



PRESS RELEASE

PAKISTAN AFGHANISTAN JOINT CHAMBER OF COMMERCE & INDUSTRY

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It is high time to negotiate APTTA and PTA with Afghanistan to derive potential benefits regionally: Zubair Motiwala, Chairman PAJCCI

In line with a series of meetings held by Ministry of Commerce pertinent to Afghanistan Pakistan bilateral trade and transit, PAJCCI was sought its recommendations on behalf of private sector prior to expected Government delegation visit to Kabul in the end of August 2020.

It was welcomed that upon request of PAJCCI, recently COVID oriented SOPs are now abolished at borders that had significantly increased the processing time hence cross-border movement was affected. The regime has been relaxed worldwide, keeping in view declining cases, hence, Ministry of Interior Pakistan also discontinued dual-driver requirement and cabin disinfection of inbound trucks on immediate basis. The move was welcomed, however, Chairman PAJCCI, Zubair Motiwala reiterated that strike at Chaman border and single gate operation at Torkham border further aggravated by unavailability of trackers needs immediate attention to eliminate the backlog. He further urged Government that despite several deliberations, matter of trackers is still unresolved and enhancing cost of doing business hence an immediate intervention is required by curbing the monopoly of single organization issuing the trackers.

In reference to comments of draft APTTA and PTA submitted by Afghanistan, PAJCCI conducted several stakeholders' session across Pakistan and compiled a comprehensive proposal, which was submitted to the Ministry of Commerce as an instrumental document illustrating desires of the private sector of Pakistan. The document also inculcated challenges faced by Pakistani businesses while conducting transit to Central Asia via Afghanistan, which also needs to be negotiated during the expected joint meeting of hi-officials. It is pertinent to note that import duties over kinnos transited to Uzbekistan via Afghanistan fetches highest duty in the world that has a detrimental effect. It was also discussed that Pakistan should have proper bilateral agreements with Central Asian countries to reap the benefit and the reciprocal supportive duty regime may be put in place between Pakistan and Afghanistan for both bilateral and transit landscape.

While discussing Preferential Trade Agreement draft submitted by Afghanistan that pursued extraordinary preferential treatment to be extended to Afghanistan, Secretary PAJCCI – Faiza Zubair referred that as a result of stakeholders' feedback, if Pakistan were to extend such

exceptional treatment to Afghanistan then it should also receive at least regional preference in terms of duties and treatment in contrast to India and Iran. The access to Central Asia should also be facilitated and joint mechanisms may be developed to realize valuable propositions across border.

Secretary PAJCCI also emphasized that due to border closure and exhaustive quarantine procedures during COVID 19 (especially for the period of 25th March to 30th April), the movement was delayed and attracted extensive demurrage and detention charges, even though it was a force majeure. Keeping the situation in view, PAJCCI persistently followed up for waiver / refund of detention / demurrage charges, where applicable, to safeguard importers from incurring extensive losses due to border closure and delayed release amid COVID 19, however still this matter is in the air. In a similar situation in 2017, where such extension was not granted bad blood was created between the two countries due to which other countries gained prospective opportunities and Pakistan was at the losing end, hence this should not be repeated. Additionally, it was identified that waivers by these international shipping lines have been extended in India and Dubai, whereas not in Pakistan. Faiza here added that while discussing with shipping companies it was identified that the benefit was extended to customers by shipping lines in reciprocity to Government's initiative of waiving terminal and port charges on these shipping lines in India and Dubai whereas in Pakistan despite several requests and keeping in view congestion at terminal, the shipping lines were not granted any favor due to which the resultant benefit was not passed forward. Ministry of Commerce assured that this matter is of high importance and is being keenly followed up and Ministry of Maritimes affairs is supposed to move its summary by this week for cabinet's approval.

