

FBR acts to remove obstacles to Pak-Afghan trade

The Director General Transit Trade, Federal Board of Revenue (FBR), will rationalize the bonded carrier service charges, consider waiver of demurrage charges at Karachi port and also fix clearance time limit for consignments destined for Afghanistan to improve Pakistan-Afghan transit and bilateral trade.

Sources told *Business Recorder* here on Wednesday that the decision has been taken during the last inter-ministerial meeting to obtain recommendations to improve both bilateral and transit trade and ways & means to remove irritants pointed out by the stakeholders.

It has been decided that the FBR's Director General Transit Trade was advised that bonded carrier service charges must be rationalized and notified. It was also decided that the clearance time limit must be fixed.

The FBR's Director General Transit Trade and Director General Ports and Shipping may arrange a meeting with SAPT, KIPT and KICT for discussing waiver of demurrage charges at Karachi as requested by Pakistan-Afghanistan Joint Chamber of Commerce & Industry (PAJCCI).

The FBR's Director General Transit Trade informed that two tracker operators have been allowed to fix trackers on the bonded carriers and 34 operators have been given license. The Secretary Commerce directed the DG Transit Trade to reduce these costs and customs authorities should try to do away work with the brokers and bonded carriers and transshipment should be separated.

It was decided that the Ministry of Maritime Affairs should work on bringing the shipping line security deposit for Karachi ports at par with ports of Bandar Abbas and Chabahar.

The NTTFC and WTO Wing should expedite the work on pending TIR issues to operationalise it as TIR rules have already been notified by FBR. It was decided that the Ministry of Maritime Affairs must expedite the pending legislative bills and Ministry of Commerce must expedite activating the Afghan Transit Trade Liaison Office at Chaman.

The NLC and DG Ports and Shipping may work together on Logistical Services Provider Bill as two separate bills will overlap and create confusion.

On the request of Chaman Chamber of Commerce for lifting of regulatory duties on imports from Afghanistan, the Secretary Commerce advised them to identify a few Afghanistan-specific commodities and prepare the case for consideration by the Ministry of Commerce. The chamber was also invited to clarify the impediments in exports to Central Asian states so that the Ministry of Commerce could facilitate it.

The Joint Secretary (FT-II), Ministry of Commerce, presented updated status of implementation of the decisions taken in last two meetings, comparison of charges on transit cargo at Karachi with Iranian port of Bandar Abbas and charges being paid for transport of transit trade cargo from Karachi port to Chaman and Torkham. The representative of NLC provided presentation on

development activities being undertaken by their department to improve facilities for transit and bilateral trade via land routes.

Daroo Khan from Pakistan-Afghanistan Joint Chamber of Commerce & Industry (PAJCCI) requested for abolition of negative list of Afghanistan as it was agreed previously.

Jamal Uddin, President Chaman Chamber of Commerce and Industry, requested for lifting of regulatory duties on import from Afghanistan as trade with Afghanistan is carried out in Pak rupees instead of US dollar. He pointed out that there are certain herbs and dry fruits which are imported from Afghanistan and exported to other countries to earn foreign exchange.

The Director General Transit Trade Karachi pointed out that as per figures available with them, Afghan Transit Trade through Iran has decreased during 2011 to 2015 but increased in 2016-17, reaching the value of US \$2.9 billion.

Faiza from PAJCCI pointed out that during the last financial year border was closed eight times which eroded confidence of businessmen on both sides and adversely affected transit as well as bilateral trade.

The Director General Ports and Shipping informed that the Merchant Shipping Ordinance 2018 has been submitted for approval of the cabinet after which it will be presented in the Parliament. Shipping lines tried to fix shipping rates but they were not allowed.

The PAJCCI representative complained that there are numerous clearance agents and bonded carriers freight charges are very high, there are also pilferage issues and many registered transporters do not possess their own transport. As a result, they arrange transport through brokers which further increases the cost of transit through Pakistan.

The representative of NLC informed that they have established a centrally controlled system and the issue of charges of Rs 2500 is being regularized.

The representative of National Highway Authority informed that the issue of charges of Rs 1,500 has been resolved.

The President Chaman Chamber of Commerce complained that there are five security layers for Afghan transit cargo and random checking of containers sometime delays the whole consignment, causing loss to the importers/traders.

Copyright Business Recorder, 8/2/2018