

**GOVERNMENT OF PAKISTAN
MINISTRY OF MARITIME AFFAIRS
4th FLOOR D-BLOCK PAK SECRETARIAT**

F. No. 3(2)/2011-IMO&IA

Islamabad, the 01st October, 2018

OFFICE MEMORANDUM

Subject: **COMPREHENSIVE DRAFT ON PAKISTAN - AFGHANISTAN
BILATERAL AND TRANSIT TRADE ISSUE AND PROPOSED
RESOLUTIONS**

The undersigned is directed to refer to Pakistan Afghanistan Joint Chamber of Commerce and Industry (PAJCCI) Ref. No. PAJCCI-PK/SEC/1369/ dated 30th May, 2018 on the subject and to state that the matter was circulated to all relevant stake holder of the Ministry. Input received from the Organization under the administration central of this Ministry are as under:-

i. **Pakistan National Shipping Corporation (PNSC)**

The subject draft is a comprehensive policy-advocacy document highlighting issues and their pertinent remedies concerning transit trade by stakeholders at both the sides; Pakistan and Afghanistan. The aim of the subject draft is to promote trade between both the countries and at the same time create a favorable climate of mutual trust and confidence for the said stakeholders.

The issues highlighted in the draft document mainly pertain to Pakistan Customs, Ministry of Communications, Ministry of Foreign Affairs and Port Authorities of Pakistan. Therefore, they would be in a better position to furnish necessary views and comments on the subject matter. However, the matters highlighted on page 27 onwards related to "Shipping Companies' Security Deposit and Detention Charges" may be an impediment to cross-border trade and could result in a significant increase in the cost of doing business. These could be taken up at the Ministry level for expeditiously addressing the said matters.

It may also be highlighted that Afghanistan is a land locked country with closest access to sea routes through Pakistan. In cognizance to the above and subject to government approval, PNSC is willing to offer its vessels on internationally accepted terms for the carriage of Afghan destination cargo on long term contract basis. Such an arrangement could be mutually beneficial for both Pakistan and Afghanistan and could help in reducing the trust deficit. Various internationally accepted arrangements between PNSC and Afghan counterpart could be considered/deliberated to arrive at a mutually beneficial agreement.

ii. **Port Qasim Authority (PQA)**

A NIL reply may be treated from this authority, however, PQA will support the Draft Agreement within its area of interest in line with the policy of the Federal Government.

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iii. **Karachi Port Trust (KPT)**

Shipping Companies Security Deposits and Detention Charges

The Shipping Companies/Agents & Freight Forwarders are private entities and running their business independently without involvement of KPT in their working. The recovery of charges by shipping Lines/Shipping companies and Private Terminals etc under various heads is an old issue. The Ministry of Commerce at the request of Ministry of Maritime Affairs has convened several meetings with all stakeholders to harmonize the port related charges however, results/improvement is awaited. Ministry of Commerce is also establishing **Trade Dispute Resolution Organization (TDRO)** however, concrete and specific Law/mechanism is required to resolve different trade issues pertaining to various organizations.

The Karachi Port and its management with established procedures is the pioneer port in handling the Afghan in-transit cargo from very beginning. The Management of the port always shown interest in attracting/handling the Afghan In-transit cargo and in this regard number of measures, were adopted and additional benefits been given to the Afghan In-transit cargo however, to attract Afghan Transit Trade through Pakistan following is important to be highlighted.

- a. At KPT the Afghan in-transit cargo handling is facilitated however, timely clearance is generally the main challenge for Afghan importers. In this regard from very beginning the Afghan importers/Exporters are demanding for lifting of cargo from Pakistan Ports through their own transport.
- b. The Afghan In-transit trade can be attracted through an arrangement by FBR i.e. the facility of a bonded area outside the Port for In-Transit Containers so that the storage charges be kept at lower side and the storage services rates be economical to them without any congestion at private Container Terminals.
- c. A contact group of Ministry of Commerce, FBR and Pakistan Railways may be considered for dedicated Railways facility to Afghan In-Transit containers.
- d. The Afghanistan trade through Pakistani ports, especially from KPT have edge being age old established practices/relations with Afghan Importers/Exporters, therefore, we may revitalized build up the same by meetings, conferences, seminars of small contact groups etc.

iv. **Gwadar Port Authority (GPA)**

A NIL reply may be treated share of Gwadar Port in the commercialized cargo handled under Afghan Transit Trade. The Gwadar as an emerging alternate to Karachi Port. The inauguration of 193 KM long Gwadar – Turbat – Hoshab Road as an effort to link Gwadar Port with Quetta, Afghanistan through Chaman for promotion of trade.

Presently we are in implementation process of WeBOC at Gwadar Port and very soon we will create competitive and fair environment without any issues of delays as faced by traders at Karachi.

Gwadar Port Authority please to assist Pakistan Afghanistan Joint Chamber of Commerce and Industry (PAJCCI) in all aspect for trading through Gwadar Prot.


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Copy to:-

1. Director General (P&S), Ports and Shipping Wing, Karachi.
2. APS to Joint Secretary (MA), Ministry of Maritime Affairs, Islamabad.
3. Secretary General,
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