





# Afghanistan-Pakistan Transit Trade Agreement (APTTA)

Roundtable Seminar on Ways Forward for Corridor-Based Transport Facilitation Arrangements in the CAREC Region Beijing, PRC 2-3 July 2012



#### **APPTA**



- § 1965 Agreement ATTA replaced by APTTA signed on Oct, 2010 and enforced on 12<sup>th</sup> June 2011.
- § Facilitate transit trade for Afghanistan and gateway for Pakistan for the transit trade to Central Asia.





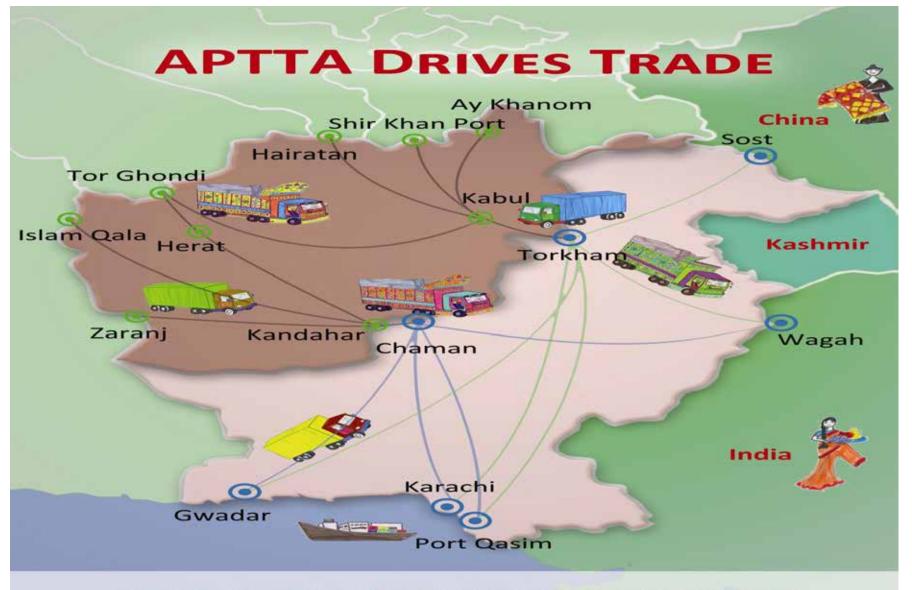
#### **APPTA**



Afghanistan gains access to Indian and Chinese markets via access to sea ports and land crossing points

- § Sost to China − 1.2 billion Chinese.
- Wagah in India 1.1 billion Indians
- § Seaports at Karachi, Port Qasim and Gawadar





Afghanistan Pakistan Transit Trade Agreement
Getting Afghan Goods to Global Markets





#### Why is APPTA Important for Afghanistan?

- **\$** As a landlocked country, Afghanistan heavily relies on international trade and is dependent on neighboring countries for access to sea transportation.
- **§** Will increase exports and speed up imports
- **§** Will reduce delays at the border
- **§** Will modernize business practices and harmonize standards
- § Will promote foreign investment and economic growth



#### Why is APTTA Important for the Region?



- **§** Links South Asia with Central Asia.
- Promotes greater regional cooperation, and stronger commercial relationships across borders
- Its successful implementation would build confidence, trust, and hope across region, and promote greater stability
- S Creates new economic opportunities in transport and related activities



#### **APTTA Objectives:**



- § To ensure effective administration of transit transport and avoid unnecessary delays
- § To simplify, harmonize, and increase transparency in transit documentation and procedures
- **§** To promote freight transport
- S To prevent smuggling





#### Facilities to cooperate on transit

- Solution
  No customs duties
- Solution
  No discrimination
- Pre-settled routes along approved corridors
- § No preferential treatment for national vehicles
- **§** Reasonable fees for transit trade
- § Number of routes increased from 3 to 17





#### Facilities to cooperate on transit (contd.)

- Freight forwarders and transport operators can establish offices in country of transit to support trade and transit activities
- Mutual recognition of driving licenses & vehicle documents
- Mutual recognition of inspection certificates
- **§** Enquiry points



#### **Customs Security**



- **§** Required for goods imported from third countries only.
- **§** Exports of both countries are exempt
- § Insurance Guarantee





#### **Temporary Admission Document (TAD)**

- Issued at point of entry
  - for a single carrier (not transferable)
- § Two types sea 15 days, land 30 days
- **\$** An exit stamp within the time period discharges the TAD and ensures the return of the bank guarantee
- Includes details of bank guarantee



#### **Bank Guarantee for Vehicle**



§ Transporter must provide a bank guarantee to obtain the TAD

§ Option of the Bilateral Carnet-De-passage will be considered.







#### Simplification of Customs Processes

- § Harmonize codes and descriptions of goods
- Seconsolidate procedures to prevent redundancies
- **§** Risk management approach to reduce delays up to 5% of the containers at the port of entry will be examined unless irregularity is suspected
- § Share information related to goods declaration, authenticity of documents, and seals, etc





#### **Customs Seals**

- Sehicle's cargo compartment shall be sealed by customs office of departure
- § Host country may place seals if desirable
- If customs breaks seals to perform a physical inspection, they shall place a new seal and record this action in customs documents
- Solution
  Oversized goods are allowed in non-sealed vehicles as long as goods are easily identified by description to prevent substitution or removal





### Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA)

- Solution
  Oversees the Agreement
- § Includes members of Government and private sector from both countries

#### APPTCA:

- § Meets once every six months alternating
- S Decisions by consensus
- Interpretation and implementation through cooperation





#### **Resolving Disputes:**

#### Dispute settlement panels

Arbitration Tribunal includes one arbitrator who may be national and propose three candidates as third arbitrator, who shall be the Chair of the arbitral tribunal

#### **Implementation**

- ► Arbitration Tribunal reviews the dispute
- Decisions are final
- Decisions within 30 days from date of referral to Tribunal





#### Issues in implementation of APPTA

- **§** Bank guarantee
- § Insurance guarantee





#### Status of implementation of APPTA

- Regular APTTCA meetings
- S Working on developing tracking devices
- **§** Sharing custom to custom information
- The option of bilateral carnet de-passage proposed

## Future directions for further transport facilitation in CAREC region with neighboring countries and beyond

- **§** Further integrate to CAREC region through CBTA
- § Signed bilateral transit agreement with Tajikistan
- § Initial consultations on bilateral transport and transit agreements with Turkmenistan and Uzbekistan.
- § Joining TRACECA