



Report

Pace & Progress of Pakistan-India Resumed Dialogue

February - July 2012



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PILdAT
Pakistan Institute of
Legislative Development
And Transparency

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Abbreviations and Acronyms

AGPL	Actual Ground Position Line
CBMs	Confidence building measures
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act
ICP	Integrated Check Post
ISI	Inter Services Intelligence
JuD	Jamaat-ud-Dawa
LeT	Lashkar-e-Taiba
LNG	Liquefied Natural Gas
LoC	Line of Control
MFN	Most Favoured Nation
MNA	Member of National Assembly
MoU	Memorandum of Understanding
NNI	News Network International
NTBs	Non-Tariff Barriers
PFG	Parliamentary Friendship Group

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Foreword

In February 2011 the Governments of Pakistan and India formally agreed on a roadmap to resume the dialogue process suspended in 2008 over the issue of Mumbai terrorist attacks.

Since February 2011, 2 sets of resumed dialogues between the two neighbouring countries have been concluded. Foreign Ministers of the two countries are all set to meet in September 2012 to review the completion of the two rounds of the composite dialogues.

This report narrates major highlights of the pace and progress of the official dialogue from February - July 2012. The report has been prepared for the Parliamentarians of the two countries who meet periodically, at the unofficial level, to enhance the role of Parliamentary Diplomacy in improving Pakistan-India relations. The Pak-India Parliamentary Dialogues are facilitated by PILDAT.

The report has been prepared for consideration and adoption at the 4th round of India-Pakistan Parliamentarians Dialogue-IV scheduled to be held in New Delhi, Indian on August 23-24, 2012.

The draft of the report has been prepared by *Ms. Mehreen Ammar* while it has been finalised by the PILDAT team.

Disclaimer

PILDAT team has made every effort to ensure accuracy of the contents of this report. Any error or omission, therefore, is not deliberate.

Islamabad
August 2012

Introduction

In February 2011 the Governments of Pakistan and India formally agreed on a roadmap to resume the dialogue suspended in 2008 over the issue of Mumbai terrorist attacks.

The dialogue process between Pakistan and India was resumed in February 2011 after a hiatus of two years following the terrorist attacks in Mumbai in November 2008. Meeting between Prime Minister Yousaf Raza Gillani and Prime Minister Manmohan Singh on the sidelines of SAARC summit in Thimphu, Bhutan in April 2010 paved the way for resumption of the dialogue. However, it was only in February 2011, that the dialogue process could be resumed.

Two rounds of resumed dialogue process have been held ever since. Various official meetings at the Minister and Secretary levels have been held during this round. The Foreign Ministers level review meeting is scheduled to be up held in September 2012 which will bring the round to its conclusion.

The first section of this report presents progress in the official dialogue between February-July 2012. The section presents highlights of the significant interactions that have taken place between the Indian and Pakistani officials.

The second section notes the un-official interactions that have taken place during this period.

The third section summarizes the policy developments and changes that have occurred during this time.

The Official Dialogue (February - July 2012)

Indian Commerce Delegation: February 13, 2012

Trade between India and Pakistan received a new boost when an Indian Commerce delegation visited Pakistan, comprising around 150 top business leaders of India. The delegation was headed by the Indian Commerce Minister Mr. Anand Sharma.

The delegation was received by the Pakistani Commerce Minister Makhdoom Amin Fahim.

The highlight of the visit included the signing of three trade agreements on February 15, 2012; **Customs Co-operation Agreement, Mutual Recognition Agreement and Redressal of Trade Grievances Agreement.**

While the Indian representatives assured their Pakistani counterparts of removing Non-Tariff Barriers to allow smoother trade, the Pakistani Cabinet deferred the release of the controversial 'negative list' on grounds that more time was needed to consult all stakeholders before formulating such a list.

Talks were also initiated to facilitate the banking sector and issuing of visas to the business community of both the countries. Mr. Sharma stated that the Indian Government is in favour of a liberal visa regime whereby Pakistani businessmen can be granted multiple visas. He also indicated that the Indian Home Ministry and the Pakistani Interior Ministry are working on a proposal to allow branches of banks to be opened up in each other's cities.¹

A Joint Statement emanating out of the meeting is enclosed as *Appendix A*.

Indian Exhibition: February 11-13, 2012

An exhibition of the Indian goods was also held in Lahore and Karachi with much pomp and fanfare. It was a first ever trade show of Indian goods on Pakistani soil with over 100 Indian exhibitors participating and showcasing products ranging from pharmaceuticals, gems and jewellery,

chemicals, petrochemicals, textiles, etc.²

Indian Parliamentarians' Delegation to Pakistan: February 21, 2012

Fourteen members of the Indian Parliament headed by the Honourable Speaker of the Indian Lok Sabha, Ms. speaker Meira Kumar, arrived in Pakistan on a five day visit and were warmly welcomed by their Pakistani counterparts.

During the visit, Ms. Meira Kumar said that the problems underlying the relations between the two countries should be resolved through dialogue rather than force or war.

In an interview to a Pakistani TV channel she pointed out that, *"war is no solution to any problem and the two countries must shun the path of violence."*³

Prime Minister of Pakistan Mr. Yousuf Raza Gillani reciprocated the need for peace stating that Pakistan and India need to overcome their differences so that they can focus on bigger issues like hunger, disease and poverty and provide relief to their masses from such tribulations.

During the visit the Indian delegation also met with the Pakistan-Indian Parliamentary Friendship Group (PFG) at the National Assembly Secretariat. This was the first bilateral meeting of the Pakistan- India PFG with the Indian Parliamentarians jointly chaired by Mr. Qamar Zaman Kaira, MNA and the Indian Speaker, Ms. Meira Kumar. During the session, it was stressed by both sides that bonds between India and Pakistan run deeper than just commerce and political ties; the two countries share a common heritage, history and social bonds as well.⁴

Ms. Meira Kumar, Speaker of the Lok Sabha, also visited Lahore during her five-day trip of Pakistan. During two-day stay in Lahore, Ms. Kumar and her delegation met Chief Minister of Punjab Mian Shahbaz Sharif and visited Data Darbar to pay homage to the sufi saint, Hazart Ali Hajveri. The delegation visited Minar-e-Pakistan, samadhi of Maharaja Ranjit Singh and Gurdwara Dera Sahib. The delegation also called on the Punjab Governor Sardar Latif Khosa. The delegation also witnessed proceedings of the

1. Nelson, Dean, India sends largest ever trade delegation to Pakistan, The Telegraph, February 13, 2012, <http://www.telegraph.co.uk/news/worldnews/asia/india/9079367/India-sends-largest-ever-trade-delegation-to-Pakistan.html>
2. Gupta, Surojit, 'Made in India' show in Pakistan as both talk to boost trade, The Times of India, February 11, 2012, <http://timesofindia.indiatimes.com/business/india-business/Made-in-India-show-in-Pakistan-as-both-talk-to-boost-trade/articleshow/11845019.cms>
3. Indian delegation visit: Gilani reaffirms commitment to peace with New Delhi, The Express Tribune, February 23, 2012, <http://tribune.com.pk/story/340491/indian-delegation-visit-gilani-reaffirms-commitment-to-peace-with-new-delhi/>
4. Pakistani parliamentary delegation, visiting Indian Speaker stress goodwill, Top Asia News Today, Thursday, February 23, 2012, <http://www.topasianews.com/politics/Pakistani-parliamentary-delegation--visiting-Indian-Speaker-stress-goodwill.htm>

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Table 1: List of the Official Dialogue (February - July 2012)

No.	Meeting	Date	City, Country
1.	Indian Commerce Delegation headed by Indian Commerce Minister Mr. Anand Sharma visits Pakistan	February 13-16, 2012	Islamabad, Pakistan
2.	Exhibition of Indian goods held in Lahore and Karachi	February 11-13, 2012	Lahore and Karachi, Pakistan
3.	Indian Parliamentarians' Delegation led by Speaker Lok Sabha visits Pakistan	February 21, 2012	Islamabad & Lahore, Pakistan
4.	Pakistan Judicial Commission visits India to gather evidence on Mumbai terrorist attack	March 15-17, 2012	Mumbai, India
5.	Secretary level talks on Tulbul Navigation/Wullar Barrage Project	March 27-28, 2012	New Delhi, India
6.	Lifestyle Pakistan 2012 Exhibition in New Delhi	April 12, 2012	New Delhi, India
7.	Inauguration of Integrated Check Post (ICP) at Attari to boost Bilateral Trade	April 13, 2012	Atari, India
8.	Meeting of the Commerce Ministers of India and Pakistan	April 13, 2012	New Delhi, India
9.	Interior Secretary Pakistan and Home Secretary India hold Bhurban Talks	May 24-25, 2012	Burban, Pakistan
10.	Expert Group of Pakistan and India on Petroleum and Petrochemicals Trade meets	May 29, 2012	Islamabad, Pakistan
11.	Defence Secretary Level Talks on Siachen	June 11-12, 2012	Rawalpindi, Pakistan
12.	Pakistan-India Talks on Sir Creek Issue	June 18-19, 2012	New Delhi, India
13.	Pakistan India Foreign Secretaries Level Talks	July 04-05, 2012	New Delhi, India
14.	Pakistan-India Talks on Maritime Security	July 13, 2012	New Delhi, India
15.	Second meeting of Expert Group of Pakistan and India on Petroleum and Petrochemicals Trade	July 18, 2012	New Delhi, India
15.	IndiaPakistan Working Group on Cross-LoC CBMs meets	July 19, 2012	Islamabad, Pakistan

Provincial Assembly of the Punjab.⁵

Pakistan Judicial Commission visits India: March 15-17, 2012

An eight-member Pakistani Judicial Commission travelled to India on March 15, 2012 for investigations of the Mumbai terror attacks.

The Pakistani delegation included Federal Investigation Agency (FIA) Special Investigation Group chief Khalid Qureshi and two FIA prosecutors, Muhammad Azhar Chaudhry and Chaudhry Zulfiqar.

The commission recorded the statements of Chief investigative officer Ramesh Mahale and two doctors who conducted the autopsies of the eight alleged attackers. Mahale also briefed the details of Ajmal Kasab's arrest. The Commission also interviewed a judge. However, direct access to Ajmal Kasab was not provided to the Commission.⁶

Pakistan had earlier demanded that Pakistani officials would like to speak with Kasab directly to verify his confession. India's Ministry of Home Affairs, however said that such access was not part of the memorandum of understanding governing the visit.⁷

Talks on Tulbul Navigation/Wullar Barrage Project: March 27-28, 2012

The delegations of Pakistan and India met in on March 27-28, 2012 in New Delhi to discuss the Tulbul Navigation / Wullar Barrage Project.⁸ The Indian delegation was led by Mr. Dhruv Vijai Singh, Secretary Ministry of Water Resources, Government of India and the Pakistan delegation was led by Mr. Imtiaz Kazi, Secretary Ministry of Water and Power, Government of Pakistan. At the occasion, Secretary Kazi and some members of Pakistan delegation called on Mr. Vincent H. Pala, Minister of State for Water Resources, Government of India.

In a friendly and cordial atmosphere of discussion, the two sides reiterated their commitment to bilateral engagement

in a spirit of constructive cooperation. They discussed their respective positions on the project while reaffirming the commitment to the Indus Waters Treaty 1960. Both sides emphasized the need for an early and amicable resolution of the issue within the ambit of the Indus Waters Treaty. In order to address the concerns of both countries, it was agreed that the Indian side will provide additional technical data to Pakistan. The Pakistan side shall examine all the data and furnish its views before the next round of the Talks. A Joint Statement of the meeting is enclosed as *Appendix B*.

Lifestyle Pakistan 2012 Exhibition: April 12, 2012

Mr. Anand Sharma, India's Union Minister of Commerce, Industry & Textiles and Pakistan Commerce Secretary Mr. Zafar Mahmood inaugurated the Lifestyle Pakistan 2012 exhibition on April 12, 2012 in New Delhi.⁹ The first 'Lifestyle Pakistan' exhibited designers in various categories like fashion textiles, jewellery, designer furniture and leather goods showcasing high-end items.

The exhibition was one of the steps taken by both India and Pakistan to enhance bilateral commerce and opened new channels for shipment of goods.

Elaborating on the developments Mr. Sharma stated: *"If we look back at the last one year, the intensity of our engagement has been truly amazing. Within a span of less than five months, we have had two bilateral meetings at the Commerce Ministers' level and will have a third one tomorrow within less than ten months- four meetings between our commerce secretaries and seven engagements of our Ministries' Joint Secretaries. In addition, there have been many other Joint Working Group meetings relating to customs cooperation, trade infrastructure, possibilities of trade in electricity, visa issues and others. We have held an India Show in Lahore in February and within two months this Pakistan show in New Delhi is indeed heartening."*

The Minister said that *"We would like an economic partnership with Pakistan which is enduring and strong,*

5. Lahore is heaven on earth, says Kumar, the News international, February 25, 2012, <http://www.thenews.com.pk/article-36997-Lahore-is-heaven-on-earth.-says-Kumar>

6. Pakistan commission concludes Mumbai investigations, Dawn, March 19, 2012: <http://dawn.com/2012/03/19/pakistan-commission-concludes-mumbai-investigations/>

7. Mumbai attack probe: Pakistani investigators denied access to Kasab: The Express Tribune, January 24, 2012: <http://tribune.com.pk/story/326243/mumbai-attack-probe-pakistani-investigators-denied-access-to-kasab/>

8. Pakistan, India discuss Tulbul Navigation, Wullar Barrage Project, Daily Times, March 29, 2012, http://www.dailytimes.com.pk/print.asp?page=2012\03\29\story_29-3-2012_pg7_21

9. India for economic partnership with Pakistan, Dawn, April 12, 2012, <http://dawn.com/2012/04/12/india-for-economic-partnership-with-pakistan/>

which not only helps in strengthening the industrial activity on both sides, but also benefits the consumers. We would like to create an India-Pakistan Business Council which provides an institutional framework for regular and sustained dialogue between the business communities. TDAP and ITPO have already inked a Memorandum of Understanding and I have given mandate to the Chairperson of ITPO who is with me for intensifying the engagement with Pakistan. At a governmental level, equally, we need to sustain regularity in our exchanges."

This was the first collaborative exhibition of Trade Development Authority of Pakistan (TDAP) and India Trade Promotion Organisation (ITPO).

"There has been lot of movement in trade in the last one year, the (trade) normalisation is going very fast," Mr. Zafar Mehmood said. Mr. Mehmood, Commerce Secretary of Pakistan, Dr. Rahul Khullar, Commerce Secretary of India, Mr. Tariq Puri, CEO, Trade Development Authority of India, Mrs. Rita Menon, CMD-ITPO and Mr. Shahid Malik, High Commissioner of Pakistan, were also present on the occasion.

Inauguration of Integrated Check Post (ICP) at Attari to boost Bilateral Trade: April 13, 2012

In the presence of the Chief Minister of Punjab, India, Mr. Parkash Singh Badal, Union Commerce Minister of India, Mr. Anand Sharma, Pakistan Commerce Minister, Makhdoom Amin Fahim, Chief Minister of Punjab, Pakistan, Mian Shahbaz Sharif, India's Minister of State, Mr. Ashwani Kumar, and Deputy Chief Minister of Punjab, Mr. Sukhbir Singh Badal; diplomats and other dignitaries, the Union Home Minister of India, Mr. P. Chidambaram, inaugurated the Integrated Check Post (ICP) at Attari on April 13, 2012.¹⁰

It is believed that the operationalisation of the ICP Attari will lead to reduction in passenger and freight processing time paving way for enhanced people to people contact and expansion of trade between the two countries. It will provide employment and business opportunities for the local population and contribute to area development. It is symbolic of India's desire for progressive, productive and mutually beneficial relationship with its neighbouring countries.

Meeting of the Commerce Ministers of India and Pakistan: April 13, 2012

Makhdoom Amin Fahim, Federal Minister of Commerce of Pakistan, and Mr. Anand Sharma, Minister of Commerce, India, with their official delegations, held a bilateral meeting on April 13, 2012.

Both sides expressed satisfaction that the transition process for complete normalization of the trading of goods and services, including investment, has started.¹¹

There has been a substantial increase in the list of commodities permitted to be imported from India. As per the Pakistan Government's order of March 20, 2012, a Negative List of 1209 tariff lines has been announced. In accordance with the Pakistan Cabinet decision complete phasing out of Negative List by December 2012 is subject to further negotiations between the two countries. Both sides agreed that the modalities will be discussed in the next meeting of the Commerce Secretaries.

Both sides expressed satisfaction at the joint and coordinated efforts that have been made for making the new gates at the Attari Integrated Check Post (ICP) functional for trade. The new arrangements shall streamline movement of trucks across the border and significantly enhance the flow of trade through land route. It was also noted that Pakistan has already built sufficient infrastructure at Wagah and is clearing all the current cargo traffic.

Both sides agreed to take all further action to encourage greater trade through the new ICP. It was agreed that Pakistan will take necessary steps to remove extant restrictions on items permitted to be imported through the land route. The objective is to permit all items not in the Negative List to be traded across the land border at Attari-Wagah.

Pakistan side stated that through a Cabinet decision in 2009, the flow of items is linked to provision of adequate infrastructure at the check post and it would take the case to the Cabinet on the basis of the additional capacity created through the new ICP.

Ministers expressed the wish that discussions may

10. P. Chidambaram Inaugurates ICP at Attari; ICP to Boost Bilateral Trade, Press Information Bureau, Government of India, Ministry of Home Affairs, April 13, 2012: <http://pib.nic.in/newsite/erelease.aspx?relid=82259>

11. Joint Press Statement of the Commerce Ministers of India and Pakistan, Press Information Bureau, Government of India, April 13, 2012, <http://pib.nic.in/newsite/erelease.aspx?relid=82272>

continue at the official level for possibilities of opening more land customs stations between both countries. This would enhance greater economic engagement between business communities of both sides and deepen bilateral cooperation for mutual prosperity of their people.

A Joint Statement emanating out of the meeting is enclosed as *Appendix C*.

Bhurban Talks: May 24-25, 2012

A high level meeting was held between the Interior Secretary Siddique Akbar of Pakistan and the Home Secretary Raj Kumar Singh of India along with a number of security experts representing both sides, in the tourist resort of Bhurban, Pakistan.

The underlying theme of the meeting revolved around cooperation to fight terrorism, human trafficking, narcotics, counterfeit currency, cyber crime and issues related to prisoners.¹²

It was during this meeting that a liberal visa policy was agreed upon to ease restrictions on cross-border movement between the two states.

However, the issue of terrorism remained a contentious issue whereby India accused Pakistan of not doing enough to bring the perpetrators of the Mumbai attack to justice. The Indian Home Secretary even offered US \$ 10 million for handing Hafiz Saeed to India, sources said.¹³

On the other hand, Pakistan wanted an end to the Indian involvement related to unrest in Balochistan and a speedier investigation into the Samjhota express incident.

Nonetheless according to the joint statement released at the end of the session, it was stated that both countries will enhance cooperation in their fight against terror which is a major pre-requisite for normalization of relations.

Joint Statement of the meeting is enclosed as *Appendix D*.

Pak-India Oil talks: May 29, 2012

On May 29, 2012, senior Pakistani and Indian members of the Petroleum Ministries opened talks on importing oil

from India to ease the severe energy crisis facing Pakistan.

India claims to have a surplus of petroleum and related products and is willing to export it to its neighbour.

A senior Pakistani official from the Petroleum and Natural Resources' Ministry announced that "if we can save some money by buying it from India, we will buy it from them."¹⁴

Further details like price and quantity to be imported will be worked out in the next round of talks scheduled in July in New Delhi.

Siachen Talks: June 11-12, 2012

The Defence Secretary level talks between Pakistan and India on Siachen were held at the Ministry of Defence, Rawalpindi. The Pakistan delegation was headed by Ms. Nargis Sethi, Secretary Defence. The Indian delegation was headed by Mr. Shashi Kant Sharma, Defence Secretary of India.

The Siachen talks were held among increasing cries for the demilitarization of the glacier after a destructive avalanche, on April 7, 2012 in the Gayari region, took the lives of 129 Pakistani soldiers and 11 civilians.

Unfortunately no major headway was achieved during the talks as the Indian Defence Secretary had announced to the media before the meeting to not expect anything conclusive on the issue which is of vital importance to the Indian security.

The stalemate is on the differences of positioning of the troops whereby India wants Pakistan to authenticate the AGPL (Actual Ground Position Line) which passes through the Saltoro Ridge and the Siachen glacier, both on the maps and on the ground, as it occupies most of the dominating posts on the Saltoro Ridge.

Pakistan, in turn, has been insisting on maintaining the pre-1972 troop positions as agreed in the Simla Agreement.¹⁵

Further meetings in this regard are planned to be held in New Delhi in the coming months. A Joint Statement of the meeting is enclosed as *Appendix E*.

12. India, Pakistan interior secretaries hold talks, Dawn, May 24, 2012: <http://dawn.com/2012/05/24/india-pakistan-interior-secretaries-hold-talks/>

13. Pakistan, India vow joint terror fight, Dawn, May 25, 2012: <http://dawn.com/2012/05/25/pakistan-india-vow-joint-terror-fight/>

14. India, Pakistan kick off oil talks, The Express Tribune, May 29, 2012: <http://tribune.com.pk/story/385774/india-pakistan-kick-off-oil-talks/>

15. No headway: Siachen talks end, status quo remains, The Express Tribune, June 13, 2012: <http://tribune.com.pk/story/392894/no-headway-siachen-talks-end-status-quo-remains/>

India-Pakistan Talks on Sir Creek Issue: June 18-19, 2012

India and Pakistan held talks on Sir Creek in New Delhi on June 18-19, 2012.

The Indian delegation was led by Surveyor General of India Dr. Swarna Subba Rao. The Pakistan delegation was led by Additional Secretary, Ministry of Defence, Rear Admiral Farrukh Ahmad. The Pakistan delegation also met Mr. Shekhar Agarwal, Additional Secretary, Ministry of Defence.

The talks focused on the land boundary in the Sir Creek area and also delimitation of International Maritime Boundary between India and Pakistan.

The two sides reiterated their desire to find an amicable solution of the Sir Creek issue through sustained and result oriented dialogue. They agreed to hold the next round of the talks on Sir Creek issue in Pakistan at mutually convenient dates, to be determined through diplomatic channels.

A Joint Statement of the meeting is enclosed as *Appendix F*.

Pakistan India Foreign Secretaries Level Talks: July 04-05, 2012

During the second-round of the resumed dialogue process, the Foreign Secretaries of India and Pakistan met in New Delhi on July 4-5, 2012 for bilateral talks on Peace and Security including CBMs, Jammu & Kashmir and Promotion of Friendly Exchanges.

The issue of Peace and Security, including CBMs, was discussed in a comprehensive manner. Both sides emphasized the need to promote greater trust and mutual understanding through constructive dialogue.

The Foreign Secretaries reviewed the ongoing implementation of the already adopted Nuclear and Conventional CBMs. It was decided that separate meetings of the Expert Level Groups on Nuclear and Conventional CBMs will be held to discuss implementation and strengthening of the existing CBMs and suggest additional mutually acceptable steps that could build greater trust and confidence between the two countries, thereby contributing to peace and security.

A Joint Statement of the meeting is enclosed as *Appendix*

G.

India, Pakistan Talks on Maritime Security: Jul 13, 2012

India and Pakistan resumed talks on maritime security in New Delhi from July 11-14, 2012. The Indian delegation led by Vice Admiral M. P. Murlidharan and the Pakistani team headed by Rear Admiral Waseem Akram discussed various issues relating to fishermen and maritime security.

Both sides agreed to ensure maritime security and establish a mechanism for release of impoverished fishermen who often end up in each other's jails due to lack of clear demarcation of territorial waters between the two neighbours.

Transportation of Petroleum Products: July 18, 2012

The second round of the meeting of the Expert Group of Pakistan and India on Petroleum and Petrochemicals Trade was held in Delhi on July 18, 2012.¹⁶

The Indian side was represented by Mr. Vivek Kumar, Joint Secretary (International Business) while the Pakistani side was represented by Mr. Shabbir Ahmad, Joint Secretary of the Ministry of Petroleum & Natural Resources.

Both sides agreed on the need to work out back-to-back credit lines between banks so as to put in place an efficient trade finance arrangement between the two countries. It was agreed the matter would be taken up with the respective Central Banks, Finance Ministries and other agencies concerned. Both sides also noted the need for a direct courier service between India and Pakistan, as presently cargo reaches much faster than the documents required for clearing of goods at the discharge port.

India-Pakistan Working Group on Cross-LoC CBMs: July 19, 2012

A Meeting of India-Pakistan Joint Working Group on Cross-LoC CBMs was held in Islamabad on July 19, 2012. The Pakistan delegation was headed by Ms. Zehra Akbari, Director General (South Asia), Ministry of Foreign Affairs, while the Indian side was led by Mr. Y. K. Sinha, Joint Secretary (PAI), Ministry of External Affairs.

The meeting was held in pursuance of the decision taken at the Foreign Secretary level talks on July 04-05, 2012.

The two sides reviewed the progress of the Joint Working

16. Sujay Mehdudia, India-Pakistan to examine using railway infrastructure for transportation of petroleum products, The Hindu, July 18, 2012: <http://www.thehindu.com/business/Economy/article3653993.ece>

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Group on Cross-LoC CBMs and discussed modalities for strengthening and streamlining the existing trade and travel arrangements across the LoC. They also discussed modalities for introducing additional Cross-LoC CBMs. A Joint Statement of the meeting is enclosed as *Appendix H*.

Other Pak-India Interactions

President Zardari's Visit to India: April 08, 2012

President Asif Ali Zardari of Pakistan paid a visit to India in April along with a 40 member delegation, including Interior Minister Senator Rehman Malik, and his family members. This was the first visit to India of a Pakistani head of state since 2005.

Before leaving for India, President Zardari had indicated that this was a private trip as the key agenda on his trip was paying homage to some revered saints and their shrines in India. However, foreign affairs experts were quick to predict that *"whenever any top leader of Pakistan visits India, it assumes importance and discussion on key issues cannot be ruled out."*¹⁷

President Zardari and the Indian Prime Minister Mr. Manmohan Singh held a short private meeting over lunch. Both parties encouraged the thawing of relations between the two countries and sought greater cooperation from both sides to come to 'normal' relations.

However, the Indian Prime Minister reiterated his

government's stance that in order to normalise relations, Pakistan needs to address the issue of terrorism particularly bringing Hafiz Muhammad Sayeed to justice who has been largely blamed for the Mumbai attacks of September 26, 2011.

It was also decided by the two leaders that the home secretaries of both countries will meet to discuss the issue and come up with a solution. Meanwhile, progress made in trade was appreciated and Pakistan's role in enhancing bilateral trade was lauded by the Indian Prime Minister.¹⁸

Indian Media Delegation: April 13, 2012

An Indian Media delegation visited Pakistan and called upon Pakistani Foreign Minister Hina Rabbani Khar on April 13, 2012. The Foreign Minister briefed the delegation on recent developments in India-Pakistan relations. She spoke about the trust deficit among the neighbours which needs to be minimized to improve the situation especially regarding bilateral trade.¹⁹

Pak-India Economic Moot: May 07-08, 2012

A two-day Economic moot was held in Lahore between May 07-08, 2012, organised by the joint initiative of Geo TV and Times of India newspapers by the name of 'Aman ki

Table 2: List of other Pak-India Interactions

No.	Meeting	Date	City, Country
1.	President Zardari's Visit to India; luncheon meeting with Indian Prime Minister Dr. Manmohan Singh and visit to Ajmer	April 08, 2012	Delhi, Ajmer, India
2.	Indian Media Delegation visits Pakistan	April 13, 2012	Islamabad, Pakistan
3.	Pak-India Economic Moot organized by Jang Group and Times of India Group under "Aman ki Asha"	May 08, 2012	Lahore, Pakistan
4.	Pakistan-India Islamabad Dialogue-II organized by the Jinnah Institute	June 03-04, 2012	Islamabad, Pakistan
5.	Pakistan-India announce resumption of Cricket Ties	July 16, 2012	New Delhi, India

17. NNI. (2012). President Zardari arrives in India on private visit. The Nation, April 08, 2012: <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/national/08-Apr-2012/president-zardari-arrives-in-india-on-private-visit>

18. Anand, Anil, Manmohan, Zardari talk peace over lunch, Greater Kashmir, April 09, 2012: <http://www.greaterkashmir.com/news/2012/Apr/9/manmohan-zardari-talk-peace-over-lunch-69.asp>

19. Indian media delegation calls on foreign minister, Ministry of Foreign Affairs, Government of Pakistan, April 13, 2012: <http://www.mofa.gov.pk/mfa/pages/article.aspx?id=1135&type=1>

Asha.'

The moot was divided into six sessions attended by Indian business persons as well as Pakistani business and political stalwarts.

Addressing the inaugural session Pakistan's Prime Minister Syed Yousaf Raza Gillani said that involvement of business persons present clearly indicated the willingness of the people of both nations to establish and promote peaceful relations. He was all praise for the strides made in bilateral trade.

Pakistani Federal Commerce Secretary Zafar Mahmood hailed the decision of the Pakistani Cabinet to reduce the 'negative trade list' to just 1209 items on February 29, 2012. In fact he was hopeful that this list will entirely be phased out by the end of this year on the condition that India provided a 'level playing field' for Pakistani traders.²⁰ Providing a level playing field included removal of Non-Tariff barriers, a more liberal visa policy for Pakistani traders and signing a Free Trade Agreement as India had done with Sri Lanka.

Other issues discussed during the conference included potential benefits of permanent peace, policies for attracting bilateral investment and banking relations.

Islamabad Dialogue II: June 03-04, 2012

The Islamabad Dialogue is part of an initiative of the Indo-Pak Track II diplomacy, organized by the Jinnah Institute and Centre of Dialogue and Reconciliation. The key issues discussed related to positive developments in trade imminent scarcity of water; better health care practices in both countries, and further facilitating communication and interaction across the LoC in Kashmir to bridge differences.²¹

Pakistan-India Cricketing Ties Resume

In a significant development, Pakistan and India agreed to resume cricketing ties between the two countries which were suspended since 2007.

Resuming cricket ties have been the subject of discussions between the governments of both countries and on July 16, 2012, the Board of Control for Cricket in

India (BCCI) announced that it has invited Pakistan for a cricket series of three one-day internationals and two Twenty20 games in December 2012-January 2013.

"It was decided to resume cricketing ties with Pakistan by inviting the Pakistan cricket team for a short series in December 2012-January 2013," the BCCI said in a statement. The plan, however, is subject to final approval by both countries as the BCCI said that *"the modalities will be worked out shortly."*

The two teams have not played a series since Pakistan's tour of India in 2007, after cricket ties were snapped following the 2008 terror attacks on Mumbai.

The Pakistan Cricket Board (PCB) swiftly welcomed the proposed series, which will now require approval from the Indian foreign affairs and home ministries. *"The decision is great and we welcome it. It seems that millions of cricket fans have their wishes fulfilled,"* said the PCB chairman Zaka Ashraf.²²

20 Aman ki Asha: Pak-India moot concludes. Geo New, May 07, 2012: <http://www.geo.tv/GeoDetail.aspx?ID=48110>

21. Dialogue II Joint resolution, Jinnah Institute, , June 04, 2012: <http://jinnah-institute.org/programs/strategic-security-initiative/466-islamabad-dialogue-ii>

22. Pakistan to tour India in December for limited-overs series, Dawn, July 16, 2012: <http://dawn.com/2012/07/16/pak-india-resume-ties-december-2012/>

Future Talks

Visit of Indian External Affairs Minister to Pakistan

It is expected that the Indian External Affairs Minister Mr. S. M. Krishna will undertake a three-day visit to Pakistan from September 7, 2012 to review the second round of the bilateral dialogue process with his counterpart Ms. Hina Rabbani Khar.

According to Media reports,²³ the Indian High Commissioner to Pakistan H. E. Mr. Sharat Sabharwal met with Pakistan's Foreign Secretary Mr. Jalil Abbas Jilani on July 23, 2012 and informed him about the dates for Krishna's visit and its preparation.

It is expected that Mr. Krishna will review the dialogue process, which resumed in 2011 after a gap of over two years in the wake of the Mumbai attacks, during a meeting with Ms. Khar on September 8, 2012.

Following the review, Krishna and Khar are expected to prepare the framework for the third round of the resumed dialogue.

23. SM Krishna to visit Pakistan in September, Zee News, July 24, 2012: http://zeenews.india.com/news/nation/sm-krishna-to-visit-pakistan-in-september_789360.html

Policy Changes and Developments: February July 2012

Trade

Within the past 6-7 months a complete paradigm shift has occurred in trade relations between India and Pakistan, indicating evident eagerness and willingness among both Indian and Pakistani stakeholders.

At least five major commerce and trade related conventions have been held with some resulting in landmark pacts and agreements while in every other interaction of Pakistani and Indian dignitaries, the increasing role of trade has been realized and appreciated.

Following agreements were signed on February 15, 2012, during the visit of the Indian Commerce Delegation to Pakistan:

- i. **Customs Co-operation Agreement:** aims at eliminating unnecessary hurdles at each other's ports;
- ii. **Mutual Recognition Agreement:** entails evaluating products and services by accepting certificates of internationally accredited laboratories; and
- iii. **Redressal of Trade Grievances Agreement:** which aims to design laws in case of a disagreement on trade related issues

The signing of these agreements has been hailed by traders on both sides of the border because it will greatly facilitate commerce and help in realizing the full potential of bilateral trade.

Shortly afterwards the much awaited negative list was approved by the Pakistani cabinet on February 29, 2012 which declared, only 15% or 1209 items as non-tradable.²⁴

The reduction in the negative list was greatly appreciated by the business community as a wide variety of exports and imports can now flow between the two countries.

There are further speculations, as declared by Pakistan's

Commerce Secretary Mr. Zafar Mahmood that the Government of Pakistan plans to phase out the negative list entirely by the end of 2012.

On April 13, 2012, the check post at the Attari-Wagah border was opened up to allow trade between the neighbours. The initiative coincided with a meeting of the Commerce Ministers Mr. Anand Sharma and Makhdoom Amin Fahim and a joint statement released stated that: "*the new arrangements shall streamline movement of trucks across the border and significantly enhance the flow of trade through land route.*"²⁵

This was a third meeting of commerce ministers in less than seven months, which speaks volumes of the willingness of both countries to create an amicable atmosphere of trade.

There are also speculations that India has offered to extend its Bhatinda pipeline to Lahore in order to supply Liquefied Natural Gas (LNG) and Pakistan is considering the proposal.²⁶

Liberalising Visa Regime

Meanwhile, reportedly, the two countries have agreed in liberalizing the visa policies especially for commerce related activities. In May 2012, after a year of negotiations between the interior ministries, a liberal visa regime was finalized but was not signed.²⁷

The Indian Home Ministry said "*the revised agreement inter-alia introduces the concept of group tourist visa, visa on arrival and a separate category of business visas.*"²⁸

Banking across the Border

Traders across the border stand unanimous in the view that in order to facilitate trade it is important that banking facilities are made cohesive and convenient. Thus, the banking sector has been encouraged to participate in enhancing trade relations between the neighbours.

In a meeting held between the State Bank of Pakistan and the Reserve Bank of India in April, both banks invited

24. Pak clears negative list regime for India, The Statesman, February 29, 2012:

http://www.thestatesman.net/index.php?option=com_content&view=article&id=401787&catid=35

25. Joint Press statements of the Commerce Ministers of India and Pakistan, Ministry of Foreign Affairs, Government of Pakistan, April 13, 2012:

<http://www.mofa.gov.pk/mfa/pages/print.aspx?id=1138&type=3>

26. Burki, Shahid Javed, Non traditional trade opportunities for India, Dawn, April 12, 2012: <http://dawn.com/2012/04/02/non-traditional-trade-opportunities-in-india/>

27. Secretary-level talks: Pak, India finalise new visa regime, May 25, 2012: <http://islamabad.newspakistan.pk/2012/05/25/secretary-level-talks-pak-india-finalise-new-visa-regime-2/>

28. Ajay Banerjee, India, Pak set to sign liberal visa agreement, The Tribune, May 24, 2012: <http://www.tribuneindia.com/2012/20120524/main5.htm>

applications to open bank branches in each other's cities.²⁹

There is, however, little progress on the ground on this issue. Reportedly, the Central banks of India and Pakistan have gone slow on working out regulatory issues in this regard. The government and the Reserve Bank of India (RBI) are yet to formulate guidelines on Indian banks' entry into Pakistan.³⁰

Two years back National Bank of Pakistan and United Bank Limited were given permission by State Bank to open their branches in the main cities of India, but the arrangement has not materialised because of diplomatic hitches between the two neighbouring countries. The two governments had decided that the arrangement would only become operational on reciprocal basis, but New Delhi has yet to send the names of two Indian banks willing to open branches in Pakistan, hence there has been no progress in the case of NBP and UBL.

Pakistani banks, reportedly, have strong desires to enter into the financial sector of India but they are not getting encouraging response from the Indian government, whereas Indian business community has shown keen interest to enter manufacturing sector.

In the mean time, bilateral trade relations have significantly improved during the last three years, but mostly in the Indian favour. According to the State Bank data, the bilateral trade volume rose to US \$1.454 billion in the first 11 months of 2011-2012 but mostly in the favour of India as Pakistan exported goods worth US \$ 310 million and imported goods of US \$ 1.144 billion during this period.³¹

Foreign Direct Investment (FDI)

Efforts are also underway to allow Foreign Direct Investment (FDI) from Pakistan. Mr. Anand Sharma notified the Rajya Sabha, the Upper House of the Indian Parliament that his ministry has "*requested the Ministry of Finance to*

amend the Foreign Exchange Management Act (FEMA) to allow FDI from Pakistan."³²

On August 1, 2012, the Indian Commerce Ministry formally announced allowing investments from Pakistan. The Ministry overturned a ban on foreign investment from Pakistan. "*The Government of India has reviewed the policy and decided to permit a citizen of Pakistan or an entity incorporated in Pakistan to make investments in India,*" said a statement from the Indian Commerce Ministry.³³

The ban on investments in defence, space and atomic energy will remain and all propositions must be notified to the Indian government.³⁴

The decision to accept foreign direct investment from Pakistan was taken in April 2012 when the trade ministers of the two countries met in New Delhi. Pakistan was the only country from where investment was not permitted within India.

Terrorism

The issue of terrorism has remained a major hindrance in Pakistan-India relations. India continues to declare that relations will only improve if Pakistan brings to justice the perpetrators of the Mumbai attacks particularly Hafiz Muhammad Saeed, the leader of the defunct Lashkar-e-Taiba (LeT). It also claims that adequate proof has been provided by India to indict and punish the accused.

An eight-member Pakistani Judicial Commission travelled to India on March 15, 2012 for investigations of the Mumbai terror attacks. The commission recorded the statements of Chief investigative officer Ramesh Mahale and two doctors who conducted the autopsies of the eight alleged attackers. Mahale also briefed the details of Ajmal Kasab's arrest. However, direct access to Ajmal Kasab was not provided to the Commission.³⁵

29. Aditi, Phadnis, One step closer: State Bank of Pakistan prepares to open branches in Pakistan. The Express Tribune, April 25, 2012:

<http://tribune.com.pk/story/369757/one-step-closer-state-bank-of-india-prepares-to-open-branches-in-pakistan/>

30. Mahua Venkatesh, Indian banks' Pak foray stuck for want of guidelines, Hindustan Times, August 15, 2012: <http://www.hindustantimes.com/News-Feed/BusinessBankingInsurance/Indian-banks-Pak-foray-stuck-for-want-of-guidelines/Article1-914095.aspx>

31. MCB Bank seeks to enter India, Dawn, July 19, 2012: <http://dawn.com/2012/07/19/mcb-bank-seeks-to-enter-india/>

32. India agreed on FDI from Pakistan, The Express Tribune, May 03, 2012: <http://tribune.com.pk/story/373293/india-agreed-on-fdi-from-pakistan-anand-sharma/>

33. Industry, trade circles advise caution: India allows investments from Pakistan, Dawn, August 2, 2012: <http://dawn.com/2012/08/02/industry-trade-circles-advise-caution-india-allows-investments-from-pakistan/>

34. India formally allows foreign direct investment from Pakistan, The Times of India, August 01, 2012: <http://timesofindia.indiatimes.com/business/india-business/india-formally-allows-foreign-direct-investment-from-Pakistan/articleshow/15312558.cms>

35. Pakistan commission concludes Mumbai investigations, Dawn, March 19, 2012: <http://dawn.com/2012/03/19/pakistan-commission-concludes-mumbai-investigations/>

Pakistan had earlier demanded that Pakistani officials would like to speak with Kasab directly to verify his confession. India's Ministry of Home Affairs, however said that such access was not part of the memorandum of understanding governing the visit.³⁶

The combined investigative report by Pakistani and Indian authorities was, however, rejected by the Anti-Terrorism Court-II (ATC) on July 17, 2012 which termed it as unlawful, because it did not give the defendants the right to cross-examine the witnesses.³⁷

It is reported that after the court rejection of Indian evidence in the 26/11 terror case, Pakistan has again requested India to allow its judicial commission to cross-examine witnesses so that its report can be treated as evidence in Pakistan. Pakistan has maintained that the evidence provided by New Delhi in the November 2008 Mumbai terror attacks case was not admissible in a Pakistani court as defence lawyers were not allowed to cross-examine Indian witnesses.³⁸

The evidence provided by the Indian authorities includes the confessional statement of Ajmal Kasab, the lone surviving terrorist, a CD with intercepts of conversations between the attackers in Mumbai and their handlers in Pakistan, autopsy and medical reports of the dead and injured and the statements of four witnesses.³⁹

Pakistan on the other hand accuses India of fanning insurgency in Balochistan. Addressing a session on Balochistan in the Senate of Pakistan on August 2, 2012, Pakistan's Interior Minister Rehman Malik accused the Indian establishment of scuttling Pakistan's efforts of containing insurgency in Balochistan. *"Despite agreeing to meet me in Tajikistan, Mr Brahamdagh reneged on the commitment after the Indian establishment warned that he would be killed if he met me,"* he said on the floor of the House.⁴⁰

36. Mumbai attack probe: Pakistani investigators denied access to Kasab: The Express Tribune, January 24, 2012: <http://tribune.com.pk/story/326243/mumbai-attack-probe-pakistani-investigators-denied-access-to-kasab/>

37. Mumbai attacks: ATC rejects judicial report, The Express Tribune, July, 17, 2012: <http://tribune.com.pk/story/409423/mumbai-attacks-atc-ii-rejects-judicial-report-as-unlawful/>

38. Pakistan wants to send its panel again to cross-examine key Indian witnesses, The Times of India, August 08, 2012: <http://timesofindia.indiatimes.com/city/delhi/Pakistan-wants-to-send-its-panel-again-to-cross-examine-key-Indian-witnesses/articleshow/15405784.cms?>

39. Ibid.

40. Malik says India scuttled his Tajikistan meeting with Brahamdagh, The News, August 03, 2012: <http://www.thenews.com.pk/Todays-News-13-16534-Malik-says-India-scuttled-his-Tajikistan-meeting-with-Brahamdagh>

APPENDICES

Appendix A**Joint Press Statement of the Commerce Ministers of Pakistan and India**February 15, 2012, Islamabad⁴¹

1. At the invitation of Commerce Minister of Pakistan, Makhdoom Mohammad Amin Fahim, Mr. Anand Sharma, Indian Minister for Commerce, Industry and Textiles, along with a high powered business delegation, is visiting Pakistan from 13th to 16th February 2012.
2. This is the first ever visit by the Commerce Minister of India for substantive bilateral meetings. Accompanied by more than hundred business delegates, this visit marks a historic moment for both the countries, when political leadership and the business communities have extended unequivocal support for full normalization and preferential trading arrangements between the two countries.
3. The Ministers along with their official delegations met for the bilateral meeting on February 15, 2012. Both sides reviewed the considerable progress achieved in taking forward the bilateral trade relationship.
4. Both sides noted that the EU Package has been approved by the General Council of WTO in its meeting held on February 14, 2012. Pakistan side expressed its deep appreciation for the support extended by India to get this approved.
5. After Mr. Sharma's arrival through Attari-Wagah border both the Ministers jointly inspected the infrastructure development for trade facilitation and expressed their satisfaction. The Integrated Check Post is expected to be operational by April 2012. Once the infrastructure requirements are fulfilled, trade through Wagah will be allowed as per earlier decisions taken by both sides.
6. During the 6th Round of Commerce Secretary Level Talks held on 14-16 November 2011 at New Delhi, both sides agreed to develop mechanisms to address issues of Non-Tariff Barriers. The two countries have now initialled three agreements i.e., Customs Cooperation Agreement, Mutual Recognition Agreement and Redressal of Trade Grievances Agreement to build confidence of the business community on both sides. Through implementation of these Agreements the two countries will systematically address the issues related to Non-Tariff Barriers.
7. Regarding opening of new trade routes, it was agreed that as desired by Indian side, opening of Munabao/Khokharapar route for trade will be explored in consultation with the stakeholders. A Joint Working Group will be constituted which will report to the respective Governments before the next Round of talks between the Commerce Secretaries. The matter will be discussed in the next round of Commerce Secretaries' meeting.
8. During the visit of Commerce Minister of Pakistan to India, the Indian side arranged meetings between Pakistani businessmen and Indian Regulatory Authorities on trade regulations, standards, labelling and marking requirements. On request by Pakistan during the 6th Round of talks between the Commerce Secretaries, the Indian side agreed that a delegation comprising various regulatory bodies would visit Lahore and Karachi in the first quarter of 2012 to provide necessary outreach so that the businessmen in Pakistan can be better informed about these regulations. Accordingly, an Indian delegation consisting of officials from Indian Regulatory Authorities visited Pakistan from 26-27 January 2012. The delegates held meetings with the leading chambers of Pakistan and the business community on the Indian trade regulations, standards and labelling/marketing requirements. The two countries will continue interacting on these lines.
9. The first meeting of the Expert Group on Electricity was held on 20th October, 2011 at New Delhi. The 2nd Meeting of the Expert Group will be held at Lahore to finalize the modalities of electricity trade between Pakistan and India. The two sides shall meet in the month of March 2012.
10. It was agreed that the First meeting of Expert Group on Trade in Petroleum Products will be held in the first week of March at New Delhi, India.

41 Ministry of Commerce, Government of Pakistan, February 16, 2012, www.commerce.gov.pk/.../Joint_Press_Statement_of_the_Commerce

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11. The Joint Working Group of Ministry of Interior Pakistan and Ministry of Home Affairs India is working on agreement on visa facilitation for movement of businessmen across the border.
12. On issue of opening of Bank branches of both countries, it was informed that both Central Banks are scheduled for meeting in Mumbai in first fortnight of March, 2012.
13. The two sides are encouraging trade promotional activities. After signing MoU between TDAP and ITPO, FICCI has held a successful "India Show" from 11-13 February 2012 at Expo Centre Lahore. Trade Development Authority of Pakistan has planned to organize Lifestyle Exhibition in New Delhi in the month of March 2012. In addition, TDAP and ITPO have also planned participation in five ITPO organised fairs for 2012-13.
14. The Ministers firmly reiterated that both sides would scrupulously adhere to the roadmap drawn up by the Commerce Secretaries for full normalisation of trade relations. It has been agreed that Pakistan will move from a Positive List to a small Negative List by February 2012. The negative list is to be phased out; the timing for this will be announced in February 2012 at the time the list is notified. It is expected that the phasing out will be completed before the end of 2012. The understanding is that when the transition to MFN is effected, all items other than those in the SAFTA sensitive list would get preferential access at peak tariff levels of 5% by the end of 2012.
15. The Commerce Secretaries had also agreed to advance the preferential trading arrangement agenda through SAFTA. This too shall be done in a sequenced manner. When Pakistan notifies its negative list, discussions shall be launched on reducing the size of the Sensitive lists and drawing up a program for phasing in tariff liberalisation on such items. Tariff liberalisation for up to 30% of the Sensitive List shall be considered by India within four months of the notification of the small Negative List by Pakistan. After the negative list is dismantled and trade transitions fully to MFN/SAFTA basis, the Sensitive Lists shall undergo further liberalisation.

Appendix B**India - Pakistan Joint Statement on Tulbul Navigation/Wullar Barrage Project****March 28, 2012, New Delhi⁴²**

1. Under the dialogue process between India and Pakistan, the delegations of the two countries met in New Delhi from 27-28 March 2012, to discuss the Tulbul Navigation / Wullar Barrage Project. The Indian delegation was led by Mr. Dhruv Vijai Singh, Secretary Ministry of Water Resources, Government of India and the Pakistan delegation was led by Mr. Imtiaz Kazi, Secretary Ministry of Water and Power, Government of Pakistan. Secretary Kazi and some members of Pakistan delegation called on H.E. Mr. Vincent H. Pala, Minister of State for Water Resources, Government of India.
2. The talks were held in a friendly and cordial atmosphere. The two sides reiterated their commitment to bilateral engagement in a spirit of constructive cooperation. They discussed their respective positions on the Project while reaffirming the commitment to the Indus Waters Treaty 1960.
3. Both sides emphasized the need for an early and amicable resolution of the issue within the ambit of the Indus Waters Treaty. In order to address the concerns of both countries, it was agreed that the Indian side will provide additional technical data to Pakistan. The Pakistan side shall examine all the data and furnish its views before the next round of the Talks. Both sides further agreed that, if required, they will explore the way forward for resolving the issue under the provisions of the Treaty.

42 India - Pakistan Joint Statement on Tulbul Navigation/Wullar Barrage Project, Ministry of External Affairs, India, March 28, 2012, <http://www.mea.gov.in/mystart.php?id=530519156>

Appendix C**Joint Press Statement of the Commerce Ministers of India and Pakistan****April 13, 2012, New Delhi⁴³**

At the invitation of the Commerce Minister of India, Mr. Anand Sharma, the Commerce Minister of Pakistan, Mr. Makhdoom Mohammad Amin Fahim is visiting India from 12th to 14th April, 2012.

The “Lifestyle Pakistan” exhibition was inaugurated on 12th April, 2012. This exhibition comes close on the heels of the “India Show”, which was held in Lahore in February 2012. Both sides welcomed these rapid developments on the business front and the business-to-business and business-to-consumer contact for promoting both commerce and people-to-people understanding. The Ministers agreed that this was a clear testimony of the business-driven demand for a rapidly expanding bilateral economic engagement.

The Ministers along with their official delegations held a bilateral meeting on April 13, 2012. This is the third bilateral meeting between the Commerce Ministers of both countries within a time span of less than seven months. This is testimony of the political commitment on both sides to normalize and strengthen the bilateral trade and commercial relationship. Both sides reviewed the progress made on the decisions already taken.

Both sides expressed satisfaction that the transition process for complete normalization of the trading of goods and services, including investment, has started. There has been a substantial increase in the list of commodities permitted to be imported from India. As per the Pakistan Government's order of 20th March, 2012, a Negative List of 1209 tariff lines has been announced; In accordance with the Pakistan Cabinet decision complete phasing out of Negative List by December 2012 is subject to further negotiations between the two countries. Both sides agreed that the modalities will be discussed in the next meeting of the commerce secretaries.

Both sides expressed satisfaction at the joint and coordinated efforts that have been made for making the new gates at the Attari Integrated Check Post (ICP) functional for trade. The new arrangements shall streamline movement of trucks across the border and significantly enhance the flow of trade through land route. It was also noted that Pakistan has already built sufficient infrastructure at Wagah and is clearing all the current cargo traffic.

Both sides agreed to take all further action to encourage greater trade through the new ICP. The new infrastructure will enable a substantial increase in the movement of goods traffic across the border. Also, it will now be possible for trade to be conducted over longer hours during any working day. It was agreed that Pakistan will take necessary steps to remove extant restrictions on items permitted to be imported through the land route. The objective is to permit all items not in the Negative List to be traded across the land border at Attari-Wagah. Pakistan side stated that through a Cabinet decision in 2009, the flow of items is linked to provision of adequate infrastructure at the check post and it would take the case to the Cabinet on the basis of the additional capacity created through the new ICP.

Ministers expressed the wish that discussions may continue at the official level for possibilities of opening more land customs stations between both countries. This would enhance greater economic engagement between business communities of both sides and deepen bilateral cooperation for mutual prosperity of their people.

It was agreed that discussions would continue at the official level, to draw a roadmap for further reductions in the SAFTA sensitive lists. While reducing the SAFTA lists, both sides would appropriately consider requests received for tariff lines to be removed.

On other related issues of trade in petroleum products and electricity, Ministers expressed the desire that concerned officials of both countries should fast track the ongoing process. It was also noted that the respective Central Banks are examining issues relating to opening of bank branches of both the countries.

43 Press information Bureau, government of India, April 14, 2012, <http://pib.nic.in/newsite/erelease.aspx?relid=82272>

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The Ministers expressed their joint wish that Business visa regime needs to be liberalized at the earliest. It was noted that a formal decision on this is expected at the forthcoming meeting of the Home Secretary of India and the Secretary of the Ministry of Interior of Pakistan.

The Ministers noted the considerable support which has been provided by the Business Chambers of Commerce and Industry on both sides, to fast track the growing economic engagement between both countries. In line with this process, the Ministers took a decision that a Joint Business Council may be constituted with ten prominent business persons to be nominated by each country.

This Joint Business Council shall provide an additional institutional framework for regular and sustained dialogue between the business communities. It is expected to meet at least once in every six months and recommend further steps that could be taken to improve bilateral economic relations. These recommendations would be sent to the respective Commerce Ministries of both countries, which shall use these valuable inputs for taking forward the ongoing trade dialogue. The Joint Business Council shall also strategize and implement mechanisms for deepening the business to business trade and commerce relations between both countries.

Appendix D**Joint Statement issued by India and Pakistan on the Home Secretary level talks****May 25, 2012, Islamabad⁴⁴**

1. Under the resumed bilateral dialogue, the second round of India-Pakistan Home/Interior Secretary Talks was held in Islamabad on May 24-25, 2012. The Pakistan delegation was led by Mr. K. M. Siddiq Akbar, Interior Secretary, and the Indian Delegation was led by Shri Raj Kumar Singh, Home Secretary of India.
2. The meeting was held in a cordial and friendly atmosphere.
3. Both sides exchanged views on the decisions taken in the last round of Home/ Interior Secretary Talks held in New Delhi in March 2011.
4. Both sides agreed that terrorism poses a continuing threat to peace and security and full normalization of bilateral relations. They reiterated the firm and undiluted commitment of the two countries to fight and eliminate this scourge in all its forms and manifestations and bring those responsible for such crimes to justice.
5. The Pakistan side provided an update on the ongoing trial and investigation in Pakistan on the Mumbai Terror Attacks. Both sides discussed Judicial Commission's visit to India from March 14-21, 2012. Pakistan side noted that it had agreed in principle to receive a Judicial Commission from India. In this regard, modalities, mandate and composition of the Commission will be worked out through diplomatic channels. Pakistan side reiterated its commitment to bring all the perpetrators of the Mumbai terror attacks to justice expeditiously in accordance with due process of law.
6. The Home and the Interior Secretaries agreed to enhance cooperation between the NIA of India and the FIA of Pakistan on issues of mutual concern, including Mumbai terror attacks investigation.
7. India provided information on the on-going Samjhauta Express blast case investigation. It was mentioned by the Indian side that investigation in this case is still ongoing and updated information will be shared with the Pakistan authorities concerned when the investigation is completed. The Indian side agreed to forward updated information on the investigation through diplomatic channel.
8. The Pakistan side noted the technical parameters, suggested by the Department of Telecommunications (DoT), Government of India for establishing a hotline between the Home Secretary of India and the Interior Secretary of Pakistan. Pakistan side would examine the technical parameters and revert.
9. Both sides welcomed the signing of the 'MoU on Drug Demand Reduction and Prevention of Illicit Trafficking in Narcotics Drugs/Psychotropic Substances and Precursor Chemicals and related matters', during the Eighth Director General level talks between Narcotics Control Bureau of India and Anti Narcotics Force of Pakistan on Drugs Trafficking in September 2011. They expressed the hope that the MoU will help enhance mutual cooperation between India and Pakistan through effective and sustained steps to control the growing menace of drug trafficking. In this context, they also welcomed the outcome of the DG level talks, held at Rawalpindi on September 12-13, 2011, and noted the decision to hold DG level talks on Drugs Trafficking annually.
10. It was decided that CBI and FIA will schedule a meeting at an early date to work out the technical details of moving forward on issues of human trafficking, counterfeit currency, cyber crimes and Red Notices (RNs). Both sides agreed to expeditiously execute all pending RNs. Pakistan side agreed to examine issues pertaining to Letters Rogatory.
11. Both sides welcomed the finalization of the Visa Agreement and agreed to sign it at an early date. The Pakistan side informed that some internal approvals were under process and the Agreement will be signed once they are in place.

44 Ministry of Foreign Affairs, Government of Pakistan, May 25, 2012, <http://www.mofa.gov.pk/mfa/pages/article.aspx?id=1190&type=1>

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12. Both sides welcomed the release of prisoners and fishermen, including those suffering from ailments, since the last round of Home/ Interior Secretary Talks. They noted the need to fully implement the understanding reached during the previous Home/ Interior Secretary Talks in March 2011 so that the fishermen and the civilian prisoners who have completed their sentence, and whose nationality status has been confirmed by the respective Governments and whose travel documents have been received, are released without delay. It was also agreed that those fishermen who have completed their sentences will be released by both sides within three months along with their boats, except where the boats have been lost, damaged or confiscated by the courts. It was decided that those prisoners, whose nationality status could not be confirmed either due to lack of information or due to the physical disabilities of the prisoner concerned, would be transferred to charitable institutions in India and Pakistan pending confirmation of their nationality status.
13. Both sides commended the work done by the Judicial Committee on Prisoners and agreed that their work should continue. They also agreed on the need for implementing the 2008 Consular Agreement in letter and spirit.
14. The Secretaries also exchanged views on the issue of inadvertent crossing of fishermen from both sides. The Pakistan side noted the invitation extended by the Indian Coast Guards for a meeting with the Pakistan Maritime Agency in June 2012 in New Delhi.
15. In order to strengthen mutual cooperation in criminal matters, the two sides agreed in principle to initiate negotiations on a Mutual Legal Assistance Treaty (MLAT). In this regard, it was agreed that Pakistan side would examine the draft of the MLAT handed over by the Indian side and revert with comments.
16. The Home Secretary of India thanked the Interior Secretary of Pakistan for the warm hospitality extended to the Indian delegation and the arrangements made for the visit. He invited the Interior Secretary of Pakistan to visit India for the next Home/ Interior Secretary level Talks. The invitation was accepted.

Appendix E**Joint Statement on India-Pakistan Siachen Talks****June 12, 2012, Rawalpindi⁴⁵**

1. The Defence Secretary level talks between Pakistan and India on Siachen were held at the Ministry of Defence, Rawalpindi from 11-12 June 2012. The Pakistan delegation was headed by Ms. Nargis Sethi, Secretary Defence. The Indian delegation was headed by Mr. Shashi Kant Sharma, Defence Secretary of India.
2. The Defence Secretary of India called on the Minister for Defence Syed Naveed Qamar.
3. The talks were held in a cordial and friendly atmosphere. Both sides reaffirmed their resolve to make serious, sustained and result oriented efforts for seeking an amicable resolution of Siachen. It was agreed to continue dialogue on Siachen in keeping with the desire of the leaders of both countries for early resolution of all outstanding issues. Both sides acknowledged that the ceasefire was holding since 2003.
4. It was agreed that the next round of talks on Siachen will be held in New Delhi on mutually convenient dates, to be fixed through diplomatic channels.

45 Ministry of External Affairs, Government of India, June 12, 2012, <http://www.meaindia.nic.in/mystart.php?id=190017693>

Appendix F**Joint Statement on India-Pakistan Talks on Sir Creek****June 19, 2012, New Delhi⁴⁶**

1. Under the resumed dialogue process between India and Pakistan, talks on Sir Creek issue were held in New Delhi on June 18-19, 2012. The Indian delegation was led by Surveyor General of India Dr Swarna Subba Rao. The Pakistan delegation was led by Additional Secretary in the Ministry of Defence Rear Admiral Farrokh Ahmad. The Pakistan delegation met Shri Shekhar Agarwal, Additional Secretary, Ministry of Defence.
2. The talks were held in a friendly and cordial atmosphere.
3. The two sides discussed the land boundary in the Sir Creek area and also delimitation of International Maritime Boundary between India and Pakistan. They reiterated their desire to find an amicable solution of the Sir Creek issue through sustained and result oriented dialogue.
4. They agreed to hold the next round of the talks on Sir Creek issue in Pakistan at mutually convenient dates, to be determined through diplomatic channels.

46 Ministry of External Affairs, Government of India, June 19, 2012, <http://www.mea.gov.in/mystart.php?id=530519646>

Appendix G**Joint Statement on India Pakistan Foreign Secretaries Level Talks**July 5, 2012, New Delhi⁴⁷

1. During the second-round of the resumed dialogue process, the Foreign Secretaries of India and Pakistan met in New Delhi on July 4-5, 2012 for bilateral talks on Peace and Security including CBMs, Jammu & Kashmir and Promotion of Friendly Exchanges.
2. The talks were held in a frank and constructive atmosphere. Both sides reiterated their desire to carry forward the dialogue process in a purposeful and result-oriented manner.
3. The issue of Peace and Security, including CBMs, was discussed in a comprehensive manner. Both sides emphasized the need to promote greater trust and mutual understanding through constructive dialogue.
4. The Foreign Secretaries reviewed the ongoing implementation of the already adopted Nuclear and Conventional CBMs. It was decided that separate meetings of the Expert Level Groups on Nuclear and Conventional CBMs will be held to discuss implementation and strengthening of the existing CBMs and suggest additional mutually acceptable steps that could build greater trust and confidence between the two countries, thereby contributing to peace and security. The dates for the meetings of Expert Level Groups will be determined through diplomatic channels.
5. The Foreign Secretaries noted that both countries recognize that terrorism poses a continuing threat to peace and security. They reaffirmed the strong commitment of the two countries to fight and eliminate terrorism in an effective and comprehensive manner so as to eliminate the scourge in all its forms and manifestations.
6. The Foreign Secretaries had a comprehensive exchange of views on the issue of Jammu & Kashmir and agreed to continue discussions in a purposeful and forward looking manner with the view to finding a peaceful solution by narrowing divergences and building convergences.
7. Both sides recognized the need to strengthen the existing Cross-LoC CBMs for streamlining the arrangements to facilitate travel and trade across LOC. They decided to convene a meeting of the Working Group on Cross-LoC CBMs on July 19, 2012 in Islamabad to recommend steps for strengthening and streamlining and effectively implementing the existing trade and travel arrangements and propose modalities for introducing additional cross LoC CBMs.
8. Both sides underlined the importance of greater people to people contacts and friendly exchanges in building a relationship of trust and friendship between the two countries. They noted that the text of a revised bilateral Visa Agreement has already been finalized and decided to work for its early signing. They emphasized the importance of greater parliamentary exchanges; promotion of cooperation in various fields including facilitating visits to Religious Shrines and cessation of hostile propaganda against each other.
9. The Foreign Secretaries also emphasized the need to promote media and sports contacts.
10. During his visit the Foreign Secretary of Pakistan will be calling on Minister of External Affairs of India, H.E. Mr. S.M. Krishna and National Security Adviser HE Mr. Shivshankar Menon.
11. The Foreign Secretaries will meet again in Islamabad, on a date to be decided through diplomatic channels, to prepare for the meeting of the External Affairs / Foreign Ministers in September 2012.

47 Press Information Bureau, Government of India, July 05, 2012, <http://pib.nic.in/newsite/erelease.aspx?relid=85192>

Appendix H**Joint Statement by IndiaPakistan Working Group on Cross-LOC CBMs****July 19, 2012, Islamabad⁴⁸**

1. In pursuance of the decision taken at the Foreign Secretary level talks on 4-5 July 2012, meeting of India-Pakistan Joint Working Group on Cross-LoC CBMs was held in Islamabad on 19 July 2012. Pakistan delegation was headed by Ms. Zehra Akbari, Director General (South Asia), Ministry of Foreign Affairs, while the Indian side was led by Mr. Y. K. Sinha, Joint Secretary (PAI), Ministry of External Affairs.
2. The meeting was held in a cordial and constructive atmosphere.
3. The two sides reviewed the progress since the last meeting of the Joint Working Group on Cross-LoC CBMs and discussed modalities for strengthening and streamlining the existing trade and travel arrangements across the LoC. They also discussed modalities for introducing additional Cross-LoC CBMs.

48 Pakistan-India Working Group meeting on Cross-Loc CBMs, Ministry of Foreign Affairs, Government of Pakistan, July 19, 2012, <http://www.mofa.gov.pk/mfa/pages/article.aspx?id=1252&type=1>



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