

India, Pakistan pitch in for anti-terror fight, economic diplomacy

Pushing economic diplomacy to the forefront, India and Pakistan Wednesday agreed to jointly combat terrorism and 'to pick a stake in each other's economic development' and signed a pact on the release of their nationals imprisoned in either country.

The two sides formally concluded the fourth round of the Composite Dialogue after review by their foreign ministers and foreign secretaries and underlined political will and determination to resolve all outstanding issues, including Jammu and Kashmir.

External Affairs Minister Pranab Mukherjee concluded review with his Pakistani counterpart Shah Mahmood Qureshi on a positive note, with both reiterating their resolve to strengthen the four-year-old peace process between the two sides.

Pakistan called for a 'grand reconciliation' on the Kashmir issue and said it was open to innovative proposals on the decades-old dispute.

In reply, Mukherjee said cautiously: 'We are determined to resolve all outstanding issues, including Jammu and Kashmir.'

The two countries decided to strengthen their anti-terror mechanism and announced that its next meeting will be held in June ahead of the launch of the fifth round of the Composite Dialogue in the middle of July.

'We reaffirm our determination not to let terrorism impede the peace process and to take all necessary steps to eliminate this scourge against humanity,' a joint statement said at the end of the talks.

The talks were held in 'friendly and constructive atmosphere' and stressed on confidence-building measures (CBMs).

The two sides agreed on a set of cross-Line of Control (LoC) CBMs that will enhance people-to-people contact and help to 'build on convergences and narrow down divergences on Kashmir'.

These included an increase in the frequency of the Muzaffarabad-Srinagar and Rawalkot-Poonch bus services from a fortnightly to a weekly basis and to finalise modalities for intra-Kashmir trade and truck services.

A meeting of the working group on cross-LoC CBMs would be convened within two months to implement other measures to expand cross-border travel between the peoples of the two countries.

'I am going back with a sense of satisfaction. We have to cover a long way. We are determined to cover that long distance and will ensure nothing stands in the way of improving our bilateral relations,' said Mukherjee at a joint press conference with Qureshi, an hour before he headed back to India after wrapping up his two-day visit to Pakistan.

This was the first formal engagement between the two countries at the ministerial level after a

civilian government took charge in Islamabad.

Pakistan again invited Prime Minister Manmohan Singh to visit Islamabad and expressed hope that he will come here later this year to quicken the pace of peace process.

'Mutually convenient dates will be decided later on,' Qureshi said.

'We will try to expedite his visit,' was all Mukherjee would say.

Even as India conveyed its concerns on cross-border terrorism in the aftermath of the May 13 serial bombings in Jaipur, Pakistan said it was as much a victim of terrorism and agreed to strengthen their anti-terror mechanism, set up two years ago, so that such attacks do not derail the peace process.

'We ourselves are victim of the terrorism and our party is the latest example. We lost our party chief,' Qureshi said when asked if Pakistan has given any assurances over cross-border terrorism to India. He was referring to the Dec 27 assassination of Pakistan Peoples Party (PPP) chief and former prime minister Benazir Bhutto.

Days after another incident of infiltration by militants across the LoC into Jammu and Kashmir, the two ministers spoke glowingly about an improvement in atmosphere and agreed to sustain the November 2003 ceasefire along the LoC.

The two countries also discussed the issue of clemency for Indian prisoner Sarabjit Singh who is facing death sentence in Pakistan. The new civilian government in Pakistan assured India that it is being considered at the highest level, a source said.

The two sides welcomed the finalization of the consular access agreement that will help in addressing all humanitarian aspects relating to those in detention in each other's country, the statement said.

The joint committee of retired judges will meet in Pakistan shortly to assess the progress on this issue. Pakistan will release 99 prisoners May 24. India has already released all identified Pakistani prisoners in its custody.

To improve economic ties, and to smoothen the import of Pakistani cement into India, Indian and Pakistani officials will meet in June for resolving all technical issues relating to freight movement. They also agreed to facilitate the process of early opening of bank branches in the two countries.

The two sides also agreed to expedite the resolution of disputes over the Siachen glacier and Sir Creek marshland. Qureshi strongly pushed for speeding up the resolution of these 'doable' issues.

Mukherjee agreed, but said on a more realistic note that although political will is there on both sides, it may take some more time to settle these disputes.

At the end of the talks, Mukherjee outlined the three pillars of India's engagement with Pakistan as: an atmosphere free from terrorism and violence, willingness to proceed with resolving all issues and developing a normal and cooperative relationship with the neighbouring country.

In a significant step, the two countries also decided to expand trade and investment between them, saying improved economic ties will not only be a confidence building measure but also lead to economic prosperity for both countries.

The two sides also agreed to liberalise their visa regime to promote people-to-people contact and an agreement on this was in the offing, sources said.

Asking Pakistan to develop 'a stake in each other's development', Mukherjee said it will create a friendly atmosphere for resolving all issues.

'Stable, prosperous, and peaceful Pakistan and India are in our mutual interest,' Mukherjee said.

Qureshi agreed, saying that 'progress on all segments of Composite Dialogue have to move in tandem.'

'It's not one at the cost of the other. One complements the other,' the two said in unison, underlining a convergence of views on pushing economic ties.

India's official bilateral trade with Pakistan is estimated to be \$2 billion - but the unofficial trade via third countries is many times that figure.

'We shall have to expand the economic base and increase trade and investment by industrialists and businessmen of both sides. But for this to happen we have to provide a friendly atmosphere to make this possible,' Mukherjee stressed.

'The two great countries of South Asia can provide peace and stability to not only the region but to the peaceful development of the international community,' he added.

Citing the example of China, Mukherjee said that [New Delhi](#) and Beijing have not been able to resolve their boundary issue but that did not prevent them from expanding their economic relationship. 'Bilateral trade has reached \$40 billion. Trade has grown so fast that we had to revise our target to \$60 billion by 2010,' he pointed out.

'The whole world is moving towards globalization of economic forces,' Mukherjee added.

Mukherjee who arrived here Tuesday, held meetings with the leaders of the ruling coalition parties - Asif Ali Zardari of the PPP, Nawaz Sharif of the Pakistan Muslim League-Nawaz and Asfandiyar Wali Khan of the Awami National Party. He also called on President Pervez Musharraf and Prime Minister Yousaf Raza Gillani.

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