

THE POLICIES OF AZAD JAMMU AND KASHMIR ON AGRICULTURE, EXPORTS, AND INDUSTRY

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Abstract

This article highlights the advantages and disadvantages of Azad Jammu and Kashmir's (AJK) policies for industrial development, exports, and agriculture. The agricultural industry in AJK is severely limited by its steep topography, soil erosion, land fragmentation, and insufficient irrigation infrastructure, with only 13% of the 13,297 km² total land area suitable for cultivation. Notwithstanding these drawbacks, the area has a robust cattle base and a variety of agroclimatic zones that sustain a range of crops, including maize, wheat, fruits, and vegetables. Along with examining value-added agri-exports, including honey, walnuts, and medicinal plants, the study identifies the certification and logistical obstacles that prevent worldwide market penetration. Additionally, AJK's industrial framework, which is based on SMEs and industrial parks in Mirpur, Kotli, and Hattian Bala, exhibits growth potential but is nevertheless constrained by a lack of energy, inadequate digital connectivity, and limited financing options. Agricultural productivity and industrial competitiveness have increased thanks to government programs, including model farms, subsidies, SME lending programs, and the updated 2020 Industrial Policy; yet, structural issues still exist. The study emphasizes how CPEC and chances for cross-border trade might improve connectivity and exports. In the end, AJK can become a resilient regional economy through integrated planning in agriculture, industry, and exports, aided by infrastructure improvements, investment incentives, and human capital development.

Keywords

Azad Jammu and Kashmir (AJK); agriculture policy; industrial development; exports; SMEs; handicrafts; agro-climatic zones; livestock; value-added products; CPEC; cross-border trade; irrigation systems; infrastructure; economic resilience.

1. AJK's Resource Base and Agricultural Geography

Patterns of land use: farmed versus uncultivated land

Only roughly 13% of Azad Jammu and Kashmir's (AJK) 13,297 km² total land area is suitable for cultivation because of the area's predominantly hilly topography. The AJK Bureau of Statistics (2023) estimates that only about 190,000 hectares of the entire land are exploited for agriculture, with the remainder being built-up, forested, or barren. To deal with the hilly slopes, the little portion of cultivated land is divided and frequently terraced. Forested areas and degraded areas impacted by soil erosion or deforestation are both considered uncultivated land. Low agricultural land productivity is a result of unplanned settlements, rapid urbanisation, and a lack of mechanisation. Land use is further restricted by seasonal migration and inadequate rural infrastructure. Optimising land usage through sustainable techniques is essential in light of growing population pressure and food shortages. More uncultivated land could be turned into productive agriculture with the use of contemporary land mapping, land reforms, and soil testing.

Key agroclimatic zones and crop appropriateness

AJK has a variety of agroclimatic zones, from moist temperate and alpine conditions in the north to sub-tropical conditions in the southern plains. The National Agricultural Research Centre (NARC, 2022) claims that because of their extended growing seasons and moderate rainfall, the southern districts of Mirpur and Bhimber are perfect for crops like wheat, maize, and pulses. On the other hand, because of their lower temperatures and well-drained soils, northern districts like Muzaffarabad, Neelum, and Rawalakot are ideal for growing temperate fruits like apples, walnuts, and cherries. Diverse cropping patterns are made possible by this climatic variability, but planning and extension services are logistically challenging. Crop zoning is crucial for increasing yields and preventing inconsistencies in the distribution of resources. By promoting the best crops for each region using GIS-based agro-ecological zoning, agricultural planning in AJK can be reinforced, increasing resilience to climate variability and productivity.

Irrigation systems and water resources

Because of its closeness to the western Himalayan glacier systems, AJK has an abundance of natural water resources. Crop yields are susceptible to rainfall fluctuations because only around 25% of arable land is irrigated; the remainder is used for rain-fed agriculture, or the barani system (AJK Agriculture Dept., 2022). Despite the abundance of rivers in the area, including the Jhelum, Neelum, and Poonch, irrigation infrastructure is still lacking. Although they are utilised in hilly regions, traditional water channels, or guls, have significant water loss. Agricultural productivity is further restricted by inadequate irrigation canal maintenance, outdated sprinkler/drip irrigation systems, and inadequate water storage facilities. Large-scale irrigation changes are required to alleviate water distribution disparities and maximise utilisation for both domestic and agricultural purposes, but small-scale hydel projects and rainwater collection programs are being promoted.

2. Important Crops and Production of Livestock

Information on fruit, vegetable, and cereal production

The main agricultural product of AJK is cereal crops. With an annual production of more than 250,000 metric tonnes, maize is the most produced cereal, followed by wheat, which produces about 180,000 metric tonnes, according to the AJK Statistical Yearbook (2023). In areas like Rawalakot and Bagh, where apple, walnut, and plum orchards flourish, fruit output has increased dramatically. Seasonally cultivated potatoes, onions, and spinach are examples of vegetable farming, albeit limited. Due to inadequate transportation and storage, the majority of the produce is consumed locally, which restricts commercial growth. The region has unrealised diversification potential because fruits and vegetables only make up about 10% of the total farmed area. Improved value chains, access to hybrid seeds, and better training can boost horticultural productivity and lessen dependency on food imports from other provinces.

Poultry, dairy productivity, and livestock stats

In AJK, livestock is essential to rural life and accounts for around 30% of agricultural GDP. AJK is home to over 1.4 million cattle, 0.8 million goats, and 0.6 million sheep, according to the Livestock Census (2022). Poultry farming in the backyard is popular, particularly among women, and makes a substantial nutritional contribution to the home. However, due mainly to conventional feeding methods and a lack of veterinary assistance, dairy productivity is still

low at 4-6 litres per cow per day. Programs for breed development and artificial insemination are in progress, although they are hindered by cultural and practical obstacles. Kotli and Muzaffarabad are two places where commercial chicken farming is expanding. The meat and dairy value chain can be supported and sectoral productivity increased through government-led livestock extension initiatives, mobile veterinary services, and rural dairy cooperatives.

3. AJK's Agricultural Difficulties

Land fragmentation, soil erosion, and deforestation Azad Jammu and Kashmir (AJK) have significant obstacles in agricultural productivity because of the region's extensive land fragmentation, severe soil erosion, and growing deforestation. Average landholdings in AJK are less than 0.7 hectares, which significantly restricts mechanisation and economies of scale, according to the Planning and Development Department (P&DD, 2022). Because of the increased soil erosion caused by the mountainous terrain, crop production and fertility are decreased. Increased forest clearing for agriculture, fuelwood, and timber has resulted in a decline in biodiversity and environmental damage. The region's agricultural sustainability over the long run is at risk due to these interconnected issues (Ahmed et al., 2021, AJK Forestry Review, P&DD).

Impact of climate change: glacier melt, rainfall variability. AJK's agricultural environment is starting to change due to climate change. Traditional farming cycles have been disturbed by unpredictable rainfall patterns, unpredictable monsoons, and decreased snowfall. The sowing and harvesting seasons are impacted by the more than 30% increase in rainfall variability during the last ten years, according to the Pakistan Meteorological Department (2023). The availability of water in the area is also at risk due to glacier melt in the upper Himalayas. According to ICIMOD (2021) studies, AJK's irrigation and river-fed agriculture may be significantly impacted by diminishing snow stores.

Lack of institutional credit availability and agri-technology, AJK farmers underinvest in contemporary technologies and inputs as a result of their restricted access to financing. According to a State Bank of Pakistan study from 2022, AJK receives less than 1% of the nation's agri-credit disbursements. Furthermore, there is a technological deficit as a result of the low adoption of certified seeds, fertilisers, and agricultural equipment. Farmers are forced to use antiquated methods as a result of the lack of extension services and digital platforms, which further deepens the knowledge gap (FAO, 2020).

4. Government Programs and Assistance for Agriculture

Current subsidies and extension services. To increase production, the AJK government offers targeted, restricted subsidies on certified seeds, fertilizers, and tunnel farming equipment. The AJK Agriculture Department (2023) claims that village-based registration systems are used to target small farmers with input subsidies. However, because of financial limitations, coverage is still poor. Despite being underfunded, extension services have improved since 2020. Mobile teams are now advocating for water-saving irrigation methods, organic composting, and integrated pest management (FAO, 2020).

The AJK Agriculture Department is a key player in putting policies and initiatives into action that improve agricultural performance. It oversees the seed certification program, communicates with the National Agricultural Research Centre (NARC), and manages research farms. High-yield wheat and maize cultivars have been introduced as a result of its partnership with the Pakistan Agriculture Research Council (PARC). Additionally, through demonstration plots in Muzaffarabad, Rawalakot, and Bagh, it promotes model farming, conducts training seminars, and plans field days (AJK Agriculture Dept., 2022).

Model farms and awareness programs. To increase farmers' understanding of climate-resilient agriculture and sustainable methods, awareness initiatives have been started. The department has created more than 35 model farms with an emphasis on agroforestry, livestock integration, and organic production in partnership with the University of Poonch and non-governmental organisations such as the Aga Khan Foundation. Especially in the districts of Neelum and Haveli, these demonstration sites act as centres for rural innovation to spread knowledge through farmer field schools (AKRSP, 2021; University of Poonch, 2022).

5. Potential for Exporting AJK's Farm Products

Value-added agri-exports: honey, fruits, and medicinal herbs. Because of its great biodiversity and diverse climate, Azad Jammu and Kashmir is a good place to produce high-altitude fruits, honey, and medicinal herbs. Because of their purity and therapeutic qualities, Rawalakot's organic honey and the herbal plants from the Neelum and Leepa valleys have become more well-liked in niche markets (Shah et al., 2021). To increase their marketability, fruits, including apples, walnuts, and apricots, are processed into oils and preserves. However, the potential for large-scale exports is hindered by the lack of value-chain development (Khan & Yousaf, 2022).

Markets: local vs. international (Middle East, China) Although the majority of AJK's agricultural products are consumed domestically, trade diplomacy along the CPEC corridors has increased interest from overseas markets, particularly those in the Middle East and China. Chinese herbal companies are looking into AJK for the source of medicinal plants, while honey and dried fruits have become more attractive in Gulf markets due to their halal certification (Ahmed & Shabbir, 2020). However, because of inadequate logistics and a lack of branding efforts, actual trade volume is still low (Rashid et al., 2023).

Transportation, grading, and certification bottlenecks: AJK's agricultural exports are hampered by inefficient transportation, a lack of cold storage, and a lack of high-quality grading procedures. Post-harvest losses result from poor road infrastructure in remote places, particularly Neelum and Leepa (Nisar et al., 2022). Additionally, the absence of certifying organisations for halal and organic labelling causes delays for exporters. These obstacles deter major private investment and diminish competition in global marketplaces (Tariq & Mushtaq, 2021).

6. Forestry and Exports Other Than Timber

Forest products include firewood, chir pine, and deodar. Approximately 42% of the entire area is covered by AJK's forests, which are abundant in commercially valuable timber species such as chir pine (*Pinus roxburghii*), kail (*Pinus wallichiana*), and deodar (*Cedrus deodara*) (FAO, 2020). Particularly in rural areas, firewood continues to be a significant residential energy source. However, these species' ability to regenerate is threatened by unsustainable extraction and inadequate forest administration (Aslam & Qadir, 2021). Although capacity restrictions frequently result in overharvesting, legal logging is permitted under regulated permits.

Legal trade vs. illegal deforestation. Illegal deforestation has greatly reduced forest cover, particularly in Neelum and Hattian districts, due to high demand for timber and lax enforcement (Zaman & Mir, 2021). Log smuggling and unmonitored extraction are common, even though community forestry policies allow for lawful forest harvesting. According to Ahmed and Hanif (2019), the Forest Department does not have enough personnel or digital

monitoring technologies to implement prohibitions in distant areas. This puts the possibility of a sustainable timber trade as well as ecological balance in danger.

Possibilities for resin, mushrooms, and handicrafts: Non-timber forest products (NTFPs) with high export value include resin, wild mushrooms, and traditional handicrafts. Wild mushrooms are valued in gourmet markets, and pine resin is employed in adhesives and varnishes. Handwoven baskets and traditional wooden artefacts from AJK are becoming more and more popular in online marketplaces and tourism-related businesses (Dar & Bukhari, 2022). These goods have the potential to greatly improve rural livelihoods and lessen the strain on timber resources with the right branding and training (Ali & Shah, 2023).

7. AJK's Industrial Zones and Industrial Organisation

Industrial parks: Kotli, Mirpur, and Hattian Bala

To promote regional economic development, Azad Jammu and Kashmir (AJK) has built important industrial estates in Hattian Bala, Mirpur, and Kotli. The most advanced is Mirpur Industrial Estate, which houses facilities for food processing, plastics, and textiles. Emerging areas like Kotli and Hattian Bala estates draw investors with their land and infrastructure. These estates offer essential utilities like water, electricity, and roads, but they nevertheless struggle with a lack of trained workers and power. Decentralising industrial operations and lowering unemployment depend heavily on these estates. The Board of Investment (AJK-BOI) and the AJK Industrial Department work together to promote both domestic and foreign investment in these areas (Government of AJK, 2022).

Distribution by sector: steel, textiles, and medications

Small and medium-sized businesses that specialise in steel, textiles, and pharmaceuticals dominate AJK's industrial sector. Textile factories, mostly located in Mirpur, ship their goods to Pakistan's mainland and other countries. In Kotli and Bhimber, foundries and steel rolling mills are in operation. Basic medications are produced by domestic enterprises in the pharmaceutical industry, which is tiny but expanding. These industries help to replace imports and create jobs. Their dependence on basic manufacturing and lack of industrial diversification continue to be obstacles in spite of their potential (Planning & Development Department AJK, 2022).

AJK's small and medium-sized businesses (SMEs)

Since they make up over 85% of industrial units, SMEs are the foundation of the AJK economy. These are largely found in cities like Mirpur, Kotli, and Muzaffarabad and include steel mills, furniture producers, and textile factories. Due to financial difficulties and restricted market access, there are comparatively fewer medium-sized businesses. Although coverage is still limited, the State Bank of Pakistan's SME finance programs have just started to reach AJK's companies. Productivity can be significantly increased by policies that enhance SME competitiveness, loan availability, and digital capability (SMEDA, 2023).

8. The function of the handicraft and cottage industries

Shawls, wood carvings, and carpet weaving

In AJK, traditional cottage businesses with strong cultural origins include wood carving, carpet weaving, and the fabrication of woollen shawls. Areas such as Neelum, Leepa, and Bagh are well known for their finely carved wood objects and hand-woven carpets. AJK's handicrafts are distinguished by their distinctive motifs and utilisation of regional raw resources. These industries, however, are mostly unorganised and have no branding, marketing, or value addition (Khan & Hussain, 2021). Rural livelihoods could be improved by reviving these enterprises using contemporary equipment and platforms.

Women's role in domestic production

Particularly in rural areas, women are essential to AJK's household-based enterprises. They handle household duties while creating knitwear, embroidery, and other handcrafted items. Social empowerment and additional revenue are provided by this involvement. Obstacles for women, however, include limited mobility, inadequate training, and lack of access to markets or loans. Although skill development and microfinance programs have been started by NGOs and government programs such as the Women Development Department, more institutional assistance is required to increase the number of women working in productive sectors (UNDP Pakistan, 2023).

Digital marketplaces' reach for craftspeople.

AJK's artists can now display their goods outside of local bazaars due to the growth of e-commerce platforms. Artists may reach fans across the country and perhaps the world thanks to social media platforms and online marketplaces like Daraz.pk. Young entrepreneurs and artisans are being given the fundamentals of digital marketing through training programs run by NGOs and AJK's IT Board, despite their low level of digital literacy. These marketplaces have the potential to significantly modernise the cottage industry in AJK if they are backed by branding and logistical plans (Pakistan Software Export Board, 2022).

9. Industrial Development Policy Framework

The most recent version of the AJK Industrial Policy

By creating an atmosphere that is favourable to investors, the most recent AJK Industrial Policy, which was revised in 2020, seeks to quicken industrial growth. It has a strong emphasis on supporting exports, agro-based industries, and small and medium-sized businesses (SMEs). The policy lays out specific goals for environmental sustainability, skill development, and infrastructural development. Formalising the unorganised industry and integrating it with national industrial frameworks, such as Pakistan's Industrial Policy, is also given top priority (Government of AJK, 2020).

Policies for land leases and tax incentives

AJK provides tax benefits, such as exemptions from income tax, customs taxes, and sales tax during the first few years to new industries, especially in designated industrial estates, in order to entice investment. The purpose of land leasing policies is to facilitate industrial setup by offering long-term, reasonably priced leases with streamlined documentation. Although implementation transparency and administrative capability still need to be improved, these incentives are intended to lower operating expenses and promote reinvestment (AJK Board of Investment, 2022).

Authorities that facilitate investments (AJK-BOI, for example)

As a one-stop shop for facilitation, the Azad Jammu and Kashmir Board of Investment (AJK-BOI) assists investors with navigating regulatory procedures, obtaining licenses, and obtaining funding. Additionally, AJK-BOI works with federal authorities to harmonise industrial development goals and markets the area to both domestic and foreign investors. It is essential for drawing in strategic investments, particularly in sectors that are focused on exports and light manufacturing (AJK-BOI, 2021).

10. Infrastructure and Energy for the Development of Industry

Hydel vs. thermal power supply issues

About 60% of the electricity in AJK is produced by hydropower, which is a major component of the region's energy infrastructure. The remaining 40% is supplied by thermal plants and imports from Pakistan. Despite being economical and sustainable, hydel electricity frequently has power outages due to seasonal water variability, which impacts generation consistency. Although they are more expensive and less ecologically friendly, thermal plants aid in filling supply shortages. Regular load shedding discourages investment and reduces production efficiency, particularly in industrial zones (WAPDA, 2023).

Status of the road and transport infrastructure

A combination of rural dirt roads and paved highways makes up AJK's road system. Trade and mobility are made easier by the major arteries that link Muzaffarabad, Mirpur, and Kotli to Pakistan's national highways. However, frequent damage and landslides are caused by steep terrain and monsoon rains, necessitating ongoing maintenance. Access to markets for industrial and agricultural products is restricted by the frequently poor state of rural access roads. Although CPEC and other bilateral initiatives are funding improvement projects, development is sluggish (AJK Planning Commission, 2022).

Gaps in digital infrastructure and the internet

With little broadband penetration outside of cities, AJK's digital infrastructure is still in its infancy. Wide variations in internet stability and speed have an effect on the expansion of e-commerce and contemporary corporate operations. The goal of the government's Digital AJK program is to increase connectivity and extend fibre optic networks. However, the implementation of smart technologies in industry and agriculture is hampered by the persistent digital divide, particularly in rural regions (Pakistan Telecommunication Authority, 2023).

11. Industrial Difficulties at AJK

Security worries and reluctance to invest continue to be a major obstacle to Azad Jammu and Kashmir's (AJK) economic development. Large-scale investment is deterred by geopolitical instability and sporadic conflicts near the Line of Control (LoC), notwithstanding recent improvements in the general security situation. Due to perceived dangers, potential investors frequently hesitate, which results in slower industrial diversification and less foreign direct investment (FDI) (Khan & Malik, 2022). The cost of risk management and insurance for companies doing business in the area is also impacted by this insecurity.

Substantial input prices and challenging local sourcing of raw materials cause industries in AJK to rely on imports from Pakistan's provinces and incur substantial transportation expenses. Low supply chains and a lack of facilities for processing raw materials result in high input costs, which lower competitiveness (AJK Chamber of Commerce, 2021). For

instance, because of ineffective logistics and a lack of economies of scale, producers of steel and textiles frequently experience delays and increased expenses.

Limited access to banking and logistics. Industrial expansion is hampered, especially for SMEs, by limited access to banking facilities and credit services. Capital acquisition is hampered by the banking industry's low presence in rural areas and strict credit conditions. Inadequate logistics infrastructure, such as cold storage and warehousing, hinders the prompt flow of commodities and increases waste. Together, these limitations reduce export potential and industry productivity (State Bank of Pakistan, 2022).

12. AJK's Trade Statistics & Export Trends

Five-year export data (volume and value) Over the last five years, Azad Jammu and Kashmir's exports have gradually increased, primarily due to the production of processed foods, handicrafts, and agricultural goods. The AJK Bureau of Statistics (2023) reports that the export value increased from about USD 30 million in 2018 to USD 45 million in 2022, while the export volume increased by 15% annually on average. Despite being promising, this increase is still moderate when compared to other provinces in Pakistan because of limitations in infrastructure and market access.

Key export markets, such as China, the Middle East (particularly the United Arab Emirates and Saudi Arabia), and a few European nations, are the main export markets for AJK's goods. While handicrafts draw customers through diaspora networks in the UK and North America, agricultural items like honey, apples, and medicinal plants have found niche markets (Rashid et al., 2023). However, expansion is constrained by logistical obstacles and problems with international standards compliance.

Comparative analysis with other provinces. Because of its weaker industrial base and logistical difficulties, AJK's export volume and value are still much lower than those of Punjab and Sindh. Punjab is the leader in textiles and manufactured goods, although AJK is strong in cottage industries and specialised agro-exports. Boosting competitiveness and market connections, improved integration with CPEC, and focused industrial strategies may aid in closing this gap (Planning & Development Department AJK, 2023).

13. CPEC's and cross-border trade's strategic role

Anticipated advantages of CPEC routes. By enhancing connectivity and trade integration, the China-Pakistan Economic Corridor (CPEC) has the potential to revolutionise Azad Jammu and Kashmir (AJK). Roads and electricity projects are among the planned infrastructure improvements under CPEC that will make it simpler to transfer people and products. It is anticipated that this link will increase AJK's access to regional and international markets by lowering transportation expenses and times (Planning Commission Pakistan, 2021). The energy projects in the corridor may also lessen AJK's power outages, which would promote the expansion of industry. All things considered, AJK's economy might become more economically integrated with China and Pakistan through CPEC, opening up new investment opportunities.

Border markets and Line of Control (LoC) trade initiatives. To strengthen local economies and foster confidence among communities, cross-border trade through designated markets at the LoC has been progressively promoted. These marketplaces promote interpersonal relationships by facilitating the lawful exchange of commodities like livestock, handicrafts, and agricultural products (Ahmed & Shah, 2020). These trading locations give border residents other sources of income and lessen their reliance on unofficial routes, despite political obstacles.

Effect of trade normalisation on the economy of AJK. By creating new markets and decreasing smuggling, trade normalisation across the LoC might significantly boost economic activity in AJK. Investments in logistics, warehousing, and export-oriented industries are anticipated to increase as a result of legal cross-border trade. Additionally, trade growth spurred by peace would enhance socioeconomic circumstances and investor confidence while fostering regional stability (Khan & Zaman, 2022).

14. Human Resources in Industry and Agriculture

Structure of employment and pay AJK's primary employer, employing more than 60% of the workforce, is agriculture, which is followed by industry and services. While industrial and service industries give better compensation, agricultural wages are very modest, averaging between PKR 300 and 400 per day (AJK Labour Department, 2023). Income security is limited by the persistence of seasonal underemployment and informal labour practices, particularly in rural areas. Reducing poverty requires raising wages and improving the quality of jobs.

Technical and Vocational Education and Training (TVET) institutes and vocational training programs are essential for developing skills that meet the demands of the labour market. To improve employability, organisations such as the AJK Vocational Training Institute offer training in IT, electrical work, and agro-processing (UNDP, 2022). Although coverage is still restricted in remote communities, partnerships with NGOs and foreign organisations assist curriculum development and capacity building.

Youth and gender inclusion in economic sectors. AJK's economy is still working to advance youth and gender equality, but there are structural and cultural obstacles in the way. Although women play a significant role, they are frequently underpaid and unacknowledged, especially in agriculture and handicrafts. Due to the high rate of youth unemployment, specific interventions are needed, such as microfinance initiatives and entrepreneurial training (World Bank, 2023). Economic diversity and inclusion can be improved by lowering social obstacles and bolstering institutional support.

15. Examples of Effective Agri-Export Business Models

Neelum Valley walnut clusters: Taking advantage of the region's perfect climate for producing premium walnuts, Neelum Valley's walnut clusters are an example of a successful agri-export business model. Cooperatives formed by local farmers have improved quality control and collective bargaining. They have boosted export volumes to Middle Eastern and European markets by implementing better post-harvest processing and farming methods (Khan et al., 2022). For training and certification, the AJK Agriculture Department and non-governmental organisations have proven invaluable. These clusters show how community-based strategies can support sustainable farming and raise rural incomes.

Fish farming is a profitable business in the Leepa Valley because the cold, oxygen-rich streams are ideal for trout aquaculture. Modern hatchery and feeding techniques have been adopted by small-scale farmers with assistance from the Fisheries Department, increasing yields and potential for export (Farooq & Tariq, 2021). Leepa trout is currently offered in both domestic and international markets, and export customers are showing an increasing amount of interest. This model demonstrates how aquaculture could be used to diversify AJK's agri-exports.

Rawalakot exports organic honey. Rawalakot has emerged as a centre for organic honey production, taking advantage of the unspoiled floral richness. In order to uphold quality standards and obtain organic certification, beekeepers have established groups, providing

them with access to upscale markets in the Gulf and Europe (Shah et al., 2021). A scalable model for other specialised products has been created by the success of honey exports, which has boosted awareness of sustainable beekeeping techniques and inspired rural entrepreneurship.

Integrated agri-industrial development strategy. For AJK to flourish sustainably, an integrated strategy integrating industry and agriculture is crucial. To increase value addition, this means establishing public-private partnerships, enhancing supply chains, and connecting farmers with agro-processing facilities. Farmers and industry will be able to compete on a regional and international scale by improving infrastructure and adopting new technologies (FAO, 2020).

Export-oriented industrial planning is necessary, and AJK needs to give it top priority in order to take full advantage of its location close to CPEC routes and cross-border trade corridors. The creation of special economic zones centred on light manufacturing, handicrafts, and agro-processing can increase foreign exchange profits and draw in investment. Meeting international standards will be aided by the development of export facilitation services and certification organisations (AJK Planning Commission, 2022).

Proposed changes to trade facilitation, training, and credit are necessary to increase SMEs' and farmers' access to reasonably priced credit through creative financing methods like risk-sharing plans and microcredit. Enhancing TVET and vocational training institutions will boost workforce productivity and skill levels. Furthermore, lowering trade costs and boosting competitiveness can be achieved by streamlining export processes and enhancing logistics via digital platforms (World Bank, 2023).

When taken as a whole, Azad Jammu and Kashmir's (AJK) export, industrial, and agricultural policies show a region with substantial unrealised economic potential limited by political, geographical, and infrastructure obstacles. From handicrafts and agro-based industries to cross-border trade and internet connection, AJK has shown new capabilities in a number of areas, including trout farming, artisanal exports, and walnut production. These industries do, however, encounter obstacles such as limited infrastructure, low market accessibility, energy scarcity, and insufficient investment incentives. A developing strategic vision for regional development is reflected in institutional initiatives like the creation of industrial parks and the encouragement of export-oriented policies. Unlocking long-term economic resilience also requires investments in energy and transport infrastructure, as well as integration with national frameworks like the China-Pakistan Economic Corridor (CPEC).

Notwithstanding the current initiatives, AJK's developmental trajectory is contingent upon the execution of unified policies, robust financial systems, inclusive human capital development, and industrial planning that takes conflict into account. The need for more decentralised, participatory economic models is indicated by the importance of women in handicrafts, the digital inclusion of rural producers, and the funding of SMEs. To address regional imbalances, local authorities, federal agencies, and international organisations like the World Bank and UNDP must work together effectively. If agriculture, export potential, and industrial infrastructure are strategically aligned and there is continued peace and stable administration in the area, AJK can contribute significantly to Pakistan's overall economy and serve as a model for post-conflict development.

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