



PRESS RELEASE

PAKISTAN AFGHANISTAN JOINT CHAMBER OF COMMERCE & INDUSTRY

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Zubair Motiwala lauded Secretary Commerce's initiatives to improve ease of doing business

Chairman Pakistan Afghanistan Joint Chamber of Commerce & Industry (PAJCCI), Zubair Motiwala acknowledged Honorable Mohammad Younus Dagha, Secretary Commerce for his efforts in streamlining economic friendly policies along with constant engagement with private sector stakeholders for effective implementation of the same for improving trade quantum of Pakistan.

Motiwala commented that during his tenure, Secretary commerce has taken several initiatives to expedite resolution of the long awaited matters and to further facilitate the business community in enhancement of exports and regional interactivity.

In alignment with the same, Motiwala reflected that recent political turmoil and frequent border closures with Afghanistan has significantly hurt both bilateral and transit trade whereby Pakistan-Afghanistan trade has dropped significantly in the last 2-3 years. Despite having the 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. 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 elaborated that PAJCCI aims to help revive and strengthen long-standing business ties between both the countries and reiterated that APTTCA and JEC meetings will play pivotal role in reviving confidence building measures across the border. In light of Motiwala's recent meetings with Ambassador Afghanistan and the Finance Minister for better representation of

the challenges faced by business communities across the border due to declining bilateral trade and shifting of transit trade from Pakistan, he showed faith that Secretary Commerce can play vital role in facilitating the process of joint discussions and specially aiding in holding the APTTCA and JEC meetings.

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 the Secretary Commerce 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.

Motiwala also brought to light the issue of regulatory duties imposed on imports from Afghanistan, and requested it to be waived for the better connectivity amongst the neighboring countries. He stated that heavy demurrages, waiting time, trust deficit is resulting in long-run instability in relations with the prime neighbor 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.

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.