



PRESS RELEASE

PAKISTAN AFGHANISTAN JOINT CHAMBER OF COMMERCE & INDUSTRY

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PAJCCI will initiate deliberations on barter trade mechanism across border soon: Zubair Motiwala

Keeping recent concerns of business communities across border as communicated to PAJCCI during meetings with stakeholders, the halted banking infrastructure and dearth of foreign exchange has impacted conduct of transactions mostly. Despite OFAC approval to allow commercial transactions with Afghanistan, banks are reluctant to process third party payments to continue trading activities, hence, PAJCCI intervened to allow waiver of EIF and E-Form till alternate mechanism is in place. The waiver was given twice, whereby last one expired in April, however, still due to missing substitute, PAJCCI sought further extension, efforts in this context bore fruits and notification was issued to further suspend the requirement of E-Form and EIF for trade with Afghanistan till 30th June 2022.

Barter mechanism on lines with Iran and Pakistan was coined as alternate system, however, the delay in formation of committee from Pakistan side was raised in recent meetings with ministry; to which in principle PAJCCI has been nominated as lead Chamber from the Pakistan side committee. Afghan side has already formed committee with PAJCCI's Co-Chairman Alokzai leading the committee.

Chairman PAJCCI, Zubair Motiwala hailed the decision and established that confidence instilled in PAJCCI across the border is encouraging. He mentioned that PAJCCI will issue communiques to all chambers for member nomination on the committee for deliberations to be conducted on Pakistan side first and then with Afghan side for finalizing the ToRs to be submitted to respective Ministries. He invited all chambers and associations to provide their nominations at the earliest possible instance to take this forward without further delay.

Another critical issue raised was sales tax refund and duty drawbacks, as its processing for trade via land route was facing difficulty. WeBoC now being fully functional and banking system not being conducive, land route trade will enhance both in PKR trading and barter trade, hence PAJCCI suggested to waive the requirement in land route and Sales Tax refunds / Duty Drawbacks be provided instantly. Ministry of Commerce will move summary to FBR for necessary feedback

and further amendment in the relevant clause of EPO. This issue was reported significantly by Pharma and Cement sectors that have met decline in their exports due to said issue, lately.

Due to closure of Angoorada, congestion at Torkham enhanced, it was therefore urged to increase timings at Kharlachi border. PAJCCI lauded increase in said timing, resumption of movement via Ghulam Khan border and allowing Tazikra holders to cross the border via Torkham instead of visa as a one-time special facilitation.

Motiwala thanked for acknowledging recommendations of PAJCCI on behalf of Af-Pak business communities and termed that such quick decisions and efforts to increase trade quantum with Afghanistan will not only provide opportunities to business community but people with livelihood in border areas and at the same time will bring revenues for both the governments.