



## PRESS RELEASE

PAKISTAN AFGHANISTAN JOINT CHAMBER OF COMMERCE & INDUSTRY

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### **PAJCCI foresees increasing border trade / transit with Afghanistan via Baluchistan, if disparities are removed**

PAJCCI held stakeholder meeting in Quetta as part of continued engagement of business community & government functionaries on both sides of the border. PAJCCI has successfully recommended various practical and sustainable measures duly accepted and implemented to enhance trading activities and increase revenue for both governments.

The session was led by Niaz Muhammad, SVP PAJCCI who briefed the house regarding PAJCCI's positive interventions leading to betterment of trade and transit across the border especially in these desperate times. Due to sustained PAJCCI efforts movement of goods has greatly improved and is progressing smoothly, however 24/7 operationalization of border as committed is yet awaited. He stated that businesses are asked to bring dollars from Afghanistan for payment which is impossible due to dearth of foreign exchange aggravated by absence of proper cash counters at border leading to security challenges. He specified that due to non-competitive tariff regime dry fruits from Afghanistan reach via parallel regime or during transit to India which is offering extremely low rates. FBR is urged to rationalize tariff for facilitating business community and increasing benefit to national exchequer. He strongly urged that Government should keep Zubair Motiwala, Chairman PAJCCI in close loop for ensuring immediate resolution of issues and enhancing confidence building measures.

Amjad Siddiqui, VP Quetta Chamber of Commerce & Industry referred to issues faced by Pakistan due to FATF implications due to which Pakistan side adopted mechanism to deposit payment at borders which however is not practical for Afghan side. Another alternative of barter mechanism needs ample time as agreement done between Pakistan and Iran has different background, which is more permanent venture and is Oil-Food sectoral engagement whereas keeping variant balance of trade between Pakistan and Afghanistan and nature being temporary till banking system is resumed, the dynamics will be critically different. He added that to effectively activate barter, a separate module needs to be added by the customs as per nature of its conduct.

Imran Kakar, Former VP PAJCCI stated that on Pakistan side issues are being resolved however it will take time for Afghan side as they are going through unstable, difficult time and facing non

operational banking system, non-availability of foreign exchange, infrastructure, food and medical service shortages due to international sanctions and forfeiture of Afghan reserves by USA. He added that due to fencing and effective border management parallel regime is curbed tremendously hence unnecessary checking at various checkpost is uncalled for especially for consignments having proper GD. He urged that multiple checking by border security officials, customs and intelligence be considered to reduce distress of business community who is bringing significant revenue. He also referred to discriminatory practice with Baluchistan whereby despite several meetings with SBP and other banks, E-Form is not made available either in Chaman or Quetta and has to be obtained from other provinces. He requested that this province is bringing significant transaction both in terms of trade and transit and be treated equally.

Chairman PAJCCI remarked that there should be a cross border liaison committee at Chaman on the same lines as in Torkham for settling real-time issues and lauded initiative of Chaman business community that despite limitations have constructed another gate on self basis at the border for separating In and Out movements ensuring expedited movement.

Motiwala said that multiple trading Baluchistan borders must be connected and opened with Afghanistan to reduce congestion, save time & cost while providing revenue to government and employment to local populace. He further urged DG Transit Trade to expedite the permission to carry out cross stuffing and de stuffing to reduce cost of doing business, as was committed in last stakeholder meeting at Karachi. He reiterated that in absence of Eform, business community is facing significant issues in obtaining Sales Tax refund and duty drawbacks and urged FBR to consider facilitation in this context as trade by land route will further enhance in barter trade scenario and due to such delays Pakistani exports become uncompetitive in the Afghan market. He requested that barter mechanism will need time to evolve and its TORs need to be carefully devised, hence the waiver of EIF and E form must be ensured for 6 more months, giving ample time for committees across the border to conduct deliberations in this context.