

Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.

India-Pakistan Bilateral Relations

A. Introduction

1. In keeping with its “Neighbourhood First Policy”, India desires normal neighbourly relations with Pakistan. India’s consistent position is that issues, if any, between India and Pakistan should be resolved bilaterally and peacefully, in an atmosphere free of terror and violence. The onus is on Pakistan to create such a conducive environment. It has been made clear that India will not compromise on issues relating to national security and will take firm and decisive steps to deal with all attempts to undermine India’s security and territorial integrity.

2. India has made a number of attempts to build normal neighbourly relations with Pakistan. Since 2014, this has manifested in the invitation to the then Prime Minister Nawaz Sharif for the swearing-in ceremony in May 2014; the meeting between Prime Ministers’ in Ufa in July 2015; and External Affairs Minister’s (EAM) visit to Islamabad in December 2015. EAM also took the initiative to propose a Comprehensive Bilateral Dialogue in December 2015. These initiatives have been responded with acts of cross-border terrorism and violence against India including the cross-border terror attack on Pathankot Airbase on 2 January 2016; attack on Army Camp in Uri in August 2016; and terror attack on the convoy of Indian security forces in Pulwama by Pakistan based Jaish-e-Mohammad (JeM) on 14 February 2019.

3. PM Modi received a telephone call from Pakistan PM on 26 May 2019 congratulating him on election victory. PM Modi thanked him and recalled his earlier suggestion to Pakistan PM to fight poverty jointly. PM Modi also stressed that creating trust and an environment free of violence and terrorism were essential for fostering cooperation for peace, progress and prosperity in the region.

4. Pakistan is yet to respond like a normal neighbour. It has continued to sponsor cross border terrorism against India; restrict normal trade, people to people exchanges and connectivity with India. On 7 August 2019, Pakistan announced unilateral measures, including downgrading of diplomatic relations, suspension of bilateral trade and review of bilateral arrangements with India. Subsequently, Pakistan suspended all bus and train services between India and Pakistan. India has rejected Pakistan’s attempt to present an alarming picture of bilateral ties to the world by taking such unilateral measures. India has urged Pakistan to review its unilateral actions in respect of relations with India so that normal channels of diplomatic communications are preserved.

B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures

5. As a trading country partner of India, and as per latest compiled and available statistics with DGCI&S, India’s exports to Pakistan during April’23-February’24 have been recorded at 1139.00 million US Dollar and India’s imports from Pakistan during the same reference period stands at 2.85 million US Dollar. India’s exports to Pakistan were significantly high in 2019-20.

Export-Import statistics as per India's Ministry of Commerce data bank from 2019-20 to 2023-24 are as follows :

Export-Import statistics from 2019-20 to 2023-24

(US Dollar Million)

Year	Total trade	Import	Export
2019-20	830.60	13.96	816.64
2020-21	329.26	2.39	326.87
2021-22	516.39	2.54	513.85
2022-23	647.23	20.11	627.12
2023-24 (April'23- February'24)	1141.86	2.85	1139.00

(Source: Department of Commerce, India)

6. India's main exports to Pakistan are Sugar, Drug formulations, Biologicals, Bulk Drugs, Drug Intermediates, Residual Chemical and Allied Products, Organic Chemicals etc. while India's major imports are Ships, Boats and Floating Structure, Ayush and Herbal products, Fresh Fruits, Processed fruits & Juices etc.

C. Other Major Areas of Cooperation :

- Terrorism emanating from territories under Pakistan's control remains a core concern in bilateral relations. India has consistently stressed the need for Pakistan to take credible, irreversible and verifiable action to end cross border terrorism against India and fulfill its assurances, given to India at the highest level in January 2004 and reiterated several times, that territory under its control would not be allowed to be used for terrorism against India in any manner.
- India had accorded MFN status to Pakistan in 1996. A Pakistan cabinet decision of November 02, 2011 to reciprocate remains unimplemented. In August 2012, India announced reduction of 30% in its SAFTA Sensitive List for non-Least Developed Countries of SAFTA [including Pakistan], bringing down tariff on 264 items to 5% within a period of three years. However, Pakistan continued to follow restrictive trade policy towards India. In the aftermath of cross border terror attack in Pulwama, India, on 15 February 2019 withdrew Most Favoured Nation Status to Pakistan. India also hiked customs duty on exports from Pakistan to 200% on 16 February 2019. Subsequently, as part of its unilateral measures, Pakistan suspended bilateral trade with India on 7 August 2019.
- 10 In October 2017, India suggested to Pakistan to revive the mechanism of the Joint Judicial Committee which looks into humanitarian issues of fishermen and prisoners in each others custody. India has suggested to Pakistan to also address the issue of mentally unsound prisoners. Pakistan responded positively, in principle, to the proposal in March 2018. While India has reconstituted Judicial Committee and proposed visit of a team of medical experts to examine mentally unsound

prisoners, Pakistan has not responded despite repeated reminders.

- 11. An Agreement between India and Pakistan for the facilitation of pilgrims to visit Gurdwara Darbar Sahib Kartarpur, Pakistan was signed on 24 October 2019 in order to fulfill the ong-standing demand of the pilgrims to have easy and smooth access to the holy Gurudwara. The Kartarpur Sahib Corridor Agreement, inter alia, provides for visa-free travel of Indian pilgrims as well as Overseas Citizen of India (OCI) cardholders from India to the holy Gurudwara in Pakistan on a daily basis, throughout the year.
- 12. Prime Minister of India Shri Narendra Modi inaugurated the Kartarpur Sahib Corridor on 9 November 2019 on the occasion of the 550th birth Anniversary of Guru Nanak Dev Ji and flagged-off the first group of pilgrims to Gurudwara Kartarpur Sahib. Around 44,000 pilgrims have already visited the holy Gurudwara using the Kartarpur Sahib Corridor since its inauguration.

Prepared based on MEA's Report.