

CAREC

Experience Sharing by AAFFCO on Behind the Border (BTB) Study

**Corridor Performance Measurement and Monitoring CPMM
Behind the Border Survey
Baku, Azerbaijan
25-26 July 2018**



Table of Contents

1

Afghanistan - Profile

2

Data Collection

3

Key Findings

4

Recommendations

5

Questions and Answers

Operating Hours

No	BCP Name	Start	End	Work Days
1	Islam Qala	0730	1730	7d
2	Torghondi	0730	1730	6d, Sat-Thurs
3	Torkham	0800	1700	6d, Mon-Sat
4	Hairatan	0800	1600	6d, Sat-Thurs
5	Spin Buldak	0800	1700	6d, Mon-Sat
6	Ghulam Khan	0800	1600	6d, Sat-Thurs
7	Shirkhan Bandar	0800	1600	6d, Mon-Sat
8	Melak	0800	1600	6d, Sat-Thurs
9	Ishkashim	0800	1600	6d, Sat-Thurs
10	Aie Khanom	0800	1600	6d, Sat-Thurs
11	Aqina	0800	1600	6d, Sat-Thurs

Table of Contents

1	Afghanistan - Profile
2	Data Collection
3	Key Findings
4	Recommendations
5	Questions and Answers

Data Collection

- 1. Period : June 2018**
- 2. One Import and One Export**
- 3. Bilateral Trade between Kabul – Almaty**

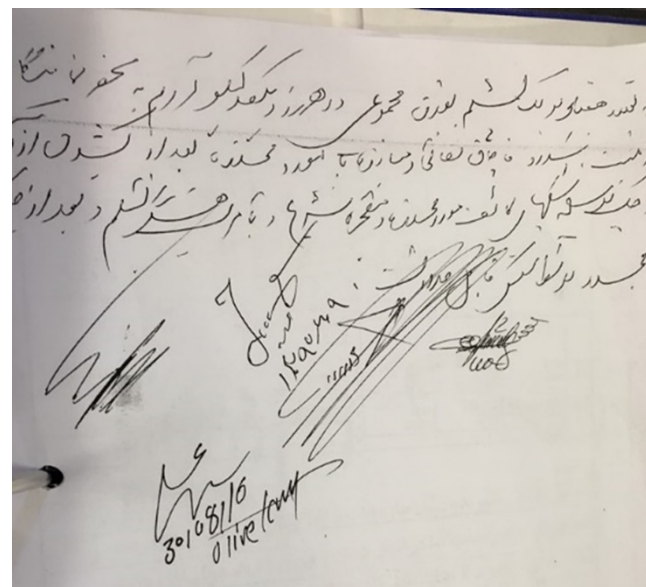
Stakeholders

- 1. Drivers**
- 2. Freight Forwarders**
- 3. Customs Brokers**
- 4. Afghanistan Chamber of Commerce and Industries (ACCI)**



Data Collection - Documents

1. B/L or Bill of Lading.
2. Packing List.
3. Commercial Invoice.
4. Insurance Document.
5. Form A, or Trade Certificate.
6. Custom Declaration.
7. Transit form (T1 or T2).
8. Health Certificate.



Observation : Getting approvals for documents in Afghanistan involves many manual process and signatures.

1

Basic Information

Import

1	Commodity, specific	Wheat flour
2	Commodity 2-digit HS classification	11 Products of the milling industry; malt; starches; inulin; wheat gluten.
3	Typical cargo weight, in tons	60 tons wagon in Kazakhstan/3 Trucks 20 foot in Afghanistan
4	Origin CITY AND COUNTRY	Amaty - Kazakhstan
5	Destination CITY AND COUNTRY	Kabul - Afghanistan

2

Customs Procedures

		Time (hours)				Cost (USD)	Location	Additional comments
1	Hire a customs broker	10	hrs	15	min	\$90.00	At the customs office	
2	Conduct a pre-shipment inspection by customs (if applicable)		hrs	50	min	\$40.00	At the customs office	
3	Process the export declaration	6	hrs	20	min	\$70.00	At the warehouse	And our office in Almaty
4	Complete documents check by customs (if applicable)	1	hrs	30	min	\$25.00	At the customs office	
5	Complete scanning/weighing by customs (if applicable)		hrs	50	min	\$25.00	At the customs office	
6	Complete physical inspection by customs (if applicable)		hrs	10	min		Other	Railway station.
7	Pay customs administrative fees (if applicable)	8	hrs	10	min	\$100.00	At the bank	

3

Other Procedures

							Inspecting Agency	Time (hours)			Cost (USD)	Location	Comments	
1	Conduct a technical inspection (if applicable)								hrs	30	min	\$50.00	At the customs office	Agriculture department agency
2	Conduct a health/phytosanitary inspection (if applicable)								hrs		min		-Select from list-	
3	Conduct a pre-shipment inspection (if applicable)								hrs	20	min		Other	Railway station
4	Conduct a security inspection (if applicable)								hrs	30	min		Other	Railway station

4

Documentation

							Form of submission	Issuing agency	Time to obtain and prepare			Cost (USD)	Comments	
1	Bill of lading						Electronic but paper required	Forwarding Co		hrs	30	min	\$60.00	
2	Customs Export Declaration						Electronic but paper required	Custom department	1	hrs		min	\$40.00	
3	Commercial invoice						Electronic but paper required	Chember of commerce	1	hrs	10	min	\$20.00	
4	Certificate of origin						Electronic but paper required	Agreecultur department		hrs	50	min	\$40.00	
5	Packing list						Electronic but paper required	Seller Co.	2	hrs		min	\$25.00	
6	Inspection certificate						Electronic but paper required			hrs		min		
7	Export Form						Electronic but paper required	Custom department	1	hrs		min	\$30.00	
8	Customs Transit Declaration						Electronic but paper required	Custom department		hrs	40	min	\$100.00	
9	Insurance certificate						Electronic but paper required	Insurance Co.		hrs	30	min	\$200.00	Per every 60 tons
10	SOLAS certificate						-Select from list-			hrs		min		

Table of Contents

1	Afghanistan - Profile
2	Data Collection
3	Key Findings
4	Recommendations
5	Questions and Answers

1 Corruption is Still Rampant

- 1. Informal fees (“Balsheesh”) costs 5% to 10% of the total transport cost.**
- 2. No receipts are given.**
- 3. If this is not paid, the waiting time for documents can be lengthy.**

2 Duties and Taxes

- 1. CPMM focuses on fees (e.g. border crossing fees).**
- 2. At the final destination, duties and taxes can also be trade barriers.**
- 3. Example : Afghan agriculture produce are low cost and can satisfy Kazakh's market. However the application of 12% VAT and approximately 10% of import duties result in higher prices. Furthermore, the Kazakh Customs re-valuate the commercial invoice prices upwards, incurring even more duties and tax payments.**

3

SPS / Fumigation

- 1. SPS standards are yet to be fully harmonized.**
- 2. Afghanistan, Kyrgyz Republic and Tajikistan lacks laboratories**
- 3. Eurasian Economic Union (EAEU) is developing a new SPS standards.**
- 4. Case Study : India mandates that certain products such as walnuts need fumigation using methyl bromide. This chemical is banned from many countries and thus not available in Afghanistan. Any products that landed in India will require fumigation on-site before clearance, which can incur demurrage cost.**

4 Documentation

- 1. In Afghanistan, documents need to be purchased. These are called ‘form fees’**
- 2. There are many and different forms, which can be confusing for inexperienced traders.**

(Source : Afghanistan Customs Department)

Types of Fees	Fee Amount (USD)
Transit Permit Fee	Afs 5,000
T1 Form for internal transit/import	
System Service Fees	Afs 1,000
ASYCUDA Form	Afs 100
Customs Tax Form (Sokok)	Afs 100
Total	Afs 6,200
1 USD = Afs 70 approx	USD 90 approx

Table of Contents

1

Afghanistan - Profile

2

Data Collection

3

Key Findings

4

Recommendations

5

Questions and Answers

Recommendations

- 1. Separate the cost column into official and unofficial fees.**
- 2. Separate the time column into application time and processing time.**
- 3. Consider the study of import duties and taxes.**
- 4. Include SPS, fumigation and other certificates required for cross-border movement of agricultural products.**
- 5. Study visa regulations and restrictions.**

CAREC

Experience Sharing from Afghanistan AAFFCO

Thank you!

