



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

# A NATIONAL TRADE AND TRANSPORT FACILITATION COMMITTEE AFGHAN EXPERIENCE (AFPRO)

**CAREC**

Ulaanbaatar, Mongolia

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# ANDS VISION

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“Enable the private sector to lead Afghanistan’s development within a competitive market-based economy in which the Government is the policy maker and regulator of the economy, not its competitor.”

# ISSUES

- ❑ High transit costs
- ❑ High trade transaction costs
- ❑ Long truck and rail journey time



# RECOMMENDATION

- ❑ A focal point to collect and disseminate information on best practices
- ❑ Forum to research solutions for reducing trade transaction costs and lowering truck and rail journey time



# HIGH TRADE FACILITATION COMMITTEE

- *Presidential decree “to ensure rational supervision of Trade and industry, providing necessary and possible facilities according to the rules, regulations and procedures”.*



# COMPOSITION OF THE COMMITTEE

- *HTFC will “include under the supervision of the Minister of Commerce and Industry representatives from:*
  - *President Office,*
  - *High Council of Ministers Secretary Office,*
  - *Ministries of Economy, Finance, Mine, Energy and Water, Communication, Agriculture, Environment, Central Bank of Afghanistan*
  - *National Traders and Private Sector”*

# MANDATE

*HTPC “shall review all the Trade Facilitation documents and procedures and provide practical and technical facilities in the various areas of products, trade, transit and investment for the private sector and shall adopt required and practical decisions as well as implement them” (Proposal no 271 dated 6/9/1384 (2005))*



*AF as Afghanistan and PRO as Pro committee to promote efficient trade, transit and transport procedures and methods*





# OBJECTIVES

- ❑ Facilitation
- ❑ Regulatory
- ❑ Development Policy
- ❑ Training



# STRUCTURE

- ❑ Executive Committee
  - ❑ Chairman from the private sector / Freight Forwarders
  - ❑ Three Vice Chairmen (Ministry of Commerce and Industries, Ministry of Finance, Ministry of Transport)
- ❑ Secretariat
  - ❑ Executive Director and one assistant
  - ❑ Premises of the Ministry of Commerce and Industries
  - ❑ public-private partnership (PPP)
- ❑ Working Groups
  - ❑ Trade Facilitation
  - ❑ Transport and Transit Facilitation
  - ❑ Training
  - ❑ Private-Public Partnership and Investment Projects

# STATUS

- ❑ Several meetings took place between June 2006 and June 2008.
- ❑ Conducted a study on “Trade Route Analysis: Kabul to Karachi vs. Bandar Abbas”
- ❑ Most of them were to discuss organisation, procedures and financing issues and very little on substantive issues.
- ❑ No agreement was reached on a sustainable business plan and annual budget
- ❑ None of the critical problems were actually addressed and measures recommended for overcoming them.
- ❑ Since early this year (2009) AFPRO has stopped its activities.
- ❑ Its future is doubtful with the end of the WB UNCTAD project by June of this year

# REASONS

- ❑ Lack of sufficient government commitment
- ❑ The Afghan Private sector has not been interested to participate to AFPRO activities privileging the Afghan Chamber of Commerce and Industry to raise its problems.
- ❑ The sustainability of AFPRO; no private sector willingness to finance secretariat
- ❑ Lack of realistic goals and results

# Conclusion

- Lack of Understanding of the role of the forum
- Strengthen existing professional representative organisations and to ensure regular and direct consultations with the government

# Way Forward

- The Afghan Chamber of Commerce and Industry
- Afghanistan Association of Freight Forwarding and Transit Companies (AFCO)
  - ▣ Board of Directors
  - ▣ Executive/Managing Director and Assistant
- Expert comments on way forward



Thank you for Your Attention!