



**Islamic Republic of Afghanistan
Ministry of Commerce & Industries**



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 12th 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



APTTA DRIVES TRADE



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
- § 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
- § To prevent smuggling



Facilities to cooperate on transit

- § No customs duties
- § 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
- § Consolidate 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

- § Vehicle'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
- § 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)

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

APPTCA:

- § Meets once every six months alternating
- § 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
- § 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