

Closure of trade: Tit-for-tat response to India worked out

ISLAMABAD: The top authorities in the Commerce Ministry have finalised 3-4 point tit-for-tat strategy for India following its withdrawal of MFN (most favoured nation) status and closure of bilateral trade in the wake of the Pulwama incident.

New Delhi has imposed 200 percent duty on the Pakistani products meaning closure of exports to India. Pakistan has in turn decided to place Indian 90 items in the negative list under which import from India will immediately be curtailed by \$500-600 million. Pakistan may also ban Indian items worth \$600 million being exported to Afghanistan under transit trade agreement. Pakistan can impose ban on Indian exports under transit trade in the name of inspection of goods.

Under the strategy, however, Pakistan will not ban the import of cotton, raw material and some machinery which is vital for industry, one of the top officials told The News referring to the meeting held in Commerce Ministry purely on the withdrawal of MFN status and closure of bilateral trade by India. However, Pakistan will, he said, not raise the withdrawal of MFN status in the platform of World Trade Organisation (WTO) as Pakistan has not extended the same status to India. "It is India that had unilaterally extended MFN status to Pakistan, but numerous NTB (non-tariff barriers) other than restrictive Indian tariff regime have never enabled Pakistan products to make inroads in Indian market under the so-called MFN status."

The worked out strategy, he said, by Commerce Ministry will be pitched in the National Security Council meeting to be held today (Thursday) for final approval. And if the strategy gets implemented by NSC, India will be the biggest loser as the bilateral trade between the two nuclear states stands at just \$2.183 billion out of which imports from India are at \$1.8 billion and exports from Pakistan are at \$350 million. If Pakistan in response to actions by New Delhi closes down the imports, India will be the loser and more importantly Pakistan can also close down the import of Indian goods from Karachi under transit trade to Afghanistan. This will also inflict the loss amounting to \$600 million. "Apart from it, Pakistan can also create problems for direct air freight cargo corridor established between Kabul and New Delhi and Kabul and Mumbai for trade."

The official said that Aviation Authority will give its input in next meeting of National Security Council if Pakistan can ban Indian cargo planes bound to Afghanistan keeping in view the UN conventions. The top official also said India has banned the import of cement from Pakistan and last year the cement export to India stood at \$57 million, and it was being estimated that the cement export will increase manifold, but jingoism in India prevailed resulting in the closure of trade with Pakistan. To a question, the official said Pakistan has not been importing vegetables from India for the last three years because of a virus found in the Indian tomatoes and other vegetables. He said the ban on Indian produce provided local farmers to earn more. He also argued saying that Gulf and Middle East countries have also placed ban on import of Indian vegetables and its basmati rice.

The Pakistani businessmen have also made up their mind to import the raw material and cotton from other countries instead of India and likewise Indians will also divert the trade to other countries as no one can risk one's business amid escalated tension and unpredictable situation between the two countries. The official said the essence is that India will be the loser in trade war as its stakes are high.

Khalid Mustafa