630319	Curtains (incl. drapes) & interior blinds, knitted	3.7753	63.1512	19	0
630391	Curtains (incl. drapes) & interior blinds (excl. k	19.2036	72.0613	33	0
620349	Men's/boys' trousers, bib & brace overalls, breech	2.6076	54.9646	1296	0
551120	Yarn other than sewing thread, of synthetic staple	1.4425	50.4356	161	0
611219	Track suits, knitted/crocheted, of textile materia	1.0751	49.8675	19	0
520300	Cotton, carded/combed	5.5353	53.9108	331	0
540771	Woven fabrics (excl. of 5407.10-5407.30), containi	0.8575	44.7503	275	0
551321	Woven fabrics of polyester staple fibres, containi	0.7484	43.2432	145	0
520951	Woven fabrics of cotton, containing 85%/more by we	2.7196	44.3150	391	0
610190	Men's/boys' overcoats, car-coats, capes, cloaks, a	1.1342	39.3289	113	0
610719	Men's/boys' underpants & briefs, knitted/crocheted	0.7792	38.1826	38	0
520299	Cotton waste other than yarn waste (incl. thread w	8.2788	42.3339	2072	0
510330	Waste of coarse animal hair	0.1621	33.2922	41	0
551130	Yarn other than sewing thread, of artificial stapl	0.9262	33.2223	1	0
630520	Sacks & bags, of a kind used for the packing of go	8.4274	39.7288	317	0
580220	Terry towelling & similar woven terry fabrics (exc	1.0746	31.8962	26	0
521039	Woven fabrics of cotton (excl. of 5210.31 & 5210.3	0.7536	30.0677	410	0
620829	Women's/girls' nightdresses & pyjamas (excl. knitt	1.998	27.3044	155	0
520420	Cotton sewing thread, put up for RS	7.4839	32.7169	508	0
521151	Woven fabrics of cotton, containing <85% by weight	0.3678	25.3237	157	0
610439	Women's/girls' jackets & blazers, knitted/crochete	0.6754	24.6459	236	0
610329	Men's/boys' ensembles, of other textile materials	0.7935	24.1558	22	0
610729	Men's/boys' nightshirts & pyjamas, knitted/crochet	2.9383	25.8386	4	0
610419	Women's/girls' suits, of other textile materials o	4.5952	26.1533	147	0
521032	Woven fabrics of cotton, containing <85% by weight	0.2363	21.4560	388	0
630539	Sacks & bags, of a kind used for the packing of go	2.2306	22.9328	435	0
520921	Woven fabrics of cotton, containing 85%/more by we	4.7647	25.2654	1662	0
551219	Woven fabrics of synthetic staple fibres, containi	1.3729	21.6153	12096	0
520612	Cotton yarn, single (excl. sewing thread), of unco	1.6572	21.6991	158	0
621112	Swimwear (excl. knitted/crocheted), women's/girls'	0.3278	19.6574	60	0
540772	Woven fabrics (excl. of 5407.10-5407.30), containi	0.7681	19.6958	958	0
520952	Woven fabrics of cotton, containing 85%/more by we	0.3614	19.1466	119	0
630240	Table linen, knitted/crocheted	10.378	29.0956	288	0
551349	Printed & Woven fabrics of synthetic staple fibres	2.465	20.9440	626	0
520542	Cotton yarn, multiple(folded)/cabled . (excl. sewi	5.5729	23.4311	274	0
610791	Men's/boys' bathrobes, dressing gowns & similar ar	5.8987	22.9453	128	0
620422	Women's/girls' ensembles (excl. knitted/crocheted)	4.3915	21.3635	101	0
580124	Warp pile fabrics (excl. of 58.02/58.06), ?pingl?	0.1308	17.0490	23	0
551642	Woven fabrics of artificial staple fibres containi	1.0765	17.8927	336	0
551331	Woven fabrics of polyester staple fibres, containi	2.4822	18.3736	24	0



HS 6	Product Description	India RCA	Pakistan RCA	Potential Export (US \$ 1000)	Current Export (US \$ 1000)
510220	Coarse animal hair, not carded/combed	0.0813	15.3364	0	0
551421	Woven fabrics of polyester staple fibres, containi	0.4573	15.1832	33	0
620319	Men's/boys' suits (excl. knitted/crocheted), of ot	1.7202	16.1250	623	0
610899	Women's/girls' nTgligTs, bathrobes, dressing gowns	1.0561	14.5220	7	0
611090	Jerseys, pullovers, cardigans, waist-coats & simil	0.4249	13.4882	331	0
621111	Swimwear (excl. knitted/crocheted), men's/boys'	0.131	13.1647	61	0
630130	Blankets (excl. electric) & travelling rugs, of co	13.6565	26.4004	93	0
520841	Woven fabrics of cotton, containing 85%/more by we	1.6792	14.3297	4666	0
520823	Woven fabrics of cotton, containing 85%/more by we	6.457	18.6402	229	0
610290	Women's/girls' overcoats, car-coats, capes, cloaks	0.452	12.5477	28	0
551443	Woven fabrics of polyester staple fibres (excl. of	1.5394	13.5754	21	0
600621	Knitted/crocheted fabrics, n.e.s. in Ch.60, of cot	7.4066	19.3862	266	0
611190	Babies' garments & clothing accessories, of other	2.0043	13.9610	1749	0
620419	Women's/girls' suits (excl. knitted/crocheted), of	3.8221	15.5098	62	0
610332	Men's/boys' jackets & blazers, knitted/crocheted,	1.9645	13.5090	183	0
630251	Table linen (excl. knitted/crocheted), of cotton	29.0571	39.5919	35	0
620119	Men's/boys overcoats, raincoats, car coats, capes,	0.4824	10.5200	23	0
610469	Women's/girls' trousers, bib & brace overalls, bre	0.9896	10.9480	785	0
521119	Woven fabrics of cotton (excl. of 5211.11 & 5211.1	0.8664	10.3590	23	0
521049	Woven fabrics of cotton(excl. of 5210.41), contain	0.7198	10.1511	236	0
610819	Women's/girls' slips & petticoats, knitted/crochet	2.0076	11.3312	62	0
600590	Warp knit fabrics, including those made on galloon	0.5992	9.6228	1081	0
600521	Warp knit fabrics. incl. those made on galloon kni	0.496	9.2633	223	0
560110	Sanitary towels & tampons, napkins & napkin liners	0.1442	8.7459	81	0
611212	Track suits, knitted/crocheted, of synthetic fibre	0.1321	8.5560	82	0
630291	Toilet linen & kitchen linen other than of terry f	13.6451	21.9952	43	0
630510	Sacks & bags, of a kind used for the packing of go	22.5462	30.8050	7847	0
610839	Women's/girls' nightdresses & pyjamas, knitted/cro	2.1318	10.3114	49	0
630499	Textile furnishing articles other than bedspreads	10.445	18.6168	562	0
610120	Men's/boys' overcoats, car-coats, capes, cloaks, a	1.9487	10.0844	73	0
620819	Women's/girls' slips & petticoats (excl. knitted/c	4.1822	12.3124	24	0
620219	Women's/girls' overcoats, raincoats, car-coats, ca	0.6547	8.6662	134	0
530290	True hemp (Cannabis sativa L.), processed but not	0.0057	7.8898	1	0
620469	Women's/girls', trousers, bib & brace overalls, br	1.2771	9.0783	1159	0
620332	Men's/boys' jackets & blazers (excl. knitted/croch	1.3152	8.9539	1197	0
560729	Twine (excl. binder/bailer twine), cordage, ropes	3.428	10.9056	589	0
630222	Bed linen (excl. knitted/crocheted), printed, of m	4.2069	11.1334	7	0
630221	Bed linen (excl. knitted/crocheted), printed, of c	5.6065	12.5249	33	0
630411	Bedspreads, knitted/crocheted	5.03	11.8765	250	0
551422	Woven fabrics of polyester staple fibres, containi	0.6187	7.4480	209	0
520623	Cotton yarn, single (excl. sewing thread), of comb	2.4793	9.2941	73	0
600534	Warp knit fabrics. incl. those made on galloon kni	0.0013	6.8135	896	0
620329	Men's/boys' ensembles (excl. knitted/crocheted), o	1.2362	8.0463	17	0
560121	Wadding; other articles of wadding, of cotton	2.8574	9.6617	626	0
630612	Tarpaulins, awnings & sunblinds, of synthetic fibr	0.2233	6.9946	62	0
520291	Garnetted stock of cotton	0.2058	6.7197	10	0
610520	Men's/boys' shirts, knitted/crocheted, of man-made	0.6443	7.0628	143	0
630232	Bed linen (excl. knitted/crocheted), of man-made f	2.2744	8.4759	17	0
630590	Sacks & bags, of a kind used for the packing of go	2.5051	8.6611	1098	0
520546	Cotton yarn, multiple(folded)/cabled . (excl. sewi	29.9193	35.7225	1	0
620341	Men's/boys' trousers, bib & brace overalls, breech	1.4983	7.1332	569	0
610342	Men's/boys' trousers, bib & brace overalls, breech	3.2099	8.7358	308	0
521159	Woven fabrics of cotton (excl. of 5211.51 & 5211.5	1.1647	6.6233	75	0
521152	Woven fabrics of cotton, containing <85% by weight	0.0025	5.4594	480	0
610811	Women's/girls' slips & petticoats, knitted/crochet	0.4616	5.8122	48	0
600522	Warp knit fabrics. incl. those made on galloon kni	0.095	5.3767	1458	0
621139	Track suits (excl. knitted/crocheted), men's/boys'	1.1839	6.1526	216	0
610413	Women's/girls' suits, knitted/crocheted, of synthe	4.5262	9.4508	41	0



HS 6	Product Description	India RCA	Pakistan RCA	Potential Export (US \$ 1000)	Current Export (US \$ 1000)
610462	Women's/girls' trousers, bib & brace overalls, bre	3.6013	7.9704	935	0
611211	Track suits, knitted/crocheted, of cotton	1.8369	6.1608	42	0
610130	Men's/boys' overcoats, car-coats, capes, cloaks, a	0.2593	4.4280	111	0
551291	Woven fabrics of synthetic staple fibres (excl. of	0.2999	4.4270	35	0
560790	Twine, cordage, ropes & cables of fibres n.e.s. o	3.3298	7.4417	2429	0
621220	Girdles & panty-girdles & parts thereof , whether/	0.0655	4.1163	282	0
580790	Labels, badges & similar articles of textile mater	0.8552	4.8512	1537	0
600390	Knitted/crocheted fabrics other than of wool/fine	0.2308	4.1969	112	0
620719	Men's/boys' underpants & briefs (excl. knitted/cro	0.5643	4.5064	89	0
520543	Cotton yarn, multiple(folded)/cabled . (excl. sewi	11.1553	14.9669	3	0
520624	Cotton yarn, single (excl. sewing thread), of comb	1.8924	5.5905	2	0
551641	Woven fabrics of artificial staple fibres containi	0.1546	3.7179	3	0
611490	Other garments, n.e.s., of other textile materials	1.4907	4.9807	688	0
610610	Women's/girls' blouses, shirts & shirt-blouses, kn	5.1792	8.6585	1577	0
551319	Woven fabrics of synthetic staple fibres n.e.s. in	1.8557	5.2992	228	0
610821	Women's/girls' briefs & panties, knitted/crocheted	3.9524	7.1993	472	0
600532	Warp knit fabrics. incl. those made on galloon kni	0.0391	3.1770	6672	0
621590	Ties, bow ties & cravats (excl. knitted/crocheted)	1.1714	4.3040	241	0
620822	Women's/girls' nightdresses & pyjamas (excl. knitt	1.1266	4.1746	72	0
620199	Men's/boys', anoraks (incl. ski-jackets), wind-che	1.0508	3.9397	130	0
630699	Camping goods (excl. of 6306.49), of textile mater	0.3054	3.1827	298	0
510510	Wool & fine/coarse animal hair, carded	2.1405	4.9950	287	0
610461	Women's/girls' trousers, bib & brace overalls, bre	0.6709	3.4178	1	0
521132	Woven fabrics of cotton, containing <85% by weight	0.1679	2.8494	841	0
610333	Men's/boys' jackets & blazers, knitted/crocheted,	0.4794	3.1173	366	0
521131	Woven fabrics of cotton, containing <85% by weight	0.7647	3.3142	312	0
540730	Woven fabrics of synthetic filament yarn as spec.	0.8532	3.2996	206	0
621132	Track suits (excl. knitted/crocheted), men's/boys'	1.9593	4.1275	52	0
550953	Yarn other than sewing thread, of polyester staple	12.6678	14.6595	117	0
510219	Fine animal hair, not carded/combed, other than of	0.0068	1.9478	150	0
630622	Tents, of synthetic fibres	0.0363	1.8357	547	0
620721	Men's/boys' nightshirts & pyjamas (excl. knitted/c	4.3979	6.1694	78	0
610343	Men's/boys' trousers, bib & brace overalls, breech	0.4226	2.1903	421	0
610322	Men's/boys' ensembles, knitted/crocheted, of cotto	4.1889	5.9529	50	0
630619	Tarpaulins, awnings & sunblinds, of other textile	1.623	3.3052	319	0
610829	Women's/girls' briefs & panties, knitted/crocheted	0.1163	1.7764	20	0
611780	Other made up clothing accessories, other than sha	0.6691	2.2955	1779	0
620212	Women's/girls' overcoats, raincoats, car-coats, ca	0.506	2.0483	332	0
600642	Knitted/crocheted fabrics, n.e.s. in Ch.60, of art	0.0421	1.5443	2352	0
630312	Curtains (incl. drapes) & interior blinds, knitted	0.3637	1.8622	247	0
620811	Women's/girls' slips & petticoats (excl. knitted/c	2.0761	3.5464	7	0
620312	Men's/boys' suits (excl. knitted/crocheted), of sy	0.5063	1.9656	92	0
620690	Women's/girls' blouses, shirts & shirt-blouses (ex	3.0453	4.4506	314	0
611249	Women's/girls' swimwear, knitted/crocheted, of tex	0.4817	1.8764	80	0
610722	Men's/boys' nightshirts & pyjamas, knitted/crochet	0.5834	1.9714	5	0
551110	Yarn other than sewing thread, of synthetic staple	1.3057	2.5855	398	0
620439	Women's/girls' jackets & blazers (excl. knitted/cr	1.1596	2.4188	413	0
510121	Wool, not carded/combed, degreased, not carbonised	0.0247	1.2150	931	0
551221	Woven fabrics of synthetic staple fibres, containi	3.0268	4.1241	106	0
600641	Knitted/crocheted fabrics, n.e.s. in Ch.60, of art	0.1567	1.2285	28	0
610230	Women's/girls' overcoats, car-coats, capes, cloaks	0.2096	1.1894	78	0
610429	Women's/girls' ensembles of other textile material	1.1441	2.0710	12	0
510211	Fine animal hair, not carded/combed, of Kashmir (c	0.0001	0.8931	43	0
610459	Women's/girls' skirts & divided skirts, knitted/cr	1.3681	2.2433	41	0
540269	Synthetic filament yarn other than sewing thread (	1.2934	2.1042	1221	0
550520	Waste (incl. noils, yarn waste & garnetted stock)	0.244	1.0511	38	0
610711	Men's/boys' underpants & briefs, knitted/crocheted	5.8319	6.6353	560	0
610432	Women's/girls' jackets & blazers, knitted/crochete	1.6405	2.4121	157	0



610449	Women's/girls' dresses, knitted/crocheted, of text	3.3997	4.1304	171	0
520710	Cotton yarn (excl. sewing thread) containing 85%/m	3.2444	3.9733	133	0
530921	Woven fabrics of flax, containing< 85% by weight o	0.9932	1.6633	124	0
611019	Jerseys, pullovers, cardigans, waist-coats & simil	0.8289	1.4944	72	0
600121	Looped pile fabrics, of cotton, knitted/crocheted	0.1181	0.6974	11	0
560500	Metallised yarn, whether/not gimped, being textile	0.3746	0.9394	275	0
550992	Yarn other than sewing thread, of synthetic staple	1.8835	2.4440	153	0
610891	Women's/girls' nTgligTs, bathrobes, dressing gowns	3.4531	4.0066	435	0
590110	Textile fabrics coated with gum/amylaceous substan	0.096	0.6005	99	0
620590	Men's/boys' shirts (exclud. knitted/crocheted), of	4.379	4.8481	913	0
590700	Textile fabrics othw. impregnated, coated/covered;	0.3312	0.7317	914	0
510111	Wool, not carded/combed, greasy, incl. fleece-wash	0.0011	0.3977	133	0
611231	Men's/boys' swimwear, knitted/crocheted, of synthe	0.0689	0.4523	62	0
611691	Gloves, mittens & mitts, knitted/crocheted, other	0.0451	0.4283	42	0
600310	Knitted/crocheted fabrics of wool/fine animal hair	0.9624	1.3333	12	0
621230	Corselettes & parts thereof , whether/not knitted/	0.1653	0.5082	53	0
620299	Women's/girls' anoraks (incl. ski-jackets), wind-c	0.8357	1.1047	263	0
550190	Synthetic filament tow, n.e.s	0.1764	0.4059	25	0
610431	Women's/girls' jackets & blazers, knitted/crochete	0.4395	0.6610	29	0
620432	Women's/girls' jackets & blazers (excl. knitted/cr	1.4062	1.6228	532	0
520411	Cotton sewing thread, not put up for retail sale,	7.4393	7.5757	358	0
540261	Yarn other than sewing thread, mult./cab., of nylo	0.2653	0.4013	203	0
610463	Women's/girls' trousers, bib & brace overalls, bre	0.3765	0.5092	599	0
600544	Warp knit fabrics. incl. those made on galloon kni	0.0185	0.1503	5	0
600320	Knitted/crocheted fabrics of cotton, a width not >	1.3577	1.4863	79	0
621133	Track suits (excl. knitted/crocheted), men's/boys'	0.5711	0.6922	186	0
521041	Woven fabrics of cotton, containing <85% by weight	0.3119	0.4179	234	0
551339	Other Woven fabrics of synthetic staple fibres, of	4.4942	4.5934	169	0
620193	Men's/boys', anoraks (incl. ski-jackets), wind-che	0.1211	0.1998	705	0
540490	Strip & the like (e.g., artificial straw) of synth	0.5057	0.5831	210	0
620112	Men's/boys overcoats, raincoats, car coats, capes,	0.6358	0.7039	229	0
611239	Men's/boys' swimwear, knitted/crocheted, of other	0.326	0.3837	14	0
600199	Pile fabrics & terry fabrics, knitted/crocheted (e	0.0498	0.0895	19	0
621020	Garments made up of fabrics of 59.03/59.06/59.07,	0.3049	0.3443	48	0
591190	Textile products & articles, for technical uses, s	0.2462	0.2803	775	0
630720	Life-jackets & life-belts	0.5536	0.5725	292	0
621030	Garments made up of fabrics of 59.03/59.06/59.07,	0.082	0.0975	5	0
600122	Looped pile fabrics, of man-made fibres, knitted/c	0.0168	0.0295	16	0
551299	Woven fabrics of synthetic staple fibres (excl. of	0.4849	0.4967	188	0
540773	Woven fabrics (excl. of 5407.10-5407.30), containi	0.8434	0.8544	232	0
551611	Woven fabrics of artificial staple fibres containi	0.0867	0.0941	32	0
	Total			360876	

Appendix J HIGH POTENTIAL AGRICULTURE ITEMS

The following numbers are based on data from UN COMTRADE, 2010 and are sorted according to exports levels.

Where the indicative potential is shown as 0, it implies that currently all Indian imports in this category are from Pakistan.

Potential of kinnow exports does not figure high in the table below as the kinnow is not separately classified at 6 digit level. However, considering India's high rate of growth of citrus fruits and Pakistan's high export of kinnows, it is likely to emerge as a one of the top items of exports from Pakistan. It should also be noted that currently kinnow is subject to 30 per cent duty in India which is a deterrent to gaining market access.

Export of mango is also not up to its potential because of high duties and non tariff barriers.

HS 6	Product Description	India RCA	Pakistan RCA	Potential Export (US \$ 1000)	Current Export (US \$ 1000)
			Total	236311	56426
080410	Dates, fresh/dried	0.0441	58.6144	3393	49018
121190	Plants & parts of plants, incl. seeds & fruits, of	5.7044	3.5124	6650	2313
200911	Orange juice, frozen, unfermented & not containing	0.0004	2.366	631	1067
130190	Lac; Natural gums (excl. of 1301.20), resins, gum-	11.8778	1.0824	0	746
091099	Spices, n.e.s. in Ch. 9	10.355	20.3816	779	742
030613	Shrimps & prawns, whether/not in shell, frozen	6.6297	2.2042	1620	528
200980	Juice of any single fruit/vegetable (excl. of 2009	2.1095	3.0529	6514	374
091091	Mixtures of 2/more products of different headings	6.9817	42.5261	117	209
120799	Oil seeds & oleaginous fruits (excl. of 1206.00 &	3.1928	1.2871	533	205
080620	Grapes, dried	0.1379	0.0718	16	127
070310	Onions & shallots, fresh/chilled	6.2889	4.9993	2477	120
090940	Seeds of caraway	3.7034	6.8616	244	98
081310	Apricots, dried	0.0251	2.3806	1419	95
220720	Ethyl alcohol & other spirits, denatured, of any s	0.3096	46.7068	66532	86
090950	Seeds of fennel; juniper berries	15.5432	7.4742	144	83
130232	Mucilages & thickeners, whether/not modified, deri	37.7317	23.1017	2017	65
120740	Sesamum seeds, whether/not broken	18.6519	3.954	8161	52
081340	Dried fruit (excl. of 08.01-08.06 & 0813.10-0813.3	1.3304	32.7134	706	41
140490	Vegetable products.(excl. of 1404.20), n.e.s.or in	7.8396	5.2515	2665	35
210690	Food preparations, n.e.s.	0.5636	0.3447	12204	28
091010	Ginger	2.317	0.4319	403	26
050690	Bones & horn-cores, unworked, defatted, simply pre	7.4263	8.1897	6	25
220710	Undenatured ethyl alcohol of an alcoholic strength	0.4334	11.8615	661	23
190219	Uncooked pasta, not stuffed/othw. prepared, not co	0.1112	1.2508	5826	18
080290	Nuts, n.e.s. in 08.01 & 08.02, fresh/dried, whethe	0.3615	2.2805	3249	17
081320	Prunes, dried	0.0002	0.0101	2	5
090930	Seeds of cumin	29.9602	15.3291	1235	3
080420	Figs, fresh/dried	0.0193	0.2797	126	3
230990	Preparations of a kind used in animal feeding othe	0.2415	0.2149	3338	3
190190	Malt extract; food preparations of flour/groats/me	0.828	0.1206	924	3
080212	Almonds, shelled	0.0324	0.2493	989	1
080250	Pistachios	0.0128	0.0304	61	1
030339	Flat fish (excl. of 0303.31-0303.33) [see list of	1.1001	206.0045	34	0
100640	Broken rice	0.4567	156.7168	0	0
100630	Semi-milled/wholly milled rice, whether/not polish	10.4146	102.2694	102	0
080590	Citrus fruit (excl. of 0805.10-0805.50), fresh/dri	0.667	82.4032	13	0
030329	Salmonidae (excl. of 0303.21 & 0303.22), frozen (e	0.2055	69.6891	73	0
170310	Cane molasses	6.5916	56.916	1317	0
020450	Meat of goats, fresh/chilled/frozen	0.9956	52.0253	0	0
030510	Flours, meals & pellets of fish, fit for human con	0.1409	39.3613	0	0
050710	Ivory; ivory powder & waste	0.0009	31.448	0	0
030349	Tunas (excl. of 0303.41-0303.46), frozen (excl. fi	0.5074	31.2939	11	0
030624	Crabs, whether/not in shell, other than frozen	2.1131	29.2261	0	0



071231	Mushrooms of the genus Agaricus, dried, whole/cut/	1.3026	27.4757	91	0
010519	Live ducks/geese/guinea fowls, weighing not >185g	0.0467	26.1539	606	0
071090	Mixtures of vegetables, uncooked/cooked by steamin	0.2438	22.0813	0	0
010639	Live birds (excl. of 0106.31 & 0106.32)	0.1582	21.1473	0	0
230650	Oil-cake & other solid residues, whether/not groun	0.6659	21.0027	527	0
020110	Carcasses/half-carcasses of bovine animals, fresh/	0.2475	19.4132	0	0
030569	Fish other than herrings (Clupea harengus/pallasii	0.133	18.2733	0	0
230690	Oil-cake & other solid residues, whether/not groun	12.8109	18.1626	6179	0
080520	Mandarins, incl. tangerines & satsumas; clementine	0	17.7129	77	0
010420	Live goats	2.2984	17.4182	0	0
080450	Guavas, mangoes & mangosteens, fresh/dried	1.0533	15.4541	93	0
120890	Flours & meals of oil seeds/oleaginous fruits othe	2.2093	14.2271	51	0
170410	Chewing gum, whether/not sugar-coated	0.4128	14.0811	781	0
151620	Vegetable fats & oils & fractions thereof , partly	2.132	13.253	4564	0
070190	Potatoes other than seed potatoes, fresh/chilled	0.8901	11.8087	0	0
030229	Flat fish (excl. of 0302.21-0302.23) [see list of	0.1711	11.4184	0	0
030623	Shrimps & prawns, whether/not in shell, other than	1.6803	11.3889	236	0
090910	Seeds of anise/badian	1.2217	8.8931	608	0
140420	Cotton linters	14.3115	8.5492	0	0
170230	Glucose & glucose syrup, not containing fructose/c	0.6196	8.5211	4283	0
081090	Fresh fruit, n.e.s. in Ch. 8	0.6711	8.2075	4444	0
010210	Live bovine animals: pure-bred breeding animals	0.0046	8.1861	0	0
110100	Wheat/meslin flour	0.6429	8.1185	754	0
050790	Tortoise-shell, whalebone & whalebone hair, horns,	11.6042	7.5812	39	0
121300	Cereal straw & husks, unprepared, whether/not chop	0.5625	7.493	486	0
030530	Fish fillets, dried/salted/in brine but not smoked	0.0281	7.2614	0	0
110610	Flour, meal & powder of the dried leguminous veget	15.8967	7.1797	0	0
091030	Turmeric (curcuma)	53.623	7.1731	1966	0
140110	Bamboos	1.3004	6.9599	540	0
040229	Milk in powder/granules/other solid form, sweetene	2.5874	5.8832	2785	0
120922	Clover (Trifolium spp.) seed, of a kind used for s	0.0003	5.656	728	0
230641	Oil-cake & other solid residues, whether/not groun	1.5842	5.6178	0	0
110290	Cereal flour other than of wheat/meslin/rye/maize(	1.5588	5.1409	177	0
050400	Guts, bladders & stomachs of animals (other than f	0.3226	5.0725	0	0
030559	Dried fish other than cod (Gadus morhua/ogac/macro	3.973	4.8036	641	0
030379	Fish (excl. of 0303.71 - 0303.78),n.e.s., frozen (	2.2791	4.5129	123	0
040110	Milk & cream, not concentrated/sweetened, fat cont	0.133	4.1342	0	0
230230	Bran, sharps & other residues, whether/not in the	0.0193	4.0706	296	0
110812	Maize (corn) starch	1.4553	3.9516	795	0
030374	Mackerel (Scomber scombrus/australasicus/japonicus	3.0272	3.8672	49	0
090420	Fruits of the genera Capsicum/Pimenta, dried/crush	17.3971	3.7931	1308	0
020610	Edible offal of bovine animals, fresh/chilled	0.0878	3.7295	0	0
230240	Bran, sharps & other residues, whether/not in the	0.3818	3.7288	998	0
160420	Prepared/preserved fish other than whole/in pieces	1.8508	3.6974	70	0
030376	Eels (Anguilla spp.), frozen (excl. fillets/other	1.31	3.6236	0	0
030223	Sole (Solea spp.), fresh/chilled (excl. fillets/ot	0.001	3.5513	0	0
120921	Lucerne (alfalfa) seed, of a kind used for sowing	0.3954	3.4166	0	0
160415	Mackerel, prepared/preserved, whole/in pieces (exc	0.0299	3.3447	0	0
030614	Crabs, whether/not in shell, frozen	0.3182	3.286	71	0
040120	Milk & cream, not concentrated/sweetened, fat cont	0.0226	3.2446	0	0
030333	Sole (Solea spp.), frozen (excl. fillets/other fis	1.6007	3.2071	0	0
020410	Carcasses/half-carcasses of lamb, fresh/chilled	2.61	3.0049	0	0
030622	Lobsters (Homarus spp.), whether/not in shell, oth	0.015	2.9265	0	0
070990	Vegetables,n.e.s. in 07.01-07.09, fresh/chilled	1.2186	2.7835	420	0
230610	Oil-cake & other solid residues, whether/not groun	1.6661	2.7679	0	0
040390	Buttermilk/curdled milk & cream/kephir & other fer	0.0092	2.6988	70	0
160520	Shrimps & prawns, prepared/preserved	1.4383	2.6111	546	0
020210	Carcasses/half-carcasses of bovine animals, frozen	1.423	2.4481	0	0
200190	Vegetables, fruit, nuts & other edible parts of pl	3.5084	2.0214	989	0
110319	Groats/meal of cereals other than wheat & maize (c	0.3499	1.9404	11	0
220600	Fermented beverages (e.g., cider, perry, mead), n.	0.0025	1.9207	1	0
010410	Live sheep	0.0074	1.8315	98	0
121120	Ginseng roots	0.0417	1.7406	0	0
121010	Hop cones, fresh/dried, neither ground/powdered/in	0.114	1.5972	0	0
240110	Tobacco, not stemmed/stripped	2.9803	1.5528	78	0
030371	Sardines (Sardina pilchardus, Sardinops spp.)/sard	0.2822	1.5035	0	0
020422	Meat of sheep (excl. lamb & carcasses), fresh/chil	0.0043	1.4134	144	0
030319	Pacific salmon (Oncorhynchus gorbuscha/keta/tschaw	0.0849	1.3783	46	0
080300	Bananas, incl. plantains, fresh/dried	0.0528	1.3512	0	0
170490	Sugar confectionery other than chewing gum (incl.	0.2411	1.3478	10516	0
120750	Mustard seeds, whether/not broken	2.0024	1.2874	216	0



040299	Milk & cream, concentrated (excl. in powder), swee	0.0313	1.2191	1223	0
190531	Sweet biscuits	0.5693	1.1666	2255	0
200990	Mixtures of juices, unfermented & not containing a	0.082	1.1413	2385	0
151590	Fixed vegetable fats & oils (excl. of 1515.11-1515	3.4676	1.138	1570	0
040900	Natural honey	2.8726	1.1216	2356	0
120999	Seeds, n.e.s., of a kind used for sowing	1.5881	1.1203	704	0
090230	Tea, black (fermented) & partly fermented tea, whe	5.9345	1.0953	1734	0
080711	Watermelons, fresh	0.0279	1.0928	0	0
170240	Glucose & glucose syrup, containing in the dry sta	0.3165	1.0879	476	0
120929	Seeds of forage plants (excl. of 1209.21-1209.25),	1.3253	1.0336	0	0
020736	Meat & edible meat offal of ducks/geese/guinea fow	0.0032	1.0316	0	0
030199	Live fish(excl. of 0301.10-0301.95),n.e.s.	0.4861	1.0169	1	0

Appendix K LIST OF PRODUCTS WITH A MINIMUM IMPORT PRICE IN INDIA

HS code	Description	Minimum import price
6802.10.00	Tiles, cubes, and similar articles	US\$50/kg
6802.21.10	Marble tiles	
6802.21.20	Marble monumental stone	
6802.21.90	Other monumental or building stone	
6802.91.00	Marble, travertine, and alabaster	
6802.92.00	Other calcareous stone	
6810.11.10	Cement bricks	US\$50/kg
6810.11.90	Other building blocks and bricks	
6810.19.10	Cement tiles for mosaic	
6810.19.90	Other articles of cement	
6810.91.00	Articles of cement: prefabricated structural components for building or civil engineering	
6810.99.10	Concrete boulder	
6810.99.90	Other articles of cement	

Appendix L LIST OF IMPORTS FROM INDIA ALLOWED THROUGH WAGAH (AS OF 20TH MARCH, 2012)

S.NO	PCT CODES	DESCRIPTION
(1)	(2)	(3)
1.	0102.9010	Buffaloes
2.	0102.9020	Bulls
3.	0102.9030	Cows
4.	0102.9040	Oxen
5.	0102.9090	Other
6.	0104.1000	Sheep
7.	0104.2000	Goats
8.	0106.1900	Other (Camels Only)
9.	0201.1000	Carcasses and half-carcasses
10.	0201.2000	Other cuts with bone in
11.	0201.3000	Boneless
12.	0202.1000	Carcasses and half-carcasses
13.	0202.2000	Other cuts with bone in
14.	0202.3000	Boneless
15.	0204.1000	Carcasses and half carcasses of lamb, fresh or chilled
16.	0204.2100	Carcasses and half-carcasses
17.	0204.2200	Other cuts with bone in
18.	0204.2300	Boneless
19.	0204.3000	Carcasses and half-carcasses of lamb, frozen
20.	0204.4100	Carcasses and half-carcasses
21.	0204.4200	Other cuts with bone in
22.	0204.4300	Boneless
23.	0204.5000	Meat of goats
24.	0701.9000	Other (Potatoes fresh or chilled)
25.	0702.0000	Tomatoes, fresh or chilled.
26.	0703.1000	Onions and shallots
27.	0703.2000	Garlic
28.	0704.1000	Cauliflowers only
29.	0704.9000	Other (Cabbage only)
30.	0706.1000	Carrot only
31.	0707.0000	Cucumber only.
32.	0708.1000	Peas (Pisum sativum)
33.	0708.2000	Beans (Vigna spp., Phaseolus spp.)
34.	0709.3000	Aubergines (egg-plants)
35.	0709.6000	Green pepper/ shimla mirch and green chillies
36.	0709.7000	Spinach, New Zealand spinach and orache spinach (garden spinach)
37.	0709.9000	Other (Lady finger, Okra, ground/marrow, bitter gourd, radish arum/ arvi green, coriander, tinda).
38.	0710.1000	Potatoes
39.	0710.2100	Peas (Pisum sativum)
40.	0710.2200	Beans (Vigna spp., Phaseolus spp.)
41.	0710.2900	Other
42.	0710.3000	Spinach, New Zealand spinach and orache spinach (garden spinach)
43.	0710.4000	Sweet corn
44.	0710.8000	Other vegetables
45.	0710.9000	Mixtures of vegetables
46.	0804.3000	Pineapples
47.	0904.1110	Black pepper
48.	0910.1000	Ginger fresh only
49.	1005.9000	Other (corn maize)
50.	1701.1100	Raw cane and beet sugar (not containing added flavoring or coloring matter) and white crystalline cane and beet sugar.
51.	1701.1200	-do-
52.	1701.9910	-do-
53.	1701.9920	-do-
54.	2304.0000	Oil cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya bean oil.
55.	2523.0000	Cement and clinker
56.	2917.3610	Pure terephthalic acid (PTA)
57.	3901.1000	Polyethylene having a specific gravity of less than 0.94
58.	3901.2000	Polyethylene having a specific gravity of 0.94 or more
59.	3902.1000	Polypropylene
60.	4801.0000	Newsprint, in rolls or sheets
61.	5201.0090	Other (Long staple cotton and short staple cotton of 0.5 million bales)
62.	5205.1100	Single yarn, of uncombed fibres measuring 714.29 decitex or more (not exceeding 14 metric number)
63.	5205.1200	Single yarn, of uncombed fibres measuring less than



		not less than 192.31 decitex (exceeding 43 metric number but not exceeding 52 metric number per single yarn)
99.	5206.3400	Multiple (folded) or cabled yarn, of uncombed fibres measuring per single yarn less than 192.31 decitex but not less than 125 decitex (exceeding 52 metric number but not exceeding 80 metric number per single yarn)
100.	5206.3500	Multiple (folded) or cabled yarn, of uncombed fibres measuring per single yarn less than 125 decitex (exceeding 80 metric number per single yarn)
101.	5206.4100	Multiple (folded) or cabled yarn, of combed fibres measuring per single yarn 714.29 decitex or more (not exceeding 14 metric number per single yarn)
102.	5206.4200	Multiple (folded) or cabled yarn, of combed fibres measuring per single yarn less than 714.29 decitex but not less than 232.56 decitex (exceeding 14 metric number but not exceeding 43 metric number per single yarn)
103.	5206.4300	Multiple (folded) or cabled yarn, of combed fibres measuring per single yarn less than 232.56 decitex but not less than 192.31 decitex (exceeding 43 metric number but not exceeding 52 metric number per single yarn)
104.	5206.4400	Multiple (folded) or cabled yarn, of combed fibres measuring per single yarn less than 192.31 decitex but not less than 125 decitex (exceeding 52 metric number but not exceeding 80 metric number per single yarn)
105.	5206.4500	Multiple (folded) or cabled yarn, of combed fibres measuring per single yarn less than 125 decitex (exceeding 80 metric number per single yarn)
106.	5207.1000	Containing 85 % or more by weight of cotton
107.	5207.9000	Other
108.	5303.1010	Raw Jute
109.	7219.1100	Of a thickness exceeding 10 mm
110.	7219.1200	Of a thickness of 4.75 mm or more but not exceeding 10 mm
111.	7219.1300	Of a thickness of 3 mm or more but less than 4.75 mm
112.	7219.1400	Of a thickness of less than 3 mm
113.	7219.2100	Of a thickness exceeding 10 mm
114.	7219.2200	Of a thickness of 4.75 mm or more but not exceeding 10 mm
115.	7219.2310	Of a width up to 700 mm, thickness up to 4 mm of series 200, 301, 303, 304, 304L, 316, 316L, 410, 420 & 430
116.	7219.2390	Other
117.	7219.2410	Of a width up to 700mm, of series 200, 301, 303, 304, 304L, 316, 316L, 410, 420 & 430
118.	7219.2490	Other
119.	7219.3100	Of a thickness of 4.75 mm or more
120.	7219.3210	Of a width up to 700 mm, thickness up to 4mm of series 200, 301,303, 304, 304L, 316, 316L, 410, 420 & 430
121.	7219.3290	Other
122.	7219.3310	Of a width up to 700 mm, of series 200, 301, 303, 304, 304L, 316, 316L, 410, 420 & 430
123.	7219.3390	Other
124.	7219.3410	Of a width up to 700 mm, of series 200, 301, 303, 304, 304L, 316, 316L, 410, 420, & 430
125.	7219.3490	Other
126.	7219.3510	Of a width up to 700 mm, thickness up to 4mm of series 200, 301,303, 304, 304L, 316, 316L, 410, 420 & 430
127.	7219.3590	Other
128.	7219.9010	Sheets in circular shape of all sizes
129.	7219.9090	Other
130.	7220.1100	Of a thickness of 4.75 mm or more
131.	7220.1210	Of a thickness up to 4mm of Series 200, 301, 303, 304, 304L, 316, 316L, 410, 420 & 430
132.	7220.1290	Other
133.	7220.2010	Of a thickness up to 4mm of Series 200, 301, 303, 304, 304L, 316, 316L, 410, 420 & 430
134.	7220.2090	Other
135.	7220.9010	Of a thickness up to 4mm of Series 200, 301, 303, 304, 304L, 316, 316L, 410, 420 & 430
136.	7220.9090	Other
137. *	8433.5900	Other (Paddy harvesters and paddy dryers)". 8419.3100



Appendix M INDIA'S SENSITIVE LIST FOR PAKISTAN BASED UNDER SAFTA IN TERM OF HS CODES

Chapter, Heading, Sub- heading or Tariff item	Description of Goods	Rate
1 to 3	All goods	8.00%
4	All goods	8.00%
5	All goods	8.00%
603	All goods	8.00%
604	All goods	8.00%
7	All goods	8.00%
8 (except 0802 11 00, 0802 1200)	All goods	8.00%
0802 11 00	All goods	` 28 per kg
0802 12 00	All goods	` 52 per kg
0810 60 00 to 0810 90	All goods	6.40%
0813 20 00	All goods	8.00%
9	All goods	8.00%
12	All goods	8.00%
1209, 1211 30 00, 1211 40 00, 1211 90	All goods other than liquorices roots	6.40%
13	All goods	8.00%
1302 19 and 1302 20 00	All goods other than vegetable saps and extracts of pyrethrum or of the roots of plants containing rotenone	6.40%
14	All goods	8.00%
1501	All goods	8.00%
1502	All goods	6.40%
1503 00 00 to 1506	All goods	8.00%
1505	All goods	6.40%
1507 90 90	All goods	8.00%
1508 90 10 or 1508 90 99	All goods	8.00%
1509 10 00	All goods	8.00%
1509 90	All goods	8.00%
1510	All goods	8.00%
1511 90	All goods	8.00%
1512 29 90	All goods	8.00%
1516 10 00, 1518, 1520 00 00, 1521 and 1522	All goods	8.00%
1507, 1508, 1509, 1510,	All goods (except crude palm oil), other than edible grade, having Free Fatty Acid (FFA) 20 percent or more	8.00%
1508, 1509 or 1510	Refined vegetable oils of edible grade, in loose or bulk	8.00%
1511	Fractions of crude palm oil (other than crude palmolein), of edible grade, having an acid value of 2 or more and total carotenoid (as beta carotene) in the range of 500mg/kg. to 2500mg/kg., in loose or bulk	8.00%
16	All goods	8.00%
1702	All goods	8.00%
1703	All goods	5.60%
1704	All goods	8.00%
18 to 20	All goods	8.00%
1806 90	Food preparations, meant for infant use and put up for retail sale, of—(i) flour, meal, starch or malt extract containing cocoa in a proportion by weight 40% or more but less than 50%, calculated on a totally de-fatted basis; or(ii) goods of headings 04.01 to 04.04 containing cocoa in a proportion by weight 5% or more but less than 10%, calculated on a totally de-fatted basis	6.40%
21	All goods (except compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% by volume, determined at a temperature of 20 degrees centigrade falling under 2106 90)	8.00%
2106 90	Compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% by volume, determined at a temperature of 20 degrees centigrade	8.00%
2201 and 2202	All goods	8.00%
2207 20 00	All goods	5.60%



2209	All goods	8.00%
23	All goods	8.00%
25	All goods	6.00%
2620 11 00, 2620 19 00 and 2620 30	All goods	5.60%
2701 20	All goods	6.00%
2702 to 2708	All goods	6.00%
2710 to 2715	All goods	5.60%
28 (except 2801, 2802, 2803, 2804, 2805, 2814 and 2823 00 10)	All goods	5.50%
2823 00 10	All goods	6.00%
2801, 2802, 2803, 2804, 2805 and 2814	All goods	5.00%
2901 to 2904	All goods	5.60%
2905 to 2942 (except 2905 43 00 and 2905 44 00)	All goods	6.00%
2905 43 00 and 2905 44 00	All goods	7.20%
29	2,3,5,6-Tetrachloropyridine	5.50%
30 to 32	All goods	6.00%
3207 40 00	Glass frit	5.00%
33 (except 3301 and 3302 10)	All goods	6.00%
3301	All goods	7.20%
3302 10	All goods(Excluding compound alcoholic preparations of a kind used for manufacture of beverages of an alcoholic strength by volume exceeding 0.5% determined at 20 degree centigrade falling under 3302 10)	6.00%
3302 10	Compound alcoholic preparations of a kind used for manufacture of beverages of an alcoholic strength by volume exceeding 0.5% determined at 20 degree centigrade	8.00%
34	All goods	6.00%
3501 to 3505	All goods	7.20%
3506 and 3507	All goods	6.00%
35	Isolated Soya protein	6.40%
36 and 37	All goods	6.00%
38 (except 3809 10 00, 3823 11 11, 3823 11 12, 3823 11 19 and 3824 60)	All goods	6.00%
3809 10 00	All goods	7.20%
3815	All goods	5.60%
3823 11 11, 3823 11 12, 3823 11 19 and 3824 60	All goods	7.20%
38	Dipping oil, Paclobutrazol (Cultar)	6.00%
39	All goods	6.00%
3901	Low density polyethelene, Linear Low density polyethelene, High density polyethelene, Linear medium density polyethelene and Linear High density polyethelene	5.00%
3902 (except 3902 20 00), 3903	All goods	5.00%
3904	Polymers of vinyl chloride	5.00%
39	Ethylene vinyl acetate (EVA)	5.00%
40 to 45	All goods	6.00%
4707	All goods	6.00%
48,49,51	All goods	6.00%
52 (except 5201 and 5203)	All goods	6.00%
5201	All goods	5.60%
5203	All goods	8.00%
53 (except 5302)	All goods	6.00%
5302	All goods	8.00%
54 to 71 (except 6902 or 6903)	All goods	6.00%
6902 or 6903	All goods	5.60%
72	All goods other than seconds and defectives	5.60%
72	Seconds and defectives	6.00%
73	All goods	6.00%
7401 to 7410	All goods	5.00%
7411 to 7419	All goods	6.00%
7601 to 7607	All goods	5.00%
7608 to 7616	All goods	6.00%



7806	All goods other than lead bars, rods, profiles and wire	5.60%
7901 to 7905	All goods	5.60%
7907	All goods	6.00%
8001 to 8003	All goods	5.60%
8007 00 90	Tin plates, sheets and strip, of a thickness exceeding 0.2mm; tin foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0.2mm; tin powders and flakes	5.60%
8007	All goods	6.00%
8101, 8104, 8105,8107,8108 (except 8101 99 10, 8101 99 90, 8104 90 90, 8105 90 00, 8107 90 90, 8108 90 90)	All goods	5.60%
8101 99	Bars and rods, other than those obtained simply by sintering, profiles, plates, sheets, strip and foil	5.60%
8101 99 10, 8101 99 90, 8104 90 90, 8105 90 00, 8107 90 90, 8108 90 90	All goods	6.00%
8102, 8103, 8106, 8109,	(1) All goods (other than articles thereof)	5.60%
8110, 8111, 8112	(2) Articles	6.00%
82, 83, 84	All goods	6.00%
8443 91 00 or 8443 99	Parts of printing presses	5.60%
8472 90	Cash dispensers	5.60%
8473 40	Cash dispensing mechanism and deposit modules for Automatic Teller Machines	5.60%
85	All goods	6.00%
86	All goods	5.60%
87 (Except 8703 , 8711)	All goods	6.00%
8703, 8711	All goods	8.00%
8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars, new, which have not been registered anywhere prior to importation	0.00%
	(1) If imported as completely knocked down (CKD) unit;	6.00%
	(2) If imported in any other form	8.00%
8703	Golf Cars	6.00%
8704	Refrigerated motor vehicles for transport of goods	5.60%
8711	Motor cycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side cars, and side cars, new, which have not been registered anywhere prior to importation	0.00%
	(1) If imported as completely knocked down (CKD) unit;	6.00%
	(2) If imported in any other form	8.00%
88 to 90	All goods	6.00%
9001 10 00	All goods	5.60%
91 to 97 (except 9508)	All goods	6.00%
9508	Roundabouts, swings, shooting galleries and other fairground amusements	5.60%

Appendix N INDIA'S SENSITIVE LIST FOR NON LEAST DEVELOPED COUNTRIES

SENSITIVE LIST OF INDIA UNDER SAFTA FOR NON-LDCs					
HS 2002			HS2007		
Sl.No.	Heading, Sub-Heading or Tariff item to the First Schedule	DESCRIPTION	Sl.No.	Heading, Sub-Heading or Tariff item to the First Schedule	DESCRIPTION
(1)	(2)	(3)	(1)	(2)	(3)
1	0204 10 00	All Goods	1	0204 10 00	All Goods
2	0204 30 00	All Goods	2	0204 30 00	All Goods
3	0204 50 00	All Goods	3	0204 50 00	All Goods
4	0207 11 00	All Goods	4	0207 11 00	All Goods
5	0207 12 00	All Goods	5	0207 12 00	All Goods
6	0207 13 00	All Goods	6	0207 13 00	All Goods
7	0207 14 00	All Goods	7	0207 14 00	All Goods
8	0207 34 00	All Goods	8	0207 34 00	All Goods
9	0302 69 10	All Goods	9	0302 69 10	All Goods
10	0303 79 10	All Goods	10	0303 79 10	All Goods
11	0303 79 30	All Goods	11	0303 79 30	All Goods
12	0303 79 60	All Goods	12	0303 79 60	All Goods
13	0303 79 80	Croacker	13	0303 79 80	Croacker
14	0304 20 10	All Goods	14	0304 29 10	All Goods
15	0306 13 20	All Goods	15	0306 13 20	All Goods
16	0306 14 00	All Goods	16	0306 14 00	All Goods
17	0401 30 00	All Goods	17	0401 30 00	All Goods
18	0402 10 10	All Goods	18	0402 10 10	All Goods
19	0402 21 00	All Goods	19	0402 21 00	All Goods
20	0402 29 10	All Goods	20	0402 29 10	All Goods
21	0404 10	Whey powder	21	0404 10	Whey powder
22	0405 10 00	All Goods	22	0405 10 00	All Goods
23	0405 90 10	All Goods	23	0405 90 10	All Goods
24	0405 90 20	All Goods	24	0405 90 20	All Goods
25	0409 00 00	All Goods	25	0409 00 00	All Goods
26	0506 10 19	Crushed bone	26	0506 10 19	Crushed bone
27	0701 10 00	All Goods	27	0701 10 00	All Goods
28	0701 90 00	All Goods	28	0701 90 00	All Goods
29	0702 00 00	All Goods	29	0702 00 00	All Goods
30	0703 10 10	Fresh onions	30	0703 10 10	Fresh onions
31	0703 20 00	All Goods	31	0703 20 00	All Goods
32	0704 10 00	All Goods	32	0704 10 00	All Goods
33	0704 20 00	All Goods	33	0704 20 00	All Goods
34	0704 90 00	All Goods	34	0704 90 00	All Goods



35	0705 11 00	All Goods	35	0705 11 00	All Goods
36	0705 19 00	All Goods	36	0705 19 00	All Goods
37	0706 10 00	All Goods	37	0706 10 00	All Goods
38	0706 90	All Goods	38	0706 90	All Goods
39	0707 00 00	All Goods	39	0707 00 00	All Goods
40	0708 10 00	All Goods	40	0708 10 00	All Goods
41	0708 20 00	All Goods	41	0708 20 00	All Goods
42	0708 90 00	All Goods	42	0708 90 00	All Goods
43	0709 30 00	All Goods	43	0709 30 00	All Goods
44	0709 60	All Goods	44	0709 60	All Goods
45	0709 70 00	All Goods	45	0709 70 00	All Goods
46	0709 90	Other spinach	46	0709 90	Other spinach
47	0710 10 00	All Goods	47	0710 10 00	All Goods
48	0710 21 00	All Goods	48	0710 21 00	All Goods
49	0710 22 00	All Goods	49	0710 22 00	All Goods
50	0710 29 00	All Goods	50	0710 29 00	All Goods
51	0710 30 00	All Goods	51	0710 30 00	All Goods
52	0710 40 00	All Goods	52	0710 40 00	All Goods
53	0710 80	All Goods	53	0710 80	All Goods
54	0710 90 00	All Goods	54	0710 90 00	All Goods
55	0711 40 00	All Goods	55	0711 40 00	All Goods
56	0711 51 00	All Goods	56	0711 51 00	All Goods
57	0711 90	All Goods	57	0711 90	All goods other than capers
58	0712 20 00	All Goods	58	0712 20 00	All Goods
59	0712 31 00	All Goods	59	0712 31 00	All Goods
60	0712 90	All Goods	60	0712 90	All Goods
61	0713 10 00	All Goods	61	0713 10 00	All Goods
62	0713 20 00	All Goods	62	0713 20 00	All Goods
63	0713 31 00	All Goods	63	0713 31 00	All Goods
64	0713 32 00	All Goods	64	0713 32 00	All Goods
65	0713 33 00	All Goods	65	0713 33 00	All Goods
66	0713 39 10	All Goods	66	0713 39 10	All Goods
67	0713 40 00	All Goods	67	0713 40 00	All Goods
68	0713 50 00	All Goods	68	0713 50 00	All Goods
69	0713 90 10	All Goods	69	0713 90 10	All Goods
70	0714 10 00	All Goods	70	0714 10 00	All Goods
71	0801 11 00	All Goods	71	0801 11 00	All Goods
72	0801 19	All Goods	72	0801 19	All Goods
73	0801 32	All Goods	73	0801 32	All Goods
74	0802 31 00	All Goods	74	0802 31 00	All Goods
75	0802 32 00	All Goods	75	0802 32 00	All Goods
76	0802 90	Arecanuts	76	0802 90	Arecanuts
77	0803 00 00	All Goods	77	0803 00 00	All Goods
78	0804 30 00	All Goods	78	0804 30 00	All Goods



79	0804 40 00	All Goods	79	0804 40 00	All Goods
80	0804 50 20	All Goods	80	0804 50 20	All Goods
81	0805 10 00	All Goods	81	0805 10 00	All Goods
82	0805 20 00	All Goods	82	0805 20 00	All Goods
83	0805 40 00	All Goods	83	0805 40 00	All Goods
84	0805 50 00	Lemons	84	0805 50 00	Lemons
85	0805 90 00	All Goods	85	0805 90 00	All Goods
86	0806 10 00	All Goods	86	0806 10 00	All Goods
87	0806 20	All Goods	87	0806 20	All Goods
88	0807 11 00	All Goods	88	0807 11 00	All Goods
89	0807 19 00	All Goods	89	0807 19 00	All Goods
90	0807 20 00	All Goods	90	0807 20 00	All Goods
91	0808 10 00	All Goods	91	0808 10 00	All Goods
92	0808 20 00	All Goods	92	0808 20 00	All Goods
93	0809 20 00	All Goods	93	0809 20 00	All Goods
94	0809 30 00	All Goods	94	0809 30 00	All Goods
95	0809 40 00	All Goods	95	0809 40 00	All Goods
96	0812 10 00	All Goods	96	0812 10 00	All Goods
97	0812 90	All Goods	97	0812 90	All Goods
98	0813 10 00	All Goods	98	0813 10 00	All Goods
99	0813 30 00	All Goods	99	0813 30 00	All Goods
100	0813 40	All Goods	100	0813 40	All Goods
101	0813 50	All Goods	101	0813 50	All Goods
102	0902 10	All Goods	102	0902 10	All Goods
103	0902 20	All Goods	103	0902 20	All Goods
104	0902 30	All Goods	104	0902 30	All Goods
105	0902 40	All Goods	105	0902 40	All Goods
106	0904 11	All Goods	106	0904 11	All Goods
107	0904 12 00	All Goods	107	0904 12 00	All Goods
108	0904 20	Chilly	108	0904 20	Chilly
109	0905 00	All Goods	109	0905 00	All Goods
110	0906 10 20	All Goods	110	0906 11 10	All Goods
111	0906 20 00	All Goods	111	0906 20 00	All Goods
112	0907	All Goods	112	0907	All Goods
113	0908 10	All Goods	113	0908 10	All Goods
114	0908 20 00	All Goods	114	0908 20 00	All Goods
115	0908 30	All Goods	115	0908 30	All Goods
116	0909 20	All Goods	116	0909 20	All Goods
117	0909 30	All Goods	117	0909 30	All Goods
118	0909 40	All Goods	118	0909 40	All Goods
119	0910 10	All Goods	119	0910 10	All Goods
120	0910 20	All Goods	120	0910 20	All Goods
121	0910 30	Turmeric, fresh or powder	121	0910 30	Turmeric, fresh or powder
122	0910 40	All Goods	122	OMITTED	



123	0910 50 00	All Goods	123	OMITTED	
124	0910 91 00	All Goods	124	0910 91 00	All Goods
125	0910 99	Poppy	125	0910 99	Poppy, thyme, tejpat (leaves of cassia lignea), bay leaves and curry
126	1001 10	All Goods	126	1001 10	All Goods
127	1001 90	Wheat	127	1001 90	Wheat
128	1005 10 00	All Goods	128	1005 10 00	All Goods
129	1005 90 00	All Goods	129	1005 90 00	All Goods
130	1006 10	All Goods	130	1006 10	All Goods
131	1006 20 00	All Goods	131	1006 20 00	All Goods
132	1006 30	All Goods	132	1006 30	All Goods
133	1006 40 00	All Goods	133	1006 40 00	All Goods
134	1007	All Goods	134	1007	All Goods
135	1008 20	All Goods	135	1008 20	All Goods
136	1008 90	All Goods	136	1008 90	All Goods
137	1101 00 00	All Goods	137	1101 00 00	All Goods
138	1102 10 00	All Goods	138	1102 10 00	All Goods
139	1102 20 00	All Goods	139	1102 20 00	All Goods
140	1102 30 00	All Goods	140	OMITTED	
141	1102 90 00	All Goods	141	1102 90 00	All Goods
142	1103 11	All Goods	142	1103 11	All Goods
143	1103 13 00	All Goods	143	1103 13 00	All Goods
144	1103 19 00	All Goods	144	1103 19 00	All Goods
145	1103 20 00	All Goods	145	1103 20 00	All Goods
146	1104 12 00	All Goods	146	1104 12 00	All Goods
147	1104 19 00	All Goods	147	1104 19 00	All Goods
148	1104 22 00	All Goods	148	1104 22 00	All Goods
149	1104 23 00	All Goods	149	1104 23 00	All Goods
150	1104 29 00	All Goods	150	1104 29 00	All Goods
151	1104 30 00	All Goods	151	1104 30 00	All Goods
152	1105 10 00	All Goods	152	1105 10 00	All Goods
153	1105 20 00	Flakes	153	1105 20 00	Flakes
154	1106 10 00	All Goods	154	1106 10 00	All Goods
155	1106 20	All Goods	155	1106 20	All Goods
156	1106 30	All Goods	156	1106 30	All Goods
157	1107 10 00	All Goods	157	1107 10 00	All Goods
158	1107 20 00	All Goods	158	1107 20 00	All Goods
159	1108 11 00	All Goods	159	1108 11 00	All Goods
160	1108 12 00	All Goods	160	1108 12 00	All Goods
161	1108 13 00	All Goods	161	1108 13 00	All Goods
162	1108 14 00	All Goods	162	1108 14 00	All Goods
163	1108 19	All Goods	163	1108 19	All Goods
164	1108 20 00	All Goods	164	1108 20 00	All Goods



165	1109 00 00	All Goods	165	1109 00 00	All Goods
166	1201 00 10	All Goods	166	1201 00 10	All Goods
167	1202 10	Groundnut seeds	167	1202 10	Groundnut seeds
168	1202 20	All Goods	168	1202 20	All Goods
169	1203 00 00	All Goods	169	1203 00 00	All Goods
170	1204	All Goods	170	1204	All Goods
171	1205 10 00	Rape Seeds	171	1205 10 00	Rape Seeds
172	1205 90 00	All Goods	172	1205 90 00	All Goods
173	1206	All Goods	173	1206	All Goods
174	1207 10 10	All Goods	174	OMITTED	
175	1207 20	All Goods	175	1207 20	All Goods
176	1207 30	All Goods	176	OMITTED	
177	1207 40	All Goods	177	1207 40	All Goods
178	1207 50	All Goods	178	1207 50	All Goods
179	1207 60	All Goods	179	OMITTED	
180	1207 91 00	All Goods	180	1207 91 00	All Goods
181	1207 99	All Goods	181	1207 99	All goods excluding palm nuts and kernels other than of seed quality
182	1208 10 00	All Goods	182	1208 10 00	All Goods
183	1208 90 00	All Goods	183	1208 90 00	All Goods
184	1210 10 00	All Goods	184	1210 10 00	All Goods
185	1210 20 00	All Goods	185	1210 20 00	All Goods
186	1301 10	All Goods	186	1301 90	Lac
187	1302 11 00	All Goods	187	1302 11 00	All Goods
188	1507 10 00	All Goods	188	1507 10 00	All Goods
189	1507 90 10	All Goods	189	1507 90 10	All Goods
190	1508 10 00	All Goods	190	1508 10 00	All Goods
191	1508 90	Edible grade groundnut oil	191	1508 90	Edible grade groundnut oil
192	1510 00 10	All Goods	192	1510 00 10	All Goods
193	1511 10 00	All Goods	193	1511 10 00	All Goods
194	1511 90	Refined Palm Oil/Palmolein	194	1511 90	Refined Palm Oil/Palmolein
195	1512 11	All Goods	195	1512 11	All Goods
196	1512 19	All Goods	196	1512 19	All Goods
197	1512 21 00	All Goods	197	1512 21 00	All Goods
198	1512 29 10	All Goods	198	1512 29 10	All Goods
199	1513 11 00	All Goods	199	1513 11 00	All Goods
200	1513 19 00	All Goods	200	1513 19 00	All Goods
201	1513 21	All Goods	201	1513 21	All Goods
202	1513 29	All Goods	202	1513 29	All Goods
203	1514 11	All Goods	203	1514 11	All Goods
204	1514 19	All Goods	204	1514 19	All Goods
205	1514 91	All Goods	205	1514 91	All Goods



206	1514 99	All Goods	206	1514 99	All Goods
207	1515 11 00	All Goods	207	1515 11 00	All Goods
208	1515 19	All Goods	208	1515 19	All Goods
209	1515 21 00	All Goods	209	1515 21 00	All Goods
210	1515 29	All Goods	210	1515 29	All Goods
211	1515 30	All Goods	211	1515 30	All Goods
212	1515 40 00	All Goods	212	OMITTED	
213	1515 50	All Goods	213	1515 50	All Goods
214	1515 90	All Goods	214	1515 90	All Goods
215	1516 20	All Goods	215	1516 20	All Goods
216	1517 10	All Goods	216	1517 10	All Goods
217	1517 90	All Goods	217	1517 90	All Goods
218	1601 00 00	All Goods	218	1601 00 00	All Goods
219	1602 32 00	All Goods	219	1602 32 00	All Goods
220	1701 11	All Goods	220	1701 11	All Goods
221	1701 12 00	All Goods	221	1701 12 00	All Goods
222	1701 91 00	All Goods	222	1701 91 00	All Goods
223	1701 99	All Goods	223	1701 99	All Goods
224	1801 00 00	All Goods	224	1801 00 00	All Goods
225	1802 00 00	All Goods	225	1802 00 00	All Goods
226	1803 10 00	All Goods	226	1803 10 00	All Goods
227	1803 20 00	All Goods	227	1803 20 00	All Goods
228	1804 00 00	All Goods	228	1804 00 00	All Goods
229	1805 00 00	All Goods	229	1805 00 00	All Goods
230	1806 10 00	All Goods	230	1806 10 00	All Goods
231	1905 90 10	All Goods	231	1905 90 10	All Goods
232	2002 90 00	Tomato concentrate	232	2002 90 00	Tomato concentrate
233	2008 30	All Goods	233	2008 30	All Goods
234	2008 40 00	All Goods	234	2008 40 00	All Goods
235	2008 50 00	All Goods	235	2008 50 00	All Goods
236	2008 60 00	All Goods	236	2008 60 00	All Goods
237	2008 91 00	All Goods	237	2008 91 00	All Goods
238	2008 99	All Goods	238	2008 99	All Goods
239	2009 50 00	All Goods	239	2009 50 00	All Goods
240	2203 00 00	All Goods	240	2203 00 00	All Goods
241	2204 10 00	All Goods	241	2204 10 00	All Goods
242	2204 21	All Goods	242	2204 21	All Goods
243	2204 29	All Goods	243	2204 29	All Goods
244	2204 30 00	All Goods	244	2204 30 00	All Goods
245	2205 10 00	All Goods	245	2205 10 00	All Goods
246	2205 90 00	All Goods	246	2205 90 00	All Goods
247	2206 00 00	All Goods	247	2206 00 00	All Goods
248	2207 10	All Goods	248	2207 10	All Goods
249	2208 20	All Goods	249	2208 20	All Goods
250	2208 30	All Goods	250	2208 30	All Goods



251	2208 40	All Goods	251	2208 40	All Goods
252	2208 50	All Goods	252	2208 50	All Goods
253	2208 60 93	All Goods	253	2208 60 93	All Goods
254	2208 70	All Goods	254	2208 70	All Goods
255	2208 90	All Goods	255	2208 90	All Goods
256	2302 10	All Goods	256	2302 10	All Goods
257	2302 20	All Goods	257	OMITTED	
258	2302 30 00	All Goods	258	2302 30 00	All Goods
259	2302 40 00	All Goods	259	2302 40 00	All Goods
260	2302 50 00	All Goods	260	2302 50 00	All Goods
261	2303 10 00	All Goods	261	2303 10 00	All Goods
262	2303 20 00	All Goods	262	2303 20 00	All Goods
263	2303 30 00	All Goods	263	2303 30 00	All Goods
264	2304	All Goods	264	2304	All Goods
265	2305 00 10	All Goods	265	2305 00 10	All Goods
266	2306 10	All Goods	266	2306 10	All Goods
267	2306 20	All Goods	267	2306 20	All Goods
268	2306 30	All Goods	268	2306 30	All Goods
269	2306 41 00	All Goods	269	2306 41 00	All Goods
270	2306 49 00	All Goods	270	2306 49 00	All Goods
271	2306 50	All Goods	271	2306 50	All Goods
272	2306 60 00	All Goods	272	2306 60 00	All Goods
273	2306 70 00	All Goods	273	OMITTED	
274	2306 90	All Goods	274	2306 90	All Goods
275	2309 90	All Goods	275	2309 90	All Goods
276	2401 10	All Goods	276	2401 10	All Goods
277	2401 20	All Goods	277	2401 20	All Goods
278	2401 30 00	All Goods	278	2401 30 00	All Goods
279	2402 10	All Goods	279	2402 10	All Goods
280	2402 20	All Goods	280	2402 20	All Goods
281	2402 90	All Goods	281	2402 90	All Goods
282	2403 10	All Goods	282	2403 10	All Goods
283	2403 91 00	All Goods	283	2403 91 00	All Goods
284	2403 99	All Goods	284	2403 99	All Goods
285	2515 11 00	Crude or roughly trimmed Marble	285	2515 11 00	Crude or roughly trimmed Marble
286	2515 12	All Goods	286	2515 12	All Goods
287	2515 20	All Goods	287	2515 20	All Goods
288	2522 10 00	All Goods	288	2522 10 00	All Goods
289	2530 90	All Goods	289	2530 90	All Goods
290	2710	Naptha	290	2710	Naptha
291	2710 19	Aviation Turbine Fuel and Fuel Oil	291	2710 19	Aviation Turbine Fuel and Fuel Oil
292	2711	Liquefied Petroleum Gases (LPG)	292	2711	Liquefied Petroleum Gases (LPG)
293	2817 00 10	All Goods	293	2817 00 10	All Goods



294	3003 90 11	All Goods	294	3003 90 11	All Goods
295	3004 10	All Goods	295	3004 10	All Goods
296	3004 20	All Goods	296	3004 20	All Goods
			296A	3006 10	Sterile absorbable surgical or dental yarn; sterile surgical or dental adhesion barriers, whether or not absorbable.
			296B	3006 91 00	All goods
297	3204 11	All Goods	297	3204 11	All Goods
298	3204 12	Acid dyes and preparation based thereon	298	3204 12	Acid dyes and preparation based thereon
299	3204 13	All Goods	299	3204 13	All Goods
300	3204 14	All Goods	300	3204 14	All Goods
301	3204 16	All Goods	301	3204 16	All Goods
302	3204 17	Pigments	302	3204 17	Pigments
303	3204 19	All Goods	303	3204 19	All Goods
304	3206 49	Other-Red Oxide	304	3206 49	Other-Red Oxide
305	3301 19 10	Citronella Oil (java type)	305	3301 19 10	Citronella Oil (java type)
306	3301	Other Essential oils	306	3301	Other Essential oils
307	3303 00	All Goods	307	3303 00	All Goods
308	3304 10 00	All Goods	308	3304 10 00	All Goods
309	3304 20 00	All Goods	309	3304 20 00	All Goods
310	3304 30 00	All Goods	310	3304 30 00	All Goods
311	3304 91	All Goods	311	3304 91	All Goods
312	3304 99	All Goods	312	3304 99	All Goods
313	3305 10	All Goods	313	3305 10	All Goods
314	3305 90	Hair oils	314	3305 90	Hair oils
315	3306 10	Toothpowder, toothpaste	315	3306 10	Toothpowder, toothpaste
316	3307 10	All Goods	316	3307 10	All Goods
317	3307 30	All Goods	317	3307 30	All Goods
318	3307 41 00	All Goods	318	3307 41 00	All Goods
319	3307 90	All Goods	319	3307 90	All Goods
320	3401 11	All Goods	320	3401 11	All Goods
321	3401 19	House hold and laundry soap	321	3401 19	House hold and laundry soap
322	3505 10	All Goods	322	3505 10	All Goods
323	3506 91	All Goods	323	3506 91	All Goods
324	3605	All Goods	324	3605	All Goods
325	3806 10	Gum	325	3806 10	Gum
326	3812 20	All Goods	326	3812 20	All Goods
327	3915 10 00	All Goods	327	3915 10 00	All Goods
328	3915 20 00	All Goods	328	3915 20 00	All Goods



329	3915 30	All Goods	329	3915 30	All Goods
330	3915 90	All Goods	330	3915 90	All Goods
331	3916 10	All Goods	331	3916 10	All Goods
332	3916 20	All Goods	332	3916 20	All Goods
333	3916 90	All Goods	333	3916 90	All Goods
334	3917	Artificial guts (sausage castings) of hardened protein or of cellulosic materials.	334	3917	Artificial guts (sausage castings) of hardened protein or of cellulosic materials.
335	3917 21	All Goods	335	3917 21	All Goods
336	3917 22 00	All Goods	336	3917 22 00	All Goods
337	3917 23	All Goods	337	3917 23	All Goods
338	3917 29	All Goods	338	3917 29	All Goods
339	3917 31 00	All Goods	339	3917 31 00	All Goods
340	3917 32 10	All Goods	340	3917 32 10	All Goods
341	3917 32 20	All Goods	341	3917 32 20	All Goods
342	3917 32 90	All Goods	342	3917 32 90	All Goods
343	3917 33 00	All Goods	343	3917 33 00	All Goods
344	3917 39	All Goods	344	3917 39	All Goods
345	3917 40 00	All Goods	345	3917 40 00	All Goods
346	3918 10	All Goods	346	3918 10	All Goods
347	3918 90	All Goods	347	3918 90	All Goods
348	3919 10 00	All Goods	348	3919 10 00	All Goods
349	3919 90	All Goods	349	3919 90	All Goods
350	3920 10	All Goods	350	3920 10	All Goods
351	3920 20	All Goods	351	3920 20	All Goods
352	3920 30	All Goods	352	3920 30	All Goods
353	3920 43 00	All Goods	353	3920 43 00	All Goods
354	3920 49 00	All Goods	354	3920 49 00	All Goods
355	3920 51	All Goods	355	3920 51	All Goods
356	3920 59	All Goods	356	3920 59	All Goods
357	3920 61	All Goods	357	3920 61	All Goods
358	3920 62	All Goods	358	3920 62	All Goods
359	3920 63	All Goods	359	3920 63	All Goods
360	3920 69	All Goods	360	3920 69	All Goods
361	3920 71	All Goods	361	3920 71	All Goods
362	3920 72	All Goods	362	3920 72	All Goods
363	3920 73	All Goods	363	3920 73	All Goods
364	3920 79	All Goods	364	3920 79	All Goods
365	3920 91	All Goods	365	3920 91	All Goods
366	3920 92	All Goods	366	3920 92	All Goods
367	3920 93	All Goods	367	3920 93	All Goods
368	3920 94	All Goods	368	3920 94	All Goods
369	3920 99	All Goods	369	3920 99	All Goods
370	3921 11 00	All Goods	370	3921 11 00	All Goods

371	3921 12 00	All Goods	371	3921 12 00	All Goods
372	3921 13	All Goods	372	3921 13	All Goods
373	3921 14 00	All Goods	373	3921 14 00	All Goods
374	3921 19 00	All Goods	374	3921 19 00	All Goods
375	3921 90	All Goods	375	3921 90	All Goods
376	3922 10 00	Baths, shower-baths and wash-basins	376	3922 10 00	Baths, shower-baths and wash-basins
377	3922 20 00	All Goods	377	3922 20 00	All Goods
378	3922 90 00	All Goods	378	3922 90 00	All Goods
379	3923 10	All Goods	379	3923 10	All Goods
380	3923 21 00	All Goods	380	3923 21 00	All Goods
381	3923 29	All Goods	381	3923 29	All Goods
382	3923 30	All Goods	382	3923 30	All Goods
383	3923 40 00	All Goods	383	3923 40 00	All Goods
384	3923 50	All Goods	384	3923 50	All Goods
385	3923 90	All Goods	385	3923 90	All Goods
386	3924 10	All Goods	386	3924 10	All Goods
387	3924 90	All Goods	387	3924 90	All Goods
388	3925 10 00	All Goods	388	3925 10 00	All Goods
389	3925 20 00	All Goods	389	3925 20 00	All Goods
390	3925 30 00	All Goods	390	3925 30 00	All Goods
391	3925 90	All Goods	391	3925 90	All Goods
392	3926 10	All Goods	392	3926 10	All Goods
393	3926 20	All Goods	393	3926 20	All Goods
394	3926 30	All Goods	394	3926 30	All Goods
395	3926 40	Bangles,beads and imitation jewellery	395	3926 40	Bangles,beads and imitation jewellery
396	3926 90	All Goods	396	3926 90	All Goods
397	4001 10	All Goods	397	4001 10	All Goods
398	4001 21 00	All Goods	398	4001 21 00	All Goods
399	4001 22 00	All Goods	399	4001 22 00	All Goods
400	4001 29	All Goods	400	4001 29	All Goods
401	4001 30 00	All Goods	401	4001 30 00	All Goods
402	4003 00 00	All Goods	402	4003 00 00	All Goods
403	4004 00 00	All Goods	403	4004 00 00	All Goods
404	4005 10 00	All Goods	404	4005 10 00	All Goods
405	4005 20	All Goods	405	4005 20	All Goods
406	4005 91	All Goods	406	4005 91	All Goods
407	4005 99	All Goods	407	4005 99	All Goods
408	4006 10 00	All Goods	408	4006 10 00	All Goods
409	4006 90	All Goods	409	4006 90	All Goods
410	4007 00	All Goods	410	4007 00	All Goods
411	4008 11	All Goods	411	4008 11	All Goods
412	4008 19	All Goods	412	4008 19	All Goods
413	4008 21	All Goods	413	4008 21	All Goods



414	4008 29	All Goods	414	4008 29	All Goods
415	4012	Retreaded tyres	415	4012	Retreaded tyres
416	4012 20	All Goods	416	4012 20	All Goods
417	4012 90	All Goods	417	4012 90	All Goods
418	4016 10 00	All Goods	418	4016 10 00	All Goods
419	4016 92 00	All Goods	419	4016 92 00	All Goods
420	4016 93	All Goods	420	4016 93	All Goods
421	4016 95	All Goods	421	4016 95	All Goods
422	4016 99	All Goods	422	4016 99	All Goods
423	4017 00	All Goods	423	4017 00	All Goods
424	4601 20	All Goods	424	4601 21 00, 4601 22 00 or 4601 29 00	All Goods
425	4601 91 00	All Goods	425	4601 92 00, 4601 93 00 or 4601 94 00	All Goods
426	4601 99 00	All Goods	426	4601 99 00	All Goods
427	4602 10	All Goods	427	4602 11 00, 4602 12 00 or 4602 19	All Goods
428	4602 90 00	All Goods	428	4602 90 00	All Goods
429	4803 00	All Goods	429	4803 00	All Goods
430	4808 10 00	All Goods	430	4808 10 00	All Goods
431	4809 10	All Goods	431	4809 90 00	Carbon or similar copying paper
432	4811 10 00	All Goods	432	4811 10 00	All goods other than floor coverings on a base of paper or paperboard, whether or not cut to size
433	4811 41 00	All Goods	433	4811 41 00	All goods other than gummed or adhesive paper in strips or rolls
434	4811 49 00	All Goods	434	4811 49 00	All goods other than gummed or adhesive paper in strips or rolls
435	4817 10 00	All Goods	435	4817 10 00	All Goods
436	4817 20 00	All Goods	436	4817 20 00	All Goods
437	4817 30	All Goods	437	4817 30	All Goods
438	4821 10	All Goods	438	4821 10	All Goods
439	4821 90	All Goods	439	4821 90	All Goods
440	4823 60 00	All Goods	440	4823 61 00 or 4823 69 00	All Goods
441	4901	All Goods	441	4901	All Goods
442	5001 00 00	All Goods	442	5001 00 00	All Goods
443	5002 00	All Goods	443	5002 00	All Goods
444	5003 10	All Goods	444	5003 00	All Goods
445	5003 90	All Goods	445	OMITTED	
446	5004 00	All Goods	446	5004 00	All Goods
447	5005 00	All Goods	447	5005 00	All Goods
448	5006 00	All Goods	448	5006 00	All Goods



449	5007 10 00	All Goods	449	5007 10 00	All Goods
450	5007 20	All Goods	450	5007 20	All Goods
451	5007 90 00	All Goods	451	5007 90 00	All Goods
452	5201 00	All Goods	452	5201 00	All Goods
453	5202 10 00	All Goods	453	5202 10 00	All Goods
454	5202 91 00	All Goods	454	5202 91 00	All Goods
455	5202 99 00	All Goods	455	5202 99 00	All Goods
456	5203 00 00	All Goods	456	5203 00 00	All Goods
457	5205 11	All Goods	457	5205 11	All Goods
458	5205	All Goods	458	5205	All Goods
459	5205 28	All Goods	459	5205 28	All Goods
460	5205 47	All Goods	460	5205 47	All Goods
461	5206 11 00	All Goods	461	5206 11 00	All Goods
462	5206 24 00	All Goods	462	5206 24 00	All Goods
463	5206 45 00	All Goods	463	5206 45 00	All Goods
464	5407 71	All Goods	464	5407 71	All Goods
465	5407 72 00	All Goods	465	5407 72 00	All Goods
466	5407 73 00	All Goods	466	5407 73 00	All Goods
467	5407 74 00	All Goods	467	5407 74 00	All Goods
468	5408 21	All Goods	468	5408 21	All Goods
469	5512 11	All Goods	469	5512 11	All Goods
470	5512 21	All Goods	470	5512 21	All Goods
471	5512 91	All Goods	471	5512 91	All Goods
472	5513 11	All Goods	472	5513 11	All Goods
473	5513 12	All Goods	473	5513 12	All Goods
474	5513 13	All Goods	474	5513 13	All Goods
475	5513 19	All Goods	475	5513 19	All Goods
476	5513 41 00	All Goods	476	5513 41 00	All Goods
477	5514 11	All Goods	477	5514 11	All Goods
478	5514 12	All Goods	478	5514 12	All Goods
479	5514 13	All Goods	479	OMITTED	
480	5514 19	All Goods	480	5514 19	All Goods
481	5516 11	All Goods	481	5516 11	All Goods
482	5516 21	All Goods	482	5516 21	All Goods
483	5516 31	All Goods	483	5516 31	All Goods
484	5516 32 00	All Goods	484	5516 32 00	All Goods
485	5516 33 00	All Goods	485	5516 33 00	All Goods
486	5516 34 00	All Goods	486	5516 34 00	All Goods
487	5516 41	All Goods	487	5516 41	All Goods
488	5516 42 00	All Goods	488	5516 42 00	All Goods
489	5516 91	All Goods	489	5516 91	All Goods
490	5516 92 00	All Goods	490	5516 92 00	All Goods
491	5701 10 00	All Goods	491	5701 10 00	All Goods

492	5701 90	Carpets and other floor coverings of jute and coir, knotted, whether or not made up	492	5701 90	Carpets and other floor coverings of jute and coir, knotted, whether or not made up
493	5702 10 00	All Goods	493	5702 10 00	All Goods
494	5702 20	All Goods	494	5702 20	All Goods
495	5702 31	All Goods	495	5702 31	All Goods
496	5702 41	All Goods	496	5702 41	All Goods
497	5702 49	All Goods	497	5702 49	All Goods
498	5702 51	All Goods	498	5702 50	All goods other than of man-made textile material
499	5702 59	All Goods	499	OMITTED	
500	5702 91	All Goods	500	5702 91	All Goods
501	5702 99	All Goods	501	5702 99	All Goods
502	5703 10	All Goods	502	5703 10	All Goods
503	5703 90	All Goods	503	5703 90	All Goods
504	5704 10 00	All Goods	504	5704 10 00	All Goods
505	5705 00	All Goods	505	5705 00	All Goods
506	5806 31	All Goods	506	5806 31	All Goods
507	5807 90	All Goods	507	5807 90	All Goods
508	5903 10	All Goods	508	5903 10	All Goods
509	5903 20	All Goods	509	5903 20	All Goods
510	5903 90	All Goods	510	5903 90	All Goods
511	6001 10	All Goods	511	6001 10	All Goods
512	6001 21 00	All Goods	512	6001 21 00	All Goods
513	6001 22 00	All Goods	513	6001 22 00	All Goods
514	6001 29 00	All Goods	514	6001 29 00	All Goods
515	6001 91 00	All Goods	515	6001 91 00	All Goods
516	6001 99	All Goods	516	6001 99	All Goods
517	6002 40 00	All Goods	517	6002 40 00	All Goods
518	6002 90 00	All Goods	518	6002 90 00	All Goods
519	6003 10 00	All Goods	519	6003 10 00	All Goods
520	6003 20 00	All Goods	520	6003 20 00	All Goods
521	6003 30 00	All Goods	521	6003 30 00	All Goods
522	6003 40 00	All Goods	522	6003 40 00	All Goods
523	6003 90 00	All Goods	523	6003 90 00	All Goods
524	6004 10 00	All Goods	524	6004 10 00	All Goods
525	6004 90 00	All Goods	525	6004 90 00	All Goods
526	6005 10 00	All Goods	526	OMITTED	
527	6005 21 00	All Goods	527	6005 21 00	All Goods
528	6005 22 00	All Goods	528	6005 22 00	All Goods
529	6005 23 00	All Goods	529	6005 23 00	All Goods
530	6005 24 00	All Goods	530	6005 24 00	All Goods
531	6005 31 00	All Goods	531	6005 31 00	All Goods



532	6005 32 00	All Goods	532	6005 32 00	All Goods
533	6005 33 00	All Goods	533	6005 33 00	All Goods
534	6005 34 00	All Goods	534	6005 34 00	All Goods
535	6005 41 00	All Goods	535	6005 41 00	All Goods
536	6005 42 00	All Goods	536	6005 42 00	All Goods
537	6005 43 00	All Goods	537	6005 43 00	All Goods
538	6005 44 00	All Goods	538	6005 44 00	All Goods
539	6005 90 00	All Goods	539	6005 90 00	All Goods
540	6006 10 00	All Goods	540	6006 10 00	All Goods
541	6006 21 00	All Goods	541	6006 21 00	All Goods
542	6006 22 00	All Goods	542	6006 22 00	All Goods
543	6006 23 00	All Goods	543	6006 23 00	All Goods
544	6006 24 00	All Goods	544	6006 24 00	All Goods
545	6006 31 00	All Goods	545	6006 31 00	All Goods
546	6006 32 00	All Goods	546	6006 32 00	All Goods
547	6006 33 00	All Goods	547	6006 33 00	All Goods
548	6006 34 00	All Goods	548	6006 34 00	All Goods
549	6006 41 00	All Goods	549	6006 41 00	All Goods
550	6006 42 00	All Goods	550	6006 42 00	All Goods
551	6006 43 00	All Goods	551	6006 43 00	All Goods
552	6006 44 00	All Goods	552	6006 44 00	All Goods
553	6006 90 00	All Goods	553	6006 90 00	All Goods
554	6101 90	All Goods	554	6101 90	All goods other than of wool or fine animal hair
555	6102 10 00	All Goods	555	6102 10 00	All Goods
556	6102 90	All Goods	556	6102 90	All Goods
557	6103 11 00	All Goods	557	6103 10	All Goods
558	6103 12 00	All Goods	558	OMITTED	
559	6103 19	All Goods	559	OMITTED	
560	6103 21 00	All Goods	560	OMITTED	
561	6103 22 00	All Goods	561	6103 22 00	All Goods
562	6103 23 00	All Goods	562	6103 23 00	All Goods
563	6103 29	All Goods	563	6103 29	All Goods
564	6103 31 00	All Goods	564	6103 31 00	All Goods
565	6103 32 00	All Goods	565	6103 32 00	All Goods
566	6103 33 00	All Goods	566	6103 33 00	All Goods
567	6103 39	All Goods	567	6103 39	All Goods
568	6103 41 00	All Goods	568	6103 41 00	All Goods
569	6103 42 00	All Goods	569	6103 42 00	All Goods
570	6103 43 00	All Goods	570	6103 43 00	All Goods
571	6103 49	All Goods	571	6103 49	All Goods
572	6104 11 00	All Goods	572	OMITTED	
573	6104 12 00	All Goods	573	OMITTED	
574	6104 13 00	All Goods	574	6104 13 00	All Goods



			574A	6104 19 00	Of wool or fine animal hair or of cotton
575	6104 21 00	All Goods	575	OMITTED	
576	6104 22 00	All Goods	576	6104 22 00	All Goods
577	6104 23 00	All Goods	577	6104 23 00	All Goods
578	6104 29	All Goods	578	6104 29	All Goods
579	6104 31 00	All Goods	579	6104 31 00	All Goods
580	6104 32 00	All Goods	580	6104 32 00	All Goods
581	6104 33 00	All Goods	581	6104 33 00	All Goods
582	6104 39	All Goods	582	6104 39	All Goods
583	6104 42 00	All Goods	583	6104 42 00	All Goods
584	6104 43 00	All Goods	584	6104 43 00	All Goods
585	6104 52 00	All Goods	585	6104 52 00	All Goods
586	6104 53 00	All Goods	586	6104 53 00	All Goods
587	6104 61 00	All Goods	587	6104 61 00	All Goods
588	6104 62 00	All Goods	588	6104 62 00	All Goods
589	6104 63 00	All Goods	589	6104 63 00	All Goods
590	6104 69	All Goods	590	6104 69	All Goods
591	6105 10	All Goods	591	6105 10	All Goods
592	6105 20	All Goods	592	6105 20	All Goods
593	6105 90	All Goods	593	6105 90	All Goods
594	6106 10 00	All Goods	594	6106 10 00	All Goods
595	6106 20	All Goods	595	6106 20	All Goods
596	6106 90	All Goods	596	6106 90	All Goods
597	6107 11 00	All Goods	597	6107 11 00	All Goods
598	6107 12	All Goods	598	6107 12	All Goods
599	6107 19	All Goods	599	6107 19	All Goods
600	6107 21 00	All Goods	600	6107 21 00	All Goods
601	6107 22	All Goods	601	6107 22	All Goods
602	6107 29	All Goods	602	6107 29	All Goods
603	6107 91	All Goods	603	6107 91	All Goods
604	6107 92	All Goods	604	OMITTED	
605	6107 99	All Goods	605	6107 99	All Goods
606	6108 11	All Goods	606	6108 11	All Goods
607	6108 19	All Goods	607	6108 19	All Goods
608	6108 21 00	All Goods	608	6108 21 00	All Goods
609	6108 22	All Goods	609	6108 22	All Goods
610	6108 29	All Goods	610	6108 29	All Goods
611	6108 31 00	All Goods	611	6108 31 00	All Goods
612	6108 32	All Goods	612	6108 32	All Goods
613	6108 39	All Goods	613	6108 39	All Goods
614	6108 91 00	All Goods	614	6108 91 00	All Goods
615	6108 92	All Goods	615	6108 92	All Goods
616	6108 99	All Goods	616	6108 99	All Goods
617	6109 10 00	All Goods	617	6109 10 00	All Goods

618	6109 90	All Goods	618	6109 90	All Goods
619	6110 11	All Goods	619	6110 11	All Goods
620	6110 12 00	All Goods	620	6110 12 00	All Goods
621	6110 19 00	All Goods	621	6110 19 00	All Goods
622	6110 20 00	All Goods	622	6110 20 00	All Goods
623	6110 30	All Goods	623	6110 30	All Goods
624	6110 90 00	All Goods	624	6110 90 00	All Goods
625	6111 10 00	All Goods	625	OMITTED	
626	6111 20 00	All Goods	626	6111 20 00	All Goods
627	6111 30 00	All Goods	627	6111 30 00	All Goods
628	6111 90	All Goods	628	6111 90	All Goods
629	6112 11 00	All Goods	629	6112 11 00	All Goods
630	6112 12 00	All Goods	630	6112 12 00	All Goods
631	6112 19	All Goods	631	6112 19	All Goods
632	6112 20	All Goods	632	6112 20	All Goods
633	6112 31 00	All Goods	633	6112 31 00	All Goods
634	6112 39	All Goods	634	6112 39	All Goods
635	6112 41 00	All Goods	635	6112 41 00	All Goods
636	6112 49	All Goods	636	6112 49	All Goods
637	6113 00 00	All Goods	637	6113 00 00	All Goods
638	6114 10 00	All Goods	638	OMITTED	
639	6114 20 00	All Goods	639	6114 20 00	All Goods
640	6114 30	All Goods	640	6114 30	All Goods
641	6114 90	All Goods	641	6114 90	All Goods
642	6115 11 00	All Goods	642	6115 10 00	All Goods
643	6115 12 00	All Goods	643	6115 21 00	All Goods
644	6115 19	All Goods	644	6115 22 00	All Goods
645	6115 20	All Goods	645	6115 29	All Goods
646	6115 91 00	All Goods	646	6115 30 00	All Goods
647	6115 92 00	All Goods	647	6115 94 00	All Goods
648	6115 93 00	All Goods	648	6115 95 00 or 6115 96 00	All Goods
649	6115 99	All Goods	649	6115 99	All Goods
650	6116 10 00	All Goods	650	6116 10 00	All Goods
651	6116 91 00	All Goods	651	6116 91 00	All Goods
652	6116 92 00	All Goods	652	6116 92 00	All Goods
653	6116 93 00	All Goods	653	6116 93 00	All Goods
654	6116 99	All Goods	654	6116 99	All Goods
655	6117 10	All Goods	655	6117 10	All Goods
656	6117 20	All Goods	656	OMITTED	
657	6117 80	All Goods	657	6117 80	All Goods
658	6117 90 00	All Goods	658	6117 90 00	All Goods
659	6201 19	All Goods	659	6201 19	All Goods
660	6201 99	All Goods	660	6201 99	All Goods
661	6202 13 00	All Goods	661	6202 13 00	All Goods

662	6202 19	All Goods	662	6202 19	All Goods
663	6202 93	All Goods	663	6202 93	All Goods
664	6202 99	All Goods	664	6202 99	All Goods
665	6203 19	All Goods	665	6203 19	All Goods
666	6203 21 00	All Goods	666	OMITTED	
667	6203 29 00	All Goods	667	6203 29 00	All Goods
668	6203 32 00	All Goods	668	6203 32 00	All Goods
669	6203 33 00	All Goods	669	6203 33 00	All Goods
670	6203 39	All Goods	670	6203 39	All Goods
671	6203 41 00	All Goods	671	6203 41 00	All Goods
672	6203 42 00	All Goods	672	6203 42 00	All Goods
673	6203 49	All Goods	673	6203 49	All Goods
674	6204 12 00	All Goods	674	6204 12 00	All Goods
675	6204 13 00	All Goods	675	6204 13 00	All Goods
676	6204 19	All Goods	676	6204 19	All Goods
677	6204 21 00	All Goods	677	6204 21 00	All Goods
678	6204 22	All Goods	678	6204 22	All Goods
679	6204 23 00	All Goods	679	6204 23 00	All Goods
680	6204 29	All Goods	680	6204 29	All Goods
681	6204 33 00	All Goods	681	6204 33 00	All Goods
682	6204 39	All Goods	682	6204 39	All Goods
683	6204 42	All Goods	683	6204 42	All Goods
684	6204 43	All Goods	684	6204 43	All Goods
685	6204 44 00	All Goods	685	6204 44 00	All Goods
686	6204 52 00	All Goods	686	6204 52 00	All Goods
687	6204 53 00	All Goods	687	6204 53 00	All Goods
688	6204 59	All Goods	688	6204 59	All Goods
689	6204 62 00	All Goods	689	6204 62 00	All Goods
690	6204 63 00	All Goods	690	6204 63 00	All Goods
691	6204 69	All Goods	691	6204 69	All Goods
692	6205 10 00	All Goods	692	OMITTED	
693	6205 20 00	All Goods	693	6205 20 00	All Goods
694	6205 30 00	All Goods	694	6205 30 00	All Goods
695	6205 90	All Goods	695	6205 90	All Goods
696	6206 10	All Goods	696	6206 10	All Goods
697	6206 30 00	All Goods	697	6206 30 00	All Goods
698	6206 40 00	All Goods	698	6206 40 00	All Goods
699	6206 90 00	All Goods	699	6206 90 00	All Goods
700	6207 11 00	All Goods	700	6207 11 00	All Goods
701	6207 21 10	All Goods	701	6207 21 10	All Goods
702	6207 22 00	All Goods	702	6207 22 00	All Goods
703	6207 29 00	All Goods	703	6207 29 00	All Goods
704	6207 91	All Goods	704	6207 91	All Goods
705	6207 92 00	All Goods	705	6207 99	Of man-made fibres
706	6208 11 00	All Goods	706	6208 11 00	All Goods



707	6208 21 00	All Goods	707	6208 21 00	All Goods
708	6208 22 00	All Goods	708	6208 22 00	All Goods
709	6208 29	All Goods	709	6208 29	All Goods
710	6208 92	All Goods	710	6208 92	All Goods
711	6208 99	All Goods	711	6208 99	All Goods
712	6209 10 00	All Goods	712	OMITTED	
713	6209 20 00	All Goods	713	6209 20 00	All Goods
714	6209 30 00	All Goods	714	6209 30 00	All Goods
715	6209 90	All Goods	715	6209 90	All Goods
716	6210 10 00	All Goods	716	6210 10 00	All Goods
717	6210 20	All Goods	717	6210 20	All Goods
718	6210 40	All Goods	718	6210 40	All Goods
719	6210 50 00	All Goods	719	6210 50 00	All Goods
720	6211 11 00	All Goods	720	6211 11 00	All Goods
721	6211 12 00	All Goods	721	6211 12 00	All Goods
722	6211 20 00	All Goods	722	6211 20 00	All Goods
723	6211 31 00	All Goods	723	OMITTED	
724	6211 32 00	All Goods	724	6211 32 00	All Goods
725	6211 33 00	All Goods	725	6211 33 00	All Goods
726	6211 39 00	All Goods	726	6211 39 00	All Goods
727	6211 41 00	All Goods	727	6211 41 00	All Goods
728	6211 49 00	All Goods	728	6211 49 00	All Goods
729	6212 10 00	All Goods	729	6212 10 00	All Goods
730	6212 20 00	All Goods	730	6212 20 00	All Goods
731	6212 30 00	All Goods	731	6212 30 00	All Goods
732	6212 90	All Goods	732	6212 90	All Goods
733	6213 10 00	All Goods	733	OMITTED	
734	6213 20 00	All Goods	734	6213 20 00	All Goods
735	6213 90	All Goods	735	6213 90	All Goods
736	6214 30 00	All Goods	736	6214 30 00	All Goods
737	6214 40 00	All Goods	737	6214 40 00	All Goods
738	6216	All Goods	738	6216	All Goods
739	6217 10	All Goods	739	6217 10	All Goods
740	6217 90	All Goods	740	6217 90	All Goods
741	6302 10	All Goods	741	6302 10	All Goods
742	6304 19	All Goods	742	6304 19	All Goods
743	6304 92	All Goods	743	6304 92	All Goods
744	6304 93 00	All Goods	744	6304 93 00	All Goods
745	6310 10 20	All Goods	745	6310 10 20	All Goods
746	6310 90 20	All Goods	746	6310 90 20	All Goods
747	6401 10	All Goods	747	6401 10	All Goods
748	6401 91	All Goods	748	OMITTED	
749	6401 92	All Goods	749	6401 92	All Goods
750	6401 99	All Goods	750	6401 99	All Goods
751	6402 12	All Goods	751	6402 12	All Goods



752	6402 19	All Goods	752	6402 19	All Goods
753	6402 20	All Goods	753	6402 20	All Goods
754	6402 30	All Goods	754	OMITTED	
755	6402 91	All Goods	755	6402 91	All Goods
			755A	6402 99	Incorporating a protective metal toe-cap
756	6403 12 00	All Goods	756	6403 12 00	All Goods
757	6403 19	All Goods	757	6403 19	All Goods
758	6403 30 00	All Goods	758	OMITTED	
759	6403 40 00	All Goods	759	6403 40 00	All Goods
			759A	6403 91 or 6403 99	Footwear made on a base or platform of wood, not having an inner sole or protective metal toe-cap
760	6404 11	All Goods	760	6404 11	All Goods
761	6404 19	All Goods	761	6404 19	All Goods
762	6405 20 00	All Goods	762	6405 20 00	All Goods
763	6405 90 00	All Goods	763	6405 90 00	All Goods
764	6802 21	All Goods	764	6802 21	All Goods
765	6810 11 10	All Goods	765	6810 11 10	All Goods
766	6901 00	Bricks/blocks/tiles	766	6901 00	Bricks/blocks/tiles
767	6906 00 00	Ceramic pipes	767	6906 00 00	Ceramic pipes
768	6911 10	All Goods	768	6911 10	All Goods
769	6912 00 10	All Goods	769	6912 00 10	All Goods
770	6914	Other ceramic articles	770	6914	Other ceramic articles
771	7010 10 00	All Goods	771	7010 10 00	All Goods
772	7013 29 00	All Goods	772	7013 28 00 or 7013 37 00	All Goods
773	7202 11 00	All Goods	773	7202 11 00	All Goods
774	7202 19 00	All Goods	774	7202 19 00	All Goods
775	7202 21 00	All Goods	775	7202 21 00	All Goods
776	7202 29 00	All Goods	776	7202 29 00	All Goods
777	7202 30 00	All Goods	777	7202 30 00	All Goods
778	7202 4100	All Goods	778	7202 4100	All Goods
779	7202 49 00	All Goods	779	7202 49 00	All Goods
780	7202 50 00	All Goods	780	7202 50 00	All Goods
781	7202 60 00	All Goods	781	7202 60 00	All Goods
782	7202 70 00	All Goods	782	7202 70 00	All Goods
783	7202 80 00	All Goods	783	7202 80 00	All Goods
784	7202 91 00	All Goods	784	7202 91 00	All Goods
785	7202 92 00	All Goods	785	7202 92 00	All Goods
786	7202 93 00	All Goods	786	7202 93 00	All Goods
787	7202 99	All Goods	787	7202 99	All Goods
788	7209 18	All Goods	788	7209 18	All Goods



789	7209 28	All Goods	789	7209 28	All Goods
790	7210 30	All Goods	790	7210 30	All Goods
791	7210 41 00	All Goods	791	7210 41 00	All Goods
792	7210 49 00	All Goods	792	7210 49 00	All Goods
793	7210 61 00	All Goods	793	7210 61 00	All Goods
794	7210 70 00	All Goods	794	7210 70 00	All Goods
795	7212 20	All Goods	795	7212 20	All Goods
796	7212 30	All Goods	796	7212 30	All Goods
797	7212 40 00	All Goods	797	7212 40 00	All Goods
798	7212 50	All Goods	798	7212 50	All Goods
799	7213 10	All Goods	799	7213 10	All Goods
800	7213 20	All Goods	800	7213 20	All Goods
801	7213 91	All Goods	801	7213 91	All Goods
802	7213 99	All Goods	802	7213 99	All Goods
803	7214 10	All Goods	803	7214 10	All Goods
804	7214 20	All Goods	804	7214 20	All Goods
805	7214 30 00	All Goods	805	7214 30 00	All Goods
806	7214 91	All Goods	806	7214 91	All Goods
807	7214 99	All Goods	807	7214 99	All Goods
808	7217 20	All Goods	808	7217 20	All Goods
809	7222 20	All Goods	809	7222 20	All Goods
810	7222 40	All Goods	810	7222 40	All Goods
811	7227 10 00	All Goods	811	7227 10 00	All Goods
812	7227 20 00	All Goods	812	7227 20 00	All Goods
813	7227 90	All Goods	813	7227 90	All Goods
814	7228 10	All Goods	814	7228 10	All Goods
815	7228 20 00	All Goods	815	7228 20 00	All Goods
816	7228 30	All Goods	816	7228 30	All Goods
817	7228 40 00	All Goods	817	7228 40 00	All Goods
818	7228 50	All Goods	818	7228 50	All Goods
819	7228 60	All Goods	819	7228 60	All Goods
820	7228 70	All Goods	820	7228 70	All Goods
821	7228 80	All Goods	821	7228 80	All Goods
822	7315 82 00	All Goods	822	7315 82 00	All Goods
823	7318 14 00	All Goods	823	7318 14 00	All Goods
824	7318 19 00	All Goods	824	7318 19 00	All Goods
825	7403 11 00	All Goods	825	7403 11 00	All Goods
826	7403 12 00	All Goods	826	7403 12 00	All Goods
827	7403 13 00	All Goods	827	7403 13 00	All Goods
828	7407 10	All Goods	828	7407 10	All Goods
829	7408 11	All Goods	829	7408 11	All Goods
830	7408 19	All Goods	830	7408 19	All Goods
831	7608 10 00	All Goods	831	7608 10 00	All Goods
832	7802 00	All Goods	832	7802 00	All Goods
833	8414 30 00	All Goods	833	8414 30 00	All Goods

834	8414 51	All Goods	834	8414 51	All Goods
835	8418 21 00	All Goods	835	8418 21 00	All Goods
836	8428 10	All Goods	836	8428 10	All Goods
837	8450 11 00	All Goods	837	8450 11 00	All Goods
838	8501 10	Micro and AC Motor	838	8501 10	Micro and AC Motor
839	8501 20 00	All Goods	839	8501 20 00	All Goods
840	8501 40 10	All Goods	840	8501 40 10	All Goods
841	8501 52	Electric Motor 1 HP to 10 HP - AC - excluding special types	841	8501 52	Electric Motor 1 HP to 10 HP - AC - excluding special types
842	8504 40	All Goods	842	8504 40	All Goods
843	8504 90	All Goods	843	8504 90	All Goods
844	8509 40	All Goods	844	8509 40	All Goods
845	8516 10 00	Storage water heaters/geysers upto 100 litres capacity/ upto 3 KW	845	8516 10 00	Storage water heaters/geysers upto 100 litres capacity/ upto 3 KW
846	8516 29 00	All Goods	846	8516 29 00	All Goods
847	8516 40 00	Electric Irons - other than steam irons	847	8516 40 00	Electric Irons - other than steam irons
848	8516 60 00	All Goods	848	8516 60 00	All Goods
849	8528 12	Colour TVs - Set Top Box (Satellite Receivers)	849	8528 71 00 or 8528 72	Colour TVs - Set Top Box (Satellite Receivers)
850	8536 20	All Goods	850	8536 20	All Goods
851	8536 30 00	Voltage stabilisers - domestic type	851	8536 30 00	Voltage stabilisers - domestic type
852	8537 10 00	All Goods	852	8537 10 00	All Goods
853	8537 20 00	All Goods	853	8537 20 00	All Goods
854	8539 29	All Goods	854	8539 29	All Goods
855	8539 31	All Goods	855	8539 31	All Goods
856	8544 11	All Goods	856	8544 11	All Goods
857	8544 19	Insulated plastic and rubber Wires - domestic types	857	8544 19	Insulated plastic and rubber Wires - domestic types
858	8544 20	All Goods	858	8544 20	All Goods
859	8544 49	All Goods	859	8544 49	All goods for a voltage not exceeding 80 V
860	8701 10 00	All Goods	860	8701 10 00	All Goods
861	8701 20	All Goods	861	8701 20	All Goods
862	8701 30	All Goods	862	8701 30	All Goods
863	8701 90	All Goods	863	8701 90	All Goods
864	9028 30	All Goods	864	9028 30	All Goods
865	9030 39	All Goods	865	9030 33	All Goods
866	9404 21	All Goods	866	9404 21	All Goods
867	9603 10 00	Hill grass/broom	867	9603 10 00	Hill grass/broom
868	9608 10	All Goods	868	9608 10	All Goods



Appendix O GRAVITY EQUATION

The gravity equation is well known in the field of international trade, and is widely used by economists to link bilateral trade flows of a pair of countries with their GDP level and the geographic distance between them. The GDP levels of the two countries are a measure of “economic mass”, while the geographical distance measures the “resistance” to trade. Notably, the Newton’s Law of Universal Gravitation’s functional form is taken to build a relationship between trade and the variables of the GDP of the country pair and the distance between them.

$$T_{ij} = \alpha_0 Y_i^{\alpha_1} Y_j^{\alpha_2} D_{ij}^{\alpha_3} \quad (1)$$

where:

i = exporting country

j = importing country

‘ ij ’ is each country pair

$\alpha_0, \alpha_1, \alpha_2$ and α_3 are unknown parameters.

T_{ij} = quantity of bilateral imports of a single variety from country i to country j .

Y_i = Country i ’s output measured in terms of the numeraire.

Y_j = Country j ’s output measured in terms of the numeraire.

D_{ij} = distance between country i and country j .

The stochastic form of the gravity equation has the form:

$$T_{ij} = \alpha_0 Y_i^{\alpha_1} Y_j^{\alpha_2} D_{ij}^{\alpha_3} \eta_{ij} \quad (2)$$

where η_{ij} is the disturbance term which shows the random deviations from the underlying relationship. The disturbance term with $E(\eta_{ij} | Y_i, Y_j, D_{ij}) = 1$ is assumed to be statistically independent of the regressors, which gives:

$$E(T_{ij} | Y_i, Y_j, D_{ij}) = T_{ij} = \alpha_0 Y_i^{\alpha_1} Y_j^{\alpha_2} D_{ij}^{\alpha_3} \quad (3)$$

The gravity equation is usually expressed in logarithmic form. Therefore, equation (1) is log-linearized and the parameters of interest are estimated by least squares using the following equation:

$$\ln(T_{ij}) = \ln(\alpha_0) + \alpha_1 \ln(Y_i) + \alpha_2 \ln(Y_j) + \alpha_3 \ln(D_{ij}) + \eta_{ij} \quad (4)$$



The above procedure is only valid if η_{ij} and therefore $\ln(n_{ij})$ are statistically independent of the regressors. The expected value of the logarithm of a random variable depends both on its means and the higher-order moments of the distribution e.g., if the error term η_{ij} in (4) depends on the regressors, the expected value of $\ln(n_{ij})$ will depend on Y_i, Y_j or D_{ij} as well.

1.2 THE ANDERSON-VAN WINCOOP GRAVITY EQUATION

According to Anderson and van Wincoop (2003), the traditional gravity equation (Tinbergen, 1962) does not take into account “multilateral resistance” terms, and is therefore incorrectly specified. They derive importer and exporter’s gravitational “un-constant” terms from a full expenditure system on a cross-section of data, and show that including country-specific fixed effects give identical results. To solve for this misspecification the authors propose to augment the traditional gravity equation with exporter and importer fixed effects, giving:

$$T_{ij} = \alpha_0 Y_i^{\alpha_1} Y_j^{\alpha_2} D_{ij}^{\alpha_3} e^{\theta_i d_i + \theta_j d_j} \quad (5)$$

where:

$\alpha_0, \alpha_1, \alpha_2, \alpha_3, \theta_i$ and θ_j are the unknown parameters

d_i = dummy for country i

d_j = dummy for country j

The model put forward also predicts that $\alpha_1 = \alpha_2 = 1$, which then gives the unit-income elasticity model:

$$T_{ij} = \alpha_0 Y_i Y_j D_{ij}^{\alpha_3} e^{\theta_i d_i + \theta_j d_j} \quad (6)$$

which can also be written as:

$$E(T_{ij} | Y_i, Y_j, D_{ij}, d_i, d_j) = \alpha_0 Y_i Y_j D_{ij}^{\alpha_3} e^{\theta_i d_i + \theta_j d_j} \quad (7)$$

We follow previous literature in extending the Anderson van Wincoop (2003) gravity equation with several variables that are used as a proxy for different measures of economic and geographical distance. These include control dummies for common (official) language, common border and a common colonizer.

The estimated equation is as follows:

$$\ln T_{ijt} = \beta_0 + \beta_1 \ln GDP_{it} + \beta_2 \ln GDP_{jt} + \beta_3 \ln DIST_{ij} + \beta_4 Adjacency + \beta_4 Common Language + \beta_4 Common Colonizer + \beta_5 RTA_{ij} + \eta_{ijt}$$



Table 42 gives a brief description of the variable names and their sources.

TABLE 21: VARIABLE USED IN THE GRAVITY EQUATION

Variable Abbreviation	Variable Full Name	Description	Source
T_{ij}	Bilateral Trade	Value of imports by Country i from Country j , current USD.	UN Comtrade
GDP	Gross Domestic Product	Gross Domestic Product, billion USD, current prices.	Penn World Table
$DIST_{ij}$	Distance	The great circle distance (in kilometres) between most populous cities.	CEPII
ADJ_{ij}	Adjacency	A dummy variable with value 1 if the two countries have a common border.	CEPII
$LANG_{ij}$	Common (official) language	A dummy with value 1 if the two countries have a common official language.	CEPII
COL_{ij}	Common Colonizer	A dummy with value 1 if i and j were ever colonies after 1945 with same colonizer and 0 otherwise.	CEPII
RTA_{ij}	Regional Trade Agreement	A dummy with value 1 if i and j have signed a Regional Trade Agreement and 0 otherwise.	World Trade Organization (WTO)

Previous studies that have used the gravity equation to evaluate the effect of FTAs or the trade potential of a particular region include Clarete et al., 2000; Boris and Vedran, 2002; Rehman, 2003; Konkhartchank and Maurel, 2003; Batra 2004; Helmers and Pasteels, 2005; Rehman et al., 2006. The studies that use the gravity equation for the case of Pakistan include Khan, 2000; State Bank of Pakistan, 2005 and Baroncelli, 2007.

DATA

This calculation was done using annual trade data from WITS, gravity variables data (distance, common border, and common language) from the Centre de recherche spécialisé en économie internationale (CEPII), GDP data from Penn World Table and the World Bank, and FTA data from the WTO. The time period used was 1970-2010



Appendix P SURVEY FORM SENT TO POTENTIAL EXPORTERS AND OTHER STAKEHOLDERS

Survey: Barriers Affecting Exports to India

Pakistan and India are taking steps to improve their trade relations. Both countries are in the process of signing trade facilitation protocols that shall lead to a harmonisation of Non Tariff Barriers and custom regulations. This is a big opportunity for Pakistani traders to tap into the Indian market. There is a lot of potential in the Indian market and we would like to help you identify the many opportunities Pakistani traders have across the border.

Your input and time is invaluable, because you have direct experience with regards to trade with India. We would be grateful if you share with us your experience and feedback.

Once we have conducted this survey we would use these results to create an awareness campaign for Pakistani firms trading with India or wanting to trade with India.

We will disseminate to you this information to help facilitate your business with India, and ease entry in a market with huge potential. You will receive this report in April 2012.

Contact Person:

Ms. Nadia Rehman

Phone: 0331-510-5557

Email: nadiar.rehman@gmail.com

If you have any additional comments once the survey is complete, please feel free to add them on a separate sheet.

Your replies will be kept strictly confidential

Exporter Profile

Which kind of products do you export to India?

What category does your export product fall under?

- Containerized exports of consumer goods and equipment
- Exports of perishable goods (requiring cold chains)



- Consolidated shipments of manufactured goods
- High-valued cargoes shipped primarily by air

How much are your annual exports (in USD)?

- Less than 100,000
- Between 100,000 and 300,000
- More than 300,000

How did you locate your trading partner?

Are you currently exporting to India? Yes No If not, why?

Customs Valuation

Is your declared value accepted by Indian Customs? If not, how are they evaluated?

Customs procedures

Please list the challenges faced, if any, in completing the following formalities:

- Registration and documentation_____
- Pre-shipment inspection_____
- Customs Clearance_____
- Rules of origin_____

Import prohibitions, restrictions, licensing, and state trading

Is your export restricted by the following measures? If yes, please describe any challenges.

*Import prohibitions*_____

*Import licensing*_____

*Import quotas*_____

*Other import restrictions*_____

*State trading*_____

Charges affecting imports

What customs duties do you pay on your exports?

Do you have to pay any additional duties or cess in addition to tariffs?

Do you have to pay for interstate taxes on movement of your goods in India?

How much additional payments are made for clearance (including informal payments)?

Technical regulations and standards

*Do you face any delays and difficulties in fulfilling the following regulations? Yes No
If yes, please describe.*

- *Standards*_____
- *Technical regulations*_____
- *Certification and conformity assessment*_____
- *Accreditation*_____
- *Labelling*_____

*Do you face any challenges in fulfilling Sanitary and Phytosanitary measures (SPS)?
 Yes No If yes, please describe.*

*Do you think the barriers are Pakistan specific?*_____

Financial Measures

*Do you face any problems related to L/Cs? If yes, what kind?*_____

*Have you experienced default in payments?*_____

Visa Issues:

What problems do you face in the visa process for India?

Transportation and Unloading

What route of transportation do you take? _____

What is your mode of transportation? _____

Is your current transport route shortest and most cost effective? Yes No

If not, why? _____

How much does the current route cost? _____

How many days does it take? _____

What would be the most optimal route for your exports? _____

How much would the optimal route cost? _____ How many days would it take? _____

Do you suffer delays in transportation? Yes No *If yes, why?*

- Restrictive transportation schedule
- Un-availability of railway wagons or trucks
- Limited handling capacity
- Other

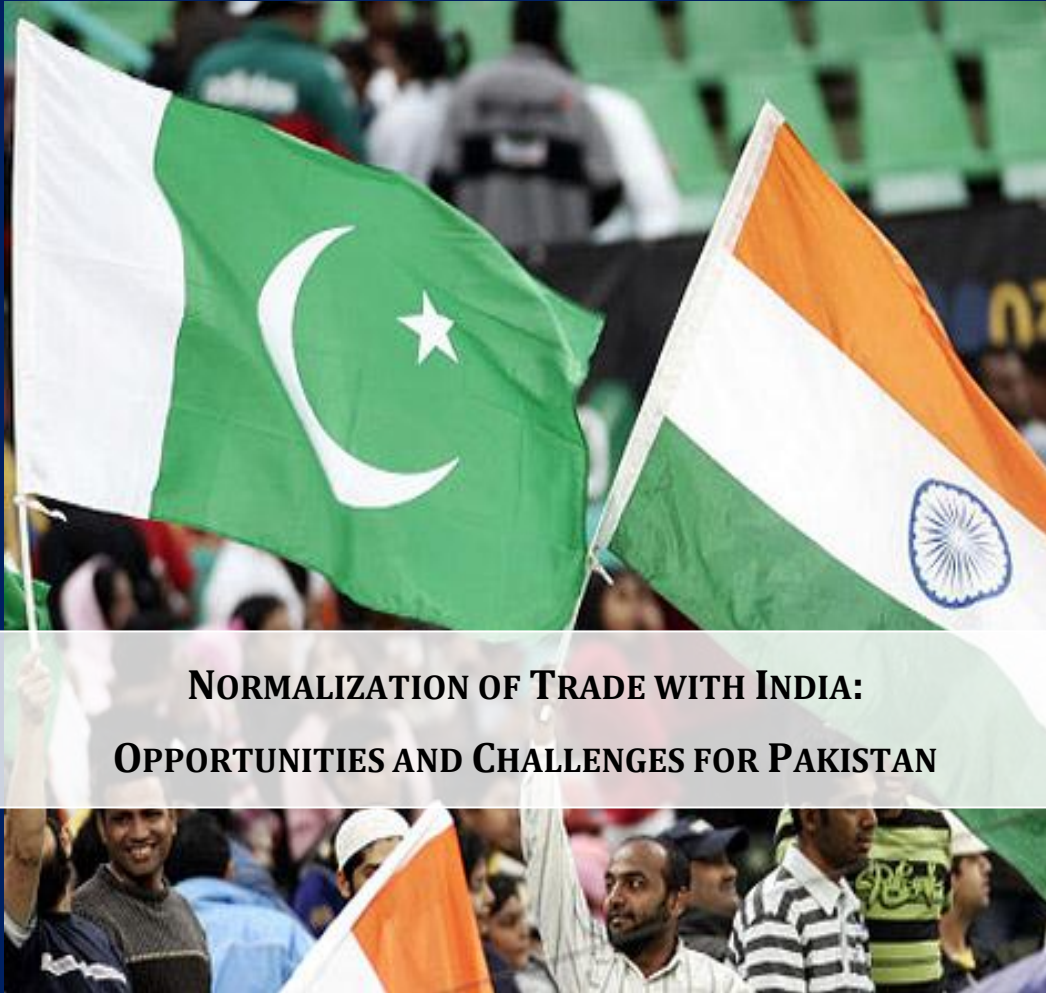
Recommendation for pending trade facilitation agreements between India & Pakistan

What improvements would you recommend for a Customs Cooperation Agreement, which will avoid arbitrary stoppages of goods at each other's ports?

What improvements would you recommend for a Mutual Recognition Agreement for acceptance of certificates of internationally-accredited laboratories?

What improvements would you recommend for a Redressal of Grievances Agreement in case of a disagreement?

Thank you for completing the survey



**NORMALIZATION OF TRADE WITH INDIA:
OPPORTUNITIES AND CHALLENGES FOR PAKISTAN**

Commissioned by



World Trade Advisors, Geneva/Islamabad

Trade Development Authority of Pakistan (TDAP) is the primary agency for promotion of external trade of Pakistan. It was established in November, 2006, under a Presidential Ordinance to replace the Export Promotion Bureau. The TDAP falls within the administration of the Ministry of Commerce, Pakistan.

World Trade Advisors (WTA) is a consulting firm that provides advisory services to government institutions, trade regulatory authorities and private firms on foreign trade policy. The firm is based in Geneva and Islamabad.

Pakistan India Trade Normalization: Opportunities and Challenges for Pakistan

First published in 2012 in Pakistan.

The views expressed in this study are those of the authors and do not necessarily reflect the positions or the policies of the Government of Pakistan. The paper describes research by the authors and is issued to elicit comments for further discussion.

ABOUT THE AUTHORS

Dr. Manzoor Ahmad is a Senior Fellow at the International Center for Trade and Sustainable Development, Geneva. He previously served as Pakistan's Ambassador to WTO, Geneva and Member (Customs) at the Federal Board of Revenue, Islamabad.

Nadia Rehman is a graduate of Duke University, USA. After working for Microsoft Corporation (USA) for five years, she served at Pakistan Telecommunication Ltd. as General Manager, Planning and Development. In 2009 Nadia joined the Federal Government of Pakistan and was posted as the Commercial Counsellor to Prague.

Sohaib Shahid is a Doctoral Candidate in International Economics at the Graduate Institute of International and Development Studies, Geneva.

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ACRONYMS

ACU	Asian Clearing Union
AFTA	ASEAN Free Trade Area
AITEX	Representative Agency of OEKO-TEX in Pakistan
APLAC	Asia Pacific Laboratory Accreditation Cooperation
APTMA	Pakistan Textile Mills Association
ASEAN	Association of Southeast Asian Nations
ASTM	American Society for Testing and Materials
AVE	Ad Valorem Equivalents
BBB	Behind the Border Barriers
BIS	Bureau of Indian Standards
CBEC	Central Board of Excise and Customs
CCR	Compulsory Customs Requirements
CECA	Comprehensive Economic Cooperation Agreement
CEPII	Centre de Recherche Spécialisé en Economie Internationale
CKD	Complete Knock Down
CTH	Change in Tariff Heading
CVD	Countervailing Duty
DEPB	Duty Entitlement Pass Book
DG	Director General
DGAD	Directorate General of Anti-dumping and Allied Duties
DGFT	Director General of Foreign Trade
DGTO	Director General of Trade Organizations
DVA	Domestic Value Added
EDI	Electronic Data Interchange
EOU	Export Oriented Units
EPZ	Export Processing Zones
EU	European Union
FBR	Federal Bureau of Revenue
FCL	Full Container Load
FICCI	Federation of Indian Chambers of Commerce and Industry
FOB	Free on Board
FPCCI	Federation of Pakistan Chambers of Commerce and Industry
FSS	Food Safety and Standards
FSSAI	Food Safety and Standards Authority of India
FTA	Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
HS	Harmonized System
HS-code	Harmonized System of classification
ICRIER	Indian Council for Research on International Economic Relations
IMFS	Indian Made Foreign Spirits
INR	Indian Rupee



ICI	Imperial Chemical Industries
ICP	Integrated Checkpost
ILAC	International Laboratory Accreditation Cooperation
ISO	International Organization for Standardization
ITC	International Trade Centre
KCCI	Karachi Chamber of Commerce and Industry
LC	Letters of Credit
LDC	Least Developed Country
LPG	Liquefied Petroleum Gas
MFA	Multi Fibre Arrangement
MFN	Most-Favoured-Nation
MINFAL	Ministry of Food, Agriculture and Livestock
MOU	Memorandum of Understanding
MRA	Mutual Recognition Arrangement
MT	Metric Ton
NATRIP	National Automotive Testing and R&D Infrastructure Project
NLC	National Logistics Cell
NLDCS	Non-Least Developed Contracting State
NSB	National Standards Body
NTB	Non Tariff Barriers
NTC	National Tariff Commission
OEKO-TEX	International Association for Research and Testing in the Field of Textile Ecology
OEM	Original Equipment Manufacturer
OLS	Ordinary Least Squared
PAAPAM	Pakistan Association of Automotive Parts Accessories Manufacturers
PFA	Prevention of Food Adulteration
PHO	Port Health Officer
PIA	Pakistan International Airlines
PKR	Pakistani Rupee
POI	Ordinance, Period of Investigation
PRAL	Pakistan Revenue Automation Ltd.
PSI	Pre-shipment Inspection
PSQCA	Pakistan Standards and Quality Control Authority
PST	Pacific Standard Time
PTA	Preferential Trade Agreement
RCA	Revealed Comparative Advantage
RCVO	Circuit Breakers with Integral Overcurrent Protection
RMS	Risk Management System
RoO	Rules of Origin
RTA	Regional Trade Agreement
SAARC	South Asian Association for Regional Cooperation
SAFTA	South Asian Free Trade Area
SBN	State Bank of Pakistan
SEZ	Special Economic Zones
SGS	Société Generale de Surveillance (Switzerland)
SIMAP	Surgical Instrument Manufacturers Association of Pakistan



SIMTEL	Sialkot Material Testing Laboratory
SOPs	Standard Operating procedures
SKD	Semi Knock Down
SPS	Sanitary and Phyto-Sanitary
SRO	Statutory Rules and Order
TBT	Technical Barriers to Trade
TCI	Trade Complementarity Index
TDAP	Trade Development Authority Pakistan
TPA	Terephthalic Acid
TPL	Tariff Liberalization Programme
TPR	Trade Policy Review
TT	Telephonic transfer
UN-COMTRADE	United Nations Commodities Trade Statistics Database
UNCTAD	United Nations Conference on Trade and Development
VAT	Value Added Tax
WHO	World Health Organization
WTO	World Trade Organization

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XVII. EXECUTIVE SUMMARY

Over the last three decades, countries around the world have been successfully integrating themselves into regional economic blocks thus creating new trade flows and in the process bringing unmatched prosperity and peace to their regions. With the stagnation of the multilateral trade liberalization process under the Doha Development Agenda, this process of regional and bilateral trade integration gained momentum. South Asia was initially slow to adapt, however, the last decade saw this trend changing. Sri Lanka and Bangladesh did it at a relatively faster pace while Pakistan's efforts at regional integration were much slower.

Pakistan has to catch up and quickly adjust itself to the changing economic scenario. Like other successful countries, it has to build on its regional trade. By officially designating 2012 as the "Year of Regional Trade and Economic Connectivity", and taking a number of concrete steps for normalizing trade with India, the Government of Pakistan has shown its commitment towards achieving this goal.

In this connection, the Trade Development Authority of Pakistan asked us to undertake the following two inter-related projects:

First, to undertake a study to:

- v. assess the potential of Pakistan's exports to India
- vi. understand barriers (tariff and non tariff) that currently restrict exports from Pakistan
- vii. assist the Government of Pakistan in its efforts to negotiate removal of non-tariff barriers (NTBs) within 2012
- viii. facilitate the Government of Pakistan in its objective of making the year 2012 a "Year of Regional Trade and Economic Connectivity".

Second, to conduct a series of seminars in all major cities across the country to share the

salient features of the study and to explain how Pakistani exporters can benefit from those opportunities.

The Study

As per the terms of reference, the study presents the following:

- Overall potential of trade between India and Pakistan
- High potential exports of Pakistan to India
- Tariff regime of India
- Non-Tariff barriers on exports from Pakistan based on the following:
 - i. Survey of exporters & associations of high potential products
 - ii. Interviews of business delegations from both countries
 - iii. Interviews of government officers from the Federal Board of Revenue, Ministries of Railways, Ports and Shipping, Commerce and Pakistan Standards and Quality Control Authority
 - iv. A preliminary assessment of infrastructure at road, railway (*Samjhota Express*, Interchange) and sea ports
 - v. Desk research
- Bilateral Trade Facilitation Protocols
- Trade Defense Measures
- Recommendations

The Seminars

Based on findings of the report, a series of interactive seminars were conducted at 10 major Chambers of Commerce and Industry across Pakistan. These seminars were attended by over 1000 prominent businessmen including manufacturers and traders.



The main focus of seminars was to explain why it was important to normalize trade with India and how Pakistani exporters can benefit from the new market access opportunities.

During these interactive seminars, salient features of the Study were also shared with the participants and particular attention was paid to the following issues:

- vi. Estimate of high potential exports
- vii. The tariff regime of India and its implications on exports from Pakistan.
- viii. An overview of non-tariff barriers and the efforts being made to address them
- ix. The bilateral trade facilitation protocols signed in February 2012.
- x. Future road map for normalization of trade

A brochure relating to Trade Defence Measures was also prepared and distributed. The brochure explained how the businesses being adversely affected by unfair trade or flooding of goods in the Pakistani market can approach the National Tariff Commission for their redressal.

XVII.1 KEY FINDINGS

Following are the key findings of this Study.

I.1.1. HIGH POTENTIAL EXPORTS TO INDIAN MARKET

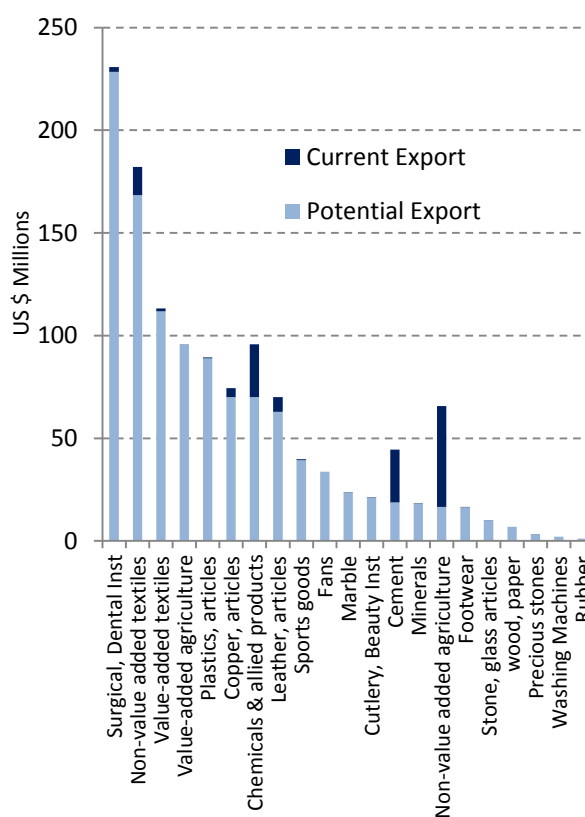
It is estimated that the current trade of US \$2.6 billion can increase at least fourfold⁵⁴. While Pakistan's exports of US \$ 248.14 million are rather low, it has a potential to export at least ten times more.

Pakistan has a positive net Revealed Comparative Advantage (RCA) in a number of

sectors particularly in textiles and clothing where it has an advantage in 354 out of 654 tariff lines as compared to India.⁵⁵ Other key products/sectors in which it can gain export markets are agriculture (especially fresh fruit and ethanol), cement, light engineering goods such as fans, washing machines, surgical and sports goods, leather products, cutlery, plastic goods; and certain chemicals.

The following figure gives a summary of high potential exports to India.⁵⁶ A detailed list may be found in the Appendix.

FIGURE 42: HIGH POTENTIAL PRODUCTS WITH NET RCA > 1 AND INDICATIVE POTENTIAL > US \$ 1 MILLION. (AT HS 6, ONLY QUALIFYING PRODUCTS HAVE BEEN AGGREGATED INTO SECTORS)



Source: Authors' calculations based on data from UN COMTRADE, 2010.

⁵⁵ Positive Net Revealed Comparative Advantage.

⁵⁶This analysis excludes Light Petroleum Distillates (base oil, naphtha etc.) which show an indicative potential of US \$ 1.16 Billion.

⁵⁴ KCCI 1996, FICCI 2003, Batra 2004, Baroncelli 2006, SBP 2006.



Figures show a total indicative potential of US \$ 2.13 billion for products in which Pakistan has a positive net RCA over India.

Major manufacturers were of the view that if all tariff and non-tariff barriers were removed, their exports of major products could exceed US \$3.7 billion. These estimates included raising of exports of cement to over US \$ 1 billion, textiles US \$ 1.5 billion, light engineering (surgical, fans, sports goods, cutlery etc) US \$ 200 million, chemicals US \$ 200 million and agricultural products US \$800 million. No studies were cited in support of these estimates but it was explained to us that these figures were based on their potential manufacturing capacity and demand in India.

1.1.2. TARIFF REGIME OF INDIA

While India has been gradually reducing its tariffs over the last two decades and the average applied MFN tariff currently stands at 12 per cent, the tariff regime is still complex. Import taxes are high in sectors of interest to Pakistan, namely textiles and agriculture.

Para-tariff measures further increase the effective applied duty rates. While the average MFN customs duty rate is 12%, with para-tariffs it becomes 25.6% on average. In general, rates increase twofold for textiles and clothing and threefold for chemicals and cement from the average applied MFN rate.

Key observations are as follows:

- Composite taxes are levied on certain textiles and clothing. Composite tariffs are applied on 685 tariff lines of textiles and clothing. If Ad Valorem Equivalents (AVEs) are included in the tariff analysis, the average protection increases from 9.6 to 16.2 per cent for textiles and 10 to 25.7 per cent for clothing. In some cases (e.g. shawls, scarves exceeding 60 cm) tariffs are very high. These duties do not include para tariffs.

- India's tariff regime protects agriculture. Average tariff protection for agricultural products in 2010/11 was considerably high at 33.2%, as compared to manufactured products at 8.9%. About 57% of agricultural goods bear tariffs of 30%. A wide spread between bound (10%-300%) and applied tariff rates (0%-150%) for many agricultural products leads to frequent fluctuations in tariffs and acts as an impediment to trade. The variability in tariffs is noticeably marked in the case of food staples including rice and sugar.
- India's tariff regime promotes tariff escalation. Tariffs for semi-manufactures are lower compared to processed goods. This provides cheaper inputs to the manufacturing industry. Moreover, various import duty concessions are granted for intermediate goods under different export and investment promotion schemes. While this provides a potential venue for exports from Pakistan, it was suggested by local manufacturers (especially in the automotive parts and surgical equipment sectors) that exports of intermediate goods should be regulated in order to support the local manufacturing industry.
- India will reduce tariffs to 0 to 5 per cent on all products except those on the Sensitive List, as per its commitments as a non-LDC member of SAFTA, by 2013. However the impact on Pakistan will be limited as textiles and agriculture are protected by India's Sensitive List.
- India's Sensitive List protects a wide range of textiles and agriculture products. At HS level 6, 30 per cent of the items on India's sensitive list are agricultural while 34 per cent are textile products. The corresponding figures for Pakistan are 4 per cent and 24 per cent respectively.



- India also imposes para tariff measures such as CVD and educational cess which substantially raise the effective duty rates. The para-tariffs are levied in lieu of domestic taxes on imports to give a level playing field to local producers. However, as in the case of sales tax and withholding income tax for imports in Pakistan, these taxes are also adjustable for manufacturers.
- India has the most protective tariff regime for Pakistan in the SAARC region. India has an FTA with Nepal, Bhutan and Sri Lanka and a PTA with Afghanistan. Being an LDC, Bangladesh also gets deeper preferential treatment under SAFTA.

NON TARIFF BARRIERS FACED BY PAKISTANI EXPORTERS

Wagah/Attari is presently the only land route through which trade is permitted between the two countries although they share over 1800 miles long border. While the working hours have recently been extended, this single route is insufficient to meet the increasing trade flows. Also exporters from other provinces find it difficult and expensive to export through this route. Further bilateral protocols of rail and truck movement are very restrictive and repose considerable discretionary powers in government officials thus resulting in arbitrary stoppages and delays.

There are also serious problems of infrastructure such as lack of computerized weigh bridges, scanners, cranes, transport vehicles, cold storage chains and other port infrastructure on both sides. With the recent inauguration of the integrated check post at the Indian side on Wagah, the Pakistani side will also have to expedite the development of infrastructure to facilitate trade.

Lack of harmonization and non acceptance of standards in particular for agricultural produce and textiles is a major barrier. While

a mutual recognition agreement has been signed by the two countries for harmonization of standards, for the time being it only covers one commodity (cement).

Non-existence of trade-related services including direct banking channels, direct shipping lines, courier service and mobile roaming facility also hamper the flow of goods.

Other major issues are multiple documentation, lengthy procedures; manual processing and lack of use of information technology, lack of transparency and consistency and primitive cargo handling procedures.

Arbitrary Customs procedures including application of minimum Customs value, compulsory requirement of pre-shipment inspection for certain items, import permits and original SPS certificates for agricultural products, checking by multiple agencies and bureaucratic hurdles are some of the other problems.

One of the most difficult problems is getting visa for multiple cities and multiple visits.

XVII.2 RECOMMENDATIONS

The following issues need to be addressed simultaneously and on priority.

4. Lowering of tariff barriers through negotiations of SAFTA concessions on items of Pakistan's export interest in particular textiles, light engineering and agricultural goods.
5. Prompt removal of non-tariff barriers including the following:
 - vii. Transport Protocol:
 - Open all routes that were previously in operation before 1965. For example:



- Munabao-Khokharapar rail route to link Karachi with Mumbai
- Sahiwal-Fazilka to connect the Southern parts of Punjab
- Lahore-Patti road
- Kasur-Firozpur road
- Provide direct shipping routes to east and south India.
- Allow direct transportation from all existing dry ports without the requirement of rechecking at the port of exit.
- Allow warehouse to warehouse shipment in order to address yard capacity issues at the port.
- Allow containerized shipment at land ports.
- Improve the bilateral railway SOPs to allow 8 wheeler train wagons and more than one interchange a day.
- Allow vehicles to carry full container loads.

viii. Port Infrastructure:

- Upgrade infrastructure (including covered sheds, automated handling, cold storage, weighbridges, fork lifters etc.) at all ports. Also develop an ICP at the railway port.
- Provide electronically generated reports for scanners and weighbridges so they may be used as evidence in case of disputes on quantities exported.
- Provide auxiliary services at ports for faster clearance.
- Establish bank branches of each other's countries at ports.

ix. Standards:

- Establish a single point of enquiry for TBT and SPS regulations. Changes should be disseminated through a subscription system.
- Establish certification, inspection and textile laboratories at ports.
- PSQCA may be allowed to issue certificates and conduct inspections on behalf of BIS.
- Training may be offered for packaging and labeling requirements via online tutorials.
- Extend the MRA signed in February 2012 to remove the requirement of establishing a branch office in India to get BIS certification.
- Certificates of third part international laboratories e.g. SGS may be accepted.

x. Clearance procedures:

- Allow electronic issuance of SPS, Rules of Origin and SAFTA certificates in a mutually recognized format.
- Enforce best practices identified in electronic risk management system (RMS), including opening a "green channel" for reliable importers at land ports.
- Develop inter-Customs SOPs to address classification and valuation issues.
- Create an automated mapping of HS codes at level 8 to address classification issues.
- Make Customs SOPs available electronically.
- Encourage data sharing between Customs.



- Accept copies of the SPS certificate for fast clearance of perishables without waiting for the original to arrive via courier.
- xi. Visa Facilitation:
- There should be no restrictions of cities and visas should be for multiple visits.
 - Till the establishment of a more facilitative mechanism, visas should be allowed on the recommendations of the Chambers of Commerce and Industry.
 - Additional visa processing offices should be opened. There should be a visa office at Karachi, Lahore and Faisalabad.
 - Single day permits may be issued to businessman for meetings in a designated area.
- xii. Other:
- Open direct courier services.
 - Allow opening of bank branches of the other country.
6. Prompt harmonization of the following non-tariff barriers:
- SPS requirements for agricultural products (vegetables, fruit, vegetable oils and packaged halal foods)
 - Customs SOPs for import of agricultural products
 - Pre-shipment test requirements for textiles
 - Certification requirements for cement
 - Labeling and packaging requirements for all packaged commodities including food products
- Labeling requirements for textiles
 - Standards requirements for automotives including two wheelers

XVIII. OVERVIEW OF THE STUDY

Section I is an overall Executive Summary which highlights the background for normalization of trade and the terms of reference of the Study. It provides an overview of the seminars and key findings of this study. It also summarizes key Recommendations for further work.

Section III gives a review of some of the more important papers published on the topic. In particular, key findings of Bin Najib, Baig and Ansari (2012), Nabi (2011 and 1996), Khan and Tabish (2011), Hussain (2011), Taneja (2011 and 2007), and Naqvi and Schuler (2007) have been summarized.

Section IV of the paper presents an estimate of potential bilateral trade based on Gravity model. It further identifies Trade Complementarity and Export Profile, high potential exports to India based on RCA and Indicative Market Potential.

Section V delineates the tariff regime of India and focuses on agriculture, implications of composite tariffs on textiles, tariff escalations and tariff regime for sensitive items under SAFTA. This section gives an overview of SAFTA and explains why tariff concessions agreed under this Agreement are of limited benefit to Pakistan. Section V also refers to Pakistan's isolation within SAFTA.

Section VI is about Non-Tariff Barriers in general and how they restrict exports from Pakistan. It gives the details of the survey conducted to ascertain the nature of NTBs and lists the major NTBs pointed out by potential exporters. It gives details of Customs regulations and procedures, rules of origin, standards, additional taxes and such other NTBs that restrict exports from Pakistan.

Section VII presents an overview of sector wise non tariff barriers that are of particular importance for Pakistani exporters. These

include surgical goods, textiles, ethanol, cement, metal scrap and agricultural products.

Section VIII highlights tariff barriers due to port infrastructure and bilateral transport protocols. This section explains location-based NTBs such as those at Wagah, Karachi and via Railroad (*Samjhota Express & Interchange Train*). Procedural problems faced by exporters at Wagah have been explained in details

Section IX gives a summary of the 10 seminars conducted at major Chambers of Commerce and Industry throughout Pakistan. It also highlights major concerns raised at various Chambers.

Section X describes the efforts made by the Governments of Pakistan thus far to address NTBs, including the bilateral trade facilitation protocols signed in February 2012.

Section XI explains salient features of legal instruments (anti-dumping; anti-subsidy and safeguard rules) available to address any unfair practices and how the affected parties can approach the National Tariff Commission for redressal of their grievances.

Section XII outlines policy recommendations and how an integrated approach for reducing tariff and non-tariff barriers could be used to achieve the desired results.

Section XIII gives the impact of India's current and potential bilateral free trade agreements on Pakistan's exports.

Section XIV suggests a roadmap for future research and also gives the status of the various targets achieved so far.

Section XV provides the list of references used in this Study.

Finally, some key information which was either used for this Study or was generally



found to be useful has been incorporated in various Appendices. These include current profile of exports to India, total indicative potential of exports, major exports and imports, fastest growing exports and imports, import policy of India for high potential exports, legislation for Standards & Certifications In India, exports profiles at

ports, summary of NTBs by sector and by port, high potential exports, list of products with minimum export price, list of items importable through Wagah, Pakistan's sensitive list under SAFTA, India's sensitive list of non-LDCs, details of gravity equation and a sample of the survey form.

XIX. LITERATURE REVIEW

In a recent Punjab Board of Investment and Trade (PBIT) Working Paper on Pakistan-India trade potential by Bin Najib, Baig and Ansari (2012), the authors give a summary of various aspects of Pak-India trade including tariff and non-tariff barriers to trade; opportunities for Pakistani exports; general fears of the local industry, and specifically lists the opportunities and threats for Agriculture, Cotton & Textile, Manufacturing Automobile and Pharmaceutical sectors. The paper concludes that overall Pakistan's economy would benefit from opening trade with India and that the fear of being over-run by cheaper Indian commodities was unfounded as India's industry is considerably less competitive than China's.

Amongst numerous other studies on the subject, one of the notable one is that of Nabi (2011). The author examines regional trade in the context of Pakistan's overall economic objectives, and promotes a view of India as a possible significant export market. The author also presents some sectoral case studies, such as the role of trade in accessing the Indian technical expertise in the pharmaceuticals. The same author in a 1996 study concludes that treating India at par with the WTO-GATT signatories would make Pakistan consistent with the rules and regulations that govern the WTO. Doing so would improve Pakistan's access to the global market. Tariffs need to be reformed to ensure that Pakistani producers do not suffer negative protection vis-à-vis Indian competitors. The author suggests the opening of more land border crossings, ease of visa restrictions, and tightening of customs administration. The author further proposes that a 'stop-go' relationship between the two countries should be avoided at all costs, as this would damage business confidence.

Khan and Tabish (2011) in a joint TDAP/SAARC study propose policy options to decision makers in both countries. They

discuss the issue of non-tariff barriers in India and the previous denial of MFN status by Pakistan. The study also offers short-term and medium-term remedial options, covering trade facilitation, infrastructure, government policy and other areas of bilateral cooperation. The paper also outlines the potential gains based on empirical investigation by researchers and proposes means to enhance bilateral trade between the two countries.

Husain (2011) highlights how greater trade with India offers an immediate and rich possibility of economic growth for both Pakistan and India. The author stresses that the Pakistani economy can hugely benefit if better trade relations with India were established, mainly via the positive impacts to the private sector. This paper analyses, by key sectors, some of the challenges and benefits greater trade with India would create. The author mentions several empirical studies and concludes that India-Pakistan enhanced trade would lead to a win-win situation. The author lists some rules and regulations that inhibit trade, and concludes that both countries should reactivate SAFTA and agree on a phasing out of the sensitive list (of items that each country deems important for its economy) over the next few years. According to the author, a restrictive list would nullify all the potential gains of preferential trade access. The countries should also promote trade facilitation through expeditious border crossings; streamlining of documentation requirements; coordination of border agencies; quick customs clearance; improvement of electronic data interchange; telecommunication; and transport links; creation of new shipping protocols and easing of visa restrictions for businessmen. The author also suggests the harmonization of legal regulations for investor protection,



contract and intellectual property rights enforcement, and labor relations.

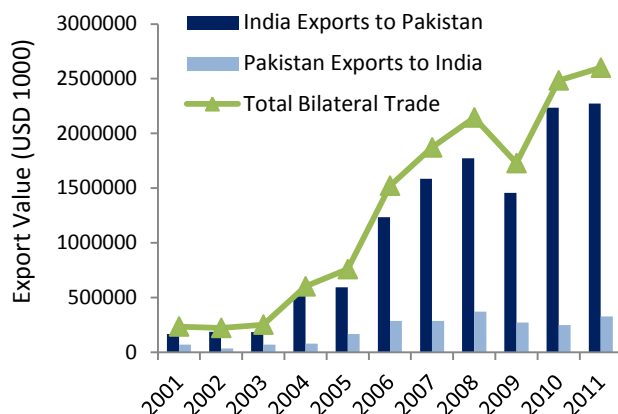
Taneja and Kalita (2011) suggested that the most important step towards enhancing trade would be to adopt the MFN principle, as the current policy inhibits trade, lacks transparency and leads to high transaction costs. In a previous study Taneja (2007) identifies the bilateral trade possibilities and non-tariff barriers between India and Pakistan. Using the potential trade approach, the study finds that the export potential from India to Pakistan is to the tune of US\$ 9.5 billion while that from Pakistan to India is US\$ 2.2 billion. The author also indicates that the imposition and application of standards in India was perceived as a major non-tariff barrier by Pakistani exporters. The study found that even though the TBT and SPS measures are not discriminatory across trading partners, Pakistani exports to India are surely affected by these. Pakistan has an export interest in textiles and agricultural products which also happen to be sectors where import restrictions/standards are most rigorously applied by India. It also found that due to a restrictive visa regime only selected traders have access to trade-related information. Thus lack of transparency, market imperfections and information asymmetries on both sides raise transaction costs and restrict market access for several other aspiring traders.

Naqvi and Schuler, editors in a World Bank publication (June 2007) on “The Challenges and Potential of Pakistan–India Trade, draw upon a series of papers on Pakistan–India trade and link them thematically from a more general overview to impact on specific sectors. While giving reasons for the low trade volume, they cite three main reasons: political tensions, the use of import-substitution policies to promote industrialization, and, in contrast to other regions of the world, relatively little commitment to regional integration. In other papers in the publication, various authors discuss several related issues such as quantification of informal trade between the two countries which is estimated at US\$545 million; the trade cost of bilateral animosities through a standard gravity model; the welfare implications of bilateral trade and free trade in the context of SAFTA and impact of normalization of trade on textiles, light engineering, chemicals and agriculture.



XX. BILATERAL TRADE POTENTIAL

FIGURE 43: TREND OF BILATERAL TRADE BETWEEN INDIA AND PAKISTAN



Source: Authors calculations based on UN COMTRADE statistics and PRAL data

In 2011, bilateral trade between the two countries was US \$ 2.6 billion. India's exports represented 88 per cent of trade.

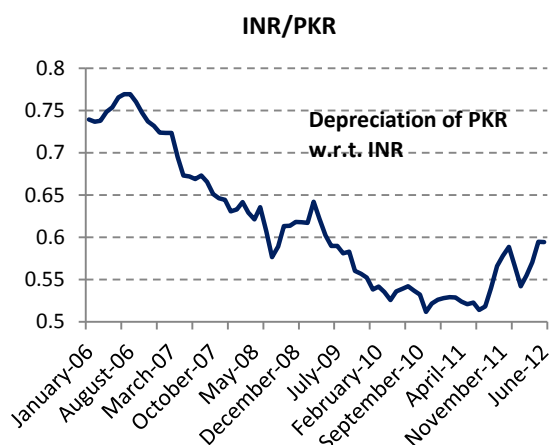
Once trade is normalized between the two countries, studies suggest that potential trade could be in the region of US \$10-11 billion.⁵⁷ Informal trade between the two countries is estimated to be anywhere from US \$ 500 Million to US \$ 2 Billion.⁵⁸ Trade normalization will also formalize informal trade leading to a reduction in transport costs, more tax revenue and higher gains from trade for both countries.

Geographical proximity gives Pakistan an edge over its competitors in the Indian market. Pakistani exporters will also be able to tap into India's burgeoning middle class estimated at 330 million.

Pakistani exporters can also benefit from the substantial depreciation of the Pakistani Rupee (PKR) against the Indian Rupee (INR) in the past few years. As shown in Figure 3, the PKR depreciated by 34% since February

2007. Pakistani exporters can take advantage of this trend, which means that today the real value of Pakistani exports to India would be lower, and due to the lower unit cost of Pakistani goods, India would have a greater incentive to import from Pakistan rather than other countries.

FIGURE 44: DEPRECIATION OF THE PAKISTANI RUPEE VS. THE INDIAN RUPEE



Note: Figure 3 shows INRs required to purchase 1 PKR. There is a downtrend, showing the depreciating PKR.

India has already opened Foreign Direct Investment to Pakistan. Full modalities are not yet clear but if this is applicable to all sectors and allows favorable returns, it will provide increased access to markets with which India has an FTA.⁵⁹ This shall also allow Pakistani exporters to setup factories or outlets in India in order to meet the requirement of contingent sourcing that has been stipulated by large international buyers.

The bordering region on Indian Punjab has not developed at the same pace as the rest of India. This is an opportunity for Pakistan to penetrate into this market.

⁵⁷ KCCI 1996, FICCI 2003, Batra 2004, Baroncelli 2006, SBP 2006

⁵⁸ Taneja (2011)

⁵⁹ For example, EU-India FTA has been under negotiation since 2007. Once finalised, this would be present an opening for Pakistani exporters too.



In recent years India has signed trade agreements with several other countries. Given the similarity of Pakistan and India's export baskets, this may lead to trade diversion away from Pakistan. It is important that Pakistan takes necessary steps to safeguard against such an eventuality. For more details please see XXIX.

XX.1 GRAVITY MODEL

Results from the gravity equation show us that if both Pakistan and India trade on an MFN basis and make SAFTA operational they can have their trade increase from the current \$2.6 billion to approximately \$10-11 billion.

An interesting result we get is that if both Pakistan and India decide to make SAFTA functional, their trade volume is bound to increase by more than twice the current amount. This is significant, especially if compared to other countries that on average would increase their trade volume by 70 per cent after signing an FTA

Many of the findings regarding trade potential between Pakistan and India should be analyzed carefully because standard measures of trade potential are often difficult to apply to trading partners like Pakistan and India. This is due to the fact that structural and political aspects hinder trade more than the imposition of tariff regimes.

METHODOLOGY:

The gravity model explains bilateral trade flows as being proportional to the GDP of the trading countries and inversely proportional to the distance between them. In line with the literature, we also constructed an augmented gravity equation, including variables like the gross domestic product, countries' distance, common language, common border, common colonizer and an FTA binary variable (dummy).

To see the impact of a functioning FTA (SAFTA) we used the gravity model, where

the FTA variable was a binary variable (1 if there is an FTA, 0 otherwise). The FTA variable did not give us information regarding the depth of the agreement, but instead gave us information on whether there was an FTA signed or not.

To analyze the impact of MFN, the estimated value and consequently the predicted value were found using a Ordinary Least Squared estimation procedure. Running an OLS regression would not take care of the endogeneity issues, therefore, country-pair fixed effects were taken into consideration in order to control for characteristics that are common to a particular country pair. Apart from that, time fixed effects were also taken, which controls for time variant unobserved characteristics. Lastly, country-specific fixed effects were taken which idiosyncratic unobserved features of the country were taken into account. As more fixed effects are taken, the trade potential sees a marginal increase (12 percent).

The gravity results were obtained using panel data from 1970-2010. Batra (2004) uses cross-sectional data which usually gives a higher number coefficient, and therefore a higher trade potential, whereas panel data sets as used in our analysis give a more conservative estimate. Also, using a panel data in a gravity equation setting allows more accurate inference of the model parameters, controls for heterogeneity, reduces the problem of collinearity among variables and increased efficiency.

See Appendix EE for a detailed analysis of the gravity model.

DATA:

This calculation was done using annual trade data from WITS, gravity variables data (distance, common border, and common language) from the *Centre de recherche spécialisé en économie internationale* (CEPII),



GDP data from Penn World Table and the World Bank, and FTA data from the WTO. The time period used was 1970-2010

XX.2 TRADE COMPLEMENTARITY AND EXPORT PROFILE

Pakistan's total exports to India amounted to US \$ 248.4 million in 2010. 25 per cent of the export basket comprised of mineral products (cement, gypsum, and light petroleum distillates) while another quarter was non-value added agricultural products, mainly dried dates. Chemicals and non-value added textiles constitute another 16 percent and 11 percent respectively.

Using the Trade Complementarity Approach to assess the demand for Pakistani products from the India market, it emerges that over time India's import basket has become more favorable to Pakistan's export basket.⁶⁰ This shows an increasing trend in the potential Pakistani exports have in the Indian market. Compared to 2003, we witness a substantial increase in the TCI in 2009.

TABLE 22: TRADE COMPLEMENTARITY INDEX FOR PAKISTAN'S EXPORTS TO INDIA

Year	TCI for Pakistan's Exports to India
2003	13.60
2004	15.56
2005	17.32
2006	16.79
Pre-Average (2003-06)	15.82
2007	19.85
2008	20.57
2009	20.66
Post-Average (2007-09)	20.36

Source: Authors' Calculations based on UN COMTRADE Statistics

⁶⁰ The trade complementarity index measures the degree to which the export pattern of one country measures the import pattern of another. The higher the complementarity, the more favorable would be the prospects of realizing the trade potential.

XX.3 HIGH POTENTIAL EXPORTS TO INDIA

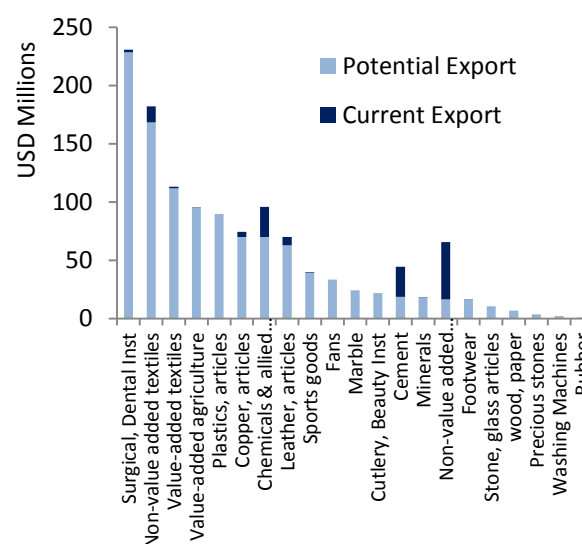
Figures indicate a total Indicative Potential of US \$ 2.13 billion in the Indian market for products in which Pakistan has a positive net (revealed comparative advantage) RCA over India.^{61,62}

For the purpose of this analysis, the high potential products were determined based on the following two criteria:

3. Pakistan has a net RCA above 1 and
4. Indicative potential is more than US \$ 1 Million per year in the Indian market

The resulting list of 126 products with an indicative potential of US \$ 1.24 billion is in 0. The identified products were then aggregated into sectors. The final list of products/aggregated sectors is shown in FIGURE 45.

FIGURE 45: HIGH POTENTIAL EXPORTS (AGGREGATED PRODUCTS WITH NET RCA >1, INDICATIVE POTENTIAL < 1 MIL)



Source: Authors' calculations based on UN COMTRADE data 2010.

⁶¹ Computed as $\text{Min}(\text{Total Import of India from the world for } a, \text{ Total Export of Pakistan to the World for } a) - \text{Current Exports of Pakistan to India of } a$, where a is any product at HS level 6.

⁶² Computed as $\text{RCA Pakistan} - \text{RCA India}$ for a product at HS level 6.

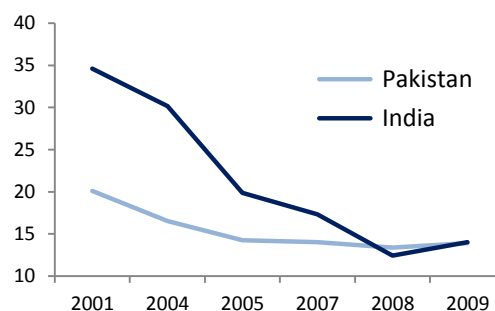
XXI. TARIFF REGIME OF INDIA

While India has reduced its tariffs over the last 20 years and the average applied MFN tariff is currently 12 per cent, the tariff regime is still complex. Import taxes are high in sectors of interest to Pakistan, namely textiles and agriculture. Key observations are as follows:

- India's tariff regime protects agriculture: Average tariff protection for agricultural products in 2010/11 was considerably high at 33.2%, as compared to manufactured products at 8.9%. About 57% of agricultural goods bear tariffs of 30%. A wide spread between bound (10%-300%) and applied tariff rates (0%-150%) for many agricultural products leads to frequent fluctuations in tariffs and acts as an impediment to trade. The variability in tariffs is noticeably marked in the case of food staples including rice and sugar.
- Composite tariffs are applied on 685 tariff lines of textiles and clothing. If Ad Valorem Equivalent (AVEs) are included in the tariff analysis, the average protection increases from 9.6 to 16.2 per cent for textiles and 10 to 25.7 per cent for clothing. In some cases (e.g. shawls, scarves exceeding 60 cm) tariffs are substantially high. These duties are exclusive of additional charges and do not include para tariffs.
- India's tariff regime promotes the manufacturing sector. Tariffs for semi-manufactures are lower compared to processed goods. This provides cheaper inputs to the manufacturing industry. Moreover, various import duty concessions are granted for intermediate goods under different export and investment promotion schemes. While this provides a potential venue for exports from Pakistan, it was suggested by

manufacturers in Pakistan (especially in the automotive parts and surgical equipment sectors) that exports of intermediate goods should be regulated in order to support the local manufacturing industry.

FIGURE 46: TREND OF AVERAGE APPLIED MFN RATES FOR PAKISTAN AND INDIA



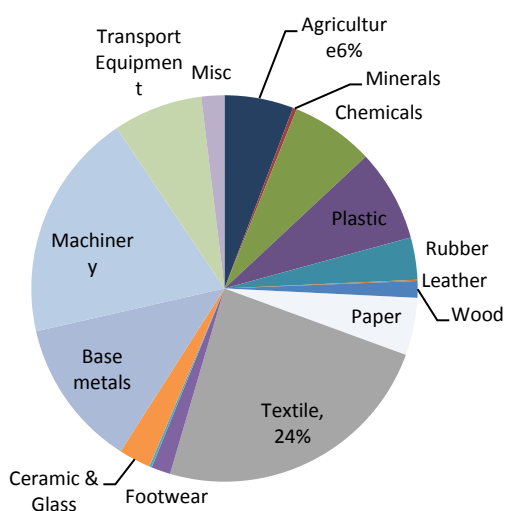
- India is bound to reduce tariffs to 0 to 5 per cent on all products except those on the Sensitive List by 2013, as per its commitments as a non LDC member of SAFTA. However the impact on Pakistan will be limited as textiles and agriculture are protected by the Sensitive List.
- India's Sensitive List protects a wide range of textiles and agricultural products. At HS-6 level, 30 per cent of the items on India's sensitive list are agricultural while 34 per cent are textile products. The corresponding figures for Pakistan are 4 per cent and 24 per cent respectively.

India has the most protective tariff regime against Pakistan in the SAARC region. India has an FTA with Nepal, Bhutan and Sri Lanka and a PTA with Afghanistan. Being an LDC, Bangladesh also gets deeper preferential treatment under SAFTA.

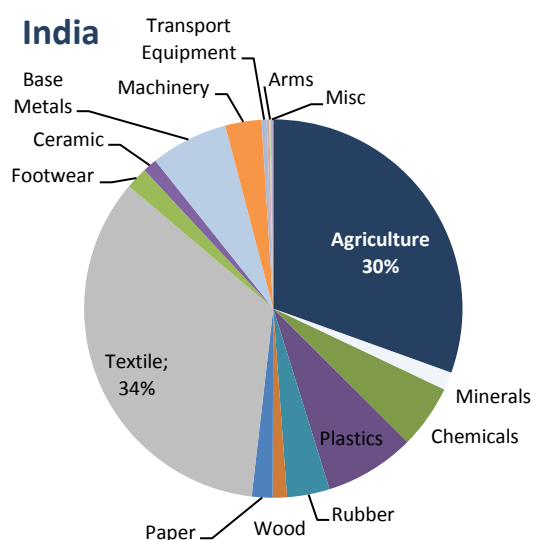


FIGURE 47 AND 7: COMPARISON OF SAFTA SENSITIVE LISTS OF INDIA AND PAKISTAN

Pakistan



India



- India has reduced peak tariff rates to 8% for Non-Least Developed Countries (Pakistan and Sri Lanka) under SAFTA, vide notification no. 125/2011-Customs dated 30.12.2011. India.
- India also imposes para tariff measures such as CVD and educational cess which substantially raise the effective duty rates, increasing the average applied MFN tariff from 12 per cent to 25.6 per cent.

XXI.1 SAFTA

The **South Asian Free Trade Area** or **SAFTA** was signed in 6 January 2004 to gradually eliminate tariff barriers amongst SAARC members. It came into force on 1 January 2006. As non LDC members of SAFTA, Pakistan and India are bound to reduce tariffs on all tariff lines except the sensitive list to 0-5 per cent by June 2013.

If we examine the SAFTA Sensitive Lists of Pakistan and India at HS level 6, the following becomes apparent:

- A significant number of tariff lines on India's Sensitive List for non LDCs are of export interest to Pakistan e.g. textiles, agriculture and light engineering, plastic articles and tractors.
- The Sensitive List provides limited protection for agriculture in Pakistan. Only 6 per cent of tariff lines in the Sensitive List of Pakistan are agricultural while the corresponding number for India is 30 per cent.
- Textiles constitute 24 per cent of the Sensitive List for Pakistan and 34 per cent of India's Sensitive List.
- Pakistan's Sensitive List restricts only 17 per cent of imports into the country, whereas the Sensitive List of India restricts about 40 per cent of imports. A possible reason for the low coverage of Pakistan's sensitive list may be that previously only a limited number of imports were allowed from India as per the Positive List approach.

LIMITATIONS OF SAFTA

It is recommended that NTBs and reduction of the Sensitive Lists (SL) are negotiated on a bilateral platform. There is no binding provision in the framework of SAFTA to reduce the SL. In the ASEAN Free Trade



Agreement (AFTA), the corresponding temporary exclusion lists have to be phased out in four equal installments but there is no such stipulation in SAFTA. Also, there is no explicit commitment to deal with NTBs.

ISOLATION OF PAKISTAN IN THE SAARC REGION

Whereas India has FTAs with Sri Lanka, Nepal and Bhutan, RTAs with Bangladesh, Maldives, Sri Lanka and a PTA with Afghanistan, Pakistan only has an FTA with Sri Lanka, therefore relatively isolated in the SAARC region.

Under SAFTA, India also maintains the largest Sensitive List against imports from Pakistan.

- In June 2006, when SAFTA was signed, India maintained a list of 743 items for Least Developed Countries (LDCs) and 868 items for Developing countries (NLDCs).
- India repeatedly made attempts to reduce the items in the sensitive list for LDCs. In October 2008, a further reduction was made for LDCs from 743 to 480 items.
- India has reduced its Sensitive List for LDCs from 480 items to 25 items and granted zero basic Customs duty access on all the items removed vide notification no. 99/2011-Customs dated 09.11.2011. Afghanistan, Bhutan, Bangladesh, Maldives and Nepal are the LDCs.
- However the Sensitive List for NLDCs is at 868. This applies only to Pakistan as India has an FTA with Sri Lanka and the operational Sensitive List for Sri Lanka has only 215 items.⁶³

⁶³ CBEC Notification No. 52/2008 dated 22nd April 2008 on sourcing of fabric from India up to a limit of 3 million pieces

XXII. NON TARIFF BARRIERS

It is generally believed that despite tariff reforms and liberalization of the economy over the last few years, India is an active user of Non-tariff barriers (NTBs) to restrict imports. A majority of Pakistani exporters are of the view that had it not been so, they would have been able to export much more than the current export figures suggest. They also believe that this is one of the reasons why the balance of trade is sharply tilted in favor of India despite the fact that Pakistan has not granted MFN status to India and has so far only allowed a limited number of products. In successive high level talks between the senior officials of India and Pakistan, this issue has been repeatedly discussed.

It was for this reason that, as a precondition for normalizing trade, Pakistan insisted on establishing a framework for addressing non-tariff barriers. As a result, the two countries agreed to sign three agreements including one on Customs cooperation to avoid arbitrary stoppage of goods at each other's ports, one for acceptance of certificates of internationally accredited laboratories, and one for redressal of grievances to address any disagreements.

These agreements are a good first step but may not suffice. In order to effectively address non-tariff barriers, it is important to ascertain their nature. For this purpose, a detailed study was carried out. This study is the result of desk research, interviews of key stakeholders and a qualitative survey of exporters across key product categories.

BOX 7: SURVEY METHODOLOGY

An open-ended survey was conducted to interview the exporters of products identified as high potential exports. The questionnaire can be found in Appendix FF.

Company profile and contact information was extracted from Customs PRAL database.

The following stakeholders were interviewed in person or/and by telephone:

- ✓ Major manufacturing units
- ✓ Companies exhibiting in India
- ✓ New entrants in the Indian market
- ✓ Logistics companies
- ✓ Clearing agents
- ✓ Chambers of Commerce & trade associations
- ✓ Pakistan Standards and Quality Control Authority (PSQCA)
- ✓ Ministries of Commerce, Textile and Industries in Pakistan
- ✓ Importers, logistics providers, potential exporters and major manufacturers who were part of the Indian Trade Minister's delegation to Pakistan in February, 2012.
- ✓ Companies exporting from four routes (sea, road, railway interchange and *Samjhota Express*).

In addition, interactive seminars were held at key regional chambers in 10 major cities of Pakistan. A total of over 1000 businessmen participated in the interactive sessions.



While India's NTBs may not be country specific, they were reported to be extensive in sectors of high export potential for Pakistan, namely textiles, agriculture, marble and cement. These NTBs range from specific tariffs, para tariff measures to complicated labeling requirements and licensing regimes.

Also, non tariff barriers due to infrastructural constraints at land ports and restrictive bilateral transport protocols act as an impediment to trade, specifically between India and Pakistan.

This section lists the various NTBs reported in the surveys and at seminars.

XXII.1 CUSTOMS PROCEDURES

This issue is a major cause for the delay in clearance of goods across the border. The main concerns reported are as follows

3. India Customs require an extensive list of documents in addition to the invoice, packing list, and bill of lading/airway bill, for example:
 - Import licenses from the Directorate General of Foreign Trade, India for certain products
 - Sanitary and Phyto-Sanitary (SPS) certificates for agricultural products must be obtained prior to import and submitted along with the Customs declaration, if it has not already been sent by the exporter from an accredited facility in Pakistan. Only the original is accepted, which may take one week to 10 days to arrive as there are no direct courier services.
 - Certificate of origin
 - For goods imported under SAFTA or under an export incentive scheme and qualifying for duty reductions additional certificates are required.
4. Indian Customs clearance process is largely manual.
 - While Customs clearance is automated at 48 ports in India and

85% of cargo is cleared through the Electronic Data Interchange (EDI), operations are still manual at India-Pakistan land borders. This may change once the ICP at Wagah is fully operational. The EDI problem would still persist at the Wagah railway port.

- In 2005, India introduced a risk management system (RMS) to selectively screen only high and medium risk cargo for Customs examination. A "green channel" clearance facility was developed to expedite clearance. However, even if RMS is installed at ICP at the Wagah border, security concerns may impede the actual use of RMS.

XXII.2 CUSTOM VALUATION

Arbitrary custom valuation procedures in India have been reported to be a major concern for exporters. While the policy

***Pakistan Fruits and Vegetable Association** complained that agricultural produce (e.g. onions) is at times valued as 'similar' or 'identical' products imported from EU, thus raising the value by 200% or more.*

*Certain exporters of **bed linen** export to India via Dubai mainly to avoid Customs valuation issues.*

stipulates that imports shall be evaluated based on the *transaction value* Custom Valuation Rules 2007 allow the Customs Officer to reject the declared transaction value based on "reasonable doubt".⁶⁴ As a result, the

⁶⁴ i.e. "the price actually paid or payable for the goods when sold for export to India". This value included the costs paid for any services including commissions and brokerage, insurance costs, and handling charges, royalties and license fees, transport costs including the



Customs Officer has substantial authority to reject declared value and use alternative valuation methods to raise the value of goods. Following observations have been reported by some exporters.

- Customs officials apply their discretionary powers to arbitrarily re-classify goods under descriptions that attracted higher duties, including classes where specific duties are applicable.
- For products that are traded at international prices, the Customs office values them at the price on the day of arrival at the port rather than the price at the time of sale, if it is higher.
- Customs determine value of goods based on prices of similar products from much more expensive markets such as the EU thus raising the Customs value for determination of Customs duty substantially.
- A large cross section of textiles exporters complained of an arbitrary increase in value of up to 30%.
- Valuation is a major concern for exporters of gems and semi precious stones. It was requested that Customs officials may be trained for assessment even on the Pakistani side of the border.
- Delegations and participants also reported valuation issues. While the shipment was exempted from any otherwise required certifications, the entire consignment of goods to be exhibited was valued at up to 50 percent more than that declared.⁶⁵

ship demurrage charges on chartered vessels, and lighterage or barge charges.

⁶⁵ Participants in trade fair in Ludhiana, India.

Exporters of fans are trying to enter the Indian market. It was reported by one exporter that mist fans priced at US \$ 80 were evaluated at approximately US \$ 300. As a result, the Indian importer did not place a follow up order.

There is a significant market for fans in India. However once import value is set much above the actual price, the value of all subsequent shipments could increase as per the 'similar' and 'identical' valuation rules.

XXII.3 CUSTOMS CLASSIFICATION

SAFTA lists are also at the HS level 4, 6 and 8. Pakistan's Negative List is at HS level 8 and the list of importable items through Wagah is also at HS level 8. There is no clear mapping between HS 8 codes of the two countries thus raising classification issues.

Moreover, the previously used positive list approach used to create confusion due to ad hoc changes. The same may be avoided with the list of items allowed through Wagah.

XXII.4 RULES OF ORIGIN

Under SAFTA, as an NLDC, rules of origin are more stringent for Pakistan.

A SAFTA certificate is required if the product receives a concession under the SAFTA regime. It was reported that in some instances a SAFTA certificate of origin is not accepted at land borders as the relevant SROs have not been communicated to the Customs authorities.

The TDAP issues SAFTA certificates at a cost of PKR 100. The certificate of origin is issued by Chambers of Commerce & Industry in Pakistan at a cost of PKR 400.

As the above two certificates are required for every shipment, it was requested that issuance booths may be setup at ports.



XXII.5 OTHER CHARGES AFFECTING EXPORTS

Import duties that roughly double the duty to pay at the entry. The method for the calculation of import duties, and the administration of tariffs through numerous notifications, make the tariff structure complicated and non-transparent.

Calculation of all charges applied to imports including landing charges, the effective Customs duty, the additional Customs duty, the special additional Customs duty, and the education cess show an average protection of 25.6% compared to the average applied MFN rate of 12%.⁶⁶

LANDING CHARGE

A "landing charge" (for loading, unloading, and handling) of 1% of the c.i.f. value is added to the c.i.f. value, to calculate the transaction value.

ADDITIONAL DUTIES & CESS

India applies a number of duties and charges on imports, other than tariffs "in lieu" of domestic taxes. This is reportedly to ensure a level playing field for domestic manufacturers. An education cess is levied for education development in India.

TABLE 23: DUTIES APPLIED AS PER CUSTOMS TARIFF ACT

Duty	Description
Basic Customs duty	MFN tariff or Preferential tariff
Countervailing Duty (CVD)	CVD equal to excise duty is payable on imported goods to counterbalance impact of excise duty on indigenous manufactures and to ensure a level playing field. CVD can be levied only if there is a 'manufacture' ⁶⁷ CVD is payable equal to excise duty payable on like articles if produced in India. It is payable at effective rate of excise duty.
Special CVD	Special CVD is payable at 4% on imported good. This is in lieu of VAT/Sales Tax to provide a level playing field to Indian goods
Education Cess	Education cess of Customs @ 2% and SAH Education cess of 1% is payable.
Other duties	Duties have been imposed on a few specific articles. In addition, on certain goods, anti-dumping duty, safeguard duty, protective duty etc. can be imposed

Total effective duties for some of the major exports of Pakistan to India are given in the table below. Effective duties on textiles, clothing and chemicals increase by more than twice as much.

Calculation for averages in the table below is based on extra charges include landing charges, effective custom duty, additional duty, special additional duty, and education cess.

⁶⁶ TPR, 2011

⁶⁷ 'Manufacture' is distinct from 'Manufacturer' and may include basic activities like labelling also.



TABLE 24: EFFECTIVE TARIFF INCLUDING ADDITIONAL DUTIES

Product/Tariff Line	Effective applied rates	Rate with additional charges
	Average (%)	Average (%)
Total	12	25.6
HS 01-24	35.1	42.6
HS 25-97	8.6	23.1
Cotton	5.5	7.3
Minerals and metals	7.1	21
Chemicals	8.1	23.6
Wood, pulp, paper, and furniture	9.2	21.1
Textiles	9.6	23.5
Clothing	10	22
Leather, rubber, footwear, travel goods	10.2	25.2

Source: TPR, 2011

INTERSTATE TAXES

Apprehension about interstate taxation regime was reported in interviews. However, it was found that:

- Octroi previously applied for interstate movement of goods has been abolished for both domestic and imported goods in all states except Maharashtra.
- Trans-shipment of containers at Indian ports is allowed without any examination by Customs.
- Transit of goods through India is allowed without payment of duty and without examination by Customs.
- Inter-state tax would be payable only if an inter-state sale has taken place.

XXII.6 PRE-SHIPMENT INSPECTION

Pre-shipment inspection is required for some goods including metallic scrap and textiles which are of export interest to Pakistan.

PSI FOR METALLIC SCRAP

Pre-shipment inspection (PSI) is required for metallic waste and scrap to ensure that consignments are free of arms, explosives, and radioactive contaminated materials. Companies interviewed in Pakistan, had developed in-house inspection facilities with sorting instruments, portable analyzers and screening instruments for radio-active substances. These private facilities are surveyed and approved by their Indian counterparts and all certificates issued are accepted without any issues.

PSI FOR TEXTILES AND CLOTHING

All products, including samples not intended for sale, are subject to pre-shipment inspection on safety and health grounds to preclude use of Azo-dyes.

According to the Textile (Development and Regulation) Order, 2001;

- A pre-shipment certificate is required from a textile testing laboratory accredited to the National Accreditation Agency of the exporting country. There is no such laboratory in Pakistan.
- As a result, sample testing & certification of consignments from Pakistan are conducted at Indian agencies.⁶⁸ The closest agency to Wagah is based in Ludhiana.
- The testing procedure is extensive. At least 25% of samples are drawn for testing.
- Textile Order 2001 stipulates that test reports are valid for six months for textiles articles of the same specification for the same importer and supplier. However it was reported that the

⁶⁸ Public Notice No. 12 (RE-2001)/1997-2002 dated 3rd May, 2001



PSI is mandatory for textiles in order to preclude the use of hazardous dyes. PSI certificates from Pakistani or 3rd party laboratories (e.g. SGS) are not accepted. Certificates are issued after rigorous testing in laboratories based in India. The closest laboratory to Wagah is based in Ludhiana, India.

While the Textile (Development and Regulation) Order, 2001 states that certificate will be valid for 6 months, it was reported by a major exporter that the certificates have to be renewed every 3 months.

certificate has to be renewed every three months.

- Textile Order 2001 recommends that the majority of samples should be drawn from consignments originating from countries where there is no legal prohibition on the use of harmful hazardous dyes. However this exemption is not applied to Pakistan despite legal prohibition on the use of hazardous dyes in Pakistan.⁶⁹
- Test costs are incurred by the importer for each different model including samples not intended to be sold.
- Testing fees and procedures particularly impede the imports of high quality apparel products which are imported in small quantities and different models. Importers must submit a sample of each model/design for testing.
- In addition to testing and certification at Indian agencies, the following requirements for woolen textiles:⁷⁰
 - Mandatory marking must display markings or selvedge description indicating the composition of fibre blends.

⁶⁹ Section 14 of Pakistan Environmental Protection Act 1997.

⁷⁰ Notification No. CER (18)/99-CLB dated 7th March, 1988 read with the Textile (Development & Regulation) Order, 2001 and the Essential Commodities Act, 1955.

- Certificate from the brand owners certifying the genuineness of the product and markings thereon; the authority to use their brand names is also required.

XXII.7 CERTIFICATIONS, TECHNICAL REGULATIONS AND STANDARDS

BIS STANDARDS

BIS imposes mandatory standards for 14 sectors ranging over 75 products categories (see Appendix B), which includes high potential exports like cement, tubes and pipes of steel.⁷¹

The following issues were reported with BIS specification:

- The list of items notified for mandatory standards is not linked to actual 8 digits Tariff Lines of the Indian Customs Tariff. This at times may create classification issues to determine if mandatory BIS are applicable or not.
- The exporter has to set up a liaison/branch office located in India with the permission of Reserve Bank of India in accordance with the BIS Act.
 - The requirement to set up an office in India shall not apply, if BIS enters into an MOU with the respective foreign government for implementation of BIS Act, or if the foreign manufacturer nominates an authorized representative located in India.
- In case the authorized representative is not an Indian national, the exporter will have to submit a bank guarantee of US \$ 10,000 in favor of BIS, so that

⁷¹ Some sectors are: chemicals; milk products, steel products, automotive tyres, water resources and other general and civil engineering products.

in case of a default, the amount can be adjusted accordingly.

- The initial validity period of the license is only one year and subsequently for one or two years.
- BIS conducts onsite inspection for initial award of the license and also regular surveillance at the expense of the foreign manufacturer. The expenses are in the Appendix.

IMPROVEMENT IN THE BIS SCHEME FOR SAARC COUNTRIES

Recent improvements in BIS regulation were made for SAARC countries as follows:

4. Renewal of license can be done at a time up to a maximum of two years both for Indian industries and foreign manufacturers.
5. With effect from 1st August 2007, marking fees for obtaining a license from BIS has been brought down for SAARC countries to the same level as applicable for domestic industries.
6. Processing charges for SAARC countries has been abolished since 1st August 2007.

BILATERAL COOPERATION AGREEMENT RELATED TO TESTING & CERTIFICATION STANDARDIZATION

In February 2012, a protocol was signed between India and Pakistan for harmonization of standards between the BIS and PSQCA.

In the first phase, BIS and PSQCA shall harmonize testing and inspection protocols.

BIS will verify if PSQCA processes are compliant with ISO IEC 17025 standards for competence of testing and calibration laboratories.

PSQCA will also implement ISO IEC 65 to fulfill requirements for third-party operating a product certification system.

Once the processes of PSQCA are approved, PSQCA will be able to conduct inspection and surveillance for cement companies in Pakistan on behalf of BIS.

This shall reduce the inspection costs and processing time (see Section XXVI.1.) This agreement only covers cement.

BIS STANDARDS FOR VOLUNTARY PRODUCT CERTIFICATION

BIS has developed 18,592 standards for various categories of products. Out of these, only 84 percent are equivalent to International Standards. There is no data available regarding how many standards are actually enforced. This creates an environment of uncertainty for exporters to Indian markets as confirmed by results of the survey.

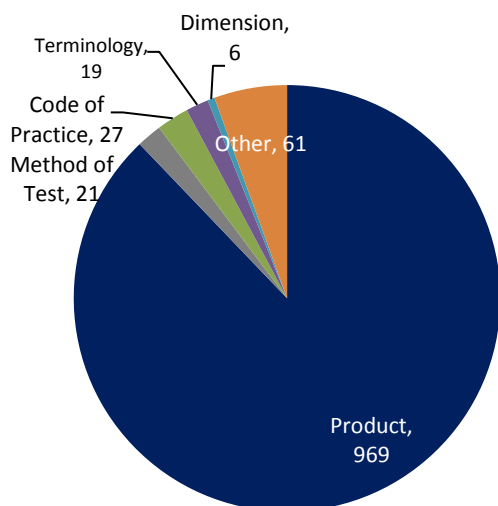
These standards are used by BIS to operate a product certification scheme for foreign manufacturers on a voluntary basis. However, our survey findings show that these are theoretical requirements. In general, ISO certification for most goods (surgical, auto parts, etc) is enough. Further details about the requirements in important sectors are given below.

STANDARDS FOR SURGICAL INSTRUMENTS

As per the Work Program of Medical Equipment & Hospital Planning Department, there are 1,103 standards for various medical devices. However, the only requirement for exporters of surgical goods from Pakistan is ISO 9001/13485 certification. In addition a Free Sale Certificate is required by some importers which is issued by SIMAP immediately.



FIGURE 49: INDIAN STANDARDS FOR MEDICAL DEVICES

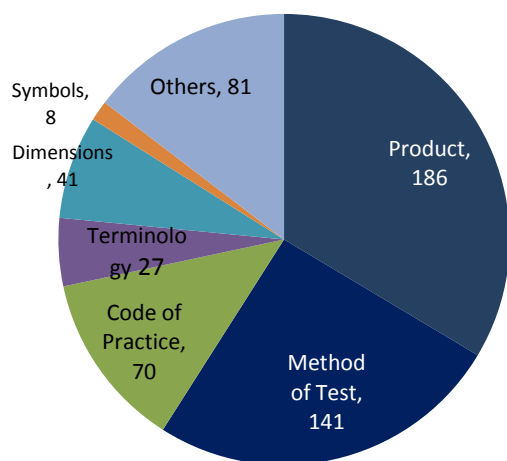


Source: Based on Program of Work, Medical Equipment and Hospital Planning Department, April 2011

STANDARDS FOR AUTOMOTIVE PARTS

The Transport Engineering Department of India has formulated a total of 1,085 standards for the field of transport engineering, including air, water, road and rail transport out of which 554 standards are for automotives and parts⁷².

FIGURE 50: INDIAN STANDARDS FOR AUTOMOTIVE AND PARTS



Source: Based on Program of Work, Transport Engineering Department, Dec. 2011

⁷² The remaining standards formulated by TEC Committees 12, 14, 16, 17, 18, and 19 are for ship vessels, aircrafts, bicycles and parts.

The number and nature of these standards has created an atmosphere of apprehension among the exporters of automotive parts in Pakistan (PAAPAM) regarding the costs and additional paperwork. However, when individual exporters of automotive components were interviewed, they reported that they do not have to be certified for Indian standards.⁷³ ISO certifications like ISO 9000 certification and TS 16494 suffice.

In addition, the components have to be as per required company specification for which an extensive sample testing is done in India. If the specification requirements are not met, the lending cost of the sample equipment is claimed from the exporter.

The ISO certification has to be submitted to the company annually, while the specification reports for products have to be included with every shipment.

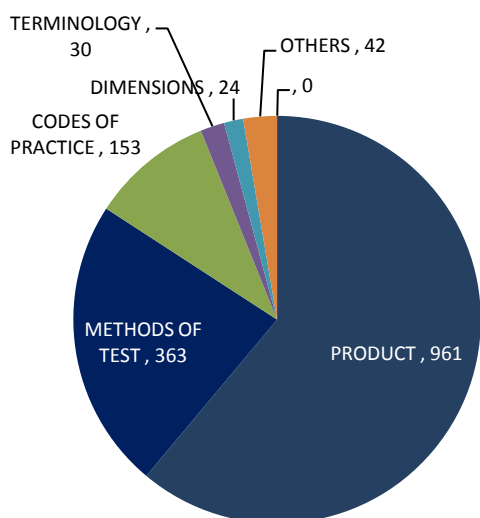
STANDARDS FOR CHEMICALS

Chemical Division Council of India has formulated 1,573 standards on terminology, methods of sampling and tests, code of practices, and specification for all chemicals and allied products. However, chemical exports from Pakistan to India do not require any standard certifications.

⁷³ Exporters of tractor parts (counter shaft, carrier planetary pinion) and oil pump gears



FIGURE 51: INDIAN STANDARDS FOR CHEMICALS

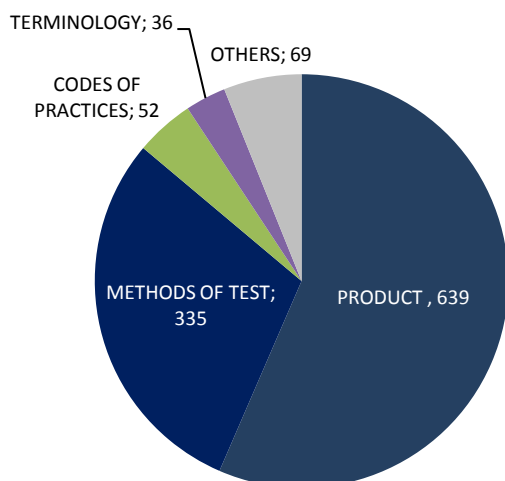


Source: Based on Program of Work, Chemical Department of India, January 2012

STANDARDS FOR TEXTILES

A total of 1131 Standards (including drafts) have been formulated.

FIGURE 52: INDIAN STANDARDS FOR TEXTILES (INCLUDING GRAPHS)



Source: Based on data from BIS website.⁷⁴

⁷⁴<http://www.bis.org.in/sf/pow/txd.pdf>

MARKING REQUIREMENTS FOR TEXTILES

Marking requirements for textiles are tedious and involve extensive compliance testing.

India's Textiles (Consumer Protection) Regulation 1988, imposes strict requirements for yarns, fibers, fabrics and clothing products, which include producer identification and product composition, the color and the form of letters and signs. Many of the markings have to be made on every alternate metre of the cloth at a height not exceeding 2.5 cm from the selvage:

- Seconds or defectives
- Construction: made from, followed by the fibre and words such as "spun X spun" filament X filament as the case may be
- Month and year of packing
- The exact composition of the total yarn content
- If blended, then mention blended fabric (point 12)

In addition, several other requirements have to be met.

PACKAGING AND LABELING REQUIREMENTS FOR FOOD AND PACKAGED COMMODITIES

Labeling and Packing requirements for food and all packaged commodities are complex and regulated by various different acts.⁷⁵ In addition there are a number of notifications that make the requirements very complex and tedious. Further there are various exceptions

⁷⁵ The Standards of Weights and Measures Act, 1976, The Standards of Weights and Measure (Packaged Commodities) Rules, 1977 and Prevention of Food Adulteration Act, 1955. Labeling of seeds is regulated by the Seeds Act, 1966 and packages containing food articles are regulated by the Prevention of Food Adulteration Act 1954. For packages containing cosmetics products, the provisions of the Drugs and Cosmetics Rules, 1945 shall apply.



and additional requirements in different states.⁷⁶ The rules govern minute details such as the following:

- (vii) Specific commodities to be packed and sold in recommended standard packages.⁷⁷
- (viii) All packages must have:
 - a. Name and address of the manufacturer/packer
 - b. Generic names of the commodity
 - c. For case of packages with more than one product, the name and number of each
 - d. Net quantity, in terms of the standard unit of weight or measure
 - e. The month and year in which the commodity is manufactured/imported
 - f. Retail sale price of the package
 - g. Sizes of the commodity contained in the package if relevant
 - h. Contact for consumer complaints.
- (ix) It is not permissible to affix individual stickers on the package for altering or making declaration required under these rules, except for a lower MRP.
- (x) Rules for principal display panel-its area, size and letter etc. are as follows:
 - a. For packages with capacity of five cubic centimeters or less, the principal display panel may be a card or tape affixed to the package
 - b. The height of any numeral in the declaration is stipulated and is different if the net quantity is declared in terms of weight/volume or length, area or number.
 - c. The height of letters in the declaration shall not be less than 1 mm height and when

- d. Blown, formed, molded, embossed or perforated, the height of letters shall not be less than 2 mm.
- e. The width of the letter or numeral shall not be less than one third of its height, except in the case of numeral '1' and certain letters
- f. Position and manner of the declaration in both Devnagari and English script.
- (xi) There are also rules regarding declaration of quantity, dimensions and weight.
- (xii) For food items, as per Prevention of Food Adulteration Act, the following additional rules apply:
 - a. List of ingredients in descending order, date of manufacture, batch no., and best before date etc. are mandatory requirements.
 - b. Details of best before on all food packages.⁷⁸

XXII.8 SANITARY AND PHYTO-SANITARY STANDARDS

India continues import licensing of about 600 items on the grounds that restrictions are needed to ensure protection for "human, animal or plant life or health". Imports of nearly all livestock, agricultural and food products require a phyto-sanitary or sanitary certificate and/or import permission from the Plant Quarantine authorities.

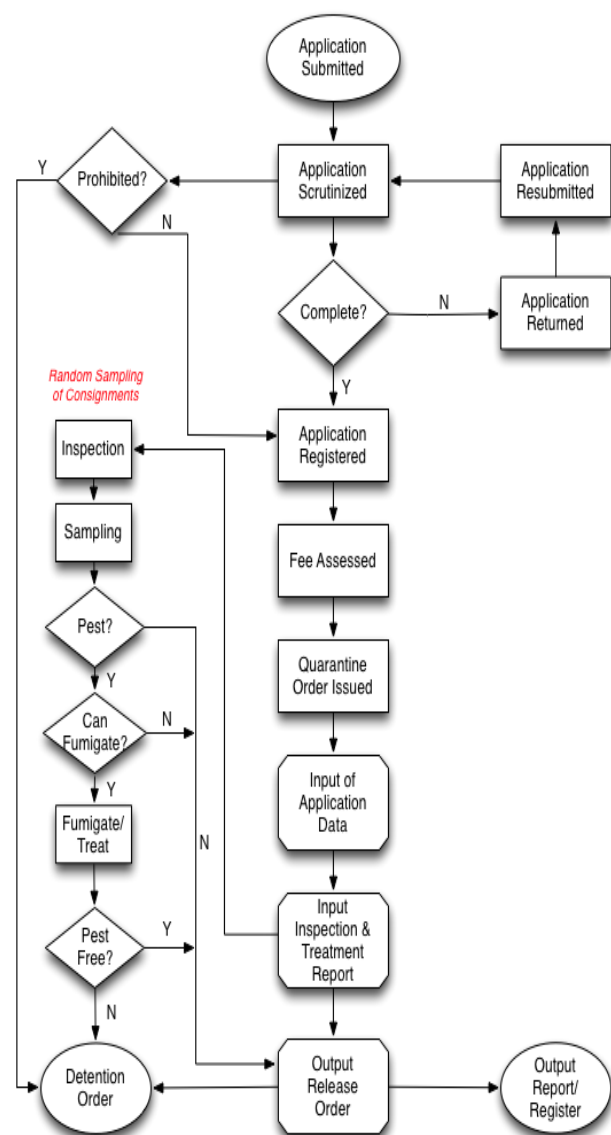
A copy of the import permit has to be sent to the exporter in the origin country. The exporter is required to quote the import permit number in the phyto-sanitary certificate obtained for such shipments.

⁷⁶ There are different rules for retail price of alcohol in certain states.

⁷⁷ For example cement may only be packed in 1 kg, 2 kg, 5 kg, 10 kg, 20 kg, 25 kg, 40 kg (for White cement only) and 18.50 kg.

⁷⁸Reference Ministry of Health notification No. GSR 537(E) dated 13th June 2000).

FIGURE 53 : INDIA IMPORT INSPECTION FLOW FOR PLANTS AND PLANT MATERIALS



Source: Plant Quarantine Organization of India, Ministry of Agriculture

The following challenges are faced in completing the SPS requirements as per PQ Order, 2003:

- A major non-tariff barrier is the mandatory requirement of the original SPS certificate as per the Plant Quarantine Order, 2003. The Release Order of an import consignment cannot be issued with a photocopy. The original SPS document invariably arrives after the goods have reached. The issue with the delay of documents is twofold:

- The SPS certificate along with the Bill of Lading and other documents is required by the Issuing Bank to initiate the L/C. The Bill of Lading is issued only once the vessel sails. The papers are then submitted to the issuing bank, then couriered to the receiving bank in India after which they reach the importer.
- Given the short transport time between India and Pakistan, the goods shipment invariably arrives before the documents and demurrages are incurred at the port. Documents take 7-10 days to reach the importer at the sea port. The vessel reaches in less than 1 day.
- International courier services between India and Pakistan are not direct.⁷⁹ All packages are routed via Dubai for security reasons.
- However, it is pertinent to note that a copy of the SPS certificate is accepted in Pakistan and the perishables are cleared the same day so as to avoid plug-in charges of US \$ 150 a day for refrigeration of perishables.
- All consignments of imported food products are tested by the Port Health Officer (PHO). The process of inspection is long drawn and random as indicated in the flow chart in Figure 53.
- At the Custom Clearance Offices where PHOs are not available, various samples are drawn and forwarded for the clearance to some other laboratory, which results in the loss of valuable time.
- Consignments with pending test reports are stored in warehouses/unloading

⁷⁹ Pakistan Postal Services has a courier service called *Shaheen* that goes direct to India. However this is limited by the biweekly schedule of PIA.



sheds which are not equipped to cater for preservation of perishable goods.

- If the product fails the test, the Customs authorities will ensure that the goods are re-exported out of the country by following the usual adjudication procedure, or destroyed as required under the relevant rules.
- Results of laboratory tests cannot be challenged.

A 100% sample testing was reported on food products prior to clearance. The PHO tests for compliance with the Prevention of Food Adulteration Rules, Standards and Measures Rules and other requirements. This covers aspects ranging from product composition, the size of packaging to labels.

In order to reduce transaction cost on 100% sampling of edible food, the Government of India has taken several steps:

- The list of items where 100% testing is required has been reduced to 14.⁸⁰
- Perishable food items e.g., fruits, vegetables and meat for direct use by the importer (e.g. hotels) is exempted from sample testing if test results are submitted from internationally known testing labs or accredited government laboratories. However inspection is conducted for conditions of the hold, physical appearance and compliance of labelling requirements with the PFA rules⁸¹.

⁸⁰Under the PFA, the criteria for 100 per cent sampling applies to high risk and perishable food items such as fruits, vegetables, meat, fish, cheese, etc. On June 14, 2004, the DGFT issued Policy Circular Number 37 (RE-2003)/2002-2007 to classify high risk food items as follows: Edible Oils and Fats, Infant formulae, Pulses and Pulses products, Food colors, Cereals and Cereal products, Food additives, Milk powders, Natural Mineral Water, Condensed milk, Packaged Drinking Water, Infant milk food 13. Tea and Coffee, Milk cereal base weaning foods, Cocoa butter equivalent or substitutes.

⁸¹ Customs Circular No. 58/2001-CUS issued on 25/10/2001.

- It was reported that certificates from government labs from Pakistan are not accepted.

For all other food items, the following rules apply:

- Samples are drawn from the first five consecutive consignments of each food item, imported by an individual importer and referred to Port Health officers (PHOs) for testing to ascertain the quality and health safety standards of the consignments.

The PFVA reported that a shipment of ten containers of onions from Pakistan had to be rerouted to Sri Lanka after being detained at Nhava Shiva port, as the original SPS certificate did not arrive in time via courier.

- In the event of the samples conforming to the prescribed standards, the Customs would switch to a system of checking 5% – 20% of the consignments of these food items on a random basis, for checking conformity to the prescribed standards;
- The selection of food items for random checking and testing would be done by the Customs taking into consideration factors like the nature of the food products, its source of origin as well as track record of the importers.
- In case, a sample drawn from a food item in a particular consignment fails to meet the prescribed standards, the Customs would place the import of the said food item on alert, discontinue random checking for import of such food items and revert to the procedure of compulsory checking. The system of random sampling for import of such food items would be restored only if the test results of the samples drawn from the five consecutive consignments re-



establish that the food items are in conformity with the prescribed standards.

- Authorized Officers will ascertain compliance with the labeling provisions under PFA Rules, failing which sample may not be drawn from such consignment for testing.
- The Risk Management System (RMS) module for import consignments food items presently does not provide for random sampling as it is one of its Compulsory Customs Requirements. Until, the Risk Management System (RMS) conforms to the new requirements, this waiver will be granted at the discretion of the jurisdictional Commissioner of Customs or an officer authorized by him for this purpose who shall not be below the rank of Additional/Joint Commissioner of Customs.
- Exemptions for exporters that import under Advance licenses for exports and imports made by 100% EOUs and units in EPZ / SEZ.
- Products are required to have a valid shelf life of not less than 60% of the original shelf life.⁸²

While the above process attempts to replace compulsory checking with random tests, it transfers a high amount of discretionary power to the Customs officials. Furthermore, the random sampling is still not automated in the RMS and permission has to be granted by an officer of the rank above Joint Commissioner. Customs performance should be regulated in order to check undue bias against any particular country.

To consolidate the laws relating to food, the government has enacted The Food Safety and

Standards Act, 2006 (FSS Act, 2006).⁸³ Under the Act, the Food Safety and Standards Authority of India (FSSAI) has been established to lay down standards and regulate/monitor the manufacturing, import, processing, distribution and sale of food. It is still unclear as to how this would simplify SPS requirements.

XXII.9 IMPORT RESTRICTIONS, PROHIBITIONS, QUOTAS

IMPORT PERMIT

Imports of animal products into India require sanitary import permits issued by the Department of Animal Husbandry, Dairy and Fisheries. The permits must be obtained prior to shipment from the country of origin.

MINIMUM IMPORT PRICE

There is a minimum import price for 25 categories of products (at HS 8 tariff lines). For example, for marble a minimum price of US \$ 50/Kg is fixed for calculation of customs duty. Thus the duty works out to be much higher than it should normally be under the WTO system of customs valuation of goods.

Since Indian importers have to pay high duties when the minimum value is taken at US \$ 50/kg, this makes the buyers selective. Moreover, duty for value-added marbles such as cut slabs is charged per square meter at an even higher rate. This scheme discourages import of value added products.

⁸² Para 13 of Chapter I A (General Notes Regarding Import Policy) of the ITC (HS) Classification of Export and Import items, import of all such edible/ food products, domestic sale and manufacture which are governed by PFA Act, 1954

⁸³ Section 97 of the FSS Act, 2006 provides that the existing Acts and Orders relating to food items such as PFA Act, 1954; Food Products Order, 1955; Meat Food Products Order, 1973; Vegetable Oil Products (Control) Order, 1947; Edible Oils Packaging (Regulation) Order, 1988; Solvent Extracted Oil, Deoiled Meal, and Edible Flour Control (Order), 1967; Milk and Milk Products Order, 1992 etc shall be repealed from a date to be notified.



IMPORT LICENSING

Import of marble blocks is regulated by licensing. Interestingly, import licenses are awarded to large exporters of value added marble products as an incentive to encourage exports.

Import licenses are used to regulate imports of agricultural products, mineral products, chemicals, plastic and rubber, leather hides and skins, pulp and paper, textiles, footwear, stones, base metals, machinery and precision instruments. All of these sectors are essential for Pakistani exports. Out of these sectors, the highest regulation (as a percentage of HS section) is observed for import of live animals & products (18%), vegetables (8%), minerals (13%), paper (7%).⁸⁴

XXII.10 STATE TRADING

India maintains state trading for certain agricultural goods (rice, wheat, coarse grains copra, and coconut oil) to ensure, a "fair" return to farmers as well as food security and the supply of fertilizer to farmers.⁸⁵ Urea, petroleum and refined oil are also subject to state trading.

XXII.11 SUBSIDIES

Agriculture is heavily subsidized in India. Total subsidies to agriculture in the year 2009/10 amounted to US \$ 28.9 Billion (2.2% of GDP), up from US \$ 11.6 billion (1.3% of GDP) in 2006/07.⁸⁶

The agricultural sector is subsidized through minimum support prices, input support programmers, and credit and insurance schemes. Input support programmers provide fertilizers, rates for irrigation water, electricity rates, diesel prices, and seeds at subsidized rates

⁸⁴ TPR for India, 2011

⁸⁵ Except maize and barley

⁸⁶ TPR for India, 2011

XXII.12 FINANCIAL MEASURES

Several modes of payment (LC, Advance payment, direct payment) are used to conduct business depending on the relationship between the two business parties.

The following observations were made.

LETTER OF CREDIT

- It was reported that Indian banks do not honor L/Cs opened by Pakistani banks issuing beyond an arbitrary limit of about US \$ 10,000 due to a trust deficit. The fear is based on suspected non-compliance of terms of credit or a delay in payment by the issuing bank. As a result, shipments are released in parts replicating overheads, transport costs and processing. This was reported by importers of refined petroleum distillates.
- Some trade of fabric, garments and lawn fabric takes place via trusted

A major exporter of textiles to India, due to past defaults now only exports on advance payment. They had currently prepared a shipment of made-ups amounting to US \$ 50,000, but held the consignment as the buyer refused to make the payment in advance as agreed earlier.

intermediaries in the EU, mainly Belgium. L/C is issued in India and if there is an issue, the intermediary in Belgium is bound by the sale contract to ensure the payment to the Pakistani exporters.

- Indian banks at times request for an extension in the maturity date of the L/C for up to 60 days.
- Exporters of refined base oil reported that on large L/Cs opened in India,



intentional typing mistakes are made in the documents which results in ten to fifteen days of delay in payment. As per terms and conditions of the contract the payment has to arrive in five working days.

- Since there is no direct courier service between India and Pakistan, the process of mailing the Bill of Lading to the receiving banks takes several days.

DIRECT PAYMENT

Apprehensions of Indian buyers about quality of imports from Pakistan were a major barrier to enter the market for new products. This was addressed by exporting goods on deposit. If the buyer was satisfied with the quality, only then would the buyer release the payment to the agent based in India. However, after the trust is developed, the transactions are based on direct payment.

Exporters of dates and plastic sheets reportedly conduct business on direct payment. Many of them had long term relationships with their buyers. However it was reported that payments via Indian Telegraphic Transfers take many days to be credited.

ASIAN CLEARING UNION

None of the interviewees used the Asian Clearing Union due to the cumbersome process, number of days and high cost of the ACU dollar.

XXII.13 REDRESSAL OF GRIEVANCES

Importers may file an appeal against Customs decisions on valuation matters to the Appeals Commissioner or the Customs, Excise, and Service Tax Appellate Tribunal (Customs Act 1962).

However, as the appeal process is lengthy and cumbersome, importers have no option but to

accept the re-classification, over-valuation and other disputes in order to avoid detention and eventually other business consequences.

XXII.14 VISA ISSUES

Most interviewees conducted trading over telephone or via agents and were not able to travel to India due to the restrictive visa protocol. The following issues were reported.

VISA REQUIREMENTS

There are stringent conditions for granting of visa. Many businessmen were of the view that this was one of the worst NTB as they were neither able to explore new markets nor meet their current customers. They pointed out to the long list of conditions they have to meet (as given below) and have to wait for an indefinite period to get a reply. Some of the difficulties pointed out by them are detailed below.

Check list of documents for business visa are as follows:

- Copy of Income Tax return/audited accounts/bank statement for the last two years to demonstrate gross sales/turnover of at least PKR 10,000,000 per annum or individual salary of the applicant at least PKR 500,000 per annum
- Letter from the company/firm in Pakistan giving details of the applicant, his/her designation and the purpose of visit
- Copy of membership certificate of any Chamber of commerce in Pakistan and/or recommendation from any Chamber of Commerce in Pakistan (preferred).
- Letter of invitation from any registered Indian Company/firm in India or any Federation/Chamber of Commerce and Industries.
- Copy of letter of credit/correspondence with the registered company/firm in India.



- Recommendation from any prominent chamber of Commerce in India (preferred)
- If applicable, participation in a trade/business exhibition/fair in India, details of the nature of participation and a copy of the invitation form, the exhibition/fair authorities or Federation/Chambers concerned in India.
- Any two documents of the Indian invitee such as passport (preferred), copy of electricity bill, telephone bill, ration card, Election I-card, along with their address and contact telephone numbers.
- Previous Passports, if any or the latest passport with a previously issued India Visa.

On the other hand, the requirements for a business visa for Pakistanis are relatively fewer:

- Recommendation Letter from the concerned Chamber of Commerce & Industry in Pakistan
- Invitation Letter from sponsor company in Pakistan
- Request letter from company in India
- Complete address and contact information of sponsor(s) in Pakistan

LIMITED NUMBER OF DAYS

Visa is granted for very few days and most of the time is spent in travel by train from city to city.

REPORTING VISA

Visas may be given on a reporting basis. Reporting to a local police station is very time consuming and may take up to half a working day.

VISA PROCESSING TIME

Visa process may take upto two months. For a business exporting internationally, this was too long a period to tie up the passport for. It is learnt that recently the visa protocol has been changed to require only a passport copy until the passport is requested for visa stamping.

ARBITRARY REFUSAL OF VISA

Visas are at times only granted to senior management and not technical teams, thus making any meaningful business discussion difficult.

In some cases it was reported that visas are not granted even if fees for exhibition have been paid.

XXII.15 COURIER SERVICES

There are no direct courier services. The Post Office of Pakistan has a direct service called Shaheen Express. It is sent via PIA and has long and delayed delivery times as there are only 2 flights weekly. PIA only services Delhi and Mumbai.

XXII.16 NEGATIVE PERCEPTION

TRADE BY SEA

Similarly there is a prevalent view that trade via sea route is restricted despite the liberalization of the shipping protocol in 2006. A shipping company based in Mumbai was of the view that only national flag ships are allowed to carry cargo between India in Pakistan, despite the fact that this restriction was abolished in 2006.

RELUCTANCE TO VISIT PAKISTAN

Many Indian importers conduct a site inspection before signing a contract. However, they are reluctant to come to Pakistan for various reasons.



RELUCTANCE FOR FUTURE INVESTMENT FOR EXPORT TO INDIA

A key member of APTMA opined that Pakistani companies should not invest in expansion of their business to meet the increase in demand from India as the process of trade normalization between the two countries may easily be derailed due to any event.

BOX 8: NEGATIVE PERCEPTION ON TRUCK MOVEMENT AT WAGAH

TRADE BY ROAD

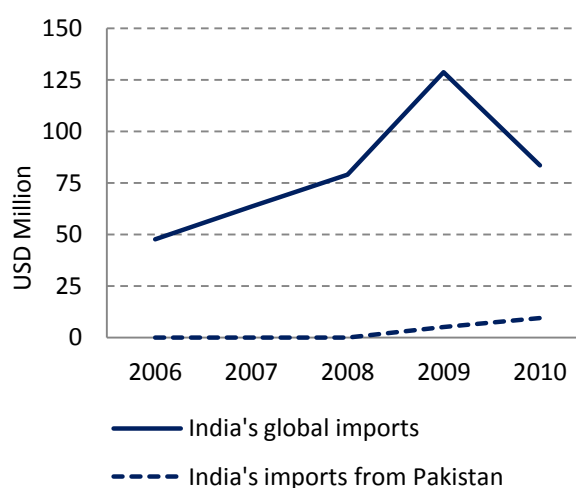
A cross-truck transportation agreement was signed in August/September 2007, allowing 100 trucks daily from each side of the Wagah/Attari check post. Approximately 100 Indian trucks enter Pakistan daily with Indian products since 2007. But Pakistani trucks only started to go in October, 2010.

There was a perception that Pakistani trucks were not allowed to carry goods to India. However, Mr. Tahir Ali Cheema, Assistant Collector of Customs on an informal inquiry from his Indian counterpart learnt that there was no such prohibition from India. After learning this, the Custom official encouraged the businessmen to make use of the facility. The first truck from Pakistan to India crossed through Wagah on 7th October, 2010.

XXII.17 ANTI-DUMPING MEASURES

According to WTO figures, India is one of the highest users of anti-dumping duties. Since so far Pakistan's exports have been low, it did not face this problem. However, a recent incident shows that this could change. Recently there was a rise in export of Soda Ash (disodium carbonate) to India, in which Pakistan is highly competitive. Although exports from Pakistan increased to just US \$ 9.4 Million in 2010 and constituted a small percentage of the total imports of Soda Ash to India which were US \$ 83.5 Million. India started anti-dumping investigations, which led to a levy of US \$5.6 per tonne on the Pakistani exporter, ICI. This was despite the fact that Pakistan's export prices were the highest compared to other countries exporting to India during the POI and its share in total imports was the lowest amongst all exporting countries.

FIGURE 54: TREND OF EXPORT OF SODA ASH FROM PAKISTAN TO INDIA



Product Name: Soda Ash (HS Code: 28362000)

Application: Sodium Silicate, Detergents, Glass, Soap, Paper, Textiles, Chemicals.

Current Status: On the SAFTA Sensitive List of Pakistan. Ant-dumping Duties of US \$ 5.6/ tonnes have been imposed by India on exports from ICI.

Potential of Export to India: Pakistan's capacity of Soda Ash is about 470,000 tonnes per year while local demand is 360,000 tonnes. Pakistan has a current surplus of over 130,000 tonnes to export as the domestic market is in a slump and has been contracting by 2 per cent a year. However, Pakistan has not been able to export more than 10 per cent of its export surplus.

Pakistan's exports of Soda Ash amounted to US \$ 9.4 Million in 2010. This constitutes a low share in the overall imports of US \$ 83.5 Million total in the Indian market which is rapidly growing at a rate of 7 to 8 percent. It is estimated that given its surplus capacity and abundance of raw material, Pakistan can supply more than 100,000 tonnes of Soda Ash to India annually.

Pakistan has a significant price advantage over India as the main manufacturers are located in the South of India. The freight cost from South to Delhi is US \$ 30 per tonne while the freight cost from Pakistani Manufacturers (ICI, Olympia) is US \$ 7-14 per tonne. As a result India offers a promising market for Pakistan.

Anti-Dumping Duties on Soda Ash in India and its Implications on Pakistan:

India started anti-dumping investigation on imports of Soda Ash from Pakistan and other countries including China, EU, Kenya, Iran, Ukraine & USA. The notification was released to this effect in February, 2012. The fact that the petition for imposition of Anti-Dumping duties was filed on 96% of all the Soda Ash exporters to India shows that this was more of a protectionist measure rather than a genuine case of Anti-Dumping.

Pakistani exporter ICI Soda Ash was handed an Anti-Dumping duty of US \$ 5.6/tonne. Pakistan's export price to India during the POI (April 2009-March 2010) was the **highest** amongst all the alleged dumpers. The exporting company fully cooperated with the anti dumping investigation agency throughout the course of the investigation through their legal counsel in India, M/S Trilegal Law Associates.

The soda ash industry in Pakistan is based in remote areas and provides employment to thousands of people directly and indirectly in remote towns as Khewra (District. Jhelum) and Warcha (District. Khushab). Adverse impact of imports, leading to closure of these industries will have serious socio – political implications.



XXIII. NON TARIFF BARRIERS BY SECTOR

This section lists NTBs faced by sectors that present a high potential for export to India.

The Appendix lists out the tariffs, para tariffs and import policy of India for the above identified high potential products.

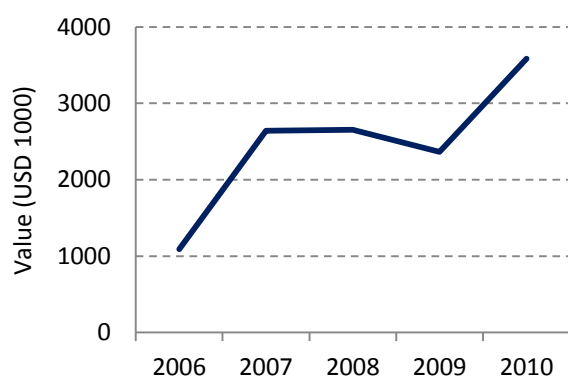
XXIII.1 SURGICAL



POTENTIAL

At HS level 6, surgical goods figure as the highest potential export to India with a potential market of US \$ 215 million. Currently the exports amount to US \$ 5.8 million. As indicated in the graph below, Pakistan's exports have seen a recent upward trend, despite the economic downturn.

FIGURE 55: TREND OF EXPORTS OF SURGICAL INSTRUMENTS FROM PAKISTAN TO INDIA



TARIFF & IMPORT POLICY

- Tariff on surgical instruments is 7.5 percent. An additional CVD of 16 per cent and an education cess of 3 per cent are also applied.
- As per SAFTA rules of origin a minimum value addition of 30 percent is required if SAFTA concessions are claimed.
- There is no central regulatory body (like the FDA in the US) for registration of exporters.
- Surgical instruments are not on the SAFTA sensitive list.

NTBs

As can be seen from the points below, NTB's are relatively low for this tariff line:

- Manufacturers are required to be ISO certified.
- Various standards have been formulated for voluntary product certification schemes. These standards are not mandatory.

XXIII.2 ETHANOL, DENATURED

POTENTIAL

Pakistan is presently the fifth largest country in the world in terms of area under sugar cane cultivation. In the last two decades Pakistan has consistently been one of the three largest molasses exporters in the world. The country is also a major ethanol exporter. Ethanol exports increased from 100,000 tonnes in 2004 to 225,000 tonnes in 2010. Record highest exports of 350,000 tonnes were seen in 2008.

There are 15 distilleries operating in Pakistan with an installed capacity of 400,000 tonnes



(500 million litres) producing different grades of ethanol.

There is a growing demand for ethanol in India, which is used for producing potable alcohol, chemicals and fuel blending. An increased emphasis by the government on ethanol blending for bio-fuels has further triggered demand. We estimate that the market has an indicative potential of US \$ 66 Million per year.

In India, ethanol is mainly produced in three states; Uttar Pradesh, Maharashtra and Tamil Nadu. From time to time local governments impose restrictions on the export of ethanol out of the state.⁸⁷ As a result, national oil companies have had difficulties supplying ethanol for the E10 mandated fuel blend to the states of Punjab, Haryana, Uttarakhand and Rajasthan.⁸⁸ Three of these four states border Pakistan; consequently there is a very viable export opportunity for local manufacturers of ethanol.

India imports substantial quantities of ethanol from Brazil and USA whereas only small volumes are shipped from Pakistan in FCL.

Low volume of trade could be attributed to perception issues, lack of knowledge with procedures, registration requirements, and market pricing.

TARIFF & IMPORT POLICY

Denatured ethanol enjoys duty concession under SAFTA (tariff is 8 % as against MFN

⁸⁷ In Uttar Pradesh, the largest sugarcane producing area in the country, the state's excise department stopped issuing ethanol export permits that would allow for transit out of the state on April 1, 2011.

The Tamil Nadu government has not allowed the use of ethanol for petrol-blending purposes. In India, sugar mills in Tamil Nadu are forced to sell food grade ethanol to manufacturers of Indian Made Foreign Spirits (IMFS) while they're not allowed to ship ethanol to other states, keeping them out of the fuel ethanol supply chain and limiting their trade opportunities. This has led to a huge stockpile of ethanol.

⁸⁸<http://www.biofuelsdigest.com/bdigest/2011/08/29/india-continues-to-struggle-with-production-for-e10-mandate/>

tariff of 30%). Pakistani exporters not only have an edge in duty rates but also in freight charges. Therefore, they can take advantage of this opportunity to increase their market share.

NTBs

- Indian importers need to have a license to import, transport, store and use ethanol, which involves state and central government authorities.
- Regulations differ from state to state and are based on the end use of ethanol.
- Exports to India are not price competitive as the Government of India regulates the price of locally produced ethanol, at times even below manufacturing costs.⁸⁹



- Transport Issues:
 - c. Most of the Pakistani exporters, export on an FOB basis in bulk to traders based in Europe. Most exporters do not want to deal with transport related issues and prefer to export on an FOB basis. This is not the most suitable mode for making an entry into the Indian market as the transactions involved are large (of up to 3000 MT).

⁸⁹ Ethanol price has been fixed at INR 27/liter in order to ensure cheap supply for mixing with petrol. Maharashtra State Federation of Cooperative Sugar Factories has told India's Union Government to raise the ethanol price from Rs 27/liter to Rs 35/liter, citing increased production costs.





d. Non-availability of liquid handling facilities at land ports had previously precluded the possibility of FCL and ISO containerized shipments via road. However, containerized shipments have recently been allowed through Wagah. This facility will now open up the following two modes of ethanol exports that are price competitive:

- *ISO Containers*: One 20' ISO container can load approximately 18.5 – 20 MT of ethanol, depending upon the size of the ISO container.
- *Full Container Load (FCL)*: Ethanol can also be transported plastic drums (210 and 250 litres) and loaded in a 20' dry container. One 20' container can load around 13.44 MT of ethanol (80 drums are loaded in one container).

XXIII.3 METAL SCRAP

POTENTIAL

There is a significant demand for metal scrap in India. Pakistan exported copper scrap worth US \$ 4.3 Million in 2010.

TARIFF & IMPORT POLICY

MFN Duty of 5 per cent is applied. In addition a 16 per cent CVD, 4 per cent additional CVD and 3 per cent cess are also levied.

NTBS

- Pre-shipment quality tests are required. The testing facility is inspected and approved by the competent authority at the company. The test reports for elemental composition and screening for radioactive material. If the elemental composition is not as per the specifications, the payment is adjusted accordingly.
- Due to fluctuations in the international prices, the value of a shipment may change from the time of the sale to when it arrives at the port if international prices become higher. In such a case, the Indian Customs does not accept the transaction value and instead base their valuation at the higher prevalent international prices.
- There have been some instances of theft if the shipment is sent from Sialkot to Karachi via truck. Exporters would prefer to export by bonded containers via the Sambrial dry port although the cost of shipment increases by 5 percent as port and handling charges have to be paid at both the dry port and the sea port.
- Theft of even low quantities such as of 4-5 kg en route creates unreliability with the buyer as the L/C is issued for a different weight.

XXIII.4 TEXTILES & CLOTHING

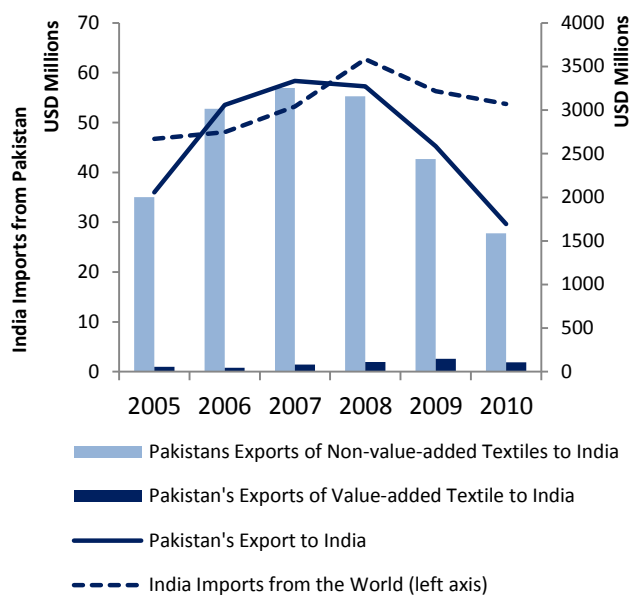
The textile sector has the largest export potential to India. However as textiles form a large part of India's own exports, this sector is heavily regulated across different tariff lines.

This section provides a macro view of existing exports to India as well as NTBs across specific tariff lines.



POTENTIAL

FIGURE 56: TREND OF INDIA'S TEXTILE IMPORTS



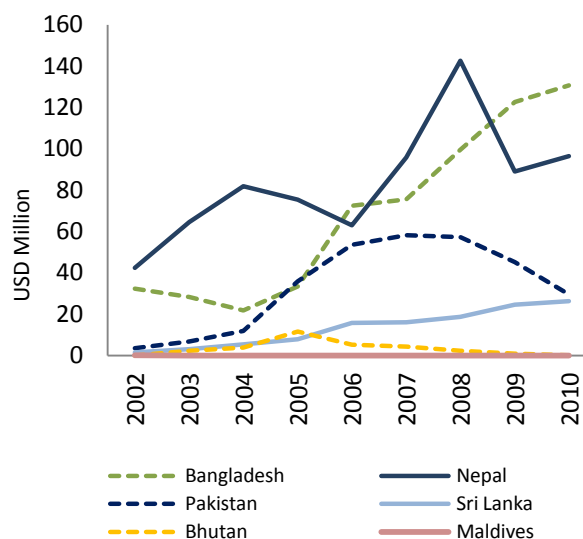
India offers a large potential market for textiles. Figure 56 shows that total import of textiles in India was over US \$ 3 Billion with imports from China and Chinese Taipei constituting US \$ 1.6 Billion of that mix.

The total import from Pakistan to India was a mere US \$ 30 Million in 2010. Most of this was non-value added textiles.⁹⁰

Total import from SAARC countries was approximately US \$ 300 Million in 2010. Bangladesh and Nepal were the largest exporters of textiles to India. This may be attributed to the deeper concessions awarded to the two countries as LDCs under SAFTA.

As is seen in Figure 57, exports from Sri Lanka and Bangladesh are on the rise, while exports from Pakistan are decreasing. This is on account preferential treatment to Bangladesh (LDC under SAFTA) and Sri Lanka (FTA).

FIGURE 57 TREND OF INDIA'S TEXTILE IMPORTS FROM SAARC COUNTRIES



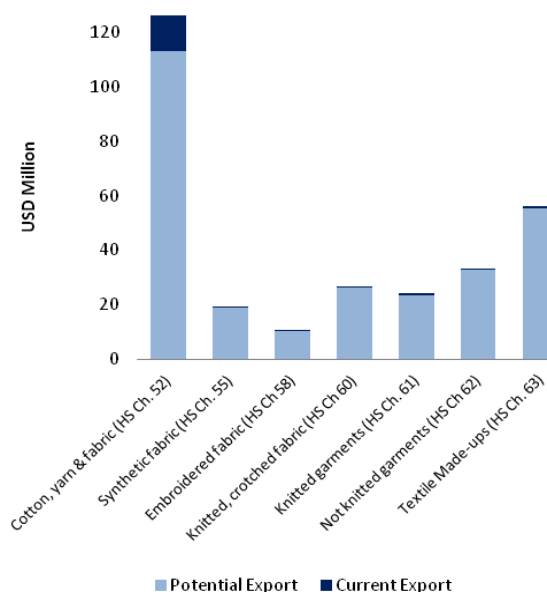
Out of a total of 654 tariff lines at HS level 6 for textiles, Pakistan has a positive net RCA in 354 tariff lines. The total indicative potential for the determined 354 tariff lines is \$ 360.87 Million, which is larger than the total current import from SAARC countries (see 0 for a list of high potential textiles).

⁹⁰ HS Chapter 50-60



Figure 58 below lists textile tariff lines where Pakistan has a competitive advantage as an exporter. The main potential products are woven cotton fabrics including denim and lawn. In addition there is a substantial potential for synthetic, knitted fabrics and garments as well.

FIGURE 58: TOP POTENTIAL TEXTILE EXPORTS TO INDIA, aggregated for HS Level 6 items with net RCA > 1, indicative potential > US \$ 1 MIL



TARIFF & IMPORT POLICY

Composite tariffs are applied on 685 tariff lines of textiles and clothing. If Ad Valorem Equivalents (AVEs) are included in the tariff analysis, the average protection increases from 9.6 to 16.2 per cent for textiles and 10 to 25.7 per cent for clothing. In some cases (e.g. shawls, scarves exceeding 60 cm) tariffs are very high.

Textiles are protected under SAFTA as well.

COTTON



Pakistan has an exportable surplus of short staple cotton. Due to its coarse nature of fibre, short-staple cotton is mainly used for thick textile materials including denim and knitwear.

There is an absence of BT seed for short staple in India. Efforts are being made by private as well as government agencies to develop BT seed for short staple variety.⁹¹ Until this variety is developed, there will be a large demand for coarse strain cotton from Pakistan.

Pakistan is a net importer of cotton as its consumption exceeds its production. Furthermore, it also needs to import better finer cotton for blending and for producing export oriented quality textile products. Last year Pakistan imported raw cotton worth US \$375 million dollars and India was the major source.

Pakistan follows a free trade policy for cotton with no quantitative restrictions or duties on either imports or exports. It will be in Pakistan's interest if both countries follow a free trade policy and do not impose export/import taxes or other restrictions on import/export of cotton.

Considering our dependence on import of cotton from India, it would be best if some assurance was obtained from India for not placing any export restrictions or export duties on cotton.

DENIM

Denim from Pakistan is price competitive as increasing dependence on imported short-staple variety of cotton has put an additional cost pressure on Indian denim manufacturers.

Figures show an indicative export potential of US \$ 16 Million.

⁹¹<http://www.business-standard.com/india/news/short-staple-cotton-imports-may-rise-to-meet-denim-requirements/157410/on>



LAWN FABRIC

POTENTIAL

The lawn business has been posting a steady 10 per cent annual growth despite rising inflation. The growth in lawn business has doubled in the last 10 years.⁹² The annual size of the lawn market in Pakistan is PKR 50 billion. There has been an increasing demand for lawn in India. While some formal trade takes place via sea and rail, a substantial amount of informal export has also been reported through suit cases.

TARIFF & IMPORT POLICY

While most lawn fabric product lines face specific tariffs on an MFN basis, under SAFTA, the duty for Pakistan is 8 per cent. Lawn is not protected by the sensitive list. For details, please see Appendix.

NTBS

- Importers need to submit the shipment samples in their government laboratories to ensure that the dyes and colours used are non hazardous.
- Certificates of quality are issued after extensive sample testing for 3 months after which they are required to be renewed.
- Automatically generated invoices by the companies are not accepted and have to be reformatted as per cumbersome requirements i.e., in the order of specific serial blocks and commodities etc.
- The company's specifications and standards are certified by the company lab and are (in rare instances) not accepted in India.
- Certificates of International certification and testing labs like SJS are not accepted.

⁹² Orient Textile Mills

POTENTIAL

Pakistan exported US \$ 5.8 million worth of degreased wool in 2010. Wool is used in the carpet industry in Bikaner, Rajasthan. According to an exporter, because of his ability to export to India, he can get four times higher price than he gets in Pakistan.

TARIFF

This product is eligible for a 20% duty concession under SAFTA. The preferential tariff is 8 percent. An additional CVD of 4 percent and educational cess of 3% is levied on the product.

NTBS

An SPS certificate is required. It is issued by the Health Department (Ministry of Food and Livestock) in Karachi and is accepted in India.

BED LINEN

Pakistan has a large comparative advantage over India in bed linen; however exports have been limited due to stringent testing requirements. Most bed linen exported from Pakistan is reported to be sold under European or local Indian labels. There are serious Customs valuation issues also. In order to avoid Customs complications, many exporters export via middlemen in Dubai.

Plain cotton bed linen is on the sensitive list and faces a tariff of 10 per cent. All other categories get a 20 percent concession under SAFTA. Specific tariffs on certain categories do not apply to Pakistan under SAFTA.

XXIII.5 MINERALS

Main potential exports are Gypsum, Chromium Ores, Fluorspar, Marble and Natural Steatite. Except for marble, no NTB was reported in this sector. In addition to the 8% customs duty, other charges levied on



imports include CVD 8%, additional CVD 4% and educational cess 3 %.

XXIII.6 CEMENT

POTENTIAL

The cement industry in India is facing challenges to meet local demand despite a domestic installed capacity of about 234 million tonnes and an aggregate production capacity of 167 million tonnes. Due to an acute shortage, it takes approximately fifteen days for delivery of cement bags on cash basis. This has delayed projects and construction schedules in the country and is thus forcing the government to import cement.⁹³

The bordering Indian states of Punjab and Haryana alone have the capacity to import 6 to 7 million tonnes of cement (after utilising domestic production of 4 million tonnes). The total current cement export to Indian is estimated to be well short of one million tonnes.⁴

FIGURE 59 PAKISTAN'S PRODUCTION CAPACITY AND EXPORT OF CEMENT (MILLION METRIC TONNES)



Source: Cement Exporters' Association of Pakistan

⁹³ Daily Times reported on November 10, 2011

As shown in Figure 18, Pakistan has the surplus production capacity export to India. Pakistan cement manufacturers have a combined installed capacity of around 44 million tonnes whereas cement demand stands at approximately 31 million tonnes.

Pakistani cement exporters also have a price advantage over Indian cement. Indian cement prices stand at almost 280 rupees per 50-kg bag but if cement is imported from Pakistan, the landed cost is 16 percent cheaper at almost 235 rupees per 50-kg bag.

TARIFF & IMPORT POLICY

The tariff is 8 percent under SAFTA as opposed to the 10 percent MFN tariff. A CVD of INR 600 per tonne is applied. An additional CVD of 4 per cent and education cess of 3 per cent is also levied.

NTBs

- A BIS Certification is required to export cement to India. The cost of this certification is approximately US \$ 2,000 for two years (one year for the first time renewal).
- The BIS issues licenses to cement exporters after an on-site inspection of the factories to ensure compliance with BIS quality standards. It may take one to six months to renew this licence. All travel and living expenses are covered by the exporter.
- While, Pakistan and India have recently signed an MRA, it has been reported that the Bureau of Indian Standards (BIS) is delaying the renewal of export licenses to major Pakistani cement manufacturers.⁹⁴ BIS officials are reluctant to visit Pakistan as the Indian Ministry of Interior has

⁹⁴ The *Business Recorder* on 05/04/2012 reported that several Pakistani cement companies are waiting for Indian inspection to get licenses to start cement export to India.



not granted an NOC to visit Pakistan on security grounds.

Four Pakistani companies – Attock Cement, Cherat Cement, DG Khan Cement and Kohat Cement – have been unable to export cement to India after their BIS license expired. A BIS team was scheduled to visit Pakistan in August 2011 to grant license to the four cement factories. However, the BIS team has still not visited despite the recent commitment to harmonise standards requirements.

- Limited shipping routes are available for key ports in south India (e.g. Cochin, Chennai and Calcutta). Ships are mostly routed through Colombo.
- Local cement manufacturers until recently could only export to India through trains. Therefore, only a limited quantity of cement could be exported to India. However, the recent permission to export through Wagah is expected to boost cement exports.

XXIII.7 AGRICULTURE



POTENTIAL

Pakistan is one of the world's largest producers of several agricultural products including chickpeas (2nd), apricot (4th), cotton (4th), milk (4th), dates (4th), sugarcane (5th), onion (5th), kinnow, mandarin oranges, Clementine (6th), mango (6th), wheat (8th) and rice (11th).

However, except for rice, kinnow (and other citrus fruit), mangoes, dates and apricots, where it is a net-exporter, it often imports agriculture products like cotton, sugar, and milk. Wheat used to be another major import but recently Pakistan has been producing more than its needs and has been seeking export markets for its surplus stocks.

During 2010 main agricultural exports to Pakistan with a value of more than \$10 million were: cotton (\$357 million); sugar (\$157million); soybean (\$117million); chickpeas (\$161 million); tomatoes (\$40million); black tea (\$26million); chillies (\$14 million) and onions (\$13 million).

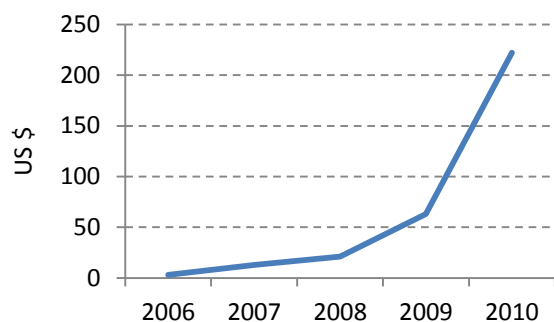
Agriculture is far more relevant in Pakistan's total trade than it is for India. In case of Pakistan, its relevance for exports is 18.4% vs India's 10.7% and for imports it is 17.3% vs India 5.4%. Therefore, questions are likely to be raised as to why so many agricultural products are being imported from India and why is Pakistan not doing enough to export those agricultural products where it is competitive.

Pakistan has to insist on seeking market access under SAFTA for products of its export interest and thus balance its trade in agricultural products. Pakistan has enough surplus of value added agricultural produce like citrus (kinnow), mangoes, and other fruits.

In the past decade, India has experienced a shift in consumption patterns from traditional food grains to high value fruits and vegetables and processed foods. Its imports of citrus fruit and juices have been growing rapidly. During the last decade, it is estimated that the compound annual growth rate from around the world was over 60%. Therefore, Pakistan can substitute other countries and can be a major exporter of citrus fruit to India.



FIGURE 60: TREND OF IMPORT OF MANDARINS IN INDIA



Another major fruit that Pakistan can export to India in substantial quantities is mango. Currently Pakistan's annual production is 1.6 million tons but only 0.13 million tons is exported because mangoes have a short shelf life and also meeting sanitary and phytosanitary (SPS) conditions of developed countries has been rather challenging. The Alfonso variety of Indian mango comes in March and April and there is a shortage in June when the mango season in Pakistan is at its peak.

Chwara (dried dates) are the leading current export of Pakistan to India, amounting to US \$ 49 million in 2010.

The exports are expected to rise in the coming years due to a fall in local consumption patterns. Dates are mostly consumed in the month of Ramadan in Pakistan, and for the next cycle of 33 years Ramadan will not fall in the peak season of dates.⁹⁵ Hence there will be an additional exportable surplus of 70%.

In order to gain access to the Indian market, Pakistan can rest its case on the following arguments:

- In general, Pakistan's applied tariffs on agricultural products are lower than India. Our average tariff rate works out to be 20 percent whereas in India it is 33 percent. In addition, India also

levies education cess of 3 per cent on these products.

- Pakistan however, allows import of several agricultural products between 0 to 5 per cent duty where India is competitive such as vegetables. India does not do so for those products such as kinnows where Pakistan is competitive. Indian duty on fruits ranges from 30 to 50%.
- India is one of the biggest subsidizers of agricultural inputs. For example, India pays fertilizer producers directly in exchange for the companies selling fertilizer at lower than market prices. Irrigation and electricity are supplied directly to farmers at prices that are below the cost of production. These policies result in effective subsidies to the farmer of 40 to 75 percent for fertilizer and 70 to 90 percent for irrigation and electricity.
- India's sanitary and phytosanitary (SPS) regime is rather strict. There are many other restrictions on import of agriculture products. See appendix C and D. Many international studies show that these measures are used to restrict imports rather than for any scientific reasons to control crop-related diseases.
- India has high WTO bound tariffs and it often adjusts its applied tariffs periodically to help meet domestic price stability goals; either raising tariffs to help strengthen producer prices or reducing tariffs to help moderate rising consumer prices. Pakistan also follows this policy but only for major products such as sugar and wheat.
- For major agriculture produce such as wheat, rice, sugar and cotton status quo may have to be maintained. In these cases, it would be best if the situation were reviewed each year depending on local crop conditions. A summary of the existing trade policy,

⁹⁵Pakistan Fruits and Vegetable Association.



tariff regime and competitive position of Pakistan's major products is given below:

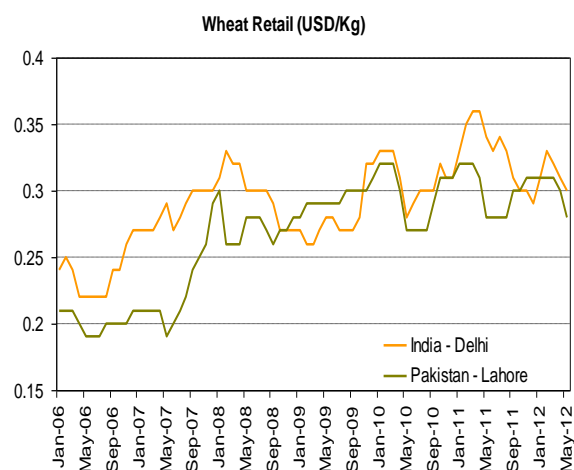
Wheat

In the recent past, both India and Pakistan have been producing more wheat than their requirements. However, this is not always so as both have also resorted to imports when the crop fails.

There is no import duty on wheat in India but wheat flour is subject to 30% tariff. In Pakistan, there is no duty on wheat flour but wheat is subject to 10 % duty. The duty rate is often raised or reduced depending on the local wheat crop.

The following graph compares retail prices (USD/kg) for wheat in Pakistan (Lahore) and India (Delhi). In the last months the price has decreased in both countries. When there is substantial difference in the retail prices, wheat gets smuggled across the borders as happened in 2007. The following graph shows that the wheat retail prices have been similar for the last several months.

FIGURE 61: RETAIL PRICE OF WHEAT IN DELHI AND LAHORE



Source: own elaboration on FAO data

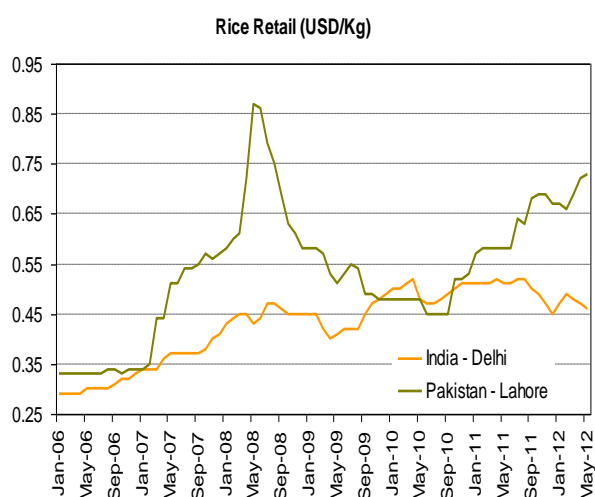
Rice

Both India and Pakistan are the world's leading producers and exporters of rice. Pakistan's exports of basmati and Irri amount to about \$2 billion. Indian exports of rice are expected to be about \$3.7 billion during the current year.

Our rice producers have been expressing concern about opening of trade with India. This could be due to the fact that prices of Indian rice currently range from \$360 to \$450 per ton whereas average price of Pakistani rice is \$480 per ton. The following graph compares retail prices for rice in Pakistan (Lahore) and India (Delhi). Over time, rice prices in Pakistan have been more volatile than in India, and also higher. Furthermore, since the last months of 2011 the price for rice in Pakistan has significantly increased while the price in India has been much more stable.



FIGURE 62: RETAIL PRICE OF RICE IN DELHI AND LAHORE



Source: own elaboration on FAO data.

Furthermore, last year India had a bumper harvest in excess of 100 mt and it has stocks of over 34 mt in state-run warehouses. India is expected to export up to 7 million tons, which would be a record.

Currently Pakistan has an import duty of 10% whereas there is no duty in India. Considering the concerns of our rice producers, it may be prudent not to open rice trade. It should however be noted that according to FAO, despite bumper crop in India, Pakistan should not only be able to keep its export share in the international market but also increase it.

Both countries could cooperate on attaining GI mark for basmati rice in the international market. It is not going to be an easy exercise as it will be extremely difficult to agree on specified areas where basmati is grown and what varieties could be considered as genuine basmati.

Sugar

Sugar is Pakistan's second largest agro-industry after textiles. Yet local production often fails to meet domestic demand and sugar has to be imported. For example, in 2010/11 Pakistan imported 1.1 million tons of sugar worth \$800 million.

Similarly, Indian production is also cyclic. This year they are expected to export about 3 million tons but in 2009 they had to import 2.5 million tons.

Both countries follow flexible policies and vary their trade policy and tariff regime from year to year. When there is a short fall, both waive import duties. On the other hand, whenever there is surplus, regulatory duty is imposed to check imports. Also different policies are followed for raw and refined sugars. In Pakistan, the Trade Corporation of Pakistan plays significant role in stabilizing the prices of sugar in the domestic market.

Considering the politics and sensitivity of the sugar prices for consumers, it is not easy to have any predictable tariff or trade policy regime for sugar. However, having a flexible trade policy regime may be in the interest of both countries.

NTBs

- Imports of plants and plant material are required to be accompanied by a SPS issued by the national plant protection organization of the exporting country and an import permit issued by the officer in charge of the plant quarantine station.
- Certain products can be imported without import permit but may be required to fulfill other conditions such as fumigation.
- Imports of plant and plant products may only enter the Indian Territory through designated ports.
- Lack of cold storage facilities on the Indian side near the border discourages the export of perishable food products from Pakistan. Shipments therefore mainly comprise of dry fruits and dried medicinal herbs.
- Unnecessary delay occurs at ports in India, because the documents including the original SPS certificates,



bill of lading etc are routed through third country courier (i.e. Dubai) and then these documents are sent to the bank of the importer in India thereby resulting in demurrages and loss of quality of perishable items. 60-70% of the shipment can perish in hotter climate.

- The containers for onions are open tray top, which are designed to allow circulation of wind while the vessel is at sea, however when the container lies on ground the circulation of air stops. Thus if placed there for longer period of time, the onions can perish.
- Refer containers are required to export kinnows and mangoes. The lack of transport infrastructure and cold storages to discourage the export of fresh fruit e.g. kinnow and mango to India.
- Packing standards negatively impact the export of agricultural produce.
- Date exporters have reported a theft of 2-4 kilograms on average per truck. If a bag is opened, the importer may exaggerate the amount of theft. To prevent theft, a dry port in Sukkur or Khairpur was suggested so that bogeys may be sealed in the presence of a trusted clearing agent at Sukkur.

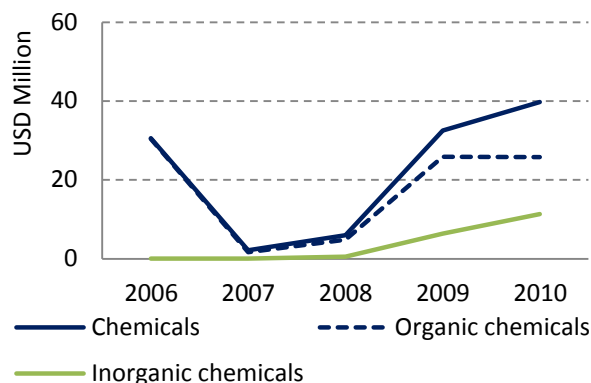
XXIII.8 CHEMICALS

POTENTIAL

The exports of chemicals from Pakistan were almost US \$ 40 Million in 2010.

The indicative potential of top ten high potential chemicals (net RCA > 1, indicative potential > 1 Mil) is US \$ 70 Million. Key potential exports are 1,2-Dichloroethane (ethylene dichloride), disodium carbonate (soda ash) and terephthalic acid (TPA).

FIGURE 63: TREND OF EXPORT OF CHEMICALS FROM PAKISTAN TO INDIA



Source: UN COMTRADE, 2006-2010

TARIFF & IMPORT POLICY

Certain chemicals are on the negative list of SAFTA including Soda Ash.

However for other high potential chemicals (e.g. di-ethylene chloride), there is a preferential tariff of 6.5-8% (MFN is 10%). Additional duties of CVD (16%), additional CVD (4 %) percent and educational cess (3%) percent are also levied. According to the Import Policy of India, no certifications or permits are required.

NTBS

- Chemical products have short shelf life, and therefore there should be proper storage facilities and should not be left out in open sheds.
- Hazardous material in chemicals and liquid forms cannot be exported to India due to unavailability of handling facilities at dry ports in Pakistan and India.

XXIII.9 LEATHER

POTENTIAL

Pakistan's exports to India in leather, including footwear thereof, have been well below US \$ 1 Million. However figures



indicate a potential of US \$ 356 Million in this category with a significant potential in value added goods like leather suitcases, handbags, and footwear.

TARIFF AND IMPORT POLICY

It may be noted that except footwear, leather items are not on the sensitive list. They are granted concessions under SAFTA of 20 per cent. Leather goods face a CVD (16%), additional CVD (4 %) and education cess (3 %).

NTBS

- Leather footwear is on the Sensitive List of SAFTA and thus no tariff concessions are available.
- Some manufacturers are of the view that Leather products may not be competitive in price with Indian products as the main input chemicals are locally produced in India.
- Exporters also requested that the export of raw hides to India may be regulated in order to protect the local manufacturers.

XXIII.10 MARBLE



POTENTIAL & TARIFF

The indicative potential is US \$ 23.6 Million.

Tariff of 10 per cent is applied. An addition CVD of 4 per cent and education cess of 3 per cent are also levied.

NTBS

- India maintains import quotas for marble and similar stones (HS 2515.11.00, 2515.12.10, 2515.12.20, and 2515.12.90).

Quotas are established annually and administered on an MFN basis.

- Criteria of awarding a license are revised via notifications and circulars issued by DGTP on a yearly basis, thus creating an atmosphere of uncertainty.⁹⁶
- Marble is currently on the list of 415 sensitive items whose import is monitored.⁹⁷ There is a minimum import price of US\$ 50/kg.
- As the import of marble blocks and slabs is regulated with licensing and quotas, only a few companies hold the license to import. Companies lend licenses at Indian Rupees 10,000 per tonne rather than experiment with newer varieties from Pakistan.
- New importers wish to conduct a site inspection before signing a contract. However, they are reluctant to come to Pakistan, as they fear that a Pakistani visa stamp on their passport will create visa issues with western countries.
- Pakistan mainly exports marble blocks as the duty is much higher for marble slabs. In some cases, Pakistan has been able to secure contracts for marble slabs directly from architects working on hotel projects.

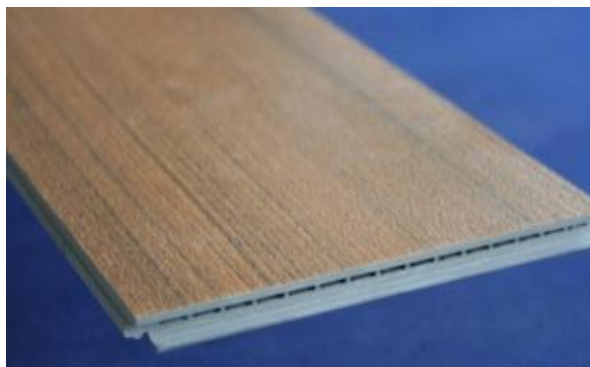
The main marble processing region is in Rajasthan. The shipment reaches the Mundira port from Karachi in 12 hours. The Bill of Lading is issued in 24 hours. Documents take another three days to courier (via Dubai) and another week for processing at the bank. As a result, demurrages are incurred. However, there is a possibility to negotiate an agreement with the shipping carrier to provide free detention for 14 days.

⁹⁶ DFGT Notification No. 36/2009-2014, 31 March 2010; and DGFT Circular No. 29/2009-2014, 31 March 2010.

⁹⁷ Department of Commerce online information, "Trade Statistics: Imports of Sensitive Items".



XXIII.11 PLASTIC WARE



POTENTIAL

A major exporter (Allied Plastic Industries) of PVC printed and laminated sheet, flooring and PVC flex for use in bill boards reported that Pakistani products compete on quality in the Indian market against the cheaper imports from China and Thailand. It was reported that this export is in great demand and is marketed as high quality import from Pakistan. There is a notable demand for Pakistani tableware and kitchenware including water coolers.

TARIFF AND IMPORT POLICY

The MFN tariff is 10 percent. Many plastic items are on the Sensitive List of SAFTA.

NTBS

- There were no specific NTBS reported except for the general ones such as lack of direct shipments .

XXIII.12 AUTOMOTIVE COMPONENTS

For the purpose of this study, all companies that exported automotive components to India in 2011 were interviewed.

The Pakistan Association of Automotive Parts Accessories Manufacturers (PAAPAM) was also interviewed.

TARIFFS & IMPORT POLICY

Tariff is 8 per cent under SAFTA. Additional charges of CVD (16 %), special CVD (4 %) and education cess (3 %) are also levied on these

products. There are no import restrictions, licenses or permits for auto components in India.

TABLE 25: IMPORT POLICY OF INDIA FOR AUTOMOTIVE PARTS, 2009-2013

	Tractor Parts HS 870810	Liquid Pumps HS 841381
Unit	Kg	per piece
Standard rate of duty	10	7.5
SAFTA Tariff	8	8
CVD	16	16
Spl. CVD	4	4
Educational Cess	3	3
Policy Conditions/Licensing Requirement	None	None
SAFTA RoO	General	30% DVA

Source: Foreign Trade Policy of India, 2009-2013

NTBS

The following NTBS were identified in the survey:

MISPERCEPTION OF EXTENSIVE STANDARDS REQUIREMENTS

Contrary to the prevalent view, the import in the automotive sector is not regulated by mandatory standards of the Bureau of Indian Standards. The exporters interviewed also confirmed this fact.

International ISO certifications are accepted and no other certifications are required. All the companies interviewed had an ISO certification including ISO 9000 and ISO TS 16494.

It should be noted that BIS has a voluntary product certification scheme for quality certification. For the purpose of this scheme, the BIS have formulated standards for vehicle equipments and systems in association with the Automotive Research Association of India, Central Institute for Road Transport and manufacturers.



The Transport Engineering Division Council has developed a total of 1085 standards for the field of transport engineering including air, water, road and rail transport out of which 554 standards are for automobiles and parts.⁹⁸ The standards cover a range of aspects including product standards and methods of testing.

Despite the fact, that these standards are not mandatory, the number of these standards has created an atmosphere of apprehension among the exporters of automotive parts in Pakistan. Concerns were reported regarding the cost and process of certification at laboratories inconveniently located far away from ports.

EXTENSIVE SAMPLE TESTING

Exporters are required to comply with company specifications and submit elemental composition reports. An extensive sample integration testing is conducted in India for this purpose. If the sample is not per stated specifications, the landed cost of the sample is claimed from the exporter. The ISO certification has to be submitted to the company just once and the product specification reports have to be included with every shipment.

LACK OF HANDLING INFRASTRUCTURE AT THE LAND PORTS

Lack of fork lifters is a major barrier. This issue arises in all land ports and the sea port in Karachi. The Nhava Shiva port in India is fully equipped with state of the art facilities and there are no handling issues there. Fork lifters are required at Wagah as the consignment has to be unloaded at the port as containerized transport is not allowed. The

shipment is packed in pellets of 22 tonnes each. These are heavy and risk damage if handled manually.

OBSTRUCTION BY INDIAN CUSTOMS

At Wagah authorities do not allow shipment of tractor parts (e.g. counter shafts and pinions) as they resemble weapons in appearance as shown in the picture.

ADDITIONAL CONCERNS OF PAAPAM

In addition to misperception of standards requirements, PAAPAM expressed the following observations:

- They expressed an apprehension regarding the demand for Pakistani products in the Indian after market of automotive parts.
- Pakistani products are not competitive enough to be acceptable for OEM plants as 80-90 % inputs are imported.

OBSERVATIONS

Pakistan's automotive and components industry is currently protected by the Negative List as well as high tariffs. Once the Negative List is phased out, the high protective tariff structure will continue to shield the automotive industry from imports from India. Further the automobiles and components are also on the Sensitive List of Pakistan in SAFTA.

Pakistan currently imports CKD and SKD kits from Japan and parts from Thailand at higher prices than those from India. Opening of trade with India will make cheaper inputs available and enable the automotive industry to become more competitive. PAAPAM also noted that import of cheaper raw material from India will benefit the components sector.

An important example of growth due to trade liberalization is the automobile and components industry of Turkey.

⁹⁸ The remaining standards formulated by TEC Committees 12, 14, 16, 17, 18, and 19 are for ship vessels, aircrafts, bicycles and parts.



BOX 10: GROWTH OF THE AUTOMOTIVE AND AUTOMOTIVE COMPONENTS INDUSTRY IN TURKEY

Case: Growth of the Automotive and Automotive Components Industry in Turkey

Increased competition in the form of higher imports forces productivity improvements in the manufacturing industry. A case in point is the automotive sector in Turkey that saw significant productivity gains and rapid growth following the import liberalization in mid 1990s.

In the 1980s Turkey went through massive import liberalization but the automotive sector continued to receive protection behind high tariff barriers until the mid 1990s and did not experience a growth in productivity as much as the import competing sectors. However when the average tariff rate for the manufacturing industry came down from 13.5 percent in 1995 to 3.6 percent in 1996, the automobile exports started to rise. The automobile exports grew at a rapid rate and the share of automobiles in manufactured exports increased from 2.5 percent in 1993 to 16 percent in 2006.

It is pertinent to note that while trade liberalization results in growth of economies, there may be an adjustment period in the short term. In Turkey, the imports of motor vehicles and automobile components also increased as a result of integrating in the global production chains. Turkey imported US\$ 8.3 billion of motor vehicles and US\$ 3.9 billion of automobile components in 2005.. In 2011, Turkey's automotive exports hit US \$20.4 billion surpassing the exports from world leaders like Italy.

XXIII.13 FANS

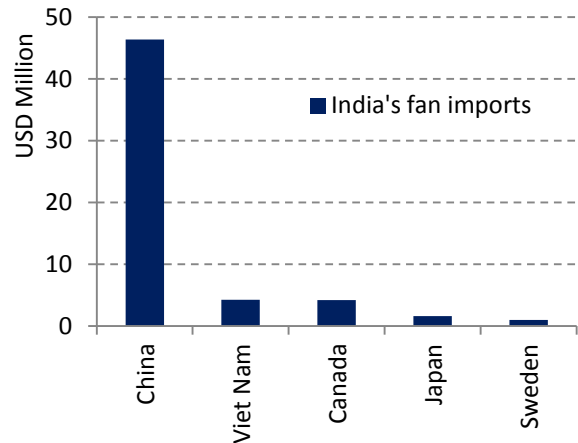
POTENTIAL

Indicative potential is US \$ 34 Million. While the highest imports are from China, there is also a demand of better quality and more expensive fans from Canada, Japan and Sweden. Pakistan can compete with cheaper imports from China on quality. There is a demand for specialized fans (e.g. mist fans) in India.

TARIFF & IMPORT POLICY

There is a 10 percent tariff. Fans are on the Negative List of SAFTA for Pakistan. A CVD of 16 per cent, additional CVD of 4 per cent and education cess of 3 per cent are also levied.

FIGURE 64: COMPETING SUPPLIERS FOR FANS TO THE INDIAN MARKET



NTBS

The main NTB reported was customs valuation, a lack of awareness about the duty structure, distribution channels and general apprehension regarding non tariff barriers.

Fans are on the negative list of SAFTA. Being a new export to the Indian market, exporters of fans encounter Customs valuation issues. There were no exports of fans to India in 2010. It was reported that mist fans of CIF value of US \$ 90 were valued at US \$ 200 for a trial container that was exported to India in 2012.



XXIII.14 OTHER HIGH POTENTIAL SECTORS

This section focuses on NTBs faced by the products with very high indicative potential but relatively lower competitiveness relative to India.

PIPES, TUBES OF IRON OR STEEL

Pakistan makes specialized seamless pipes for extreme temperature services and boilers etc. This is exported to USA, Germany, Australia, Sri Lanka, Bangladesh, Afghanistan and the Middle East.

When the Steel Pipes Association of Pakistan was interviewed, it was reported that Pakistan has no potential to supply this product to India, as India is a major exporter itself. While India is a net exporter of this category in 2010, with a positive trade balance of US \$ 308,000 it is pertinent to note that the exports in this category fell by 39 percent from 2009 to 2010.

Figures show a high RCA and considerable indicative potential for exports of tubes, pipes and hollow profiles of iron or steel to India. Pakistan has an RCA of 35.50 while India has an RCA of 4.01. Also, the indicative market potential is over US\$ 69 million for Pakistan. This product is subject to a mandatory BIS certification.

PET

Figures indicate an export potential of US \$ 40.7 million of Polyethylene Terephthalate to India from Pakistan. However a further investigation reveals that while India imported US \$ 40.7 million worth of PET in 2010, India is a net exporter of PET with a positive trade balance of US \$ 417.64 million. India's exports represent 4.27% of world exports for this product; its ranking in world exports is 10.

The PET manufacturers in Pakistan are of the view that exports in India are subsidized through a deemed duty drawback scheme.⁹⁹ They feel that if a level playing field is not provided, the domestic industry may suffer in Pakistan.

70 CC TWO WHEELER

The two wheeler sector in Pakistan has shown a steady growth of 31 per cent over the last 10 years. The main driver of this increasing trend has been the success of the 70 cc two wheeler which has created a niche because of its economy and low maintenance cost.

The 70 cc engine is not manufactured in India. The Indian market is predominantly based on 100 cc and 125 cc engines that constitute 65 percent of the market. The Indian market has a huge potential for this product only if the testing procedures and standards are harmonized.

TARIFFS

Basic MFN duty on motor cycles (CBU) is 100 percent but the SAFTA tariff is 8 per cent. An additional CVD (16%), special CVD(4%), education cess (3 percent) are also levied.

NTBS

3. **Homologation:** India has a strict homologation policy for import of vehicles. Obtaining the homologation certificate is time consuming and involves excessive red tape. This has also been reported as a concern by the motor cycle manufacturers association in EU, Association des Constructeurs Europeens de Motocycles G.E.I.E (ACEM).

India has established several testing facilities across the country as a part of the National Automotive Testing and R&D

⁹⁹ Customs Circular No 42/2011



Infrastructure Project (NATRiP). Earlier the vehicles had to be tested at facilities of competitors which posed a greater problem.

4. **Emission standards:** These standards are stringent for two wheelers even when compared to EU and Japan.



XXIV. NTBs DUE TO PORT INFRASTRUCTURE & BILATERAL TRANSPORT PROTOCOL

XXIV.1 COMPARATIVE ASSESSMENT OF PORTS AND LOGISTICS

In addition to sector-wise NTBs there are location-based NTBs that occur at Wagah, Karachi and via Railroad (*Samjhota Express & Interchange Train*) that complicate cross-border trade between the two nations.

The graphs below based on World Bank data rate port facilities in India marginally higher than in Pakistan. However, when it comes to the burden resulting from Customs procedures both India and Pakistan operate at sub-optimal levels, with India being slightly more efficient than Pakistan.

India inaugurated the Integrated Check-Post at the Wagah-Attari border in April, 2012. The ICP at the Wagah-Attari is part of a larger project to build 13 ICPs at international land borders across the country. The Wagah-Attari ICP project amounts to INR 150 crores (approx. US \$ 30 million) and spans over an area of 120 acres. The ICP has been built as a sanitized zone with dedicated passenger and cargo terminal providing adequate Customs and immigration counters, X-ray scanners, passenger amenities and facilities like service stations, fuel stations, accommodation etc. in a single complex.

It is imperative to augment port infrastructure and Customs procedures at the Pakistan side to simplify and expedite cross-border trade with India.

FIGURE 65: LOGISTIC PERFORMANCE INDEX

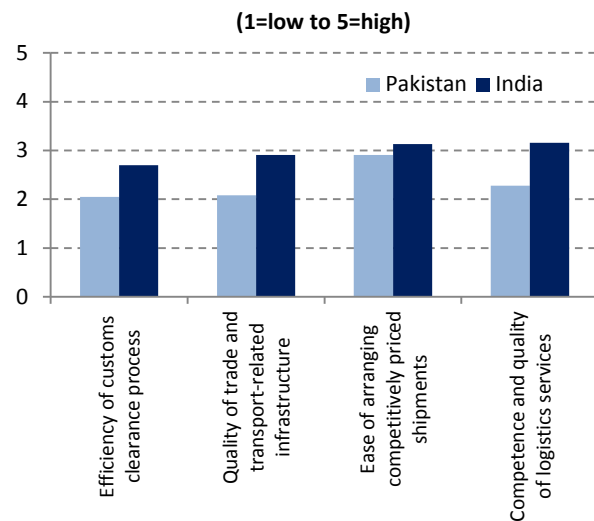
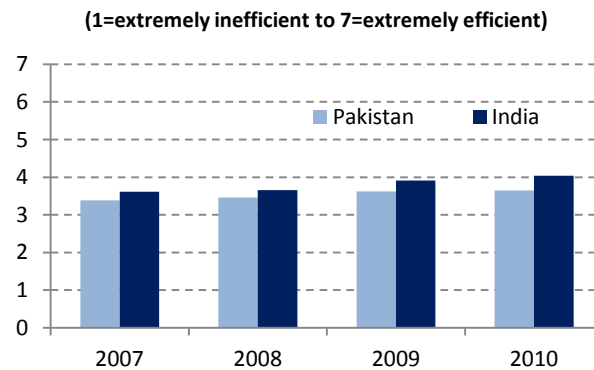


FIGURE 66: BURDEN OF CUSTOM PROCEDURES, WEF



XXIV.2 EXPORT PROFILE AT WAGAH

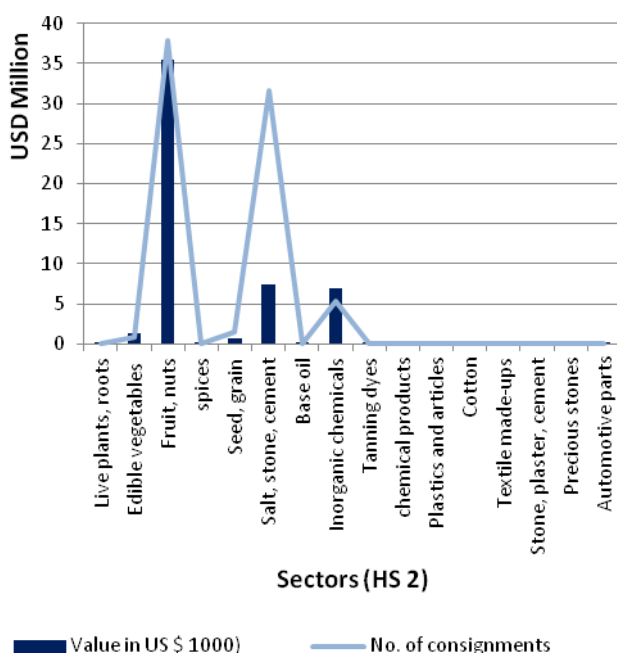
Wagah is a key land port between India and Pakistan. The exports through Wagah to India amounted to US \$ 52.2 in the period (01-Jan-2011-31-Jan-2012) representing 16.7 percent of overall exports in the same period.

- If we review the profile of exports from Wagah, by road, it becomes apparent that about 70 per cent of exports are dried dates, 13 per cent are gypsum. Another 13-15 percent is based on chemicals.



- Agricultural exports mainly comprise of dried dates and dried medicinal herbs. While there is a potential for exports of fresh produce only a meager 3 percent (3% onions and 0.1% fresh apricots) is exported. The main reason is the reported concern that shipment would perish due to long waiting times for trucks in Pakistan and lack of cold storage facilities on both sides of the border.
- While a substantial portion of the export basket at Wagah is based on high value chemicals, the full potential is not exploited due to lack of handling facilities for liquid and hazardous materials on both sides of the border. Provision of such services will boost exports of chemicals via Wagah. A large number of chemical factories (Sitara, Ittehad etc) are based in Punjab.

FIGURE 67: NUMBER OF CONSIGNMENTS EXPORTED THROUGH WAGAH



- Looking at the number of consignments exported to India from Wagah it is observed that the number of consignments cleared for gypsum in

2011 is over 3000, however the total value is only about US \$ 5 million. In contrast the total value of inorganic chemical exports is about the same with only 500 consignments. It is recommended that given the high value, shorter shelf life and smaller consignment size of chemical products, their trucks may be given the same priority as perishables.

NTBs

In 2012, several major issues at Wagah were resolved as per the standing order of the Model Customs Collectorate.¹⁰⁰

3. Time for which the gate remained open was increased. Earlier trade used to take place only from 8:00 a.m. to 4:00 p.m. This gate was also used for transit trade and passengers. However this problem was resolved in April 2012 with the opening of a dedicated trade gate which remains open from 6:30 a.m. to 6:30 p.m. PST.
4. The prohibition of any trucks other than 10 wheelers was abolished, also allowing 22 wheeler trucks and containers.

It is expected that with the opening of the ICP on the Indian side of the border, the following reported NTBs have been addressed.

- Facilities are sub-par and figure as the main constraint to India Pakistan trade.
- The GT road becomes very narrow as it enters India. Drivers do not have sufficient space to turn back easily towards Pakistan thus slowing down traffic and causing road blockages.

However the following NTBs remain:

- There are two covered sheds at Attari that are used for Afghan Transit Trade. Pakistan's imports into India lie

¹⁰⁰ Standing Order No: 01/2012, Model Customs Collectorate, FBR, Pakistan, Dated 18th April, 2012



uncovered in open sheds. This is a major problem for perishables and high-value products like chemicals that have short shelf lives and lose their potency due to temperature changes.

- Incidents of theft have also been reported, as the goods lie unattended in the open.
- There is a shortage of staff for unloading goods and porter charges are very high.
- On the Pakistani side, exporters have to interface with Rangers, NLC, Customs departments and the Anti-Narcotics Force as indicated in Figure 27.
- Agencies have overlapping functions.
- Also each agency has multiple checks of its own. For example, when a consignment is examined by a customs inspector, it is not considered as the final check by Customs. Quite often a Deputy Superintendent verifies it and in many cases the Superintendent also does the same. Most of this work is manual.
- There is no risk profiling. Unlike other ports where there is a greater emphasis on checking of imported goods, at Wagah the emphasis is on exported goods. While 100 percent of exports are scanned and physically checked, in case of imports only 50 percent goods are scanned and checked. It is not clear why exports are examined so thoroughly when no revenue is involved.
- There is only one scanner on the Pakistani side of the border and a hundred percent of goods are scanned. This becomes a bottleneck and causes delays.
- In addition to scanning, all trucks are weighed. Since there is only one weighbridge, this creates another bottleneck.

- There is currently no computerized weighbridge. The reports are hand written and cannot be used as proof in case of a dispute on delivered quantity with the Indian importer.
- If an exporter needs a Sanitary or Phyto-Sanitary certificate or the certificate needs any amendments, there are no arrangements at the border. These offices are located at Lahore.
- Only a limited number of items are allowed to be traded via the road route. This is a problem for importers of raw materials and machinery for the industry in the Punjab. There is no Plant Quarantine Authority at Wagah, due to which cotton is only imported through Karachi.
- Each time a driver takes a truck across the border, he is given a single entry permit. This means that each time, he goes through the process of getting photographed and getting an identity card for crossing the border.

Further, trucks are not served on a first come first serve basis and priorities are assigned in an ad hoc manner. It was reported that dates and chemicals are a lower priority at the Pakistani end and gypsum trucks dominate the traffic going from Pakistan.

- There is currently no warehouse on either side of the border and a warehouse-to-warehouse transportation facility is also not available.

Truck charges for trucks above 10 wheelers and containers are very high (Rs. 3,600) as compared to 10 wheelers (Rs. 2,100). In addition there are the following charges:

○ <i>Entry fee</i>	<i>Rs.55</i>
○ <i>Gate pass</i>	<i>Rs.870</i>
○ <i>Weighing</i>	<i>Rs.175</i>
○ <i>Scanning</i>	<i>Rs.1,000</i>

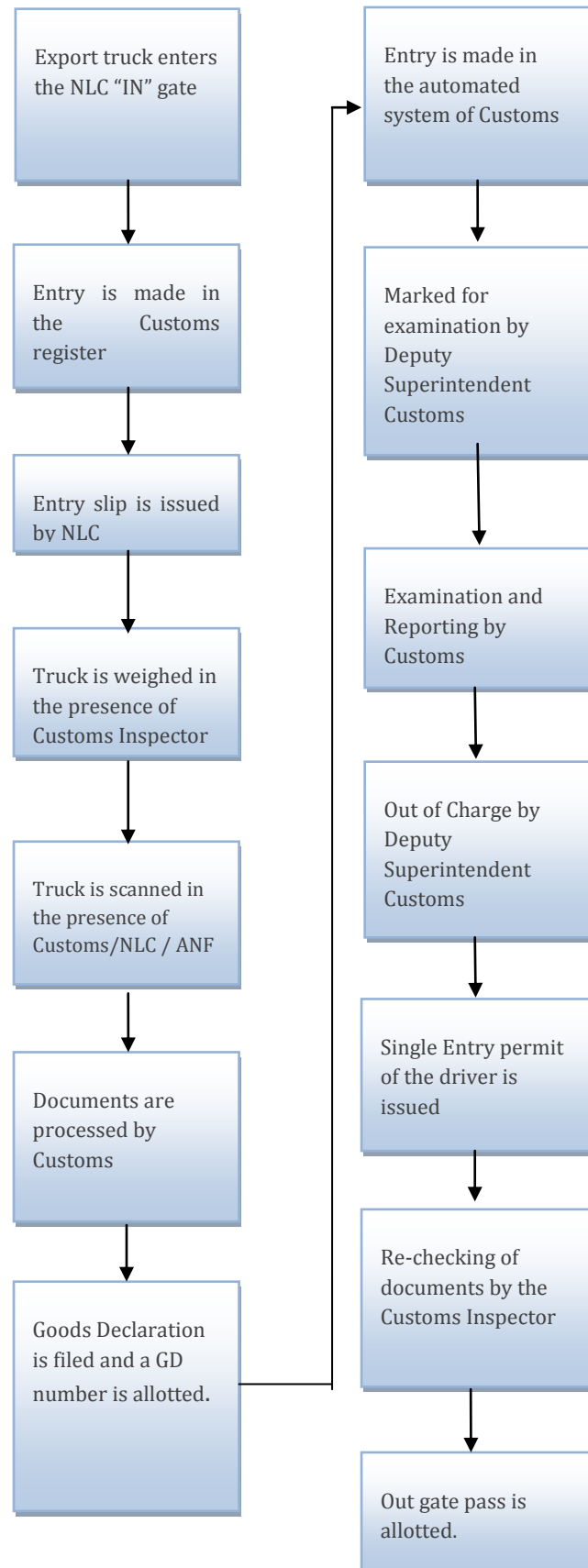


As a result of all the above mentioned bottlenecks and repetitive procedures, a truck could take several hours to queue and cross the border.

Once the truck enters the “IN” gate of the NLC terminal, it takes 4 to 5 hours to cross the zero line. A similar process should take not more than 30 minutes.

While at this stage when the number of trucks is limited, it does not create serious problems but if the trade volume increases or particularly when Pakistan starts exporting perishable items like fruits, these barriers would considerably hamper trade.

FIGURE 68: FLOW CHART OF MOVEMENT OF TRUCKS AT WAGAH



BOX 11: TRANSPORT OF TRUCKS AT WAGAH

The Indian Authorities allowed the transport of 22 wheeler trucks and containers through Wagah on the 13th of April, 2010. Further there is no limit on the weight carried per truck/container. However hurdles have been reported on both sides of the border, rendering this policy change ineffective in spirit.

The National Logistics Cell (NLC) has stipulated that trucks will not carry more than 40 tonnes. This is what a 10 wheeler truck could carry previously, whereas the 22 wheeler has a capacity to carry over 70 tonnes. Thus a bottleneck has been created again and is severely impacting the exports of cement.

Following the opening of the new gate, cement exports saw a surge and on certain days as many as 30 trucks were exported to India. However to check the exports of cement, in May 2012, the Indian Customs made a decision to take only 10 trucks of cement a day.

It is evident that the transport protocols between the two countries, repose a large amount of discretion in Customs officials. If not monitored regularly by a higher authority, this may create arbitrary bottlenecks and hamper the process of normalization

XXIV.3 EXPORT PROFILE AT RAILROAD

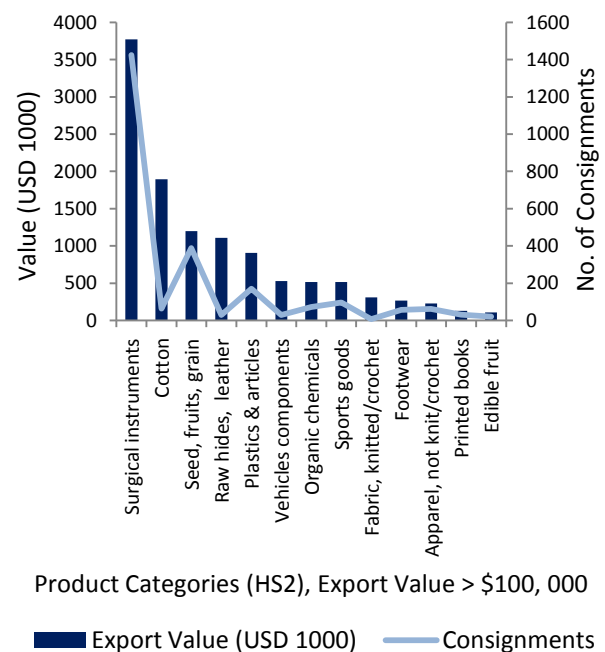
There are two modes of transport via rail, *Samjhota* Express and the Interchange train. The exports by rail from 1st January 2011 to 31st January 2012 amounted to US \$ 53.9 million representing 17.3 percent of overall exports in the same period.

SAMJHOTA EXPRESS

The exports by *Samjhota* Express from 1st January 2011 to 31st January 2012 amounted to US \$ 11.9 million representing 3.8 percent of overall exports in the same period.

- The exports comprised primarily of surgical instruments (31%), medicinal herbs, leather and textiles. While the export basket is relatively diverse as compared to Wagah (111 HS 6 level products exported), the size of individual consignments is small.
- Goods are transported via 10 parcel wagons attached to the *Samjhota* Express at the Mughalpura dry port. Wagons may also be attached at the T 10 terminal.
- *Samjhota* runs on a biweekly schedule.

FIGURE 69: CONSIGNMENTS AT SAMJHOTA EXPRESS



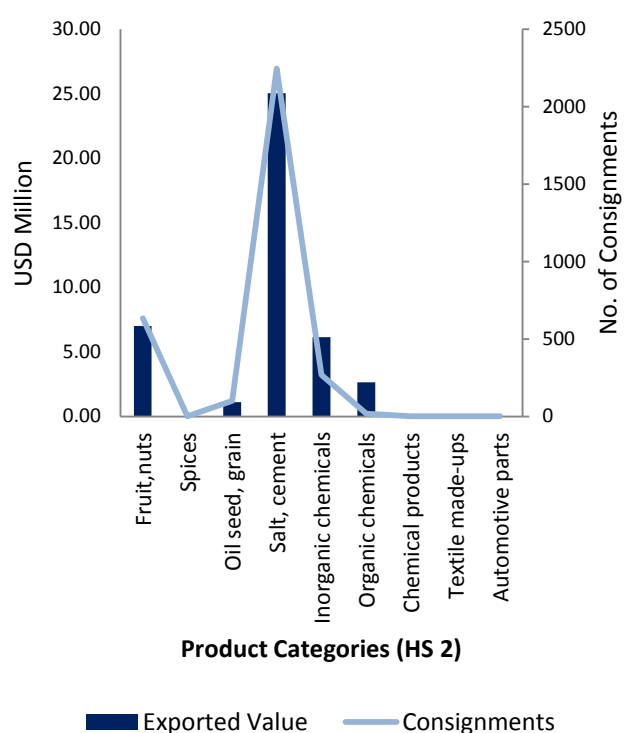
INTERCHANGE TRAIN

Total exports via the interchange train amounted to US \$ 42 million in the period 1st January 2012 to 31st January 2012 representing 13.5 percent of overall exports in the same period.



- More than half the exports (57%) comprise of Portland cement. Dried dates are another 17 percent while chemicals constitute a little over 20 percent.
- The volume of exports by interchange train is almost equal to the exports via Wagah road. However, the infrastructure on both sides of the border is in an even worse condition and may remain so for some time as an ICP is now being constructed at the railway port in India.

FIGURE 70: NO. OF CONSIGNMENTS AT THE INTERCHANGE



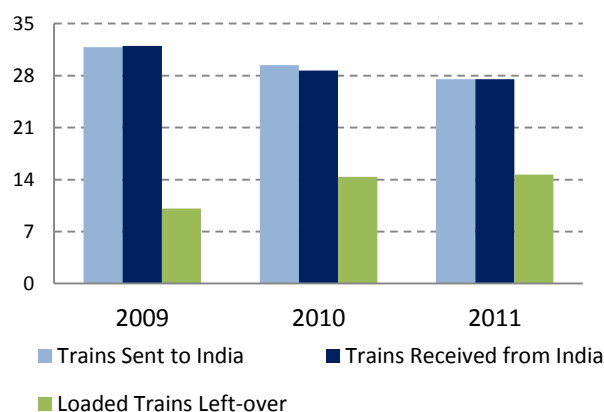
NTBs

- Yard space for unloading the cargo is very limited on the Indian side. It is reported that the yard gets choked in the first week of every month and then the Indian side refuses to accept the daily interchanges.
- In June, 2008 it was agreed by the two countries to introduce 8 wheeler bogie wagons in the India-Pakistan circuit. However, India has decided not to allow 8-wheelers bogies from Pakistan

until the specifications of these wagons are approved by the Safety Commission in India. The required specifications for 8-wheelers Air Brake ZBCz/BCX were to be submitted by the Ministry of Railways to their Indian counterpart in December 2011.

- The capacity of an 8 wheeler bogie wagon is 60 tonnes, while that of the current 4 wheelers is 22 tonnes. Approval of 8 wheelers will be able to increase the cargo traded between the two countries by threefold for each interchange.²⁶ It has also been requested to increase the number of interchanges to at least 2 a day.

FIGURE 71: AVERAGE NUMBER OF INTERCHANGES BETWEEN INDIA AND PAKISTAN PER MONTH.



- According to data from the Ministry of Railways, Pakistan, on average 600-650 loaded wagon are left behind. While the general conception is that up to 4 interchanges are allowed per day, the bilateral protocol for railways does not stipulate an upper limit. However the average has been well below 30 per month since 2010 as indicated in the graph above. Among various reasons cited are: limited yard space on the Indian side or lack of diesel on the Pakistani side.
- There is also a requirement to zero-balance wagons on the 10th, 20th and

the last date of every month as per the bilateral railway protocol.¹⁰¹ As a result the Indian side refuses to take more interchanges as they start holding the wagons until they are full so that they may be returned with cargo.

- A discrepancy was noticed in the protocol for zero balancing: While the Bilateral Railway Protocol mandates that zero balancing should happen every 10 days, DG Railways reported that currently zero balancing happens once, at the end of the month.

XXIV.4 EXPORT PROFILE AT KARACHI PORT

The exports via Karachi from 1st January 2011 to 31st January 2012 amounted to US \$ 205.9 million representing 65.9 percent of overall exports in the same period.

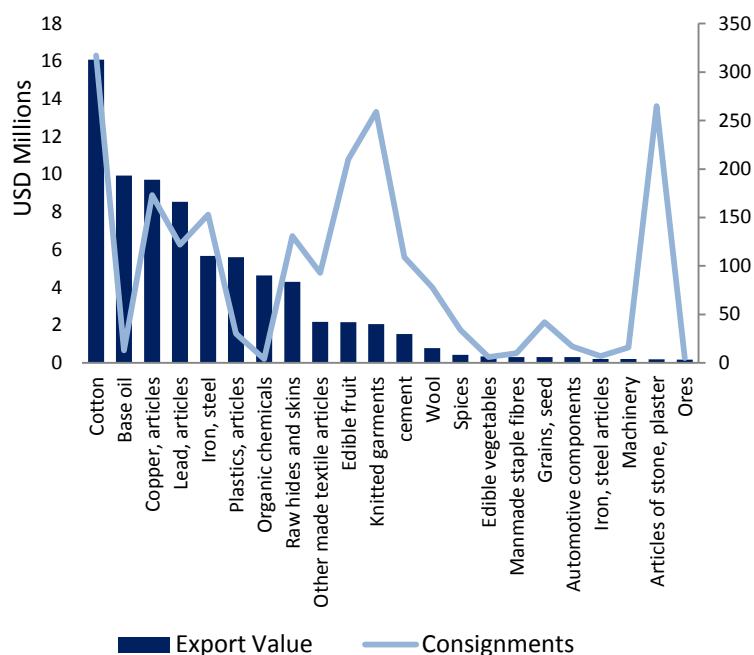
- Export basket at the Karachi port is diversified with a total of 177 HS 6 level products. The largest export via Karachi port at HS 6 is Cotton (15 %), followed by scrap of copper (13%); lead (13%) and stainless steel scrap (11%).
- If we look at the exports at HS Level 2, the largest sector is Cotton, followed by high value minerals fuels and metal scrap.

The protocol of shipping was liberalized in 2006. Clauses 3 and 5 of the India – Pakistan Shipping Protocol of 1975 had restricted trade by sea route as follows:

- Only Indian/Pakistani Mercantile Flag vessels allowed sailing between the two countries.

- Vessels not to lift cargo for a third country and only transport to India or Pakistan.

FIGURE 72: NUMBER OF CONSIGNMENTS AT KARACHI PORT



In 2006, the above clauses were amended and trade was opened allowing third flag vessels, including vessels of convenience to sail between the two countries.²⁶ The two countries were also allowed to lift cargo destined for third countries. As a result, trade volumes between the two countries increased sharply driven by higher exports from India to Pakistan.

¹⁰¹ Agreements Relating to Rail Communication between India and Pakistan 1976&1991& Renewal in 2001 & 2003.



FIGURE 73: TREND OF EXPORTS AFTER LIBERALIZATION OF SHIPPING PROTOCOL



NTBs

- There are no direct shipping routes to key ports like Chennai, Calcutta and Cochin. Ships are routed through the heavily congested port of Sri Lanka. This adds up to 15 days to the transport time. A direct vessel can reach in four days.
- If a vessel is delayed in Karachi and the connection is missed in Sri Lanka, the cargo may be stranded in Colombo for up to a week.
- Despite liberalization of the shipping protocol, exporters are under the perception that that only national flag vessels are allowed to carry cargo
- While the port facilities at Nhava Shiva have been reported to be state of the art, improvements were suggested for cargo handling mechanisms and theft control at the Karachi port.
- It was reported by a shipping company, that there are many requests for a Switch Bill of Lading to show another country of origin (e.g. UAE) instead of India in order to import banned items from India.

XXV. INTERACTIVE SEMINARS AT CHAMBERS OF COMMERCE AND INDUSTRY

22. Ten seminars to create awareness about exporting opportunities arising from normalization of trade with India were held at Rawalpindi, Peshawar, Hyderabad, Karachi, Faisalabad, Sialkot, Gujranwala, Sialkot, Lahore and Quetta from 3rd April to 5th May 2012.
23. On an average 100 businessmen including traders and manufacturers attended each seminar although in some places like Faisalabad, there were about 250 participants.
24. The format of all the seminars was similar. All of them were organized by TDAP in cooperation with local chambers of Commerce and Industry.
25. After introductory comments by the President of the concerned Chamber, Dr. Manzoor Ahmad made a detailed presentation explaining the following issues:
- viii. Motivation for normalization of trade with India
 - ix. High potential export items from Pakistan
 - x. Details about export potential of major sectors
 - xi. Tariff regime of India especially on products of our export interest
 - xii. Non Tariff Barriers (NTBs) and dealing with those barriers
 - xiii. Trade Facilitation Agreements
 - xiv. Trade Defense Instruments and how they can be used to manage imports which hurt our domestic industry
- In several cities, Nadia Rehman explained the details of tariff and non-tariff barriers our exporters may face in India.
26. In addition, a simple brochure explaining Trade Defence Instruments such as anti-dumping, anti-subsidy and safeguard measures was also circulated.
27. All seminars were interactive and each presentation was followed by a Question and Answer session. In addition to Questions and Answers, many comments were also made.
28. Most of the comments related to various difficulties being faced by the business community in obtaining visa, energy crisis, lack of information about penetrating in the Indian market, non-level playing field, dealing with NTBs, non-availability of infrastructure, rigorous checking of exports, and higher tariffs on imports in India.
29. Most businesses were enthusiastic about opening of a new market and also having the possibility of getting cheaper inputs for their manufacturing. On the basis of various comments, it was obvious that a clear majority was in favour of normalization of trade with India.
30. However, manufacturers of auto-mobiles, auto-parts and pharmaceuticals expressed concerns that their industries may feel serious challenges in case imports were allowed at lower tariffs from India.
31. Some agricultural commodity producers were also apprehensive that in many cases, Indian crops arrive earlier in time and they may flood the markets. This would ruin their livelihoods. Also some farm producers were worried that unless adequate sanitary and phyto-sanitary



measures were taken, their crops could face unknown pests and diseases which at present do not exist in Pakistan.

32. Representatives of some industries were of the view that unless adequate checks such as regulatory duty or export bans were not introduced, many Pakistani exporters would export non-value added items and thus deprive the local market of essential inputs. On the other hand, a significant number of traders were opposed to any restrictions.
33. There were many queries regarding the procedures for opening of offices and outlets in India
34. Till such time that visa formalities are not considerably eased, a number of suggestions were made to enable businesspeople to be able to meet easily. It was suggested that the governments should:
 - a. Make meeting points for businesspeople at the border.
 - b. Issue one-day permits to businesspeople as they are issued to drivers.
 - c. Designate certain areas as visa free zones where entry passes may be issued.
 - d. Issue multiple visas for executive members and businesses with large turnover.
 - e. Single entry visa may also be issued to smaller exporters.
35. It was reported that in order to apply for a business visa, a guarantee is required from an officer of Deputy Commissioner level official.

36. The idea of mobile exhibition caravans was proposed which would travel from city to city.

37. To avoid hassle at Customs, the exporters preferred exporting via middlemen in Dubai. The middlemen also sold some of the merchandise locally in the middle-east while exporting the rest to India.
38. Businessmen were of the view that FDI in India presents a good opportunity as there is a direct road link to India.
39. FDI in India would also provide an opportunity to manufacturers to open factories in order to qualify for the contingent sourcing requirement of international retail chains.
40. Energy trade between the two neighbors may help relieve the industry in Punjab if offered at competitive rates.
41. There should be an SPS booth at Wagah.
42. Businessmen proposed that there should be uninterrupted supply of electricity for a few days and a few days of load-shedding rather than intermittent load-shedding which affected the productivity of laborers.

Some specific points at each of the Chamber are summarized below:

XXV.1 KARACHI

- Representatives of textile industries seemed very pleased with their recent visit to India and were keen that composite duties on their exports to India be removed and reduced.



- They were not pleased with the way the negative list has been put together as some of their raw materials (e.g. synthetic yarns) were on that list but manufactured products were not.
- Auto and pharma-manufacturers were concerned that cheaper imports from India would hurt their industry.
- PRGMEA showed concerns about the sensitive list and tariff escalation for value added textiles.

XXV.2 LAHORE

- Serious problems of infrastructure need to be addressed. Some participants asked that the private sector be allowed to construct warehouses, port terminals and other facilities at the Wagah border.
- Communication issues were reported in the border area. One company that has an office in the Wagah area said that cell phones get jammed, and there are no land line connections for offices in Wagah due to which exporters get cut off and cannot operate an office there.
- Inspection of export consignments by multiple agencies need to be brought under control on both sides of the border.
- As at Karachi, manufactures of automobiles, pharmaceutical products and chemicals were apprehensive about allowing imports from India unless a level playing field was established. Their key concerns were the following:

XXV.3 FAISALABAD

- Most comments related to the problems the textiles industry was facing due to shortage of gas and electricity and the impact it was having on their productivity. Most participants were of the view that if energy shortage was mitigated, their industry can out-compete Indian bed-

linen and cotton-fabrics manufacturing. However, they were apprehensive about their ability to compete against synthetic fabrics.

- They were also not happy with the way the negative import list has been put together as some of their raw materials were on that list but manufactured products were not.
- Businessmen expressed concerns that India should control the practice of imposing frequent bans on cotton exports as that caused significant shocks to the textile industry.
- Due to image issues, bed linen is exported from Pakistan and sold under local Indian or European labels.
- It was reported that four large textile mills have taken over Pakistan's share in the international market after the MFA ended in 2005. They would also give competition to large Pakistani exporters in the local Indian market. While there is a large potential for lawn exported to the Indian market, there is also a chance that the India voile would capture the local market as it is cheaper than lawn.
- Excessive valuation issues were reported for textiles items.

XXV.4 SIALKOT

- Most participants seemed eager to have opportunities of being able to export sports goods and leather products to India.
- Many exporters wanted the Ministry of Commerce to ensure that non-value added items such as forgings, unprocessed leather and other non-value added products are not allowed to be exported.
- Participants wanted to have the opportunity to be able to export and



import from Sialkot or Sambrial Dry Port rather than clear their goods from Lahore.

- It was requested that imports of goods for re-export may be opened on priority from Wagah.
- There was a wide support for opening of Sialkot Jammu land route for trade.

XXV.5 GUJRANWALA

- Exporters of cutlery, plastic wares and metals recovered from waste were keen to explore export opportunities.
- Manufacturers of ceramic wares asked the Ministry to monitor import of ceramic goods so that dumped imports do not hurt the local industry.

XXV.6 RAWALPINDI

- Interest in exporting non-traditional products and opening services related to communications and media.
- Concerns that cheaper pharmaceuticals may damage local industry.

XXV.7 PESHAWAR

- Maximum number of women entrepreneurs (about 25) took part in the proceedings and were keen to find out how the government could assist them and SMEs in exploiting business opportunities
- Keen interest in export of non-traditional items such as honey, furniture, minerals, semi-precious stones, safety matches, hand-made chappals, etc.

XXV.8 HYDERABAD

- Strongly favored opening of Khokhra-par border at the earliest as their exports (e.g. dates etc) as well as imports become expensive and also get spoiled by taking the long route through Wagah.

XXV.9 QUETTA

- Wanted specific incentives for import-cum-export of dry fruits and spices from Afghanistan. They would like the Ministry of Commerce to give special attention so that they can export their minerals such as chromite, iron ore, marble etc.



XXVI. BILATERAL TRADE FACILITATION PROTOCOLS

This section presents the salient features of the three protocols that were signed in February 2012 to facilitate trade between the two countries.

XXVI.1 BILATERAL COOPERATION AGREEMENT RELATED TO TESTING & CERTIFICATION STANDARDIZATION

Validity: Indefinite with 3 months notice to cancel.

Agreement Partners: (National Standards Body (NSB) for each Country).

Pakistan Standards & Quality Control Authority (PSQCA) – *Ministry of Science & Technology*.

The Bureau of Indian Standards – Ministry of Consumer Affairs, Food & Public Distribution.

AGREEMENT GOALS:

- Achieve end state of harmonized Standards and Test Methods i.e., both parties accept inspection & test reports provided by the other party as satisfactory
- Reach agreement in the field of Standardization & Conformity Assessment (Inspection, Testing & Certification) of traded goods
- Empower each other to issue certificates, licenses and marks of conformity for product and management systems according to applicable standards

AGREEMENT SUMMARY:

- A critical requirement in achieving standardized inspection, testing and certification of goods is to mandate that the laboratories conducting these tests are ISO/IEC 17025 accredited (for ALL test methods). Additionally, the accreditation of the laboratory/testing facility must come from a body that is a signatory of the APLAC or ILAC
- The agreement proposes to achieve standards harmony in *four* steps –
- Each party can carry out an inspection or draw samples on request from the other party. An inspection report must be submitted which is the equivalent of an operation of certificate or license
- Each party can carry out pre-certification & testing of samples at the applicant's facility. The ensuing Inspection Report should be accepted by the other party as a basis for grant of license
- Allow 3rd party testing labs to conduct pre-certification or surveillance inspection at applicant's facility. Lab required to be ISO/IEC 17025 accredited in all test methods by a signatory of the APLAC or ILAC
- Achieve Standards & Test Methods harmony and view inspection & test reports from the other party at face value
- Suggests co-operation between parties in the following key areas -
- Exchange & training programs for personnel



- Cross-border claim resolution through expedited information sharing
- Prompt cross-border transaction data sharing upon request
- Transparency on each other's policies processes and potential changes to the same
- Mentions that the agreement applies to all products on *The List*. No such list is elaborated in or appended to the agreement.

XXVI.2 AGREEMENT FOR REDRESSAL OF TRADE GRIEVANCES

Validity: Indefinite with 6 months notice to cancel

Agreement Partners (Customs Administrations from each country):

- Pakistan Federal Board of Revenue
- Indian Central Board of Excise and Customs

AGREEMENT GOALS:

- End goal of fully normalizing cross-border trade
- Strengthen mechanisms to redress trade grievances
- Promote bilateral trade between countries

AGREEMENT SUMMARY:

- Trade Grievances covered in this agreement are:
 - Delay in clearance
 - Disputes on Applicable Standards
 - Disputes on Conformity Assessments

- Delays due to issues with goods valuation or Customs classification
- Introduce institutional mechanisms to collect grievances from stakeholders at each entry port. Assign a Nodal Officer responsible for such collection
- Nodal Officer to be point person for grievances with his contact information shared across chambers of commerce and trade issue resolution websites
- Nodal Officers have 7 days to address a grievance or escalate it to the concerned Ministry or Department
- The concerned Ministry or Department then has 30 days to communicate their decision on the stakeholder's grievance
- The Joint Customs Co-operation Committee will meet bi-annually and as part of this meeting will resolve any pending grievances
- Grievance collection *may* be handwritten on an exception basis. The norm should be to electronically collect grievance data and also share it with the other party in this format.

XXVI.3 AGREEMENT FOR CO-OPERATION AND MUTUAL ASSISTANCE IN CUSTOMS MATTERS

Validity: Indefinite with 6 months notice to cancel

Agreement Partners: (Customs Administrations)

Pakistan Federal Board of Revenue
Indian Central Board of Excise and Customs



AGREEMENT GOALS:

- Have structured cooperation between both Customs administration agencies
- Set up legal provisions to systematically eradicate Customs offences
- Streamline procedural issues for efficient clearance of goods
- Voice concern over illicit drug and psychotropic substance trafficking.

AGREEMENT SUMMARY:

- Customs valuation to trade governed by WTO Agreement on Implementation of Article VII of the GATT 1994 agreement
- Open Information sharing between Customs Administration related to traded goods e.g. copies of Customs documents, shipment documents, records of evidence etc, for scenarios such as but not limited to:
 - Issues around proper assessment of duties on goods;
 - Issues around determination of origin & class of goods;
 - Cases where Customs law has been violated;
 - Cases where there is suspicion of Customs law being violated
- Three key areas of investment identified to drive faster clearance of cargo:
 - Implement infrastructural improvements at entry and exit stations that expedites the flow of trade
 - Implement transparent and consistent security risk assessment profiling for all cross-border trade
 - Leverage Information Technology to streamline processes
- Best practice identified in electronic based risk management systems to be applied 'to whatever extent possible' for the purposes of goods inspection
- Endeavor to make all Customs and trade laws, trade regulations and general administrative procedures available electronically
- Committed co-operation between Customs Administrations for data sharing
- Creation of Joint Customs Co-operation Committee to oversee implementation of this agreement and help it achieve its goals
- Create Joint Customs Border Liaison Committees that will meet once every two months (or more) to track progress of agreement goals



XXVII. TRADE DEFENSE MEASURES

Trade defense measures are policies that permit tariffs or other trade restrictions to prevent or correct injury to domestic industry due to imports. These include safeguards, anti-dumping duties, and countervailing duties among others. These measures could address the concerns of the local industry as some sections of the local industry expressed serious concerns that due to various distortions such as dumping, subsidization or through sheer economies of scale, their industry may not be able to compete against cheaper imports from India.

In order to promptly deal with any such situations, the Government of Pakistan has in place the necessary legal mechanism and departments to assist the industry.

It was stressed that normalization of trade with India would be a gradual process and will depend on ensuring a level playing field between domestic and Indian imports.

The legal instruments available to address any unfair practices are: anti-dumping; anti-subsidy and safeguard rules. The government department that ensures their implementation is the National Tariff Commission (also referred to as “Commission” or NTC).

BOX 12: WTO LEGAL FRAMEWORK AND PAKISTAN’S REGULATIONS

Legal Framework For Trade Defense Instruments WTO

- Agreement on implementation of Article VI of GATT 1994
- Agreement on Subsidies and Countervailing Measures
- Agreement on Safeguards

Government of Pakistan Implementing Regulations

- Anti-dumping: Ordinance No. LXV of 2000
- Subsidies: Countervailing Duties Ordinance 2001
- Safeguards: Safeguard Measures Ordinance 2002 framed under Safeguard Measures Rules, 2003

XXVII.1 TRADE DEFENSE INSTRUMENTS

ANTI-DUMPING

“Dumping” is the unfair practice of selling a good in a country at less than its normal value (price charged for the product in the exporter’s home country). Such dumping causes, or threatens to cause, damage to the domestic industry.

Therefore, this unfair trade practice has a distortive trade effect, whereby sales, market share and profitability of the domestic industry is, or threatens to be, adversely impacted, leading to job losses and, in extreme cases, foreclosure of businesses.



Anti-dumping seeks to redress this distortion, aiming to re-establish fair trade by providing a level playing field. Thus, the bases of anti-dumping are: 'dumping'; injury to domestic industry; and a causal link between dumping and the defined injury to domestic industry. Domestic producers, constituting at least 25% of total production of the product allegedly being dumped, must support the application and prove a causal link between dumping and injury.

If proved, the National Tariff Commission may impose anti-dumping duty up to the margin of dumping determined.

ANTI-SUBSIDY

Anti-subsidy measures aim to redress the injury caused to domestic industry as a result of trade distortion occurring due to the provision of financial assistance (subsidy) given to the exporting producer by his government.

The National Tariff Commission is constitutionally charged with determining trade distortions arising due to financial assistance being extended to exporting producers, and assigning countervailing duties if such products are causing harm to the domestic producers vide Countervailing Duties Ordinance 2001.

The said financial contribution may be in the form of direct transfer of funds; taxes otherwise due, and which are exempted or not collected; goods and services provided at less than the market value; or any other form of income or price support.

As with anti-dumping, a prerequisite for anti-subsidy measures to be initiated is for the establishment of a causal relationship between the subsidy and material harm to domestic industry.

SAFEGUARDS MEASURES

Both anti-dumping and anti-subsidy measures work to redress trade distortions as a result of unfair trade practices. Safeguards, on the other hand, carry no such accusations, and are designed to protect against unforeseen surges in imports which harm, or threaten to harm, the domestic industry.

Thus, the Safeguard Measures Ordinance 2002 (framed under Safeguard Measure Rules 2003), protects domestic industry by imposing safeguard duty, or restricts imports through the imposition of import quotas.

In such cases where tariff bindings committed by Pakistan due to its obligations to WTO cause a surge in imports owing to unforeseen circumstances, safeguard measures may be initiated.

Once again, the onus is on ascertaining that the surge in imports (both absolute, and relative as in the case of a declining industry) caused, or threatens to cause injury to the domestic industry.

XXVII.2 TRANSPARENCY

These three measures are all designed to redress any harm, or the potential to harm, a domestic industry under the aegis of the World Trade Organization Agreement.

The WTO allows member countries to initiate such measures, but also establishes requirements for investigations by local competent authorities.

The emphasis is on transparency, where authorities must publicly declare date of the hearings and also provide adequate opportunity to all parties to present evidence.

Furthermore, investigating authorities must also follow prescribed processes and procedures and refrain from adopting



arbitrary methods during investigations and initiation of actions.

XXVII.3 APPROACHING THE COMMISSION

An application may be submitted to the Commission on the prescribed forms.

The Commission also advises on how the forms should be completed and what type of evidence would be needed to process the request. In addition, a Pre-Application Counselling Section is available for guidance and assistance of the applicants. These services are provided by professional staff of the Commission comprising of accountants, lawyers and economists.

The staff has been trained at various international institutions and investigating agencies such as, World Trade Institute, United States Department of Commerce, United States International Trade Commission and European Commission.



XXVIII. POLICY RECOMMENDATIONS

The following issues need to be addressed simultaneously and on priority.

XXVIII.1 MARKET ACCESS:

TARIFF NEGOTIATIONS UNDER SAFTA

It is imperative to negotiate the reduction of Sensitive List of India for key exports of Pakistan including in particular removal of:

- Agriculture, in particular, kinnow, mangoes, other fruits and fruit juices, beer, honey. Negotiate for removal of agriculture from both sensitive lists.
- Textiles with composite duties including knit ware.
- Light engineering products, particularly fans, refrigerators, washing machines.
- Tractors.
- Footwear.
- Plastic ware.
- Light petroleum distillates.

In case tariff reduction through SAFTA is difficult to negotiate then Pakistan would consider a comprehensive FTA with India.

An FTA may also allow Pakistan and India to get a deeper harmonization of non tariff barriers.

XXVIII.2 STANDARDS

HARMONIZATION:

- Establish a single point of enquiry for TBT and SPS regulations. Changes should be disseminated through a subscription system.

- Allow PSQCA to issue certificates and conduct inspections on behalf of BIS
- Allow mutual recognition of laboratories.
- Training courses should be provided by affiliation of Metrological Institute of India with PCSIR or PSQCA.
- Training may be offered for packaging and labeling requirements via online tutorials.
- Accept pre-shipment certificates of international agencies like SGS for textiles azo dye tests.
- Extend the standards harmonization agreement to remove the requirement of establishing a branch office in India to get BIS certification.
- In order to resolve BIS license related issues Pakistani cement exporters have suggested that the BIS should do the following in the short term.
 - issue certificate valid for longer durations
 - out-source the quality inspection process to mutually acceptable international inspection bodies for e.g. Moody's International and SGS.

RECOMMENDED LIST OF PRODUCTS FOR THE MUTUAL RECOGNITION AGREEMENT

PSQCA may consider harmonization of the following two products with BIS:

Industrial Products

- Pakistan has the potential to export specialized steel pipes to India (See Section XXIII.14). However, steel pipes currently require a mandatory BIS certification.



- While BIS certification is not mandatory but is highly recommended for leather footwear.

Agricultural products

- Harmonize standards for fruit, vegetable and milk products order with FSSAI.

HARMONIZATION OF TEXTILE STANDARDS AND CERTIFICATION

India has shown a commitment to relax protocol of certification of textiles from Pakistan. As per Textile Order 2001, certification for textiles will be accepted from

- Internationally recognized labs shall be accepted.
- Pakistan National Accreditation Council (PNAC) accredited laboratories.

Given this development, Pakistan may consider a competitive incentive based scheme to encourage development of local textile labs that may then be accredited with PNAC. This would provide a more cost effective alternative to international labs.

XXVIII.3 TRANSPORT PROTOCOLS

- Open all routes that were previously in operation before 1965. For example:
 - Munabao-Khokharapar rail route
 - Gandapur-Fazilka route
 - Sahiwal-Pakpattau road
 - Kasur-Firozpur road
 - Lahore-Patti road (Barki road)
- Provide direct shipping routes to east and south India.
- Ships are routed through Colombo. There are no direct shipping routes to Calcutta and Chennai. Ships are routed through Colombo. There is congestion at Colombo and ships are delayed by up to 15 days. Further if the connection in Sri Lanka is missed, there could be a further delay of 7 seven. A direct route will take only 4 days.
- Allow direct transportation from all existing dry ports without the requirement of rechecking at the port of exit.
- Allow warehouse to warehouse shipment in order to address yard capacity issues at the port.
- Allow containerized shipment at land ports.
- Improve the bilateral railway SOPs to allow 8 wheeler train wagons and more than one interchange a day.
- Allow vehicles to carry full container loads
- Ensure that containerized shipment is allowed as per the decision in April 2012 at land ports to enable FCL and ISO container mode of transport.
- Eliminate the requirement for zero balancing and increase the availability of wagons.
- Build product supply chains and appropriate land corridors for agricultural and chemical exports.
 - Dedicated cargo trains from Sukkur to Wagah
 - Establish a dry port in Sukkur and Sambrial
 - Open the Gujarat port to for cement export.
- Upgrade Kandla and Mundira ports.



XXVIII.4 PORT

INFRASTRUCTURE:

- Upgrade infrastructure (including covered sheds, automated handling, cold storage, weighbridges, fork lifters etc.) at all ports. Also develop an ICP at the railway port.
- Provide electronically generated reports for scanners and weighbridges so they may be used as evidence in case of disputes on quantities exported.
- Install additional scanners and weigh bridges to prevent bottlenecks
- Provide auxiliary services at ports for faster clearance.
- Establish bank branches of each other's countries at ports.
- Establish certification, inspection and textile laboratories at ports
- Provide fumigation facilities at ports
- Build facility for liquid handling.

XXVIII.5 CUSTOMS

PROCEDURES:

- Allow electronic issuance of SPS, Rules of Origin and SAFTA certificates in a mutually recognized format.
- Enforce best practices identified in electronic risk management system (RMS), including opening a "green channel" for reliable importers at land ports.
- Develop inter-Customs SOPs to address classification and valuation issues.
- Make Customs SOPs available electronically.
- Encourage data sharing between Customs.
- Accept copies of the SPS certificate for fast clearance of perishables without waiting for the original to arrive via courier.

- Develop inter-Customs SOPs to address classification and valuation issues.
- For edible agricultural produce, the Customs shall also develop a data base regarding importers and import sources and products which are found to consistently fail the tests and give some feedback on the nature of the shortcomings noted to the DGHS to serve as input for policy formulation
- Grievance re-dressal mechanism should involve the NLC, Customs and Rangers at Wagah.

CUSTOMS CLASSIFICATION

- Create an automated mapping of HS codes at level 8 to address classification issues.
- The Negative List, Sensitive List and the list of items importable from Wagah must be at HS 4 or 6. In case it is at HS level 8, a clear mapping should be provided.
- In order to promote bilateral trade, it is imperative that SAFTA duty concessions are honored at the border. This is a major blocker that has been hindering the import of refined petroleum products into Pakistan.

XXVIII.6 VISA:

- There should be no restrictions of cities and visas should be for multiple visits.
- Till the establishment of a more facilitative mechanism, visas should be allowed on the recommendations of the Chambers of Commerce and Industry.
- Additional visa processing offices should be opened. There should be a visa office at Karachi, Lahore and Faisalabad.
- Multiple, non-reporting, multiple city visas may be granted to businessmen



with an annual turnover larger than a stipulated value

- For smaller exporters, single entry visas may be granted.
- Till the time visa protocol is not relaxed, the following measure may prove effective:
 - Allow daily permits to businessmen into a designated meeting area, for e.g. the PTDC motel or rangers cafeteria at Wagah. These permits are granted to truck drivers daily for a duration of 4 to 5 hours until the truck is unloaded.
 - Designate visa free zones and create meeting points.

12. Packaging and labeling requirements and samples
13. Distribution channels
14. Tariffs and Para-tariffs
15. Modes of shipment and available routes
16. List of Logistics companies
17. Banking information
18. Courier information
19. List of all required documents
20. Internal transport in India

XXVIII.7 OTHER:

- Reduce the number of agencies which interact with exporters. In general, they should only have to deal with Customs and NLC. Anti-narcotics Force and Rangers should not intervene in normal trading activities.
- Open direct courier services, allow opening of bank branches of the other country
- SIMAP has suggested that export of intermediate products to India may be regulated with regulatory duties to maintain a competitive advantage vis à vis India in Surgical goods.
- Anti-dumping investigations. A streamlined process may be developed to address cases of anti-dumping on a proactive basis.

ONLINE PORTAL

A portal may be developed for exporters' guidance. For a given tariff line, origin, destination it should provide the following information

11. SPS and certification requirements, procedures and accredited labs

XXIX. IMPACT OF INDIA'S RTAs ON PAKISTAN

In recent years India has taken many steps to integrate its economy into the global free market. India signed trade agreements with other countries which led to eliminating tariffs, import quotas and preferences on most goods traded between them. Table 26 shows the various free trade agreements India has already signed:

TABLE 26: LIST OF RTAs SIGNED BY INDIA

Ser. #	Agreement	Date
1	South Asian Free Trade Area	1 st January, 2006
2	Asia-Pacific Trade Agreement	31 st July, 1975
3	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation	8 th February, 2004
4	India-Mercosur Preferential Trade Agreement	25 th January, 2004
5	India - Singapore Comprehensive Economic Cooperation Agreement (CECA)	29 th June, 2005
6	India-Sri Lanka Free Trade Agreement	28 th December, 1999
7	India-Chile Preferential Trade Agreement	20 th January, 2005
8	India-Afghanistan Preferential Trade Agreement	6 th March, 2003
9	India-Bhutan Trade Agreement	29 th July, 2006
10	India-Nepal Trade Treaty	6 th January, 1999
11	Free Trade Agreement (FTA) between India and Gulf Cooperation Council	1 st January, 2004
12	India-Japan Trade Agreement	16 th February, 2011
13	Trade Agreement between India and Bangladesh	1 st April, 2006

Source: Indian Ministry of Commerce

India's signing of various RTAs with countries across the globe has many implications for Pakistan.

The analysis focuses on the EU and major South Asian countries with which India has signed an RTA, which includes Sri Lanka and Bangladesh. We address the question of how Pakistani exports were affected after the signing of RTAs between India and these trade partners.

IMPACT ON PAKISTAN OF EU-INDIA FTA

To see the impact of the EU-India FTA on Pakistan, we focus on the issue of 'trade diversion'.¹⁰² This FTA would lead EU purchasers to switch from importing from an efficient excluded country (Pakistan) to importing from India (which hitherto was less efficient). EU being the largest trade partner of Pakistan, studying the impact of the EU-India FTA on Pakistan is imperative.

We can study the impact on Pakistan based on the concept of 'terms of trade' whereby the prices of Pakistan's exports may be affected due to the preferences given by the EU and India to each other. For the case of Pakistan, this might be more significant than a fall in exports because this entails that for each unit Pakistan exports to the EU, it would earn less, rather than just losing marginal units of exports.

For Pakistan, the EU represents nearly 23 percent of their exports and about 16 percent of its total trade. Since one-quarter of Pakistan's exports go to the EU, Pakistani exporters would face a strong negative impact. The magnitude of this impact would depend on the level of the tariffs agreed upon by both trading partners and how deep the FTA would be. It is also important

¹⁰² Trade diversion is when trade is diverted from a more efficient exporter towards a less efficient one due to the formation of a free trade agreement.



to see how similar the compositions of Pakistani and Indian exports to the EU are. It is observed that Pakistan's exports of textile and clothing to the EU consist of 70% of its overall exports to the EU. There is considerable overlap between what Pakistan exports to the EU and what India exports to the EU. The more the similarity between Pakistan and Indian exports, the larger the impact on the Pakistani exporter.

Both India and the EU have relatively high tariffs in the agricultural sector compared to other industries. This entails an acute impact on Pakistani exporters of agricultural goods as any reduction or elimination of tariffs on agricultural products between the two is expected to have an important effect on Pakistan's exports of agricultural products.

The more similar the export structure of a preferential vs. a non-preferential country the higher the probability of trade diversion. Using a Finger Kreinin (FK) index of trade similarity, Table 27: FK indices of import similarity shows the scenario in which the EU grants preferences to India. Column (1) examines the similarity between imports from India and imports from Pakistan in the EU market across all product categories. Column(2) gives the FK index for all tariffs lines in which India faces a positive tariff and would therefore be at advantage from the signing of the FTA. This would help us identify the similarities between the composition of EU imports from India and those from Pakistan. Column (3) takes into account two issues; first, it takes those industries where both India and Pakistan export to the EU, and secondly, where both India and Pakistan face a positive tariff. This would help us know the similarity of the import composition of the EU from partners in lines that are most likely to suffer from trade diversion. Therefore Table identified all cases where

an EU-India FTA would improve India's access to the EU vis-à-vis the tariff being currently faced by Pakistan.

For Pakistan, the FK index shows a high degree of similarity (0.259). The degree of overlap between India's and Pakistan's exports to the EU in the cases where India currently faces positive tariffs is the highest in the region (0.241). There is also considerable overlap between the exports of Pakistan and India where both trade with the EU and both faces positive tariffs (column 3). Columns 2 and 3 shows that the potential for negative effects due to an EU-India FTA would be the highest for Pakistan in the South Asian region.

TABLE 27: FK INDICES OF IMPORT SIMILARITY

Country	FK for EU imports from India and imports from Selected Partners		
	(1)	(2)	(3)
Afghanistan	0.058	0.052	0.00
Bangladesh	0.179	0.173	0.00
Bhutan	0.046	0.038	0.00
Maldives	0.016	0.013	0.00
Nepal	0.138	0.126	0.00
Pakistan	0.259	0.241	0.2
Sri Lanka	0.269	0.18	0.152

According to a study out of all the countries that are being negatively affected by the EU-India FTA, Pakistan would be the one most affected since 78.7 percent of its exports to the EU will face increased competition from India.¹⁰³

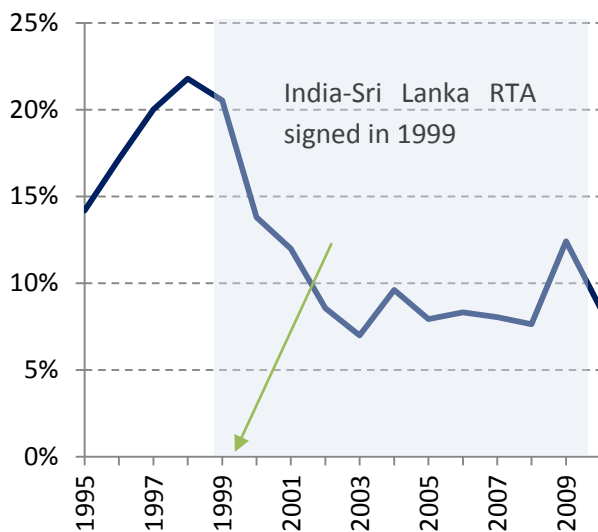
¹⁰³ An EU-India Free Trade Agreement: Reflections on the Implications for Excluded Countries, by the Centre for Analysis of Regional Integration at Sussecc (CARIS), December 2008.



IMPACT OF INDIA SRI LANKA FTA

Figure 33 shows a fall of Pakistan's exports to Sri Lanka as a percentage of India exports to the same country, related to the signature of the RTA between India and Sri Lanka in 1999. The signing of the India-Sri Lanka agreement led to a fall in Pakistani exports to Sri Lanka but this negative impact was countered once Pakistan signed a trade agreement Sri Lanka.

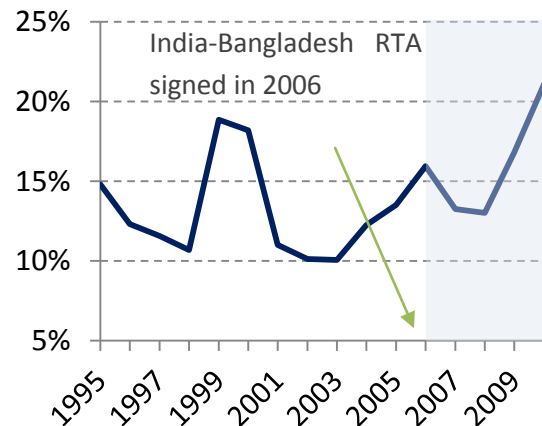
FIGURE 74: PAKISTANI EXPORTS TO SRI LANKA AS A PERCENTAGE OF INDIAN EXPORTS TO SRI LANKA



IMPACT OF INDIA BANGLADESH RTA

In Figure 34, we see the effect of the India-Bangladesh RTA on Pakistani exports as a percentage of Indian exports. This RTA was signed in 2006. Pakistani exports to Bangladesh fell in proportion to those of India until 2008. From 2008 onwards Pakistan's exports to Bangladesh as a percentage of Indian exports went down primarily because of India losing ground to China. We can attribute this once again to the better access enjoyed by Indian exporters in the Bangladeshi market, which take up the share of the market that was previously owned by Pakistani exports.

FIGURE 75: PAKISTANI EXPORTS TO BANGLADESH AS A PERCENTAGE OF INDIAN EXPORTS TO BANGLADESH



XXX. FUTURE RESEARCH

A proposed roadmap for future research is as follows:

PHASE 1	TIMELINE	STATUS
Submission of Study	First Draft: 6 th April, 2012	Done
Survey	March/April 2012	Done
10 seminars were conducted throughout the country for creating awareness amongst stakeholders.	3 rd April - 7 th May 2012	Done
Guidebook	May 2012	Done
Study	30 th June 2012	Submitted to TDAP
PHASE 2		
The scope of the current study will be expanded to cover the following components:		
<ul style="list-style-type: none"> ✓ Need assessment of the following: <ul style="list-style-type: none"> ○ Additional transport routes (sea, land) ○ Infrastructure up-gradation at ports ○ Banking channels 		
✓ Sector specific export guide booklets		
✓ Analysis of the trade defense law framework of Pakistan		
✓ Identification of products to be included in the Mutual Recognition Agreements for standards harmonization		
PHASE 3		
✓ Impact analysis of trade normalization on the domestic industry		
✓ Negotiation of reduction of tariffs under SAFTA		
✓ Review of progress on elimination of non-tariff barriers.		
✓ Elimination of Negative List for imports from India		



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XXXII. APPENDICES

Appendix Q CURRENT AND POTENTIAL EXPORT PROFILE TO INDIA

FIGURE 76: CURRENT EXPORTS TO INDIA, 2010

TOTAL CURRENT EXPORT: US \$ 248.4 MILLION

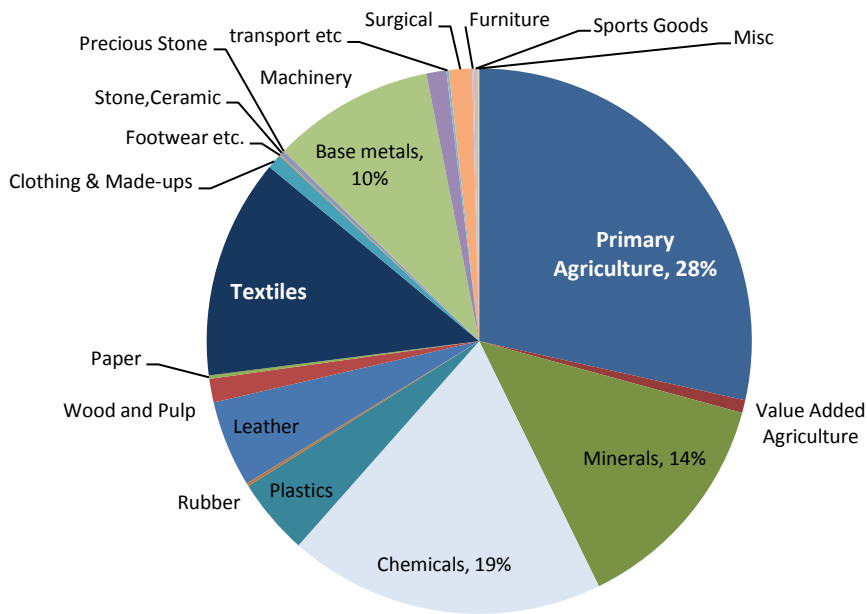


FIGURE 77: POTENTIAL EXPORTS TO INDIA: US\$ 2.7 BILLION

TOTAL INDICATIVE POTENTIAL: US \$ 2.7 BILLION

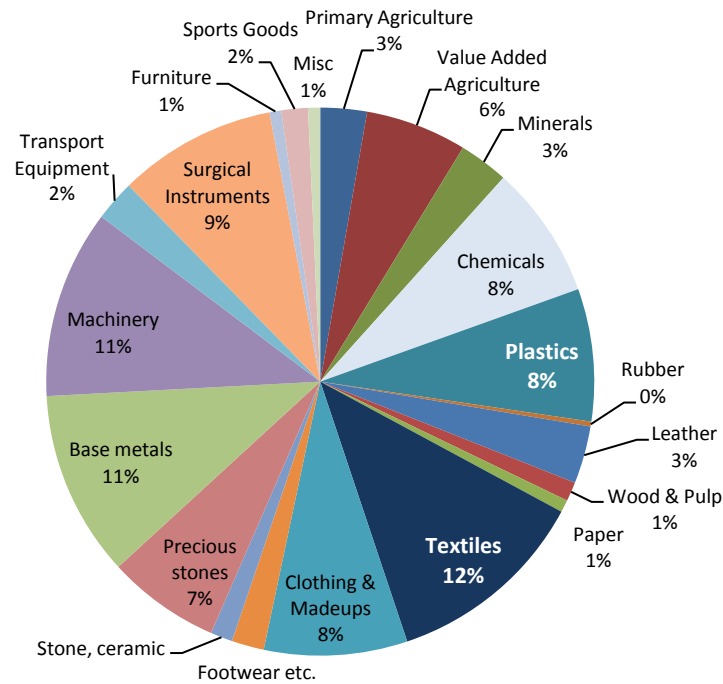
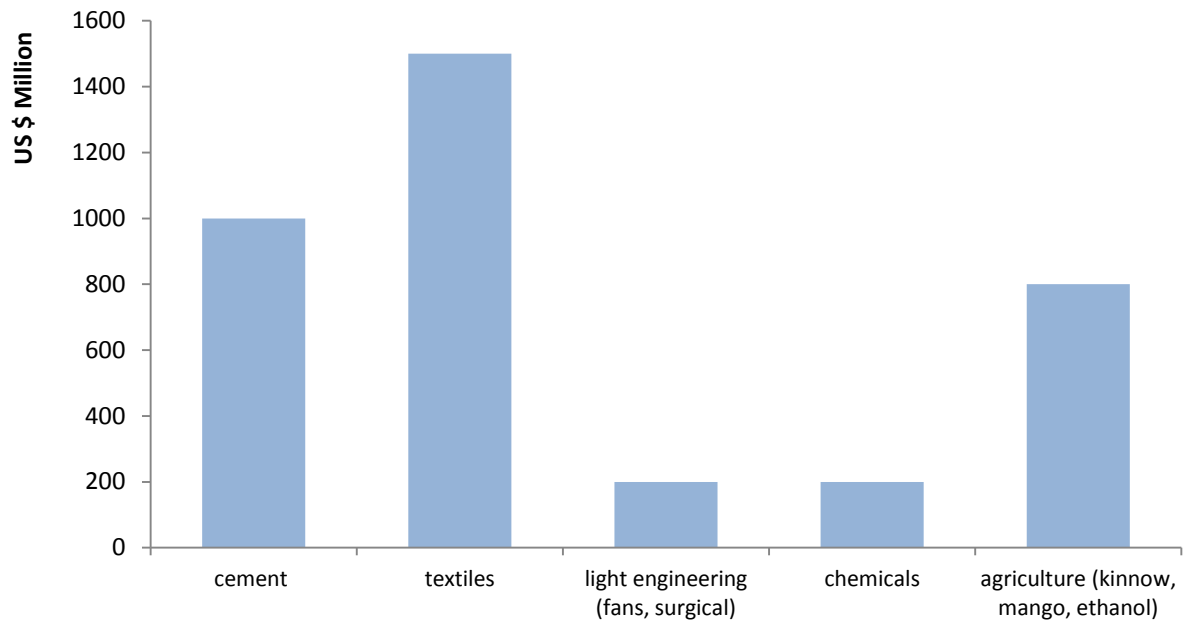


FIGURE 78: POTENTIAL EXPORTS OF MAJOR ITEMS TO INDIA BASED ON INDUSTRY ESTIMATES



Source: Industry interviews, 2012



Appendix R MAJOR EXPORTS AND IMPORTS

TABLE 28: TOP EXPORTS TO INDIA (2011)

	Product	Export (US \$ 1000)	Share in Pakistan's Exports (%)	Share in India's Imports(%)
080410	Dates	47182	73.6	98.2
252329	Portland cement	36646	8.6	99.3
291736	Terephthalic acid	18340	28.8	2.1
271019	Light petroleum distillates	9232	0.7	0.2
283620	Disodium carbonate	9162	93	24.7
740400	Waste and scrap, copper	8811	10.3	1.3
780110	Lead refined	8314	55.4	4.6
252010	Gypsum; anhydrite	6344	98.5	23
410712	Grain splits leather	6016	13	10.1
720421	Waste and scrap, stainless steel	5863	56.9	0.9
901890	Surgical instruments	5660	2.1	1
390410	Polyvinyl chloride	5289	66.7	0.6
284700	Hydrogen peroxide	4001	80	22.6
520932	Twill weave cotton fabrics, >/=85%, more than 200 g/m2, dyed	3922	2.6	53.7

TABLE 29: TOP IMPORTS FROM INDIA (2011)

Product	Export (US \$ 1000)	Share in Pakistan's Imports (%)	Share in India's Exports
Cotton, not carded or combed	291929	35.4	1.6
P-xylene	210576	40.6	8.8
Soya-bean oil	186307	99.8	9
Tomatoes	76179	98.8	1.4
Refined sugar	51484	61.3	68
Chickpeas	45807	24.9	16.9
Polypropylene	41192	10.4	73.3
Black tea	37310	10.9	1.5
Containers for compressed or liquefied gas of iron or steel	31387	45.7	0.7
O-xylene	26579	98.3	0.1
Pneumatic tires new of rubber for buses or lorries	22576	12.5	0.1



TABLE 30: FASTEST GROWING INDUSTRIAL EXPORTS TO INDIA, 2007-2011

Product	HS 6	Export Value	Rate of growth	Ad valorem tariff
Cotton yarn >85% single combed	520528	2030	273	7
Cotton yarn,>/=85%, multi, uncombed	520531	2907	217	7
Household and toilet articles of plastics	392490	307	154	10
Fluorspar	252921	226	151	5
Copper-zinc base alloys	740321	395	148	5
Portland cement, white	252321	466	144	10
Wire of refined copper	740811	293	144	5

TABLE 31: FASTEST GROWING INDUSTRIAL IMPORTS FROM INDIA, 2007-2011

Product	HS 6	Export Value	Rate of Growth	Ad valorem Tariff
Cotton yarn >85% single combed 106- 83 dtex,not retail	520527	913	529	5
Refined sugar, in solid form	170199	51484	467	12.5
Stoppers,caps,lids,seals & other packing accessories of base metal	830990	823	418	22.5
Parts of slide fasteners	960720	4473	369	20
Ion-exchangers basd on polymers	391400	409	257	5
Refrigerating or freezing equipment	841869	104	255	15
Transformers electric power handling capacity not exceeding 1 KVA,	850431	73	252	20
Leather further prepared after tanning or crusting "incl. parchment-dr	411310	446	248	0



TABLE 32: FASTEST GROWING AGRICULTURAL EXPORTS TO INDIA, 2007-2011

Product	Export	Rate of growth (%) 2007-2011	Share in Pakistan's Exports (%)	Share in India's Exports(%)	Ad valorem Tariff
Onions and shallots, fresh or chilled	2144	454	5.4	88	12.5
Shrimps	637	200	3.3	51.8	20
Vegetable products nes	61	117	2.1	3.8	20
Natural gums, resins	64	99	18.8	0.3	26.6
Fruits, fresh	21	77	0.4	1.2	12
Fruits, dried	309	77	1.4	10.3	30
Caraway seeds	253	74	67.1	10.3	30
Mucilages & thickeners derived from locust beans or guar seeds	54	68	0.1	1.6	20
Apricots, fresh	63	56	20.9	76.8	27
Uncooked pasta,	8	56	0.1	0.2	20

TABLE 33: FASTEST GROWING AGRICULTURAL IMPORTS FROM INDIA, 2007-2011

Product	Exports	Rate of Growth 2007-2011	Share of Pakistan's Imports	Share in India's Exports
Refined sugar, in solid form, nes	51484	467	61.3	8.8
Ginger	2354	425	4.6	9
Peppers of the genus Capsicum or of the genus Pimenta, fresh or chilled	1684	342	98.2	16.9
Garlic, fresh or chilled	4973	333	8.4	73.3
Mucilages & thickeners derived from locust beans & seeds or guar seeds	1711	190	66	0.1
Potatoes seed, fresh or chilled	119	189	2.3	50.6
Ground-nuts in shell not roasted or otherwise cooked	2370	162	95.9	1.8
Tomatoes, fresh or chilled	76179	134	98.8	99
Maize (corn) seed	1991	111	5.6	2.3
Fruits, dried nes	4015	109	78.5	19.7



Appendix S IMPORT POLICY OF INDIA ON HIGH POTENTIAL EXPORTS

TABLE 34: IMPORT POLICY OF INDIA ON HIGH POTENTIAL EXPORTS FROM PAKISTAN, 2009-2013

Item Description	HS 6	MFN Tariff	SAFTA Tariff	CVD	Spl. CVD	Edu Cess	Policy Conditions	Standards
Surgical Instruments	901890	7.5	7.5	16	Nil	3	None	ISO Certification
Copper scrap	740400	5	5	16	4	3	None	PSI
Copper weld wire	740819	5	Sensitive List	16	4	3	None	ISO Certification
Plastic kitchenware	392410	10	Sensitive List	16	Nil	3	None	None
Terephthalic Acid	291736	10	8	16	4	3	None	None
Soda Ash	283620	10	6.5	16	4	3	Anti- dumping \$ 5.6/tonne	None
Cement	252329	10	8	Rs. 600 per tonne	4	3	None	BIS
Fans	841451	10	Sensitive List	16	4	3	None	None
Marble	251512	10	Sensitive List	nil	4	3	Import licence	None
Washing Machines	845019	10	8	16	4	3	None	ISO Certification
Cutlery	821599	10	8	16	4	3	None	ISO Certification
Footwear (Leather)	640399	10	Sensitive List	16	4	3	None	BIS
Leather	420292	10	8	16	4	3	None	None
Refrigerators	841821	10	Sensitive List	16	4	3	None	ISO Certification



TABLE 35 IMPORT POLICY OF INDIA FOR HIGH POTENTIAL AGRICULTURAL PRODUCTS, 2009-2013

Item Description	HS 6	MFN Tariff	SAFTA Tariff	CVD	Spl. CVD	Edu Cess	Policy Conditions	Standards
Kinnow	080520	30	Sensitive List	Nil	Ntn 20/06	3	Import Permit for plant/plant material	PQ Order 2003
Mango	080450	30	Negative List	Nil	Ntn 20/06	3	Import Permit for plant/plant material	PQ Order 2003
Guava	080450	30	14	Nil	Ntn 20/06	3	Import Permit for plant/plant material	PQ Order 2003
Dates	080410	30	14	Nil	Ntn 20/06	3	Import Permit for plant/plant material	PQ Order 2003
Honey	040900	60	Sensitive List	Nil	4	3	Sanitary permit, special procedure for clearance, special notification	Food Safety and Standards
Beer	220300	100	Sensitive List	Nil	Nil	3	None	None
Orange Juice	200911	35	14	16	4	3	Food Standards and Packaging requirements under PFA (Prevention of Food Adulteration) Act applicable	Food Safety and Standards
Biscuits	190590	30	Sensitive List	8	4	3	None	Food Safety and Standards
Confectionery	170490	30	14	14	4	3	Mandatory registration of import contract with Agricultural and Processed Food Products Export Development Authority (APEDA)	Food Safety and Standards
Ethyl alcohol, denatured	220720	30	8	16	4	3	Mandatory requirements as stipulated by various State Governments	None
Shrimp	030613	30	Sensitive List	Nil	4	3		Health Protocol, Food Safety and Standards
Onion	070310	30	Sensitive List	Nil	Nil	3	Import Permit for plant/plant material	PQ Order 2003



TABLE 36 IMPORT POLICY OF INDIA ON HIGH POTENTIAL TEXTILES, 2009-2013

Product Description	HS Level 6	MFN	SAFTA	CVD	Spl. CVD	Edu Cess	Policy Conditions	Standards
Dyed cotton fabrics, knitted or crocheted, of a width of > 30 cm (excl	600622	10	Sensitive List	8	4	3	None	PSI,
T-shirts, singlet's and other vests, of cotton, knitted	610910	10% or Rs. 45 per piece, whichever is higher	Sensitive List	8	Nil	Nil	None	PSI
Men's/boys trousers and shorts, of cotton, not knitted	620342	10% or Rs. 135 per piece, whichever is higher	Sensitive List	8	Nil	Nil	None	PSI
Bedspreads of Cotton	630210	10	Sensitive List	8	4	3	None	PSI
Denim	520942	10% or Rs. 25 per sq. metre whichever is higher	8	8	4	Nil	General	PSI
Cotton yarn	520511	10	Sensitive List	8	4	3	Section 11 of Customs Act, 1962 Marking Rule[1]	None

TABLE 37: IMPORT POLICY OF INDIA FOR LAWN TEXTILES, 2009-2013

Lawn Description		HS 6	Unit	MFN	SAFTA A	CVD	Spl. CVD	Edu Cess	Policy Conditions	Standards
100% Silk Printed	100% Silk PRINT Embroidered	500720	m2	10	Neg. List	8	4	3	None	PSI
100% Cotton Printed		520851	m2	10% or Rs. 27 per sq. metre whichever is higher	8	8	4	Nil	None	PSI
100% Cotton PRINT Embroidered		520859	m2	10% or Rs. 50 per sq. metre whichever is higher	8	8	4	Nil	None	PSI
100% Cotton Plain Fabric		520839	m2	10% or Rs. 150 per sq. metre whichever is higher	8	8	4	Nil	None	PSI
GALA POLYESTER		581092	kg	10	8	8	4	3	None	PSI
LACE 100% Silk Printed	LACE 100% Silk Embroidered	580429	kg	10% or Rs. 200 per kg., whichever is higher	8	8	4	Nil	None	PSI



Appendix T LEGISLATION FOR STANDARDS & CERTIFICATIONS IN INDIA

TABLE 38: SPS LEGISLATION IN INDIA, 2011

Legislation	Description	Implementing institution
Prevention of Food Adulteration Act 1954	<ul style="list-style-type: none"> Aims to protect consumers against the supply of adulterated food Specifies minimum quality level standards for various food products The Act is mandatory; infringement may lead to fines and imprisonment 	Central Committee for Food Standards, Directorate General of Health Services (Ministry of Health and Family Welfare)
Essential Commodities Act 1954	<ul style="list-style-type: none"> Regulates the manufacture, commerce, and distribution of essential commodities, including food 	Central and state government agencies
Fruit Products Order 1955	<ul style="list-style-type: none"> Regulates the manufacture and distribution of all fruit and vegetable products, sweetened/aerated waters and vinegar & synthetic syrups The manufacture or re-labeling of products requires a license from the Ministry for Food Processing Industries. This is granted when the quality of products, sanitation, personnel, machinery, and equipment and work area standards are satisfactory 	Ministry for Food Processing Industries
Solvent Extracted Oils, De-oiled Meal, and Edible Four Control Order 1967; Vegetable Products Control Order 1976	<ul style="list-style-type: none"> Production and distribution of Vanaspati products requires a license, which is granted when products conform to the specifications laid down in the schedules 	Directorate of Vanaspati, Vegetable Oils, and Fats, Dept. of Food and Public Distribution (Ministry of Consumer Affairs, Food, and Public Distribution)
Meat Products Control Order 1973	<ul style="list-style-type: none"> Regulates the manufacture, quality, and sales of all meat products 	Directorate of Marketing and Inspection, Dept. of Agriculture and Cooperation (Ministry of Agriculture)
Milk and Milk Product Order 1992	<ul style="list-style-type: none"> Registration required by units with installed capacity for handling milk of over 10,000 litres per day, or milk products containing milk solids in excess of 500 tonnes per year 	Dept. of Animal Husbandry, Dairying, and Fisheries (Ministry of Agriculture)
Livestock Importation Act 1898 (amended in 2001)	<ul style="list-style-type: none"> Allows central government to regulate, restrict or prohibit import of animal and animal products into India 	Dept. of Animal Husbandry, Dairying, and Fisheries (Ministry of Agriculture)
Destructive Insects and Pests Act 1914	<ul style="list-style-type: none"> Regulates import of plants Aims to prevent introduction of any insects, fungus or other pest that may be destructive to crops 	Directorate of Plant Protection, Quarantine and Storage (Ministry of Agriculture)
Plant Quarantine (Regulation of Import into India) Order 2003	<ul style="list-style-type: none"> Regulates the import of plants and plant materials 	Plant Quarantine Division in the Ministry of Agriculture
Standards on Weights and Measures (Packaged Commodities) Rules 1977	<ul style="list-style-type: none"> Lays down obligatory conditions for all commodities in packed form, with respect to declarations on quantities contained 	Directorate of Weights and Measures under Dept. of Consumer Affairs (Ministry of Consumer Affairs, Food, and Public Distribution)

Source: Ministry of Industries and Trade, India



TABLE 39: EMISSION STANDARDS FOR TWO WHEELERS

Country	Emission Standard	Displacement	Emission Requirement (g/km)				Measuring Method
			HC	Noc	HC+Nox	CO	
Pakistan	Pak II	< 150 cc			1.5 g	5.5	ECER 40
		>150 cc			1.3	5.5	
India	Bharat Stage II	Gasoline	2		1.5	1.5	Durability 30,000 km
	Bharat Stage III	wheeler			1	1.0	
Brazil	Euro 3	<150 cc		0.8	0.2	2.0	UN-ECE Reg 40+ EUDC
		>/150 cc		0.3	0.2	2.0	
Japan		</125 cc		0.5	0.15	2.0	ECE R40-Cold Start ECE R40 Cold + EUDC Cold Start
		>125		0.3	0.15	2.0	

TABLE 40: MANDATORY STANDARDS IMPOSED BY BUREAU OF INDIAN STANDARDS (BIS)

Sr. No.	Indian Customs Classification	Product Description
1.	IS 1165	Milk powder
2.	IS 1166	Condensed milk, partly skimmed and skimmed condensed milk
3.	IS 1656	Milk-cereal based weaning foods
4.	IS 11536	Processed cereal based complementary foods for infants
5.	12176	Sweetened ultra high temperature treated condensed milk
6.	13334(Part 1)	Skimmed milk powder, standard grade
7.	13334(Part 2)	Skimmed milk powder, extra grade
8.	14542	Partly skimmed milk powder
9.	14433 (Part 1)	Infant milk substitute, milk protein based
10.	IS 13428	Packaged Natural Mineral Water
-11.	IS 14543	Packaged Drinking Water (Other than Packaged Natural Mineral Water)
12.	IS 269	33 Grade Ordinary Portland cement
13	IS 455	Portland Slag cement
14.	IS 1489(Pt1 & Pt2)	Portland pozzolana cement - Part 1 Fly Ash based and Part 2 Calcined Clay based
15.	IS 3466	Masonry cement
16.	IS 6452	High alumina cement for structural use
17.	IS 6909	Super sulphated cement
18.	IS 8041	Rapid hardening Portland cement
19.	IS 8042	White Portland Cement
20.	IS 8043	Hydrophobic Portland Cement
21.	IS 8112	43 Grade Ordinary Portland cement
22.	IS 8229	Oil well cement
23.	IS 12269	53 Grade Ordinary Portland cement
24.	IS 12330	Sulphate resisting Portland cement
25.	IS 12600	Low heat Portland Cement
26.	IS 302(Pt2/Sec 3)	Safety of household and similar electrical appliances -Electric Iron
27.	IS 302(Pt2/Sec 30)	Safety of household and similar electrical appliances- Electric radiators
28.	IS 302(Pt2/Sec 201)	Safety of household and similar electrical appliances - Electric immersion water heater
29.	IS 302 (Pt2/Sec 202)	Safety of household and similar electrical appliances - Electric stove
30.	IS 418	Tungsten filament general service electric lamps (upto 100 W)
31.	IS 694	PVC insulated cables for working Voltages upto and including 1100 V
32.	IS 3854	Switches for domestic and similar purposes
33.	IS 8828	Electrical Accessories - Circuit Breakers for over current protection for household and similar installations
34.	IS 9968 (Pt.1)	Elastomer insulated cables (Pt.1): For working voltages upto and including 1100 V
35.	IS 12640 (Pt.1)	Residual current operated circuit breakers for household and similar uses - (Pt.1) : Circuit breakers without integral overcurrent protection (RCCBs)
36.	IS 12640 (Pt.2)	Residual current operated circuit breakers for household and similar uses - (Pt.2) : Circuit breakers with integral overcurrent protection (RCVOs)
37.	IS 13010	AC Watt-hour meters, class 0.5, 1 & 2
38.	IS 13779	AC static watt-hour meters, class 1 & 2
39.	IS 14697	AC static transformer operated watt-hour and VAR- hour meters, class 0.2S & 0.5S
40.	IS 15111 (Pt1 & Pt 2)	Self ballasted lamps for general lighting services Part 1 Safety requirements and Part 2 Performance requirements
41.	IS 8144	Multipurpose dry batteries
42.	3055(Part 1)	Clinical Thermometers : Part 1 Solid Stem Type
43.	3055(Part 2)	Clinical Thermometers : Part 2 Enclosed Scale Type
44.	IS 1161	Steel tubes for structural purposes



45.	IS 1239(Pt1)	Mild steel tubes, tubular products and other wrought steel fittings: Part 1 Mild Steel Tubes
46.	IS 4270	Steel tubes used for water wells (upto 200 mm dia)
47.	IS 1342	Oil pressure stoves
48.	IS 2787	Multi-burner oil pressure stoves
49.	IS 10109	Oil pressure stove, offset burner type
50.	IS 3470	Hexane, Food grade
51.	IS 3196(Pt1)	Welded low carbon steel gas cylinder exceeding 5 litre water capacity for low pressure liquefiable gases: Pt1 Cylinders for liquefied petroleum gas (LPG)
52.	IS 3196(Pt2)	Welded low carbon steel gas cylinder exceeding 5-litre water capacity for low- pressure liquefiable gases: Pt 2 Cylinders for liquefiable gases other than LPG.
53.	IS 3196 (Part 4)	Welded low carbon steel cylinders exceeding 5 litre Water capacity for low pressure liquefiable gases- Specification Part 4 Cylinders for toxic and corrosive gases
54.	IS 3224	Valve fittings for compressed gas cylinder excluding liquefied petroleum gas cylinders
55.	IS 3745	Yoke type valve connections for small medical gas cylinders
56.	IS 7142	Welded low carbon steel gas cylinder for low pressure liquefiable gases not exceeding 5 litre water capacity
57.	IS 7285 (Part 1)	Refillable Seamless steel gas cylinders – Specification – Part 1: Normalized Steel Cylinders
58.	IS 7285 (Part 2)	Refillable Seamless steel gas cylinders – Specification – Part 2: Quenched and Tempered Steel Cylinders with Tensile strength less than 1 100 MPa (112 kgf/mm ²)
59.	IS 7302	Valve fittings for gas cylinder valves for use with breathing apparatus
60.	IS 7312	Welded and seamless steel dissolved acetylene gas cylinders
61.	IS 8737	Valve fittings for use with liquefied petroleum gas cylinders of more than 5 litre water capacity: Pt 2 Valve fittings for newly manufactured LPG cylinders
62.	IS 8776	Valve fittings for use with liquefied petroleum gas cylinder up to and including 5 litre water capacity
63.	IS 9798	Low pressure regulators for use with liquefied petroleum gas (LPG) mixtures
64.	IS 14899	Liquefied petroleum gas containers for automotive use
65.	IS 15100	Multifunction valve assembly for permanently fixed liquefied petroleum gas (LPG) containers for automotive use
66.	IS 7620(Pt1)	Diagnostic Medical X-Ray Equipment
67.	IS 14625	Plastic Feeding Bottles
68.	10001	Constant speed compression ignition (diesel) engines for general purposes (up to 20 KW)
69.	1785(Part 1)	Specification for plain hard-drawn steel wire for pre-stressed concrete; Part 1 Cold-drawn stress relieved wire.
70.	1785(Part 2)	Specification for plain hard-drawn steel wire for pre-stressed concrete; Part 2 as drawn wire.
71.	6003	Specification for indented wire for pre-stressed concrete.
72.	6006	Specification for uncoated stress relieved strand for pre-stressed concrete.
73.	13620	Specification for fusion bonded epoxy coated reinforcing bars.
74.	14268	Specification for uncoated stress relieved low relaxation seven ply strand for pre-stressed concrete.
75.	IS 277	Galvanized steel sheets (plain and corrugated).



TABLE 41: BIS LICENSE FEE STRUCTURE, FOR FOREIGN MANUFACTURERS CERTIFICATION SCHEME (1999) AND AMENDMENTS (2007) APPLICABLE TO CEMENT MANUFACTURERS

Type of Fee/Charges	SAARC Country ¹	Non-SAARC Country ²
Application Fee	INR 1000/-	INR 1000/-
Processing Fee	NIL	US \$ 300/-
Renewal Application Fee	INR 500/-	INR 500/-
Marking Fee (annual)	Minimum Marking Fee fixed for Large Scale Domestic Manufacturer OR Marking Fee based on Unit Rate calculation , whichever is higher	US \$ 2,000 PLUS - Marking Fee based on Unit Rate calculation
Annual License Fee	INR 1000/-	INR 1000/-
Visit Charges		
Visits prior to Grant of license or visits for considering inclusion or Resumption of Marking	INR 4000/- for first day INR 3000/- per day for subsequent days PLUS Cost of Ticket, Visa, Insurance and per-diem expenses	Cost of Ticket, Visa Insurance and per-diem expenses
Surveillance Inspection	Same as above	Same as above
Testing Charge		
Samples drawn prior to GOL or inclusion samples or samples drawn to consider RO	Borne by Applicant/Licensee on actual	Borne by Applicant/Licensee on actual
Samples drawn during Surveillance inspections	-- ³	Borne by Applicant/Licensee on actual
Market Sample	-- ³	Borne by Applicant/Licensee on actual



Appendix U SUMMARY OF NTBs BY SECTOR

Sector	Main NTB
Fruit and Vegetables	<ul style="list-style-type: none"> • Import permit, original SPS, fumigation. Only through designated ports. Lack of cold storage facilities • Certain items (e.g. onions) require air circulation and are transported in open tray top containers. When these containers lie on ground the circulation of air stops and the produce perishes when clearance is delayed. • Tedious packing standards • Theft of 2-4 kilograms on average per truck. If a bag is opened, the importer may exaggerate the amount of theft.
Ethanol	<ul style="list-style-type: none"> • License to import / transport/store and use ethanol, involving state and central government authorities. • Regulations differ from state to state and based on the end use. • GoI regulates the price of locally produced ethanol, at times even below manufacturing costs.
Textiles	<ul style="list-style-type: none"> • Pre-shipment Inspection • Shipment samples in their government labs to ensure that the dyes and colour used are non hazardous. • The company's specifications and standards are certified by the company lab and are (in rare instances) not accepted in India. • Certificates of International certification and testing labs like SJS are not accepted • Certificates of quality are issued after extensive sample testing for 3 months after which they are required to be renewed. • An SPS quarantine certificate is also required for woolen textiles. It is issued by the Health Department (Ministry of Food and Livestock) in Karachi and is accepted in India.
Fans	Valuation
Surgical	ISO
Automotive Components	ISO
Cement	<ul style="list-style-type: none"> • BIS Certification of cost US \$ 2000 for two years (one year for the first time renewal). • BIS licenses issued after an on-site inspection by BIS officials. May take one to six months to renew this licence. All travel and living expenses are covered by the exporter. • While, the Pakistan and India have recently signed an MRA, it has been reported that the Bureau of Indian Standards (BIS) is delaying the renewal of export licenses to major Pakistani cement manufacturers¹⁰⁴. BIS officials are reluctant to visit Pakistan as the Indian Ministry of Interior has not granted an NOC to visit Pakistan on security grounds. • Limited shipping routes are available for key ports in south India (e.g. Cochin, Chennai and Calcutta) mostly routed through Colombo. • Local cement manufacturers are exporting cement to India through trains only. Therefore, only a limited quantity of cement could be exported to India.
Chemicals	<ul style="list-style-type: none"> • Chemical products have short shelf life and therefore there

¹⁰⁴ The *Business Recorder* on 05/04/2012 reported that several Pakistani cement companies are waiting for Indian inspection to get licenses to start cement export to India.



	<p>should be proper storage facilities and should not be left out in the open sheds.</p> <ul style="list-style-type: none"> • Hazardous material in chemicals and liquid forms cannot be exported to India due to unavailability of handling facilities at dry ports in Pakistan and India.
Leather	<ul style="list-style-type: none"> • Some manufacturers are of the view that Leather products may not be competitive in price with Indian products as the main input chemicals are locally produced in India. • Exporters also requested that the export of raw hides to India may be regulated in order to protect the local manufacturers
Marble	<ul style="list-style-type: none"> • India maintains import quotas for marble and similar stones (HS 2515.11.00, 2515.12.10, 2515.12.20, and 2515.12.90). Quotas are established annually and administered on an MFN basis. • Criteria of awarding a license are revised via notifications and circulars issued by DGTP on a yearly basis¹⁰⁵, thus creating an atmosphere of uncertainty. • Marble is currently on the list of 415 sensitive items whose import is monitored¹⁰⁶. There is a minimum import price of US\$ 50/kg. • As the import of marble blocks and slabs is regulated with licensing and quotas, only a few companies hold the license to import. Companies rather lend licenses at Indian Rupees 10,000 per tonne than experiment with newer varieties from Pakistan. • New importers wish to conduct a site inspection before signing a contract. However, they are reluctant to come to Pakistan, as they fear that a Pakistani visa stamp on their passport will create visa issues with western countries. • Pakistan mainly exports marble blocks as the duty is much higher for marble slab. In some cases, Pakistan has been able to secure contracts for marble slabs directly from architects working on hotel projects. • The main marble processing region is in Rajasthan. The shipment reaches the Mundira port from Karachi in 12 hours. The Bill of Lading is issued in 24 hours. Documents take another three days to courier (via Dubai) and another week for processing at the bank. As a result, demurrages are incurred. However, there is a possibility to negotiate an agreement with the shipping carrier to provide free detention for 14 days.
Automotive Components	<ul style="list-style-type: none"> • Extensive sample testing . If the sample is not per stated specifications, the landed cost of the sample is claimed from the exporter. • The ISO certification has to be submitted to the company just once and the product specification reports have to be included

¹⁰⁵ DFGT Notification No. 36/2009-2014, 31 March 2010; and DGFT Circular No. 29/2009-2014, 31 March 2010.

¹⁰⁶ Department of Commerce online information, "Trade Statistics: Imports of Sensitive Items". Viewed at: <http://commerce.nic.in/tradestats/import.asp>.



	<p>with every shipment.</p> <ul style="list-style-type: none"> • Lack of fork lifters is a major barrier. This issue arises in all land ports and the sea port in Karachi. Fork lifters are required at Wagah as the consignment has to be unloaded at the port as containerized transport is not allowed. The shipment is packed in pellets of 22 tonnes each. These are heavy and risk damage if handled manually. • Obstruction by Indian CustomsAt Wagah authorities do not allow shipment of tractor parts (e.g. counter shafts and pinions) as they resemble weapons in appearance as shown in the picture. • They also expressed an apprehension regarding the demand for Pakistani products in the Indian after market of automotive parts. • Pakistani products are not competitive enough to be acceptable for OEM plants as 80-90 % inputs are imported.
Two wheelers	<ul style="list-style-type: none"> • Homologation: India has a strict homologation policy for import of vehicles. Obtaining the homologation certificate is time consuming and involves excessive red tape. This has also been reported as a concern by the motor cycle manufacturers association in EU, Association des Constructeurs Europeens de Motocycles G.E.I.E (ACEM). • India has established several testing facilities across the country as a part of the National Automotive Testing and R&D Infrastructure Project (NATRIIP). Earlier the vehicles had to be tested at facilities of competitors which posed a greater problem. • Emission standards: These standards are stringent for two wheelers even as compared to EU and Japan.

Appendix V SUMMARY OF NTBs BY PORT

Port	NTBs
Wagah Road	<p>Interfacing with multiple agencies</p> <p>Repetitive and overlapping checks and processes</p> <p>Trucks not attended on a first come first serve basis.</p> <ul style="list-style-type: none"> • Arbitrary stoppages on trucks • Arbitrary weight limits on trucks • Bottlenecks due to only one scanner and weigh bridge • Weight measurement records are handwritten and cannot be used as evidence in case of theft or a dispute with buyer on delivered weight. • Manual loading/unloading • No cold storage facility • No liquid handling facility • Only one route • Containerised shipments and 22 wheelers recently allowed in 2012, but not operational due to weight limits and extra charges by NLC
Wagah Rail	<p>8 wheelers are not allowed</p> <p>Less than 1 interchange a day due to various reasons (no labourers, no diesel, no capacity in the yard etc.)</p> <p>Broken scanner</p>
Karachi Sea port	<p>Limited sea routes to South and East India</p> <p>Indirect routes via Colombo. If a vessel is missed cargo is stranded for up to a week in Colombo</p> <p>Misperception that only national flag vessels can carry cargo despite liberalisation of the shipping protocol in 2006</p>

Appendix W EXPORT PROFILES AT PORTS

FIGURE 79: EXPORT PROFILE AT WAGAH

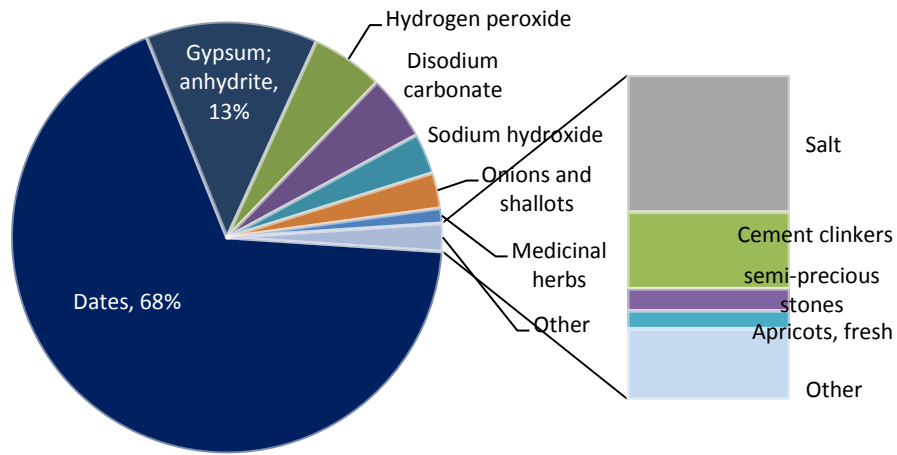


FIGURE 80: EXPORT PROFILE AT KARACHI PORT

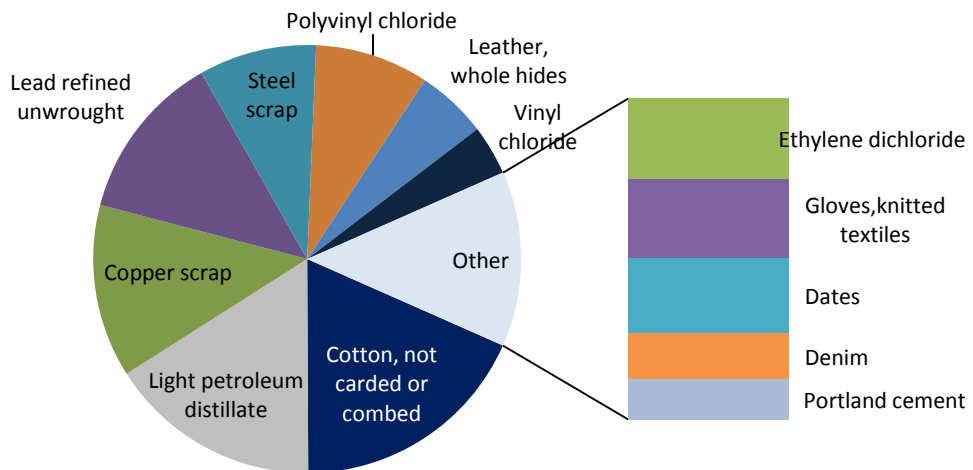


FIGURE 81: EXPORT PROFILE AT THE INTERCHANGE

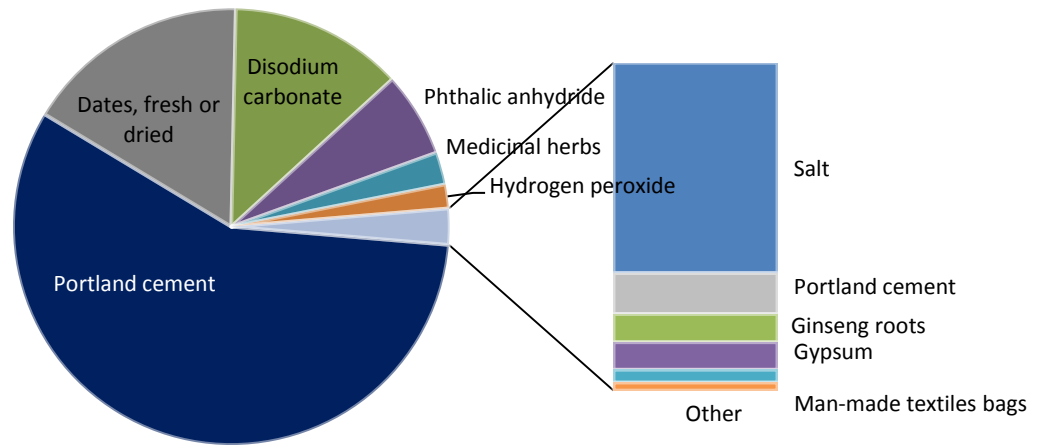
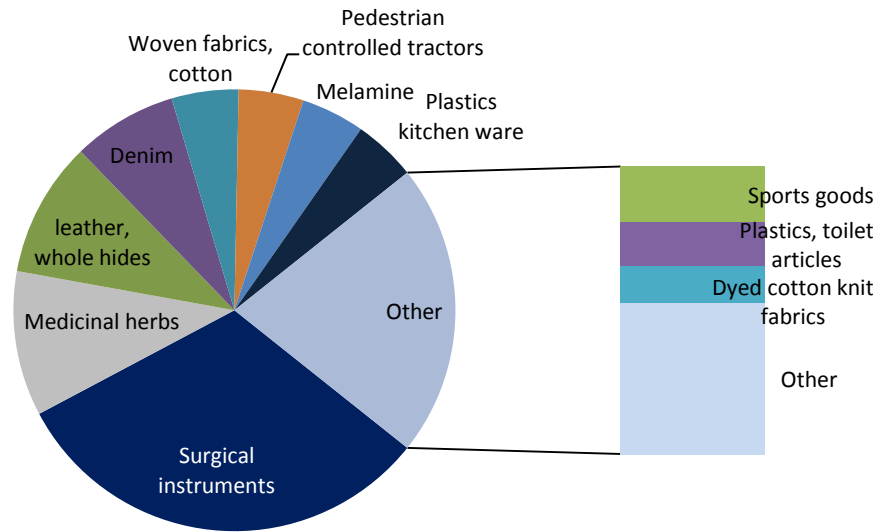


FIGURE 82: EXPORT PROFILE AT SAMJHOTA EXPRESS



Appendix X HIGH POTENTIAL EXPORTS

This lists the products that have been identified to have a significant potential in this study. The products have been selected as per the following criteria:

- Net RCA > 0
- Minimum Indicative Potential > US \$ 1 Million
 - Minimum Indicative Potential for product $p = \min(\text{Global Import of India } p, \text{Global Export of Pakistan } p) - \text{Export of Pakistan to India } p$

HS 6	Product Description	India RCA	Pakistan RCA	Net RCA	Potential Export	Current Export
Total					1456033	131072
080410	Dates, fresh/dried	0.0441	58.6144	58.5703	3393	49018
252329	Portland cement (excl. white cement, whether/not a	1.9634	40.6431	38.6797	16799	25655
290315	1,2-Dichloroethane (ethylene dichloride)	0.0001	11.4281	11.428	6662	11056
291736	Terephthalic acid & its salts	0.0201	1.3192	1.2991	10022	7843
283620	Sodium carbonate	0.5975	4.5724	3.9749	6241	6876
740400	Copper waste & scrap	0.1166	1.3254	1.2088	38167	4343
410799	Leather further prepared after tanning/crusting, i	3.9918	10.3208	6.329	20361	3012
520819	Woven fabrics of cotton (excl. of 5208.11-5208.13)	3.5695	73.4531	69.8836	6506	2688
520511	Cotton yarn, single (excl. sewing thread), of unco	7.1021	128.2538	121.152	4561	2466
520931	Woven fabrics of cotton, containing 85%/more by we	4.6463	12.9394	8.2931	4142	2121
901890	Instruments & appliances used in medical/surgical/	0.2032	3.8636	3.6604	216974	2026
410719	Leather further prepared after tanning/crusting, i	3.2284	38.7869	35.5585	19330	1916
520932	Woven fabrics of cotton, containing 85%/more by we	2.0946	67.8807	65.7861	5981	1834
410449	Tanned/crust hides & skins of bovine (incl. buffal	3.0074	13.8658	10.8584	13833	1543
520942	Woven fabrics of cotton, containing 85%/more by we	2.6258	49.9833	47.3575	16385	1517
520832	Woven fabrics of cotton, containing 85%/more by we	1.3506	10.5934	9.2428	15283	954
611699	Gloves, mittens & mitts, knitted/crocheted, other	0.4309	51.3033	50.8724	2698	786
520829	Woven fabrics of cotton (excl. of 5208.21-5208.23)	2.8236	24.1162	21.2926	4332	600
411390	Leather further prepared after tanning/crusting, i	0.882	117.1079	116.226	3815	556
520851	Woven fabrics of cotton, containing 85%/more by we	2.0674	53.2227	51.1553	2094	388
901849	Instruments & appliances used in dental sciences (	0.0738	2.2622	2.1884	11443	373
631090	Used/new rags, scrap twine, cordage, rope & cables	1.608	34.9121	33.3041	12705	354
391890	Floor coverings of plastics other than polymers of	0.6455	3.4847	2.8392	2994	317
600690	Knitted/crocheted fabrics, n.e.s. in Ch.60	1.2067	4.1879	2.9812	3615	253
520831	Woven fabrics of cotton, containing 85%/more by we	2.1652	68.6996	66.5344	7790	220
950699	Articles & equip. for sports, n.e.s. in Ch.95 (exc	0.7816	5.4990	4.7174	34403	190
252921	Fluorspar, containing by weight 97%/less of calciu	0.0127	6.5635	6.5508	1201	180
520929	Woven fabrics of cotton (excl. of 5209.21 & 5209.2	3.2586	25.7023	22.4437	1105	173
950662	Inflatable balls	3.0517	82.0302	78.9785	2828	156
520833	Woven fabrics of cotton, containing 85%/more by we	0.8951	10.0716	9.1765	1701	151
251512	Marble & travertine, merely cut, by sawing/othw.,	0.9519	19.4730	18.5211	23600	132
390799	Polystyrene (excl. of 3907.10-3907.91), in primary	0.2752	1.4263	1.1511	15850	127
630790	Other made-up textile articles, incl. dress patter	1.1791	2.5176	1.3385	8661	104
710310	Precious stones (excl. diamonds) & semi-precious s	2.9659	6.0444	3.0785	2998	102
551311	Woven fabrics of polyester staple fibres, containi	0.5808	94.0872	93.5064	1853	98
411200	Leather further prepared after tanning/crusting, i	6.4043	32.7723	26.368	2072	97
081310	Apricots, dried	0.0251	2.3806	2.3555	1419	95
520811	Woven fabrics of cotton, unbleached, containing 85	9.5237	34.2515	24.7278	7549	93
220720	Ethyl alcohol & other spirits, denatured, of any s	0.3096	46.7068	46.3972	66532	86
520852	Woven fabrics of cotton, containing 85%/more by we	1.5653	10.2185	8.6532	2635	85
681599	Articles of stone/of other mineral substance, n.e.	0.4598	5.7565	5.2967	8156	68
600622	Knitted/crocheted fabrics, n.e.s. in Ch.60, of cot	0.8007	5.6463	4.8456	11266	55
630419	Bedspreads other than knitted/crocheted	19.5671	27.1164	7.5493	13150	45
521213	Woven fabrics of cotton (excl. of 52.08-52.11), dy	2.7429	107.3356	104.593	2432	29
620333	Men's/boys' jackets & blazers (excl. knitted/croch	1.012	4.0317	3.0197	1289	29
610910	T-shirts, singlets & other vests, knitted/crochete	5.3159	8.7306	3.4147	9052	28
551211	Woven fabrics of synthetic staple fibres, containi	3.1873	6.9948	3.8075	2950	24
730690	Tubes, pipes & hollow profiles of iron (excl. cast	4.011	35.5050	31.494	69154	22
520822	Woven fabrics of cotton, containing 85%/more by we	1.6144	22.3384	20.724	1041	19
190219	Uncooked pasta, not stuffed/othw. prepared, not co	0.1112	1.2508	1.1396	5826	18
630190	Blankets (excl. electric) & travelling rugs other	2.7859	34.6819	31.896	6440	17
080290	Nuts, n.e.s. in 08.01 & 08.02, fresh/dried, whethe	0.3615	2.2805	1.919	3249	17



HS 6	Product Description	India RCA	Pakistan RCA	Net RCA	Potential Export	Current Export
611599	Other n.e.s. in 61.15, knitted/crocheted, of other	0.366	81.6157	81.2497	3361	15
620462	Women's/girls', trousers, bib & brace overalls, br	1.5813	12.3180	10.7367	6475	12
821300	Scissors, tailors' shears & similar shears, & blad	0.1339	6.1375	6.0036	2360	12
620342	Men's/boys' trousers, bib & brace overalls, breech	1.6289	24.0245	22.3956	15649	11
821420	Manicure/pedicure sets & instr. (incl. nail files)	1.2627	85.4047	84.142	2809	8
631010	Used/new rags, scrap twine, cordage, rope & cables	2.3331	8.7218	6.3887	1618	8
420329	Gloves, mittens & mitts, of leather/composition le	10.2005	47.2176	37.0171	1010	7
950669	Balls other than golf/table-tennis/lawn-tennis/inf	2.5403	24.9925	22.4522	2177	6
420310	Articles of apparel, of leather/composition leathe	15.6871	66.1095	50.4224	1460	5
521142	Woven fabrics of cotton, containing <85% by weight	0.8679	50.9951	50.1272	2356	5
551323	Dyed Woven fabrics of synthetic, polyester staple	0.7991	21.7943	20.9952	1839	3
630710	Floor-cloths, dish-cloths, dusters & similar clean	1.5713	125.8199	124.249	1444	2
610510	Men's/boys' shirts, knitted/crocheted, of cotton	7.3012	51.4701	44.1689	3213	2
580710	Labels, badges & similar articles of textile mater	0.535	4.1646	3.6296	6173	2
620339	Men's/boys' jackets & blazers (excl. knitted/croch	1.5185	36.6118	35.0933	1194	1
640320	Footwear with outer soles of leather & uppers whic	9.2134	15.4243	6.2109	8513	1
390319	Polystyrene other than expansible, in primary form	0.8926	2.4552	1.5626	16328	1
521021	Woven fabrics of cotton, containing <85% by weight	0.5449	356.3239	355.779	2851	0
521212	Woven fabrics of cotton (excl. of 52.08-52.11), un	1.6621	273.5608	271.899	1180	0
521215	Woven fabrics of cotton (excl. of 52.08-52.11), pr	6.5628	171.1581	164.595	1325	0
521031	Woven fabrics of cotton, containing <85% by weight	0.7153	118.3903	117.675	6127	0
252390	Hydraulic cements (e.g., slag cement, supersulphat	0.9622	89.2931	88.3309	1967	0
520531	Cotton yarn, mult./cab. (excl. sewing thread), of	19.0552	106.6548	87.5996	2807	0
630399	Curtains (incl. drapes) & interior blinds (excl. k	5.095	89.9927	84.8977	2637	0
620799	Men's/boys' singlets & other vests, bathrobes, dre	1.1166	79.8938	78.7772	4585	0
520513	Cotton yarn, single (excl. sewing thread), of unco	10.6953	79.8618	69.1665	2632	0
520812	Woven fabrics of cotton, unbleached, containing 85	3.0778	66.0492	62.9714	1866	0
620349	Men's/boys' trousers, bib & brace overalls, breech	2.6076	54.9646	52.357	1296	0
170310	Cane molasses	6.5916	56.9160	50.3244	1317	0
261000	Chromium ores & concentrates	4.1998	44.9625	40.7627	15784	0
520299	Cotton waste other than yarn waste (incl. thread w	8.2788	42.3339	34.0551	2072	0
520921	Woven fabrics of cotton, containing 85%/more by we	4.7647	25.2654	20.5007	1662	0
551219	Woven fabrics of synthetic staple fibres, containi	1.3729	21.6153	20.2424	12096	0
720510	Granules of pig iron, spiegeleisen, iron/steel	0.0768	12.8315	12.7547	7246	0
520841	Woven fabrics of cotton, containing 85%/more by we	1.6792	14.3297	12.6505	4666	0
611190	Babies' garments & clothing accessories, of other	2.0043	13.9610	11.9567	1749	0
151620	Vegetable fats & oils & fractions thereof , partly	2.132	13.2530	11.121	4564	0
390760	Poly(ethylene terephthalate), in primary forms	3.1406	13.0254	9.8848	40733	0
600590	Warp knit fabrics, including those made on galloon	0.5992	9.6228	9.0236	1081	0
630510	Sacks & bags, of a kind used for the packing of go	22.5462	30.8050	8.2588	7847	0
170230	Glucose & glucose syrup, not containing fructose/c	0.6196	8.5211	7.9015	4283	0
620469	Women's/girls', trousers, bib & brace overalls, br	1.2771	9.0783	7.8012	1159	0
620332	Men's/boys' jackets & blazers (excl. knitted/croch	1.3152	8.9539	7.6387	1197	0
841451	Table/floor/wall/window/ceiling/roof fans, with a	0.417	7.9598	7.5428	33666	0
081090	Fresh fruit, n.e.s. in Ch. 8	0.6711	8.2075	7.5364	4444	0
300310	Medicaments containing penicillins/derivatives the	0.521	7.2576	6.7366	3268	0
740312	Wire-bars of refined copper, unwrought	0.1392	6.7202	6.581	1462	0
740321	Copper-zinc base alloys (brass), unwrought	0.7148	7.2112	6.4964	6808	0
630590	Sacks & bags, of a kind used for the packing of go	2.5051	8.6611	6.156	1098	0
282720	Calcium chloride	0.0963	5.6522	5.5559	1382	0
230690	Oil-cake & other solid residues, whether/not groun	12.8109	18.1626	5.3517	6179	0
741820	Sanitary ware & parts thereof , of copper	1.7317	7.0539	5.3222	7233	0
840710	Spark-ignition reciprocating/rotary internal combu	0.2168	5.5142	5.2974	11024	0
600522	Warp knit fabrics. incl. those made on galloon kni	0.095	5.3767	5.2817	1458	0
400400	Waste, parings & scrap, of rubber (excl. hard rubb	3.1877	7.8165	4.6288	1170	0
420340	Clothing accessories (excl. of 4203.21-4203.30), o	4.7775	9.1958	4.4183	1071	0
560790	Twine, cordage, ropes & cables of fibres n.e.s. o	3.3298	7.4417	4.1119	2429	0
940490	Other articles of bedding & similar furnishing (eg	3.3872	7.4897	4.1025	7788	0
852110	Video recording/repr. apparatus, whether/ not incor	0.0858	4.1319	4.0461	2530	0
580790	Labels, badges & similar articles of textile mater	0.8552	4.8512	3.996	1537	0
761519	Table/kitchen/other h-hold. articles & parts there	1.5636	5.5093	3.9457	8377	0
960200	Worked vegetable/mineral carving material & articl	4.6879	8.3142	3.6263	9450	0
640319	Sports footwear other than ski-boots/cross-country	0.6535	4.1850	3.5315	7864	0
610610	Women's/girls' blouses, shirts & shirt-blouses, kn	5.1792	8.6585	3.4793	1577	0
300510	Adhesive dressings & other articles having an adhe	0.4516	3.8865	3.4349	4971	0
040229	Milk in powder/granules/other solid form, sweetene	2.5874	5.8832	3.2958	2785	0
600532	Warp knit fabrics. incl. those made on galloon kni	0.0391	3.1770	3.1379	6672	0
340119	Soap & organic surface-active products & preparati	0.8251	3.9581	3.133	7377	0



HS 6	Product Description	India RCA	Pakistan RCA	Net RCA	Potential Export	Current Export
730290	Railway/tramway track construction material of iron	1.1095	4.1443	3.0348	2751	0
470692	Pulps of fibres derived from recovered (waste & scrap)	0.0116	3.0284	3.0168	1028	0
283919	Silicates of sodium other than sodiummetasilicates	1.2361	4.2250	2.9889	2093	0
391590	Waste, parings & scrap, of plastics n.e.s. in 39.1	0.3263	3.2298	2.9035	17577	0
720529	Powders, of pig iron, spiegeleisen, iron/steel (excl. of 7205.10)	0.3741	3.1886	2.8145	2597	0
845019	Household/laundry-type washing machines (incl. of 8450.10)	0.7432	3.4958	2.7526	2127	0
740819	Copper wire, of refined copper (excl. of 7408.11)	0.8699	3.5737	2.7038	14859	0
821220	Safety razor blades, incl. razor blade blanks in sets	0.3851	2.8513	2.4662	7706	0
843830	Machinery for sugar manufacture	9.8358	12.2517	2.4159	3521	0
392490	Household articles & toilet articles (excl. tableware)	0.3507	2.7554	2.4047	11853	0
844590	Machinery for producing textile yarns & machines for spinning	0.8971	3.2601	2.363	1320	0
441840	Shuttering for concrete constructional work, of wood	0.0918	2.3700	2.2782	1352	0
740313	Billets of refined copper, unwrought	0.0348	2.2964	2.2616	1593	0
701310	Glassware of a kind used for table/kitchen/toilet/	0.7678	2.9876	2.2198	1778	0
480519	Fluting paper (excl. semi-chemical/straw fluting paper)	0.0321	2.1384	2.1063	2632	0
392340	Spools, cops, bobbins & similar supports, of plastic	0.2218	2.1589	1.9371	2384	0
845899	Lathes other than horizontal lathes (incl. turning lathes)	0.4772	2.3421	1.8649	1444	0
300339	Medicaments containing hormones/other products of animal origin	2.0874	3.8600	1.7726	5637	0
611780	Other made up clothing accessories, other than shoes	0.6691	2.2955	1.6264	1779	0
392390	Articles for the conveyance/packing of goods, of plastic	0.6777	2.2014	1.5237	17623	0
600642	Knitted/crocheted fabrics, n.e.s. in Ch.60, of artificial	0.0421	1.5443	1.5022	2352	0
300590	Wadding, gauze, bandages & similar articles (eg. of cotton)	0.7971	2.2883	1.4912	8007	0
391510	Waste, parings & scrap, of polymers of ethylene	0.1392	1.5466	1.4074	4397	0
840682	Steam turbines & other vapour turbines (excl. for power)	0.4652	1.6910	1.2258	2371	0
040299	Milk & cream, concentrated (excl. in powder), sweetened	0.0313	1.2191	1.1878	1223	0
401390	Inner tubes, of rubber (excl. of 4013.10 & 4013.20)	2.0711	3.2578	1.1867	1481	0
320890	Paints & varnishes (incl. enamels & lacquers, excl. of 3208.10)	0.1312	1.2934	1.1622	12927	0
441299	Plywood, veneered panels&similar laminated wood, of other	0.0995	1.2613	1.1618	2923	0
170490	Sugar confectionery other than chewing gum (incl. of 1704.10)	0.2411	1.3478	1.1067	10516	0
711319	Articles of jewellery & parts thereof, of other precious	6.6559	7.7343	1.0784	178117	0
291732	Diocetyl orthophthalates	0.1181	1.1842	1.0661	1478	0
200990	Mixtures of juices, unfermented & not containing alcohol	0.082	1.1413	1.0593	2385	0



Appendix Y HIGH POTENTIAL TEXTILES (HS CHAPTER 50-63)

The following numbers are based on data from UN COMTRADE, 2010 and are sorted according to exports levels.

HS 6	Product Description	India RCA	Pakistan RCA	Potential Export (US \$ 1000)	Current Export (US \$ 1000)
520819	Woven fabrics of cotton (excl. of 5208.11-5208.13)	3.5695	73.4531	6506	2688
520511	Cotton yarn, single (excl. sewing thread), of unco	7.1021	128.2538	4561	2466
520931	Woven fabrics of cotton, containing 85%/more by we	4.6463	12.9394	4142	2121
520528	Cotton yarn, single (excl. sewing thread), of comb	14.525	20.8831	824	1869
520932	Woven fabrics of cotton, containing 85%/more by we	2.0946	67.8807	5981	1834
520959	Woven fabrics of cotton (excl. of 5209.51 & 5209.5	3.6675	41.3377	948	1691
520942	Woven fabrics of cotton, containing 85%/more by we	2.6258	49.9833	16385	1517
520832	Woven fabrics of cotton, containing 85%/more by we	1.3506	10.5934	15283	954
611699	Gloves, mittens & mitts, knitted/crocheted, other	0.4309	51.3033	2698	786
520622	Cotton yarn, single (excl. sewing thread), of comb	3.2875	25.1128	156	602
520829	Woven fabrics of cotton (excl. of 5208.21-5208.23)	2.8236	24.1162	4332	600
520851	Woven fabrics of cotton, containing 85%/more by we	2.0674	53.2227	2094	388
520912	Woven fabrics of cotton, containing 85%/more by we	2.7473	141.2385	745	373
631090	Used/new rags, scrap twine, cordage, rope & cables	1.608	34.9121	12705	354
520939	Woven fabrics of cotton (excl. of 5209.31 & 5209.3	3.6611	27.9550	771	335
600690	Knitted/crocheted fabrics, n.e.s. in Ch.60	1.2067	4.1879	3615	253
520831	Woven fabrics of cotton, containing 85%/more by we	2.1652	68.6996	7790	220
611692	Gloves, mittens & mitts, knitted/crocheted, other	0.9425	68.8175	504	197
520929	Woven fabrics of cotton (excl. of 5209.21 & 5209.2	3.2586	25.7023	1105	173
520833	Woven fabrics of cotton, containing 85%/more by we	0.8951	10.0716	1701	151
560129	Wadding; other articles of wadding other than of c	0.9926	55.0693	833	146
551412	Woven fabrics of polyester staple fibres, containi	9.6547	102.2433	295	130
630790	Other made-up textile articles, incl. dress patter	1.1791	2.5176	8661	104
551311	Woven fabrics of polyester staple fibres, containi	0.5808	94.0872	1853	98
520811	Woven fabrics of cotton, unbleached, containing 85	9.5237	34.2515	7549	93
520852	Woven fabrics of cotton, containing 85%/more by we	1.5653	10.2185	2635	85
520859	Woven fabrics of cotton, containing 85%/more by w	5.7031	29.0435	801	61
611610	Gloves, mittens & mitts, knitted/crocheted, impreg	0.6183	7.6841	515	56
600622	Knitted/crocheted fabrics, n.e.s. in Ch.60, of cot	0.8007	5.6463	11266	55
520839	Woven fabrics of cotton (excl. of 5208.31-5208.33)	1.7877	28.3188	692	48
531090	Woven fabrics of jute/other textile bast fibres of	33.3791	87.8419	721	47
630419	Bedspreads other than knitted/crocheted	19.5671	27.1164	13150	45
520922	Woven fabrics of cotton, containing 85%/more by we	1.4829	39.5444	563	43
630900	Worn clothing & other worn articles	0.7814	1.2794	5655	38
521213	Woven fabrics of cotton (excl. of 52.08-52.11), dy	2.7429	107.3356	2432	29
620333	Men's/boys' jackets & blazers (excl. knitted/croch	1.012	4.0317	1289	29
610910	T-shirts, singlets & other vests, knitted/crochete	5.3159	8.7306	9052	28
620412	Women's/girls' suits (excl. knitted/crocheted), of	6.0046	44.7509	16	25
551211	Woven fabrics of synthetic staple fibres, containi	3.1873	6.9948	2950	24
520822	Woven fabrics of cotton, containing 85%/more by we	1.6144	22.3384	1041	19
521222	Woven fabrics of cotton (excl. of 52.08-52.11), bl	2.6856	335.9570	20	18
551411	Woven fabrics of polyester staple fibres, containi	3.7454	145.3172	17	17
630190	Blankets (excl. electric) & travelling rugs other	2.7859	34.6819	6440	17
611599	Other n.e.s. in 61.15, knitted/crocheted, of other	0.366	81.6157	3361	15
540784	Woven fabrics (excl. of 5407.10-5407.30), containi	0.6766	3.2114	209	15
620791	Men's/boys' singlets & other vests, bathrobes, dre	2.4106	89.9116	156	14
520911	Woven fabrics of cotton, containing 85%/more by we	9.1096	367.6653	666	13
521019	Woven fabrics of cotton(excl. of 5210.11), contain	1.068	48.6463	237	13



HS 6	Product Description	India RCA	Pakistan RCA	Potential Export (US \$ 1000)	Current Export (US \$ 1000)
521111	Woven fabrics of cotton, containing <85% by weight	3.8352	121.9495	101	12
620462	Women's/girls', trousers, bib & brace overalls, br	1.5813	12.3180	6475	12
620342	Men's/boys' trousers, bib & brace overalls, breech	1.6289	24.0245	15649	11
610799	Men's/boys' bathrobes, dressing gowns & similar ar	0.3111	16.0220	61	11
620891	Women's/girls' singlets & other vests, briefs, pan	4.1376	15.4349	26	11
610990	T-shirts, singlets & other vests, knitted/crochete	1.4215	2.4068	4170	10
621120	Ski suits (excl. knitted/crocheted)	0.2976	0.9377	41	9
631010	Used/new rags, scrap twine, cordage, rope & cables	2.3331	8.7218	1618	8
590390	Textile fabrics impregnated/coated/covered/laminat	0.5315	1.3527	6283	7
521142	Woven fabrics of cotton, containing <85% by weight	0.8679	50.9951	2356	5
620892	Women's/girls' singlets & other vests, briefs, pan	1.0272	1.6539	63	5
520611	Cotton yarn, single (excl. sewing thread), of unco	9.2237	34.5443	112	4
600624	Knitted/crocheted fabrics, n.e.s. in Ch.60, of cot	1.0948	6.8998	703	4
540239	Textured yarn other than sewing thread (excl. of 5	0.7309	1.9700	258	4
510320	Waste of wool/of fine animal hair, incl. yarn wast	2.2	109.2825	828	3
521112	Woven fabrics of cotton, containing <85% by weight	0.1141	35.4827	268	3
551323	Dyed Woven fabrics of synthetic, polyester staple	0.7991	21.7943	1839	3
630710	Floor-cloths, dish-cloths, dusters & similar clean	1.5713	125.8199	1444	2
610510	Men's/boys' shirts, knitted/crocheted, of cotton	7.3012	51.4701	3213	2
610690	Women's/girls' blouses, shirts & shirt-blouses, kn	2.2774	45.5470	575	2
611710	Shawls, scarves, mufflers, mantillas, veils & the	3.0703	9.6938	858	2
580710	Labels, badges & similar articles of textile mater	0.535	4.1646	6173	2
620343	Men's/boys' trousers, bib & brace overalls, breech	1.4339	3.7458	650	2
600129	Looped pile fabrics, of other textile materials (e	0.0422	0.5654	32	2
600632	Knitted/crocheted fabrics, n.e.s. in Ch.60, of syn	0.0727	0.0809	421	2
610349	Men's/boys' trousers, bib & brace overalls, breech	0.9849	66.6372	513	1
620339	Men's/boys' jackets & blazers (excl. knitted/croch	1.5185	36.6118	1194	1
621600	Gloves, mittens & mitts (excl. knitted/crocheted)	0.9419	16.8983	585	1
620899	Women's/girls' singlets & other vests, briefs, pan	1.555	4.8391	185	1
611693	Gloves, mittens & mitts, knitted/crocheted, other	0.8716	3.8656	294	1
620413	Women's/girls' suits (excl. knitted/crocheted), of	1.7753	3.4229	6	1
551229	Woven fabrics of synthetic staple fibres, containi	0.2861	1.2989	636	1
630239	Bed linen (excl. knitted/crocheted), of textile ma	3.488	467.9711	68	0
521221	Woven fabrics of cotton (excl. of 52.08-52.11), un	4.1074	453.0900	11	0
521051	Woven fabrics of cotton, containing <85% by weight	0.2426	432.8088	743	0
521021	Woven fabrics of cotton, containing <85% by weight	0.5449	356.3239	2851	0
630210	Bed linen, knitted/crocheted	2.1402	350.6214	258	0
520813	Woven fabrics of cotton, unbleached, containing 85	1.8864	312.2139	886	0
551312	Woven fabrics of polyester staple fibres, containi	0.238	288.3518	1	0
520532	Cotton yarn, multiple(folded)/cabled . (excl. sewi	7.4327	283.4760	1	0
610590	Men's/boys' shirts, knitted/crocheted, of other te	1.3577	273.5694	133	0
521212	Woven fabrics of cotton (excl. of 52.08-52.11), un	1.6621	273.5608	1180	0
551341	Woven fabrics of polyester staple fibres, containi	0.3899	247.4745	94	0
521011	Woven fabrics of cotton, containing <85% by weight	0.6293	233.2011	807	0
521211	Woven fabrics of cotton (excl. of 52.08-52.11), bl	4.5928	229.6729	365	0
520512	Cotton yarn, single (excl. sewing thread), of unco	6.663	221.3553	71	0
551441	Woven fabrics of polyester staple fibres, containi	4.6535	212.2088	55	0
610339	Men's/boys' jackets & blazers, knitted/crocheted,	2.7948	204.8830	243	0
520919	Woven fabrics of cotton (excl. of 5209.11 & 5209.1	3.8535	181.7526	254	0
630229	Bed linen (excl. knitted/crocheted), printed, of t	2.4332	179.4306	133	0
521059	Woven fabrics of cotton(excl. of 5210.51), contain	0.9394	170.1195	319	0
521215	Woven fabrics of cotton (excl. of 52.08-52.11), pr	6.5628	171.1581	1325	0
520210	Yarn waste (incl. thread waste), of cotton	1.8333	164.1413	788	0
551644	Woven fabrics of artificial staple fibres containi	2.2072	153.2120	3	0
620322	Men's/boys' ensembles (excl. knitted/crocheted), o	1.295	139.5555	214	0
521223	Woven fabrics of cotton (excl. of 52.08-52.11), dy	1.4149	137.3407	424	0
620729	Men's/boys' nightshirts & pyjamas (excl. knitted/c	4.8567	138.7804	4	0
630231	Bed linen (excl. knitted/crocheted), of cotton (ex	13.3163	140.6874	7	0



HS 6	Product Description	India RCA	Pakistan RCA	Potential Export (US \$ 1000)	Current Export (US \$ 1000)
521029	Woven fabrics of cotton(excl. of 5210.21), contain	1.0659	127.3106	222	0
521031	Woven fabrics of cotton, containing <85% by weight	0.7153	118.3903	6127	0
580430	Hand-made lace in the piece/in strips/in motifs, o	2.4294	116.0876	278	0
551313	Woven fabrics of polyester staple fibres (excl. of	1.0791	98.6697	15	0
520531	Cotton yarn, mult./cab. (excl. sewing thread), of	19.0552	106.6548	2807	0
630399	Curtains (incl. drapes) & interior blinds (excl. k	5.095	89.9927	2637	0
520821	Woven fabrics of cotton, containing 85%/more by we	8.4077	92.1577	563	0
570110	Carpets & other textile floor coverings, knotted,	18.5422	99.5162	807	0
521225	Woven fabrics of cotton (excl. of 52.08-52.11), pr	6.2775	87.1065	25	0
620799	Men's/boys' singlets & other vests, bathrobes, dre	1.1166	79.8938	4585	0
580219	Terry towelling & similar woven terry fabrics (exc	3.8289	82.0294	1	0
630260	Toilet linen & kitchen linen, of terry towelling/s	11.4458	87.6578	435	0
520514	Cotton yarn, single (excl. sewing thread), of unco	6.847	80.9850	130	0
540774	Woven fabrics (excl. of 5407.10-5407.30), containi	4.6335	78.1843	549	0
630629	Tents, Of other textile materials, other than of s	1.1047	70.7503	486	0
520513	Cotton yarn, single (excl. sewing thread), of unco	10.6953	79.8618	2632	0
520812	Woven fabrics of cotton, unbleached, containing 85	3.0778	66.0492	1866	0
630259	Table linen (excl. knitted/crocheted), of other te	5.8101	67.7738	23	0
630319	Curtains (incl. drapes) & interior blinds, knitted	3.7753	63.1512	19	0
630391	Curtains (incl. drapes) & interior blinds (excl. k	19.2036	72.0613	33	0
620349	Men's/boys' trousers, bib & brace overalls, breech	2.6076	54.9646	1296	0
551120	Yarn other than sewing thread, of synthetic staple	1.4425	50.4356	161	0
611219	Track suits, knitted/crocheted, of textile materia	1.0751	49.8675	19	0
520300	Cotton, carded/combed	5.5353	53.9108	331	0
540771	Woven fabrics (excl. of 5407.10-5407.30), containi	0.8575	44.7503	275	0
551321	Woven fabrics of polyester staple fibres, containi	0.7484	43.2432	145	0
520951	Woven fabrics of cotton, containing 85%/more by we	2.7196	44.3150	391	0
610190	Men's/boys' overcoats, car-coats, capes, cloaks, a	1.1342	39.3289	113	0
610719	Men's/boys' underpants & briefs, knitted/crocheted	0.7792	38.1826	38	0
520299	Cotton waste other than yarn waste (incl. thread w	8.2788	42.3339	2072	0
510330	Waste of coarse animal hair	0.1621	33.2922	41	0
551130	Yarn other than sewing thread, of artificial stapl	0.9262	33.2223	1	0
630520	Sacks & bags, of a kind used for the packing of go	8.4274	39.7288	317	0
580220	Terry towelling & similar woven terry fabrics (exc	1.0746	31.8962	26	0
521039	Woven fabrics of cotton (excl. of 5210.31 & 5210.3	0.7536	30.0677	410	0
620829	Women's/girls' nightdresses & pyjamas (excl. knitt	1.998	27.3044	155	0
520420	Cotton sewing thread, put up for RS	7.4839	32.7169	508	0
521151	Woven fabrics of cotton, containing <85% by weight	0.3678	25.3237	157	0
610439	Women's/girls' jackets & blazers, knitted/crochete	0.6754	24.6459	236	0
610329	Men's/boys' ensembles, of other textile materials	0.7935	24.1558	22	0
610729	Men's/boys' nightshirts & pyjamas, knitted/crochet	2.9383	25.8386	4	0
610419	Women's/girls' suits, of other textile materials o	4.5952	26.1533	147	0
521032	Woven fabrics of cotton, containing <85% by weight	0.2363	21.4560	388	0
630539	Sacks & bags, of a kind used for the packing of go	2.2306	22.9328	435	0
520921	Woven fabrics of cotton, containing 85%/more by we	4.7647	25.2654	1662	0
551219	Woven fabrics of synthetic staple fibres, containi	1.3729	21.6153	12096	0
520612	Cotton yarn, single (excl. sewing thread), of unco	1.6572	21.6991	158	0
621112	Swimwear (excl. knitted/crocheted), women's/girls'	0.3278	19.6574	60	0
540772	Woven fabrics (excl. of 5407.10-5407.30), containi	0.7681	19.6958	958	0
520952	Woven fabrics of cotton, containing 85%/more by we	0.3614	19.1466	119	0
630240	Table linen, knitted/crocheted	10.378	29.0956	288	0
551349	Printed & Woven fabrics of synthetic staple fibres	2.465	20.9440	626	0
520542	Cotton yarn, multiple(folded)/cabled . (excl. sewi	5.5729	23.4311	274	0
610791	Men's/boys' bathrobes, dressing gowns & similar ar	5.8987	22.9453	128	0
620422	Women's/girls' ensembles (excl. knitted/crocheted)	4.3915	21.3635	101	0
580124	Warp pile fabrics (excl. of 58.02/58.06), ?pingl?	0.1308	17.0490	23	0
551642	Woven fabrics of artificial staple fibres containi	1.0765	17.8927	336	0
551331	Woven fabrics of polyester staple fibres, containi	2.4822	18.3736	24	0



HS 6	Product Description	India RCA	Pakistan RCA	Potential Export (US \$ 1000)	Current Export (US \$ 1000)
510220	Coarse animal hair, not carded/combed	0.0813	15.3364	0	0
551421	Woven fabrics of polyester staple fibres, containi	0.4573	15.1832	33	0
620319	Men's/boys' suits (excl. knitted/crocheted), of ot	1.7202	16.1250	623	0
610899	Women's/girls' nTgligTs, bathrobes, dressing gowns	1.0561	14.5220	7	0
611090	Jerseys, pullovers, cardigans, waist-coats & simil	0.4249	13.4882	331	0
621111	Swimwear (excl. knitted/crocheted), men's/boys'	0.131	13.1647	61	0
630130	Blankets (excl. electric) & travelling rugs, of co	13.6565	26.4004	93	0
520841	Woven fabrics of cotton, containing 85%/more by we	1.6792	14.3297	4666	0
520823	Woven fabrics of cotton, containing 85%/more by we	6.457	18.6402	229	0
610290	Women's/girls' overcoats, car-coats, capes, cloaks	0.452	12.5477	28	0
551443	Woven fabrics of polyester staple fibres (excl. of	1.5394	13.5754	21	0
600621	Knitted/crocheted fabrics, n.e.s. in Ch.60, of cot	7.4066	19.3862	266	0
611190	Babies' garments & clothing accessories, of other	2.0043	13.9610	1749	0
620419	Women's/girls' suits (excl. knitted/crocheted), of	3.8221	15.5098	62	0
610332	Men's/boys' jackets & blazers, knitted/crocheted,	1.9645	13.5090	183	0
630251	Table linen (excl. knitted/crocheted), of cotton	29.0571	39.5919	35	0
620119	Men's/boys overcoats, raincoats, car coats, capes,	0.4824	10.5200	23	0
610469	Women's/girls' trousers, bib & brace overalls, bre	0.9896	10.9480	785	0
521119	Woven fabrics of cotton (excl. of 5211.11 & 5211.1	0.8664	10.3590	23	0
521049	Woven fabrics of cotton(excl. of 5210.41), contain	0.7198	10.1511	236	0
610819	Women's/girls' slips & petticoats, knitted/crochet	2.0076	11.3312	62	0
600590	Warp knit fabrics, including those made on galloon	0.5992	9.6228	1081	0
600521	Warp knit fabrics. incl. those made on galloon kni	0.496	9.2633	223	0
560110	Sanitary towels & tampons, napkins & napkin liners	0.1442	8.7459	81	0
611212	Track suits, knitted/crocheted, of synthetic fibre	0.1321	8.5560	82	0
630291	Toilet linen & kitchen linen other than of terry f	13.6451	21.9952	43	0
630510	Sacks & bags, of a kind used for the packing of go	22.5462	30.8050	7847	0
610839	Women's/girls' nightdresses & pyjamas, knitted/cro	2.1318	10.3114	49	0
630499	Textile furnishing articles other than bedspreads	10.445	18.6168	562	0
610120	Men's/boys' overcoats, car-coats, capes, cloaks, a	1.9487	10.0844	73	0
620819	Women's/girls' slips & petticoats (excl. knitted/c	4.1822	12.3124	24	0
620219	Women's/girls' overcoats, raincoats, car-coats, ca	0.6547	8.6662	134	0
530290	True hemp (Cannabis sativa L.), processed but not	0.0057	7.8898	1	0
620469	Women's/girls', trousers, bib & brace overalls, br	1.2771	9.0783	1159	0
620332	Men's/boys' jackets & blazers (excl. knitted/croch	1.3152	8.9539	1197	0
560729	Twine (excl. binder/bailer twine), cordage, ropes	3.428	10.9056	589	0
630222	Bed linen (excl. knitted/crocheted), printed, of m	4.2069	11.1334	7	0
630221	Bed linen (excl. knitted/crocheted), printed, of c	5.6065	12.5249	33	0
630411	Bedspreads, knitted/crocheted	5.03	11.8765	250	0
551422	Woven fabrics of polyester staple fibres, containi	0.6187	7.4480	209	0
520623	Cotton yarn, single (excl. sewing thread), of comb	2.4793	9.2941	73	0
600534	Warp knit fabrics. incl. those made on galloon kni	0.0013	6.8135	896	0
620329	Men's/boys' ensembles (excl. knitted/crocheted), o	1.2362	8.0463	17	0
560121	Wadding; other articles of wadding, of cotton	2.8574	9.6617	626	0
630612	Tarpaulins, awnings & sunblinds, of synthetic fibr	0.2233	6.9946	62	0
520291	Garnetted stock of cotton	0.2058	6.7197	10	0
610520	Men's/boys' shirts, knitted/crocheted, of man-made	0.6443	7.0628	143	0
630232	Bed linen (excl. knitted/crocheted), of man-made f	2.2744	8.4759	17	0
630590	Sacks & bags, of a kind used for the packing of go	2.5051	8.6611	1098	0
520546	Cotton yarn, multiple(folded)/cabled . (excl. sewi	29.9193	35.7225	1	0
620341	Men's/boys' trousers, bib & brace overalls, breech	1.4983	7.1332	569	0
610342	Men's/boys' trousers, bib & brace overalls, breech	3.2099	8.7358	308	0
521159	Woven fabrics of cotton (excl. of 5211.51 & 5211.5	1.1647	6.6233	75	0
521152	Woven fabrics of cotton, containing <85% by weight	0.0025	5.4594	480	0
610811	Women's/girls' slips & petticoats, knitted/crochet	0.4616	5.8122	48	0
600522	Warp knit fabrics. incl. those made on galloon kni	0.095	5.3767	1458	0
621139	Track suits (excl. knitted/crocheted), men's/boys'	1.1839	6.1526	216	0
610413	Women's/girls' suits, knitted/crocheted, of synthe	4.5262	9.4508	41	0



HS 6	Product Description	India RCA	Pakistan RCA	Potential Export (US \$ 1000)	Current Export (US \$ 1000)
610462	Women's/girls' trousers, bib & brace overalls, bre	3.6013	7.9704	935	0
611211	Track suits, knitted/crocheted, of cotton	1.8369	6.1608	42	0
610130	Men's/boys' overcoats, car-coats, capes, cloaks, a	0.2593	4.4280	111	0
551291	Woven fabrics of synthetic staple fibres (excl. of	0.2999	4.4270	35	0
560790	Twine, cordage, ropes & cables of fibres n.e.s. o	3.3298	7.4417	2429	0
621220	Girdles & panty-girdles & parts thereof , whether/	0.0655	4.1163	282	0
580790	Labels, badges & similar articles of textile mater	0.8552	4.8512	1537	0
600390	Knitted/crocheted fabrics other than of wool/fine	0.2308	4.1969	112	0
620719	Men's/boys' underpants & briefs (excl. knitted/cro	0.5643	4.5064	89	0
520543	Cotton yarn, multiple(folded)/cabled . (excl. sewi	11.1553	14.9669	3	0
520624	Cotton yarn, single (excl. sewing thread), of comb	1.8924	5.5905	2	0
551641	Woven fabrics of artificial staple fibres containi	0.1546	3.7179	3	0
611490	Other garments, n.e.s., of other textile materials	1.4907	4.9807	688	0
610610	Women's/girls' blouses, shirts & shirt-blouses, kn	5.1792	8.6585	1577	0
551319	Woven fabrics of synthetic staple fibres n.e.s. in	1.8557	5.2992	228	0
610821	Women's/girls' briefs & panties, knitted/crocheted	3.9524	7.1993	472	0
600532	Warp knit fabrics. incl. those made on galloon kni	0.0391	3.1770	6672	0
621590	Ties, bow ties & cravats (excl. knitted/crocheted)	1.1714	4.3040	241	0
620822	Women's/girls' nightdresses & pyjamas (excl. knitt	1.1266	4.1746	72	0
620199	Men's/boys', anoraks (incl. ski-jackets), wind-che	1.0508	3.9397	130	0
630699	Camping goods (excl. of 6306.49), of textile mater	0.3054	3.1827	298	0
510510	Wool & fine/coarse animal hair, carded	2.1405	4.9950	287	0
610461	Women's/girls' trousers, bib & brace overalls, bre	0.6709	3.4178	1	0
521132	Woven fabrics of cotton, containing <85% by weight	0.1679	2.8494	841	0
610333	Men's/boys' jackets & blazers, knitted/crocheted,	0.4794	3.1173	366	0
521131	Woven fabrics of cotton, containing <85% by weight	0.7647	3.3142	312	0
540730	Woven fabrics of synthetic filament yarn as spec.	0.8532	3.2996	206	0
621132	Track suits (excl. knitted/crocheted), men's/boys'	1.9593	4.1275	52	0
550953	Yarn other than sewing thread, of polyester staple	12.6678	14.6595	117	0
510219	Fine animal hair, not carded/combed, other than of	0.0068	1.9478	150	0
630622	Tents, of synthetic fibres	0.0363	1.8357	547	0
620721	Men's/boys' nightshirts & pyjamas (excl. knitted/c	4.3979	6.1694	78	0
610343	Men's/boys' trousers, bib & brace overalls, breech	0.4226	2.1903	421	0
610322	Men's/boys' ensembles, knitted/crocheted, of cotto	4.1889	5.9529	50	0
630619	Tarpaulins, awnings & sunblinds, of other textile	1.623	3.3052	319	0
610829	Women's/girls' briefs & panties, knitted/crocheted	0.1163	1.7764	20	0
611780	Other made up clothing accessories, other than sha	0.6691	2.2955	1779	0
620212	Women's/girls' overcoats, raincoats, car-coats, ca	0.506	2.0483	332	0
600642	Knitted/crocheted fabrics, n.e.s. in Ch.60, of art	0.0421	1.5443	2352	0
630312	Curtains (incl. drapes) & interior blinds, knitted	0.3637	1.8622	247	0
620811	Women's/girls' slips & petticoats (excl. knitted/c	2.0761	3.5464	7	0
620312	Men's/boys' suits (excl. knitted/crocheted), of sy	0.5063	1.9656	92	0
620690	Women's/girls' blouses, shirts & shirt-blouses (ex	3.0453	4.4506	314	0
611249	Women's/girls' swimwear, knitted/crocheted, of tex	0.4817	1.8764	80	0
610722	Men's/boys' nightshirts & pyjamas, knitted/crochet	0.5834	1.9714	5	0
551110	Yarn other than sewing thread, of synthetic staple	1.3057	2.5855	398	0
620439	Women's/girls' jackets & blazers (excl. knitted/cr	1.1596	2.4188	413	0
510121	Wool, not carded/combed, degreased, not carbonised	0.0247	1.2150	931	0
551221	Woven fabrics of synthetic staple fibres, containi	3.0268	4.1241	106	0
600641	Knitted/crocheted fabrics, n.e.s. in Ch.60, of art	0.1567	1.2285	28	0
610230	Women's/girls' overcoats, car-coats, capes, cloaks	0.2096	1.1894	78	0
610429	Women's/girls' ensembles of other textile material	1.1441	2.0710	12	0
510211	Fine animal hair, not carded/combed, of Kashmir (c	0.0001	0.8931	43	0
610459	Women's/girls' skirts & divided skirts, knitted/cr	1.3681	2.2433	41	0
540269	Synthetic filament yarn other than sewing thread (	1.2934	2.1042	1221	0
550520	Waste (incl. noils, yarn waste & garnetted stock)	0.244	1.0511	38	0
610711	Men's/boys' underpants & briefs, knitted/crocheted	5.8319	6.6353	560	0
610432	Women's/girls' jackets & blazers, knitted/crochete	1.6405	2.4121	157	0



610449	Women's/girls' dresses, knitted/crocheted, of text	3.3997	4.1304	171	0
520710	Cotton yarn (excl. sewing thread) containing 85%/m	3.2444	3.9733	133	0
530921	Woven fabrics of flax, containing< 85% by weight o	0.9932	1.6633	124	0
611019	Jerseys, pullovers, cardigans, waist-coats & simil	0.8289	1.4944	72	0
600121	Looped pile fabrics, of cotton, knitted/crocheted	0.1181	0.6974	11	0
560500	Metallised yarn, whether/not gimped, being textile	0.3746	0.9394	275	0
550992	Yarn other than sewing thread, of synthetic staple	1.8835	2.4440	153	0
610891	Women's/girls' nTgligTs, bathrobes, dressing gowns	3.4531	4.0066	435	0
590110	Textile fabrics coated with gum/amylaceous substan	0.096	0.6005	99	0
620590	Men's/boys' shirts (exclud. knitted/crocheted), of	4.379	4.8481	913	0
590700	Textile fabrics othw. impregnated, coated/covered;	0.3312	0.7317	914	0
510111	Wool, not carded/combed, greasy, incl. fleece-wash	0.0011	0.3977	133	0
611231	Men's/boys' swimwear, knitted/crocheted, of synthe	0.0689	0.4523	62	0
611691	Gloves, mittens & mitts, knitted/crocheted, other	0.0451	0.4283	42	0
600310	Knitted/crocheted fabrics of wool/fine animal hair	0.9624	1.3333	12	0
621230	Corselettes & parts thereof , whether/not knitted/	0.1653	0.5082	53	0
620299	Women's/girls' anoraks (incl. ski-jackets), wind-c	0.8357	1.1047	263	0
550190	Synthetic filament tow, n.e.s	0.1764	0.4059	25	0
610431	Women's/girls' jackets & blazers, knitted/crochete	0.4395	0.6610	29	0
620432	Women's/girls' jackets & blazers (excl. knitted/cr	1.4062	1.6228	532	0
520411	Cotton sewing thread, not put up for retail sale,	7.4393	7.5757	358	0
540261	Yarn other than sewing thread, mult./cab., of nylo	0.2653	0.4013	203	0
610463	Women's/girls' trousers, bib & brace overalls, bre	0.3765	0.5092	599	0
600544	Warp knit fabrics. incl. those made on galloon kni	0.0185	0.1503	5	0
600320	Knitted/crocheted fabrics of cotton, a width not >	1.3577	1.4863	79	0
621133	Track suits (excl. knitted/crocheted), men's/boys'	0.5711	0.6922	186	0
521041	Woven fabrics of cotton, containing <85% by weight	0.3119	0.4179	234	0
551339	Other Woven fabrics of synthetic staple fibres, of	4.4942	4.5934	169	0
620193	Men's/boys', anoraks (incl. ski-jackets), wind-che	0.1211	0.1998	705	0
540490	Strip & the like (e.g., artificial straw) of synth	0.5057	0.5831	210	0
620112	Men's/boys overcoats, raincoats, car coats, capes,	0.6358	0.7039	229	0
611239	Men's/boys' swimwear, knitted/crocheted, of other	0.326	0.3837	14	0
600199	Pile fabrics & terry fabrics, knitted/crocheted (e	0.0498	0.0895	19	0
621020	Garments made up of fabrics of 59.03/59.06/59.07,	0.3049	0.3443	48	0
591190	Textile products & articles, for technical uses, s	0.2462	0.2803	775	0
630720	Life-jackets & life-belts	0.5536	0.5725	292	0
621030	Garments made up of fabrics of 59.03/59.06/59.07,	0.082	0.0975	5	0
600122	Looped pile fabrics, of man-made fibres, knitted/c	0.0168	0.0295	16	0
551299	Woven fabrics of synthetic staple fibres (excl. of	0.4849	0.4967	188	0
540773	Woven fabrics (excl. of 5407.10-5407.30), containi	0.8434	0.8544	232	0
551611	Woven fabrics of artificial staple fibres containi	0.0867	0.0941	32	0
	Total			360876	

Appendix Z HIGH POTENTIAL AGRICULTURE ITEMS

The following numbers are based on data from UN COMTRADE, 2010 and are sorted according to exports levels.

Where the indicative potential is shown as 0, it implies that currently all Indian imports in this category are from Pakistan.

Potential of kinnow exports does not figure high in the table below as the kinnow is not separately classified at 6 digit level. However, considering India's high rate of growth of citrus fruits and Pakistan's high export of kinnows, it is likely to emerge as a one of the top items of exports from Pakistan. It should also be noted that currently kinnow is subject to 30 per cent duty in India which is a deterrent to gaining market access.

Export of mango is also not up to its potential because of high duties and non tariff barriers.

HS 6	Product Description	India RCA	Pakistan RCA	Potential Export (US \$ 1000)	Current Export (US \$ 1000)
			Total	236311	56426
080410	Dates, fresh/dried	0.0441	58.6144	3393	49018
121190	Plants & parts of plants, incl. seeds & fruits, of	5.7044	3.5124	6650	2313
200911	Orange juice, frozen, unfermented & not containing	0.0004	2.366	631	1067
130190	Lac; Natural gums (excl. of 1301.20), resins, gum-	11.8778	1.0824	0	746
091099	Spices, n.e.s. in Ch. 9	10.355	20.3816	779	742
030613	Shrimps & prawns, whether/not in shell, frozen	6.6297	2.2042	1620	528
200980	Juice of any single fruit/vegetable (excl. of 2009	2.1095	3.0529	6514	374
091091	Mixtures of 2/more products of different headings	6.9817	42.5261	117	209
120799	Oil seeds & oleaginous fruits (excl. of 1206.00 &	3.1928	1.2871	533	205
080620	Grapes, dried	0.1379	0.0718	16	127
070310	Onions & shallots, fresh/chilled	6.2889	4.9993	2477	120
090940	Seeds of caraway	3.7034	6.8616	244	98
081310	Apricots, dried	0.0251	2.3806	1419	95
220720	Ethyl alcohol & other spirits, denatured, of any s	0.3096	46.7068	66532	86
090950	Seeds of fennel; juniper berries	15.5432	7.4742	144	83
130232	Mucilages & thickeners, whether/not modified, deri	37.7317	23.1017	2017	65
120740	Sesamum seeds, whether/not broken	18.6519	3.954	8161	52
081340	Dried fruit (excl. of 08.01-08.06 & 0813.10-0813.3	1.3304	32.7134	706	41
140490	Vegetable products.(excl. of 1404.20), n.e.s.or in	7.8396	5.2515	2665	35
210690	Food preparations, n.e.s.	0.5636	0.3447	12204	28
091010	Ginger	2.317	0.4319	403	26
050690	Bones & horn-cores, unworked, defatted, simply pre	7.4263	8.1897	6	25
220710	Undenatured ethyl alcohol of an alcoholic strength	0.4334	11.8615	661	23
190219	Uncooked pasta, not stuffed/othw. prepared, not co	0.1112	1.2508	5826	18
080290	Nuts, n.e.s. in 08.01 & 08.02, fresh/dried, whethe	0.3615	2.2805	3249	17
081320	Prunes, dried	0.0002	0.0101	2	5
090930	Seeds of cumin	29.9602	15.3291	1235	3
080420	Figs, fresh/dried	0.0193	0.2797	126	3
230990	Preparations of a kind used in animal feeding othe	0.2415	0.2149	3338	3
190190	Malt extract; food preparations of flour/groats/me	0.828	0.1206	924	3
080212	Almonds, shelled	0.0324	0.2493	989	1
080250	Pistachios	0.0128	0.0304	61	1
030339	Flat fish (excl. of 0303.31-0303.33) [see list of	1.1001	206.0045	34	0
100640	Broken rice	0.4567	156.7168	0	0
100630	Semi-milled/wholly milled rice, whether/not polish	10.4146	102.2694	102	0
080590	Citrus fruit (excl. of 0805.10-0805.50), fresh/dri	0.667	82.4032	13	0
030329	Salmonidae (excl. of 0303.21 & 0303.22), frozen (e	0.2055	69.6891	73	0
170310	Cane molasses	6.5916	56.916	1317	0
020450	Meat of goats, fresh/chilled/frozen	0.9956	52.0253	0	0
030510	Flours, meals & pellets of fish, fit for human con	0.1409	39.3613	0	0
050710	Ivory; ivory powder & waste	0.0009	31.448	0	0
030349	Tunas (excl. of 0303.41-0303.46), frozen (excl. fi	0.5074	31.2939	11	0
030624	Crabs, whether/not in shell, other than frozen	2.1131	29.2261	0	0



071231	Mushrooms of the genus Agaricus, dried, whole/cut/	1.3026	27.4757	91	0
010519	Live ducks/geese/guinea fowls, weighing not >185g	0.0467	26.1539	606	0
071090	Mixtures of vegetables, uncooked/cooked by steamin	0.2438	22.0813	0	0
010639	Live birds (excl. of 0106.31 & 0106.32)	0.1582	21.1473	0	0
230650	Oil-cake & other solid residues, whether/not groun	0.6659	21.0027	527	0
020110	Carcasses/half-carcasses of bovine animals, fresh/	0.2475	19.4132	0	0
030569	Fish other than herrings (Clupea harengus/pallasii	0.133	18.2733	0	0
230690	Oil-cake & other solid residues, whether/not groun	12.8109	18.1626	6179	0
080520	Mandarins, incl. tangerines & satsumas; clementine	0	17.7129	77	0
010420	Live goats	2.2984	17.4182	0	0
080450	Guavas, mangoes & mangosteens, fresh/dried	1.0533	15.4541	93	0
120890	Flours & meals of oil seeds/oleaginous fruits othe	2.2093	14.2271	51	0
170410	Chewing gum, whether/not sugar-coated	0.4128	14.0811	781	0
151620	Vegetable fats & oils & fractions thereof , partly	2.132	13.253	4564	0
070190	Potatoes other than seed potatoes, fresh/chilled	0.8901	11.8087	0	0
030229	Flat fish (excl. of 0302.21-0302.23) [see list of	0.1711	11.4184	0	0
030623	Shrimps & prawns, whether/not in shell, other than	1.6803	11.3889	236	0
090910	Seeds of anise/badian	1.2217	8.8931	608	0
140420	Cotton linters	14.3115	8.5492	0	0
170230	Glucose & glucose syrup, not containing fructose/c	0.6196	8.5211	4283	0
081090	Fresh fruit, n.e.s. in Ch. 8	0.6711	8.2075	4444	0
010210	Live bovine animals: pure-bred breeding animals	0.0046	8.1861	0	0
110100	Wheat/meslin flour	0.6429	8.1185	754	0
050790	Tortoise-shell, whalebone & whalebone hair, horns,	11.6042	7.5812	39	0
121300	Cereal straw & husks, unprepared, whether/not chop	0.5625	7.493	486	0
030530	Fish fillets, dried/salted/in brine but not smoked	0.0281	7.2614	0	0
110610	Flour, meal & powder of the dried leguminous veget	15.8967	7.1797	0	0
091030	Turmeric (curcuma)	53.623	7.1731	1966	0
140110	Bamboos	1.3004	6.9599	540	0
040229	Milk in powder/granules/other solid form, sweetene	2.5874	5.8832	2785	0
120922	Clover (Trifolium spp.) seed, of a kind used for s	0.0003	5.656	728	0
230641	Oil-cake & other solid residues, whether/not groun	1.5842	5.6178	0	0
110290	Cereal flour other than of wheat/meslin/rye/maize(	1.5588	5.1409	177	0
050400	Guts, bladders & stomachs of animals (other than f	0.3226	5.0725	0	0
030559	Dried fish other than cod (Gadus morhua/ogac/macro	3.973	4.8036	641	0
030379	Fish (excl. of 0303.71 - 0303.78),n.e.s., frozen (	2.2791	4.5129	123	0
040110	Milk & cream, not concentrated/sweetened, fat cont	0.133	4.1342	0	0
230230	Bran, sharps & other residues, whether/not in the	0.0193	4.0706	296	0
110812	Maize (corn) starch	1.4553	3.9516	795	0
030374	Mackerel (Scomber scombrus/australasicus/japonicus	3.0272	3.8672	49	0
090420	Fruits of the genera Capsicum/Pimenta, dried/crush	17.3971	3.7931	1308	0
020610	Edible offal of bovine animals, fresh/chilled	0.0878	3.7295	0	0
230240	Bran, sharps & other residues, whether/not in the	0.3818	3.7288	998	0
160420	Prepared/preserved fish other than whole/in pieces	1.8508	3.6974	70	0
030376	Eels (Anguilla spp.), frozen (excl. fillets/other	1.31	3.6236	0	0
030223	Sole (Solea spp.), fresh/chilled (excl. fillets/ot	0.001	3.5513	0	0
120921	Lucerne (alfalfa) seed, of a kind used for sowing	0.3954	3.4166	0	0
160415	Mackerel, prepared/preserved, whole/in pieces (exc	0.0299	3.3447	0	0
030614	Crabs, whether/not in shell, frozen	0.3182	3.286	71	0
040120	Milk & cream, not concentrated/sweetened, fat cont	0.0226	3.2446	0	0
030333	Sole (Solea spp.), frozen (excl. fillets/other fis	1.6007	3.2071	0	0
020410	Carcasses/half-carcasses of lamb, fresh/chilled	2.61	3.0049	0	0
030622	Lobsters (Homarus spp.), whether/not in shell, oth	0.015	2.9265	0	0
070990	Vegetables,n.e.s. in 07.01-07.09, fresh/chilled	1.2186	2.7835	420	0
230610	Oil-cake & other solid residues, whether/not groun	1.6661	2.7679	0	0
040390	Buttermilk/curdled milk & cream/kephir & other fer	0.0092	2.6988	70	0
160520	Shrimps & prawns, prepared/preserved	1.4383	2.6111	546	0
020210	Carcasses/half-carcasses of bovine animals, frozen	1.423	2.4481	0	0
200190	Vegetables, fruit, nuts & other edible parts of pl	3.5084	2.0214	989	0
110319	Groats/meal of cereals other than wheat & maize (c	0.3499	1.9404	11	0
220600	Fermented beverages (e.g., cider, perry, mead), n.	0.0025	1.9207	1	0
010410	Live sheep	0.0074	1.8315	98	0
121120	Ginseng roots	0.0417	1.7406	0	0
121010	Hop cones, fresh/dried, neither ground/powdered/in	0.114	1.5972	0	0
240110	Tobacco, not stemmed/stripped	2.9803	1.5528	78	0
030371	Sardines (Sardina pilchardus, Sardinops spp.)/sard	0.2822	1.5035	0	0
020422	Meat of sheep (excl. lamb & carcasses), fresh/chil	0.0043	1.4134	144	0
030319	Pacific salmon (Oncorhynchus gorbuscha/keta/tschaw	0.0849	1.3783	46	0
080300	Bananas, incl. plantains, fresh/dried	0.0528	1.3512	0	0
170490	Sugar confectionery other than chewing gum (incl.	0.2411	1.3478	10516	0
120750	Mustard seeds, whether/not broken	2.0024	1.2874	216	0



040299	Milk & cream, concentrated (excl. in powder), swee	0.0313	1.2191	1223	0
190531	Sweet biscuits	0.5693	1.1666	2255	0
200990	Mixtures of juices, unfermented & not containing a	0.082	1.1413	2385	0
151590	Fixed vegetable fats & oils (excl. of 1515.11-1515	3.4676	1.138	1570	0
040900	Natural honey	2.8726	1.1216	2356	0
120999	Seeds, n.e.s., of a kind used for sowing	1.5881	1.1203	704	0
090230	Tea, black (fermented) & partly fermented tea, whe	5.9345	1.0953	1734	0
080711	Watermelons, fresh	0.0279	1.0928	0	0
170240	Glucose & glucose syrup, containing in the dry sta	0.3165	1.0879	476	0
120929	Seeds of forage plants (excl. of 1209.21-1209.25),	1.3253	1.0336	0	0
020736	Meat & edible meat offal of ducks/geese/guinea fow	0.0032	1.0316	0	0
030199	Live fish(excl. of 0301.10-0301.95),n.e.s.	0.4861	1.0169	1	0

Appendix AA LIST OF PRODUCTS WITH A MINIMUM IMPORT PRICE IN INDIA

HS code	Description	Minimum import price
6802.10.00	Tiles, cubes, and similar articles	US\$50/kg
6802.21.10	Marble tiles	
6802.21.20	Marble monumental stone	
6802.21.90	Other monumental or building stone	
6802.91.00	Marble, travertine, and alabaster	
6802.92.00	Other calcareous stone	
6810.11.10	Cement bricks	US\$50/kg
6810.11.90	Other building blocks and bricks	
6810.19.10	Cement tiles for mosaic	
6810.19.90	Other articles of cement	
6810.91.00	Articles of cement: prefabricated structural components for building or civil engineering	
6810.99.10	Concrete boulder	
6810.99.90	Other articles of cement	

Appendix BB LIST OF IMPORTS FROM INDIA ALLOWED THROUGH WAGAH (AS OF 20TH MARCH, 2012)

S.NO	PCT CODES	DESCRIPTION
(1)	(2)	(3)
138.	0102.9010	Buffaloes
139.	0102.9020	Bulls
140.	0102.9030	Cows
141.	0102.9040	Oxen
142.	0102.9090	Other
143.	0104.1000	Sheep
144.	0104.2000	Goats
145.	0106.1900	Other (Camels Only)
146.	0201.1000	Carcasses and half-carcasses
147.	0201.2000	Other cuts with bone in
148.	0201.3000	Boneless
149.	0202.1000	Carcasses and half-carcasses
150.	0202.2000	Other cuts with bone in
151.	0202.3000	Boneless
152.	0204.1000	Carcasses and half carcasses of lamb, fresh or chilled
153.	0204.2100	Carcasses and half-carcasses
154.	0204.2200	Other cuts with bone in
155.	0204.2300	Boneless
156.	0204.3000	Carcasses and half-carcasses of lamb, frozen
157.	0204.4100	Carcasses and half-carcasses
158.	0204.4200	Other cuts with bone in
159.	0204.4300	Boneless
160.	0204.5000	Meat of goats
161.	0701.9000	Other (Potatoes fresh or chilled)
162.	0702.0000	Tomatoes, fresh or chilled.
163.	0703.1000	Onions and shallots
164.	0703.2000	Garlic
165.	0704.1000	Cauliflowers only
166.	0704.9000	Other (Cabbage only)
167.	0706.1000	Carrot only
168.	0707.0000	Cucumber only.
169.	0708.1000	Peas (Pisum sativum)
170.	0708.2000	Beans (Vigna spp., Phaseolus spp.)
171.	0709.3000	Aubergines (egg-plants)
172.	0709.6000	Green pepper/ shimla mirch and green chillies
173.	0709.7000	Spinach, New Zealand spinach and orache spinach (garden spinach)
174.	0709.9000	Other (Lady finger, Okra, ground/marrow, bitter gourd, radish arum/ arvi green, coriander, tinda).
175.	0710.1000	Potatoes
176.	0710.2100	Peas (Pisum sativum)
177.	0710.2200	Beans (Vigna spp., Phaseolus spp.)
178.	0710.2900	Other
179.	0710.3000	Spinach, New Zealand spinach and orache spinach (garden spinach)
180.	0710.4000	Sweet corn
181.	0710.8000	Other vegetables
182.	0710.9000	Mixtures of vegetables
183.	0804.3000	Pineapples
184.	0904.1110	Black pepper
185.	0910.1000	Ginger fresh only
186.	1005.9000	Other (corn maize)
187.	1701.1100	Raw cane and beet sugar (not containing added flavoring or coloring matter) and white crystalline cane and beet sugar.
188.	1701.1200	-do-
189.	1701.9910	-do-
190.	1701.9920	-do-
191.	2304.0000	Oil cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya bean oil.
192.	2523.0000	Cement and clinker
193.	2917.3610	Pure terephthalic acid (PTA)
194.	3901.1000	Polyethylene having a specific gravity of less than 0.94
195.	3901.2000	Polyethylene having a specific gravity of 0.94 or more
196.	3902.1000	Polypropylene
197.	4801.0000	Newsprint, in rolls or sheets
198.	5201.0090	Other (Long staple cotton and short staple cotton of 0.5 million bales)
199.	5205.1100	Single yarn, of uncombed fibres measuring 714.29 decitex or more (not exceeding 14 metric number)
200.	5205.1200	Single yarn, of uncombed fibres measuring less than



		not less than 192.31 decitex (exceeding 43 metric number but not exceeding 52 metric number per single yarn)
236.	5206.3400	Multiple (folded) or cabled yarn, of uncombed fibres measuring per single yarn less than 192.31 decitex but not less than 125 decitex (exceeding 52 metric number but not exceeding 80 metric number per single yarn)
237.	5206.3500	Multiple (folded) or cabled yarn, of uncombed fibres measuring per single yarn less than 125 decitex (exceeding 80 metric number per single yarn)
238.	5206.4100	Multiple (folded) or cabled yarn, of combed fibres measuring per single yarn 714.29 decitex or more (not exceeding 14 metric number per single yarn)
239.	5206.4200	Multiple (folded) or cabled yarn, of combed fibres measuring per single yarn less than 714.29 decitex but not less than 232.56 decitex (exceeding 14 metric number but not exceeding 43 metric number per single yarn)
240.	5206.4300	Multiple (folded) or cabled yarn, of combed fibres measuring per single yarn less than 232.56 decitex but not less than 192.31 decitex (exceeding 43 metric number but not exceeding 52 metric number per single yarn)
241.	5206.4400	Multiple (folded) or cabled yarn, of combed fibres measuring per single yarn less than 192.31 decitex but not less than 125 decitex (exceeding 52 metric number but not exceeding 80 metric number per single yarn)
242.	5206.4500	Multiple (folded) or cabled yarn, of combed fibres measuring per single yarn less than 125 decitex (exceeding 80 metric number per single yarn)
243.	5207.1000	Containing 85 % or more by weight of cotton
244.	5207.9000	Other
245.	5303.1010	Raw Jute
246.	7219.1100	Of a thickness exceeding 10 mm
247.	7219.1200	Of a thickness of 4.75 mm or more but not exceeding 10 mm
248.	7219.1300	Of a thickness of 3 mm or more but less than 4.75 mm
249.	7219.1400	Of a thickness of less than 3 mm
250.	7219.2100	Of a thickness exceeding 10 mm
251.	7219.2200	Of a thickness of 4.75 mm or more but not exceeding 10 mm
252.	7219.2310	Of a width up to 700 mm, thickness up to 4 mm of series 200, 301, 303, 304, 304L, 316, 316L, 410, 420 & 430
253.	7219.2390	Other
254.	7219.2410	Of a width up to 700mm, of series 200, 301, 303, 304, 304L, 316, 316L, 410, 420 & 430
255.	7219.2490	Other
256.	7219.3100	Of a thickness of 4.75 mm or more
257.	7219.3210	Of a width up to 700 mm, thickness up to 4mm of series 200, 301,303, 304, 304L, 316, 316L, 410, 420 & 430
258.	7219.3290	Other
259.	7219.3310	Of a width up to 700 mm, of series 200, 301, 303, 304, 304L, 316, 316L, 410, 420 & 430
260.	7219.3390	Other
261.	7219.3410	Of a width up to 700 mm, of series 200, 301, 303, 304, 304L, 316, 316L, 410, 420, & 430
262.	7219.3490	Other
263.	7219.3510	Of a width up to 700 mm, thickness up to 4mm of series 200, 301,303, 304, 304L, 316, 316L, 410, 420 & 430
264.	7219.3590	Other
265.	7219.9010	Sheets in circular shape of all sizes
266.	7219.9090	Other
267.	7220.1100	Of a thickness of 4.75 mm or more
268.	7220.1210	Of a thickness up to 4mm of Series 200, 301, 303, 304, 304L, 316, 316L, 410, 420 & 430
269.	7220.1290	Other
270.	7220.2010	Of a thickness up to 4mm of Series 200, 301, 303, 304, 304L, 316, 316L, 410, 420 & 430
271.	7220.2090	Other
272.	7220.9010	Of a thickness up to 4mm of Series 200, 301, 303, 304, 304L, 316, 316L, 410, 420 & 430
273.	7220.9090	Other
274. *	8433.5900	Other (Paddy harvesters and paddy dryers)". 8419.3100



Appendix CC INDIA'S SENSITIVE LIST FOR PAKISTAN BASED UNDER SAFTA IN TERM OF HS CODES

Chapter, Heading, Sub- heading or Tariff item	Description of Goods	Rate
1 to 3	All goods	8.00%
4	All goods	8.00%
5	All goods	8.00%
603	All goods	8.00%
604	All goods	8.00%
7	All goods	8.00%
8 (except 0802 11 00, 0802 1200)	All goods	8.00%
0802 11 00	All goods	` 28 per kg
0802 12 00	All goods	` 52 per kg
0810 60 00 to 0810 90	All goods	6.40%
0813 20 00	All goods	8.00%
9	All goods	8.00%
12	All goods	8.00%
1209, 1211 30 00, 1211 40 00, 1211 90	All goods other than liquorices roots	6.40%
13	All goods	8.00%
1302 19 and 1302 20 00	All goods other than vegetable saps and extracts of pyrethrum or of the roots of plants containing rotenone	6.40%
14	All goods	8.00%
1501	All goods	8.00%
1502	All goods	6.40%
1503 00 00 to 1506	All goods	8.00%
1505	All goods	6.40%
1507 90 90	All goods	8.00%
1508 90 10 or 1508 90 99	All goods	8.00%
1509 10 00	All goods	8.00%
1509 90	All goods	8.00%
1510	All goods	8.00%
1511 90	All goods	8.00%
1512 29 90	All goods	8.00%
1516 10 00, 1518, 1520 00 00, 1521 and 1522	All goods	8.00%
1507, 1508, 1509, 1510,	All goods (except crude palm oil), other than edible grade, having Free Fatty Acid (FFA) 20 percent or more	8.00%
1508, 1509 or 1510	Refined vegetable oils of edible grade, in loose or bulk	8.00%
1511	Fractions of crude palm oil (other than crude palmolein), of edible grade, having an acid value of 2 or more and total carotenoid (as beta carotene) in the range of 500mg/kg. to 2500mg/kg., in loose or bulk	8.00%
16	All goods	8.00%
1702	All goods	8.00%
1703	All goods	5.60%
1704	All goods	8.00%
18 to 20	All goods	8.00%
1806 90	Food preparations, meant for infant use and put up for retail sale, of—(i) flour, meal, starch or malt extract containing cocoa in a proportion by weight 40% or more but less than 50%, calculated on a totally de-fatted basis; or(ii) goods of headings 04.01 to 04.04 containing cocoa in a proportion by weight 5% or more but less than 10%, calculated on a totally de-fatted basis	6.40%
21	All goods (except compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% by volume, determined at a temperature of 20 degrees centigrade falling under 2106 90)	8.00%
2106 90	Compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% by volume, determined at a temperature of 20 degrees centigrade	8.00%
2201 and 2202	All goods	8.00%
2207 20 00	All goods	5.60%



2209	All goods	8.00%
23	All goods	8.00%
25	All goods	6.00%
2620 11 00, 2620 19 00 and 2620 30	All goods	5.60%
2701 20	All goods	6.00%
2702 to 2708	All goods	6.00%
2710 to 2715	All goods	5.60%
28 (except 2801, 2802, 2803, 2804, 2805, 2814 and 2823 00 10)	All goods	5.50%
2823 00 10	All goods	6.00%
2801, 2802, 2803, 2804, 2805 and 2814	All goods	5.00%
2901 to 2904	All goods	5.60%
2905 to 2942 (except 2905 43 00 and 2905 44 00)	All goods	6.00%
2905 43 00 and 2905 44 00	All goods	7.20%
29	2,3,5,6-Tetrachloropyridine	5.50%
30 to 32	All goods	6.00%
3207 40 00	Glass frit	5.00%
33 (except 3301 and 3302 10)	All goods	6.00%
3301	All goods	7.20%
3302 10	All goods(Excluding compound alcoholic preparations of a kind used for manufacture of beverages of an alcoholic strength by volume exceeding 0.5% determined at 20 degree centigrade falling under 3302 10)	6.00%
3302 10	Compound alcoholic preparations of a kind used for manufacture of beverages of an alcoholic strength by volume exceeding 0.5% determined at 20 degree centigrade	8.00%
34	All goods	6.00%
3501 to 3505	All goods	7.20%
3506 and 3507	All goods	6.00%
35	Isolated Soya protein	6.40%
36 and 37	All goods	6.00%
38 (except 3809 10 00, 3823 11 11, 3823 11 12, 3823 11 19 and 3824 60)	All goods	6.00%
3809 10 00	All goods	7.20%
3815	All goods	5.60%
3823 11 11, 3823 11 12, 3823 11 19 and 3824 60	All goods	7.20%
38	Dipping oil, Paclobutrazol (Cultar)	6.00%
39	All goods	6.00%
3901	Low density polyethelene, Linear Low density polyethelene, High density polyethelene, Linear medium density polyethelene and Linear High density polyethelene	5.00%
3902 (except 3902 20 00), 3903	All goods	5.00%
3904	Polymers of vinyl chloride	5.00%
39	Ethylene vinyl acetate (EVA)	5.00%
40 to 45	All goods	6.00%
4707	All goods	6.00%
48,49,51	All goods	6.00%
52 (except 5201 and 5203)	All goods	6.00%
5201	All goods	5.60%
5203	All goods	8.00%
53 (except 5302)	All goods	6.00%
5302	All goods	8.00%
54 to 71 (except 6902 or 6903)	All goods	6.00%
6902 or 6903	All goods	5.60%
72	All goods other than seconds and defectives	5.60%
72	Seconds and defectives	6.00%
73	All goods	6.00%
7401 to 7410	All goods	5.00%
7411 to 7419	All goods	6.00%
7601 to 7607	All goods	5.00%
7608 to 7616	All goods	6.00%



7806	All goods other than lead bars, rods, profiles and wire	5.60%
7901 to 7905	All goods	5.60%
7907	All goods	6.00%
8001 to 8003	All goods	5.60%
8007 00 90	Tin plates, sheets and strip, of a thickness exceeding 0.2mm; tin foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0.2mm; tin powders and flakes	5.60%
8007	All goods	6.00%
8101, 8104, 8105,8107,8108 (except 8101 99 10, 8101 99 90, 8104 90 90, 8105 90 00, 8107 90 90, 8108 90 90)	All goods	5.60%
8101 99	Bars and rods, other than those obtained simply by sintering, profiles, plates, sheets, strip and foil	5.60%
8101 99 10, 8101 99 90, 8104 90 90, 8105 90 00, 8107 90 90, 8108 90 90	All goods	6.00%
8102, 8103, 8106, 8109,	(1) All goods (other than articles thereof)	5.60%
8110, 8111, 8112	(2) Articles	6.00%
82, 83, 84	All goods	6.00%
8443 91 00 or 8443 99	Parts of printing presses	5.60%
8472 90	Cash dispensers	5.60%
8473 40	Cash dispensing mechanism and deposit modules for Automatic Teller Machines	5.60%
85	All goods	6.00%
86	All goods	5.60%
87 (Except 8703 , 8711)	All goods	6.00%
8703, 8711	All goods	8.00%
8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars, new, which have not been registered anywhere prior to importation	0.00%
	(1) If imported as completely knocked down (CKD) unit;	6.00%
	(2) If imported in any other form	8.00%
8703	Golf Cars	6.00%
8704	Refrigerated motor vehicles for transport of goods	5.60%
8711	Motor cycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side cars, and side cars, new, which have not been registered anywhere prior to importation	0.00%
	(1) If imported as completely knocked down (CKD) unit;	6.00%
	(2) If imported in any other form	8.00%
88 to 90	All goods	6.00%
9001 10 00	All goods	5.60%
91 to 97 (except 9508)	All goods	6.00%
9508	Roundabouts, swings, shooting galleries and other fairground amusements	5.60%

Appendix DD INDIA'S SENSITIVE LIST FOR NON LEAST DEVELOPED COUNTRIES

SENSITIVE LIST OF INDIA UNDER SAFTA FOR NON-LDCs					
HS 2002			HS2007		
Sl.No.	Heading, Sub-Heading or Tariff item to the First Schedule	DESCRIPTION	Sl.No.	Heading, Sub-Heading or Tariff item to the First Schedule	DESCRIPTION
(1)	(2)	(3)	(1)	(2)	(3)
1	0204 10 00	All Goods	1	0204 10 00	All Goods
2	0204 30 00	All Goods	2	0204 30 00	All Goods
3	0204 50 00	All Goods	3	0204 50 00	All Goods
4	0207 11 00	All Goods	4	0207 11 00	All Goods
5	0207 12 00	All Goods	5	0207 12 00	All Goods
6	0207 13 00	All Goods	6	0207 13 00	All Goods
7	0207 14 00	All Goods	7	0207 14 00	All Goods
8	0207 34 00	All Goods	8	0207 34 00	All Goods
9	0302 69 10	All Goods	9	0302 69 10	All Goods
10	0303 79 10	All Goods	10	0303 79 10	All Goods
11	0303 79 30	All Goods	11	0303 79 30	All Goods
12	0303 79 60	All Goods	12	0303 79 60	All Goods
13	0303 79 80	Croacker	13	0303 79 80	Croacker
14	0304 20 10	All Goods	14	0304 29 10	All Goods
15	0306 13 20	All Goods	15	0306 13 20	All Goods
16	0306 14 00	All Goods	16	0306 14 00	All Goods
17	0401 30 00	All Goods	17	0401 30 00	All Goods
18	0402 10 10	All Goods	18	0402 10 10	All Goods
19	0402 21 00	All Goods	19	0402 21 00	All Goods
20	0402 29 10	All Goods	20	0402 29 10	All Goods
21	0404 10	Whey powder	21	0404 10	Whey powder
22	0405 10 00	All Goods	22	0405 10 00	All Goods
23	0405 90 10	All Goods	23	0405 90 10	All Goods
24	0405 90 20	All Goods	24	0405 90 20	All Goods
25	0409 00 00	All Goods	25	0409 00 00	All Goods
26	0506 10 19	Crushed bone	26	0506 10 19	Crushed bone
27	0701 10 00	All Goods	27	0701 10 00	All Goods
28	0701 90 00	All Goods	28	0701 90 00	All Goods
29	0702 00 00	All Goods	29	0702 00 00	All Goods
30	0703 10 10	Fresh onions	30	0703 10 10	Fresh onions
31	0703 20 00	All Goods	31	0703 20 00	All Goods
32	0704 10 00	All Goods	32	0704 10 00	All Goods
33	0704 20 00	All Goods	33	0704 20 00	All Goods
34	0704 90 00	All Goods	34	0704 90 00	All Goods



35	0705 11 00	All Goods	35	0705 11 00	All Goods
36	0705 19 00	All Goods	36	0705 19 00	All Goods
37	0706 10 00	All Goods	37	0706 10 00	All Goods
38	0706 90	All Goods	38	0706 90	All Goods
39	0707 00 00	All Goods	39	0707 00 00	All Goods
40	0708 10 00	All Goods	40	0708 10 00	All Goods
41	0708 20 00	All Goods	41	0708 20 00	All Goods
42	0708 90 00	All Goods	42	0708 90 00	All Goods
43	0709 30 00	All Goods	43	0709 30 00	All Goods
44	0709 60	All Goods	44	0709 60	All Goods
45	0709 70 00	All Goods	45	0709 70 00	All Goods
46	0709 90	Other spinach	46	0709 90	Other spinach
47	0710 10 00	All Goods	47	0710 10 00	All Goods
48	0710 21 00	All Goods	48	0710 21 00	All Goods
49	0710 22 00	All Goods	49	0710 22 00	All Goods
50	0710 29 00	All Goods	50	0710 29 00	All Goods
51	0710 30 00	All Goods	51	0710 30 00	All Goods
52	0710 40 00	All Goods	52	0710 40 00	All Goods
53	0710 80	All Goods	53	0710 80	All Goods
54	0710 90 00	All Goods	54	0710 90 00	All Goods
55	0711 40 00	All Goods	55	0711 40 00	All Goods
56	0711 51 00	All Goods	56	0711 51 00	All Goods
57	0711 90	All Goods	57	0711 90	All goods other than capers
58	0712 20 00	All Goods	58	0712 20 00	All Goods
59	0712 31 00	All Goods	59	0712 31 00	All Goods
60	0712 90	All Goods	60	0712 90	All Goods
61	0713 10 00	All Goods	61	0713 10 00	All Goods
62	0713 20 00	All Goods	62	0713 20 00	All Goods
63	0713 31 00	All Goods	63	0713 31 00	All Goods
64	0713 32 00	All Goods	64	0713 32 00	All Goods
65	0713 33 00	All Goods	65	0713 33 00	All Goods
66	0713 39 10	All Goods	66	0713 39 10	All Goods
67	0713 40 00	All Goods	67	0713 40 00	All Goods
68	0713 50 00	All Goods	68	0713 50 00	All Goods
69	0713 90 10	All Goods	69	0713 90 10	All Goods
70	0714 10 00	All Goods	70	0714 10 00	All Goods
71	0801 11 00	All Goods	71	0801 11 00	All Goods
72	0801 19	All Goods	72	0801 19	All Goods
73	0801 32	All Goods	73	0801 32	All Goods
74	0802 31 00	All Goods	74	0802 31 00	All Goods
75	0802 32 00	All Goods	75	0802 32 00	All Goods
76	0802 90	Arecanuts	76	0802 90	Arecanuts
77	0803 00 00	All Goods	77	0803 00 00	All Goods
78	0804 30 00	All Goods	78	0804 30 00	All Goods



79	0804 40 00	All Goods	79	0804 40 00	All Goods
80	0804 50 20	All Goods	80	0804 50 20	All Goods
81	0805 10 00	All Goods	81	0805 10 00	All Goods
82	0805 20 00	All Goods	82	0805 20 00	All Goods
83	0805 40 00	All Goods	83	0805 40 00	All Goods
84	0805 50 00	Lemons	84	0805 50 00	Lemons
85	0805 90 00	All Goods	85	0805 90 00	All Goods
86	0806 10 00	All Goods	86	0806 10 00	All Goods
87	0806 20	All Goods	87	0806 20	All Goods
88	0807 11 00	All Goods	88	0807 11 00	All Goods
89	0807 19 00	All Goods	89	0807 19 00	All Goods
90	0807 20 00	All Goods	90	0807 20 00	All Goods
91	0808 10 00	All Goods	91	0808 10 00	All Goods
92	0808 20 00	All Goods	92	0808 20 00	All Goods
93	0809 20 00	All Goods	93	0809 20 00	All Goods
94	0809 30 00	All Goods	94	0809 30 00	All Goods
95	0809 40 00	All Goods	95	0809 40 00	All Goods
96	0812 10 00	All Goods	96	0812 10 00	All Goods
97	0812 90	All Goods	97	0812 90	All Goods
98	0813 10 00	All Goods	98	0813 10 00	All Goods
99	0813 30 00	All Goods	99	0813 30 00	All Goods
100	0813 40	All Goods	100	0813 40	All Goods
101	0813 50	All Goods	101	0813 50	All Goods
102	0902 10	All Goods	102	0902 10	All Goods
103	0902 20	All Goods	103	0902 20	All Goods
104	0902 30	All Goods	104	0902 30	All Goods
105	0902 40	All Goods	105	0902 40	All Goods
106	0904 11	All Goods	106	0904 11	All Goods
107	0904 12 00	All Goods	107	0904 12 00	All Goods
108	0904 20	Chilly	108	0904 20	Chilly
109	0905 00	All Goods	109	0905 00	All Goods
110	0906 10 20	All Goods	110	0906 11 10	All Goods
111	0906 20 00	All Goods	111	0906 20 00	All Goods
112	0907	All Goods	112	0907	All Goods
113	0908 10	All Goods	113	0908 10	All Goods
114	0908 20 00	All Goods	114	0908 20 00	All Goods
115	0908 30	All Goods	115	0908 30	All Goods
116	0909 20	All Goods	116	0909 20	All Goods
117	0909 30	All Goods	117	0909 30	All Goods
118	0909 40	All Goods	118	0909 40	All Goods
119	0910 10	All Goods	119	0910 10	All Goods
120	0910 20	All Goods	120	0910 20	All Goods
121	0910 30	Turmeric, fresh or powder	121	0910 30	Turmeric, fresh or powder
122	0910 40	All Goods	122	OMITTED	



123	0910 50 00	All Goods	123	OMITTED	
124	0910 91 00	All Goods	124	0910 91 00	All Goods
125	0910 99	Poppy	125	0910 99	Poppy, thyme, tejpat (leaves of cassia lignea), bay leaves and curry
126	1001 10	All Goods	126	1001 10	All Goods
127	1001 90	Wheat	127	1001 90	Wheat
128	1005 10 00	All Goods	128	1005 10 00	All Goods
129	1005 90 00	All Goods	129	1005 90 00	All Goods
130	1006 10	All Goods	130	1006 10	All Goods
131	1006 20 00	All Goods	131	1006 20 00	All Goods
132	1006 30	All Goods	132	1006 30	All Goods
133	1006 40 00	All Goods	133	1006 40 00	All Goods
134	1007	All Goods	134	1007	All Goods
135	1008 20	All Goods	135	1008 20	All Goods
136	1008 90	All Goods	136	1008 90	All Goods
137	1101 00 00	All Goods	137	1101 00 00	All Goods
138	1102 10 00	All Goods	138	1102 10 00	All Goods
139	1102 20 00	All Goods	139	1102 20 00	All Goods
140	1102 30 00	All Goods	140	OMITTED	
141	1102 90 00	All Goods	141	1102 90 00	All Goods
142	1103 11	All Goods	142	1103 11	All Goods
143	1103 13 00	All Goods	143	1103 13 00	All Goods
144	1103 19 00	All Goods	144	1103 19 00	All Goods
145	1103 20 00	All Goods	145	1103 20 00	All Goods
146	1104 12 00	All Goods	146	1104 12 00	All Goods
147	1104 19 00	All Goods	147	1104 19 00	All Goods
148	1104 22 00	All Goods	148	1104 22 00	All Goods
149	1104 23 00	All Goods	149	1104 23 00	All Goods
150	1104 29 00	All Goods	150	1104 29 00	All Goods
151	1104 30 00	All Goods	151	1104 30 00	All Goods
152	1105 10 00	All Goods	152	1105 10 00	All Goods
153	1105 20 00	Flakes	153	1105 20 00	Flakes
154	1106 10 00	All Goods	154	1106 10 00	All Goods
155	1106 20	All Goods	155	1106 20	All Goods
156	1106 30	All Goods	156	1106 30	All Goods
157	1107 10 00	All Goods	157	1107 10 00	All Goods
158	1107 20 00	All Goods	158	1107 20 00	All Goods
159	1108 11 00	All Goods	159	1108 11 00	All Goods
160	1108 12 00	All Goods	160	1108 12 00	All Goods
161	1108 13 00	All Goods	161	1108 13 00	All Goods
162	1108 14 00	All Goods	162	1108 14 00	All Goods
163	1108 19	All Goods	163	1108 19	All Goods
164	1108 20 00	All Goods	164	1108 20 00	All Goods



165	1109 00 00	All Goods	165	1109 00 00	All Goods
166	1201 00 10	All Goods	166	1201 00 10	All Goods
167	1202 10	Groundnut seeds	167	1202 10	Groundnut seeds
168	1202 20	All Goods	168	1202 20	All Goods
169	1203 00 00	All Goods	169	1203 00 00	All Goods
170	1204	All Goods	170	1204	All Goods
171	1205 10 00	Rape Seeds	171	1205 10 00	Rape Seeds
172	1205 90 00	All Goods	172	1205 90 00	All Goods
173	1206	All Goods	173	1206	All Goods
174	1207 10 10	All Goods	174	OMITTED	
175	1207 20	All Goods	175	1207 20	All Goods
176	1207 30	All Goods	176	OMITTED	
177	1207 40	All Goods	177	1207 40	All Goods
178	1207 50	All Goods	178	1207 50	All Goods
179	1207 60	All Goods	179	OMITTED	
180	1207 91 00	All Goods	180	1207 91 00	All Goods
181	1207 99	All Goods	181	1207 99	All goods excluding palm nuts and kernels other than of seed quality
182	1208 10 00	All Goods	182	1208 10 00	All Goods
183	1208 90 00	All Goods	183	1208 90 00	All Goods
184	1210 10 00	All Goods	184	1210 10 00	All Goods
185	1210 20 00	All Goods	185	1210 20 00	All Goods
186	1301 10	All Goods	186	1301 90	Lac
187	1302 11 00	All Goods	187	1302 11 00	All Goods
188	1507 10 00	All Goods	188	1507 10 00	All Goods
189	1507 90 10	All Goods	189	1507 90 10	All Goods
190	1508 10 00	All Goods	190	1508 10 00	All Goods
191	1508 90	Edible grade groundnut oil	191	1508 90	Edible grade groundnut oil
192	1510 00 10	All Goods	192	1510 00 10	All Goods
193	1511 10 00	All Goods	193	1511 10 00	All Goods
194	1511 90	Refined Palm Oil/Palmolein	194	1511 90	Refined Palm Oil/Palmolein
195	1512 11	All Goods	195	1512 11	All Goods
196	1512 19	All Goods	196	1512 19	All Goods
197	1512 21 00	All Goods	197	1512 21 00	All Goods
198	1512 29 10	All Goods	198	1512 29 10	All Goods
199	1513 11 00	All Goods	199	1513 11 00	All Goods
200	1513 19 00	All Goods	200	1513 19 00	All Goods
201	1513 21	All Goods	201	1513 21	All Goods
202	1513 29	All Goods	202	1513 29	All Goods
203	1514 11	All Goods	203	1514 11	All Goods
204	1514 19	All Goods	204	1514 19	All Goods
205	1514 91	All Goods	205	1514 91	All Goods



206	1514 99	All Goods	206	1514 99	All Goods
207	1515 11 00	All Goods	207	1515 11 00	All Goods
208	1515 19	All Goods	208	1515 19	All Goods
209	1515 21 00	All Goods	209	1515 21 00	All Goods
210	1515 29	All Goods	210	1515 29	All Goods
211	1515 30	All Goods	211	1515 30	All Goods
212	1515 40 00	All Goods	212	OMITTED	
213	1515 50	All Goods	213	1515 50	All Goods
214	1515 90	All Goods	214	1515 90	All Goods
215	1516 20	All Goods	215	1516 20	All Goods
216	1517 10	All Goods	216	1517 10	All Goods
217	1517 90	All Goods	217	1517 90	All Goods
218	1601 00 00	All Goods	218	1601 00 00	All Goods
219	1602 32 00	All Goods	219	1602 32 00	All Goods
220	1701 11	All Goods	220	1701 11	All Goods
221	1701 12 00	All Goods	221	1701 12 00	All Goods
222	1701 91 00	All Goods	222	1701 91 00	All Goods
223	1701 99	All Goods	223	1701 99	All Goods
224	1801 00 00	All Goods	224	1801 00 00	All Goods
225	1802 00 00	All Goods	225	1802 00 00	All Goods
226	1803 10 00	All Goods	226	1803 10 00	All Goods
227	1803 20 00	All Goods	227	1803 20 00	All Goods
228	1804 00 00	All Goods	228	1804 00 00	All Goods
229	1805 00 00	All Goods	229	1805 00 00	All Goods
230	1806 10 00	All Goods	230	1806 10 00	All Goods
231	1905 90 10	All Goods	231	1905 90 10	All Goods
232	2002 90 00	Tomato concentrate	232	2002 90 00	Tomato concentrate
233	2008 30	All Goods	233	2008 30	All Goods
234	2008 40 00	All Goods	234	2008 40 00	All Goods
235	2008 50 00	All Goods	235	2008 50 00	All Goods
236	2008 60 00	All Goods	236	2008 60 00	All Goods
237	2008 91 00	All Goods	237	2008 91 00	All Goods
238	2008 99	All Goods	238	2008 99	All Goods
239	2009 50 00	All Goods	239	2009 50 00	All Goods
240	2203 00 00	All Goods	240	2203 00 00	All Goods
241	2204 10 00	All Goods	241	2204 10 00	All Goods
242	2204 21	All Goods	242	2204 21	All Goods
243	2204 29	All Goods	243	2204 29	All Goods
244	2204 30 00	All Goods	244	2204 30 00	All Goods
245	2205 10 00	All Goods	245	2205 10 00	All Goods
246	2205 90 00	All Goods	246	2205 90 00	All Goods
247	2206 00 00	All Goods	247	2206 00 00	All Goods
248	2207 10	All Goods	248	2207 10	All Goods
249	2208 20	All Goods	249	2208 20	All Goods
250	2208 30	All Goods	250	2208 30	All Goods



251	2208 40	All Goods	251	2208 40	All Goods
252	2208 50	All Goods	252	2208 50	All Goods
253	2208 60 93	All Goods	253	2208 60 93	All Goods
254	2208 70	All Goods	254	2208 70	All Goods
255	2208 90	All Goods	255	2208 90	All Goods
256	2302 10	All Goods	256	2302 10	All Goods
257	2302 20	All Goods	257	OMITTED	
258	2302 30 00	All Goods	258	2302 30 00	All Goods
259	2302 40 00	All Goods	259	2302 40 00	All Goods
260	2302 50 00	All Goods	260	2302 50 00	All Goods
261	2303 10 00	All Goods	261	2303 10 00	All Goods
262	2303 20 00	All Goods	262	2303 20 00	All Goods
263	2303 30 00	All Goods	263	2303 30 00	All Goods
264	2304	All Goods	264	2304	All Goods
265	2305 00 10	All Goods	265	2305 00 10	All Goods
266	2306 10	All Goods	266	2306 10	All Goods
267	2306 20	All Goods	267	2306 20	All Goods
268	2306 30	All Goods	268	2306 30	All Goods
269	2306 41 00	All Goods	269	2306 41 00	All Goods
270	2306 49 00	All Goods	270	2306 49 00	All Goods
271	2306 50	All Goods	271	2306 50	All Goods
272	2306 60 00	All Goods	272	2306 60 00	All Goods
273	2306 70 00	All Goods	273	OMITTED	
274	2306 90	All Goods	274	2306 90	All Goods
275	2309 90	All Goods	275	2309 90	All Goods
276	2401 10	All Goods	276	2401 10	All Goods
277	2401 20	All Goods	277	2401 20	All Goods
278	2401 30 00	All Goods	278	2401 30 00	All Goods
279	2402 10	All Goods	279	2402 10	All Goods
280	2402 20	All Goods	280	2402 20	All Goods
281	2402 90	All Goods	281	2402 90	All Goods
282	2403 10	All Goods	282	2403 10	All Goods
283	2403 91 00	All Goods	283	2403 91 00	All Goods
284	2403 99	All Goods	284	2403 99	All Goods
285	2515 11 00	Crude or roughly trimmed Marble	285	2515 11 00	Crude or roughly trimmed Marble
286	2515 12	All Goods	286	2515 12	All Goods
287	2515 20	All Goods	287	2515 20	All Goods
288	2522 10 00	All Goods	288	2522 10 00	All Goods
289	2530 90	All Goods	289	2530 90	All Goods
290	2710	Naptha	290	2710	Naptha
291	2710 19	Aviation Turbine Fuel and Fuel Oil	291	2710 19	Aviation Turbine Fuel and Fuel Oil
292	2711	Liquefied Petroleum Gases (LPG)	292	2711	Liquefied Petroleum Gases (LPG)
293	2817 00 10	All Goods	293	2817 00 10	All Goods



294	3003 90 11	All Goods	294	3003 90 11	All Goods
295	3004 10	All Goods	295	3004 10	All Goods
296	3004 20	All Goods	296	3004 20	All Goods
			296A	3006 10	Sterile absorbable surgical or dental yarn; sterile surgical or dental adhesion barriers, whether or not absorbable.
			296B	3006 91 00	All goods
297	3204 11	All Goods	297	3204 11	All Goods
298	3204 12	Acid dyes and preparation based thereon	298	3204 12	Acid dyes and preparation based thereon
299	3204 13	All Goods	299	3204 13	All Goods
300	3204 14	All Goods	300	3204 14	All Goods
301	3204 16	All Goods	301	3204 16	All Goods
302	3204 17	Pigments	302	3204 17	Pigments
303	3204 19	All Goods	303	3204 19	All Goods
304	3206 49	Other-Red Oxide	304	3206 49	Other-Red Oxide
305	3301 19 10	Citronella Oil (java type)	305	3301 19 10	Citronella Oil (java type)
306	3301	Other Essential oils	306	3301	Other Essential oils
307	3303 00	All Goods	307	3303 00	All Goods
308	3304 10 00	All Goods	308	3304 10 00	All Goods
309	3304 20 00	All Goods	309	3304 20 00	All Goods
310	3304 30 00	All Goods	310	3304 30 00	All Goods
311	3304 91	All Goods	311	3304 91	All Goods
312	3304 99	All Goods	312	3304 99	All Goods
313	3305 10	All Goods	313	3305 10	All Goods
314	3305 90	Hair oils	314	3305 90	Hair oils
315	3306 10	Toothpowder, toothpaste	315	3306 10	Toothpowder, toothpaste
316	3307 10	All Goods	316	3307 10	All Goods
317	3307 30	All Goods	317	3307 30	All Goods
318	3307 41 00	All Goods	318	3307 41 00	All Goods
319	3307 90	All Goods	319	3307 90	All Goods
320	3401 11	All Goods	320	3401 11	All Goods
321	3401 19	House hold and laundry soap	321	3401 19	House hold and laundry soap
322	3505 10	All Goods	322	3505 10	All Goods
323	3506 91	All Goods	323	3506 91	All Goods
324	3605	All Goods	324	3605	All Goods
325	3806 10	Gum	325	3806 10	Gum
326	3812 20	All Goods	326	3812 20	All Goods
327	3915 10 00	All Goods	327	3915 10 00	All Goods
328	3915 20 00	All Goods	328	3915 20 00	All Goods



329	3915 30	All Goods	329	3915 30	All Goods
330	3915 90	All Goods	330	3915 90	All Goods
331	3916 10	All Goods	331	3916 10	All Goods
332	3916 20	All Goods	332	3916 20	All Goods
333	3916 90	All Goods	333	3916 90	All Goods
334	3917	Artificial guts (sausage castings) of hardened protein or of cellulosic materials.	334	3917	Artificial guts (sausage castings) of hardened protein or of cellulosic materials.
335	3917 21	All Goods	335	3917 21	All Goods
336	3917 22 00	All Goods	336	3917 22 00	All Goods
337	3917 23	All Goods	337	3917 23	All Goods
338	3917 29	All Goods	338	3917 29	All Goods
339	3917 31 00	All Goods	339	3917 31 00	All Goods
340	3917 32 10	All Goods	340	3917 32 10	All Goods
341	3917 32 20	All Goods	341	3917 32 20	All Goods
342	3917 32 90	All Goods	342	3917 32 90	All Goods
343	3917 33 00	All Goods	343	3917 33 00	All Goods
344	3917 39	All Goods	344	3917 39	All Goods
345	3917 40 00	All Goods	345	3917 40 00	All Goods
346	3918 10	All Goods	346	3918 10	All Goods
347	3918 90	All Goods	347	3918 90	All Goods
348	3919 10 00	All Goods	348	3919 10 00	All Goods
349	3919 90	All Goods	349	3919 90	All Goods
350	3920 10	All Goods	350	3920 10	All Goods
351	3920 20	All Goods	351	3920 20	All Goods
352	3920 30	All Goods	352	3920 30	All Goods
353	3920 43 00	All Goods	353	3920 43 00	All Goods
354	3920 49 00	All Goods	354	3920 49 00	All Goods
355	3920 51	All Goods	355	3920 51	All Goods
356	3920 59	All Goods	356	3920 59	All Goods
357	3920 61	All Goods	357	3920 61	All Goods
358	3920 62	All Goods	358	3920 62	All Goods
359	3920 63	All Goods	359	3920 63	All Goods
360	3920 69	All Goods	360	3920 69	All Goods
361	3920 71	All Goods	361	3920 71	All Goods
362	3920 72	All Goods	362	3920 72	All Goods
363	3920 73	All Goods	363	3920 73	All Goods
364	3920 79	All Goods	364	3920 79	All Goods
365	3920 91	All Goods	365	3920 91	All Goods
366	3920 92	All Goods	366	3920 92	All Goods
367	3920 93	All Goods	367	3920 93	All Goods
368	3920 94	All Goods	368	3920 94	All Goods
369	3920 99	All Goods	369	3920 99	All Goods
370	3921 11 00	All Goods	370	3921 11 00	All Goods

371	3921 12 00	All Goods	371	3921 12 00	All Goods
372	3921 13	All Goods	372	3921 13	All Goods
373	3921 14 00	All Goods	373	3921 14 00	All Goods
374	3921 19 00	All Goods	374	3921 19 00	All Goods
375	3921 90	All Goods	375	3921 90	All Goods
376	3922 10 00	Baths, shower-baths and wash-basins	376	3922 10 00	Baths, shower-baths and wash-basins
377	3922 20 00	All Goods	377	3922 20 00	All Goods
378	3922 90 00	All Goods	378	3922 90 00	All Goods
379	3923 10	All Goods	379	3923 10	All Goods
380	3923 21 00	All Goods	380	3923 21 00	All Goods
381	3923 29	All Goods	381	3923 29	All Goods
382	3923 30	All Goods	382	3923 30	All Goods
383	3923 40 00	All Goods	383	3923 40 00	All Goods
384	3923 50	All Goods	384	3923 50	All Goods
385	3923 90	All Goods	385	3923 90	All Goods
386	3924 10	All Goods	386	3924 10	All Goods
387	3924 90	All Goods	387	3924 90	All Goods
388	3925 10 00	All Goods	388	3925 10 00	All Goods
389	3925 20 00	All Goods	389	3925 20 00	All Goods
390	3925 30 00	All Goods	390	3925 30 00	All Goods
391	3925 90	All Goods	391	3925 90	All Goods
392	3926 10	All Goods	392	3926 10	All Goods
393	3926 20	All Goods	393	3926 20	All Goods
394	3926 30	All Goods	394	3926 30	All Goods
395	3926 40	Bangles,beads and imitation jewellery	395	3926 40	Bangles,beads and imitation jewellery
396	3926 90	All Goods	396	3926 90	All Goods
397	4001 10	All Goods	397	4001 10	All Goods
398	4001 21 00	All Goods	398	4001 21 00	All Goods
399	4001 22 00	All Goods	399	4001 22 00	All Goods
400	4001 29	All Goods	400	4001 29	All Goods
401	4001 30 00	All Goods	401	4001 30 00	All Goods
402	4003 00 00	All Goods	402	4003 00 00	All Goods
403	4004 00 00	All Goods	403	4004 00 00	All Goods
404	4005 10 00	All Goods	404	4005 10 00	All Goods
405	4005 20	All Goods	405	4005 20	All Goods
406	4005 91	All Goods	406	4005 91	All Goods
407	4005 99	All Goods	407	4005 99	All Goods
408	4006 10 00	All Goods	408	4006 10 00	All Goods
409	4006 90	All Goods	409	4006 90	All Goods
410	4007 00	All Goods	410	4007 00	All Goods
411	4008 11	All Goods	411	4008 11	All Goods
412	4008 19	All Goods	412	4008 19	All Goods
413	4008 21	All Goods	413	4008 21	All Goods



414	4008 29	All Goods	414	4008 29	All Goods
415	4012	Retreaded tyres	415	4012	Retreaded tyres
416	4012 20	All Goods	416	4012 20	All Goods
417	4012 90	All Goods	417	4012 90	All Goods
418	4016 10 00	All Goods	418	4016 10 00	All Goods
419	4016 92 00	All Goods	419	4016 92 00	All Goods
420	4016 93	All Goods	420	4016 93	All Goods
421	4016 95	All Goods	421	4016 95	All Goods
422	4016 99	All Goods	422	4016 99	All Goods
423	4017 00	All Goods	423	4017 00	All Goods
424	4601 20	All Goods	424	4601 21 00, 4601 22 00 or 4601 29 00	All Goods
425	4601 91 00	All Goods	425	4601 92 00, 4601 93 00 or 4601 94 00	All Goods
426	4601 99 00	All Goods	426	4601 99 00	All Goods
427	4602 10	All Goods	427	4602 11 00, 4602 12 00 or 4602 19	All Goods
428	4602 90 00	All Goods	428	4602 90 00	All Goods
429	4803 00	All Goods	429	4803 00	All Goods
430	4808 10 00	All Goods	430	4808 10 00	All Goods
431	4809 10	All Goods	431	4809 90 00	Carbon or similar copying paper
432	4811 10 00	All Goods	432	4811 10 00	All goods other than floor coverings on a base of paper or paperboard, whether or not cut to size
433	4811 41 00	All Goods	433	4811 41 00	All goods other than gummed or adhesive paper in strips or rolls
434	4811 49 00	All Goods	434	4811 49 00	All goods other than gummed or adhesive paper in strips or rolls
435	4817 10 00	All Goods	435	4817 10 00	All Goods
436	4817 20 00	All Goods	436	4817 20 00	All Goods
437	4817 30	All Goods	437	4817 30	All Goods
438	4821 10	All Goods	438	4821 10	All Goods
439	4821 90	All Goods	439	4821 90	All Goods
440	4823 60 00	All Goods	440	4823 61 00 or 4823 69 00	All Goods
441	4901	All Goods	441	4901	All Goods
442	5001 00 00	All Goods	442	5001 00 00	All Goods
443	5002 00	All Goods	443	5002 00	All Goods
444	5003 10	All Goods	444	5003 00	All Goods
445	5003 90	All Goods	445	OMITTED	
446	5004 00	All Goods	446	5004 00	All Goods
447	5005 00	All Goods	447	5005 00	All Goods
448	5006 00	All Goods	448	5006 00	All Goods



449	5007 10 00	All Goods	449	5007 10 00	All Goods
450	5007 20	All Goods	450	5007 20	All Goods
451	5007 90 00	All Goods	451	5007 90 00	All Goods
452	5201 00	All Goods	452	5201 00	All Goods
453	5202 10 00	All Goods	453	5202 10 00	All Goods
454	5202 91 00	All Goods	454	5202 91 00	All Goods
455	5202 99 00	All Goods	455	5202 99 00	All Goods
456	5203 00 00	All Goods	456	5203 00 00	All Goods
457	5205 11	All Goods	457	5205 11	All Goods
458	5205	All Goods	458	5205	All Goods
459	5205 28	All Goods	459	5205 28	All Goods
460	5205 47	All Goods	460	5205 47	All Goods
461	5206 11 00	All Goods	461	5206 11 00	All Goods
462	5206 24 00	All Goods	462	5206 24 00	All Goods
463	5206 45 00	All Goods	463	5206 45 00	All Goods
464	5407 71	All Goods	464	5407 71	All Goods
465	5407 72 00	All Goods	465	5407 72 00	All Goods
466	5407 73 00	All Goods	466	5407 73 00	All Goods
467	5407 74 00	All Goods	467	5407 74 00	All Goods
468	5408 21	All Goods	468	5408 21	All Goods
469	5512 11	All Goods	469	5512 11	All Goods
470	5512 21	All Goods	470	5512 21	All Goods
471	5512 91	All Goods	471	5512 91	All Goods
472	5513 11	All Goods	472	5513 11	All Goods
473	5513 12	All Goods	473	5513 12	All Goods
474	5513 13	All Goods	474	5513 13	All Goods
475	5513 19	All Goods	475	5513 19	All Goods
476	5513 41 00	All Goods	476	5513 41 00	All Goods
477	5514 11	All Goods	477	5514 11	All Goods
478	5514 12	All Goods	478	5514 12	All Goods
479	5514 13	All Goods	479	OMITTED	
480	5514 19	All Goods	480	5514 19	All Goods
481	5516 11	All Goods	481	5516 11	All Goods
482	5516 21	All Goods	482	5516 21	All Goods
483	5516 31	All Goods	483	5516 31	All Goods
484	5516 32 00	All Goods	484	5516 32 00	All Goods
485	5516 33 00	All Goods	485	5516 33 00	All Goods
486	5516 34 00	All Goods	486	5516 34 00	All Goods
487	5516 41	All Goods	487	5516 41	All Goods
488	5516 42 00	All Goods	488	5516 42 00	All Goods
489	5516 91	All Goods	489	5516 91	All Goods
490	5516 92 00	All Goods	490	5516 92 00	All Goods
491	5701 10 00	All Goods	491	5701 10 00	All Goods

492	5701 90	Carpets and other floor coverings of jute and coir, knotted, whether or not made up	492	5701 90	Carpets and other floor coverings of jute and coir, knotted, whether or not made up
493	5702 10 00	All Goods	493	5702 10 00	All Goods
494	5702 20	All Goods	494	5702 20	All Goods
495	5702 31	All Goods	495	5702 31	All Goods
496	5702 41	All Goods	496	5702 41	All Goods
497	5702 49	All Goods	497	5702 49	All Goods
498	5702 51	All Goods	498	5702 50	All goods other than of man-made textile material
499	5702 59	All Goods	499	OMITTED	
500	5702 91	All Goods	500	5702 91	All Goods
501	5702 99	All Goods	501	5702 99	All Goods
502	5703 10	All Goods	502	5703 10	All Goods
503	5703 90	All Goods	503	5703 90	All Goods
504	5704 10 00	All Goods	504	5704 10 00	All Goods
505	5705 00	All Goods	505	5705 00	All Goods
506	5806 31	All Goods	506	5806 31	All Goods
507	5807 90	All Goods	507	5807 90	All Goods
508	5903 10	All Goods	508	5903 10	All Goods
509	5903 20	All Goods	509	5903 20	All Goods
510	5903 90	All Goods	510	5903 90	All Goods
511	6001 10	All Goods	511	6001 10	All Goods
512	6001 21 00	All Goods	512	6001 21 00	All Goods
513	6001 22 00	All Goods	513	6001 22 00	All Goods
514	6001 29 00	All Goods	514	6001 29 00	All Goods
515	6001 91 00	All Goods	515	6001 91 00	All Goods
516	6001 99	All Goods	516	6001 99	All Goods
517	6002 40 00	All Goods	517	6002 40 00	All Goods
518	6002 90 00	All Goods	518	6002 90 00	All Goods
519	6003 10 00	All Goods	519	6003 10 00	All Goods
520	6003 20 00	All Goods	520	6003 20 00	All Goods
521	6003 30 00	All Goods	521	6003 30 00	All Goods
522	6003 40 00	All Goods	522	6003 40 00	All Goods
523	6003 90 00	All Goods	523	6003 90 00	All Goods
524	6004 10 00	All Goods	524	6004 10 00	All Goods
525	6004 90 00	All Goods	525	6004 90 00	All Goods
526	6005 10 00	All Goods	526	OMITTED	
527	6005 21 00	All Goods	527	6005 21 00	All Goods
528	6005 22 00	All Goods	528	6005 22 00	All Goods
529	6005 23 00	All Goods	529	6005 23 00	All Goods
530	6005 24 00	All Goods	530	6005 24 00	All Goods
531	6005 31 00	All Goods	531	6005 31 00	All Goods



532	6005 32 00	All Goods	532	6005 32 00	All Goods
533	6005 33 00	All Goods	533	6005 33 00	All Goods
534	6005 34 00	All Goods	534	6005 34 00	All Goods
535	6005 41 00	All Goods	535	6005 41 00	All Goods
536	6005 42 00	All Goods	536	6005 42 00	All Goods
537	6005 43 00	All Goods	537	6005 43 00	All Goods
538	6005 44 00	All Goods	538	6005 44 00	All Goods
539	6005 90 00	All Goods	539	6005 90 00	All Goods
540	6006 10 00	All Goods	540	6006 10 00	All Goods
541	6006 21 00	All Goods	541	6006 21 00	All Goods
542	6006 22 00	All Goods	542	6006 22 00	All Goods
543	6006 23 00	All Goods	543	6006 23 00	All Goods
544	6006 24 00	All Goods	544	6006 24 00	All Goods
545	6006 31 00	All Goods	545	6006 31 00	All Goods
546	6006 32 00	All Goods	546	6006 32 00	All Goods
547	6006 33 00	All Goods	547	6006 33 00	All Goods
548	6006 34 00	All Goods	548	6006 34 00	All Goods
549	6006 41 00	All Goods	549	6006 41 00	All Goods
550	6006 42 00	All Goods	550	6006 42 00	All Goods
551	6006 43 00	All Goods	551	6006 43 00	All Goods
552	6006 44 00	All Goods	552	6006 44 00	All Goods
553	6006 90 00	All Goods	553	6006 90 00	All Goods
554	6101 90	All Goods	554	6101 90	All goods other than of wool or fine animal hair
555	6102 10 00	All Goods	555	6102 10 00	All Goods
556	6102 90	All Goods	556	6102 90	All Goods
557	6103 11 00	All Goods	557	6103 10	All Goods
558	6103 12 00	All Goods	558	OMITTED	
559	6103 19	All Goods	559	OMITTED	
560	6103 21 00	All Goods	560	OMITTED	
561	6103 22 00	All Goods	561	6103 22 00	All Goods
562	6103 23 00	All Goods	562	6103 23 00	All Goods
563	6103 29	All Goods	563	6103 29	All Goods
564	6103 31 00	All Goods	564	6103 31 00	All Goods
565	6103 32 00	All Goods	565	6103 32 00	All Goods
566	6103 33 00	All Goods	566	6103 33 00	All Goods
567	6103 39	All Goods	567	6103 39	All Goods
568	6103 41 00	All Goods	568	6103 41 00	All Goods
569	6103 42 00	All Goods	569	6103 42 00	All Goods
570	6103 43 00	All Goods	570	6103 43 00	All Goods
571	6103 49	All Goods	571	6103 49	All Goods
572	6104 11 00	All Goods	572	OMITTED	
573	6104 12 00	All Goods	573	OMITTED	
574	6104 13 00	All Goods	574	6104 13 00	All Goods



			574A	6104 19 00	Of wool or fine animal hair or of cotton
575	6104 21 00	All Goods	575	OMITTED	
576	6104 22 00	All Goods	576	6104 22 00	All Goods
577	6104 23 00	All Goods	577	6104 23 00	All Goods
578	6104 29	All Goods	578	6104 29	All Goods
579	6104 31 00	All Goods	579	6104 31 00	All Goods
580	6104 32 00	All Goods	580	6104 32 00	All Goods
581	6104 33 00	All Goods	581	6104 33 00	All Goods
582	6104 39	All Goods	582	6104 39	All Goods
583	6104 42 00	All Goods	583	6104 42 00	All Goods
584	6104 43 00	All Goods	584	6104 43 00	All Goods
585	6104 52 00	All Goods	585	6104 52 00	All Goods
586	6104 53 00	All Goods	586	6104 53 00	All Goods
587	6104 61 00	All Goods	587	6104 61 00	All Goods
588	6104 62 00	All Goods	588	6104 62 00	All Goods
589	6104 63 00	All Goods	589	6104 63 00	All Goods
590	6104 69	All Goods	590	6104 69	All Goods
591	6105 10	All Goods	591	6105 10	All Goods
592	6105 20	All Goods	592	6105 20	All Goods
593	6105 90	All Goods	593	6105 90	All Goods
594	6106 10 00	All Goods	594	6106 10 00	All Goods
595	6106 20	All Goods	595	6106 20	All Goods
596	6106 90	All Goods	596	6106 90	All Goods
597	6107 11 00	All Goods	597	6107 11 00	All Goods
598	6107 12	All Goods	598	6107 12	All Goods
599	6107 19	All Goods	599	6107 19	All Goods
600	6107 21 00	All Goods	600	6107 21 00	All Goods
601	6107 22	All Goods	601	6107 22	All Goods
602	6107 29	All Goods	602	6107 29	All Goods
603	6107 91	All Goods	603	6107 91	All Goods
604	6107 92	All Goods	604	OMITTED	
605	6107 99	All Goods	605	6107 99	All Goods
606	6108 11	All Goods	606	6108 11	All Goods
607	6108 19	All Goods	607	6108 19	All Goods
608	6108 21 00	All Goods	608	6108 21 00	All Goods
609	6108 22	All Goods	609	6108 22	All Goods
610	6108 29	All Goods	610	6108 29	All Goods
611	6108 31 00	All Goods	611	6108 31 00	All Goods
612	6108 32	All Goods	612	6108 32	All Goods
613	6108 39	All Goods	613	6108 39	All Goods
614	6108 91 00	All Goods	614	6108 91 00	All Goods
615	6108 92	All Goods	615	6108 92	All Goods
616	6108 99	All Goods	616	6108 99	All Goods
617	6109 10 00	All Goods	617	6109 10 00	All Goods



618	6109 90	All Goods	618	6109 90	All Goods
619	6110 11	All Goods	619	6110 11	All Goods
620	6110 12 00	All Goods	620	6110 12 00	All Goods
621	6110 19 00	All Goods	621	6110 19 00	All Goods
622	6110 20 00	All Goods	622	6110 20 00	All Goods
623	6110 30	All Goods	623	6110 30	All Goods
624	6110 90 00	All Goods	624	6110 90 00	All Goods
625	6111 10 00	All Goods	625	OMITTED	
626	6111 20 00	All Goods	626	6111 20 00	All Goods
627	6111 30 00	All Goods	627	6111 30 00	All Goods
628	6111 90	All Goods	628	6111 90	All Goods
629	6112 11 00	All Goods	629	6112 11 00	All Goods
630	6112 12 00	All Goods	630	6112 12 00	All Goods
631	6112 19	All Goods	631	6112 19	All Goods
632	6112 20	All Goods	632	6112 20	All Goods
633	6112 31 00	All Goods	633	6112 31 00	All Goods
634	6112 39	All Goods	634	6112 39	All Goods
635	6112 41 00	All Goods	635	6112 41 00	All Goods
636	6112 49	All Goods	636	6112 49	All Goods
637	6113 00 00	All Goods	637	6113 00 00	All Goods
638	6114 10 00	All Goods	638	OMITTED	
639	6114 20 00	All Goods	639	6114 20 00	All Goods
640	6114 30	All Goods	640	6114 30	All Goods
641	6114 90	All Goods	641	6114 90	All Goods
642	6115 11 00	All Goods	642	6115 10 00	All Goods
643	6115 12 00	All Goods	643	6115 21 00	All Goods
644	6115 19	All Goods	644	6115 22 00	All Goods
645	6115 20	All Goods	645	6115 29	All Goods
646	6115 91 00	All Goods	646	6115 30 00	All Goods
647	6115 92 00	All Goods	647	6115 94 00	All Goods
648	6115 93 00	All Goods	648	6115 95 00 or 6115 96 00	All Goods
649	6115 99	All Goods	649	6115 99	All Goods
650	6116 10 00	All Goods	650	6116 10 00	All Goods
651	6116 91 00	All Goods	651	6116 91 00	All Goods
652	6116 92 00	All Goods	652	6116 92 00	All Goods
653	6116 93 00	All Goods	653	6116 93 00	All Goods
654	6116 99	All Goods	654	6116 99	All Goods
655	6117 10	All Goods	655	6117 10	All Goods
656	6117 20	All Goods	656	OMITTED	
657	6117 80	All Goods	657	6117 80	All Goods
658	6117 90 00	All Goods	658	6117 90 00	All Goods
659	6201 19	All Goods	659	6201 19	All Goods
660	6201 99	All Goods	660	6201 99	All Goods
661	6202 13 00	All Goods	661	6202 13 00	All Goods



662	6202 19	All Goods	662	6202 19	All Goods
663	6202 93	All Goods	663	6202 93	All Goods
664	6202 99	All Goods	664	6202 99	All Goods
665	6203 19	All Goods	665	6203 19	All Goods
666	6203 21 00	All Goods	666	OMITTED	
667	6203 29 00	All Goods	667	6203 29 00	All Goods
668	6203 32 00	All Goods	668	6203 32 00	All Goods
669	6203 33 00	All Goods	669	6203 33 00	All Goods
670	6203 39	All Goods	670	6203 39	All Goods
671	6203 41 00	All Goods	671	6203 41 00	All Goods
672	6203 42 00	All Goods	672	6203 42 00	All Goods
673	6203 49	All Goods	673	6203 49	All Goods
674	6204 12 00	All Goods	674	6204 12 00	All Goods
675	6204 13 00	All Goods	675	6204 13 00	All Goods
676	6204 19	All Goods	676	6204 19	All Goods
677	6204 21 00	All Goods	677	6204 21 00	All Goods
678	6204 22	All Goods	678	6204 22	All Goods
679	6204 23 00	All Goods	679	6204 23 00	All Goods
680	6204 29	All Goods	680	6204 29	All Goods
681	6204 33 00	All Goods	681	6204 33 00	All Goods
682	6204 39	All Goods	682	6204 39	All Goods
683	6204 42	All Goods	683	6204 42	All Goods
684	6204 43	All Goods	684	6204 43	All Goods
685	6204 44 00	All Goods	685	6204 44 00	All Goods
686	6204 52 00	All Goods	686	6204 52 00	All Goods
687	6204 53 00	All Goods	687	6204 53 00	All Goods
688	6204 59	All Goods	688	6204 59	All Goods
689	6204 62 00	All Goods	689	6204 62 00	All Goods
690	6204 63 00	All Goods	690	6204 63 00	All Goods
691	6204 69	All Goods	691	6204 69	All Goods
692	6205 10 00	All Goods	692	OMITTED	
693	6205 20 00	All Goods	693	6205 20 00	All Goods
694	6205 30 00	All Goods	694	6205 30 00	All Goods
695	6205 90	All Goods	695	6205 90	All Goods
696	6206 10	All Goods	696	6206 10	All Goods
697	6206 30 00	All Goods	697	6206 30 00	All Goods
698	6206 40 00	All Goods	698	6206 40 00	All Goods
699	6206 90 00	All Goods	699	6206 90 00	All Goods
700	6207 11 00	All Goods	700	6207 11 00	All Goods
701	6207 21 10	All Goods	701	6207 21 10	All Goods
702	6207 22 00	All Goods	702	6207 22 00	All Goods
703	6207 29 00	All Goods	703	6207 29 00	All Goods
704	6207 91	All Goods	704	6207 91	All Goods
705	6207 92 00	All Goods	705	6207 99	Of man-made fibres
706	6208 11 00	All Goods	706	6208 11 00	All Goods



707	6208 21 00	All Goods	707	6208 21 00	All Goods
708	6208 22 00	All Goods	708	6208 22 00	All Goods
709	6208 29	All Goods	709	6208 29	All Goods
710	6208 92	All Goods	710	6208 92	All Goods
711	6208 99	All Goods	711	6208 99	All Goods
712	6209 10 00	All Goods	712	OMITTED	
713	6209 20 00	All Goods	713	6209 20 00	All Goods
714	6209 30 00	All Goods	714	6209 30 00	All Goods
715	6209 90	All Goods	715	6209 90	All Goods
716	6210 10 00	All Goods	716	6210 10 00	All Goods
717	6210 20	All Goods	717	6210 20	All Goods
718	6210 40	All Goods	718	6210 40	All Goods
719	6210 50 00	All Goods	719	6210 50 00	All Goods
720	6211 11 00	All Goods	720	6211 11 00	All Goods
721	6211 12 00	All Goods	721	6211 12 00	All Goods
722	6211 20 00	All Goods	722	6211 20 00	All Goods
723	6211 31 00	All Goods	723	OMITTED	
724	6211 32 00	All Goods	724	6211 32 00	All Goods
725	6211 33 00	All Goods	725	6211 33 00	All Goods
726	6211 39 00	All Goods	726	6211 39 00	All Goods
727	6211 41 00	All Goods	727	6211 41 00	All Goods
728	6211 49 00	All Goods	728	6211 49 00	All Goods
729	6212 10 00	All Goods	729	6212 10 00	All Goods
730	6212 20 00	All Goods	730	6212 20 00	All Goods
731	6212 30 00	All Goods	731	6212 30 00	All Goods
732	6212 90	All Goods	732	6212 90	All Goods
733	6213 10 00	All Goods	733	OMITTED	
734	6213 20 00	All Goods	734	6213 20 00	All Goods
735	6213 90	All Goods	735	6213 90	All Goods
736	6214 30 00	All Goods	736	6214 30 00	All Goods
737	6214 40 00	All Goods	737	6214 40 00	All Goods
738	6216	All Goods	738	6216	All Goods
739	6217 10	All Goods	739	6217 10	All Goods
740	6217 90	All Goods	740	6217 90	All Goods
741	6302 10	All Goods	741	6302 10	All Goods
742	6304 19	All Goods	742	6304 19	All Goods
743	6304 92	All Goods	743	6304 92	All Goods
744	6304 93 00	All Goods	744	6304 93 00	All Goods
745	6310 10 20	All Goods	745	6310 10 20	All Goods
746	6310 90 20	All Goods	746	6310 90 20	All Goods
747	6401 10	All Goods	747	6401 10	All Goods
748	6401 91	All Goods	748	OMITTED	
749	6401 92	All Goods	749	6401 92	All Goods
750	6401 99	All Goods	750	6401 99	All Goods
751	6402 12	All Goods	751	6402 12	All Goods



752	6402 19	All Goods	752	6402 19	All Goods
753	6402 20	All Goods	753	6402 20	All Goods
754	6402 30	All Goods	754	OMITTED	
755	6402 91	All Goods	755	6402 91	All Goods
			755A	6402 99	Incorporating a protective metal toe-cap
756	6403 12 00	All Goods	756	6403 12 00	All Goods
757	6403 19	All Goods	757	6403 19	All Goods
758	6403 30 00	All Goods	758	OMITTED	
759	6403 40 00	All Goods	759	6403 40 00	All Goods
			759A	6403 91 or 6403 99	Footwear made on a base or platform of wood, not having an inner sole or protective metal toe-cap
760	6404 11	All Goods	760	6404 11	All Goods
761	6404 19	All Goods	761	6404 19	All Goods
762	6405 20 00	All Goods	762	6405 20 00	All Goods
763	6405 90 00	All Goods	763	6405 90 00	All Goods
764	6802 21	All Goods	764	6802 21	All Goods
765	6810 11 10	All Goods	765	6810 11 10	All Goods
766	6901 00	Bricks/blocks/tiles	766	6901 00	Bricks/blocks/tiles
767	6906 00 00	Ceramic pipes	767	6906 00 00	Ceramic pipes
768	6911 10	All Goods	768	6911 10	All Goods
769	6912 00 10	All Goods	769	6912 00 10	All Goods
770	6914	Other ceramic articles	770	6914	Other ceramic articles
771	7010 10 00	All Goods	771	7010 10 00	All Goods
772	7013 29 00	All Goods	772	7013 28 00 or 7013 37 00	All Goods
773	7202 11 00	All Goods	773	7202 11 00	All Goods
774	7202 19 00	All Goods	774	7202 19 00	All Goods
775	7202 21 00	All Goods	775	7202 21 00	All Goods
776	7202 29 00	All Goods	776	7202 29 00	All Goods
777	7202 30 00	All Goods	777	7202 30 00	All Goods
778	7202 4100	All Goods	778	7202 4100	All Goods
779	7202 49 00	All Goods	779	7202 49 00	All Goods
780	7202 50 00	All Goods	780	7202 50 00	All Goods
781	7202 60 00	All Goods	781	7202 60 00	All Goods
782	7202 70 00	All Goods	782	7202 70 00	All Goods
783	7202 80 00	All Goods	783	7202 80 00	All Goods
784	7202 91 00	All Goods	784	7202 91 00	All Goods
785	7202 92 00	All Goods	785	7202 92 00	All Goods
786	7202 93 00	All Goods	786	7202 93 00	All Goods
787	7202 99	All Goods	787	7202 99	All Goods
788	7209 18	All Goods	788	7209 18	All Goods



789	7209 28	All Goods	789	7209 28	All Goods
790	7210 30	All Goods	790	7210 30	All Goods
791	7210 41 00	All Goods	791	7210 41 00	All Goods
792	7210 49 00	All Goods	792	7210 49 00	All Goods
793	7210 61 00	All Goods	793	7210 61 00	All Goods
794	7210 70 00	All Goods	794	7210 70 00	All Goods
795	7212 20	All Goods	795	7212 20	All Goods
796	7212 30	All Goods	796	7212 30	All Goods
797	7212 40 00	All Goods	797	7212 40 00	All Goods
798	7212 50	All Goods	798	7212 50	All Goods
799	7213 10	All Goods	799	7213 10	All Goods
800	7213 20	All Goods	800	7213 20	All Goods
801	7213 91	All Goods	801	7213 91	All Goods
802	7213 99	All Goods	802	7213 99	All Goods
803	7214 10	All Goods	803	7214 10	All Goods
804	7214 20	All Goods	804	7214 20	All Goods
805	7214 30 00	All Goods	805	7214 30 00	All Goods
806	7214 91	All Goods	806	7214 91	All Goods
807	7214 99	All Goods	807	7214 99	All Goods
808	7217 20	All Goods	808	7217 20	All Goods
809	7222 20	All Goods	809	7222 20	All Goods
810	7222 40	All Goods	810	7222 40	All Goods
811	7227 10 00	All Goods	811	7227 10 00	All Goods
812	7227 20 00	All Goods	812	7227 20 00	All Goods
813	7227 90	All Goods	813	7227 90	All Goods
814	7228 10	All Goods	814	7228 10	All Goods
815	7228 20 00	All Goods	815	7228 20 00	All Goods
816	7228 30	All Goods	816	7228 30	All Goods
817	7228 40 00	All Goods	817	7228 40 00	All Goods
818	7228 50	All Goods	818	7228 50	All Goods
819	7228 60	All Goods	819	7228 60	All Goods
820	7228 70	All Goods	820	7228 70	All Goods
821	7228 80	All Goods	821	7228 80	All Goods
822	7315 82 00	All Goods	822	7315 82 00	All Goods
823	7318 14 00	All Goods	823	7318 14 00	All Goods
824	7318 19 00	All Goods	824	7318 19 00	All Goods
825	7403 11 00	All Goods	825	7403 11 00	All Goods
826	7403 12 00	All Goods	826	7403 12 00	All Goods
827	7403 13 00	All Goods	827	7403 13 00	All Goods
828	7407 10	All Goods	828	7407 10	All Goods
829	7408 11	All Goods	829	7408 11	All Goods
830	7408 19	All Goods	830	7408 19	All Goods
831	7608 10 00	All Goods	831	7608 10 00	All Goods
832	7802 00	All Goods	832	7802 00	All Goods
833	8414 30 00	All Goods	833	8414 30 00	All Goods

834	8414 51	All Goods	834	8414 51	All Goods
835	8418 21 00	All Goods	835	8418 21 00	All Goods
836	8428 10	All Goods	836	8428 10	All Goods
837	8450 11 00	All Goods	837	8450 11 00	All Goods
838	8501 10	Micro and AC Motor	838	8501 10	Micro and AC Motor
839	8501 20 00	All Goods	839	8501 20 00	All Goods
840	8501 40 10	All Goods	840	8501 40 10	All Goods
841	8501 52	Electric Motor 1 HP to 10 HP - AC - excluding special types	841	8501 52	Electric Motor 1 HP to 10 HP - AC - excluding special types
842	8504 40	All Goods	842	8504 40	All Goods
843	8504 90	All Goods	843	8504 90	All Goods
844	8509 40	All Goods	844	8509 40	All Goods
845	8516 10 00	Storage water heaters/geysers upto 100 litres capacity/ upto 3 KW	845	8516 10 00	Storage water heaters/geysers upto 100 litres capacity/ upto 3 KW
846	8516 29 00	All Goods	846	8516 29 00	All Goods
847	8516 40 00	Electric Irons - other than steam irons	847	8516 40 00	Electric Irons - other than steam irons
848	8516 60 00	All Goods	848	8516 60 00	All Goods
849	8528 12	Colour TVs - Set Top Box (Satellite Receivers)	849	8528 71 00 or 8528 72	Colour TVs - Set Top Box (Satellite Receivers)
850	8536 20	All Goods	850	8536 20	All Goods
851	8536 30 00	Voltage stabilisers - domestic type	851	8536 30 00	Voltage stabilisers - domestic type
852	8537 10 00	All Goods	852	8537 10 00	All Goods
853	8537 20 00	All Goods	853	8537 20 00	All Goods
854	8539 29	All Goods	854	8539 29	All Goods
855	8539 31	All Goods	855	8539 31	All Goods
856	8544 11	All Goods	856	8544 11	All Goods
857	8544 19	Insulated plastic and rubber Wires - domestic types	857	8544 19	Insulated plastic and rubber Wires - domestic types
858	8544 20	All Goods	858	8544 20	All Goods
859	8544 49	All Goods	859	8544 49	All goods for a voltage not exceeding 80 V
860	8701 10 00	All Goods	860	8701 10 00	All Goods
861	8701 20	All Goods	861	8701 20	All Goods
862	8701 30	All Goods	862	8701 30	All Goods
863	8701 90	All Goods	863	8701 90	All Goods
864	9028 30	All Goods	864	9028 30	All Goods
865	9030 39	All Goods	865	9030 33	All Goods
866	9404 21	All Goods	866	9404 21	All Goods
867	9603 10 00	Hill grass/broom	867	9603 10 00	Hill grass/broom
868	9608 10	All Goods	868	9608 10	All Goods



Appendix EE GRAVITY EQUATION

The gravity equation is well known in the field of international trade, and is widely used by economists to link bilateral trade flows of a pair of countries with their GDP level and the geographic distance between them. The GDP levels of the two countries are a measure of “economic mass”, while the geographical distance measures the “resistance” to trade. Notably, the Newton’s Law of Universal Gravitation’s functional form is taken to build a relationship between trade and the variables of the GDP of the country pair and the distance between them.

$$T_{ij} = \alpha_0 Y_i^{\alpha_1} Y_j^{\alpha_2} D_{ij}^{\alpha_3} \quad (1)$$

where:

i = exporting country

j = importing country

‘ ij ’ is each country pair

$\alpha_0, \alpha_1, \alpha_2$ and α_3 are unknown parameters.

T_{ij} = quantity of bilateral imports of a single variety from country i to country j .

Y_i = Country i ’s output measured in terms of the numeraire.

Y_j = Country j ’s output measured in terms of the numeraire.

D_{ij} = distance between country i and country j .

The stochastic form of the gravity equation has the form:

$$T_{ij} = \alpha_0 Y_i^{\alpha_1} Y_j^{\alpha_2} D_{ij}^{\alpha_3} \eta_{ij} \quad (2)$$

where η_{ij} is the disturbance term which shows the random deviations from the underlying relationship. The disturbance term with $E(\eta_{ij} | Y_i, Y_j, D_{ij}) = 1$ is assumed to be statistically independent of the regressors, which gives:

$$E(T_{ij} | Y_i, Y_j, D_{ij}) = T_{ij} = \alpha_0 Y_i^{\alpha_1} Y_j^{\alpha_2} D_{ij}^{\alpha_3} \quad (3)$$

The gravity equation is usually expressed in logarithmic form. Therefore, equation (1) is log-linearized and the parameters of interest are estimated by least squares using the following equation:

$$\ln(T_{ij}) = \ln(\alpha_0) + \alpha_1 \ln(Y_i) + \alpha_2 \ln(Y_j) + \alpha_3 \ln(D_{ij}) + \eta_{ij} \quad (4)$$



The above procedure is only valid if η_{ij} and therefore $\ln(n_{ij})$ are statistically independent of the regressors. The expected value of the logarithm of a random variable depends both on its means and the higher-order moments of the distribution e.g., if the error term η_{ij} in (4) depends on the regressors, the expected value of $\ln(n_{ij})$ will depend on Y_i, Y_j or D_{ij} as well.

1.2 THE ANDERSON-VAN WINCOOP GRAVITY EQUATION

According to Anderson and van Wincoop (2003), the traditional gravity equation (Tinbergen, 1962) does not take into account “multilateral resistance” terms, and is therefore incorrectly specified. They derive importer and exporter’s gravitational “un-constant” terms from a full expenditure system on a cross-section of data, and show that including country-specific fixed effects give identical results. To solve for this misspecification the authors propose to augment the traditional gravity equation with exporter and importer fixed effects, giving:

$$T_{ij} = \alpha_0 Y_i^{\alpha_1} Y_j^{\alpha_2} D_{ij}^{\alpha_3} e^{\theta_i d_i + \theta_j d_j} \quad (5)$$

where:

$\alpha_0, \alpha_1, \alpha_2, \alpha_3, \theta_i$ and θ_j are the unknown parameters

d_i = dummy for country i

d_j = dummy for country j

The model put forward also predicts that $\alpha_1 = \alpha_2 = 1$, which then gives the unit-income elasticity model:

$$T_{ij} = \alpha_0 Y_i Y_j D_{ij}^{\alpha_3} e^{\theta_i d_i + \theta_j d_j} \quad (6)$$

which can also be written as:

$$E(T_{ij} | Y_i, Y_j, D_{ij}, d_i, d_j) = \alpha_0 Y_i Y_j D_{ij}^{\alpha_3} e^{\theta_i d_i + \theta_j d_j} \quad (7)$$

We follow previous literature in extending the Anderson van Wincoop (2003) gravity equation with several variables that are used as a proxy for different measures of economic and geographical distance. These include control dummies for common (official) language, common border and a common colonizer.

The estimated equation is as follows:

$$\ln T_{ijt} = \beta_0 + \beta_1 \ln GDP_{it} + \beta_2 \ln GDP_{jt} + \beta_3 \ln DIST_{ij} + \beta_4 Adjacency + \beta_4 Common Language + \beta_4 Common Colonizer + \beta_5 RTA_{ij} + \eta_{ijt}$$



Table 42 gives a brief description of the variable names and their sources.

TABLE 42: VARIABLE USED IN THE GRAVITY EQUATION

Variable Abbreviation	Variable Full Name	Description	Source
T_{ij}	Bilateral Trade	Value of imports by Country i from Country j , current USD.	UN Comtrade
GDP	Gross Domestic Product	Gross Domestic Product, billion USD, current prices.	Penn World Table
$DIST_{ij}$	Distance	The great circle distance (in kilometres) between most populous cities.	CEPII
ADJ_{ij}	Adjacency	A dummy variable with value 1 if the two countries have a common border.	CEPII
$LANG_{ij}$	Common (official) language	A dummy with value 1 if the two countries have a common official language.	CEPII
COL_{ij}	Common Colonizer	A dummy with value 1 if i and j were ever colonies after 1945 with same colonizer and 0 otherwise.	CEPII
RTA_{ij}	Regional Trade Agreement	A dummy with value 1 if i and j have signed a Regional Trade Agreement and 0 otherwise.	World Trade Organization (WTO)

Previous studies that have used the gravity equation to evaluate the effect of FTAs or the trade potential of a particular region include Clarete et al., 2000; Boris and Vedran, 2002; Rehman, 2003; Konkhartchank and Maurel, 2003; Batra 2004; Helmers and Pasteels, 2005; Rehman et al., 2006. The studies that use the gravity equation for the case of Pakistan include Khan, 2000; State Bank of Pakistan, 2005 and Baroncelli, 2007.

DATA

This calculation was done using annual trade data from WITS, gravity variables data (distance, common border, and common language) from the Centre de recherche spécialisé en économie internationale (CEPII), GDP data from Penn World Table and the World Bank, and FTA data from the WTO. The time period used was 1970-2010



Appendix FF SURVEY FORM SENT TO POTENTIAL EXPORTERS AND OTHER STAKEHOLDERS**Survey: Barriers Affecting Exports to India**

Pakistan and India are taking steps to improve their trade relations. Both countries are in the process of signing trade facilitation protocols that shall lead to a harmonisation of Non Tariff Barriers and custom regulations. This is a big opportunity for Pakistani traders to tap into the Indian market. There is a lot of potential in the Indian market and we would like to help you identify the many opportunities Pakistani traders have across the border.

Your input and time is invaluable, because you have direct experience with regards to trade with India. We would be grateful if you share with us your experience and feedback.

Once we have conducted this survey we would use these results to create an awareness campaign for Pakistani firms trading with India or wanting to trade with India.

We will disseminate to you this information to help facilitate your business with India, and ease entry in a market with huge potential. You will receive this report in April 2012.

Contact Person:

Ms. Nadia Rehman

Phone: 0331-510-5557

Email: nadiar.rehman@gmail.com

If you have any additional comments once the survey is complete, please feel free to add them on a separate sheet.

Your replies will be kept strictly confidential



Exporter Profile

Which kind of products do you export to India?

What category does your export product fall under?

- Containerized exports of consumer goods and equipment
- Exports of perishable goods (requiring cold chains)
- Consolidated shipments of manufactured goods
- High-valued cargoes shipped primarily by air

How much are your annual exports (in USD)?

- Less than 100,000
- Between 100,000 and 300,000
- More than 300,000

How did you locate your trading partner?

Are you currently exporting to India? Yes No If not, why?

Customs Valuation

Is your declared value accepted by Indian Customs? If not, how are they evaluated?

Customs procedures

Please list the challenges faced, if any, in completing the following formalities:

- Registration and documentation _____
- Pre-shipment inspection _____
- Customs Clearance _____
- Rules of origin _____

Import prohibitions, restrictions, licensing, and state trading

Is your export restricted by the following measures? If yes, please describe any challenges.

Import prohibitions _____

Import licensing _____

Import quotas _____

Other import restrictions _____

State trading _____

Charges affecting imports

What customs duties do you pay on your exports?

Do you have to pay any additional duties or cess in addition to tariffs?

Do you have to pay for interstate taxes on movement of your goods in India?

How much additional payments are made for clearance (including informal payments)?

Technical regulations and standards

*Do you face any delays and difficulties in fulfilling the following regulations? Yes No
If yes, please describe.*

➤ *Standards* _____

➤ *Technical regulations* _____

➤ *Certification and conformity assessment* _____

➤ *Accreditation* _____

➤ *Labelling* _____

*Do you face any challenges in fulfilling Sanitary and Phytosanitary measures (SPS)?
 Yes No If yes, please describe.*

Do you think the barriers are Pakistan specific? _____

Financial Measures

Do you face any problems related to L/Cs? If yes, what kind? _____

Have you experienced default in payments? _____

Visa Issues:

What problems do you face in the visa process for India?

Transportation and Unloading

What route of transportation do you take? _____

What is your mode of transportation? _____

Is your current transport route shortest and most cost effective? Yes No

If not, why? _____

How much does the current route cost? _____

How many days does it take? _____

What would be the most optimal route for your exports? _____

How much would the optimal route cost? _____ How many days would it take? _____

Do you suffer delays in transportation? Yes No If yes, why?

- Restrictive transportation schedule
- Un-availability of railway wagons or trucks
- Limited handling capacity
- Other

Recommendation for pending trade facilitation agreements between India & Pakistan

What improvements would you recommend for a Customs Cooperation Agreement, which will avoid arbitrary stoppages of goods at each other's ports?

What improvements would you recommend for a Mutual Recognition Agreement for acceptance of certificates of internationally-accredited laboratories?

What improvements would you recommend for a Redressal of Grievances Agreement in case of a disagreement?

Thank you for completing the survey