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## 1. Pakistan may 'seriously examine' resuming trade with India: Why it paused, what it constituted

### Why in News?

Pakistan's Foreign Affairs Minister Ishaq Dar said recently that the country will "seriously examine" the question of resuming trade with India. Bilateral trade between India and Pakistan has been halted since 2019.

Pakistani newspaper Dawn reported on Dar's press conference in London, where he said all stakeholders would sit together, citing his recent discussions with Pakistani traders. He said, "Everyone's appeal was the same — that our imports, which are still ongoing, arrive via Dubai or Singapore, [resulting in] extra freight, extra transshipment, transportation costs, etc."

## TRADE BETWEEN INDIA AND PAKISTAN

|           | EXPORT   | IMPORT | TOTAL TRADE |
|-----------|----------|--------|-------------|
| 2017-2018 | 1,924.28 | 488.56 | 2,412.83    |
| 2018-2019 | 2,066.56 | 494.87 | 2,561.44    |
| 2019-2020 | 816.62   | 13.97  | 830.58      |
| 2020-2021 | 326.87   | 2.39   | 329.26      |
| 2021-2022 | 513.82   | 2.54   | 516.36      |

*All figures in \$ Million*

### Why was India-Pakistan trade paused?

Pakistan suspended bilateral trade with India in August 2019, after the Indian government abrogated Article 370 of the Indian Constitution. The now-scraped article gave a special status to the erstwhile state of Jammu and Kashmir, following its accession with India in 1947. "As a party to this international dispute, Pakistan will exercise all possible options to counter the illegal steps," said Pakistan's Foreign Office at the time, referring to its claims on the region. However, an underlying reason for suspending trade was the 200 per cent tariff imposed by New Delhi on Pakistani imports earlier that year after India revoked Pakistan's Most Favoured Nation (MFN) status.

India took this step in the aftermath of the Pulwama terrorist attack the same year. On February 14, 2019, a terrorist from the Pakistani group Jaish-e-Muhammad rammed an explosives-laden car into a convoy of the Central Reserve Police Force (CRPF) at Lethpora, a village in Pulwama, on the Srinagar-Jammu National Highway. It led to the deaths of 40 personnel. India withdrew Pakistan's MFN status within 24 hours of the attack.

### **What was the composition of India-Pakistan trade?**

Despite having MFN status since 1996, Pakistan maintained a Negative List of 1,209 products that were not allowed to be imported from India. Only 138 products were allowed to be imported from India through the Wagah-Attari border land route.

Still, India maintained a significant trade surplus over Pakistan, meaning the total value of goods and services it exported to Pakistan was much larger than the value of goods and services it imported from Pakistan.

Even this number was not very significant compared to the status of trade with other countries. In FY17, India-Pakistan trade was a mere \$2.29 billion, or about 0.35% of India's overall trade. In 2018-19, cotton (\$550.33 million) and organic chemicals (\$457.75 million) accounted for around half of Pakistan's imports from India. Other major Pakistani imports from India that year included plastic (\$131.19 million), tanning/dyeing extracts (\$114.48 million), and nuclear reactors, boilers, machinery, and mechanical appliances (\$94.88 million).

Meanwhile, India's imports from Pakistan in 2018-9 included mineral fuels and oils (\$131.29 million), edible fruits and nuts (\$103.27 million), salt, sulphur, stone and plastering materials (\$92.84 million), ores, slag and ash (\$17.18 million) and raw hides and leather (\$16.27 million).

### **What was the fallout?**

After the ban, Pakistan's imports of these five products fell drastically between April 2020 and January 2021, while cotton imports stopped altogether. The only increase was in pharmaceutical products, as Pakistan looked to ensure sufficient supplies of medicines during the Covid-19 pandemic.

Earlier this year, the government said some amount of trade with Pakistan is being conducted through land and sea routes but all business through the land border has been stopped by the neighbouring country "unilaterally".

Previously, whatever trade had happened, everything was done through the Wagah-Attari border and Karachi port, according to Union Minister of State for Commerce and Industry Anupriya Patel.

### **Has anything changed since then?**

This is not the first time that Pakistan has spoken of resuming trade. In 2021, Pakistan's Economic Coordination Council, a top decision-making body, allowed the import of cotton and yarn from India. A low domestic yield and the high cost of imports from the likes of Brazil and the United States were believed to be the reasons behind the change of stance.

However, it again took a U-turn, with then Prime Minister Imran Khan saying trade could not continue given the circumstances of that time.

### **Why might Pakistan be reconsidering trade with India?**

Although Dar did not equivocally speak about the resumption of trade, several factors may be behind a softening in Pakistan's stand. For one, there has been a change of face, if not regime, since Imran Khan following elections held earlier this year. While the Pakistani military remains firmly in control, a new government indicates the possibility of a new policy.

It could also be done given the context of Pakistan's economy, which has been in dire condition. Devastating floods in 2022, high inflation, and political instability alongside structural issues, have led to multiple crises related to meeting the food and energy needs of the population.

The country has had to frequently approach the International Monetary Fund (IMF) or friendly countries like Saudi Arabia and China for billions of dollars in loans. With the pause in trade with India, Importing goods from faraway countries further depletes its low foreign exchange reserves.

Some Indian traders, particularly in Punjab, have also expressed the hope for trade to continue.

Relevance: GS Prelims & Mains Paper II; Bilateral Relations

Source: The Indian Express

## **2. It's official: 'Statio Shiv Shakti' approved as name of Chandrayaan-3 landing site**



An image of the Chandrayaan-3 Vikram lander clicked by a navigation camera onboard the Pragyan rover

### **Why in news?**

The International Astronomical Union (IAU) working group for Planetary System Nomenclature has approved the name "Statio Shiv Shakti" for the landing site of Chandrayaan-3's Vikram lander. The approval was given on March 19.

Planetary nomenclature, like terrestrial nomenclature, is used to uniquely identify a feature on the surface of a planet or satellite so that it can be easily located, described, and discussed.

### **Gazetteer of Planetary Nomenclature**

The Gazetteer of Planetary Nomenclature "contains detailed information about all names of topographic and albedo features on planets and satellites [and some planetary ring and ring-gap systems] that the IAU has named and approved from its founding in 1919 through the present time".

The IAU is the internationally recognised authority for assigning names to planetary surface features. It follows some rules and conventions to do so.

The IAU's Rule 9 states: "No names having political, military or religious significance may be used, except for names of political figures prior to the 19th century." The citation in the gazetteer for the name of the landing site of the Vikram lander reads: "Compound word from Indian mythology that depicts the masculine ["Shiva"] and feminine ["Shakti"] duality of nature."

Relevance: GS Prelims; Science & Technology

Source: The Hindu

## **3. India and Bhutan relations in the light of recent PM Modi's visit**

### **Why in news?**

Prime Minister Narendra Modi's visited Bhutan last week. Bhutan's Prime Minister Tshering Tobgay's lengthy bilateral with Mr. Modi a week earlier in Delhi, obviated the need for such a second back-to-back visit.

The fact that Mr. Modi went ahead with the visit, despite India's electoral Model Code of Conduct in place, his campaign schedule, and inclement weather in Bhutan nearly derailing the programme, indicates how important it was.

### **Outcomes of this visit**

1. The announcement of India's doubling of support for Bhutan's Five-Year Plan, from ₹5,000 crore to ₹10,000 crore, was significant.
2. The highlight of the visit, of Bhutan's King conferring Bhutan's highest civilian award on Mr. Modi, had been announced in 2021 for India's support during the COVID-19 pandemic.
3. India is fully committed to Bhutan's development, particularly the upcoming Gelephu Mindfulness City, a project likely to benefit from India's increase in financial support to its neighbour.
4. Bhutan is an integral part of India's infrastructure initiatives for road, rail, integrated check points, and also for energy exchanges on India's grid, both of which are pushing sub-regional trade and travel among India, Bangladesh, Bhutan and Nepal.

5. India is mindful of Bhutan's increased engagement with China, for the boundary agreement they hope to forge soon, but that it does not intend to give Beijing space in areas of engagement such as trade and investment, where China has made inroads with India's other close neighbours.



**Disputed areas between Bhutan and China**

China-Bhutan talks about the possible swap of land at Doklam to Bhutan's west are, in fact, seen as a threat to India's Siliguri Corridor, whereas China's claim to areas on Bhutan's east could imperil India's border connectivity projects in Arunachal Pradesh. Recent reports, which the Ministry of External Affairs has not denied, indicate that Bhutan may have even asked India to go slow on those projects until its boundary talks with China are complete. As a result, the most important message from Mr. Modi's sojourn was one of a united front at a time of change.

Relevance: GS Prelims & Mains Paper II; Bilateral Relations

Source: The Hindu