

AFGHAN TRUCKERS ARE NOT INVOLVED IN TRANSPORT FROM PAKISTANI PORTS

The below indicates that Pakistan truckers (like Bilal) are the ones moving goods into Afghanistan from the Pakistani Ports. The Pakistani truckers are subject to the taxation and security issues that formed the basis of the April – May 2007 Strike. The large contingency of Pakistani truckers moving through Afghanistan evidence the Pakistani trucker's motivation to participate in the strike.

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/0,,contentMDK:21706596~pagePK:146736~piPK:146830~theSitePK:223547,00.html>

Thursday, April 3, 2008

Time: 8.00 AM – 10.00 AM EST

Live Webcast

<http://vcg01.worldbank.org/vc/> then click on 'Live Conferences'

The aim of this session is to discuss the evolving challenges and opportunities to facilitate trade and improve the trade logistics between Afghanistan and Pakistan. Brief background of the major issues of discussion is as follows.

A landlocked country, Afghanistan is dependent upon transit countries for its foreign trade. Pakistan represents its main access to a seaport. At the same time, due to its strategic geographic position, Afghanistan has the potential for becoming a land linked country providing Pakistan with direct routes to the Central Asia Region (CAR) as well as being a regional hub for trade and transit between Central and South Asia, the Middle East and China, a role which the country has played historically.

Almost 50 per cent of Afghanistan's trade is with its five neighbors Pakistan, Iran, Tajikistan, Turkmenistan and Uzbekistan. There is considerable trade between Afghanistan and Pakistan, totaling well over US \$1 billion, but it is very asymmetric, consisting for the most part by imports from Pakistan, as compared to very little formal Afghan exports.

Transit to Afghanistan through Pakistan is currently broadly governed by the 1965 Afghan Transit Trade Agreement (ATTA) which specifies the port, route, transport modes and customs transit procedures. Since 1965, the economic and transport conditions for the transit of goods to/from Afghanistan through Pakistan has changed significantly. Both Afghanistan and Pakistan have agreed on the needs to negotiate a new agreement, not only to continue to provide Afghanistan with access to the sea through Pakistan but also to provide Pakistan with direct routes to the Central Asian Region (CAR) through Afghanistan.

Major area of concern with respect to Afghanistan's potential as trade hub is trade logistics. In a recently released World Bank Study - "[Connecting to Compete - Trade Logistics in the Global Economy](#)", Afghanistan ranked the last in a survey of 150 countries. Pakistan holds the 68th position on the Logistic Performance Index (LPI) that is based on the ability to transport goods reliably and in a cost-effective manner.

In the past few years both Afghanistan and Pakistan have invested largely in road, ports and border port infrastructure improvement. In Pakistan, the National Trade Corridor Improvement Program, initiated in 2005 is aimed at enhancing regional connectivity through trade links, and energy and transport corridors with China, Central Asian Republics, Afghanistan and Iran. In Afghanistan, the rehabilitation/reconstruction of the ring road, circular road linking Kabul to Kandahar, Herat, Mazzar Sharif, Kunduz Kabul is under completion. Similarly, the connections to neighbouring countries from the ring road are progressing well.

Afghanistan and Pakistan have also taken up several initiatives in trade facilitation in the form of simplification, standardization and harmonization of trade and transport related documents and procedures, strengthening institutional capability of trade and transport related entities, customs reform etc. In Pakistan, the National Trade and Transport Facilitation Committee (NTTFC) under the Trade and Transport Facilitation Project (TTFP) has already taken several initiatives for facilitating trade and reducing the cost of doing business. Similarly, Afghanistan has just established a National Trade and Transport Facilitation Committee (AFPRO) with the objective of addressing trade and transit facilitation issues by bringing together all stakeholders in the area of trade, transport and transit.

Notwithstanding these significant improvements, numerous problems remain, which hinder the actual conduct of trade. Among the most serious obstacles to the movements of goods along the Pakistan Afghanistan corridors, the following can be listed:

- poorly designed and poorly managed official border port stations;
- long waiting times at the borders which also generates unofficial payment transactions;
- truck-to-truck transshipment at the border which increases handling costs, transit times and the risk of cargo loss and damage;
- no role for the Afghan truckers in external transit (at the exception of the Peshawar route) as trucking is entirely provided by the transit countries;
- similarly, restrictive practices which prevent foreign truckers from operating in Afghanistan;
- high-rates charged by trucking cartel;
- vehicle standards below international levels;
- Lack of formal financial and insurance systems