

**Cross-LoC trade in Kashmir: From Line of Control to Line of
Commerce**

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Abstract

The initiation of Cross-Line of Control (LoC) trade across Jammu and Kashmir in October 2008 signaled the beginning of a new era. It was 61 years ago in 1947 that trade across line of control had stopped. The initiative has received support from business community since its start despite numerous impediments including barter exchange of goods, lack of communication, no banking channels, deficient legal contract enforcement, limit on tradable goods, structural difficulties in free movement and other barriers. This study examines how business entities and individuals in Jammu and Kashmir view trade transactions with the other side and perceptions about the economic viability of Cross-LoC trade. More specifically the paper presents primary data obtained from various stakeholders mainly the businessmen who trade on Uri-Muzaffarabad and Poonch-Rawalakote routes (The two transitory points from where the present Cross-Loc trade takes place). The study reveals that trade has increased significantly and trade in agriculture commodities has shown a robust growth, while handicrafts sector that constitutes backbone of the region's economy has not performed up to expectations.

Keywords:

Cross-LoC trade, CBMs

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The initiation of Cross-Line of Control (LoC) trade across Jammu and Kashmir in October 2008 signaled the beginning of a new era. It was 61 years ago in 1947 that trade across line of control had stopped. The initiative has received support from business community since its start despite numerous impediments including barter exchange of goods, lack of communication, no banking channels, deficient legal contract enforcement, limit on tradable goods, structural difficulties in free movement and other barriers. This study examines how business entities and individuals in Jammu and Kashmir view trade transactions with the other side and perceptions about the economic viability of Cross-LoC trade. More specifically the paper presents primary data obtained from various stakeholders mainly the businessmen who trade on Uri-Muzaffarabad and Poonch-Rawalakote routes (The two transitory points from where the present Cross-Loc trade takes place). The study reveals that trade has increased significantly and trade in agriculture commodities has shown a robust growth, while handicrafts sector that constitutes backbone of the region's economy has not performed up to expectations.

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Introduction:

The opening of Cross-LoC trade along Uri-Muzaffarabad and Poonch-Rawalakote routes on 21st October 2008 as part of Confidence Building Measures (CBMs) between Pakistan and India marked a paradigm shift since the subcontinent was partitioned in 1947. It is after 61 years that trade along these traditional routes has restarted. Uri falls in Kashmir division and Poonch is in Jammu sector of Jammu and Kashmir. The trade began with two days-Tuesday and Wednesday every week since it started in 2008, which has now been extended to four days from July 2011. Contrary to predictions of many skeptics trade along the two routes has grown over the years.

Till December 2010, exports worth Rs. 311.87 crore and imports of Rs. 499.12 crore (Pak currency) have taken place. Among confidence building measures between India and Pakistan that have been discussed, it is Cross-LoC trade that has had the maximum impact. Trade volumes have substantially shown an increase despite the trade being on barter terms with lack of proper communication channels, absence of banking system, dearth of legal enforcement of contracts and limited number of trade days and tradable goods. The possibility of opening the two trade points received encouragement when in April 2005 the bus service across the divided Kashmir took off successfully. It facilitated the union of separated families, a breakthrough achieved after 58 long years. This was followed by opening of trade routes, an initiative that has been tried in various conflict regions across the globe. Drawing upon the happenings from various conflict situations of the world, we will try to look at how trade has seriously impacted upon conflict conditions.

Experiences from Europe (Ireland), Middle East (Palestine) and Africa (Uganda) serve as point of reference to experiment with trade as trust-generating step that might lead to final settlement of issues. Instances like these makes one to argue that trade can serve as peace conduit and for Jammu and Kashmir it becomes all the more pervasive owing to proximity and socio-cultural and ethnic relations between the two divided parts, the economic linkages and dependability develop automatically for the mutual benefit of the people of borders (J&K Economic Survey 2009-10). Trade between Jammu and Kashmir and the rest of world along the Silk Route has had a long history with first state intervention in trade recorded over three hundred years. Colonial mercantile interests, the political interests of India, China, Afghanistan and Central Asia, economic development , infrastructure and common culture, language, all affected the trade and transformed communities living on either side of the line of control prior to 1947. The current Cross-LoC trade between the two divided parts of Kashmir has many unique features that one can say are exclusive to this initiative. The two governments declared Cross-LoC trade as zero tariffs so it is not treated as international trade (Mahmud 2010). Exports are called 'traded-out' goods and imports are named 'traded-in' goods. This is mainly because of the reason that both India and Pakistan do not accept Line of Control as an international border and refer Cross-LoC trade as domestic one i.e. between two regions of one State. The paper examines the progress of Cross-LoC trade along the two routes and then proceeds to discuss the transformation in trade. Current practices, attitudes and aspiration of traders and other stake holders along the routes, and

the quantum and quality of current and potential trade are analyzed. Based on this, the potential impact of encouraging the trade along traditional routes and removing the impediments to trade are discussed.

Trade routes in Kashmir: History and significance

Surrounded by lofty Himalayan ranges and in absence of road fit for wheeled carriage, the Kashmir valley was till the end of the nineteenth century difficult to access. This geographical factor was responsible for restricted flow of trade with rest of India or even with its neighboring regions (Bamzai 2007). During the middle and later part of nineteenth century, the region enhanced its trade ties with other areas that surrounded it. In 1847, the routes mainly used were:

- a) The Imperial road from Bhimber to Srinagar leading over the Pir Panjal pass.
- b) Route from Jammu to Srinagar over the Banihal pass.
- c) Route following river Jhelum and leading to Muree.
- d) Route over the Zoji-la to Ladak and thence to Lhasa and Yarkand.
- e) Route over the Burzil-la to Gilgit, Hunza, Nagar and Shinshinaki republics.

Among these routes the mostly used for trade and transport was the route along river Jhelum with river transport playing an important part in commerce. The Jhelum Valley Cart Road was completed in September 1890 after ten years and extended through Baramulla to Kohala on the borders of Jammu and Kashmir. Writing about the town of Baramulla, C.E. Tyndale Biscoe, one of the well known missionary educationist, who arrived in 1891 in Kashmir writes, "Baramulla lies in the south-west, where the river Jhelum leaves the valley through a deep gorge, and thence becomes a foaming torrent as it drops 3000 feet to the plains of India. Baramulla has a population of six or seven thousand, and is the export area, as it is here that the river-borne traffic from this spot leaves the valley-by road chiefly, on bullock carts down the Jhelum Valley road, usually a journey of ten days, to Rawalpindi in the Punjab. The chief exports are fruits such as apples, pears and walnuts; hides and grain of various sort (but rice is not allowed to be exported); woolen homespun, skein-silk from the huge State Silk Factory, carpets and Yarkandi felts. Timber, chiefly railway sleepers of deodar, floats past Baramulla on the river to Jhelum, and a

rough passage it is, for the river falls 4000 feet in its journey of two hundred odd miles.” The opening of Jhelum Valley road reduced distances between Srinagar and Rawalpindi, which now took only four days to cover in horse cart, while heavy goods, carried on bullock carts reached Srinagar in twenty days. Over 80 per cent of the imports and exports passed over this road and the majority of the tourists from all over India and abroad came by this route (Bamzai 2007). Commodities like fruit and grain could be moved freely and at lower cost to the mandis of Punjab and in return salt, sugar, cotton piece goods and metal began to be imported in large quantities. Now cart traffic replaced the old method of carriage, the human back and the pack pony. The opening of the route also led to increased revenue for the State as cultivators, no longer migrated to Punjab and other areas for acquiring money for land revenue payment. There was a sudden growth and prosperity of Baramulla on the Jhelum Valley route and of Bandipur on the Gilgit road. Just as trade was in a state of transition owing to change in routes, so was it due to change in the economic condition of the people (Lawrence 2005). On the contrary the road from Jammu to Srinagar became ready for general public 32 years after Jhelum Valley Road became operational. The first vehicle, a horse-drawn carriage, crossed over Banihal Cart road in 1916 linking Srinagar directly with Jammu. The Banihal Cart road as it was then called remained a private road of the Maharaja, the princely ruler of the erstwhile Jammu and Kashmir and a special permit was required to travel over it. In July 1922, however, the Maharaja issued an order throwing open the road to the public (Bamzai 2007).

The Jhelum River served as the chief means of transport for Kashmir’s leading export, timber. The second major export was dried fruit and vegetables. The larger cities of India served as the principal markets for these goods of relatively high unit value, but Karachi was the principal distributor of them, as it was for many of Kashmir’s other exports (Mayfield 1955). Looking at the map of the time, the valley appears remote and landlocked, extending for no more than ninety miles, isolated by successive ranges of Himalayan Mountains high above the plains of the sub-continent. Its apparent impregnability is, however, illusory. Over twenty passes provided points of entry, making the valley both a crossroad and a place of refuge (Schofield 2010). The conquest of the Valley by the Mughal king Akbar in 1586 is generally regarded as marking the beginning of Kashmir’s modern history. For nearly next two centuries Kashmir was ruled by Mughals and was the northernmost point of an empire whose power base was situated in Delhi. The end of Aurangzeb’s rule and the war of succession and his death in 1707 led to the decline

of Mughal rule in Kashmir, exposing the region to the oppressive rule of Afghans. In 1751, the Afghans, ruled by Ahmed Shah Durrani, absorbed Kashmir into their expanding empire. Oppression took the form of extortion of money from the local people and brutality in the face of opposition. This was followed by Sikh rule, when Ranjit Singh succeeded in taking Kashmir from the Afghans in 1819. In 1823 William Moorcroft, while travelling in Kashmir commented, “Everywhere the people were in most abject condition exorbitantly taxed by the Sikh government and subjected to every kind of extortion and oppression by its officers” (Schofield 2010). The political events had a direct effect on trade with rest of the world that seemed to be restricted to silk and shawl industry. Trade between Kashmir and rest of the world, mainly Europe was spurred by increased demand for Kashmir Shawls in eighteenth century, despite crushing excise taxes imposed by administration. The Kashmiri shawl industry prospered towards the end of the eighteenth century with the increasing European, particularly French, demand for these prized articles of fashion. With the increase in European demand, shawl looms in the city of Srinagar increased from 12,000 in 1783 to 24,000 in 1813 (Zutshi 2003). To procure raw materials for the lucrative shawl industry, Kashmir merchants began to travel as far as Yarkand, Khotan and the lands of the great Khirgiz hordes in Central Asia in as early as the late eighteenth century. These merchants established their warehouses in the whole of Chinese Turkistan and monopolized the wool trade of the region. The shawl trade further bound Kashmir and Chinese Central Asia in a strong economic relationship from the late eighteenth century. Silk having replaced shawls in the export economy of the Kashmir Valley, became a commodity of increasing value at the turn of the twentieth century. In 1890 the State took over direct control of the industry to establish it on a commercial footing and by 1900 it had become obvious that Kashmir could produce silk on a large scale. As early as 1904, the state was making a profit of £40,240 from the export of raw silk. After 1905 the exports of raw silk from India included large quantities of Kashmir silk, and by 1919 the bulk of Indian silk being consumed in the European market came from Kashmir (Zutshi 2003).

Exports and Imports from Kashmir to rest of the world through Punjab began to show marked improvements from 1869 onwards. The trade balance during the years 1869 to 1871 favored Kashmir and commodities like ghee, grain, fruits and nuts, oil seeds and wooden products formed major exports. It is noteworthy that cotton cloth, pushmeena and manufactured woollens were prominent among exports. In 1869-70 goods worth Rs. 812472 were exported, which

included both raw and manufactured goods. This increased to Rs. 886523 the following year. Against this goods worth Rs.725679 and Rs.766630 were imported in 1869-70 and the following year (Appendix 1 and 2). Salt, sugar, cotton cloth were mostly imported for domestic use during the period. The push to trade, especially commodities produced in Kashmir was driven mainly by opening of road from Baramulla to Kohala. Commodities like fruit and grain could be moved freely and at lower cost to the mandis of the Punjab and in return salt, sugar, cotton piece goods and metal began to be imported in large quantities (Bamzai 2007). This also affected the migration of cultivators who used to work as carriers in Punjab during cold season to acquire money for the payment of the land revenue. They now were able to pay the revenue from the proceeds of agriculture, and they did not go down in the same numbers as in former times to Punjab (Lawrence 2005). During the subsequent decades, export of dyes, fruit, hides, ghi, and timber reflect an increasing trend, while export of shawls showed a decline towards the end of the period (Table -1).

Table 1							
Kashmir Trade Export in Rupees from 1886-1893							
Goods	1886-87	1887-88	1888-89	1889-90	1890-91	1891-92	1892-93
Drugs, other sorts, not intoxicating	178843	247016	261130	209571	340672	407969	160625
Dyes	31712	12332	12204	77366	55389	165251	274826
Fibres, raw	6279	14861	13466	10245	10435	11570	8919
Fibres, manufactured	12951	25698	23118	34165	57665	41626	32812
Fruits, other kinds	141485	257542	243501	301068	227782	222245	238683
Hides	113504	77535	97236	131260	232143	277594	186594
Skins	71443	85319	116994	191048	202211	178931	139386
Leather, unmanufactured	38430	45100	32407	20190	7430	25920	10218
Oilcakes	1609	2782	2072	1603	378	2869	965
Ghi	919219	1199048	1315862	1549774	1455813	1579640	1658172
Linseed	1766	660	627	6201	18528	5479	1335
Mustard and rape	9114	13893	35673	81189	134191	99624	59769
Til	12140	35283	16000	47160	82941	49644	107024
Logs	185914	289333	253765	48282	43890	202124	49696
Other timber	665569	635803	798820	933124	763143	1233323	602368
Wool, raw	10386	5697	4880	17602	50795	20001	18149
Manufactured piece goods, Indian	593257	549463	600729	717721	637522	511235	591439
Shawls	1210012	1268500	607510	708300	196250	85250	219275
	4203633	4765865	4435994	5085869	4517178	5120295	4360255

Source: Walter R Lawrence, 'The Valley of Kashmir', Gulshan Books, 2005, pp. 388, 394

In 1883-84, exports to Punjab amounted to Rs.52,90,127 and imports from Punjab amounted to Rs.37,25,914 giving a total value of Rs.90,16,031 so that if the trade of 1892-93 be regarded as normal there has been an increase of Rs.1185308 in ten years (Lawrence 2005). Import of manufactured yarn and cotton cloth from Europe increased during the period from 1886-93. Goods like European piece goods, metals, iron, salt, sugar, tea and tobacco reflect an increasing trend during the period (Table 2).

Table 2							
Kashmir Trade Imports in Rupees from 1886-1893							
Goods	1886-87	1887-88	1888-89	1889-90	1890-91	1891-92	1892-93
Cotton raw	20064	25501	26240	27074	14942	82304	67335
Cotton, manufactured, twist & yarn: European	49323	66067	31296	49840	70234	64065	76688
Cotton , manufactured, twist & yarn: Indian	24073	45160	32330	24100	21679	25293	21572
Piece Goods: European	1663436	2227436	2062692	2375700	2130595	2243390	1706378
Piece Goods: Indian	394075	460159	492196	584674	479234	467571	371893
Metals: Brass and Copper	150897	196360	131611	183309	250152	210836	133143
Iron	82179	94668	81739	123141	120857	107481	131270
Salt	315834	334072	336066	525388	496417	531463	483293
Sugar: Refined	283272	296874	282307	261379	485437	397945	482584
Sugar: Unrefined	81934	104585	89537	88441	113147	178217	115433
Tea: Indian	217677	199795	182122	207050	198995	105550	173730
Tea: Foreign	6500	31410	9850	16150	65130	31340	2030
Tobacco	54496	62659	49135	56788	85929	131802	101253
Petroleum	na	na	2987	31405	35188	63792	56112
	3343760	4144746	3810108	4554439	4567936	4641049	3922714
Source: Walter R Lawrence, 'The Valley of Kashmir', Gulshan Books, 2005, pp. 388,394							

Table 3 depicts the growth of trade during the early decades of the twentieth century, which multiplied more than threefold in less than two decades. In 1901, the total trade was of the order of Rs 84.72 lakh, which touched Rs. 225.52 lakh at the end of 1919, despite the second decade being one of abnormally high prices.

Table 3						
Import-Export Trade of Kashmir from 1901-1919						
Year	Quantity in Maunds			Value in Rupees		
	Imports	Exports	Total	Imports	Exports	Total
1901	380041	371117	751218	5743610	2729092	8472702
1903	442685	278412	721097	4644680	5250194	9894874
1905	345707	698372	1044079	6012242	4384392	10396634
1908	374488	968369	1342857	7897954	5528040	13425994
1911	839313	1458736	2298049	7823958	6208515	14032473
1914	872443	1068719	1941162	10738490	4987628	15726108
1917	563199	1195720	1761919	10611793	8223793	18835528
1919	602424	1155721	1758152	14252550	8299686	22552236
Source: P.N.K. Bamzai, 'Socio-Economic History of Kashmir 1846-1925', Gulshan Books, 2007 pp. 316						
Note: Maund equaled 37.3202 kilograms						

The Census Report of 1911 and triennial trade reports of the State point out that the opening of the Valley and improved means of internal communication, the import-export trade between the State and the British Indian provinces on the south, and the Central Asian countries on the north, had steadily picked up during the decade 1901-1911. The net increase in the exchange of trade commodities- the incoming and outgoing combined – had been 66.6 per cent – exactly two-thirds. The percentage of increase had been larger in the case of exports than of imports (Bamzai 2007). The trade followed a similar growth trend along the Ladakh route for directly catering to the markets of Central Asia. Table 4 reflects an amount of Rs. 17.72 lakh total trade having taken place in 1904-05 that increased from Rs 12.93 lakh in 1901-02.

Table 4			
Trade via Ladakh between Central Asia and India (Value in Rupees)			
Year	Imports	Exports	Total trade
1901-02	695725	567610	1293335
1902-03	706695	824575	1530970
1903-04	817895	786149	1604034
1904-05	995364	776766	1772133
Source: P.N.K. Bamzai, 'Socio-Economic History of Kashmir 1846-1925', Gulshan Books, 2007 pp. 314			

The decade 1911-1921, was a period of quick economic development. The import-export figures touched new highs. This accentuated the necessity of better facilities for internal transport of

produce and goods, the demand growing rapidly with the introduction of motor traffic on the Jhelum Valley and Banihal Cart roads. The influx of European tourists increased from 437 in 1870 to over 4000 in 1912. They spent quite a respectable amount in the Valley. This brought into existence a distinct class of traders. Those catering to the needs of the visitors were shikaris, taxidermists, venders of Kashmir handicrafts and curios, camping and travel agencies and bankers (Ibid). Pre-partition markets for Kashmir's goods were widespread over British India, while imports, which were of widespread origin, were very small. The location of markets for the products of Kashmir proves to be of greater significance than that of supply areas for Kashmir's imports (Dhar 1951).

J&K: Territorial Contours and Cross-LoC Cooperation

The state of Jammu and Kashmir is landlocked region with a total area of 2,22,236 sq. km. Of this, 78,114 sq. km. fall under Pakistan administered Kashmir and 37,555 sq. km. under China. In addition to this, 5,180 sq. km. of J&K territory were ceded to China by Pakistan under the March 1963 Sino-Pak Boundary agreement. The state shares a 221- km. international boundary with Pakistan in the Jammu region and 365 km. with China along Ladakh. The Line of Control (LoC), which divides the Indian and Pak- parts of Jammu and Kashmir, is 1001-km. long border (Jammu - 205 km. Valley - 460 km. and Ladakh/Siachin area -336 km). The State's border with China is 465 km long. The Chinese-held territory is called Aksai Chin (meaning un-inhabited) (State Dev. Report 2003). The high land area under peripheries exposes its inhabitants to diverse problems arising out of the distinct geo-physical situation, the high military presence and concomitant socio-economic conditions. This becomes ever harder given the lack of basic infrastructural facilities. More than eight districts and 44 blocks (Table 5) in Jammu and Kashmir fall within surroundings of many sovereign countries and out of total 6652 villages 235 are un-inhabited, most located along the Line of Control.

Table 5		
District	No. of Blocks	Name of Blocks
Jammu	8	Samba, Vijaypur, Bishnah, R.S. Pura, Satwari, Marh, Akhnoor, Khour
Kathua	4	Ghagwal, Huranagar, Barnoti, Kathua
Rajouri	4	Sunderbani, Nowshera, Rajouri, Manjakote
Badgam	1	Khag
Poonch	4	Balakote, Mendhar, Poonch, Mandi
Baramulla	7	Booniyar, Gurez, Tangmarg, Baramulla, Ruhama, Uri, Dangiwachha
Kupwara	9	Tangdhar, Kralpora, Trehgam, Kupwara, Sogam, Langate, Rajwar, Ramahal, Teethwal
Kargil	3	Drass, Kargil, Shaker Chikten
Leh	2	Khaltsi, Nubra
Leh (China)	2	Nyoma, Durbu
Total	44	
Source: State Development Report, Jammu and Kashmir, Planning Commission, Government of India		

Given the number of peripheries (boundaries) in the total landscape, it becomes all the more important to look for options where such regions can be improved through Cross Border Cooperation (CBC). This can help in removing barriers, restrictions and other factors, which contribute to the separation of border communities. Predominantly, borders are seen as barriers that hinder the integration and potential flows between the two sides and cause additional costs for cross-border interaction by increasing the relative psychological distances between them. Several studies around the globe have examined the impact of borders on the economic life of people living within their peripheries. Alanen & Eskelinen (2000) have examined the impact of borders on economic actors and activities. They suggest that borders are first of all institutional obstacles for potential economic activities. L6sch (1954), Giersch (1950), describe borders as artificial obstacles for trade that cut through regular market networks resulting in economic losses. The phenomenon of CBC gained momentum on a sub national level around the beginning of 1990s when scholars of federalism and of regional science started to trace the growing international activities of sub-national political units in Europe and North America (Michelman & Soldatos (1990), Brown & Fry (1993), Hocking (1993), Groen (1994 and 1995). Whereas much attention was given to “para-diplomatic” (Soldatos 1990, 1993) or ‘interregional’ (Raich

1995) activities of provinces, states and cities, the longest tradition and the most enhanced features of international activities of these units are micro-diplomatic or cross-border activities (Cohn & Smith 1996; Martinez 1986; Swanson 1976). Developments in some border regions have advanced to the point that the older notion of micro-diplomacy needed to be replaced by one of cross-border institution building, even though most of these cross-border institutions are rather soft, not very formalized and mostly network-like institutions. The developments in economic, technological, ecological and social well being have rapidly increased the interdependence across boundaries. In addition, factors within the political system of the developed world including trends towards decentralization in most western countries and, most importantly, the political processes of continental integration have created opportunities for increasingly professionalized sub national units to pursue.

In Europe, the Single European Act (1987) initiated the European Internal Market. The Maastricht Treaty (1992) then set the framework for the Monetary Union. In North America, these processes were fostered by the Free Trade Agreement between Canada and the U.S. (FTA 1988) and by the North American Free Trade Agreement (NAFTA 1994) between USA, Canada and Mexico. These highly visible signs of cross border cooperation can be seen as catalysts for facilitated new cross-border activities on a sub-national level. Positive experience, like these are more than mere encouragement for persisting cross border cooperation between India and Pakistan. According to Kemp et al. (1999) effective CBC can contribute to overcoming legacies of the past and negative images. For India and Pakistan, the Cross-LoC trade can act as pilot testing for designing CBC on a much larger scale that encompasses not only trade but has the potential of being extended to education, healthcare, tourism and much more. Experience demonstrates that such a program has the potential to stimulate growth in cross-border communities. Cross-border trade also hinges on relatively unrestricted movement of people, capital, goods and services in the regional and national economy as well as the level of development.

The concept of transfrontier cooperation that metamorphosed to cross-border cooperation in Europe and later adopted by other nations, seems to have found some takers in the subcontinent. From the year 2003, India and Pakistan have moved from hostile postures to conciliatory approach and are seeking ways in “making borders irrelevant”, a concept that has gained ground

since it was proposed in 2005. In fact, in April 2005 the bus service across the divided Kashmir took off and facilitated the union of divided families as people were now able to travel to the other side i.e. Muzaffarabad from Srinagar and vice-versa, a breakthrough achieved after 58 long years. In January 2006, the facility was extended over another point along the Poonch-Rawalakot route. The devastating earthquake that hit both the parts of Kashmir in October 2005 necessitated the opening of five foot crossing points¹ to facilitate relief and rehabilitation works. A camaraderie witnessed to help people cope up with the catastrophe was above religious and ethnic dimensions. This also substantiated the premise that there was an urge across the border for reunification. The political developments, particularly the economic blockade by Jammu that Kashmir and other parts of Jammu and Kashmir went through in 2008 also accelerated the process of resumption of trade (through the traditional road).

From a political standpoint, the decision to initiate trade across LoC was the outcome of a meeting between the Prime Minister of India and the President of Pakistan in April 2005. This led to further discussions during the technical-level talks at New Delhi on May 2-3, 2006 as part of the Confidence Building Measures (CBMs). The modalities of the trade including the truck service, the list of items for trade and exchange of delegations between the two Chambers of Commerce were agreed. One of the five Working Groups constituted during the second Round Table Conference on Kashmir was the working group on Strengthening of Relations across LoC. This Working Group recommended increasing Cross LoC movement and interaction among people on both sides, including commencement of Cross-LoC trade (J&K Economic Survey 2008-09). After a gap of more than two years after the technical level talks, the Inter-Ministerial Committee and the State administration, decided to develop Land Custom Stations (now called Trade Facilitation Centers) for Uri-Muzaffarabad trade route at Salamabad and for Poonch-Rawalakote trade route at Chakkan-da-Bagh. The modalities of Cross LoC Trade were drawn up and the list of items to be traded across the LoC was finalized in the meeting of the Joint Working Group held in New Delhi on 22.9.2008 and the necessary infrastructure for launching the Cross-LoC trade was put in place both at Salamabad and Chakkan-da-Bagh.

¹ These points were: Nauseri-Tithwal, Chokothi-Uri, Hajipur-Uri, Rawalakot-Poonch, and Tattapani-Mendhar

Building Trust through Trade

An understanding from around the world serves as reference as how trade and peace have been used to help generate trust in conflict situations. The initiation of trade between North and South Ireland has been instrumental in building confidence in Ireland. In policy terms, the Irish border has been the focus of EU measures (such as INTEREG) alongside more specific and unique policy experiments (such as the Special Support Programme for Peace and Reconciliation). In constitutional terms, political agreements have also been reinforced by specifically targeted institutional developments (such as the cross-border “institutions” and “bodies” created by the Good Friday or Belfast Agreement) aimed to encourage cross-border cooperation and integration (Meehan, 2000). The novel method of packaging trade and peace has also been experimented in Israeli-Palestine conflict, where the ‘Gaza-Jericho Agreement’ signed between Israeli government and Palestine Liberation Organization in May 1994 incorporated the Protocol on Economic Relations. The Economic Protocol viewed economic domain as one of the cornerstones in mutual relations for achieving just, lasting and comprehensive peace. However, it did not lead to the envisaged economic evolution in the area between the periods when Oslo Accord of 1993 was signed till the crisis of 2000. The poor economic performance of the West Bank and Gaza Strip (WBGs) in this period was an important part of the background to the crisis which erupted in September 2000, but the problems in the economic interactions between Israel and the Palestinians also constituted a microcosm of the wider difficulties between them (Cobham 2001). The arrangement thus proved a disaster because of many reasons, the primary ones being - it was an interim, half-hearted economic arrangement without any sincere follow-up, absence of enforcement mechanism, trade regime being complex in its structure and no smooth flow of trade on borders (Kafani 2001). It has resulted in a renewed backlash in the region where things have taken a new turn now. Cross-border trade between Southern Sudan and Uganda is another reference point that is making a significant contribution to socio-economic recovery in both Southern Sudan and northern Uganda. The main economic benefits for producers and sellers are currently felt in Uganda but the inflow of goods and services into Southern Sudan has helped improve food security and is helping meet critical gaps in the market, including in skilled labor (Carrington 2009).

Instances like these makes one to argue that trade can serve as peace conduit and for Jammu and Kashmir it becomes all the more pervasive given the economic, social and cultural links that existed in the past between the two parts of Jammu and Kashmir. The geographical proximity between the two divided parts of Kashmir and the memory of economic and political interdependence along with the social and cultural ties of the past cannot be ignored or treated in isolation (Kamal and Wahid 2010). The move towards establishing permanent and sufficiently resourced trade links through Cross-LoC trade thus assumes significance. The cross-border trade between two parts has wide ranging implications- economic, social and political as these are interwoven. A fair understanding of the factors that drive Cross-LoC trade will shed light on the significance of Kashmir being developed into open market economy without checks and balances from either New Delhi or Islamabad (Moeed 2007). Secondly there can be important lessons that can be drawn from the current experience for undertaking necessary policy reforms that would transform the trade flows into a standard form of sustainable trade. The assessment of the welfare impacts of trade flows across the Line of Control may tip the balance against taking measures designed to suppress the trade because of alleged foregone customs and tax revenues. The welfare gains in terms of employment generation, peace building and peripheries development may be much higher than revenue losses. Moreover, the conventional territorial boundaries and related disputes are challenged by increasing globalization, trans-border cultural exchanges and popular acceptance of democratic measures for conflict resolution (Griffith & O' Callaghan, 2002). This also calls for looking at alternatives for undertaking development on a wider scale in the embedded environment of conflict.

The Kashmir problem has achieved the distinction of being 'one of the most intractable problems of the world' with scholars having analyzed the political dimension thoroughly. The economic dimensions of the problem have received much less attention (Schaffer 2005). The sluggish growth in major agricultural crops, lack of jobs, poor investment climate and underdevelopment are the problems that are shared across the Line of control. Though some sectors like horticulture and handicrafts in J&K have been able to sustain despite hostile environment, the security "industry" on both sides of the line has prospered. The importance of economic underdevelopment has been emphasized on more than one occasion in case of Jammu and Kashmir. An opinion poll conducted in September 2009 under the auspices of Chatham House, London across both the sides of the Line of Control (LoC) revealed that unemployment,

government corruption, poor economic development, human rights abuses and Kashmir conflict itself were high on priority list of the participants across the divide. The poll was done to establish current attitudes in Kashmir to alternative scenarios for resolution of the conflict (Bradnock 2010). A longer-term Kashmir settlement necessitates that the LoC be transformed from an iron curtain of barbed wire, bunkers, trenches, and hostile militaries to a linen curtain between self-governing Indian and Pakistani regions of Jammu and Kashmir. In concrete terms, this might mean the establishment of a cross-border Jammu and Kashmir ministerial council that brings together ministers from IJK and AJK governments to develop cooperation in areas where it makes sense to do so. Such matters, selected from devolved subjects under the competency of these governments, could include aspects of intra-J&K trade and commerce, intra-J&K waterways, cross-border transport, environmental protection and preservation, agriculture, cultural matters, and tourism (Bose 2005). Similarly, the notions of ‘making borders irrelevant’ – soften borders instead of redefining or removing them – holds the promise of a creative and pragmatic approach to the conflict (Chari & Askari 2008).

Trade across Line of Control: Backdrop and Process

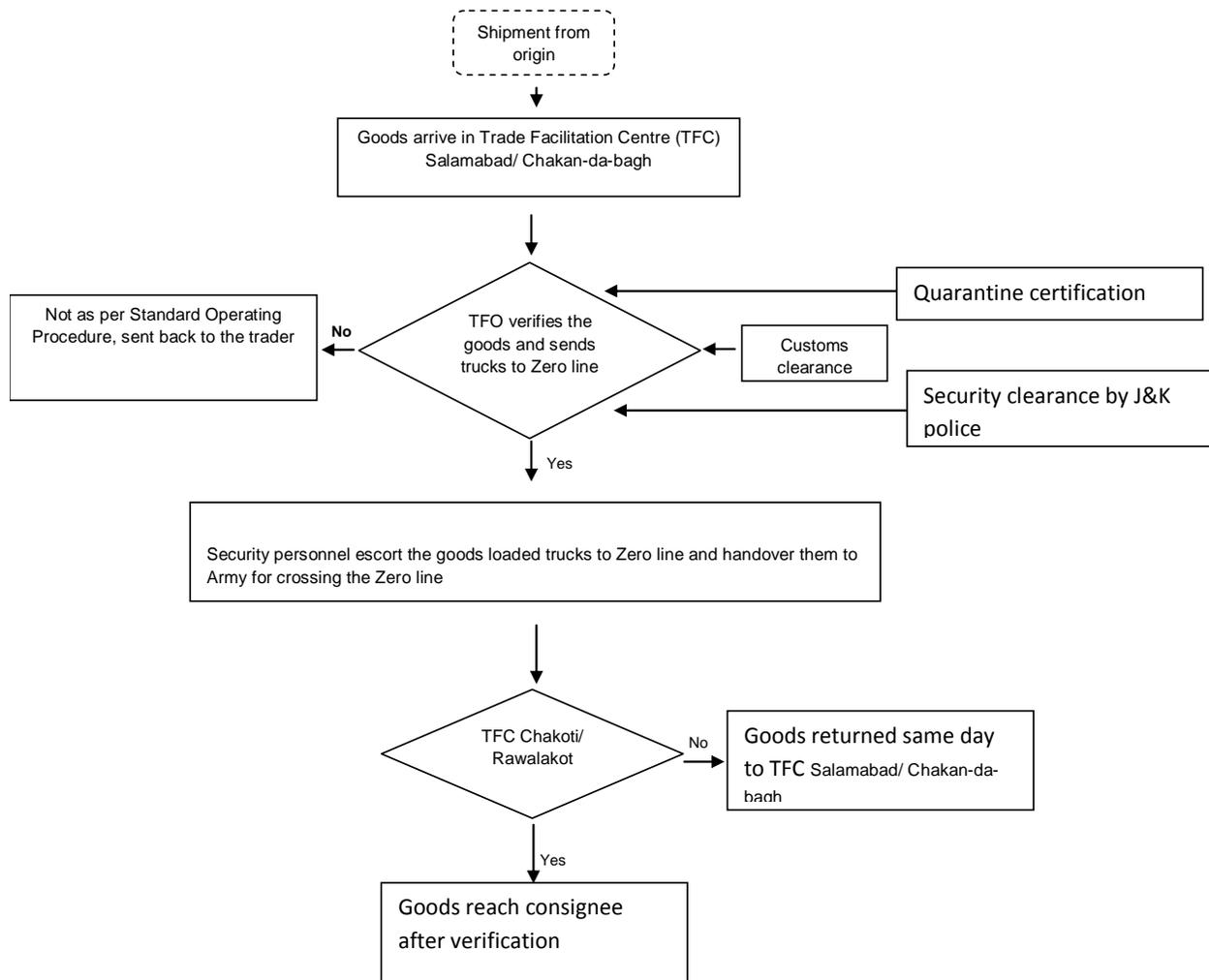
The two economies of divided Jammu and Kashmir have more similarities than differences when one looks at the relative mix of agriculture, horticulture and handicrafts sectors. In Pakistan administered Kashmir (PaK), the area under cultivation is around 166,432 hectares (almost 13 per cent of the total area), out of which 92 per cent of the cultivable area is rain-fed. According to the agricultural census of 1990, the average farm size is only 1.2 hectares. The major crops are maize, wheat & rice whereas minor crops include vegetables, grams, pulses (Red lobia) and oil-seeds. Major fruits grown are apple, pears, apricot and walnuts. Jammu and Kashmir too is an agrarian economy and as per Census 2001, 18.38 lakh persons, comprising 15.92 lakh cultivators and 2.46 lakh as agricultural labourers depend directly on agriculture for their livelihood. The net area sown is 738,616 hectares, out of which 313,734 hectares constituting 42.48 per cent are irrigated. The average land holding size is 0.67 hectares as per Agricultural Census 2001 and main crops grown are rice, maize, wheat, pulses, other cereals and millets, oilseeds, vegetables and spices. Horticulture produce covers an area of 3.06 lakh hectares and a variety of temperate fruits like apple, pear, peach, plum, apricot, almond, cherry and sub tropical fruits like mango, guava, citrus litchi and phalsa are grown. Apart from these well known spices like saffron and

black zeera are also cultivated (J&K Economic Survey 2009-10). The handicrafts sector of the divided region also exhibits similarity as carpets and rugs, gabbas, namdas, walnut furniture, shawls, embroidery items, wooden handicrafts are produced across the Line of Control.

The Trade Process:

The trade is carried out according to Standard Operating Procedure (SOP) signed between India and Pakistan. The functioning of the trade is facilitated by Trade Facilitation Centers (TFCs) that have been set up at Salamabad (Uri) and Chakan-da-bagh (Poonch). As per the agreed modalities (SOP), the cargo passes the Line of Control at Kaman Post (Uri) and Chakan-da-bagh (Poonch) after being cleared by TFC, Salamabad or Chakan-da-bagh respectively. The movement of vehicles carrying goods on the two routes is allowed on Tuesday and Wednesday between 0900 hours and 1600 hours every week. The two days have now been extended to four days a week as per the agreement between Pakistan and India in July 2011. The drivers of these vehicles wear bright yellow and pink jackets/vests with 'Driver-Chakoti/Rawalakote' or 'Driver Salamabad/Chakan-da-bagh' inscribed depending from which side the vehicle operator belongs.

Cross-LoC Trade Flow



The Trading-Out of goods (Outward Clearance of Cargo): The exporter of goods applies to the Custodian, whose function is presently being handled by General Manager District Industries Centre Baramulla/Poonch for issuance of ‘Truck Entry Permit’ (TEP). The custodian forwards the application to the designated officer of Jammu and Kashmir Police to verify the antecedents of the exporter, which then issues TEP to the applicant in triplicate. On receiving the TEP, the goods are shipped to TFC Salamabad or Chakkan-da-Bagh as applicable one day prior to the trade day. The exporter hands over TEP along with the invoice copies to the respective Custodian. The transport operator or his authorized representative presents himself before the Trade Facilitation Officer (TFO) at TFC along with the empty truck and after getting security

clearance on the day of dispatch of goods undertakes rummaging. The Custodian then presents the cargo for inspection and examination of TFO who verifies that the goods contained in the truck are as per the approved list of items. The TFO subjects the cargo to X-Ray scanning or physical examination to ascertain that the shipment contains the permitted goods. Any goods not found under the approved list of items are not allowed to be loaded in the vehicle. The consignments of plant/plant products are issued a plant health certificate by the designated quarantine officer, which is attached with the cargo manifest. The stuffing of cargo is done in presence of TFO and on completion of the stuffing the trucks are sealed by the TFO with a onetime tamper-proof bottle seal or lead seal. The transporter or his authorized representative submits cargo manifest (in duplicate) to the TFO. The manifest is certified by TFO in the manner specified in the manifest after cross verifying with the invoice copies and based on the physical examination already conducted. The TFO mentions the bottle seal/lead seal number on the manifest. After conducting the verification checks, the Jammu and Kashmir police certify that no contraband or dangerous material is in the vehicle or consignment. The certificate is attached with the cargo manifest on being shipped to the crossing point for shipment. The truck or the vehicle carrying the goods then commences movement under escort of the security agency to Chakoti or Rawalakote on the other PaK side of Line of Control.

The Trading-In process (Inward Clearance of cargo): Each vehicle driver who crosses the Line of Control points from PaK carries a 'Truck Entry Permit' in triplicate that contains the picture identity, name, address, license number, details of the vehicle and a certification that there is no contraband or dangerous material in the vehicle or consignment. A Cargo Manifest (CM) is also carried by the driver entering the Line of Control. The immigration officers at Kaman Post and Chakan-da-bagh check the TEP and keep record of the entry and exit of the driver. At the time of entry, the driver hands over one copy of TEP to the immigration officer, the second copy to the Trade Facilitation Officer and the third copy is stamped 'Exit', when the driver leaves the LoC. The plant and plant products consignments are accompanied by a 'plant health certificate', which are inspected for pests, weeds and disease by the quarantine officials on arrival.

Security clearance: The preliminary screening of documents of the cargo and inspection of trucks is done at the crossing points of Kaman Post and Chakan-da-bagh. The officials of Jammu

and Kashmir police inspect the seal of the incoming vehicles and after carrying visual inspection escort the vehicles in a convoy to TFCs Salamabad in Uri and Chakkan-da-Bagh in Poonch.

At TFC: On reaching TFC, the custodian arranges for unloading of the goods after verification of the seal and cargo manifest. The TFO verifies the cargo manifest along with related invoice copies and checks as to whether the goods declared in cargo manifest are under the permitted list of items. The goods are then examined by J&K police officials from security angle before being sent to the warehouses for rummaging. The copy of cargo manifest and invoices covering the cargo are retained by the TFO and after unloading the trucks are allowed to return on the same day. The consignment of plants/plant products is issued a 'plant health certificate' after inspection by the designated plant quarantine officer and on finding it free from pests, the consignment is released. However, if any live infestation is found, the consignment is rejected and sent back. The consignments are subjected to X-ray scanning and physical verification and if goods are found to be outside the list of 21 items, the same are returned in the vehicle that brought them.

Trading List:

Only twenty-one goods have been allowed for trade across the divided Kashmir, as per the agreement reached between India and Pakistan. Most of the items in the trading list are agricultural commodities, which makes it more of a commodity trade rather than a free trade between the two regions. The list does not contain any manufactured products. The SOP provides for the review of the trade flow, list of items and modalities every quarter by the TFOs for each route. However, no review of the permissible list has been undertaken so far.

Table 6		
S.No	List of goods exported (traded-out) from Salamabad to Chakoti and Chakan-da-Bagh to Rawalakot as per SOP	List of goods Imported (traded-in) from Chakoti to Salamabad and Rawalakot to Chakan-da-Bagh as per SOP
1	Carpets	Rice
2	Rugs	Jahnamaz and Tusbies
3	Wall Hangings	Precious stones
4	Shawls and stoles	Gabbas
5	Namdas	Namdas
6	Gabbas	Peshawari leather chappals
7	Embroidery items including crewel	Medicinal herbs
8	Furniture including walnut furniture	Maize and maize products
9	Wooden handicrafts	Fresh fruits and vegetables
10	Fresh fruit and vegetables	Dry fruits including walnuts
11	Dry fruit including walnuts	Honey
12	Saffron	Moongi
13	Aromatic plants	Imli
14	Fruit bearing plants	Black Mushroom
15	Dhania, Moong, Imli and Black Mushrooms	Furniture including walnut furniture
16	Kashmiri spices	Wooden handicrafts
17	Rajmah	Carpets and rugs
18	Honey	Wall hangings
19	Paper Mache products	Embroidered items
20	Spring, rubberized coir/foam mattresses, cushions, pillows and quilts	Foam mattresses, cushions and pillows
21	Medicinal herbs	Shawls and stoles
Source: Jammu and Kashmir Economic Survey 2009-10		

The Data:

Very little research has been done to determine the nature and impact of Cross-LoC trade. This is a surprising neglect, because short and long term impact of trade across divided Jammu and Kashmir has implications for the region. It was within this context that following questions were posed. How has trade moved forward for more than two years in presence of loose structures? What are the principal gains from the trade? What has been the response of traders to the new

trade dispensation? What are the long term implications of this Confidence Building Measure? To get answers to these questions a study was undertaken at both the transit points from where trade takes place. A questionnaire was developed for the study that covered business leaders involved in Cross-LoC, officials overseeing the trade - TFC personnel, custodian, quarantine officials and security personnel. Trade bodies in Srinagar and Jammu were also interviewed for eliciting their opinion. In selecting the traders and business leaders, an effort was made to obtain a wide representation of the traders across geographical distribution, commodity and goods traded. A total of 89 traders were interviewed on the basis of questionnaires supplied. Personal interviews were used to collect primary data from traders who trade along Salamabad (Uri) – Chakoti (Muzafarabad) and Chakkan-da-Bagh (Poonch) - Rawalakot routes. The survey was completed in March 2011. Secondary data covering export and import of all commodities along the two routes was obtained from Trade Felicitation Centers (TFCs), Salamabad and Poonch.

Survey results:

The initiation of Cross-LoC trade from two border crossing points in Jammu and Kashmir is a noteworthy event from two standpoints from the perspective of border studies. One, it potentially broke the ice of breaking barriers between India and Pakistan after long hiatus of 61 years and two it set a stage for Cross-LoC cooperation between the two regions. Although it is difficult to untangle the growth of cross-border trade within a short period of less than three years, however the responses collected from traders and other stakeholders demonstrates the importance of the trade. A total of 300 traders are currently registered with the Custodian at Salamabad (Uri) that trade along Uri-Muzafarabad route. Out of these 107 belong to border district of Baramulla, 98 are from Srinagar and rest from other districts of the State. There are 128 traders who trade along the Poonch-Rawalakot route, 96 are from Poonch, 25 from Jammu and 7 from rest of the areas of Jammu and Kashmir. This shows that traders involved in Cross-LoC trade are widely spread across J&K and majority of traders belong to areas that are close to Line of Control. For Poonch, which is quite backward and marginalized, the trade has provided new opportunities for its economy (Rekha 2010). The survey reveals that overall 48 per cent of the traders belong to the border villages and 34 per cent reside in nearby border towns of Uri and Poonch. A high percentage of respondents 54 per cent revealed that they have been involved in cross-LoC trade for more than two years. The data reflect the positive effects of the trade on the border residents

and their active involvement in the trade. On additions made by traders in their workforce after joining Cross-LoC trade, the survey reveals that business entities have added 54 per cent more workforce since the beginning of the trade. Moreover, over 800 laborers, mostly belonging to border areas including truck drivers have been directly benefitted by the trade as it has opened an alternative labor market for people residing in peripheral areas of the State. The number of firms that have increased their workforce in the bracket of 6-10 workers has increased from 8 per cent to 41 per cent, indicating firms have made additions to their workforce and moved to higher recruiting bracket. The percentage of firms with less than 6 employees got reduced to 51 per cent, which before the trade was 90 per cent.

The survey reveals that most of the traders (62%) are educated up to 10+2 level and 36 per cent are graduates and above. 68 per cent of the trading community in Uri and Poonch are wholesalers and producers (mostly fruit growers) of various commodities. There is no manufacturer, who is part of the trade, which may be partly because of the reason that manufactured items do not figure in the list of items that are currently traded across the LoC. Perceptions were solicited from the traders about the ease of doing Cross-LoC trade, 89 per cent of respondents agree that it is easy to undertake Cross-LoC trade. About frequent interaction between the traders across the divide, 70 per cent traders agreed that they participate in trade dialogues with their counterparts, while 30 per cent said they have never participated in such activity. Despite a provision of trade dialogues between traders' representatives across the Line of Control stipulated in SOP, traders in Uri revealed that only one trade dialogue was held between the traders of the two sides at zero-point. Contrary to this, traders in Poonch reported to have regularly participated in trade dialogues with their fellow traders in Pakistan Administered Kashmir (PaK) at the zero line, which was held every three months as stipulated in the SOP.

The mean expenditure incurred by traders on rent is Rs 13415 with rent ranging between Rs. 5000-25000 being paid by the business enterprises every month. Transportation costs are small and vary between Rs. 2500 to Rs.15000 for every truck owing to the nearness of borders at both Uri and Poonch. While the crossing point (Kaman Post) on Uri-Muzafarabad route is 14 kms from Salamabad (Uri), the border crossing point, Chakan-da-bagh is just 2 kms away from Poonch. Because of security restrictions and checks, it takes around 2 hrs for trucks from Salamabad to reach the crossing point at Kaman Post. In Poonch the vehicles cross in less than

30 minutes as the distance is very small. 93 per cent of the surveyed reported of using hired vehicles, while 7 per cent said that they use their own trucks for transporting material to the other side of the Line of Control. The respondents indicated that an expenditure of Rs. 1200 to Rs. 2000 is incurred on labor for unloading goods again at TFCs. An average of Rs. 300 is paid as miscellaneous charges on every vehicle. The overall turnover indicates that robust trade takes place on both the days and during the period since the start of the trade in Oct. 2008, not a single day has gone without trade despite adverse political conditions in Jammu and Kashmir. The violence or closure of markets during any of the days during the preceding more than three years had no effect on the trade. Respondents indicated that the primary export have generated an average sale of Rs 15.87 lakh every month or in eight days of the month during which trade takes place. Business firms reported a minimum sale of Rs 5 lakh and a maximum of Rs 80 lakh during the period of two years.

Traders from Poonch as well as Uri feel that phytosanitary requirements are more political than scientific based, and consensus was found for using scientific measures to follow import health standards procedures for inspecting fruits, vegetables and plant material that comes from Chakoti or Chakkan-da-bagh. An official of the Plant Quarantine Organization of India inspects all the traded-in fruits, vegetables and plants. Till December 2010, traders reported that more than eight commodities were banned for trading including pulses like Moong (Green gram), Ginger, Garlic, Ajwain (Carom seeds), Dates and Coconut. The ban was lifted for some of the commodities like dry dates and coconut. The traders procure locally produced commodities like apple, fresh fruits and vegetables, saffron, honey, walnuts, almonds and various types of handicrafts from market located across Jammu and Kashmir for exporting to the other side of border. Few commodities like coconut and cardamom are procured from outside markets for onward shipment to Muzafarabad and Rawalakot, which means that 'country-of-origin' rules are not being followed by business enterprises in some commodities.

Almost all the traders were aware that 21 goods are being traded across the Line of Control and depending on the demand for a particular good the traders acted both exporters and importers. On an average a trader imported or exported 2-3 items. Around 84 per cent of the commodities exported were domestic production and 16 per cent commodities were procured from other markets for onward export to PaK. The respondents revealed that given the nature of limited

trade across the Line of Control, they carry other businesses as well, besides Cross-Loc trade. 78 per cent of the respondents are doing other business besides Cross-LoC trade; while only 22 per cent respondents' said that they are dependent on LoC trade for their livelihood. On the question of acting as proxy traders on behalf of non J&K residents, respondents did not agree and only 4 per cent agreed of acting as commission agents for traders from outside Jammu and Kashmir. Traders were unanimous in their opinion about the attitude of customs, TFC and security officials as they perceive them to be positive in their approach. The traders did not report of receiving faulty goods from the other side of the border, neither did they complain about lack of transport facilities for shipment of goods. On the question of peace through trade, an overwhelming responded that the economics of cooperation will help in resolution of Kashmir conflict. Traders ranked historical events (72%) for the hostile relations between the two neighbors; lack of trust was ranked as second important factor for the current situation. Faith differences were ranked as lowest for the present impasse between India and Pakistan. Traders reported that the business activities of firms have not moved to border areas of Uri and Poonch, since the start of the trade. The traders in both the border areas were doubtful about the role of trade bodies in improving the trade. Almost cent percent responded of not having received any assistance from the trade bodies of the region in both Jammu and Kashmir divisions. On listing of three factors that make the border crossing points of Uri and Poonch important, 52 percent said common border, 33 per cent common language and 15 per cent ranked small distance as the three important factors that can make the border areas important in future. On the issue of valuation of goods, traders revealed that the goods are valued in dollar terms as the traders have pegged the currencies of both the countries to dollar. The value of Indian and Pakistani rupee in dollar terms is set by traders after they meet every fortnight at zero line. This is reviewed after ever meeting that takes place every fortnight along the Poonch-Rawalakot route.

Action Items:

Participants were asked to evaluate a list of twelve action points as a means of expanding Cross-LoC trade. Results are summarized in Table 7.

Item No.	Evaluation for improving Cross-LoC trade	Rank	No. of respondents
1	Better development of physical infrastructure at Trade Felicitation Centers.	3	38
2	Banking system to facilitate payments.	4	51
3	Legal agreements that offer enforcement of contracts.	5	28
4	Improvement in transportation and communication infrastructure in Baramulla and Poonch.	8	22
5	Working together of trade bodies to impact trade measures in New Delhi and Islamabad.	8	34
6	Increasing the list of items and days for undertaking Cross LoC trade.	1	42
7	Trade shows across both the crossing points focused towards local products.	9	38
8	Streamlining border crossing formalities for products.	10	44
9	Easing border crossing for traders.	4	23
10	Nominating a facilitator or clearing house to establish trade lead contacts.	11	38
11	Develop a common brand label for the region.	12	72
12	Allowing mobile phone use in Uri and Poonch	2	22

Results indicate that item 6 (Increasing the list of items and days for Cross-LoC trade) received the most favorable rating by respondents at trading points of both Uri and Poonch. More than 48 per cent respondents believe that increasing the list and number of days is important to improve trade. This is the only factor that received high favorable rating by business traders from both the border points, Uri and Poonch. Item 12, the permission to allow use of mobile phone was ranked as first priority by more than 25 per cent of the respondents, given that the traders from Jammu and Kashmir are not able to contact their counterparts in Pakistan administered Kashmir directly through mobile phones. This has led to communication gap among the business entities across both the sides. Nearly 17 per cent of the traders in both Poonch and Uri ranked easing of borders for traders as number one to facilitate trade between the two regions. The items that were ranked as equally important (item 1 and 2) received next important preference from traders. These include starting of banking channel across both the sides for facilitation of payments (item 1) and development of physical infrastructure at Trade Facilitation Centre's at both Salamabad and Poonch (item 2). Formalizing the banking system across both the regions for facilitation of payment (item 2) was ranked as third most important factor overall by traders. The trade has been going on barter basis, with goods being exchanged by traders in lieu of goods received. This has led to many issues that are characteristic of barter trade. Item 3, legal arrangements that

provide for enforcement of contracts, was ranked as fourth most important issue by the participants in the survey.

The trade as of now lacks grievances redress system and the same does not find any place in the SOP. Relatively, fewer Uri participants rated legal arrangements as a top-priority. This may reflect the fact that trust among the traders has grown over the period the trade has progressed, as there were only 20 complaints pending for redress before the Custodian from Kashmir traders. President, Cross-LoC trade Association Poonch reported that there were 25 disputes pending from both the sides, which in absence of dispute redress in SOP were solved through mutual consultation and peer pressure. The low dispute rate between traders along both the sides of the divide indicates trust between traders across both the regions and crossing points. Item 7, joint working of trade bodies to impact trade measures in New Delhi and Islamabad were ranked by more than 38 per cent as an effective means to improve Cross-LoC trade. Item 7, trade shows across the crossing points and beyond was also rated high for improving Cross-LoC trade by the business leaders. Streamlining border crossing formalities for products, improvement in transportation facilities, nomination of a facilitator or clearing house to establish trade contacts received less priority from traders. Item 11, developing a common brand for the region was accorded least priority by business leaders at both Uri and Poonch with 82 per cent giving it the last choice on priority list.

Barter limitations:

In its pure form, barter trade involves the direct exchange of goods and/or services between two or more trading partners without the exchange of money. In his 1776 Wealth of Nations, Adam Smith described barter trade as primitive, crude and unrefined system of exchange (Kaikati, 1976). Table 8 presents findings relating to the difficulties perceived by traders due to barter trade. Traders were asked to indicate the extent to which they regard as the above factors major difficulties associated with barter trade. The perceptions were measured using a five point Likert scale ranging from strongly disagree (1) to strongly agree (5). The results in the table 10 include mean values on each of the difficulty investigated, which have been presented according to the rank with the factor having highest mean at the top. The mean value of 1 or to the nearest of 1 means strong disagreement, those of 2 or to the nearest of 2 mean disagreement while those of 3 or to the nearest of 3 indicated a neutral position. Mean values of 4 or the nearest of 4 mean

agreement while those of 5 or to the nearest of 5 mean strong agreement. As summarized in Table 10, the most important factor to which respondents strongly agreed is that product quality does not conform to specifications promised during negotiations in barter trade. 86.4 per cent of the respondents agreed or strongly agreed with this statement, 3.4 per cent were neutral while 10.2 per cent disagreed or strongly disagreed. The four other factors, making it five out of ten had levels of strong agreement/agreement of over 50 per cent. Factors like fluctuating value of goods and diminished working capital flow were ranked by 73.8 per cent and 77.2 per cent as difficulties in carrying barter trade. The two factors; problems redeeming accumulated trade credits within the stipulated time period and difficulty of inspecting the quality of goods offered in barter were ranked high barriers by traders. Factors like time consuming negotiations, difficulty in determining the monetary value of goods in barter and finding suitable markets for products are not much of a concern for traders as more than 50 per cent disagree/strongly disagree on the factors being important. The common difficulties range from those associated with product quality not conforming to specifications, fluctuating value of goods as trade arrangements extend beyond the specific time schedule. This is compounded by the phenomenon of shipping goods by rotation by traders due to the low infrastructure at the Trade facilitation Centers. The barter trade also hits the financial side of business as working capital funds are squeezed due to export of goods across the Line of Control.

Table 8: Perceived difficulties of barter trade					
Factors	Mean	Std. Deviation	SDA/DA %	Neutral %	A/SA %
Product quality not conforming to specifications promised during negotiations	4.52	0.971	10.2	3.4	86.4
Fluctuating value of goods as trading arrangements extend over a long period of time.	4.16	1.183	18.2	8.0	73.8
Diminished working capital flow therefore limiting financial resources available to the firm	4.01	0.965	11.4	11.4	77.2
Problems redeeming accumulated trade credits within the stipulated time period	3.85	1.264	27.3	5.7	67
The difficulty of inspecting the quality of goods offered in barter	3.44	0.856	23.9	8.0	68.1
Uncertainty in projecting the profitability of any given transaction	3.03	1.343	44.3	6.8	48.8
High administrative burden associated with barter trade	2.92	1.167	44.5	9.1	45.4
Time consuming negotiations	2.52	1.524	58	11.4	30.6
Difficulties in determining the monetary value of goods offered/received in barter	2.18	0.865	79.4	6.8	13.6
Difficulties finding suitable markets for goods offered	1.76	0.816	87.5	6.8	5.7
SDA = Strongly disagree; DA = Disagree; A = Agree; SA = Strongly agree					

Trade Relationships:

To look at the length of trade relationship and how it has evolved, for each product or product category that is exported or imported, we create a monthly panel for the period from the start of the trade till Oct. 2010, i.e. twenty five months (Table 9 and 10). The Xs in the table indicate months in which a particular product or product category was exported or imported. If a product category is exported or imported continuously for 25 months, then it has a single spell e.g. dry fruits. Commodity like apple that is first exported and then stopped, again exported after a gap and stopped, followed by exports again will have 3 spells. Survival in months is the length of months during which the good was imported or exported. Looking at the length of the trade relationship, it is observed that exports like fresh fruits, fresh vegetables, coconuts, rajmah and embroidery items exhibit trading relationship of 22 months or more (Table 9).

Goods	Exports from Salamabad to Chakoti from Oct. 2008 (1) to Oct. 2010 (25)																									Survival in months	Spells	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25			
Apple	x	x	x	x	x	-	-	-	-	x	x	x	x	x	x	x	-	-	-	-	-	-	x	x	14	3		
Fresh Fruits	-	-	-	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	22	1	
Fresh Veg.	-	x	x	x	x	x	x	x	x	x	x	x	x	x	x	-	-	x	x	x	x	x	x	x	x	22	2	
Walnut Gri	x	x	-	x	x	x	x	x	x	x	x	x	x	x	-	x	-	x	-	-	-	-	-	-	-	15	4	
Mixed Dry Fr	-	x	-	-	-	-	-	-	-	x	x	x	x	x	x	x	x	-	x	x	x	-	x	x	x	15	4	
Coconut	-	-	-	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	22	1	
Groundnut	-	-	-	-	-	-	-	-	-	-	-	-	x	x	-	-	-	-	-	-	-	-	-	-	-	2	1	
Rajmah	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	-	x	x	x	24	2	
Moong	x	-	x	x	x	x	x	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x	7	3	
Honey	x	x	x	-	-	x	x	x	-	x	-	x	x	x	x	-	-	-	-	-	-	-	-	-	-	11	4	
Garlic	-	-	-	-	-	-	-	-	x	x	x	-	x	x	-	-	x	x	x	x	-	-	-	-	-	9	3	
Ginger	-	-	-	-	-	-	-	-	-	-	-	-	x	x	-	x	-	x	x	-	x	-	-	x	x	8	5	
Mixed Spices	x	x	-	-	-	x	-	-	x	-	-	-	x	x	-	x	x	x	x	x	x	x	x	x	x	16	5	
Dry Chili	-	-	-	-	-	-	-	-	-	-	-	-	-	x	x	x	x	x	x	x	x	x	x	x	x	12	1	
Zera	-	-	-	-	-	-	-	-	-	-	-	-	x	x	-	-	-	-	x	x	x	-	-	-	-	5	2	
Cardamom brown	-	-	-	-	-	-	-	-	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	17	1	
Cardamom green	-	-	-	-	-	-	-	-	-	-	-	-	x	x	x	-	x	x	x	x	-	-	-	-	-	7	2	
Med. Herbs	-	-	-	-	-	-	-	-	-	x	x	-	-	x	x	x	x	x	x	x	x	x	x	x	-	x	13	3
Saffron	-	-	-	x	-	-	-	x	x	-	-	-	x	x	x	-	-	-	-	x	x	-	x	-	x	10	6	
Emb. Items shawl/stole etc.	-	-	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	23	1	
Crewel items Bed Cover/ Cushion cover etc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x	x	-	x	x	x	x	x	x	x	x	10	2	
Papermachie	-	-	-	-	-	-	-	x	x	x	x	-	x	x	x	x	x	x	x	-	x	x	x	-	-	14	3	
Wall Hanging	-	-	-	-	-	-	-	-	-	x	-	-	-	x	x	-	-	-	x	-	-	-	-	-	-	4	3	
Cushion/rugs	-	-	-	-	-	-	-	-	x	-	-	-	-	x	-	-	-	x	x	-	-	-	-	-	-	4	3	
Carpet	-	-	-	-	-	-	-	-	x	-	-	-	x	x	x	-	-	-	-	x	-	x	-	-	-	6	4	
Kangdi	-	-	-	-	-	-	-	-	-	-	-	-	x	x	x	x	-	-	-	-	-	-	-	-	-	4	1	

In case of imports like dry fruits, Jayanamaz (prayer mat), carpets and fresh fruits, they exhibit survival of 21 months or more (Table 10). The results indicate that more is happening at the micro level and trade patterns have evolved over the years since trade took off.

Goods	Imports from Chakoti to Salamabad from Oct. 2008 (1) to Oct. 2010 (25)																									Survival in months	Spells
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
Fresh Fruit	x	x	x	x	x	x	x	x	x	x	x	x	x	-	x	x	x	-	x	x	x	-	x	x	x	22	4
Fresh Vegetable	x	x	x	x	-	x	x	x	-	-	x	-	x	-	x	x	x	-	x	x	x	x	-	-	x	16	7
Rice	x	x	x	x	x	x	-	x	x	x	x	x	-	-	x	x	-	-	-	x	x	x	x	-	-	17	4
Maize	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x	x	x	-	-	-	-	4	2
Garlic	x	-	-	x	x	x	x	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	2
Ginger	-	-	-	-	-	x	x	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	1
Spices	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Dates Dry	x	-	x	x	x	x	-	x	x	x	x	-	-	x	-	-	-	-	-	x	x	x	x	x	x	16	5
Dates Fresh	-	-	-	-	-	-	-	-	-	-	x	-	-	-	-	-	-	-	-	-	-	-	x	-	-	2	2
Dry Fruit	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	25	1
Honey	-	-	x	x	x	x	-	-	-	-	-	-	-	-	x	-	x	-	-	-	x	-	-	-	x	8	4
Moong	-	-	-	x	x	x	x	x	x	x	-	x	x	x	-	-	-	x	x	-	-	-	-	-	-	12	3
Pineapple canned	-	-	-	-	-	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Medicinal Herb	-	-	-	-	-	-	-	x	x	-	x	x	-	x	x	x	x	x	x	x	x	x	x	x	x	16	3
Jayanamaz	-	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	-	x	23	2
Peshawari Leather Chappel	-	x	-	-	x	x	x	x	x	x	x	x	x	x	-	-	x	-	x	x	x	x	x	x	x	19	4
Shoes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x	-	-	x	-	-	-	1	1
Carpet	-	-	x	x	x	x	x	x	x	x	x	-	x	-	x	x	x	x	x	x	x	x	x	x	x	21	3
Stole/Shawl/Scarfs/Dupatta	-	-	-	x	x	x	x	-	x	x	x	x	x	x	x	x	x	x	-	x	x	x	-	x	x	19	4
Wall Hanging	-	-	-	-	-	x	-	x	-	-	-	-	-	-	-	-	-	x	x	-	-	x	-	-	x	6	5
Emb. Suits/jacket	-	-	-	-	-	x	-	-	-	x	-	-	-	x	x	x	x	x	x	x	x	x	x	x	x	14	3
Bed sheets/cover	-	-	-	-	-	-	x	x	x	-	x	-	-	x	x	-	x	x	x	x	x	x	-	-	x	13	5
Ladies Bags	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	x	x	x	-	-	-	x	4	2

Trade trends along Salamabad (Uri) - Muzafarabad (PaK) route

Exports

Apples, one of the most sought after commodities of Kashmir were exported in good numbers during the initial period of the Cross-LoC trade, but from November 2009, the commodity has failed to make it to the priority list of traders. 71.23MTs of apple were shipped across the border

in November 2008, which dropped to 0.48 MTs in October 2010 during the two years since trade began; a hundred per cent drop in trade volumes. This is attributed to the same cropping season across both the regions, with growers harvesting the apple crop simultaneously across the border.

Fresh fruits reflect a seasonal trend with exports reaching high levels during the five months beginning March till July each year. The fresh fruits that have been actively traded include banana, cherry, pomegranate, pineapple, strawberry and grapes. A total of 1254.50MTs fruit has been shipped across the border by traders at Uri during the period Oct. 2008 till Oct.2010. Significantly, fruit supplies constitute major exports that have been shipped across the border and the flow of fruit exports continues year round. (Appendix – 3, 4)

Vegetables also reflect a seasonal pattern with major vegetables being exported during the months of March and August, however vegetable exports continue during the entire year. A total of 514.80MTs of onions, peas, tomato, beans and other vegetables have been traded during the period of two years ending Oct. 2010, since the beginning of trade in Oct. 2008.

Walnut Kernel, one of the principle exports from Jammu and Kashmir to other parts of the world, is not actively traded across LoC. More than 5401.59 MTs were exported during the year 2009-10 from Jammu and Kashmir to rest of the world. (J&K Economic Survey 2009-10). A total of 27.84MTs were traded from Uri to Muzafarabad (PaK) during the years under study. The commodity has not been exported from Apr. to Oct. 2010. This is obvious as the crop is harvested in Oct. or November, after which it is sent to markets across the world. Similarly mixed dry fruits reflect a mixed trend with exports fluctuating across months.

The growth in exports of coconut has grown substantially over the period since the trade started. During the initial months of trade, the commodity does not figure in the traded list of goods, but from March 2009, coconut supplies show a robust increase with 9500.10 MTs exported to the other side. Traders attributed it to high demand for the commodity. However, in absence of no specification of 'country-of-origin' rule in SOP, the traders have been in a position to exploit the market situation in their favor and flout 'country-of-origin' norms.

Among pulses, Rajmah (Kidney beans) is mainly exported with 814.90MTs exported during the two years. The commodity has shown increase in export demand during the year 2010. Export of

Moong (Green gram) was miniscule compared to Rajmah. Moong was banned for some time by the quarantine department that resulted in non trade of the commodity from June to Sep. 2010.

Honey, which was exported to PaK in 2009, has shown a sudden decline in export quantities, with no trade in honey taking place during the subsequent year. In fact the commodity is now imported from Muzfarabad (PaK).

Trade in Garlic started to pick during the later part of 2009 and in 2010, however its ban resulted in delisting it from one of the actively traded commodities.

Among the spices that are actively traded to other part of Kashmir, Red chilies exports reached 169.36 MTs in June 2010 and total exports touching 6552.80 MTs between 2008 and 2010. Other spices that form major exports include Zeera (Cumin seeds), green and brown cardamom and mixed spices. The export of Saffron has started to increase during the later part of 2010.

One of the major anticipations from the trade was that it will give boost to the local handicrafts produced in both the regions. A closer look reveals that the anticipation proved quite contrary as export of these goods has shown a marginal growth over the two year period (Appendix- 3&4). Wall hangings, Papermachie, crewel, cushions, and rugs have been exported in little quantities compared to their export potential and their demand in other parts of the world.

Imports

Fresh fruits form one of the major imports from Muzafarabad, reflecting a seasonal pattern. Import of fresh fruits starts from September and continues till March, a time when Jammu and Kashmir is without indigenous produced fruits due to winter season. Major imported fruits are pomegranate, grapes, pear, guava, orange, apple, watermelon, peach, mango and banana. For the two years, since the beginning of trade, a total of 1475.01 MTs of fresh fruit have been imported from Chakoti to Uri (Appendix 5, 6).

Fresh vegetables like onion, potato and tomato are the common imports from Muzafarabad to Uri. There is trend of a sharp increase in vegetable imports during the winter months of Dec. to Feb. A total of 1942.14 MTs of vegetables were imported into Uri (Kashmir) from Chakoti (Muzafarabad).

Rice and maize, the two agricultural commodities have been imported in small quantities and form less than 2 per cent of the total commodities imported by the traders.

The import of Garlic also received a jolt due to imposition of ban on the commodity by the quarantine department. A total of 1217.25 MTs of Garlic was imported during the period Oct. 08 to May 09, with 564.18 MTs being imported in the month of May 2009.

Dates, dry fruits are the two commodities that have seen a persistent rise over the two years. Dry fruits amounting to 4221.61MTs have been imported during the last two years from the start of trade till Oct. 2010. Similarly Dry dates of 1249.77 MTs were imported by Jammu and Kashmir traders from across the borders.

Among the pulses, Moong was imported extensively till April 2010, with total imports of Moong reaching 15326 MTs; however its ban led import touching zero.

The import of medicinal herbs has increased since May 2009, and total imports having touched 1270.94 MTs during the period.

Imports of carpets has steadily grown over the period and other merchandise like Jayanamaz (prayer mat) , Peshawari Leather Chappel (footwear) , Shoes, Carpet, Stole/Shawl/Scarfs/Dupatta, Wall Hanging, Embroidery Suits/jacket, Bed sheets/cover, Foam Mats and Cushions are imported in very limited quantities. Products such as blanket, bags, fabric, chairs, and papier-mâché have not imported since the beginning of the trade.

Trade Trends along Chakkan-da-bagh (Poonch) - Rawalakot (PaK)

Exports

The trade in apple has reduced significantly with only 55 kgs exported in 2010-11 against an export of 8.22 MTs during previous year. Here again as in case of other trading point (Uri), the fall is attributed to similar harvesting seasons for the fruit across both the divided parts of Kashmir. Banana, grapes and pine apple are the other major fruits that have been exported during the three years of trade. A significant growth is seen in export of brown cardamom, coconut, red chilies, tamarind, onion and potato. There is a marked shift in supply of commodities as traders add new commodities based on their experience gained and demand of commodities. Appendix 7

& 8 give the summary of the exports that traders undertook since the start of the trade in Oct. 2008. For handmade crafts and other related products like embroidery, shawls, rugs and pillows, the products are witnessing an increasing demand. A noteworthy feature is the growth in trade of herbs and dry fruits over the last two year period.

During 2011, a decline in growth of onion exports is seen with more than 301.40 MTs (65 per cent of yearly exports) being traded-out in April 2010. This went down to abysmal 1.62 MTs (0.5 per cent of the yearly exports).

Commodities that have witnessed no break spells during the months, April 2010 to March 2011 include red chilies, coconut, herbs, and brown cardamom. A total of 12024MT of these commodities have crossed the border from this point during the period.

Among the traditional Kashmir arts, only embroidery works are witnessing a surge in demand. Other handicrafts like rugs, pillows, carpets, paper machie, and wooden furniture have not entered into the trade cycle during the third year as well.

Walnuts, saffron, honey and dry fruits, which during the previous two years witnessed a meager trade, have not been exported by traders from Poonch route during the current year, except in few instances.

Imports

The imports along Poonch-Rawalakote route have shown a mixed trend with rice, onion, garlic, potato, moong, ginger, herbs and ajwain being major traded commodities since the beginning of the trade till March 2010 (Appendix 9, 10). During the period more than 14972MT of these commodities have crossed the border from Rawalakote. It is noteworthy that during previous year (2010-11) there has been no import of garlic, moong and ginger. The import of rice, onion, ajwain and potato have witnessed drastic drop, during the period. The only good where consistent demand is observed is herbs. Among the goods that are imported by traders on regular basis - prayer mats (Jainamaz) shawls, carpets, suits, peshawari chappals, and rugs top the list. In fresh fruits category kenu, anar, citrus fruit, apple, musk melon, water melon, apricot, pear and orange are imported by traders on regular basis based on seasonal demand for these

commodities. Almonds, dry fruits, raisins, and dates show an increasing trend and have been regularly imported.

Reason for low trade volumes:

A major reason for the fluctuations in Cross-LoC trade is the loose structure within which the trade continues since the beginning of the much hyped Confidence Building Measure. Add to that has been the lack of initiative to make it sustainable and system driven. Yet, one possible explanation for trade relationships' sustainability has been the sheer positive approach of the traders to continue the trade despite a host of bottlenecks. There is interest in large-scale commercial Cross-LoC trade among business enterprises and an urge to engage in commercial exchange with the other part of Kashmir. But small-scale exchange after following a long drawn process does not seem to be attractive to the business enterprises. This is substantiated by the fact that out of more than 450 registered business firms at Uri and Poonch, less than 100 are actively pursuing Cross-LoC trade. The initial enthusiasm of 2008-09 was attributed to opening up of more lucrative markets through these routes and to the nostalgia of re-establishing the broken links along the traditional route with communities across the border. Both of these failed to live up to the hype that was created at the start of the trade. The cessation of trade links in 1947 has played a role in breaking the linkages with trade partners on the other side of Kashmir. Only older generations were familiar with the routes on the other side along the Jhelum River. Young entrepreneurs were enthusiastic to visit the other side of Kashmir and revive the links that had both an emotional connect and business sense. However, the high entry barriers and lack of access to prospective business enterprises did not translate into expected outcomes. There are other important factors like the limited list of goods (21) allowed for trade, lack of communication mainly the cell phone facility, barter nature of the trade, lack of banking arrangements, too much security interference and banning of goods by both the governments at their own will have waned the enthusiasm associated with the trade. Apart from this, the air of suspicion along the border and the fragile nature of relationship between the two hostile neighbors have also made the trade less attractive. Another major constraint is the localization of the trade, which restricts the quality and quantity of the goods and also created a limited market for goods.

The formation of a Joint Chamber at the beginning of the trade was aimed to make the trade a success. Although the Joint Chamber did not progress, yet the suggestions put forth by them could pave the way for increasing the volume of trade and make it sustainable over the long run.

The Joint Chamber put forth following suggestions for smooth conduct of trade

Telecommunication facilities like ISD, Mobile, Postal and courier services

Up gradation of roads and bridges to enable conduct of trade in standard load carriers (9 ton capacity)

Issuance of 'Multiple Entry Permits' with 2 year validity to bonafide traders for Cross-LoC movement, allowing traders to be allowed to visit PaK in their own vehicles

Setting up of Banking/Monetary Exchange System like 'Letter of Credit' on either side; 'Dual Currency System' in J&K and PaK; Lifting of restrictions on carrying 'Currency' across LoC.

Expansion of the 'Agreed Items List' and inclusion of 'manufactured items' in the Trade List to make the Cross-LoC trade sustainable and beneficial to both sides.

Opening of 'Suchetgarh-Sialkot', 'Nowshera-Mirpur' and 'Pallanwala-Chhamb' trade routes from making Cross-LoC trade from Jammu region to PoK sustainable

Creation of adequate 'Warehousing Facilities' at suitable locations

Setting up of Joint Chamber of Commerce & Industry for J&K and PoK

Holding of frequent buyer-seller meets

Joint exploration of tourism potential of the two sides

Tie-ups with our Educational and Technical Institutions like Universities, Medical Colleges, Engineering Colleges, Craft Development Institute (CDI), Indian Institute of Carpet Technology (IICT) with PoK Institutions.

Tie-ups in software development, joint software development and exchange of technical software developers

Exchange of architectural, engineering, IT, medical and education services

Collaboration to manage water resources and power generation

Source: Jammu & Kashmir, Economic Survey 2008-09

Conclusion:

The paper posed two questions: (1) What are the principal gains from Cross-LoC trade? 2) What has been the response of traders to this Confidence Building Measure?

Cross-LoC trade along the two routes of Salamabad (Uri) - Muzafarabad (PaK) and Chakkan-dabagh (Poonch) - Rawalakot (PaK) opened traditional routes, broke the barriers between the two divided parts of Kashmir after a gap of more than 61 years and set a stage for further cooperation between the two regions. Since the beginning of the trade in October 2008, interactions along the Line of Control and trade volumes have grown substantially, despite host of restrictions to the trade process. The benefits of the steps taken so far to promote Cross-LoC trade has, however been too short of the trade potential, due to the difficulties being faced at the operational level. Presently, Cross-LoC trade is beset with lack of infrastructure and host of operational bottlenecks. These include small trade volume due to barter nature of the trade, inadequate facilities at the Trade Facilitation Centers (TFCs), lack of communication links, absence of banking facilities, travel restrictions for traders, restricted items (21) on the trade list, limited trading days per week, frequent banning of goods by New Delhi and Islamabad, low interaction between traders across the border, lack of legal framework for dispute settlement and security hassles. The trade is neither categorized as international nor domestic and hence has a unique structure. Exports are named as 'traded-out' and imports are called 'traded-in' goods. One remarkable feature that the study has proved is that despite all odds, the trade has continued. After going on for more than two years, the trade can possibly be categorized as being economically feasible rather than having only the sentimental value. There appears to be no reason of not enhancing and extending the trade since it encourages mutual friendship and trust.

Confidence building measures play an important role in conflict resolution and Cross-LoC trade has acted as a starting point. Free flow of trade and transit across LoC will help the communities on both sides of Jammu and Kashmir become key stakeholders in the peace process. The trade has had a spillover effect particularly among communities living along the Line of Control as laborers, drivers and civic actors have benefitted from the employment opportunities it has offered. Good institutions and policies, together with free interface across the Line of Control are the key factors for taking the peace process forward. A positive initiative in the form of Cross-LoC trade, suggests that more sustainable measures are within reach including removing the

current bottlenecks and developing right institutional framework for integration of two economies across the Line of Control that has remained impermeable since 1947.

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Appendix - 1				
Exports from Kashmir to Punjab during 1869-70 and 1870-71				
	Year 1869-70		Year 1870-71	
Goods	Maunds	Value in Rs.	Maunds	Value in Rs.
Raw Products				
Drugs : Bhang	8	220	na	na
: Charas	1123	93040	684	37070
: Opium	5	4000	13	7200
: Dyes-Variou s	548	4152	54	110
: Various Chemicals	6167	401308	2164	24749
Fibres : Cotton	49	274	11	68
: Wool	1587	35200	506	11790
: Pushm	695	28300	461	18440
: Silk	326	96300	50	2800
: Sunn	30	212	64	311
: Others	165	1079	243	2457
Flour	1689	4439	9291	10314
Fruits and Nuts	5738	23159	5374	34544
Furs and feathers	145	1740	na	na
Grain	2402	7383	22788	41225
Ghee	8892	191947	9487	201630
Gums and Resins	na	na	167	2089
Horns and hides	na	na	na	36
Metals	na	9	278	905
Oils	na	na	67	717
Oil-seeds	3986	12126	2536	7255
Rice	2636	11288	9468	35407
Sugar	316	3213	232	3071
Spices	259	2010	514	6323
Tobacco	na	na	189	435
Wood	na	54499	na	69000
Other products	2394	9864	2041	19396
Total	39240	685962	66682	544351
Manufactures				
Cotton Cloth	44	5435	78	9872
Pushmeena	na	73154	na	283883
Specie and bullion	na	6320	na	11951
Woolens	522	39329	45	32446
Other Manufactures	20	2272	11	4020
Total	586	126510	134	342172
Grand Total	39826	812472	66826	886523
Source: P.N.K. Bamzai, 'Socio-Economic History of Kashmir 1846-1925', Gulshan Books, 2007 pp. 305				
Note: Maund equaled 37.3202 kilograms				

Appendix- 3

Monthly Exports from Salamabad (Uri) to Chakoti (PaK) from Oct.2008 to Sep.2009

Goods	Unit Qtls. =100 Kgs	Monthly Exports from Salamabad (Uri) to Chakoti (PaK) from Oct.2008 to Sep.2009												Total
		Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	
Apple	Qtls.	380.38	712.25	23.39	41.25	4.4	-	-	-	-	109.6	71.41	18.93	1361.62
Fresh Fruits	Qtls.	-	-	-	2.32	139	392	622.09	1859.9	975.74	898.3	265.44	356.58	5511.45
Fresh Veg.	Qtls.	-	15.8	33.43	102	25.08	1136.3	2763.6	5347.3	918.22	3802	1644.4	1341.4	17129.5
Walnut Giri	Qtls.	0.5	7.02	-	27.66	33.01	6.53	5.58	23.88	8.93	64.05	37.41	39.68	254.25
Mixed Dry Fruits	Qtls.	-	6.52	-	-	-	-	-	-	-	1.95	90.35	0.36	99.18
Coconut	Qtls.	-	-	-	0.3	31.35	226.72	120.55	425.33	621.74	4751	1863	3960.8	12001.1
Rajmah (Kidney beans)	Qtls.	6.7	40.17	87.31	252.4	85.75	121.56	48.87	48.85	3.5	30.87	31.1	175.88	932.96
Moong (Green beans)	Qtls.	1	-	15.48	10	4	0.15	105.5	90	-	-	-	-	226.13
Honey	Qtls.	0.24	0.015	0.43	-	-	0.26	0.2	2.21	-	4.95	-	0.51	8.82
Garlic	Qtls.	-	-	-	-	-	-	-	-	7.4	283.4	33.85	-	324.65
Mixed Spices	Qtls.	6.75	5.48	-	-	-	-	20	-	-	39.98	-	-	72.21
Cardamom Brov	Qtls.	-	-	-	-	-	-	-	-	2.7	412.5	371.6	199.3	986.11
Med. Herbs	Qtls.	-	-	-	-	-	-	-	-	-	79.31	30	-	109.31
Singada/ Dehydrated veg	Qtls.	-	0.025	-	-	2.1	0.3	-	-	-	-	-	-	2.425
Saffron	Gms	-	-	-	10 gm	-	-	-	20 gm	30 gm	-	-	-	60gms
Emb. Items shaw /stole etc.	Nos.	-	-	30	167	36	5	61	817	1956	3976	1607	12840	21495
Papermachie	Nos.	-	-	-	-	-	-	-	500	551	150	42	-	1243
Wall Hanging/Cushi ons	Nos.	-	-	-	-	-	-	-	-	100	-	46	-	146
Carpet	Nos.	-	-	-	-	-	-	-	-	12	-	-	-	12
Value in INR (Lakhs)		13.37	22.19	7.56	19.63	15.26	58.24	72.97	133.03	121.42	568.9	259.77	329.64	1621.99
Trucks Crossed		31	37	10	21	18	63	106	153	69	183	75	102	868
Source: Trade Facilitation Centre Salamabad (Uri)														

Appendix - 4

Monthly Exports from Salamabad (Uri) to Chakoti (PaK) from Oct.2009 to Oct.2010

Goods	Unit 1 Qtl. =100 Kgs	Oct-09	Nov-09	Dec.09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Total
Apple	Qtls.	29.95	50.98	1.8	1.2	-	-	-	-	-	-	-	11.7	4.75	100.38
Fresh Fruits	Qtls.	450.9	152.31	97.6	1319	294	722.1	1553	1745.5	391.7	86	45	91.2	86	7034
Fresh Veg.	Qtls.	1835.7	2083.86	14.4	-	-	2852	24604	2274.5	44.93	52.24	282.3	169.5	145.5	34358.7
Walnut Gri	Qtls.	4.81	10.65	-	3.52	-	5.17	-	-	-	-	-	-	-	24.15
Mixed Dry Fruits	Qtls.	1.72	44.06	0.1	0.35	0.1	-	12	35	0.2	-	95	3	63.6	255.13
Coconut	Qtls.	6579.5	9668.23	7505.5	9676	8630	9763	6229	2029.5	6014	4268	2258	3055	7325	83000.1
Groundnut	Qtls.	77.5	1780	-	-	-	-	-	-	-	-	-	-	-	1857.5
Rajmah (Kidney beans)	Qtls.	633.1	1475.15	2678.5	1	90	318.5	727.1	89.25	109.4	-	553.5	360	180.2	7215.66
Moong (Green beans)	Qtls.	-	-	-	-	-	-	-	-	-	-	-	-	90	90
Honey	Qtls.	1.15	7.29	10.84	-	-	-	-	-	-	-	-	-	-	19.28
Garlic	Qtls.	85.22	361.53	-	-	98.47	337.4	331.8	50	-	-	-	-	-	1264.45
Ginger	Qtls.	11.56	83.28	-	11.3	-	28.04	12	-	6.03	-	-	180	889.4	1221.56
Mixed Spices	Qtls.	1.7	150	-	333.3	132	477.3	65.3	206.51	215	468.1	100.5	20.5	22.6	2192.72
Chili Dry/Seed	Qtls.	-	120.5	2379.3	564.8	1232	4990	4074	9858	16936	6446	4272	5615	9041	65528.4
Zeera	Qtls.	84.5	1.2	-	-	-	-	100.3	62.35	43.59	-	-	-	-	291.89
Cardamom Brown	Qtls.	234.24	969.2	323.74	233.4	58	764	406.1	61	44.07	24	32	182.9	178.6	3511.08
Cardamom Green	Qtls.	9	21.05	17	-	3	41.92	75.85	0.9	-	-	-	-	-	168.72
Med. Herbs	Qtls.	-	54.08	44.22	224.3	168.9	452.2	411.1	86.55	713.8	373.9	179.9	-	10	2718.82
Rice (Returned)	Qtls.	-	-	-	-	-	-	-	-	-	170	-	-	-	170
Saffron	Gms	-	2520	4000	-	-	-	-	158	30	-	20	-	10000	16728
Emb. Items Shawl/Stole etc.	Nos.	4353	8101	8009	10387	7341	6994	15363	12365	9409	21010	22289	15938	41390	182949
Crewel items Bed Cover/ Cushion cover etc.	Nos.	-	-	213 + 296.65 Mtrs.	713	-	86	374	491	157	160	505	390	140	3526
Jayanamaz (Prayer mat)	Nos.	-	-	350	-	-	-	-	-	-	-	-	-	-	350
Papermachie	Nos.	1160	4532	2823	17	960	1604	528	-	40	471	100	-	-	12235
Wall Hanging	Nos.	-	-	50	242	-	-	-	17	-	-	-	-	-	309
Cushion	Nos.	-	-	-	-	-	-	30	-	-	-	-	-	-	30
Rugs	Nos.	-	-	166	-	-	-	-	-	-	-	-	-	-	166
Carpet	Nos.	4	2	4	-	-	-	-	14	-	5	-	-	-	29
Ladies Bags	Nos.	-	-	-	-	-	-	-	4	-	-	-	-	-	4
Kangdi (Fire pot)	Nos.	17	6	23	24	-	-	-	-	-	-	-	-	-	70
Value in INR (Lakhs)		569.88	1249.75	938.83	893.4	667.3	1376	1381	815.48	1210	667.9	484.5	676.3	1303	12233.5
Trucks Crossed		138	223	182	163	141	295	479	281	442	161	112	151	271	3039
Source: Trade Facilitation Centre Salamabad (Uri)															

Appendix- 5

Monthly Imports from Chakoti (PaK) to Salamabad (Uri) from Oct.2008 to Sep.2009

Goods	Unit 1 QtI. =100 Kgs	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Total
Fresh Fruit	Qtls.	65.4	234.21	333.37	2072.1	833.13	443.77	21.08	33.7	3.36	1.06	660.35	260.28	4961.78
Fresh Vegetable	Qtls.	62.3	191.7	46.75	309.5	-	8	1.1	48.2	-	-	98.9	-	766.45
Rice	Qtls.	120	10	27.8	0.32	3.72	3.11	-	0.41	7	0.5	107	120	399.86
Maize	Qtls.	24.4	-	-	-	-	-	-	-	-	-	-	-	24.4
Garlic	Qtls.	12	-	-	1.8	8	1041.3	5467.7	5641.8	-	-	-	-	12172.5
Ginger	Qtls.	-	-	-	-	-	21.2	112.38	86.8	-	-	-	-	220.38
Spices	Qtls.	2.4	-	-	-	-	-	-	-	-	-	-	-	2.4
Dates Dry	Qtls.	1.2	-	3	2.31	11.04	198.01	-	35.86	45.24	18.7	836.43	-	1151.79
Dates Fresh	Qtls.	-	-	-	-	-	-	-	-	-	-	524.01	-	524.01
Dry Fruit	Qtls.	0.4	0.1	2.55	0.67	0.02	49.24	7.826	46.4	50	113.9	267.32	514.72	1053.11
Honey	Qtls.	-	-	0.2	9.25	4	0.75	-	-	-	-	-	-	14.2
Moong (Green beans)	Qtls.	-	-	-	50	50.55	1033.6	1748.1	5020.4	11650	17851	-	16370	53773.8
Pineapple canned	Qtls.	-	-	-	-	-	0.25	-	-	-	-	-	-	0.25
Medicinal Herb	Qtls.	-	-	-	-	-	-	-	81.2	30.1	-	80	113	304.3
Jayanamaz (Prayer mat)	Nos	-	1952	1200	558	1620	1249	1801	1274	5881	3622	1760	3491	24408
Peshaw ari Leather Chappel (Footw ear)	Nos.	-	31	-	-	50	1216	823	940	1360	1598	610	423	7051
Carpet	Roll/ Pcs.	-	-	8	29	8	176	179	83	20	82	16	-	601
Shawl, Scarfs/Dupatta	Nos.	-	-	-	30	76	75	317	-	458	16240	3040	21807	42043
Wall Hanging	Nos.	-	-	-	-	-	24	-	3	-	-	-	-	27
Emb. Suits/jacket	Nos.	-	-	-	-	-	20	-	-	-	22	-	-	42
Bed sheets	Nos.	-	-	-	-	-	-	25	10	-	-	-	-	35
Foam Mats	Nos.	-	-	-	-	-	-	-	16	6	-	-	-	22
Cushions	Nos.	-	-	-	-	-	-	-	100	-	-	-	-	100
Ayat Kareem	Nos.	-	-	-	-	-	-	-	-	-	-	8	-	8
Value Pak. Rs. (in Lakhs)		-	-	-	-	-	-	-	194.02	422.87	668.7	130.78	757.37	2173.69
Trucks Crossed	Nos.	21	24	19	72	26	57	132	168	169	241	47	223	1199
Source: Trade Facilitation Centre Salamabad (Uri)														

Appendix-6

Monthly Imports from Chakoti (PaK) to Salamabad (Uri) from Oct.2009 to Oct.2010

Goods	Unit 1 Qtl. = 100 Kgs	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Total
Fresh Fruit	Qtls.	264.1	-	1697.6	2880.7	1149	-	115.1	701.9	6.76	-	160.6	1143.5	1669	9788.3
Fresh Vegetable	Qtls.	228	-	3391.3	6553.4	7481	-	217.5	50	375.4	193	-	-	165	18655
Rice	Qtls.	-	-	2409.5	220	-	-	-	322.4	245.9	161.5	20	-	-	3379.3
Maize	Qtls.	-	-	-	-	-	-	20	827.29	285	-	-	-	-	1132.3
Dates Dry	Qtls.	-	-	1	-	-	-	-	519.5	537.6	1840	3075.9	3529.4	1842	11346
Dates Fresh	Qtls.	-	-	-	-	-	-	-	-	-	-	143.4	-	-	143.4
Dry Fruit	Qtls.	714.8	634	6778.2	8201.3	2207	507.96	3554.1	2810.8	5640	2369	1195.8	1960.6	4589	41163
Honey	Qtls.	-	-	18	-	2.8	-	-	-	0.37	-	-	-	2	23.17
Moong (Green)	Qtls.	21667	29358	-	-	-	30652	17809	-	-	-	-	-	-	99486
Medicinal Herb	Qtls.	-	51.86	869.63	1122.2	1936	148.6	2457	2812.6	1734	599.1	480.2	187.5	6.5	12405
Jayanamaz (Peshawari)	Nos.	900	17010	64520	7264	4998	507	2650	3625	13202	2550	-	20	8500	125746
Shoes	Nos.	6	7	-	-	15	-	8	225	2115	2050	2470	1000	1320	9216
Carpets	Pcs.	1	-	115	43	223	181	347	540	1624	62	96	84	455	3771
Shawls	Nos.	5610	7906	988	200	3964	971	-	3000	6259	1892	-	600	10109	41499
Wall Hanging	Nos.	-	-	-	-	-	84	92	-	-	381	-	-	1857	2414
Emb. Suits/jackets	Nos.	-	14	59	815	300	4110	1311	13529	7527	1840	2599	1900	2719	36723
Bed sheets	Nos.	-	36	55	-	150	52	204	120	503	185	-	-	565	1870
Foam Mats	Nos.	-	-	5	-	-	-	-	150	-	-	-	-	300	455
Cushions	Nos.	-	-	100	-	-	-	-	-	-	-	-	-	250	350
Ayat Kareem	Nos.	-	-	8	-	-	-	-	-	-	-	-	-	-	8
Blanket	Nos.	-	-	2	-	-	-	-	-	-	3	-	-	68	73
Mobile cover	Nos.	-	-	-	-	250	1150	-	-	5510	-	-	-	-	6910
Ladies Bags	Nos.	-	-	-	-	-	-	1700	-	5230	-	-	-	600	7530
Fabric	Mtrs.	-	-	-	-	-	-	-	120	-	-	-	-	-	120
Chairs	Nos.	-	-	-	-	-	-	45	-	-	-	-	-	-	45
Tray fruit	Nos.	-	-	-	-	-	-	-	-	24	75	-	-	-	99
Miswak	Nos.	-	-	-	-	-	-	-	-	-	2100	-	-	-	2100
Papermashie	Nos.	-	-	-	-	-	-	-	-	-	300	-	-	-	300
Rs. (in Lakhs)		1007	1379	901.11	1006.7	722.5	2051.8	2346.4	1345.7	2339	1185	658.03	1054.1	1976	17973
Trucks Crossed	Nos.	289	379	218	245	166	385	342	161	209	78	69	95	148	2784

Source: Trade Facilitation Centre Salamabad (Uri)

Appendix-7									
Exports from Chhakan-da-Bagh (Poonch) to Rawalakot (PaK)									
Goods	21.10.2008 to 31.03.2009		01.04.2009 to 31.03.2010		Goods	21.10.2008 to 31.03.2009		01.04.2009 to 31.03.2010	
	Quantity in Qtls/boxes 1 Qtl =100 Kgs	Amount in Rs. Lakhs (INR)	Quantity in Qtls/boxes 1 Qtl =100 Kgs	Amount in Rs. Lakhs (INR)		Quantity in Qtls/boxes 1 Qtl =100 Kgs	Amount in Rs. Lakhs (INR)	Quantity in Qtls/boxes 1 Qtl =100 Kgs	Amount in Rs. Lakhs (INR)
Almond			1	0.17	Cashews			1.8	1.68
Anar (Pomegranate)			439.2	5.01	Karela (Bitter Melon)			1.6	0.03
Apple	36.40	0.23	82.20	2.46	Ladyfinger	1.32	0.034	18.2	0.37
Banana	417.02	6.67	2534.76	41.00	Lemon			3171	49.73
Cardamom brown			6352.5	1239.69	Mango			167.2	6.50
Cabbage	7.69	0.022	4.8	0.02	Mosambi (Citrus)			11.7	0.49
Carrot	2.48	0.015	17.98	0.17	Dry Coconut			5083.5	103.59
Cauliflower	9.76	0.038	7	0.04	Onion	1017.03	13.75	39300.5	224.09
Coconut	--	---	72045	1434.59	Papaya			36.5	0.27
Dhania (Coriander)			5148	398.80	Peas	2.43	0.034	2.5	0.03
Dry Chillies			6337.2	198.97	Phool Makhana (Lotus seeds)			306.5	9.74
Fresh Vegetables			627.6	7.98	Pineapple			765.75	17.77
Garlic			414.8	12.65	Plump			9.45	0.06
Grapes			300.5	5.89	Potato	590.6	2.92	1255	31.21
Green chillies	1.51	0.039	127.6	1.83	Rajmah (Kidney beans)	64.62	2.59	429	16.62
Groundnut			176.8	10.33	Rugs & Pillow	2	0.086	464	2.95
Haldi (Turmeric)			36.4	3.44	Saffron (Gms)			2	0.006
Halion/Halyian			231	50.64	Shawls (Nos)	582	1.62	10428	84.21
Herbs			2372	140.79	Sounf (Fennel seeds)			13	0.97
Honey (boxes)	7	0.23	107	1.46	Tomato	396.05	4.40	92.2	13.08
Imli (Tamarind)	52.5	1.05	582	10.36	Walnut			64.5	19.67
Source: Trade Facilitation Centre Poonch									

Appendix-8

Goods Exported from Chakkan Da Bagh (Poonch) to Rawalakot (PaK) from April 2010- March 2011

Goods	Unit 1 Qtl. = 100 Kgs	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
Onion	Qtls.	3014	823.5			555.79			239.15	16.16				4648.6
Potato	Qtls.					1968.3								1968.3
Fresh Veg.	Qtls.		0.75			26.84								27.59
Dhania (Coriander	Qtls.	604	12	14			40			45.98				715.98
Rajmah (Kidney beans)	Qtls.			50										50
Red Chilly	Qtls.	5464.4	12248	1694.8	2388	5212.3	1753.3	5068	2507.4	5210.7	4560	4278.7	2424.7	52810.1
Sounf (Fennel seeds)	Qtls.	127.5	268.5											396
Singara	Qtls.											89.1	90	179.1
Coconut	Qtls.	4300.2	3240.5	1271.7	6749	5647.3	4503	8725	5386.6	7020	6136	6485.9	3916.8	63381.9
Dry Coconut	Qtls.	262.5				424.25								686.75
Dry Fruit	Qtls.				95	14.55		25.56						135.11
Walnut	Qtls.											48.04		48.04
Kalunji (Nigella sativa)	Qtls.								202.65			36.6	313.2	552.45
Ajw ain (Carom seeds)	Qtls.		100		4									104
Honey	Boxes	4												4
Imli (Tamarind)	Qtls.											764	1797.5	2561.5
Halion	Qtls.	460	40		400		64.4		123.2					1087.6
Herbs	Qtls.	206.4	35.6	57.2	81.2	423.68	211.63	611.9	176.14	323.18	361.9	556.35		3045.13
Cardamon	Qtls.	66400	10600			1514	2665	975	5101	3731	2359	3330	3585	100260
Black pepper	Qtls.				35									35
Apple	Qtls.					0.4	0.15							0.55
Banana	Qtls.	27.6				2.55		0.4	0.6		0.3	63.55	61.67	156.67
Fresh Fruit	Qtls.		3.9			90			44.69	112.35				250.94
Grapes	Qtls.											30	67.2	97.2
Pine Apple	Qtls.				3.3							30	79.71	113.01
Lemon	Qtls.	164	302											466
Embriodary	Boxes		143	48	102	1588	10	542	282	506	234	639	614	4708
Rugs &Pillow	Boxes	34												34
Shaw ls	Boxes	16	3				3				8	66	54	150
Total amount in Lakhs (Rs.) INR		365.96	100.6	30.08	56.25	66	27.07	116	141.4	152.88	93.58	179.06	178.96	1507.84
Trucks crossed		145	177	44	137	214	215	197	144	168	147	150	98	1836
Source: Trade Facilitation Centre Poonch														

Appendix-9

Goods Imported from Rawalakot (PaK) to Chakkan-da-Bagh (Poonch) from 21.10.2008 to 31.03.2010

Goods	Unit Qtls. (1 Qtl. = 100 Kgs)/ Nos.	Amount (Pak Rs. in Lakhs)	Goods	Unit Qtls. (1 Qtl. = 100 Kgs)/ Nos.	Amount (Pak Rs. in Lakhs)
Rice	3087.5	208.82	Mushakbala (Herb)	70.4	8.92
Onion	1328	37.79	Jarmora (Herb)	0.8	0.36
Potato	649.5	21.26	Cloth (Nos.)	16	3.03
Garlic	8422.8	257.05	Arwal (Herb)	6	0.19
Kinu (Orange)	100.48	38.85	Gulab Pitti (Herb)	1.6	0.59
Anar (Pomergranate)	10.5	0.02	Ramanchini (Herb)	8	0.26
Frouter (Citrus Fruit)	15	0.04	Gulnar (Herb)	20.4	2.08
Malta/Orange	2	0.08	Phool Gulab (Herb)	4.8	0.07
Footwear (Chappal) Nos.	15956	3.26	Saranjan (Herb)	8.4	3.68
Carpet (Nos.)	34	7.13	Anjir (Figs)	7.2	2.50
Apple	13.2	1.06	Moong (Green Beans)	122099.2	9703.30
Shawls (Nos)	2190	18.94	Dry fruit	195.8	39.92
Prayer Rug (Janamaz) Nos.	3344	35.56	Almond	283.09	1692.58
Herbs	3650	354.97	Dry Grapes	48.45	15.72
Grapes	1.1	0.005	Kishmish (Raisans)	1.65	0.41
Peas	8.61	0.17	Footmat/Rugs (Nos.)	104	8.63
Lemon	2	0.09	Zeera (Cumin seeds)	143.5	42.6
Ginger/Dry Ginger	9479.2	180.16	Apricot	660.3	17.59
Muskmelon	42	0.61	Pears	16	0.30
Dry Dates	130.8	20.14	Tomato	63.23	17.65
Water melon	16	0.36	Fruit/Vegetables	601.6	6.10
Cashew	0.2	0.13	Ajwain (Carom seeds)	1007.2	12.98
Darwakh (Herb)	22	0.84			
Total Amt. in Lakhs of Pak. Rs.		12767	Total vehicles crossed		1657

Source: Trade Facilitation Centre Poonch

Appendix-10

Goods Imported from Rawalakot (PaK) to Chakkan Da Bagh (Poonch) from April 2010- March 2011

Goods	Unit 1Qtl.= 100kg	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
Rice	Qtls.	101									1			102
Maize	Qtls.		126	100										226
Onion	Qtls.				110.6					362.23				472.78
Patato	Qtls.									70	153.6			223.6
Moong (Green Beans)	Qtls.	5252												5251.5
Dry Fruit	Qtls.	613.2	1139	706.1	5314			3807		12.6	10.3			11602
Almond	Qtls.	5396	5029.8	319	1190	2891.9	4557	6999	3533.8	487.14	940.9	4148	2665	38157
Raisins	Qtls.					928.53	1606	1985	837.02	1761.1	1342	1253	1734	11447
Walnut	Qtls.							462.7	1082.7	2706.8	1224	29.26		5505.8
Pista	Qtls.					46.25	69.69	270.3	111.2	163.69	414.6	649.2	165.9	1890.8
Ajwain (Carom seeds)	Qtls.		1400											1400
Salam Punja	Qtls.					25.36								25.36
Black Musli	Qtls.					265								265
Dry Date	Qtls.					11226	5273		3766.3	5294.9	7503	3841	1836	38740
Zeera (Cumin seeds)	Qtls.		141.5								0.25			141.75
Ramanchini (Herb)	Qtls.					35								35
Gulnar (Herb)	Qtls.					30								30
Saranjan (Herb)	Qtls.					20								20
Herbs (others)	Qtls.	2074	2833.5	955.24	2677	920.6	468.5	939.3	707.2	1215.2	565.5	342.9	400.3	14099
Kinu (Orange)	Qtls.								77.7	822.65	3422	1589	2486	8397
Anar (Pomergrape)	Qtls.							432.9	37.47	48.3				518.7
Apple	Qtls.							12.3		2.65			5	19.95
Anjir (Figs)	Qtls.						12.78	281.1	116.03	100.76	283.1	158.5	42.23	994.55
Apricot	Qtls.					40.55	1072	1165	463.27	286.35	241.8	232.7	161.7	3663.6
Pears	Qtls.							15.35						15.35
Malathi (Liquorice Root)	Qtls.					175.92					121.9	8		305.77
Mango	Qtls.				0.5									0.5
Malta/Orange	Qtls.											26287		26287
Peshawari Chappal (Footwear)	Boxes	12	3	20	52	140	38	116	89	95	78	213	147	1003
Carpet	Nos.									45				45
Shawls	Nos.		450		31							55		536
Jainamaz (Prayer Mat)	Nos.							74			60	50	1	185
Suit Cloth/Embroidered	Nos.					157	211	294	496	544	250	819	580	3351
Precious Stone	Cases											2		2
Amount in Lakhs (Pak.Rs)		1268	1142.5	316.45	1145	56.31	65.56	2065	1317.9	1725.5	1869	411.1	1313	12696
Trucks crossed		136	128	33	130	188	153	185	115	164	150	145	99	1626

Source: Trade Facilitation Centre Poonch