



Central Asian Regional Economic Cooperation Regional Improving Borders (CAREC-RIBS) Project

[Integrated Transit Trade Management System (ITTMS) Project]

Pakistan

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Pakistan as a Regional Transit Trade & Transshipment Hub for CAREC Region

Pakistan has a great potential as a transit hub for bilateral trade and regional connectivity in the context of CAREC.

Pakistan offers shortest route through land, sea and air routes to Afghanistan, Central Asian Republics, China, India, and Iran;

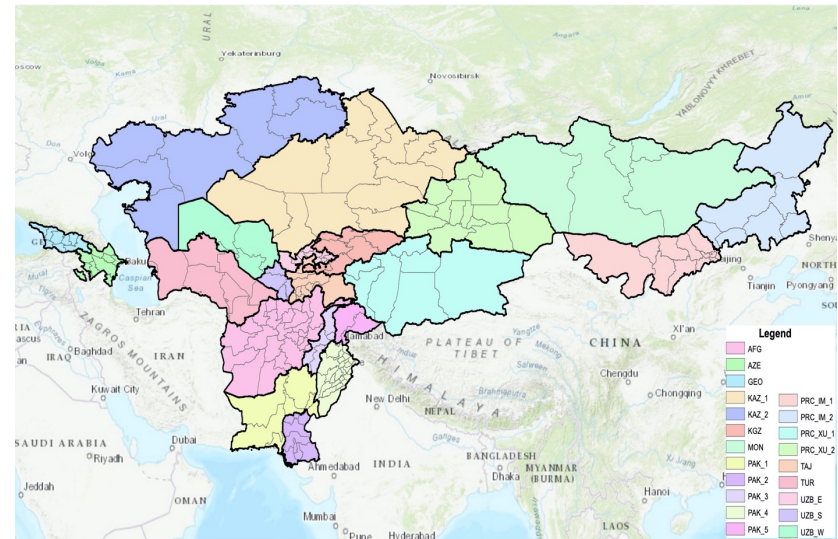
Karachi and the Gwadar ports designed to with transshipment as a core business model;

Karachi port has a draft of over 16 meter;

Gwadar Port has the capacity to handle vessels nearing 300,000 MT and plans to dredge to a 20 meter draft when the market demand arises;

Pakistan Customs has taken steps to establish port to port transshipment regime;

Construction of a new international airport in Islamabad has increased prospects of cargo flights to the CAREC region.



How were Border Crossing Points (BCPs) covered by the Project selected?

- Border Crossing points (BCPs) at **Torkham** & **Chaman** (bordering Afghanistan) and **Wagha** (bordering India) are currently incapable of managing current volumes of export, import, transit cargo & pedestrians traffic owing to lack of modern physical & logistics infrastructure, Information Communication Technology (ICT) and trade facilitation business procedures.
- Government of Pakistan (GoP) requested ADB to finance improvement of the physical infrastructure at the three BCPs.
- ADB approved Loans OCR 3344 – PAK for \$150 million and ADF 3345 – PAK for \$100 million on 4 December 2015 for the CAREC-RIBS Project. The loan agreements were signed on 26 October 2016 with closing date of 30 June 2022.
- The project outputs are:
 - Improved BCP infrastructure / facilities at Chaman, Torkham and Wagha for enhanced Trade Facilitation.
 - Strengthened Customs controls to ensure security of Supply Chain.
 - Professional Capacity building for BCP operating agencies.
 - Establishment of Pakistan Land Port Authority (PLPA).



Now & in 2023

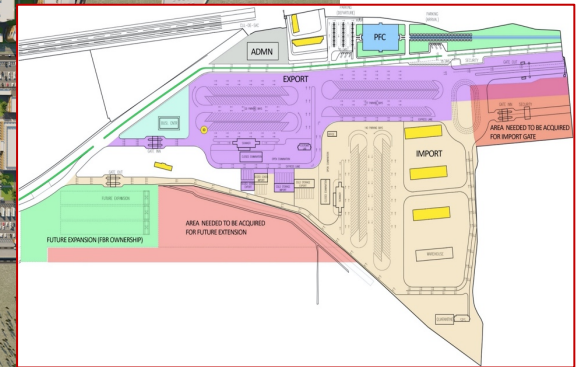
Torkham BCP



Chaman BCP



Wahga BCP



Project Implementation Arrangements

- ITTMS Steering Committee - Highest decision-Making Body at Ministerial level
- Project Implementation Committee (PIC) - Operational Supervision at FBR
- Project Management Unit (PMU) – Project Execution at Site

- PMU is assisted by:
 - Project Management Supervision Consultants (PMC) and,
 - Construction Supervision Consultants (CSC)

FBR - Lead Executing Agency for the Project.

Enhanced Port Efficiency under RIBS - Expected Operational Impact

- **Physical Infrastructure:**
 - Admn Center, Buisness Center, Forensic Lab facilities, expanded parking space & proposed Multi-Agency Transit Accommodation for 24/7 operationalization;
- **Logistics Suprastrucure:**
 - Digitized Non-Intrusive Scanning & Entry/Exit of cargo traffic in compliance with CSI, C-TPAT, TIR & AEO cargo security regimes, and digitized passengers profiling through 6MeV Passthrough Scanners (Transit Trade Cargo) & 6MeV Gantry Scanners (Imp/Exp Cargo).
 - TSA Compliance achieved under WCO's SAFE Framwork of Transportation Standards;
 - RFID Based Passenger Management System through e-Gates / e-Passports
- **Value-Added Services:**
 - Integration of WeBOC with with Pakistan Single Window (PSW) Portal for real-time data sharing with concerned Ministries/Departments/stakeholders for enhanced Trade Facilitation.
 - Electronic Data Interchange (EDI) with regional economies/trading partners
 - Digital end-to-end tracking of containerized cargo on the whole supply chain through Geo-Fencing.
 - Professional Capacity Building of Border Enforcement Agencies for enhanced Trade Facilitation
 - Standardization of logistics costs and procedures under Pakistan Land Port Authority (PLPA)

Enhanced Port Efficiency under ITTMS – Expected Financial Impact

- **Current Cargo Flow (Ave): 1200 vehicles/day**

Currently, Rs 4500/consignment charged by NLC (2020)*

- Scanning Charges = Rs 1000/vehicle,
- Weighment= Rs 1000/vehicle
- Parking – Rs 600 to Tribe
- Other Charges = Rs 900/vehicle
- Ancillary Charges = Rs 1000*

- **Reduction upto 30% in Cost of Logistics Services with ITTMS Implementation****

- Standardization of Rates by PLPA for cargo scanning, electronic weighment and documents processing;
- Increased Cargo Throughput under improved infrastructure to handle more consignments per day by 2025;

- **Prospective flow: 5,000 Consignments/day (2025) & 10,000 Consignments/day (2030)**

- **Financial Impact of Logistics Cargo Handling rates standardization & increased Cargo Throughput:**

= Savings of Rs 6.75 million per day (2025) in Logistics Costs [Designed at Rs 3150/consignment] in 2025.

* Model Customs collectorate (MCC) Peshawar 10/2020

**Baseline Logistics Rates for imports and exports after ITTMS Implementation & Promulgation of PLPA (ADB's Project Administration Manual (PAM)-2015):

Scanning Rates=Rs 500, Electronic Weighment: Rs 500; Parking
Clearing House Charges not included which may vary from agent to agent.

RIBS Project Coverage for Professional Capacity Building of Border Agencies

Border Agency	Parent Ministry	Professional Capacity Building Modules to be developed by Pakistan Land Port Authority (PLPA)
1) Pakistan Customs	Customs Wing, FBR Islamabad	Customs clearance processes for trade facilitation under Article-8 of the Trade Facilitation Agreement (TFA) of the WTO/ Interdiction of contrabands/narcotics; Anti-Money laundering under FATF; Implementation of Trade Policy under Import & Export Policy Orders, CSI, C-TPAT, AEO, RKC, ICE, STCE etc.
2) Port Authorities	Terminal Operators / Freight Forwarders	Logistics Efficiency/ Supply Chain Security / Route Optimization/ Port Efficiency & Selection etc.
3) Federal Investigation Agency / Immigration / NADRA	Ministry of Interior, Federal Government	Immigration / Passport Control / Passenger Management / Law Enforcement Agencies etc.
4) Anti-Narcotics Force (ANF)	Ministry of Narcotics Control, Islamabad.	Control and interdiction of narcotics smuggling etc.
5) Animal Quarantine and Department of Plant Protection /SPS/ TBT	MINFAL / Ministry of Food Security & Research, Islamabad.	Regulate the import, export and quarantine of animals and animal products, and plants and plants' products / Implementation of / Sanitary & Phyto-Sanitary Measures (SPS) / Technical Barriers To Trade (TBT) etc.

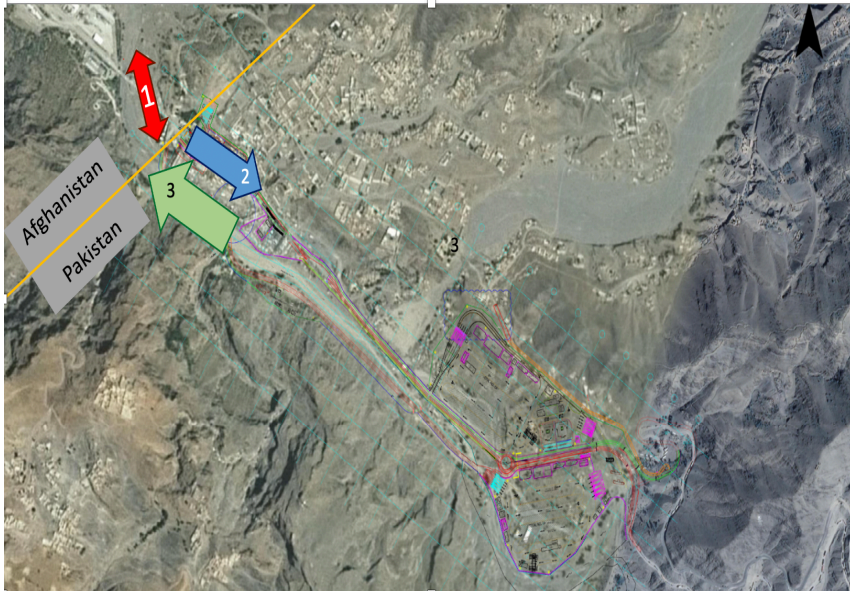
Lessons Learned and Recommendations for other Countries

Lack of Matching Infrastructure Across the Border – Future Choke Points at Pak-Afghan Border

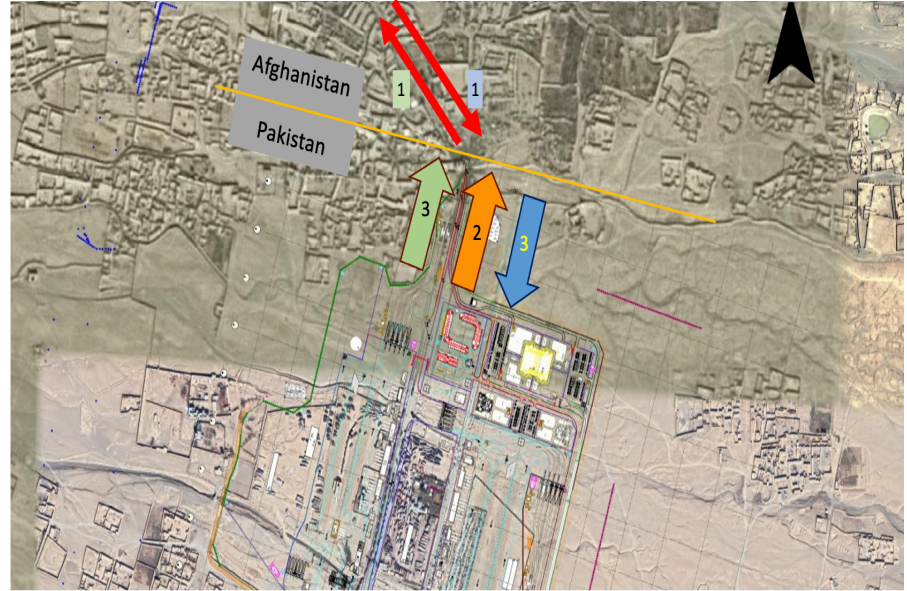
Torkham BCP: 3 + 2 lane facility – Afghan side is 1+0

Chaman BCP: 3 + 3 lane + 2 Rail line facility – Afghan side 1+1

Torkham Bottleneck



Chaman Bottleneck



Lessons Learned and Recommendations for other Countries

Lack of International Standardization at Pak-Afghan Border will lead to dis-use of Scanners & ANPR System

Afghan & Pakistan registered Vehicle Number Plates swapped after crossing of border will become a major problem after **Automatic Number Plate Recognition (ANPR) system** installation



Oversized cargo vehicles cannot pass through the boom of the **Standard Cargo X-Ray Scanners**



Thank you.



Torkham in 2023