



PRESS RELEASE

PAKISTAN AFGHANISTAN JOINT CHAMBER OF COMMERCE & INDUSTRY

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Exhaustive stakeholders' review conducted by PAJCCI to develop comprehensive proposal for revised APTTA and PTA

In line with Prime Minister Pakistan's vision to substantiate efforts across the board to improve economic parameters, PAJCCI is striving to help facilitate policy advocacy whereby involving diverse stakeholders in suggesting a business oriented framework. Both transit and trade regime with Afghanistan is receiving immense focus lately across the border. In this context, a draft proposal from Afghan Ministry pertinent to APTTA and PTA revision set the momentum for further deliberations, hence PAJCCI took the initiative to conduct comprehensive stakeholders review to incorporate perspective of Pakistani business community.

The exercise emphasized greatly on proposing resolutions for the major bottlenecks that hampers ease of doing business, creates procedural hindrances, effects quality of services and raises cost of doing business. This endeavour was conducted right after high level delegation visit to Afghanistan under leadership of Chairman PAJCCI, Zubair Motiwala, that met Ministry of Commerce, Ministry of Foreign Affairs and Customs & Revenue Department in Afghanistan and highlighted the need of strengthening common grounds across the border for regional peace and prosperity.

The stakeholders unanimously established that in case of both transit and bilateral trade the revisions must be undertaken on reciprocal basis for mutually beneficial relationship.

The extensive shipping charges and security deposits should be replaced with insurance guarantee or by providing cross stuffing option (with appropriate mechanism in place). In the meanwhile, increasing detention free days to 30 would also create plausible avenue. Additionally, importers and agents should not face delays and detentions as a result of operational issues like non-working scanners or goods transporters strikes. Alternatives like Relief memo, as was prevalent in past, can also be utilized to save importers from uncalled risks and losses. Most importantly, foreign shipping lines should be regulated to an extent that it is reasonably priced keeping in view that in last 3 years, no container was either damaged or lost while transacting in Pakistan (including transit to Afghan).

It was further mentioned that bundle of alternatives must be provided to recipients so that they can opt as per their requirement, like monopoly of bonded carriers must be balanced by operationalizing Railway and incorporating NLC as options. Similarly recent activation of Gwadar port and establishing TIR regime can also provide significant edge.

The participants from varying segment also raise the issues of accession to Central Asia as part of bilateral APTTA agreement, as currently the goods destined to Central Asia are handled fully by Afghanistan side, taking leverage from Pakistani businesses.

The audiences also focussed on issue pertinent to pilferage of goods while transit and established that after such stern measures like tracking, insurance guarantee, scanning and utilization of bonded carriers it is practically impossible that leakages can be done. Also transit via Pakistan is only 30% and remaining 70% is through other routes which imply that strict vigilance and security should be ensured at adjoining borders to stop re-entering of transit goods once it crosses the border by enhancing border management system.

Participants shared that Afghan side customs should also realize importance of expedited clearance of trucks especially carrying empty containers as that reduces supply in Pakistan leading to cost increase that also affects Afghan importers.

Business stakeholders feel that PTA would only add value when Afghanistan will also provide a lucrative regime to Pakistan comparable in the region. As an LDC, Afghanistan may receive preference but in response Pakistan should also get preferential treatment in contrast to other regional players.

Chairman PAJCCI, Zubair Motiwala stated that this comprehensive exercise was significantly important and a compiled draft will soon be submitted to concerned authorities for further deliberations. Though he also urged relevant official departments to involve private stakeholders in the final round of developing a response as was done at Afghanistan side where Co-Chairman PAJCCI was fully involved so that reflection of private stakeholders help improve the agreement for future execution.

Stakeholder Meeting on APTTA and PTA proposed draft - January 18, 2020, PHMA Karachi



Stakeholder Meeting on APTTA and PTA proposed draft - January 14, 2020, SCCI, KPK

