

# PAKISTAN FORMALLY SUSPENDS TRADE TIES

Relevant for: International Relations | Topic: India - Pakistan

Red signal: A file photo of trucks from Pakistan moving towards the trade facilitation centre near Uri. NISSAR AHMAD

Pakistan has formally suspended trade relations with India after New Delhi revoked the special status of Jammu and Kashmir.

On Friday, the Federal Cabinet, headed by Prime Minister Imran Khan, endorsed the decisions taken by the National Security Committee and the joint session of Parliament, including suspension of trade ties, *The Dawn* reported.

Trade relations had already been strained by the Pulwama terror attack, with India having imposed a 200% customs duty on all goods from Pakistan. Imports from Pakistan declined by 92% to \$2.84 million in March this year, as against \$34.61 million in March 2018, according to data from the Commerce Ministry. From January to March during the 2018-19 fiscal, imports from Pakistan declined by 47% to \$53.65 million.

Two notifications were issued soon after the Cabinet meeting to implement the decision to suspend trade with immediate effect and until further orders, the report said.

One notification suspends all exports to India and the other bans import of goods of Indian origin or those imported from it. Earlier, this ban was limited to imports from Israel, with which Pakistan has no trade relations at all.

Pakistan's imports have already entered negative growth with almost all countries, except India, as Islamabad mostly imports raw materials from India, the report said.

According to data from the Indian Council for Research on International Economic Relations, the total exports from India to Pakistan during the 2018-19 fiscal were around \$2 billion. The major items exported include chemical products and textiles. The imported items include mineral products.

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