



PRESS RELEASE

PAKISTAN AFGHANISTAN JOINT CHAMBER OF COMMERCE & INDUSTRY

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PAJCCI urged newly appointed Finance team to revive bilateral and transit ties across the border: Zubair Motiwala

(Karachi) Chairman PAJCCI lauded decision of H.E. Prime Minister, Shahid Khaqan Abbasi for notifying Miftah Ismail as Adviser to Prime Minister on Finance, Revenue and Economic Affairs with a status of Federal Minister and Rana Mohammad Afzal as State Minister for Revenue, Finance and Economic Affairs. Zubair Motiwala iterated that economic challenges faced by Pakistan specifically in context of regional trade and connectivity should be on the prime agenda of the recently appointed team for enhancing the overall trade quantum.

President PAJCCI, Junaid Makda established that it is very insightful of H.E. Prime Minister to have appointed seasoned and visionary professionals that illustrates sound commitment of the Government towards development of private sector. President PAJCCI elaborated that Pakistan Afghanistan Joint Chamber (PAJCCI), since its inception, has been making all relevant endeavors to improve and stabilize confidence building measures between the two countries and ensuring that business communities across the border attain mutual benefits in terms of trade, transit, security, peace and prosperity. He stated that despite socio-political turmoil across the border, the people-to-people connect is highly commendable. He further offered PAJCCI's services as a bilateral entity, having its members in both the countries, to act as a joint platform to support overarching objective of peace, prosperity and economic connectivity.

Zubair Motiwala strongly urged both the governments to segregate business and trade ties from political and military tensions, though, establish strong security measures that are vital for stabilization and sustainability of both the countries without compromising upon the sentiments of the business community across the border. Historically it has been proven that peace follows economic initiatives and not otherwise hence Governments should allow economics to function freely and help politics rather than obstructing the free flow of economic activities. He suggested that Pak-Afghan trade, both bilateral and transit, needs rejuvenation and appropriate confidence building measures may be instilled for removing deep-rooted mistrust in Pak-Afghan relationship that is not only hampering political dialogue but also significantly impacting the economic transition between both the countries.

Motiwala urged finance ministry to consider the effects of recent political turmoil over bilateral and transit trade whereby Pakistan-Afghanistan trade has dropped significantly in the last 2-3 years. Despite having potential of \$5 billion, lately trade has fallen from \$2.5 billion to \$1.6 billion because of bilateral tensions that caused other countries to penetrate in Afghanistan easily, as India has recently acquired a very strong hold both socially and economically in the Afghanistan, causing double damage to the Pakistani economy and neighborly relationship. Additionally the recent figures are showing rise in Afghanistan's trade with Iran (both transit and bilateral) and a corresponding decline in business with Pakistan due to disturbing political ties accruing since long. He also added that even though Karachi is the most economical route for Transit Trade for Afghanistan; however, Iran's facilitation to Afghan businessmen is pulling the business away.

Motiwala stressed that with the employment of appropriate fiscal measures, eradication of harassment by involved agencies, rationalization of tariffs and improvement in allied governmental policies, remarkable achievements may be attained. He reinforced that PAJCCI as a cross border entity has unanimously developed both short-term and long-term solutions for eradicating the common menace. He emphasized that only fiscal reforms and rationalizing of tariffs will curb the tendency towards parallel trade and enhance the mainstream trade. That would not only improve the deteriorating trade balance of Pakistan with Afghanistan but would also help wiping off the prevailing current account deficit of Pakistan.

He further added that frequent border closures, heavy demurrages, waiting time, uncertainty and diversion of both bilateral and transit trade to other avenues is causing psychological rift and is resulting in long-run instability in relations with the prime neighbor of Pakistan. He believed that both the Governments should keenly follow-up the matter and develop measures of a long term nature, for ensuring overall economic stability in the region. He once again requested finance ministry to consider the appeal of PAJCCI for waiver of any applicable port charges (detention / demurrage) applied to Afghan consignments / containers accruing from the closure of the border to limit the monetary losses of the business community.

Chairman PAJCCI further requested for convening a meeting between private sectors and government officials of both the countries for facilitating them in reconnecting with each other and identifying common grounds of peace, prosperity and strong economic ties.