

# CPMM Success Stories: Case of Pakistan

From research to policy

Presenter: Ilhom Abdulloev

Trade Facilitation in CAREC: A 10-year CPMM Perspective



## Pakistan in CAREC regional trade

### Pakistan in the CAREC corridors:

- connects Central and East Asia to South Asia;
- provides an access for the landlocked countries to all-weather seaports at Karachi, Pakistan;
- trade routes pass through Afghanistan, there is a direct trade route with China.

### ROAD shipments include

- Containerized traffic from Karachi to Kabul and Kandahar.
- Shipments of building and construction materials from the PRC to Pakistan.
- Export shipments of agricultural products and manufactured items from Lahore to Tajikistan and Uzbekistan across Afghanistan.
- Exports of fruits and vegetables from Quetta to Turkmenistan across Afghanistan.
- Export of dried fruits and plastic pipes from PRC to Pakistan.

### There are no RAIL shipment.

**COMMODITIES** commonly transported by road were predominantly fresh fruits and vegetables, some electrical equipment and machinery, and ceramic products.

# CPMM Brief on Pakistan

The first CPMM brief was shared on 23 July 2020, highlighting:

- some positive developments in Pakistan's foreign trade;
- but, ranking of the Corridor 5 as the most time-consuming and costly;
- existing issues:
  - regulatory barriers,
  - road infrastructure,
  - BCP bottlenecks,
  - lack of coordination,
  - inefficient truck fleet, etc.
- policy recommendations.
- Torkham and Chaman BCPs had high traffic congestion levels due to COVID-19 checks in 2020.

CPMM Trade Facilitation Indicators		Road Transport			Rail Transport		
		2017	2018	2019	2017	2018	2019
TFI1	Time taken to clear a border-crossing point (hour)	56.9	36.3	45.6	●	–	–
	Outbound	59.2	37.8	47.3	–	–	–
	Inbound	1.2	2.1	1.8	–	–	–
TFI2	Cost incurred at border-crossing clearance (\$)	280.0	282.0	283	●	–	–
	Outbound	280.0	286.0	287	–	–	–
	Inbound	–	16.0	16	–	–	–
TFI3	Cost incurred to travel a corridor section (\$, per 500 km, per 20-ton cargo)	1,875.0	727.0	704	●	–	–
TFI4	Speed to travel on CAREC corridors (km/h)	9.8	13.7	10.5	●	–	–
SWOD	Speed without delay (km/h)	50.4	39.5	28.2	●	–	–

Legend: ● Improved by at least 3% ● Deteriorated by at least 3% ● Insignificant change [–3% to 3%]

– = no data, CAREC = Central Asia Regional Economic Cooperation, km = kilometer, km/h = kilometer per hour, SWOD = speed without delay, TFI = trade facilitation indicator.  
Source: Asian Development Bank.



## Government's response

The Government of Pakistan responded on November 5, 2020, with:

- i. responses to each of issues raised in the CPMM brief;
- ii. information about new policies;
- iii. information about additional measures;
- iv. reference documents and data;
- v. report from monitoring visit to Torkham BCP.

### Examples:

- new visa policy for Afghan citizens.
- Afghan registered vehicles are allowed inland to Peshawar and Miranshah,.
- Directorate General of Transit Trade and BCP are enhanced with human resources and equipment.
- WeBOC system is installed in all BCP with Afghanistan for data collection and exchange.
- Improved parking spaces at BCP.
- realigned procedures for customs clearance.
- prioritized clearance for perishable and essential goods.
- resumed 24/7 border clearance.
- coordination meetings with Afghan counterparts, and others.

## Clearing Congestion at Torkham BCP

Pakistan Customs representatives visited Torkham:

- Processes were realigned at Jamrud-Torkham to shift the process from Torkham to Michini and Jamrud;
- Clearance procedure was improved to expedite cross-border movement of cargo at Torkham;
- Priority clearance was assigned to perishable and other essential goods imported from Afghanistan.

And the dwell time for Import at Torkham BCP reduced to 107 min and for Export to 160 min.

