

Potential Trade between India and Pakistan

1. Introduction

1.1 This note is prepared with an objective to underline the trade potential between India and Pakistan, which can be, in another sense, considered as an opportunity cost of not leveraging their geographical proximity. Because of lack of infrastructural and institutional connectivity, without a holistic bilateral trade framework and due to the prevalence of negative, restricted and sensitive lists on both sides of the border, there are little efforts to realise their potential trade, which is estimated to be as high as approximately US\$507 billion when one considers currently traded products.

1.2 It is also important to point out that some of this potential trade is happening through informal routes such as places like Dubai, Hong Kong, Singapore. This note argues that if measures are taken towards realising this trade potential then not only producers and consumers of both countries will gain but also there will be substantial reduction in informal trade leading to significant revenue generation for both the governments.

1.3 This can happen if Pakistan fulfills their import requirements of those products by sourcing them from India and vice-versa by India. It can not only result in trade creation for both the countries but also and more importantly will help them in developing their production base, akin to Make in India.

1.4 In this respect, Pakistan is in a more advantageous position as currently traded products are covering 18.44 per cent of its potential trade of US\$466 billion. In case of India, it is 12.44 per cent of its potential trade of US\$41 billion. In other words, of the total potential trade in terms of currently traded products, almost 92 per cent of this potential trade will accrue to Pakistan. Other than producers and traders of both countries, consumers will benefit as we can safely assume that the unit values of these products in India and Pakistan are less than in those countries from where they are largely being sourced at present.

1.5 In this note, the potential of currently traded products is calculated by applying International Trade Centre's methodology of subtracting the exports of country Y to country X from the import capacity of receiving country X in similar product lines. Latest data of the year 2013 have been used. We have taken into account those products on which India has substantial export to the world but comparatively less export to Pakistan (as compared to Pakistan's import of those products from the world). Similar exercise is done for Pakistani products. In order to derive the percentage value of exports of either country, the following formula has been used:

[(Potential Value of Trade of Country X to Country Y) divided by {(Export of Country X to the World) minus (Export of Country X to Country Y)}] multiplied by 100

1.6 Furthermore, apart from calculating this potential trade based on currently traded products, this note has identified potential products which are currently not traded between the two countries. They are identified as per inputs obtained from Pakistan Business Council, Karachi Chamber of Commerce and Industry, Rajasthan Chambers of Commerce and Industry, Marwar Chambers of Commerce and Industry, and local (Jaipur) chapters of Federation of Indian Chambers of Commerce and Industry and Confederation of Indian Industry.

2. Major Results

- As compared to 2011, in 2013, there was 29.62 per cent increase in the value of India's export to Pakistan in currently traded products. It was mainly due to Pakistan's decision to replace its positive list of 1946 items with a negative list of 1209 items in 2012. In case of Pakistan, it was 47.59 per cent increase. This can be credited to the establishment of an Integrated Check Post at the Attari-Wagah border.
- While analysing yearly time series fluctuations in Pakistan's total import from the world in similar products lines, as compared to 2011, in 2013, there was a decline of 0.45 per cent. Thus, Pakistan external trade is becoming more stable, which is positive development for India while exploring more trade in currently traded products. In case of India, there was declining trend of 0.0078 per cent, showing that India's external trade is although becoming more stable but that happening at a rate slower than that of Pakistan.

3. Conclusions and Way Forward

3.1 It is tautological to say that India and Pakistan are yet to realise their untapped trade potential. For doing so, both countries need to resume and sustain their dialogues on economic cooperation. In this regard, state/provincial governments and business chambers have to take lead to advocate with the respective central/federal government. Not only new production and trading opportunities will be generated but also there will be new revenue generation including at the sub-national level.

3.2 Infrastructural as well as institutional connectivity are to be improved. Other than improving connectivity for financial transactions, customs cooperation and exploring mutual recognition of standards through existing but ineffective agreements, cross-border trade through new land routes (and including connecting them through rail routes) must be opened. There exists several historical land routes bordering both sides of Punjab, Gujarat, Rajasthan and Sind which, if made functional, will facilitate trade towards this potential and will also spur local economic development in bordering states/provinces.

3.3 The only land trade route through the Attari-Wagah border, even with a restriction of allowing trade in only 137 items on the part of Pakistan, is a success story. It is because of coordination among various agencies for facilitating trade including taking into account security concerns. By taking into account security and other functional aspects of trade, this success story is to be replicated by establishing Integrated Check Posts at various border points such as at Munabao-Khokrapar bordering Rajasthan and Sind.

3.4 The opening up of identified but yet to be operational land trade routes would help Pakistan to stabilise its economy. Such trade will help India to implement its Make in India initiative more effectively and will create jobs and production networks not only between India and Pakistan but among other countries of South Asia. This is a win-win situation and Pakistan can even negotiate the granting of its Most-Favoured-Nation status to India in lieu of mutually preferential access to each other's market.

Table 1: India's Export Potential to Pakistan: Currently Traded Products
(2013, Value in US\$ Thousand)

Product Code	Product	A. India's Export to the World	B. Pakistan's Import from the World	C. India's Export to Pakistan	Potential (B-C)
TOTAL	Products	336,611,389	43,775,183	2,176,412	41,598,771 (12.44%)
'52	Cotton	11,293,952	1,046,709	488,259	558,450 (5.16%)
'29	Organic chemicals	13,340,364	2,015,504	301,016	1,714,488 (13.15%)
'23	Residues, wastes of food industry, animal fodder	3,697,493	377,242	221,986	155,256 (4.47%)
'39	Plastics and articles thereof	6,222,703	1,569,501	159,465	1,410,036 (23.25%)
'07	Edible vegetables and certain roots and tubers	1,404,373	499,693	147,110	352,583 (28.04%)
'54	Manmade filaments	2,680,862	527,170	104,476	422,694 (16.40%)
'32	Tanning, dyeing extracts, tannins, derivs,pigments etc.	2,616,524	329,743	67,515	262,228 (10.29%)
'40	Rubber and articles thereof	2,974,672	460,015	61,722	398,293 (13.67%)
'09	Coffee, tea, mate and spices	2,885,200	384,874	61,337	323,537 (11.46%)
'27	Mineral fuels, oils, distillation products, etc.	69,571,281	15,247,355	59,673	15,187,682 (21.85%)
'55	Manmade staple fibres	2,185,628	532,440	56,053	476,387 (22.37%)
'84	Machinery, nuclear reactors, boilers, etc.	13,126,148	3,058,286	44,583	3,013,703 (23.04%)
'12	Oil seed, oleagic fruits, grain, seed, fruit, etc., nes	1,880,345	479,075	43,809	435,266 (23.70%)
'38	Miscellaneous chemical products	3,398,007	583,064	41,689	541,375 (16.13%)
'72	Iron and steel	10,206,482	1,840,944	27,918	1,813,026 (17.81%)

Product Code	Product	A. India's Export to the World	B. Pakistan's Import from the World	C. India's Export to Pakistan	Potential (B-C)
'04	Dairy products, eggs, honey, edible animal product, nes	737,603	95,859	32,150	63,709 (9.03%)
'08	Edible fruit, nuts, peel of citrus fruit, melons	1,676,457	132,958	27,263	105,695 (6.41%)
'30	Pharmaceutical products	11,731,941	674,676	24,818	649,858 (5.55%)
'71	Pearls, precious stones, metals, coins, etc.	44,157,662	416,645	22,695	393,950 (0.89%)
'28	Inorganic chemicals, precious metal compound, isotopes	1,466,232	431,426	16,006	415,420 (28.64%)
'33	Essential oils, perfumes, cosmetics, toileteries	1,619,624	112,227	15,450	96,777 (6.03%)
'79	Zinc and articles thereof	495,725	28,193	12,504	15,689 (3.24%)
'34	Soaps, lubricants, waxes, candles, modelling pastes	541,973	146,849	12,488	134,361 (25.37%)
'13	Lac, gums, resins, vegetable saps and extracts, nes	3,066,362	9,678	11,965	-2,287 (-0.07%)
'10	Cereals	11,592,455	233,124	11,316	221,808 (1.91%)
'96	Miscellaneous manufactured articles	510,948	186,169	11,222	174,947 (35.00%)
'68	Stone, plaster, cement, asbestos, mica, etc.	1,390,707	33,935	9,709	24,226 (1.75%)
'85	Electrical, electronic equipment	11,275,864	2,682,333	7,969	2,674,364 (23.73%)
'81	Other base metals, cermet, articles thereof	73,216	21,189	5,486	15,703 (23.18%)
'02	Meat and edible meat offal	4,770,622	4,576	5,478	-902 (-0.01%)
'90	Optical, photo, technical, medical, etc.	2,288,877	449,809	5,391	444,418 (19.46%)
'76	Aluminium and articles thereof	2,078,003	195,085	4,752	190,333 (9.18%)

Product Code	Product	A. India's Export to the World	B. Pakistan's Import from the World	C. India's Export to Pakistan	Potential (B-C)
'19	Cereal, flour, starch, milk preparations and products	491,187	77,515	4,552	72,963 (14.99%)
'49	Printed books, newspapers, pictures etc.	349,125	857,940	4,165	853,775 (247.50%)
'25	Salt, sulphur, earth, stone, plaster, lime and cement	2,037,435	99,302	4,123	95,179 (4.68%)
'73	Articles of iron or steel	7,347,626	485,542	3,634	481,908 (6.56%)
'74	Copper and articles thereof	3,066,552	141,390	3,476	137,914 (4.50%)
'56	Wadding, felt, nonwovens, yarns, twine, cordage, etc.	352,623	55,711	3,380	52,331 (14.98%)
'20	Vegetable, fruit, nut, food preparations, etc.	461,858	36,036	2,787	33,249 (7.24%)
'44	Wood and articles of wood, wood charcoal	351,497	110,441	2,306	108,135 (30.97%)
'14	Vegetable plaiting materials, vegetable products, nes	64,707	25,071	2,270	22,801 (36.52%)
'48	Paper and paperboard, articles of pulp, paper and board	1,141,261	441,383	1,759	439,624 (38.58%)
'69	Ceramic products	559,327	101,195	1,716	99,479 (17.84%)
'83	Miscellaneous articles of base metal	502,597	49,441	1,618	47,823 (9.54%)
'41	Raw hides and skins (other than furskins) and leather	1,349,059	111,415	1,547	109,868 (8.15%)
'35	Albuminoids, modified starches, glues, enzymes	353,090	40,981	1,516	39,465 (11.22%)
'58	Special woven or tufted fabric, lace, tapestry, etc.	397,534	44,932	1,346	43,586 (11.00%)
'21	Miscellaneous edible preparations	567,525	53,336	1,199	52,137 (9.20%)
'82	Tools, implements, cutlery of base metal, etc.	916,272	73,418	1,130	72,288 (7.90%)
'70	Glass and glassware	686,758	82,430	974	81,456 (11.88%)

Product Code	Product	A. India's Export to the World	B. Pakistan's Import from the World	C. India's Export to Pakistan	Potential (B-C)
'05	Products of animal origin, nes	136,116	3,713	783	2,930 (2.16%)
'59	Impregnated, coated or laminated textile fabric	239,933	62,775	758	62,017 (25.93%)
'15	Animal, vegetable fats and oils, cleavage products, etc.	984,201	1,979,643	638	1,979,005 (201%)
'63	Other made textile articles, sets, worn clothing, etc.	4,712,820	198,162	635	197,527 (4.19%)
'95	Toys, games, sports requisites	274,668	43,501	620	42,881 (15.65%)
'62	Articles of apparel, accessories, not knit or crochet	8,743,400	22,254	611	21,643 (0.25%)
'11	Milling products, malt, starches, inulin, wheat gluten	319,130	19,705	611	19,094 (5.99%)
'31	Fertilizers	75,610	606,173	568	605,605 (807%)
'17	Sugars and sugar confectionery	1,179,991	29,990	462	29,528 (2.50%)
'78	Lead and articles thereof	213,169	97,235	430	96,805 (45.50%)
'99	Commodities not elsewhere specified	3,310,121	8,190	388	7,802 (0.23%)
'86	Railway, tramway locomotives, rolling stock, equipment	192,392	59,391	363	59,028 (30.74%)
'88	Aircraft, spacecraft, and parts thereof	4,151,795	69,642	344	69,298 (1.67%)
'37	Photographic or cinematographic goods	25,232	26,932	296	26,636 (106.82%)
'87	Vehicles other than railway, tramway	13,800,069	1,238,245	278	1,237,967 (8.98%)
'91	Clocks and watches and parts thereof	90,768	17,806	249	17,557 (19.39%)
'24	Tobacco and manufactured tobacco substitutes	1,084,694	14,577	210	14,367 (1.32%)

Product Code	Product	A. India's Export to the World	B. Pakistan's Import from the World	C. India's Export to Pakistan	Potential (B-C)
'75	Nickel and articles thereof	503,077	16,674	189	16,485 (3.27%)
'53	Vegetable textile fibres, paper yarn, woven fabrics	326,885	50,524	187	50,337 (15.41%)
'94	Furniture, lighting, signs, prefabricated buildings	1,193,881	66,687	132	66,555 (5.57%)
'06	Live trees, plants, bulbs, roots, cut flowers, etc.	80,084	1,446	128	1,318 (1.64%)
'42	Articles of leather, animal gut, harness, travel goods	2,513,188	23,220	123	23,097 (0.92%)
'18	Cocoa and cocoa preparations	82,871	26,063	118	25,945 (31.35%)
'51	Wool, animal hair, horsehair yarn and fabric thereof	163,360	11,681	110	11,571 (7.08%)
'65	Headgear and parts thereof	42,791	2,507	103	2,404 (5.63%)
'97	Works of art, collectors pieces and antiques	280,956	272	74	198 (0.07%)
'64	Footwear, gaiters and the like, parts thereof	2,609,804	66,968	63	66,905 (2.56%)
'45	Cork and articles of cork	2,546	293	52	241 (9.66%)
'61	Articles of apparel, accessories, knit or crochet	6,959,257	25,019	44	24,975 (0.36%)
'60	Knitted or crocheted fabric	256,497	41,016	16	41,000 (15.98%)
'57	Carpets and other textile floor coverings	1,715,697	15,596	16	15,580 (0.91%)
'66	Umbrellas, walking-sticks, seat-sticks, whips, etc.	2,188	801	14	787 (36.20%)
'89	Ships, boats and other floating structures	3,597,492	981,463	14	981,449 (27.28%)
'26	Ores, slag and ash	2,388,949	41,565	5	41,560 (1.74%)
'22	Beverages, spirits and vinegar	438,238	7,025	5	7,020 (1.60%)

Product Code	Product	A. India's Export to the World	B. Pakistan's Import from the World	C. India's Export to Pakistan	Potential (B-C)
'50	Silk	164,301	24,640	3	24,637 (14.99%)
'43	Furskins and artificial fur, manufactures thereof	693	930	1	929 (134.24%)
'46	Manufactures of plaiting material, basketwork, etc.	2,595	163	0	163 (6.28%)
'47	Pulp of wood, fibrous cellulosic material, waste, etc.	159	106,816	0	106,816 (67179.87%)
'67	Bird skin, feathers, artificial flowers, human hair	367,019	1,172	0	1,172 (0.32%)
'16	Meat, fish and seafood food preparations, nes	121,770	5,257	0	5,257 (4.31%)
'03	Fish, crustaceans, molluscs, aquatic invertebrates, nes	5,033,651	11,554	0	11,554 (0.22%)
'01	Live animals	12,504	31,537	0	31,537 (252.21%)
'36	Explosives, pyrotechnics, matches, pyrophorics, etc.	92,332	2,720	0	2,720 (2.94%)
'92	Musical instruments, parts and accessories	17,099	290	0	290 (1.70%)
'93	Arms and ammunition, parts and accessories thereof	63,807	16,326	0	16,326 (25.59%)
'80	Tin and articles thereof	89,254	3,197	0	3,197 (3.59%)

Source: ITC calculations based on UN COMTRADE database

Table 2: Pakistan's Export Potential to India: Currently Traded Products
(2013, Value in US\$ Thousand)

Product Code	Product	A. Pakistan's Export to the World	B. India's Import from the World	C. Pakistan's Export to India	Potential (B-C)
TOTAL	Products	25,120,883	466,045,567	402,747	465,642,820 (18.83%)
'08	Edible fruit, nuts, peel of citrus fruit, melons	434,229	2,162,313	73,967	2,088,346 (5.79%)
'25	Salt, sulphur, earth, stone, plaster, lime and cement	722,822	2,379,016	45,063	2,333,953 (3.44%)
'52	Cotton	5,333,784	755,740	42,382	713,358 (0.13%)
'74	Copper and articles thereof	172,305	2,817,308	34,519	2,782,789 (20.19%)
'29	Organic chemicals	39,238	16,960,213	30,375	16,929,838 (1910.17%)
'17	Sugars and sugar confectionery	633,568	643,821	27,083	616,738 (1.01%)
'27	Mineral fuels, oils, distillation products, etc.	526,781	184,194,009	21,436	184,172,573 (364.44%)
'12	Oil seed, oleagic fruits, grain, seed, fruit, etc., nes	115,387	333,961	21,434	312,527 (3.32%)
'41	Raw hides and skins (other than furskins) and leather	529,698	557,683	20,639	537,044 (1.05%)
'28	Inorganic chemicals, precious metal compound, isotopes	33,243	5,100,315	13,239	5,087,076 (254.30%)
'51	Wool, animal hair, horsehair yarn and fabric thereof	16,093	378,178	13,170	365,008 (124.87%)
'72	Iron and steel	41,742	10,118,914	11,723	10,107,191 (336.69%)
'90	Optical, photo, technical, medical, etc.	348,075	6,762,689	7,601	6,755,088 (19.84%)
'63	Other made textile articles, sets, worn clothing, etc.	3,685,485	388,397	6,664	381,733 (0.10%)

Product Code	Product	A. Pakistan's Export to the World	B. India's Import from the World	C. Pakistan's Export to India	Potential (B-C)
'70	Glass and glassware	16,796	744,697	5,691	739,006 (66.54%)
'39	Plastics and articles thereof	449,789	9,984,763	5,092	9,979,671 (22.44%)
'76	Aluminium and articles thereof	34,462	3,177,639	3,318	3,174,321 (101.92%)
'78	Lead and articles thereof	11,263	536,535	2,131	534,404 (58.51%)
'20	Vegetable, fruit, nut, food preparations, etc.	69,313	75,074	1,822	73,252 (1.08%)
'62	Articles of apparel, accessories, not knit or crochet	1,854,926	257,997	1,209	256,788 (0.13%)
'95	Toys, games, sports requisites	221,104	504,944	939	504,005 (2.28%)
'40	Rubber and articles thereof	16,815	3,471,182	906	3,470,276 (218.13%)
'53	Vegetable textile fibres, paper yarn, woven fabric nes	2,140	274,934	900	274,034 (220.99%)
'61	Articles of apparel, accessories, knit or crochet	2,105,321	158,698	890	157,808 (0.07%)
'68	Stone, plaster, cement, asbestos, mica, etc.	36,354	512,442	883	511,559 (14.42%)
'09	Coffee, tea, mate and spices	76,686	499,489	842	498,647 (6.57%)
'22	Beverages, spirits and vinegar	364,159	394,104	787	393,317 (1.08%)
'13	Lac, gums, resins, vegetable saps and extracts, nes	121,074	163,142	667	162,475 (1.34%)
'73	Articles of iron or steel	180,416	3,752,243	637	3,751,606 (20.87%)
'26	Ores, slag and ash	135,510	8,485,222	582	8,484,640 (62.88%)
'71	Pearls, precious stones, metals, coins, etc.	437,267	67,499,912	528	67,499,384 (154.55%)
'07	Edible vegetables and certain roots and tubers	248,666	2,305,340	514	2,304,826 (9.29%)

Product Code	Product	A. Pakistan's Export to the World	B. India's Import from the World	C. Pakistan's Export to India	Potential (B-C)
'84	Machinery, nuclear reactors, boilers, etc.	179,391	31,945,783	514	31,945,269 (178.59%)
'60	Knitted or crocheted fabric	32,565	380,409	453	379,956 (11.83%)
'42	Articles of leather, animal gut, harness, travel goods	743,538	276,751	437	276,314 (0.37%)
'38	Miscellaneous chemical products	19,626	3,843,405	382	3,843,023 (199.7%)
'56	Wadding, felt, nonwovens, yarns, twine, cordage, etc.	27,340	185,584	381	185,203 (6.87%)
'49	Printed books, newspapers, pictures, etc.	4,519	578,566	355	578,211 (138.86%)
'57	Carpets and other textile floor coverings	128,302	74,577	354	74,223 (0.58%)
'87	Vehicles other than railway, tramway	74,182	4,584,893	278	4,584,615 (62.03%)
'82	Tools, implements, cutlery of base metal, etc.	93,023	945,845	211	945,634 (10.19%)
'48	Paper and paperboard, articles of pulp, paper and board	57,453	2,376,762	191	2,376,571 (41.50%)
'64	Footwear, gaiters and the like, parts thereof	109,226	408,439	177	408,262 (3.74%)
'50	Silk	1,825	235,751	130	235,621 (139%)
'54	Manmade filaments	30,349	785,496	107	785,389 (25.97%)
'30	Pharmaceutical products	169,467	1,667,836	107	1,667,729 (9.84%)
'94	Furniture, lighting, signs, prefabricated buildings	101,573	1,147,717	104	1,147,613 (11.30%)
'55	Manmade staple fibres	418,173	626,774	100	626,674 (1.5%)
'36	Explosives, pyrotechnics, matches, pyrophorics, etc.	25,465	13,692	93	13,599 (0.53%)

Product Code	Product	A. Pakistan's Export to the World	B. India's Import from the World	C. Pakistan's Export to India	Potential (B-C)
'44	Wood and articles of wood, wood charcoal	52,681	2,680,503	93	2,680,410 (50.97%)
'96	Miscellaneous manufactured articles	32,499	402,418	87	402,331 (12.41%)
'32	Tanning, dyeing extracts, tannins, derivs, pigments, etc.	43,843	1,517,464	83	1,517,381 (34.67%)
'85	Electrical, electronic equipment	114,547	29,790,256	79	29,790,177 (260.25%)
'79	Zinc and articles thereof	843	300,476	75	300,401 (391.15%)
'03	Fish, crustaceans, molluscs, aquatic invertebrates, nes	333,130	46,444	72	46,372 (0.14%)
'59	Impregnated, coated or laminated textile fabric	12,663	750,992	53	750,939 (59.55%)
'21	Miscellaneous edible preparations	25,098	119,895	37	119,858 (4.78%)
'75	Nickel and articles thereof	28	1,056,170	28	1,056,142 0%
'10	Cereals	2,181,045	20,445	24	20,421 (0.0093%)
'34	Soaps, lubricants, waxes, candles, modelling pastes	41,523	555,440	22	555,418 (13.38%)
'58	Special woven or tufted fabric, lace, tapestry, etc.	21,917	158,237	20	158,217 (7.22%)
'23	Residues, wastes of food industry, animal fodder	68,824	285,689	19	285,670 (4.15%)
'19	Cereal, flour, starch, milk preparations and products	74,504	38,529	18	38,511 (0.52%)
'43	Furskins and artificial fur, manufactures thereof	299	4,953	12	4,941 (17.22%)
'69	Ceramic products	12,009	637,264	6	637,258 (53.09%)
'33	Essential oils, perfumes, cosmetics, toileteries	20,277	580,329	4	580,325 (28.62%)

Product Code	Product	A. Pakistan's Export to the World	B. India's Import from the World	C. Pakistan's Export to India	Potential (B-C)
'83	Miscellaneous articles of base metal	1,287	643,368	3	643,365 (501.06%)
'86	Railway, tramway locomotives, rolling stock, equipment	82	276,290	2	276,288 (3453.6%)
'99	Commodities not elsewhere specified	230	11,073,049	1	11,073,048 (48353.92%)
'88	Aircraft, spacecraft, and parts thereof	2,514	2,566,730	1	2,566,729 (1021.38%)
'89	Ships, boats and other floating structures	12,671	7,004,947	0	7,004,947 (552.833%)
'97	Works of art, collectors pieces and antiques	117	50,038	0	50,038 (427.67%)
'91	Clocks and watches and parts thereof	1,366	309,744	0	309,744 (226.75%)
'92	Musical instruments, parts and accessories	3,168	29,600	0	29,600 (9.34%)
'93	Arms and ammunition, parts and accessories thereof	3,947	53,888	0	53,888 (13.65%)
'80	Tin and articles thereof	270	242,291	0	242,291 (897.37%)
'81	Other base metals, cermets, articles thereof	174	283,284	0	283,284 (1628.06%)
'35	Albuminoids, modified starches, glues, enzymes	7,336	311,068	0	311,068 (42.40%)
'31	Fertilizers	51	5,958,024	0	5,958,024 (116824%)
'24	Tobacco and manufactured tobacco substitutes	26,397	39,207	0	39,207 (1.48%)
'11	Milling products, malt, starches, inulin, wheat gluten	227,190	49,941	0	49,941 (0.22%)
'04	Dairy products, eggs, honey, edible animal product, nes	108,450	36,909	0	36,909 (0.34%)
'05	Products of animal origin, nes	48,772	32,176	0	32,176 (0.66%)

Product Code	Product	A. Pakistan's Export to the World	B. India's Import from the World	C. Pakistan's Export to India	Potential (B-C)
'06	Live trees, plants, bulbs, roots, cut flowers, etc.	1,965	17,939	0	17,939 (9.13%)
'14	Vegetable plaiting materials, vegetable products, nes	7,515	13,012	0	13,012 (1.73%)
'15	Animal, vegetable fats and oils, cleavage products, etc.	155,066	9,819,957	0	9,819,957 (63.33%)
'16	Meat, fish and seafood food preparations, nes	12,624	3,961	0	3,961 (0.31%)
'18	Cocoa and cocoa preparations	209	154,879	0	154,879 (74104.78%)
'01	Live animals	17,516	11,337	0	11,337 (0.65%)
'02	Meat and edible meat offal	212,595	2,071	0	2,071 (0.0097%)
'65	Headgear and parts thereof	1,512	12,920	0	12,920 (8.54%)
'66	Umbrellas, walking-sticks, seat-sticks, whips, etc.	281	22,299	0	22,299 (79.35%)
'67	Bird skin, feathers, artificial flowers, human hair	4	12,352	0	12,352 (3088%)
'45	Cork and articles of cork	10	5,441	0	5,441 (544.1%)
'46	Manufactures of plaiting material, basketwork, etc.	750	2,971	0	2,971 (3.96%)
'47	Pulp of wood, fibrous cellulosic material, waste, etc.	221	1,370,354	0	1,370,354 (6200.7%)
'37	Photographic or cinematographic goods	336	260,819	0	260,819 (776.25%)

Source: ITC calculations based on UN COMTRADE database

Table 3: List of Potential Traded Products between India and Pakistan

Sector	India	Pakistan
Agriculture and Allied Products	Fruits; vegetables; pulses; cereals; food grains (especially wheat); processed food; spices including chilly, turmeric and coriander; herbal plants; castor seeds (for medicinal and automobile use); betel leaf	Dates; dry fruits; raw materials for papad udyog
Manufacturing	Handicraft items including wood lac bangles; iron and marble items; textiles and clothing; other textile items; pharmaceutical products (allopathic, ayurvedic and unani products); stainless steel sheets and utensils; advance and non-advance kitchen ware	Articles of Jewelry; textile and clothing products; value added fabrics including silk; tubes, pipe and hollow profiles; iron and steel welded products
Minerals	Granite; sand stones; ceramics; china clay; marbles	Coal; copper; bauxite; chromite; mineral salt; semi-precious and precious rough stones including peridot, aquamarine, topaz, ruby, emerald; rare-earth minerals; bastnaesite and xenotime; sphene, tourmaline and varieties and types of quartz
Chemicals and Derivatives	Dyes (organic dyes and chemicals currently imported from China, processed/finished in India and then exported)	
Engineering Goods	Casting products; shot blasting machines; mechanical and engineering applications; piston blocks; bearings and spare parts(tractor and other automobiles); medical equipments	Instruments and appliances used in medical or veterinary sciences

Source: Inputs received from various business chambers in India and Pakistan