

## PREFACE

In an increasingly globalized world, there is widespread consensus among economists about the benefits of liberalizing trade. Empirical studies suggests that trade liberalization and openness are, of course, closely linked with economic growth and development. Encouraged by the success of the global trends of regional economic cooperation, both the developed and developing countries are entering into the process of enhancing their bilateral and regional trade. Seen in this perspective, the issue of trade liberalization between Pakistan and India has rapidly gained importance at both regional and bilateral level meetings.

Since the issue of developing commercial and economic relations is one of the major components of the ongoing composite dialogue between Pakistan and India, this study was initiated to provide a valuable input in developing a clearer understanding of the issue and formulation of trade policy with India.

Against this background, this book provides a comprehensive overview of the issues concerning the move towards liberalizing trade with India and investment prospects in Pakistan. It looks into key aspects of bilateral trade pattern and trends, features of Pakistan's trade policy with India and comparison of trade regimes in both countries. More specifically, it undertakes a detailed analysis of Pakistan's exports and imports in comparison with Indian imports and exports with a view to estimate potential of mutual trade. Also featured are Pakistan's foreign investment policy, potential areas of mutual investment and emerging opportunities and threats in some important sectors after liberalizing trade between the two countries. It also addresses the aspect of trade liberalization in the regional perspective and the implications of South Asian Free Trade Agreement (SAFTA) on Pakistan.

Based on the analytical findings, the book also provides recommendations on key areas of interest. It has the potential to serve as a useful reference document and would open up new avenues of debate among intellectuals.