

## Pakistan clears 500,000 tonnes wheat export to India

Pakistan has cleared the export of an additional 500,000 tonnes of wheat to India, utilizing its excess this year to try and make 'inroads into the lucrative Indian market'.

'It was being done in the hope of making inroads into the lucrative Indian market,' Food and Agriculture Secretary Ismail Qureshi said Thursday.

'The decision was taken especially in view of the tender floated by the State Trading Corporation of India. The export will be undertaken by the private sector by sea and land route, that is the railways,' he added.

Pakistani traders fear that a delay in releasing additional quantity may prevent them from participating in an Indian import tender, which will close May 10, the Daily Times reported.

India-Pakistan trade is burgeoning amidst confidence building measures being undertaken by both the governments in the past two years.

An expected bumper harvest of 23 million tonnes this crop year (2006-07) allowed Pakistan in January to lift a two-and-a-half year export ban intended to protect domestic supplies.

Pakistan has already allowed the export of 800,000 tonnes of wheat by private traders and removed a 15-percent duty on exports. The government has set a June deadline to ship the 800,000 tonnes. So far, deals for up to 400,000 tonnes have been finalised, while a large quantity has also been sold to local flourmills.

Agriculture Ministry officials said the government was holding over 2 million tonnes of wheat stocks in excess of buffer norms and more arrivals had created a storage problem.

India, meanwhile, is making a serious bid to enter Pakistan's tea market.

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