



PRESS RELEASE

PAKISTAN AFGHANISTAN JOINT CHAMBER OF COMMERCE & INDUSTRY

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August 7, 2021

PAJCCI urges Honorable Prime Minister for an urgent deliberation on Af-Pak economic dynamics for regional stability

In continuation of PAJCCI's *Series of Stakeholders and Committee meetings*, the second round of meeting kicked off at the Chaman Trade Center followed by the visit of Bab-e-dosti for observing the current situation of trade and transit movement amid takeover of Spin Boldak by Taliban. The subsequent meeting was held in Quetta also in collaboration with Quetta Chamber of Commerce where Consul General Afghanistan also graced the occasion. The meetings were attended by representatives from Customs Preventive & Appraisal, Custom Intelligence, PRAL, Department of Plant & Protection along with members of the business community.

Chairman PAJCCI, prior to this meeting, has urged the Government of Pakistan to outline framework for safeguarding businesses during force majeure situations and also the Government of Afghanistan to help define policies for businesses transacting through taken over borders, especially Spin Boldak, to eradicate the menace of dual taxation. Taliban has imposed their own tariff without any standardization (rates vary between PKR 20,000 to 100,000) whereas Afghan government has their own tariff implemented at Kandahar.

Participants raised several concerns related to Department of Plant and Protection specifically related to disparity at different borders, where Cotton cargo transportation is allowed through Torkham but not via Chaman and they halt items without any written intimation. They also unnecessarily delay issuance of certificate causing significant losses, while trading perishable items, especially in season of imports from Afghanistan.

It was highlighted that passage through gates is very slow and 24/7 operation is non-existent. FC does not allow transportation after 5 p.m. even to those consignments which are cleared by customs. The movement per day has reduced from 300-400 trucks to 30-40 only due to unwarranted checks, bribery and fabricated delays. The businesses operating under legal regime are discouraged and passed through numerous checking and delays whereby parallel alternatives (operating on parcha system) easily reaches their destination which is causing immense distress and leading to opting for parallel regime. Strict measures like border management system has failed till date, as markets are full of banned items (that are not allowed in transit through Pakistan even).

Non-availability of banking services is also affecting timely payments and delays. It was suggested that Mobile banking like Easy Paise and other Fintech channels shall be incorporated.

State Bank of Pakistan has recently revised its mechanism of using banking channels which are particularly non-existent, hence causing reduction in business. Participants requested that strong banking channels must be instituted before setting up such instructions that can have devastating effects on the business.

Recently introduced shift to single window mechanism (replacing WeBoC) without any orientation and training can lead system to collapse hence PRAL was urged to extend the deadline to ensure the efficient and effective transition to the new system.

Participants strongly commented on the role of NLC, which is almost Monopoly in the area, causing delays (even after clearance by customs) and charging huge sum of money (official fee is Rs. 800 whereas they charge around Rs. 15000 in different sections) without providing even basic facilitation. They stated that the writ of customs is totally missing and NLC has undue hold over the matters.

Imran Kakar, VP PAJCCI, urged that non-Afghan items should be allowed to be traded without affecting local industry as already these items crosses border illegally, hence by implementing competitive regulatory duty the smuggling can be curbed and businesses will be given alternatives to trade in. He illustrated that as tyres are not manufactured in Pakistan and local demand surpasses supply, hence by allowing its imports not only legal trade would be enhanced but also national exchequer would benefit and overall socio-economic well being would be promoted in the province.

The Consul General Afghanistan assured his complete support to the business community and emphasized on their current challenges, however, he specifically acknowledged that the dual taxation policy needs to be immediately sorted out and guaranteed that Afghan Government is critically working out the solution in this context.

Chairman PAJCCI, keeping in view these impending issues, hurting already dilapidated border economics, requested Honorable Prime Minister for an urgent meeting to deliberate the solutions on a proactive basis and iterated that peace and prosperity of Afghanistan in turn leads to socio-economic sustainability of our border businesses which are mainly thriving on transactions with Afghanistan and Central Asian States.

