

# CONTENTS

	<b>Acknowledgements</b>	<i>page</i> v
	<b>The Team</b>	vi
	<b>Preface</b>	vii
<b>1.</b>	<b>Introduction</b>	1-9
	Introduction	1
	Executive Summary	2
<b>2.</b>	<b>Trade Integration between Pakistan and India</b>	10-30
	Structure of Trade	10
	Product Diversification and Spread	14
	Pakistan's Existing Trade Policy with India	16
	Tariff and Non-tariff Trade Barriers in India and Pakistan	18
	The Issue of MFN Status under the WTO	23
	Potential Areas for Mutual Trade	24
<b>3.</b>	<b>Prospects of Investment for MNCs/Indian Investors in Pakistan</b>	31-41
	Potential Areas for Mutual Investment	31
	NRIs Role in Investment in India	35
	Pakistan's Foreign Investment Policy	38
<b>4.</b>	<b>Industry Specific Opportunities and Threats</b>	42-56
	Textiles and Clothing	42
	Iron and Steel	47
	Chemicals & Pharmaceuticals	49
	Automobiles	52
	Small and Medium Enterprises (SMEs)	53
	Information Technology (IT)	55
<b>5.</b>	<b>Trade Liberalization: A Regional Perspective</b>	57-64
	Trade Liberalization under SAFTA	57
	Implications of SAFTA on Pakistan	61

# CONTENTS

		<i>page</i>
<b>6.</b>	<b>Implications of Liberalizing Trade with India</b>	65-72
	Advantages of Trade Liberalization for Pakistan	65
	Concerns and Threats	72
<b>7.</b>	<b>Conclusion</b>	73-76

<b>References</b>	77
<b>Acronyms and Abbreviations</b>	81
<b>Annexures</b>	85
1.	Composition of Pakistan's Exports to India
2.	Composition of Pakistan's Imports from India
3.	Chapter-wise Pak Exports and Indian Imports – FY04
4.	Common Items with Comparable Units – FY03 (part I) and FY04 (part II)
5.	Chapter-wise Pak Imports and Indian Exports – FY04 (part I and II)
6.	Common Items with Comparable Units – FY03 (part I) and FY04 (part II)
7.	Revealed Comparative Advantage of Textiles and Clothing (Selected Countries)
8.	Exports of Textile Products by India and Pakistan to the Rest of the World – FY04
9.	Pakistan's Iron & Steel Imports from the World and India (FY03 and FY04)
10.	Pakistan's Imports and Indian Exports of Steel Products during 2003-04