

Pakistan welcomes talks with India, but says no to MFN status

Pakistan-India Joint Business Forum to meet in January

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New Delhi, December 7

Normalisation of trade and business ties between India and Pakistan seems a long way off even as External Affairs Minister Sushma Swaraj embarks on a visit to Islamabad on Tuesday for the 'Heart of Asia' meeting on Afghanistan.

It is learnt that the Pakistan government has already made it clear to India that although it is willing to discuss strategic and political issues, trade will not be part of the discussions, officials told *BusinessLine*.
During her visit, Swaraj is

expected to have bilateral meetings with her Pakistan counterpart Sartaj Aziz and also call on Pakistan Prime Minister Nawaz Sharif.

Taking stock

The Pakistan-India Joint Business Forum (PIJBF) is expected to meet early next month to take stock of the progress made in trade in power, energy, agriculture, automobiles and pharmaceuticals among others, sources said.

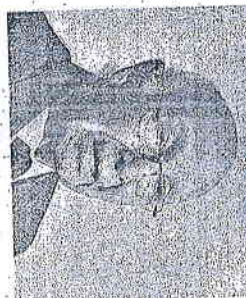
This is a private sector-led body notified by both the governments. The forum meets under the aegis of the Confederation of Indian Industry (CII) and the Pakistan Business Council (PBC).

According to diplomatic sources, enthusiasm within the Nawaz Sharif government



Sushma Swaraj, External Affairs Minister

to grant MFN to India was "at its peak" when he came to power. However, the process of normalisation of trade has been put on the backburner thanks to the recent spate of incidents between the two countries and Pakistan's domestic political situation.
Apparently, Pakistan is waiting to see if Prime Minister Narendra Modi visits Islamabad



Sartaj Aziz, Pakistan Foreign Minister

in 2016 for the SAARC Summit. Only then it will be willing to discuss granting MFN status to India, which is also known as non-discriminatory market access (NDMA), sources said.

The deadline to grant MFN status to India, which is mandatory under World Trade Organization (WTO) rules, was 2012. It is learnt that Prime Minister Sharif is "not willing"

to take on "additional risks" before he heads for the general elections there in 2018, sources said.

Currently as many as 1,209 items that are in the negative list are barred from India in Pakistan, while 8,000 items are allowed. However, India insists that some of the items of its export interest are still in the negative list such as textiles, agriculture and pharmaceutical items. Last year, Pakistan was planning to reduce this list to 100 items but even that never fructified.

The joint business council had last met in August 2014 and it is now expected to meet in 2016. The meeting will be chaired by Sunil Kant Munjal of Hero Corporate Services of India. The Pakistani side would be led by Syed Yawar Ali

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Shah, former CEO of Nestle Pakistan.

So far the body has identified 10 areas of cooperation: Agriculture; automotive and engineering; chemical and petrochemicals; infrastructure; pharmaceuticals; information technology; textiles; education and vocational training; healthcare; and dispute resolution and trade facilitation.

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