

The Center for Dialogue and Reconciliation (CDR) organised an India-Pakistan Trade Dialogue on 11-12 April 2014, at Amritsar. This Dialogue was the first of its kind wherein traders from India and Pakistan who are involved in trading across the Wagah-Attari border came together to discuss their common concerns. The aim was to enhance communication between traders across the border and develop recommendations that can facilitate the expansion of trade. Participants included traders of a variety of goods like gypsum, cement, vegetables etc., as well as members of the Attari-Wagah Customs Brokers Association (AWAC), members of various chambers of commerce in Jammu and Kashmir, and local Indian customs officials. Through the course of the deliberations, a list of recommendations were drawn up, as follows:

RECOMMENDATIONS

Wagah-Attari Trade Group:

1. Documents that are sent with the trucks during export/import:

The documents received at both ends are many a time incomplete.

Recommendation:

Customs officials to accept the documents from the vehicle driver, which should be accompanied by a cover note. The documents received should be entered in a register. While handing over the documents to the CHA representative, a receipt should be procured by the customs officials.

2. Shortage of goods both in case of import and export:

One of the major problems which the Indian and Pakistani exporters face is the variation in the quantity received at the respective import sides.

Recommendation:

- i. Custodian of ICP to provide a receipt along with a shortage certificate after the truck is unloaded in the CWC go-down. This shortage certificate should be acceptable to both the importer and exporter.
- ii. Custodian of NLC/the CHA representative in Pakistan should give a stamped receipt on the back of the truck bulity/GR mentioning the total number of bags received, total gross and net weight of the truck, and the net weight of the material. All these fields should be mandatorily mentioned on the receipt which is to be carried by the truck driver while returning to India/Pakistan.
- iii. Another measure which should be undertaken for ascertaining the shortage is by exchanging emails by the close of the day between the corresponding CHAs depicting the details of the materials transacted.

3. Trucks waiting at both sides after LET export:

It has been noticed that the trucks which have completed the export formalities are sometimes kept waiting at the zero line.

Recommendation:

Trucks which have procured the LET export status should be allowed to cross the border and de-stuff the material at the corresponding side on the same day. This will help avoid repetitive documentation problems

4. Transaction of Samples and documents:

Exporters have to send sample/documents in routine for approval by the buyers. At present there is no easy and structured mechanism available for transaction of sample/documents.

Recommendations:

- i. The current provision for transacting samples should be made available to the importers and exporters in an easy to understand and use format. Interested parties may contact Attari Wagah Customs Brokers Association (AWAC) for further details.
- ii. Attari Wagah Customs Brokers Association (AWAC) should be allotted office space at both Indian and Pakistani sides of the port. AWAC should be recognized by the customs officials as the nodal agency for handling and transacting documents and samples between the two sides.

5. Provision for meeting rooms at the port and meetings at zero line.

At present there is no provision of meeting rooms at both side of the port where the importers and exporters can meet periodically.

Recommendation:

- i. As conveyed by the custom officers, by giving advance notice, meeting at zero line is allowed under the current rules. Importers and exporters are requested to contact AWAC for facilitation.
- ii. Meeting rooms should be established at both sides of the port where the Importers and exporters can meet under day entry permit, on rotation basis.

6. Movement of containerized cargo across Wagah-Attari border.

Recommendation:

India and Pakistan have both signed on an agreement enabling containerized movement of cargo. It needs to be implemented on the ground level by creating adequate infrastructure to handle such movement.

7. No grievance redressal forum available at present for Importers and exporters.

At present there is no grievance redressal forum formulated by the trade bodies which the importers and exporters can approach to settle the disputes amicably.

Recommendations:

- i. Grievance redressal should be made operational where the trading partners can address the disputes if any.
- ii. The forum could include:
 - a. 1 member from AWAC, India
 - b. 1 member from AWAC, Pakistan
 - c. 1 member from LCCI
 - d. 1 member from CICCI
- iii. This forum should meet once a month at the zero line.
- iv. More information should be exchanged through email between trading parties in order to avoid miscommunication and promote transparent trade.

The commercial attaché in both High Commissions can also be approached by affected parties to address disputes.

8. Multiple problems being faced by Importers and Exporters doing trade via Railways

Railways is and has been vital trade channel between Importers and Exporters between India/Pakistan. Unfortunately, presently many problems are being encountered by Exporters and Importers -

- i. Regular interchange of wagons.
- ii. Pilferage
- iii. Lack of communication
- iv. Lack of information
- v. No dialogue between Railway and Importers/Exporters

Recommendations:

- i. Regular exchange of rakes with a fixed schedule.
- ii. Wagons to be made available on demand to exporters on both sides.
- iii. Zero balance of wagons to be undertaken at the last day of every month but not at the cost of interchange of cargo.
- iv. Railways should share information affecting the trade, like visa issues, engine failure and non-availability of engines, cancellation of interchange, well in advance with the stakeholders to enable them to make adequate/alternate arrangements in time.
- v. At present railways does not entertain any claim for pilferage of cargo resulting in a huge loss to the trading parties. Railways should establish a desk where the claims can be registered by the affected parties and the same should be processed in a defined timeframe.
- vi. To control theft/pilferage, and transaction of contraband, it is recommended that the cargo train should only halt at the designated points. Also, there is a major requirement for creating a secure parameter at the cargo holding areas.
- vii. At present there is no direct interaction of trade bodies with the railway officials where the solutions can be discussed. It is recommended that a forum

- comprising railway officials, customs officials, and trade representatives should be formed where the issues can be discussed and suitable solutions can be found.
- viii. Monthly meeting of trade facilitation group should be called by railways to understand the problems being faced by the Importers/Exporters.

9. Improvement in infrastructure at the trading point:

There has been a significant improvement with the commencement of the Integrated Check Post (ICP) at Attari. However, there is a scope and urgent requirement for improvements/additions.

Recommendations:

- i. The bank branches at both Indian side and the Pakistan side should be made operational with timings synchronized with the operating hours of the Port.
- ii. The storage charges may be levied on an hourly basis, initiated by the time of arrival of goods and not by the date of arrival.
- iii. There is a need to establish the relevant counters at the port where the exporters can procure the Certificate of Origin and SAFTA certificate.
- iv. Laboratories equipped to handle the testing of textile, chemical products, minerals and other items of trade, need to be established at the Port.

10. Provision/Rules applicable at the sea port to be made applicable at the land Port.

At present there is a separate set of rules/provisions applicable to the trade at the sea ports and the land ports.

Recommendations:

There is an immediate and emergent need to synchronize the provision/rules applicable at sea ports with the provisions/rules applicable at the land ports. Both the Indian and Pakistani governments are requested to move forward in this direction.

International trade between India and Pakistan vis-à-vis cross LOC trade:

It was felt by the discussants that trade partners engaged in both international trade and LOC trade are facing challenges. However, they are not properly aware of the challenges being faced by each other. Rather there is an atmosphere of misconception and mistrust between the trade bodies representing the international trade and the cross Loc trade. To understand each other better and to come on the same page the following solutions are recommended.

1. **Formation of Joint Working Group (JWG)** – This shall include,
 - i. 5 representatives from chambers/federations from Jammu and Kashmir,
 - ii. 5 members from the chambers/federations from AJK,
 - iii. 5 members from Pakistan (LCCI, KCCI, FPCCI, Islamabad Chamber of Commerce and Industry),
 - iv. 5 members from India (CICCI, Indian Importer Association, FICCI and CII)

2. **Structured and Timebound meetings** of the representatives of JWG
 - i. to be conducted between the representatives from India (including J&K) on a monthly basis
 - ii. to be conducted between the representatives from Pakistan (including AJK) on a monthly basis
 - iii. JWG to meet on a quarterly basis.
3. **JWG to prepare a unanimously acceptable proposal concerning the cross LoC trade**, which will be sent for the approval of the governments of India and Pakistan.
4. **Free trade at LoC** is recommended without any hindrance of tradeable list of items or number of days.
5. **Local taxes to be applicable at the exit points** of the respective sides of Jammu and Kashmir with mainland India and mainland Pakistan.
6. **Cross-LoC trade to be taken to the next level from barter trade to trade with currency**. The currency recommended is Indian currency for Indian exports and Pakistani currency for Pakistani exports.