

Exporters seek help to normalise trade on Attari-Wagah border

KARACHI: Pakistani exporters on Friday sought the government's help to get cleared their multimillion dollars of shipments stuck at the Indian ports since the two neighbouring countries indulged in border skirmishes a month ago.

They demanded of the government to form a task force to solve the issue as a large number of consignments exported to India are stuck at Indian ports as India slapped 200 percent duty on all imports from Pakistan following the emergence of conflict.

"A number of consignments of leather products, textiles and other goods are stuck at Indian ports, as the Indian importers are not getting them released, while the consignments are neither being re-exported back to Pakistan," Gulzar Feroz, vice president of the Federation of Pakistan Chambers of Commerce and Industry said.

"A task force needs to be formed to solve the issue, as exporters are suffering (from stalled trade)."

Last month, India imposed a 200 percent customs duty on goods imported from Pakistan due to a withdrawal of the most favoured nation status from the country after the Pulwama terror attack that killed Indian paramilitary troopers in Kashmir.

Since then truckloads of cement, dates and some other items from Pakistan have been languishing at the Attari-Wagah border, traders said. Most of Pakistan's exports to India are through the border. Indian importers mostly pay for the goods clearance, "but they now find it impossible to take delivery because of the duty hike," an exporter said.

Bilateral trade volume between the two countries is almost \$2 billion a year. Pakistan's exports to India were worth almost \$484 million as of FY2018 versus imports of around \$1.8 billion.

India and Pakistan resumed barter trade at a border crossing in Kashmir earlier this week, Reuters, quoting an Indian official, reported.

Trade across the border, known as the Line of Control (LoC), was part-suspended after repeated mortar and small arms fire at Uri, a border town where the exchange of goods takes place.

Trade across the LoC operates on a barter system, where no money is exchanged.

The hostilities between the two neighbours, however, ensure that there are no banking facilities to turn the barter trade, which started in October 2008, into a regular currency trade.

Indian traders export cumin, chilli pepper, cloth, cardamom, bananas, pomegranate, grapes and almonds. Prayer mats, carpets, cloth, oranges, mangos and herbs return from the Pakistani side. Currently, only 21 items have been approved for trade between the two parts of Kashmir.

According to various estimates, commodities worth nearly \$220 million were exported to Pakistan on the Uri-Muzaffarabad and Poonch-Rawalakot routes by Indian traders in 2015/16, while Pakistan traders exported \$190 million worth of commodities during the same period.

Javed Bilwani, president of Pakistan Hosiery Manufacturers and Exporters Association said exports to India have been tricky even before the latest stand-off, as there were numerous non-tariff barriers.

“The Indian importers can get the goods cleared at previous duty rates through courts as almost all these orders were before the duty was increased and letter of credits were opened before the (duty) notification issued by Indian government,” Bilwani said.

An exporter, requesting anonymity, said the government has not taken any step to resolve the issue while the exporters are losing business as well as clients across the border.

Javed Mirza