

جنرال قونسلگری جمهوری اسلامی
افغانستان - کراچی
دفتر آتشہ تجارتی



د افغانستان د اسلامی جمهوریت جنرال
قونسلگری - کراچی
د سوداگری آتشہ دفتر

Ref No: AFG/CA/136
Date: 20/05/2020

*Consulate General of Islamic
Republic of Afghanistan – Karachi
Commercial attache office*

Ms. Zeba Azhar
Director Transit Trade Custom House Karachi.

Re: Pending Afghan Trade Transit Issues

Office of the Commercial Attaché, Consulate General of the Islamic Republic of Afghanistan in Karachi presents its compliments and wishes to state that our Ministry instructed to provide the update regarding following issues in Afghan Trade Transit:

- **SHORTAGE OF TRACKING DEVICE** Issues at Karachi Ports. It is informed by your goodself that the tracker device issue has been solved but unfortunately still this Commercial office in receipt of daily complaint from Traders the matter is still unsettle despites of approaching several time to Custom authorities. Therefore, it is once again suggested to kindly tackle the issue at the earliest convenience with top priorities under intimation to this Commercial Attaché office, so that the same may share with our Ministry as it is already delayed too much and our Ministry pressing hard for further updates/result. As per resources the Pakistan Customs has licensed only one Tracker Company to provide tracking service for Afghan transit trade and due to shortage of Tracking Devices Transit cargo is stopped/slow in Karachi for more than 15 days the authorized Tracking company hardly able to supply 100 tracker per day which may divided into 4 ports / means each port get 25 tracker devices per day and there are about 5500 Afghan Transit in a row (letter regarding confirm Data of Transit Afghan containers already sent separately on 11/05/2020 & reminder 18/05/2020 but the request still in a vain). It is worth to mention here that if the shortage of tracking device issue will not resolve at the earliest than it will take months to clear all Transit and the Afghan traders have to pay huge bills in shape of container rent and port demurrages etc.. in past since the COVID 19 Pandemic started Afghan private sectors are already facing millions of detention / demurrage penalties at Karachi ports due to abrupt closure of the Pak Afghan Cross Points, Thus, keeping in view the grievance of Traders it is suggested to do an agreement with another suitable tracker company if needed, because of current tracker company fails to provide the requirement and such issue happening every now and then or give relaxation/ exemption of the Afghan Transit Trade from Tracking Device for this time of global disaster.
- **DEMURRAGES AND DETENTION** despise of issuing notification by The Esteemed Ministry of Maritime on 23rd April 2020 in which it is directed to all Shipping Association and Pakistan Shipping Agent Associations to provide the relief of Business Community and not to charge containers detention charges and other charges from 25th March to 30th April. In this spirit of facilitation for the business community Ministry of Maritime Affairs has already extended the free period at Karachi Port to 15 days but the matter still in vain and no heed has been given by the concerned authorities yet. This Commercial Office in receipt of several complain in shape of payment slips of demurrage and detention charges, therefore, it is once again very kindly requested to look into this serious matter as the afghan trader collapsed due to huge demurrages and detention charges and our Ministry instructed this Commercial office with high concern to communicate with concern authorities and resolve this issue at the earliest.
- **SCANNING & EXAMINATION** The Karachi Ports & Customs authorities subject all the Afghan transit cargo to 100% Scanning and Examination with only three scanners available to Karachi Port, the maximum scanning capacity is 150 containers per day. Now, Afghan importers are worried about the demurrage and containers detention charges as such extra-ordinary physical scanning and examination take a long time and due to an unnecessary stretch of examination, Afghan transit cargo is delayed for 3-5 days and exposed to heavy detention and demurrage charges, therefore it is requested selection for examination of inspection should not be more than 1 time and not more than 5% of total Afghan Shipments, it is worth mentioning that according to the APTTA the scanning is allowed randomly selected 5% but besides this it was 20% conducted practically on routine basis., in this connection several letters sent to your good office and representative of Commercial Office also approached by visiting you personally but unfortunately the matter still unsolved.

جنرال قونسلگری جمهوری اسلامی
افغانستان - کراچی
دفتر آتشہ تجارتی



د افغانستان د اسلامی جمهوریت جنرال
قونسلگری - کراچی
د سوداگری آتشہ دفتر

SLOW MOVEMENT AT CHAMAN/TORKHAM CROSS POINT The Afghan Traders inform this Commercial Office that the Pakistan Authorities preferred Pakistan Exports instead of Afghan Transit which is the main reason of slow movement of Afghan Transit; for this reason the future trade may seem to decline between both brotherly states because some traders now start preferring Chabahar Route, because continuation of such practicing and discrimination the Afghan Traders have started investment in Chabahar port as an alternative solution, under these circumstances Afghan Traders come to this conclusion that if such practice may continue it will ultimately decline bilateral transit trade between Pakistan and Afghanistan in time to come, due to current scenario and unnecessary hurdles in Afghan Transit it seems that the Trade between both states has almost come to an end. Despite the facts most of Afghan importers still prefer to use Pakistan territory as their transit point because of having a long history of being decades of trade partners, but such act of discrimination and bearing losses for no fault of their ends creating bad feelings amongst Afghan Traders. Therefore it is once again requested to look into the matter with extreme concern at the earliest to avoid any further misunderstanding in bilateral trade's ties; this is the need of time to enhance the trade relations between brother's countries by overcoming existing challenges.

• **AMEND IN WEBOC** is communicate with Custom and concern authorities several times and urged them that until the amendment in WeBOC will not solve the Afghan traders will be charged heavy demurrages at Karachi Ports, which will be a huge loss of Afghan Trades. Nevertheless, the matter is still under discussion instead of solution. In this connection I met Dr. Sarfaraz Ahmed Waraich, Director General Transit Trade Custom House Karachi on 25th Sep 2019 and on 27th Feb 2020 and urged to solve the registration issue of Afghan Businesses in WeBOC System, In last meeting on 27th Feb 2020 DG with Transit Trade Custom, Director Automation, Deputy Director Custom the matter was highlighted with extreme concern and after detail discussion DG Transit advice to resubmit the aforesaid case once again through the Ministry of Commerce & Industry Afghanistan and assured to provide his assistance if and when required, this Commercial Office took necessary action on his advice but no further proceed yet.

• **EXCESS WEIGHT** Last but not least Afghan traders also facing Demurrages and Detention Charges due to Excess Weight and the Karachi Customs Authorities stop the Afghan Transit Cargo at Karachi Ports on the other hand it is worth to mention that Pakistan Govt. has permitted the reasonable Excess on Afghan Transit last year, it is suggested to share new amendment regarding the law of Excess weight if any, so we could communicate the same with Afghan traders to avoid any hurdle in future. However in lieu of current situation it may request to allow the excess Afghan Transit or this time till the matter will solve in this connection official letter has been sent on 11/05/2020 but unfortunately it is also in pending same as above requests.

However, it's time to take really serious action for boosting the Pak-Afghan bilateral trade, for this it must give serious consideration to resolve these pending issues to encourage the Afghan Importers and bear in mind that resolving the transit trade issues would only be the first step towards boosting the bilateral trade. It is therefore, once again requested to intercept these matters very seriously & instruct the respective authorities to tackle the matter with iron hands and solve the outstanding issues of Afghan Importers without any further delay and prepare/develop a comprehensive policy to ease transportation and increase the Transit Trade in between two Muslim brotherly states.

Your kind assistance & co-operation will be highly appreciated & your feedback is solicited.

Dr. Ghulam Nayab
Commercial Consular/ Attaché

Copy to:

Mr. Muhammad Zahid Khokhar (DG) Directorate General of Transit Trade Custom House Karachi
(With a request to take necessary action at the earliest convenience)