

## **India - Pakistan Relations: Recent Developments**

### **Composite Dialogue**

The Composite Dialogue between India and Pakistan from 2004 to 2008 addressed all outstanding issues. It had completed four rounds and the fifth round was in progress when it was paused in the wake of the Mumbai terrorist attack in November 2008. Amongst its achievements can be cited a number of Confidence Building Measures (CBMs) related to peace and security; enhanced people to people contacts through bus and train services; revival of the Bilateral Joint Commission after 16 years; setting up of the Judicial Committee to look into the humanitarian issue of civilian prisoners/fishermen held in each others jails and growth in bilateral trade by 550% between year 2003-04 and 2007-08 from US\$ 344.59 million to US\$ 2.23 billion.

### **Resumed Dialogue**

2. As a result of their meeting in April 2010 in Thimphu on the sidelines of the SAARC Summit, Prime Minister and PM Gilani of Pakistan mandated the two Foreign Ministers and Foreign Secretaries to hold discussions on the modalities for restoring trust and confidence in order to pave the way for a comprehensive, sustained and meaningful dialogue on all issues of mutual interest and concern. Foreign Secretary met her Pakistani counterpart in Islamabad in June 2010, and External Affairs Minister visited Islamabad in July 2010.

3. Foreign Secretaries of India and Pakistan met in Thimphu on February 6, 2011 to carry forward the process and agreed to resume dialogue on all issues following the spirit of the Thimphu meeting between the two Prime Ministers. The sides decided to discuss Counter-Terrorism (including progress on Mumbai trial) and Narcotics Control; Humanitarian issues; Commercial & Economic cooperation; Wullar Barrage/Tulbul Navigation Project; Sir Creek; Siachen; Peace & Security including CBMs; Jammu & Kashmir; promotion of friendly exchanges.

4. The two Prime Ministers met informally at Mohali on March 30, 2011, when PM Gilani visited India to witness with PM the semi-final cricket match between India and Pakistan during the Cricket World Cup.

5. The meeting of External Affairs Minister and Foreign Minister Khar in New Delhi on 27<sup>th</sup> July 2011, preceded by the meeting of the Foreign Secretaries of the two countries on 24<sup>th</sup> June 2011 in Islamabad, marked the culmination of the first round of the resumed dialogue. The Ministers expressed satisfaction on holding of meetings on the issues mentioned above, endorsed the decisions taken by various groups and reviewed bilateral relations. They also decided to revive the Joint Commission and agreed on strengthening Cross-LoC CBMs.

6. During the meeting of PM with PM Gilani in November 2011, which took place on the sidelines of the 17<sup>th</sup> SAARC summit in Maldives, the leaders decided to continue the resumed dialogue. PM expressed satisfaction at the progress made by the resumed dialogue and agreed to continue the process with the aim to build a mutually cooperative and productive relationship between the two countries, keeping in mind that there is the need for an environment free from hostility and violence.

7. PM invited President of Pakistan Asif Ali Zardari for a lunch in New Delhi and held talks with him on April 8, 2012 when the President undertook a private visit to the sufi shrine of Khwaja Moinuddin Chishti in Ajmer. After the meeting of the two leaders, PM said that his exchange of views with President Zardari on bilateral issues was constructive and friendly. He mentioned that the two leaders were willing to find practical and pragmatic solutions to all outstanding issues. President Zardari invited PM to visit Pakistan. PM accepted the invitation with pleasure and said that he would be happy to visit at an appropriate time.

8. In the second round of the resumed dialogue, Secretary, Water of Government of India and Secretary, Water and Power of Government of Pakistan met in New Delhi on March 27-28, 2012 to discuss Wullar Barrage/Tulbul Navigation Project. Home Secretary level talks were held on Counter-Terrorism (including progress on Mumbai trial), Narcotics Control and Humanitarian issues in Islamabad (May 24-25, 2012). Commerce Secretaries discussed commercial & economic cooperation on November 14-16, 2011 in New Delhi, apart from meeting as part of Ministerial interaction in September 2011 in New Delhi, February 2012 in Islamabad and April 2012 in New Delhi. Defence Secretary level talks on Siachen were held in Rawalpindi on June 11-12, 2012. Surveyor General of India and Additional Secretary, Ministry of Defence Pakistan held talks on Sir Creek in New Delhi on June 18-19, 2012. Foreign Secretary level talks were held in New Delhi on July 4-5, 2012 on Peace & Security, including CBMs, Jammu & Kashmir, and promotion of friendly exchanges. Expert Level talks on Conventional and Nuclear CBMs were held in Islamabad in December 2011. The Joint Working Group on Cross-LoC CBMs met in Islamabad on July 19, 2012. External Affairs Minister and Foreign Minister Khar will meet in Islamabad in September 2012 to review the second round of the resumed dialogue.

### **Recent Important High level Visits/ Meetings**

9. The following are given in chronological order:

- 16 June 2009 - PM met President Zardari in Yekaterinburg, Russian Federation on the sidelines of the G-8 Summit
- 26 June 2009 - External Affairs Minister met Foreign Minister Makhdoom Shah Mahmood Qureshi on the sidelines of G-8 Outreach meeting in Trieste, Italy
- 16 July 2009 - PM met PM Gilani on the sidelines of the NAM Summit in Sharm-el-Sheikh, Egypt
- 27 September 2009 - External Affairs Minister met Foreign Minister Qureshi on the sidelines of UNGA in New York
- 29 April 2010 - PM met PM Gilani on the sidelines of the SAARC Summit in Thimphu, Bhutan
- 25-27 June 2010 - Home Minister met Minister of Interior on the sidelines of the Third SAARC Home Ministers' meeting in Islamabad
- 14-16 July 2010 - External Affairs Minister visited Pakistan at the invitation of Foreign Minister of Pakistan Makhdoom Shah Mahmood Qureshi

- 25-29 October 2010 - Deputy Chairman of Pakistan's Senate, Speakers and Members of Pakistan's Provincial Assemblies visited Raipur, Chhattisgarh to attend the Fourth India and Asia Regions CPA Conference.
- March 30, 2011 - PM and PM Gilani meet at Mohali, the venue of semifinal cricket match between India and Pakistan
- 28 April 2011 - Minister for Petroleum and Natural Resources of Pakistan Dr. Asim Hussain visited India in connection with multilateral discussions on Turkmenistan-Afghanistan-Pakistan-India (TAPI) Gas Pipeline Project.
- 26-27 July 2011 - Foreign Minister Hina Rabbani Khar visited New Delhi at the invitation of EAM and held discussion to review the progress of the first round of the resumed dialogue.
- 26 September - 3 October 2011 - Commerce Minister Makhdoom Amin Faheem led a delegation of officials and businessmen to Mumbai and Delhi.
- 9 November 2011 - External Affairs Minister met with Foreign Minister Khar on the sidelines of SAARC Summit in Addu, Maldives
- 10 November 2011 - PM met with PM Gilani on the sidelines of SAARC Summit in Addu, Maldives.
- 25-27 January 2012 - Visit of Petroleum Minister of Pakistan Dr. Asim Hussain to India.
- 12-15 February 2012 - the first ever official bilateral visit of Commerce, Industry and Textiles Minister of India to Pakistan
- 21-25 February 2012 - the first ever bilateral visit of Hon'ble Speaker of Lok Sabha to Pakistan. *Hon'ble Speaker (HS) was accompanied by S/Sh Syed Shahnawaz Hussain, (LS/BJP); Birendra Prasad Biashya, (RS/AGP); Inder Singh Namdhari, (LS/Indpd); Madan Lal Sharma (LS/INC); Sheikh Saidul Haq (LS/CPI – M); and Tarun Vijay (RS/BJP). HS held discussions with her counterpart Ms. Fehmida Mirza & met Farooq Naek, Chairman of Pakistan's Senate. She called on PM Gilani and held interactions with the Women Caucus of Parliamentarians and Pakistan-India Parliamentary Friendship Group (National Assembly and Senate). Minister of Interior called on her. HS visited Taxila and Lahore. She met the Chief Minister of Punjab Shahbaz Sharif, and interacted with prominent intellectuals and cultural figures in Lahore.*
- 27 March 2012 - The Prime Ministers met briefly on the sidelines of the Nuclear Security Summit in Seoul
- 4-7 March 2012 - A delegation led by Hon'ble Speaker of Haryana Legislative Assembly visited Pakistan at the invitation of the Government of Punjab Province of Pakistan.

- 8 April 2012 - PM met President of Pakistan H.E. Mr. Asif Ali Zardari in New Delhi during the President's private visit to the Dargah of Khwaja Moinuddin Chisti in Ajmer
- 12-15 April 2012 - Visit of Minister of Commerce of Pakistan to India
- 8 July 2012 - External Affairs Minister met Foreign Minister Khar on the sidelines of Tokyo Conference on Afghanistan in Tokyo

### **Terrorism**

10. Terrorism remains our core concern in the relationship with Pakistan and has been repeatedly raised with Pakistan, including at the highest level, whereby India has consistently urged Pakistan to fulfill its repeated assurance given to us not to allow the territory under its control to be used for supporting terrorism directed against us or for any other anti-India activity. More recently, during the meeting of PM with PM Gilani in Maldives (November 10, 2011), PM underlined our concerns regarding terrorism and stressed that it was imperative to bring the perpetrators of the Mumbai attack to justice. During the meeting with President of Pakistan Asif Ali Zardari in New Delhi on April 8, 2012, PM told President Zardari that there was need for taking firm action to curb terrorism to enable us to make forward movement in bilateral relationship. PM conveyed that it was imperative to bring the perpetrators of the Mumbai attack to justice and prevent activities aimed against India from Pakistani soil. In this context, he mentioned the activities of Hafiz Saeed carried out in public. Pakistan has been specifically requested to take action against anti-India terrorist outfits such as Lashkar-e- Taiba (LeT)/ Jamaat-ud-Dawaa (JuD), and its leaders such as Hafiz Saeed and Abdur Rehman Makki.

11. The Mumbai terrorist attack case in an Anti-Terrorism Court in Pakistan against the seven persons arrested in Pakistan in connection with the attack is ongoing. A Pakistan Judicial Commission visited India in March 2012 and recorded statements of judicial and police officials, who had recorded the lone surviving accused Ajmal Kasab's confessional statement, and two doctors who had conducted postmortem on the terrorists involved in the attack. The Anti Terrorism Court upheld the contention of the defence that the report of the Judicial Commission was not legal and could not form part of the case, since the witnesses were not cross-examined. The request of Pakistan authorities to allow another visit of the Commission to India for cross-examining the four witnesses mentioned above is under consideration of the Indian authorities.

### **Narcotics Control and Organised Crime**

12. Following talks between Director Generals of Narcotics Control Bureau of India and the Anti-Narcotics Force of Pakistan in Islamabad on September 12-13, 2011, the two sides signed a Memorandum of Understanding on 'Drug Demand Reduction and Prevention of Illicit Trafficking in Narcotics Drugs/ Psychotropic Substances and Precursor Chemicals and related matters' for enhancing mutual cooperation through effective and sustained steps to control the growing menace of drug trafficking.

13. In their meeting in May 2012, the Home/ Interior Secretaries of the two countries decided, in principle, to initiate negotiations on a Mutual Legal Assistance Treaty in order to strengthen mutual cooperation in criminal matters.

They also agreed on an early meeting of investigation agencies (CBI and FIA) of the two countries to work out technical details of moving forward on issues of human trafficking, counterfeit currency, cyber crimes and Red Notices.

### **Trade and Economic Relations**

14. As mentioned earlier, bilateral trade had benefited from the Composite Dialogue process which had begun in 2004. However, it declined after the Mumbai terror attack. In the financial year 2010-11 the bilateral trade was USD 2.67 billion, with India's exports to Pakistan worth USD 2.33 billion.

#### **Bilateral trade (in millions US\$)**

Financial year	Exports from India	Imports to India	Total trade	Trade deficit	% increase
2003-04	286.94	57.74	344.68	+229.2	
2004-05	521.05	94.97	616.02	+426.08	78.72
2005-06	689.23	179.56	868.79	+454.23	41.03
2006-07	1,350.09	323.62	1,6373.71	+1026.47	92.64
2008-09	1497	370,17	1,810	+1179.83	7.52
2009-10	1573.32	275.94	1,849.26	+1297.38	2.1
2010-11	2039.53	332.52	2,372.05	+1,707.01	28.27
2011 April - 2011 Dec	1,125.28	270.67	1,395.95	+854.61	

15. The visit of the Senior Federal Minister of Commerce of Pakistan Makhdom Muhamad Ameen Fahim to India from 29<sup>th</sup> September to 3<sup>rd</sup> October 2011 was the first such visit after a gap of 35 years. During the visit, he met the Indian Minister for Commerce and Industry, called on Prime Minister and addressed joint India-Pakistan business sessions organized by the Federation of Indian Chambers of Commerce and Industry (FICCI) in Mumbai and Delhi. Both sides agreed to jointly work for more than doubling bilateral trade within three years from the current level of USD 2.7 billion. The sides also agreed to cooperate on preferential trade relations under the framework of the South Asia Free Trade Agreement (SAFTA). The two Ministers mandated the Commerce Secretaries to pursue with vigour the task of fully normalizing bilateral trade relations, dismantle all non-tariff barriers, full implementation of SAFTA obligations and prepare the roadmap for grater preferential trading arrangements between India and Pakistan.

16. The visit of the Commerce, Industry and Textiles Minister Shri Anand Sharma to Pakistan from 13-17 February 2012 was the first ever bilateral visit of an Indian Commerce Minister to Pakistan. The Minister was accompanied by a 100-strong delegation of senior captains and representatives of India's trade and industry segments. He presided over the closing of 'India Show' – the first ever India-specific trade exhibition in Pakistan - in Lahore, which had participation of over 150 representatives of Indian business, trade and industry organizations. He visited Karachi, where he addressed representatives of business community. The Minister held bilateral talks with his counterpart in Islamabad, where he also participated in the 6<sup>th</sup> Meeting of SAFTA Council of Ministers on February 16.

17. Pakistan's Minister of Commerce visited India in connection with the 'Lifestyle Pakistan' Exhibition in New Delhi from April 12-14, 2012. The Exhibition

showcased Pakistan's high-end products in textiles, jewellery, designer furniture, leather goods and other designer products and had over 100 exhibitors and more than 650 participants from Pakistan.

### Trade Normalisation

18. During the 5<sup>th</sup> round of talks of Commerce Secretaries (the first round in the resumed dialogue), held in Islamabad on April 27-28, 2011, the two sides agreed to make efforts to create an enabling environment for trade on both sides. They also decided to set up a number of Working Groups/ Sub-groups to explore mutual cooperation. These included: Working Group to address sector-specific barriers; Joint Technical Group to oversee progress in development of physical infrastructure at Attari-Wagah Land Customs Station (inauguration of the Integrated Check Post, opening of a dedicated trade gate at Attari/ Wagah); Customs Liaison Border Committee; JWG on Economic Cooperation; sub-Group on Customs Cooperation; Group of Experts on Trade in Electricity; Sub Group/ Group of Experts on trade in petroleum products. All these groups have since held their meetings.

19. In early November 2011, the Pakistan cabinet took a decision to fully normalize trade relations with India, of which granting MFN status to India would be a part (India had granted MFN status to Pakistan in 1996). India welcomed the in-principle decision, as well as the decisions to mandate full normalization of bilateral trade relations and move from a 'positive list' (of about 1950 items permitted by Pakistan for imports from India) to a Negative List of items. In their meeting on the sidelines of the SAARC Summit in Maldives on November 10, 2011, PM and PM Gilani agreed that the process of trade normalization between the two countries would be pursued to its logical conclusion by conducting trade on MFN basis at the earliest. In March 2012, Government of Pakistan notified a Negative List of 1209 items which cannot be imported from India.

20. The Commerce Ministers agreed during their meeting in Islamabad in February 2012 that both sides would scrupulously adhere to the roadmap drawn up by the Commerce Secretaries for full normalization of trade relations by, *inter alia*, phasing out the Negative List for imports from India before the end of 2012, and advancing preferential trading arrangements through SAFTA. The Commerce Secretaries of the two countries are to meet for, *inter alia*, discussing reduction in the size of the SAFTA Sensitive Lists and drawing up a programme for phasing in tariff liberalization on such items; as well as further strengthening of institutional arrangements for promoting bilateral trade and commerce.

21. With a view to build confidence of the business community on both sides, representatives of various trade regulatory bodies of India met, in India and in Pakistan, representatives of leading chambers of commerce and industry of Pakistan and discussed matters pertaining to trade regulations, standards, labeling and marking requirements. The two countries have initialed three agreements, viz., Customs Cooperation Agreement, Mutual Recognition Agreement and Redressal of Trade Grievances Agreement.

### Trade Infrastructure

22. The Home Minister of India, in the presence of, among others, the Commerce Ministers of India and Pakistan, and the Chief Ministers of the states of

Punjab of the two countries inaugurated the Integrated Check Post (ICP) at Attari on April 13, 2012. The Attari ICP represents vastly improved infrastructure to facilitate trade and travel. Spread over 118 acres, it contains a passenger terminal measuring 9,600 sq mts, a dedicated cargo terminal measuring 4,700 sq mts, and separate import and export ware houses measuring over 10,000 sq mts, apart from over 50,000 sq mts of parking space for trucks, and equally large area for future expansion. In recent months, various segments in Pakistan have spoken in favour of opening more land trade routes with India, including Munabao-Khokhrapar.

### Joint Commission

23. External Affairs Minister and the Foreign Minister of Pakistan had decided in their meeting in July 2011 to reactivate India-Pakistan Joint Commission. The Ministers are to Co-chair the Plenary of the Joint Commission in their next meeting.

### Other Initiatives

24. Industry representatives and officials from the two countries have held discussions on trade in electricity and also trade in petroleum products and Liquefied Natural Gas. Officials of the central banks of both countries have also met to discuss cooperation in banking sector, *inter alia*, by opening branches of two public sector banks in each other's country. Pakistan welcomed India's recent decision to allow investment from Pakistan (notified by the Government of India in July 2012). Pakistan has also expressed appreciation for India's support for getting approved the EU trade concession package for Pakistan by the General Council of WTO.

### Humanitarian issues and People-to-People Contacts

25. According to the information provided by Ministry of Foreign Affairs of Pakistan, there were 136 fishermen from India in Pakistani custody as on July 1, 2012. Out of these, 55 were released on August 16, 2012 (bringing to 603 the total number of Indian fishermen released by Pakistan in 2012). Though Indian civil prisoners believed to be in the custody of Pakistan authorities number 223, the list provided by Pakistani authorities on July 1, 2012 acknowledges presence of only 59 prisoners. Over the past three years (2010, 2011 and 2012 so far) Pakistan has released 19, 13 and 23 prisoners, respectively.

26. India has been consistently taking up with Government of Pakistan, at all appropriate levels, the issue concerning all Indian prisoners, including fishermen, in Pakistani jails or under the custody of Pakistan authorities. Steps have been taken to implement the understanding reached between the Home/ Interior Secretaries of the two countries in March 2011 for releasing without delay the fishermen and civilian prisoners who complete their sentence, whose nationality has been confirmed by the respective government and whose travel documents have been received. In their meeting in May 2012, Home/ Interior Secretaries agreed to release such fishermen, along with their boats, and to transfer to charitable institutions in the respective country those prisoners whose nationality status has not been confirmed due to either lack of information or disabilities of the prisoner concerned. Talks were held between the Director General of the Indian Coast Guard and the Director General of the Pakistan Maritime Security

Agency in New Delhi in July 2012 with the view to set up a mechanism for the release of inadvertent crossers (fishermen) and their boats on the same lines as inadvertent crossers on land.

27. India-Pakistan Judicial Committee on Prisoners, consisting of four retired judges from each side, has been active in recommending steps for humane treatment and expeditious release of prisoners of each country in the others' jail/ custody, and adoption of a humane approach in dealing with cases of fishermen and prisoners, especially women, elderly, juvenile, and those terminally ill or suffering from serious illness or physical / mental disability. Members of the Committee visited Pakistan from April 18-23, 2011 and visited jails in Karachi, Rawalpindi and Lahore. They visited India (Delhi, Jaipur, Amritsar) from January 23-27, 2012.

28. On April 9, 2012, the Supreme Court of India granted bail to Dr Khalil Chisti an octogenarian Pakistan national serving sentence on murder charges in India, and later allowed him to travel to Pakistan on certain conditions. The leadership of Pakistan and a number of civil society activists had appealed for Dr. Chishti's release. An Indian prisoner, Sarabjit Singh, awaits disposal of his mercy petitions to the President of Pakistan.

29. The first Visa Agreement with Pakistan was signed on September 14, 1974. Since then the Agreement was revised in 1986 and 1990 with the exchange of notes between the two countries. Home/Interior Secretaries had decided in March 2011 to set up JWG on Visa related issues. The JWG has since finalised a mutually agreed text of the Agreement. It is yet to be signed.

30. In order to facilitate travel between the two countries, different train and bus services run between the two countries. The train services in operation between India and Pakistan are (i) Samjhauta Express (biweekly, with termini in Lahore and Delhi); Attari-Wagah rail route is also open for movement of freight trains; and (ii) weekly Thar Express from Munabao-India to Zero Point Railway Station near Khokrapar – Pakistan. Bus services run between India and Pakistan on the following routes: Delhi-Lahore (all days except Sunday), Amritsar-Lahore (twice a week) and Amritsar-Nanankana (twice a week).

31. In order to enable people on both sides of the Line of Control (LoC) in Jammu and Kashmir to move freely and trade with one another, cross-LoC Confidence Building Measures (CBMs) have been put in place and are being strengthened. These include trade and travel on the Srinagar-Muzaffarabad and Poonch-Rawalakot routes across the LoC. The number of trading days across these two points was increased from two to four per week, in accordance with the decision taken by External Affairs Minister and Foreign Minister Khar in their meeting in July 2011 in New Delhi. The two sides are discussing a number of other measures to facilitate cross-LoC travel and trade, including allowing multiple entry permits for travel, and strengthening infrastructure.

32. Government assists, in coordination with authorities in Pakistan, groups of Indian pilgrims which visit designated religious places in Pakistan under a 1974 Protocol, which specifies such places in both countries.

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