



PRESS RELEASE

PAKISTAN AFGHANISTAN JOINT CHAMBER OF COMMERCE & INDUSTRY

Tel No: 021-99332675-6, Fax: 021-99332677, Email: info@pajcci.com

August 24, 2020

Zubair Motiwala lauded efforts of the Special Task Force of National Assembly to resolve Af-Pak trade and transit issues on urgent basis

In an hi-level meeting of PAJCCI with the delegation of Special Task Force of National Assembly led by Honorable Ms. Shandana Gulzar Khan, the deliberations were done on all the persistently disturbing issues hampering bilateral and transit, especially amid COVID 19.

Keeping the situation in view, PAJCCI persistently followed up for waiver / refund of detention / demurrage charges, to safeguard importers from incurring extensive losses due to border closure and delayed release amid COVID 19. The terminal operators and port representatives established that waivers were given to certain limits, however, unavailability of trackers and requirement of 100% scanning of transit cargo has aggravated the situation complemented by enhanced procedures applied due to COVID 19. The terminals urged the task force that to ensue further facilitation and expedited movement of cargo, the custom clearances both at port and border should be improved and the shortage of trackers must be handled. PAJCCI also urged that 100% scanning, especially in these circumstances is increasing congestion leading to back log and at least should not be applied on the transit cargo destined for Afghanistan. It was also requested that in the presence of several security measures like tracking, bonded carriers, insurance guarantees, the need for scanning transit cargo should be forgone in order to increase the speed of clearance.

Qazi Zahid, Director PAJCCI, established that there should be same demurrage free days at all terminals as KICT and SAPT does not provide 14 free days in line with other terminals. He reiterated that PAJCCI in previous meetings, urged to abolish SRO 475(5) that required marking of "In transit to Afghanistan". He stated that this requirement was valid when loose cargo was in the movement, however, now cargo is containerized having seals of shipping and customs, therefore this condition not only delays the process but create undue distress. Secretary PAJCCI, Faiza mentioned that pilferage of goods while transit is already controlled by stern measures like tracking, insurance guarantees, scanning and utilization of bonded carriers hence 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, hence, relaxation for marking "In transit to Afghanistan" be

applied for expediting the process. It was also sought that refrigerated cargo should also be exempted from such conditions due to nature of commodity and required preservation settings.

Secretary PAJCCI sought that amendment in documents should be made an easy process and freedom of transit in terms of offering the bundle of alternatives be provided like monopoly of bonded carriers must be balanced by operationalizing Railway and reducing dependence on the single tracking company by opening avenues to add other resourceful firms. Haji Jamaluddin, Director PAJCCI, also established that reverse cargo coming from Chaman and Torkham intended for Wagah is also put under requirement of being containerized with trackers installed, even though Afghanistan does not have shipping lines and this requirement is severely affecting the farmers and businesses of border related areas. Additionally, the charges of trackers must be neutralized and payment for trackers installed in carriers be abolished as it has been one time cost which is already recovered whereas trackers on containers are already being charged.

PAJCCI reiterated that security deposits of shipping lines immediately be replaced by insurance guarantees as agreed previously. They are not only on the higher side, but also are variable in the context of different shipping lines, it restricts the cash flow of importers and as disbursement of these are made by shipping lines after 2 months, despite their agreement to do so in 7 days, creates a deplorable situation. The Directorate of Transit Trade was asked to urgently finalize the mechanism in this relation in presence of shipping lines, customs and PAJCCI representatives so that it can be presented to National Cabinet's standing committee for finalization.

The head of delegation, Honorable Ms. Shandana sought opinions by shipping lines to help facilitate businesses by waiving their detention charges especially amid COVID 19. Shipping lines established that due to COVID they have extended this benefit on case to case basis. Secretary PAJCCI reiterated that variable and excessive security deposits and detention charges demanded by Foreign shipping lines is not in congruence with the risk regime applicable in Pakistan, whereby it was agreed that during the course of at least three years not a single container was lost or damaged and the quantum of business has always been appealing in this region. She further urged to consider the regional dynamics utilized by these shipping lines where waivers on general basis have been extended in India and Dubai, additionally handling such matters on case to case basis does not provide bonafide businesses who are members of chamber access to the facility and cause further distress, hence a comprehensive mechanism in such situations which is applied on all rather than on a case to case basis without depriving the right of entities involved be developed and made accessible with much turmoil.

Haji Jamaluddin also sought task force that transloading be allowed at the port to avoid this issue of exorbitant security and detention charges. He further mentioned that monopoly of TPL as a tracking company is gravely affecting the business in terms of cost of doing business, especially during COVID where availability was a major concern that has slowed down the overall process of cross border movement fetching extensive demurrage and detention charges alongwith deterioration of consignments especially of perishable nature. He demanded that detention waivers be applied since March 2020 amid COVID till the cross border movement of these stuck consignments are ensured and trackers should be immediately made available. The stakeholders present also requested that in order to clear the backlog at the moment, which is enhanced by unavailability of trackers, custom escort be provided to all consignments and cross border clearance should be expedited accordingly. Secretary PAJCCI also urged that custom clearances at the borders should also be accelerated for the desired effect to take place.

Co-Chair of the task force Honorable Yaqoob Sheikh, with permission of the Chair assigned PAJCCI to collect details of the detention, charged by shipping lines amid COVID 19 from the traders, so that a comprehensive preview may be developed to be presented to the National Assembly for further processing in this context.

Chairman PAJCCI commended this convention and role of the members of Special Task Force especially Ms. Shandana Khan and Mr. Yaqoob Sheikh to materialize the vision of Prime Minister Pakistan's to facilitate Afghanistan in these distressing times, and mentioned that the procedural hindrances, the speed of clearance, shortage & delay in issuance of trackers, exorbitant demurrage and detention charges and load of stuck consignments have limited reaping of the benefits and reinstated that such delays and lack of facilitation drains the effect and poses a grave situation that is not only financially devastating but also deteriorates the socioeconomic ties for the future. He staunchly believed that the results of these meetings will surely bring the positive outlook and strategic framework will be developed on an urgent basis to help stakeholders recover from the resulting devastating effects. He mentioned that Afghanistan is the only country with which Pakistan enjoys trade surplus and this trust deficit will critically affect economy of Pakistan more than Afghanistan, hence these issues must be sorted out on priority basis as Pakistan's efforts in reaping potential benefits in Central Asia can only be substantiated by prioritizing resolution of Af-Pak trade and transit issues.

