

NATIONAL ASSEMBLY SECRETARIAT
(Directorate General of Media)

PRESS RELEASE

Islamabad; October 27, 2020: Two days Seminar on Pakistan Afghanistan trade and investment concluded in Islamabad, today with adoption of following recommendations made after in depth discussion held in four thematic sessions:

Session-I: REDUCING COST OF PAKISTAN-AFGHANISTAN TRANSIT TRADE SESSION
OVERVIEW

RECOMMENDATIONS

1. Afghanistan needs to develop infrastructure on their side at crossing points in order to facilitate trade and transit.
2. Regular periodical meetings of APTTCA should be convened with participations including stakeholders from both the countries.
3. Dedicated lane at Karachi port to ease out transit trade between Pakistan -Afghanistan
4. Demurrage and containers detentions charges should be waived off on containers that were being stranded due to the ongoing covid-19 pandemic
5. Eliminate the need for physical examinations and increase the number of scanners and eliminate the de-facto barriers for partial shipment clearance
6. Pre-notification of customs valuations rates and should be on the bases of WTO rules.
7. Mechanism should be in place for ensuring prevention of illegal extortions including private parking yard at zero crossing point
8. All steps needed to ease out the business that are currently suffering due to the current covid-19 Pandemic.
9. Cost of doing business should be minimized and scanning should be done away with
10. Shipping lines and port terminals must be bound to rationalize their charges.
11. Trade and traders must be respected to regain the level of confidence between the two neighboring countries 3
12. Cross stuffing must be allowed from shipping lines containers to privately owned containers of transit trade practitioners
13. Pakistani trucks must be allowed to move up-to Tajikistan, Uzbekistan, Turkmenistan border, similarly Afghan Trucks and vehicles should be allowed to move up-to Wagah Border and Karachi Sea Port.
14. Facilitation and investment in Railway line for operations of Transit Cargos.
15. Pakistan's Foreign Mission in Jallalabad should be requested to issue road passes for an uninterrupted flow of Trucks and vehicles.

16. The time limit should be increased for Pakistani Trucks and Cargo for crossing Afghanistan and unloading on the boarder of Tajikistan.
17. Improvement's in railways services including additions of good transports companies, under customs supervision apart from bonded carriers.
18. Apart from bonded carriers and the railways the private trucks should be allowed under Customs supervisions to minimize the freight of ATT.
19. The Chaman border must be operationalized 24/7.
20. Border facilitations on Afghan side of Torkham border must be undertaken immediately
21. Preference should be given to perishable goods; they must be cleared immediately upon arrival.
22. Clearance time at the ports and borders should be minimized to one day,
23. APTTCA meetings should be held on regular basis to resolve issues without any delay, it should troubleshoot the problems immediately.
24. The progress and recommendations of the last 7 to 8 APTTCA meetings should be brought forward and discussed 4
25. There is a need to have a high-level technical field visit before the next APTTCA meeting that will facilitate in further identifying the challenges of Pak Afghan Transit and Trade.
26. PAJCCI on both sides should be urged to play its due role to facilitate trade between the two countries.
27. Branches of Joint Chamber of commerce should be developed at Torkham as well as Chaman border in order to facilitate chamber to chamber relation.
28. Excess weight limit is strictly observed on Afghanistan side the same should be observed on Pakistan side in order to coincide and standardize load/weight limits.
29. The Afghanistan side give only 5 days for transit shipment of CARs to cross its territory therefore they charged 5000 AFG fine per container per day, this should be done away with immediately as there are problems enroute.
30. It was recommended that SUST being the shortest corridor must be utilized in order to save the time in transit trade business.
31. In order to accelerate the process of transit cargo either one of procedure of physical examination or scanning should be done, in case a cargo is physically examined so that should be exempted from scanning process.
32. The issue of big size cargo that is unable to go through scanners should be resolved immediately.
33. Driving license for Afghan refugees living in Pakistan should be provided in order to facilitate road pass.
34. Free days for Detension should be increased to 40 days and Demmurance to 15 days

35. The traders of Afghanistan should be allowed to open bank accounts in Pakistan.
36. Currently there are two Afghan items on Pakistan's negative items list these pending two items (Autoparts and Cigarettes) should be removed from the list. 5
37. Change of custom crossing border should be at the disposal of the customers.
38. Immediate actions should be taken to allow partial shipments.
39. WeBOC should be fully integrated with ASYCUDA Afghanistan and full access should be given to Afghan traders.
40. Road pass with at least one year expiry should be issued to traders for both side of the border in order to reduce cost and save time.
41. There should be a precise framework for ease of doing business with requisite actions from both the countries, that would assist and play a significant role in addressing the current issues of Pak-Afghan Transit.
42. Pakistan Plant Protection Department to issue IP for Agricultural Products of Afghanistan
43. A committee should be assigned with representatives of Agents, Afghan Traders and Carriers to discuss and come up with conclusions
44. Politics should not affect bilateral trade between two countries.

Session-II: TRADE AND INVESTMENT OPPORTUNITIES IN MANUFACTURING SECTOR

RECOMMENDATIONS

1. Politics and business are separate.
2. Monthly Follow up via Zoom and Skype.
3. Legislations & amendments regarding Afghanistan trade (Custom act 1969, Sales tax act 1990 and SRO 901,902/2020 issued by GoP)
4. Parliamentary committee led by respective Pakistan Afghanistan Friendship groups on PTA
5. Discriminatory policies and treatment on both sides of the border must be abolished. Specifically, high tariff imposed on certain products imported from Pakistan by Afghan traders and vice versa. A sub-committee must be constituted for this purpose and must also address the lack of cascading tariffs on the Afghan side.
6. Policies regarding trade in perishable goods inter alia, fresh fruit, vegetables, meat and medicines to be made time bound and shall be cleared within one day.
7. Registrations of Pharmaceutical products in Afghanistan must be done on "Urgent/ Fast Track Basis".

8. Infrastructure, at the border points including physical and IT, shall be developed for enhanced connectivity and swift clearance of carriages and cargo.
9. Refund Claim issues of Afghan sugar traders be addressed immediately. Specifically, Afghan sugar traders refund cases which are stuck since 2015 with State Bank of Pakistan and Pakistani sugar mills. Further details have been provided to the parliament of Pakistan.
10. Trade friendly and anti-smuggling legislation to be introduced to reduce informal economy for the benefit of both countries.
11. Investment MOUs between Pakistan and Afghanistan for the Micro, Small & Medium Enterprises be promoted.
12. Security be ensured for the business community and skilled and unskilled labor on both sides.
13. There is a need to improve trade facilitation through streamlined payments settlement and improved insurance mechanisms, use of bonded carriers, visa issuance, trade financing, tax collection, and documentation. Specifically, there must be internationally acceptable mode of payments.
14. In order to streamline legal trade between Afghanistan and Pakistan, a currency swap agreement must be signed between both the countries as Pakistan has already signed with Iran and china.
15. Nontariff measures be removed, mainly at the customs checkpoints on both sides of the border. The operational and policy-level reforms shall be undertaken and implemented immediately to facilitate trade by reducing overheads in checking and testing consignments and improving security conditions.
16. All border closure and stoppage of trade via any route must be treated as a national security issue by both sides and must be curtailed on a permanent basis. In addition, joint border markets must be established on a priority basis on all crossing points.
17. To develop better banking channels between the two countries and SBP to ease opening of bank accounts for Afghanistan businessmen, traders, and MSME.
18. Trade Dispute resolution system shall be established between both the countries.
19. Trade policies between Afghanistan and Pakistan shall be as per International Commercial terms/ Incoterms.
20. The policy introduced by Government of Pakistan that impose a time limit for sugar and other products to cross borders from Pakistan to Afghanistan must be changed and made flexible and reasonable.
21. Mutual Facilitation of Pakistani and Afghan investors to be expedited vis-à-vis the boards of investment of both countries and as per the vision of the leaders of both countries.
22. GoP must ease issuing of licenses and bank accounts for afghan investors and businessmen and in equivalence with other international businessmen's and traders.
23. GoP must setup a one window facility as well as capacity building methodology for businessmen and traders to ensure full transparency and encourage understanding and awareness regarding laws and regulations.

24. Technical verification/ certification of skilled Afghan labour by manufacturing expertise/ organization of Pakistan in industrial sector such as NAVTTC and TEVTA. Additionally, vocational training of semi qualified technicians by Pakistani manufacturing experts.
25. More partnership/ exchange avenues in raw material and recycling sector be encouraged.
26. Media coverage of such positive gestures on both sides be given to dispel negative perceptions among people.
27. Pakistani government to allow 5-year Business and Residence Visa to all those Afghans who are willing to start businesses in Pakistan. Business Visa should grant a person legal rights such as opening of bank accounts, driving license, ownership of property. In addition, the GOP to consider allowing nationality to those Afghans that invest a certain minimum amount in manufacturing in Pakistan.
28. Registration policies for Afghan companies be same as other international companies.
29. Afghan companies registered in Pakistan and Pakistani companies registered in Afghanistan face double taxation which discourages investment. Taxation policies in both countries should be revised and new tax treaties be signed.
30. Visa on arrival facility for businessmen and traders be introduced.
31. Better cooperation and facilitation must be extended.
32. Barter trade should both be allowed and encouraged.
33. Insurance services be provided to mitigate the losses borne due to lags on the border.
34. Special medical facilities to be established at borders by Pakistan.
35. Trade Facilitation centers in different cities of Afghanistan (One Window Operation) be opened. In addition, to facilitate the ease of doing business the Pakistan consulate be opened in the south east of Afghanistan in Paktia province.
36. More crossing points for transit must be opened up at Khost, Ghulamkhan, Danepathan Paktia and Angoorada Paktika.
37. A comprehensive data portal of registered traders from both countries be established in Pakistan and Afghanistan.
38. Custom Points must be at the borders or zero point and not within after crossing for both countries.
39. Customs Duty Rationalization to be done on both sides.

Session-III: TRADE AND INVESTMENT OPPORTUNITIES IN AGRICULTURE, FOOD, LIVESTOCK AND MINERALS

RECOMMENDATIONS

1. Uplift of Agriculture sector, knowledge sharing and mutual trade in food and agricultural products is critical to region's inclusive economic development, food security, poverty

alleviation and decent employment generation. Unhindered PakAfghan trade holds the key to the region's shared prosperity.

2. The lingering instability in Afghanistan has constrained Afghanistan's agriproductive capacity and progress in improving wheat production- vital to Afghan national food security. Pakistan should facilitate agricultural technology transfer and share good agricultural practices to improve Afghanistan's wheat production capacity. Both countries should develop joint collaboration mechanisms to revive disease free ancient variety of wheat.

3. Expand collaboration between agricultural universities and research institutes for agricultural research and development to accelerate the region's agricultural modernization and transformation.

4. Undertake joint collaboration and investment in sustainable and organic farming, preservation capacity and shelf life of perishable agri-products, meat processing, quality standardization and value addition to agricultural products. Government of Afghanistan has introduced special packages for attracting investment in the agriculture value chain development and horticulture processing. Pakistani investors may tap into the development potential of Afghanistan's agribusiness sector.

5. Expand collaboration in exchange of Agricultural technology specifically high yielding and climate resistant new seed varieties as well as trade in agricultural inputs particularly fertilizers and pesticides.

6. Pakistan should tap into Afghanistan's lucrative and promising seed, fertilizers and pesticides' markets.

7. Reduce non-tariff barriers to unhindered trade in agricultural products with a particular focus on simplified visa process, reduced customs clearance time, improved and expanded road infrastructure on both sides etc. Additional lanes at the border for containers / trucks should be established, so as to curtail the transit time and subsequent increase in transportation cost further. Moreover, Perishable goods should have a separate mechanism as per Transport Internationaux Routier (TIR) convention to avoid losses and damages at both sides of border. Additionally, advanced scanners should be installed at Pak-Afghan borders.

8. Expand and incentivize formal trade in food and agricultural products as unhindered smuggling was damaging both countries. Banking channels should be improved to facilitate and expedite trading processes.

9. Expand and facilitate trade in vegetables, fresh and dry fruits and livestock with a particular focus on enhanced Sanitary and Phyto-Sanitary Standards' compliance capacity, improved animal health and Foot and Mouth Disease Control mechanisms.

10. Capitalize on each other's different agro-climatic zones and competitive advantages for mutual benefit in agricultural trade and stable supply of fresh fruits, vegetables and meat.

11. Develop designated Foot and Mouth Diseases Free zones to facilitate trade in safe and good quality meat. It is also essential to develop and exchange vaccinations available for the purpose and strictly monitor compliance with the standards.

12. The restrictions on trade in live animals should be lifted to ensure access to high quality meat on a reasonable price.

13. Jointly develop and assist each other in raising the quality of animals, lactation capacity through quality feed and improving feed conversion ratio of the animals.

14. Pakistan and Afghanistan should pay special attention to supporting rural women and young farmers and agripreneurs engaged in food and agricultural production and trade. Women chambers of both the countries should collaborate and work closely to tap existing trade potential.

15. Both Government of Pakistan and Afghanistan should simplify visa processes particularly for students, patients and cargo drivers to ensure unhindered flow of people and goods across the border.

16. The regulatory restrictions for Afghan businessmen in Pakistan should be simplified.

17. Afghanistan's export of coal to Pakistan has been suspended after a unilateral increase in taxes on coal. Such duties may be waived off to facilitate coal export to Pakistan.

18. Minerals processing industry should be developed in Pak-Afghan border regions so that the inhabitants of the region may share the dividends of prosperity and unleash access to markets beyond Afghanistan.

19. The export categories (HS Code) for jaggery (Gurh) and sugar should be separated and any other restrictions on the export of jaggery should be lifted.

Session-IV: TRADE AND INVESTMENT OPPORTUNITIES IN SERVICES

RECOMMENDATIONS

Banking sector

1. The Afghan citizens with valid visa and resident cards should be allowed and facilitated to open bank accounts in Pakistan.

2. Cash counters should not be closed until and unless there is full operationalization of banking sector in Afghanistan. The closure may affect the trade among the two countries. The same was agreed by the Afghan representatives.

∪ Alternate model for banking transactions between the two countries should be developed.

∪ Pakistan and Afghanistan banks should improve cooperation towards facilitations of trade.

∪ Tax treaty between Pakistan and Afghanistan can help to avoid dual taxation.

3. Pakistan exports to Afghanistan must be given similar trade tariff treatment as for other countries. The custom procedures and tariff should be uniform and standardized for all trading partners.

∪ Uniform application of Custom Tariffs by both the countries

∪ Seasonal Tariffs should be removed and remain constant throughout the year.

4. For enhancing bilateral relations in banking sector, the Afghan delegate requested that Pakistan may open more branches in Afghanistan to assist and facilitate the huge number of customers in Afghanistan. Additionally, procedure may be simplified for securing bank guarantee for business activity/transaction.

5. As the “No Lending policy” of foreign banks and least prospects of recovery in Afghanistan, the international banks do not operate there. A joint venture may be the right solution where banks from Pakistan work with local banks in Afghanistan. This may improve the capacity of Afghani local banks and expand its operations.
6. Existing infrastructure at the border crossings should be fully utilized and improved also.
 - ∪ Dedicated windows should be established by Pakistan at the border crossings with Afghanistan for facilitation of businessmen.
 - ∪ Cultural sensitivities should be given due consideration by establishing separate windows for women and children.
7. Pakistan can provide assistance for development of Islamic banking system in Afghanistan.
8. It was mutually agreed that the diplomatic and geopolitical dynamics should be kept separate from trade and commerce.

Information Technology

9. Pakistan and Afghanistan should increase cooperation in IT sector by;
 - ∪ Developing incubation centres in Afghanistan
 - ∪ Pakistan can extend assistance to Afghanistan in building capacity of its IT sector
10. To promote entrepreneurship in I.T sector and participation of private sector, both the governments should provide conducive environment to encourage private sector investments.
11. Scholarship and exchange programs for Afghan students in IT should be developed.

MEDICAL TOURISM

12. Visa on arrival facility should be provided for medical tourists from Afghanistan who are traveling to Pakistan for medical treatment and availing the medical services.
13. A separate desk may be considered for medical tourist travelling to Pakistan that will manage the health sensitive matters timely.
14. Dedicated visa facilitation centres for medical tourism may be established/expanded as per best global practices and operationalized on urgent basis.
15. In order to enhance the visa facilitation, the centre may be operationalized at Ghulam Khan, Angoor Adda and Dandi Pathan on immediate basis.
16. A health corridor should be established on Torkham border, on the lines of Kartarpur corridor. Delegates from both the countries agreed to discuss the matter with their respective governments.
17. The direct flight from Kabul to Peshawar and back can also strengthen the cooperation in health tourism among the two countries. Revival and expansion of a shuttle service between the two countries should also be considered.
18. Modalities for starting air flights, resumption of bus service and VISA facilitation should be jointly worked out by the concerned authorities from both the countries.

19. Land route infrastructure (road) from Torkham to Peshawar should be upgraded.
20. Private sector participation should be ensured for improvement of prospects of medical tourism.
21. Advanced health care facilities are not available in Afghanistan. In this regard the public private partnership by both the countries should be encouraged to engage private health care systems in providing timely and accessible health services to people especially in Afghanistan.
22. Establishment of medical tourism complexes at borders with Afghanistan
23. Capacity building trainings should be provided to medical staff and paramedics in Afghanistan for improved health services. Scholarship and exchange programs for Afghan students in medical sector should be developed.
24. A medical tourism stakeholders forum may be established with representation from both countries.
25. Public Private partnership (PPP) model may be considered for implementation of health care initiatives.
26. Process for intake of Afghan students in Pakistani health care education institutions should be simplified.
27. Professionals such as doctors, engineers, chartered accountants, lawyers, banking experts, IT professionals and similar professionals travelling to Afghanistan should be given visa/work permits at high priority through simplified procedures.