



Bilateral & Transit Trade between Pakistan and Afghanistan

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1. Context of the Study

The aim of this periodic report is to update stakeholders on volume of bilateral and transit trade and recent trade trends between Pakistan and Afghanistan. The data has been acquired from different, authentic sources utilizing variable reporting methodologies.

2. Bilateral Trade between Pakistan and Afghanistan

2.1 Statistics on Imports / Exports – Pakistani Sources

2.1.1 Pakistan Bureau of Statistics (PBS)

The exports of Pakistan have declined 36% since fiscal year 2010-11 from Rs. 199.64 billion to Rs 127.34 billion (2015-16), while imports from Afghanistan have improved by 169%, i.e. Rs 24.86 billion from 14.70 billion in 2010-11 to Rs 39.56 billion in 2015-16. It is quite evident from trade scenarios that trade balance has improved in favor of Afghanistan for the selected period.

Bilateral Trade of Pakistan with Afghanistan (Value in Million Rupees)			
Fiscal Year	Exports to Afghanistan	Imports from Afghanistan	Balance
July-June 2010-11	199.64	14.70	184.95
July-June 2011-12	200.57	17.80	182.77
July-June 2012-13	203.10	27.87	175.23
July-June 2013-14	192.45	36.90	155.55
July-June 2014-15	198.78	32.69	166.09
July-June 2015-16	127.34	39.56	87.78

Table 1: Trade of Pakistan with Afghanistan –PBS (www.pbs.gov.pk)

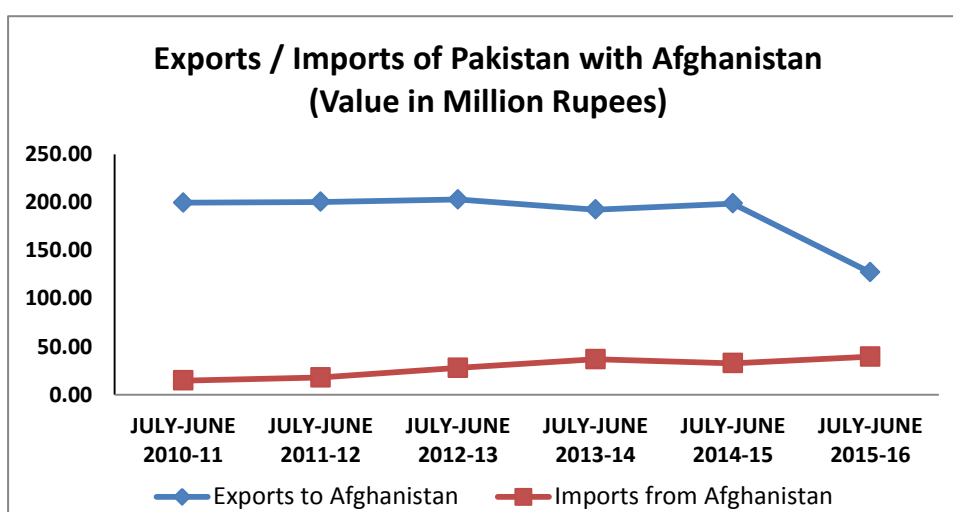


Figure 1: Trade of Pakistan with Afghanistan –PBS

2.1.2 The Federation of Pakistan Chamber of Commerce and Industry (FPCCI)

Trade figures reported by FPCCI also show similar trend as reported by PBS but percentage decline in export to Afghanistan is slightly more i.e. 39%, while percentage improvement in imports from Afghanistan is comparatively less i.e. 138%.

Bilateral Trade of Pakistan with Afghanistan (Value in Million US \$)			
Fiscal Year	Exports to Afghanistan	Imports from Afghanistan	Balance
July-June 2010-11	2337	172	2165
July-June 2011-12	2250	199	2051
July-June 2012-13	2066	288	1778
July-June 2013-14	1870	360	1510
July-June 2014-15	1962	323	1639
July-June 2015-16	1437	409	1028

Table 2: Trade of Pakistan with Afghanistan –FPCCI (www.fpcci.org.pk)

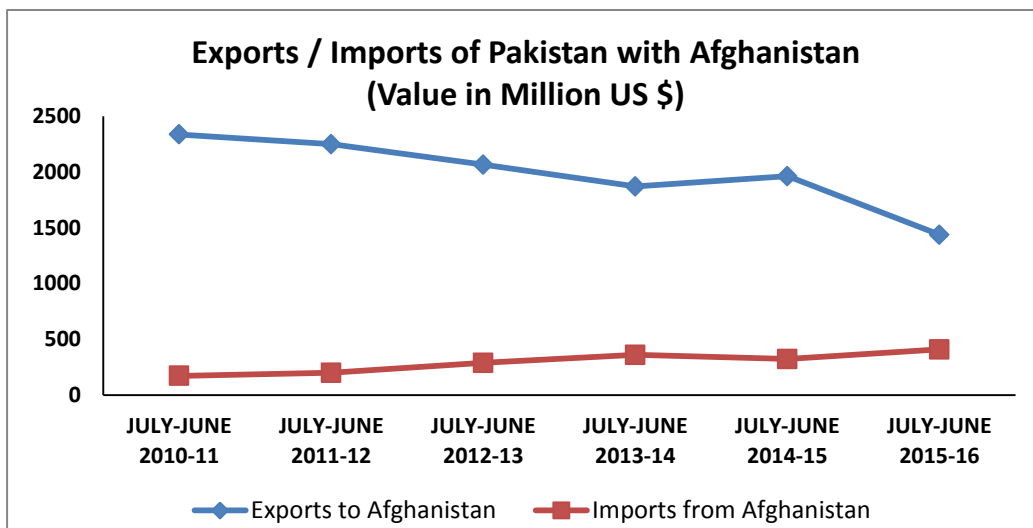


Figure 2: Trade of Pakistan with Afghanistan –FPCCI

Although there is minor variation in percentage change, mainly due to the currency unit / conversion, however overall trend depicts that exports to Afghanistan is declining while imports from Afghanistan have gained encouragement in the local market, which is an element of consideration for the concerned authorities.

2.2 Statistics on Imports / Exports – Afghanistan Source

2.2.1 Da Afghanistan Bank

The trade figures reported in Economic and Statistical Bulletin, an annual report published by the Central bank of Afghanistan, clearly indicates that imports from Pakistan have improved by 44% since 2010 and reached at US \$223.36 million in 2015-16 while exports to Pakistan has improved significantly by 136% and reached the level of US \$1391.99 million in 2015-16.

Bilateral Trade of Pakistan with Afghanistan (Value in Million US \$)			
Fiscal Year	Exports to Afghanistan	Imports from Afghanistan	Balance
21-Mar-2010 to 20-Mar-2011	589.16	155.09	434.07
21-Dec-2011 to 20-Dec-2012	1674.12	113.01	1561.11
21-Dec-2012 to 20-Dec-2013	1760.69	201.16	1498.55
21-Dec-2013 to 20-Dec-2014	1360.89	212.61	1148.28
21-Dec-2014 to 20-Dec-2015	1391.99	223.36	1168.63

Table 3: Trade of Pakistan with Afghanistan –Da Afghanistan Bank (www.dab.gov.af)

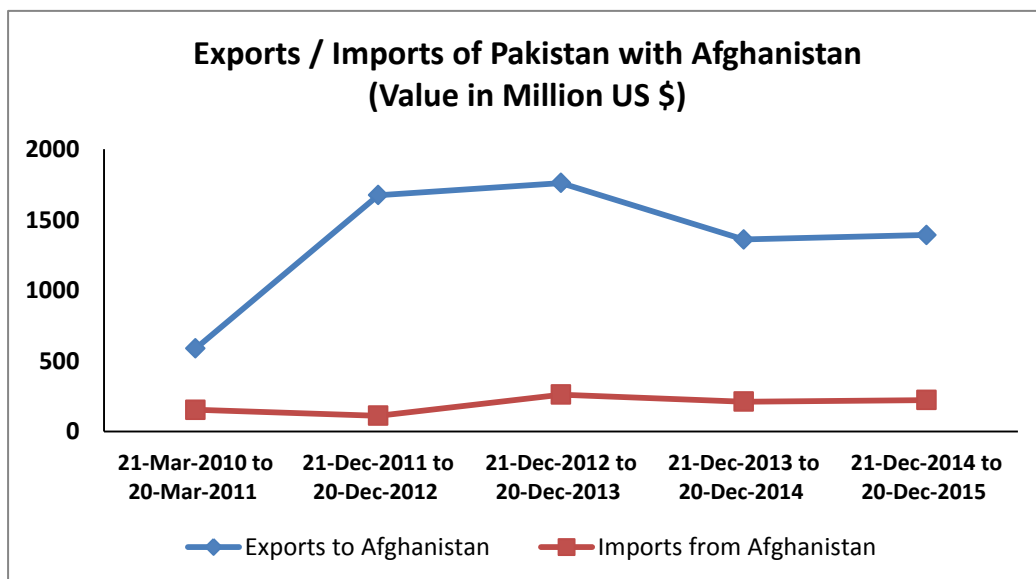


Figure 3: Trade of Pakistan with Afghanistan –Da Afghanistan Bank

2.3 Major Trade Items between Pakistan and Afghanistan (2015)

Top ten export of Pakistan to Afghanistan, mainly focuses on consumer / food items having low value-addition in the overall trade quantum / worth of the country.

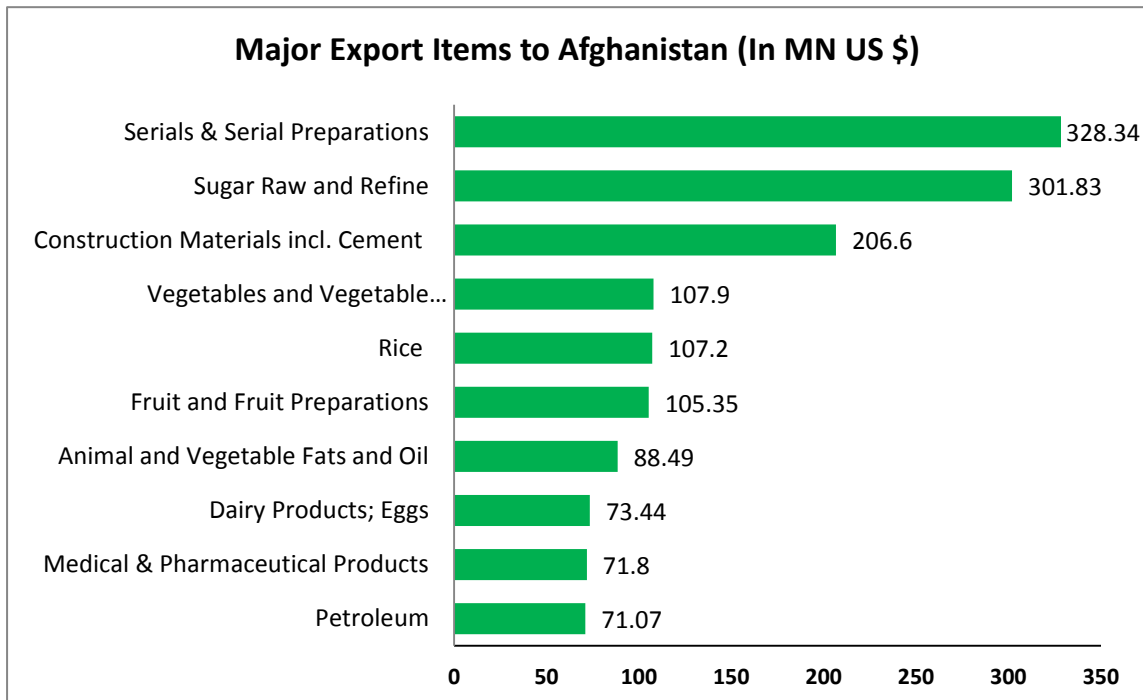


Figure 4: Major Export Items of Pakistan to Afghanistan (Source: MoC, Pakistan)

The import composition shows that Afghanistan is an important destination to Pakistan for their mineral resources.

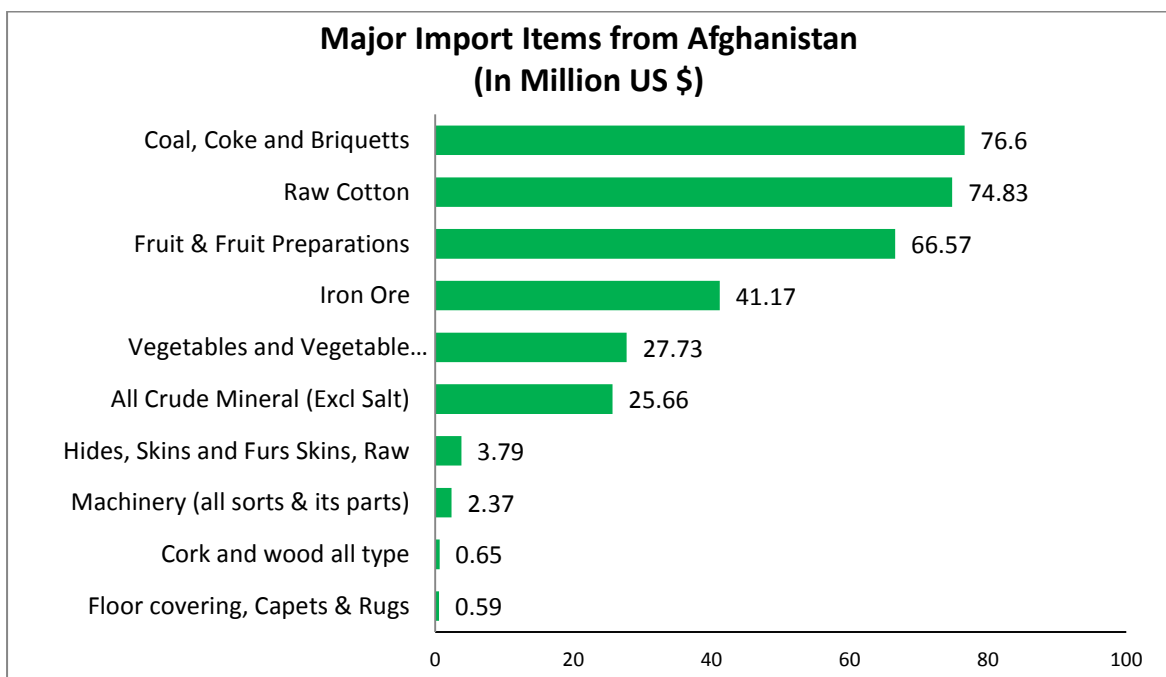


Figure 5: Major Import Items of Pakistan from Afghanistan (Source: MoC, Pakistan)

2.4 Exports of Services from Pakistan to Afghanistan

Export of services to Afghanistan has shown a disappointing trend, although the quantum increased during 2009 till 2012 but has declined since then.

Export of Services to Afghanistan (Value in Thousand US \$)							
	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Afghanistan	18,264	25,705	30,362	38,833	26,550	19,455	11,750

Table 4: Export of Services to Afghanistan (Source: State Bank of Pakistan)

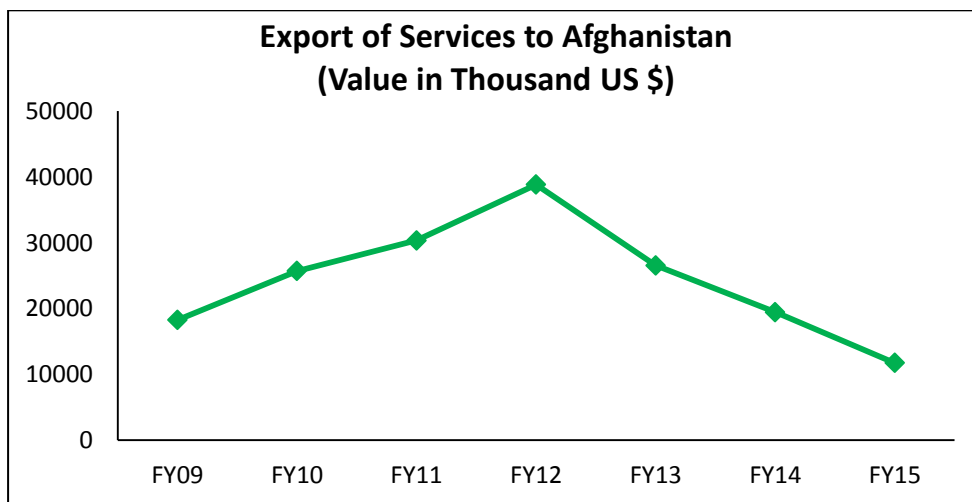


Figure 6: Exports of Services to Afghanistan (Source: State Bank of Pakistan)

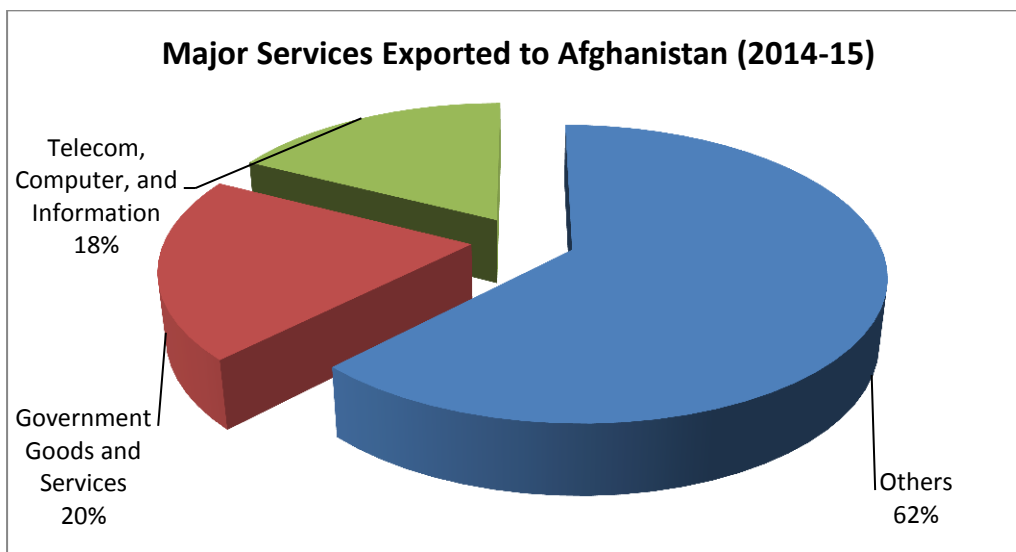


Figure 7: Major Services Exported to Afghanistan (Source: State Bank of Pakistan)

3. Transit Trade between Pakistan and Afghanistan

Transit trade, although, declined by 46% during 2009 to 2012 but shown improvement since then and reached the level of US \$2550 million. However, overall it is 23% lower in contrast to 2009-10.

Transit Trade of Afghanistan through Pakistan (Values in US million \$)			
Fiscal Year	Commercial	Non Commercial *	Total
FY 2009-10	2,157	1,165	3,322
FY 2010-11	1,871	1,165	3,036
FY 2011-12	1,256	525	1,781
FY 2012-13	1,320	565	1884
FY 2013-14	2029	689	2717
FY 2014-15	2550	-----	2550

Table 5: Transit Trade of Afghanistan via Pakistan – FBR (www.fbr.gov.pk)

* Embassies, NGOS, UN, Govt. of Afghanistan

Despite of decline in non-commercial transit trade, the curve of commercial transit trade seemed positive. The percentage contribution of commercial transit trade in total has improved from 65% in 2009-10 to 75% in 2013-14, whereas noncommercial contribution has declined from 35% to 25%. The latest data (for the year 2014-15) equates the total transit trade figure as commercial transit trade data, whereas data for non-commercial transit trade is not reflected by the source.

Following graphs show the relationships between Commercial and Noncommercial transit trade figures:

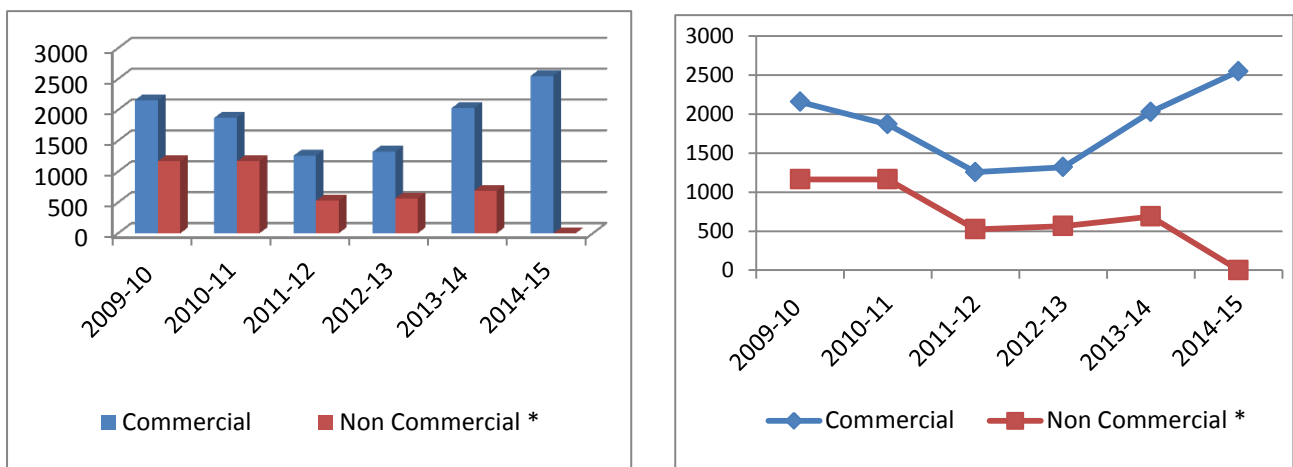


Figure 8: Commercial / Noncommercial Transit Trade Distribution – FBR

Further information related to the no. of containers per year in transit trade is mentioned below:

Fiscal Year	Commercial Cargo (No of Containers)
2009-10	75288
2010-11	56203
2011-12	27924
2012-13	27401
2013-14	36274
2014-15	49507

Table 6: Commercial Cargos (No. of Containers) – FBR (www.fbr.gov.pk)

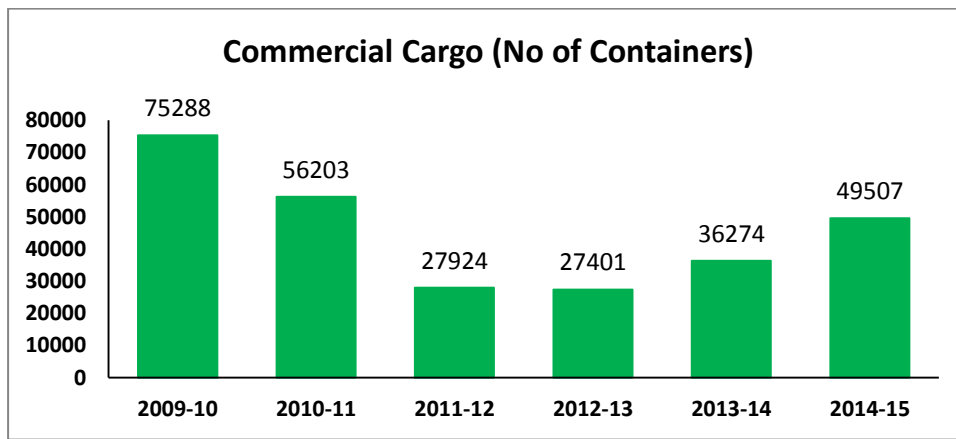


Figure 9: Commercial Cargos (No. of Containers) – FBR

A Disclaimer: The trade data is presented as acquired from the sources, properly referenced accordingly.