



PRESS RELEASE

PAKISTAN AFGHANISTAN JOINT CHAMBER OF COMMERCE & INDUSTRY

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

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Security concerns are vital but should not hurt socio-economic aspirations: Chairman PAJCCI

In line with PAJCCI's *Series of Stakeholders and Committee meeting*, first of which were held in Karachi and Kabul, the next are planned in Quetta, Chaman and Jalalabad during August 5-6, 2021. The aim of these meetings is to recognize ways and strategies which will increase economic connectivity between Pakistan and Afghanistan with an intensive focus on issues faced by the business community across the border due to the internal situation prevailing in Afghanistan at the moment.

Zubair Motiwala, Chairman PAJCCI specified that the current situation in Afghanistan warrants careful and sensible handling to keep borders open for trade with security & safety measures. PAJCCI urges the need to take steps to reduce bureaucratic red tape and ensures that business community continues to progress while acknowledging that current border and internal situation in Afghanistan falls under force majeure and requires proactive framework to safeguard businesses from being hurt.

During the first meetings at both locations, prevailing issues and possible resolutions were deliberated with the stakeholders, the complete report of which is now published and disseminated to the relevant entities.

The Chaman border which was closed, due to internal disturbance in Afghanistan, halted all trade and travel across the border at that time, which upon persistence and follow-up got resumed after 12 days hiatus. However the duplication of tax collection by both Taliban and Afghan Government through this route stands as major concern.

Khan Jan Alokozai, Co-Chairman PAJCCI appreciated the support of Government of Pakistan in current situation by supporting the trade activities whilst ensuring security especially by resuming the chaman border. He iterated that PAJCCI is endeavoring to establish some mechanism between Government and Taliban in the occupied areas so to avoid application of variable tariffs and double payments imposed on businesses crossing Spin Boldak which is affecting business significantly.

In the meanwhile, Chairman PAJCCI sought guidance from Ministry of Commerce in this context and urged that keeping such force majeure issues in view, a proactive framework needs to be launched by taking stakeholders into confidence. He referred to past issues that increased trust deficit where in such

conditions shipping companies neither accommodated demurrages and costed businesses unduly. He reiterated that a directive must be issued by Honorable Prime Minister to shipping companies and other allied entities to develop customer friendly policies especially in such distressing time like COVID or border closures due to security concerns.

The report also highlighted that Border management and Fiscal Reforms need to be strengthened for curbing smuggling and return of transit goods to Pakistan. It was also established that State Banks of both the countries should mutually strive for establishing a strong banking channel system with Afghanistan to facilitate documented trade and eliminating need of carrying physical dollars at the borders. The pharmaceutical sector through this platform requested preferential treatment in Afghanistan and also that trademark issues and distributors monopoly in Afghanistan should be controlled which affects legal businesses.

Afghanistan Chapter specifically urged to revisit APTTA for its renewal as this will resolve most pressing issues and also sign PTA with Pakistan for eliminating the issue of undue valuation affecting seasonal exports badly.

Fiscal and banking reforms were also deliberated to bring improvements in banking landscape in Afghanistan, supportive tax and custom tariffs, ease in transit of cargo, reducing unwarranted demurrages and other cost of doing business.

The need to establish alternatives while replacing monopoly of tracking company, cartel of bonded carriers and stiff behaviour of international shipping companies was critically highlighted.

Recommendations were also made to improve conditions suitable for diversified products and industries, timely coordination and communication amongst stakeholders.

Both chapters of PAJCCI jointly agreed to involve their respective Governments to support recommendations for sustainable and much need economic growth of not only Pakistan and Afghanistan but of the whole region.