

4TH PAJCCI'S COMMUNIQUE



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AN INSIGHT ON PAK-AFGHAN NEWS

- **PAJCCI facilitated policy activism by the participation of various stakeholders.¹**

In line with Prime Minister's vision to substantiate initiatives across the board to strengthen economic conditions, the Pakistan Afghanistan Joint Chamber of Commerce and Industry (PAJCCI) attempted to facilitate policy advocacy by involving diverse stakeholders to suggest a business oriented framework. Lately a draft proposal from Afghan Ministry was received pertinent to APTTA and PTA revision; in that context, PAJCCI took the initiative to conduct a comprehensive stakeholders' review to incorporate perspectives of Pakistani business community.

The exercise emphasized greatly on proposing resolutions for the major bottlenecks that hampered ease of doing business, create procedural hindrances, affects quality of services and raises the cost of doing business. The stakeholders unanimously established that in the case of both transit and bilateral trade the revisions must be undertaken on a reciprocal basis for mutually beneficial relationship. It was further mentioned that bundle of alternatives must be provided to recipients so that they can opt as per their requirement, however, participants from varying segment also raise the issues of accession to Central Asia to Pakistan as part of the bilateral APTTA agreement.

Business stakeholders feel that PTA would only add value when Afghanistan will also provide a lucrative regime to Pakistan comparable in the region. As an LDC, Afghanistan may receive preference, but in response Pakistan should also get preferential treatment in contrast to other regional players.

Chairman PAJCCI, Zubair Motiwala stated that this comprehensive exercise was significantly important and a compiled draft will soon be submitted to concerned authorities for further deliberations. Though he also urged relevant official departments to involve private stakeholders in the final round of developing a response as was done at Afghanistan side where Co-Chairman PAJCCI was fully involved so that reflection of private stakeholders help improve the agreement for future execution.

- **Khalilzad values Pakistan's involvement throughout the peace process in Afghanistan.²**

US Special Envoy for Afghanistan Reconciliation, Zalmay Khalilzad, visited the General Head Quarters in Rawalpindi to meet Chief of Army Staff General Qamar Javed Bajwa and discussed the Afghan peace process in depth. On the occasion, Khalilzad said that the role of Pakistan in the peace process between Afghanistan and the United States is appreciable. Khalilzad also met Foreign Minister Shah Mahmood Qureshi, to deliberate the need of joint efforts whereby the Foreign Minister assured their continual support and added that finalization of a peace treaty between Taliban and the US will pave the way for inter-Afghan dialogue, which would not only benefit Afghanistan but the whole region.

¹ <https://www.brecorder.com/2020/01/25/564814/business-oriented-framework-pajcci-to-help-facilitate-policy-advocacy-by-involving-diverse-stakeholders/>

² <https://www.brecorder.com/2020/01/31/566802/khalilzad-visits-ghq-appreciates-pakistans-role-in-afghan-peace-process/>

- **Azakhel-Pirpai to boost business activities amongst Pakistan and Afghanistan.**³

Federal Railway Minister Sheikh Rashid Ahmed elaborated that Azakhel-Pirpai Dry Port is a state-of-the-art project that would help to improve trade and business amongst Pakistan, Afghanistan and the Central Asian Republics (CARs). He said that the dry port will deliver freight and logistics services to people swiftly besides making Khyber Pakthunkhwa a hub of trade, business and investment, particularly Peshawar. He added that the government acknowledged this task by speeding the research on this much delayed project and completed it with an estimated cost of about Rs 510 million in record time of one year. He added that three trains with heavy freight and shipments' goods could easily be loaded and unloaded on one time at the dry port before its transportation to different districts of Khyber Pakthunkhwa and trade purposes to Afghanistan.

- **Pakistan Customs makes Afghan transport freight trackers compulsory.**⁴

Tax authorities made the deployment of tracking and monitoring devices mandatory as of February 1, 2020, on all vehicles carrying supplies from Afghanistan for freight trade. All export goods (except fresh fruits and vegetables) from Afghanistan, whether in transit through seaports or land customs stations in Pakistan, would be in containers of foreign standards and also protected by Pakistan Custom tracking devices and seals. According to data flow pertinent to the Afghan Transit Trade, a 44 % increase in containers is observed, i.e. from 60,516 containers to 93,732 containers in 2018-19. The assessed import value of the transit cargoes also grew a robust 55% to \$5.715 billion in 2018-19 from \$3.97bn a year earlier. The officials said that the installation of tracking device decision has been taken in compliance with Afghan-Pakistan Transit Trade Agreement 2010.

- **SCCI urges Islamabad, Kabul to promote entrepreneurship.**⁵

The delegation of Sarhad Chamber of Commerce and Industry (SCCI) met Afghan Consul General in Peshawar, H.E. Najibullah Ahmadzai and urged Islamabad and Kabul to facilitate the business community by taking joint measures to find an amicable solution to the issues which are hampering the mutual trade between them. Senior Vice President SCCI, Shahid Hussain emphasized that Pak-Afghan Transit Trade Agreement of 2010 should be reviewed to address the concerns of the business community and stressed the need for removal of the hurdles to trade between Pakistan and Afghanistan. H.E. Ahmadzai acknowledged the need for better coordination and specified that the trade ties should be separated from politics to give a boost to bilateral and transit trade and appreciated that recently Government of Pakistan has taken serious steps due to which trade between Pakistan and Afghanistan has started improving.

³ <https://www.app.com.pk/azakhel-pirpai-to-bolster-trade-business-activities-among-pakistan-afghanistan-cars-sheikh-rashid/>

⁴ <https://www.thenews.com.pk/print/603588-pakistan-customs-makes-trackers-mandatory-for-afghan-transit-cargo>

⁵ <https://www.thenews.com.pk/print/606818-scci-urges-islamabad-kabul-to-facilitate-business-community>

- **Gwadar Port will emerge as alternative avenues to the business community.**⁶

The port of Gwadar now plays a new role, facilitating the transit trade for Afghanistan, by providing a most economical trade route for the war-torn nation. The first ship of transit trade of the land-locked country arrived at the Gwadar port recently, and it was believed that the start of Afghan transit trade through Gwadar is a right decision in making the port completely functional to boost regional connectivity and development.

Chairman PAJCCI while commenting on the operationalization of Gwadar port for handling Afghan Transit stated that the ease of doing business can only be complemented through provision of alternative options and initiation of Gwadar port has always been one of our fundamental request, seeing it fulfilled creates broader economic viability and choices for the business community. He iterated that the first consignment arrived at Gwadar port destined for Afghanistan is a major breakthrough, however, shipping line deposits and detention, port demurrage free days, availability of proper scanning and custom operations will make a real difference in determining the impact. He further added that Chaman being the most plausible connection via Gwadar also needs development in terms of infrastructure, security concerns and policy execution, if benefits are to be reaped fully.

- **Traders reservation against allowing Afghanistan to transact goods from India via Wagah and Attari.**⁷

The business community in Pakistan opposed the proposal to allow Afghanistan to import goods from India via the Wagah-Attari border, saying the proposal was against interest of local industries and could create a noncompetitive environment for Pakistani products in the market. Senior Vice President SCCI, Shahid Hussain said that if the Afghanistan was allowed to import goods from India via Wagah border, then Pakistani products would fail to remain competitive in the market that will ultimately damage local industries and trigger joblessness. He further established that the mutual Pak-Afghan transit trade agreement was a bilateral and not a trilateral agreement as per WTO rules, so the proposal is not workable and is unfeasible.

⁶ <https://tribune.com.pk/story/2144861/1-gwadar-port-offers-new-opportunity-afghan-economy/>

⁷ <https://nation.com.pk/16-Jan-2020/traders-against-allowing-afghanistan-to-import-goods-from-india-via-wagah-attari-border>