

Afghanistan Pakistan Transit Trade Agreement: Implications and failures

The APTTA (Afghanistan-Pakistan Transit Trade Agreement) is a joint trade agreement which was signed in 2010 by both Afghanistan and Pakistan for the movement of goods between the States. APTTA exchange began in 2008 and after seven rounds of dealings by Pakistan-Afghanistan Joint Economic Commission, the last report was marked on 28 July 2010, completely operationalized from 12 June 2011 after approval by cabinets, planned to facilitate the progression of trade between two States.

Pakistan conceded transit facility to Afghanistan in accordance with its promise to the UN Convention on the Law of the Sea (1958) which makes uncommon arrangements for giving landlocked nations access to oceans. This new agreement licensed the utilization of more ports including Afghan trucks and expands the quantity of border crossing focuses. The agreement additionally envisioned the utilization of Afghan region for transit among Pakistan and Central Asian nations. APTTA does not permit land access to India for sending out merchandise to Afghanistan. The agreement has a five years term after which settled upon arrangements can be added or erased to it. APTTA has ejected Afghanistan from the 'negative list, enables Afghan trucks to convey to Pakistani ports and up to Wagah frontier which were not permitted previously.

The expansion of trade bringing more players from the area into the overlap ought to be a success win for everyone. Incorporation of more markets is in Pakistan's greatest enthusiasm since it can build up the immature regions and feed into the general strategy is answer for Baluchistan and Khyber Pakhtunkhwa. The content of the agreement approved various courses by which Afghan products could travel through Pakistan

to India or other global markets. But it should be noticed that this agreement only concerns trade through Pakistan and Afghanistan, not between the two States. These courses start and end at the accompanying ports and border intersections: Peshawar-Torkham, Chaman-Spin Boldak, Ghulam Khan, Sost-Tash kuram, Port Qasim-Karachi, Gwadar Port.

In specific products like tea, Afghanistan with a populace of generally 31.0 million, the tea imports (dark and green) was US\$161.0 million out of 2014 while for Pakistan with a populace base of generally 182.0 million the absolute tea imports were US\$328.0 million. On account of tires for transports, Pakistan imported US\$190 million worth of tires with an announced unit cost of US\$84.0 per tire, Afghanistan imported US\$5.6 million worth of transport tires at US\$14.5 per tire.

The Afghanistan Chamber of Commerce and Industries (ACCI) has blamed Pakistan for not permitting Afghan vehicles and exchange of guards to reach Gwadar port, and affirms that the majority of the Pakistani vehicles are utilized for travel exchange, which, as indicated by them, is against the APTTA. Every year, around 360,000 Pakistani trucks enter Afghanistan as against a yearly section of 8000 Afghan vehicles. Because of this gigantic hole, Afghan agents state they lose millions to Pakistan. As indicated by Article 9 of the APTTA, each party is allowed to choose methods for transport with the end goal of travel of products inside the region of the other party to the agreement. Practically all transit agreement amid the time of most recent eight years had been moved to Iranian ports of Chabahar and Bandar Abbass, which had dove the volume of reciprocal exchange among Pakistan and Afghanistan from US\$2.5 billion to just US\$500 million against the aggressive focus of US\$5 billion of the two nations.

Smuggling among Afghanistan and Pakistan is a long-standing worry on the Pakistan side, a report by Pakistan's Federal Tax Ombudsman noticed that few high-tax merchandise, including vehicles, cigarettes, and electronic things, were being snuck from Afghanistan to Pakistan. Officials gauge that items are

sold back to Afghanistan from Pakistan at more expensive rates, driving Afghanis to pay custom obligations all alone products. It has been noticed, that Pakistani traders, with the assistance of Afghan merchants, import merchandise under trade, transport them to Afghanistan and after that pirate them over into Pakistan.

Pakistan, in the course of the most recent couple of years, has shut its borders numerous times with Afghanistan, particularly during conciliatory or security choppiness, where it utilizes the barricade as an arm-winding apparatus to get control over political Afghanistan. This influenced the market in Afghanistan significantly to import from different other countries. While the illegitimate economy raises the expense for leading legitimate financial exercises, it additionally debilitates states, compromises improvements, undermines the rule of law and keeps nations caught in a cycle of neediness and tremor.

Whatever the extent of smuggling over the Afghanistan Pakistan border and whatever techniques are being utilized, its effect on Pakistan's economy is critical. While Pak-Afghan exchange expanded since the beginning of APTTA, Pakistan has been losing the Afghan travel exchange business to Iran. At the one end, there are delays in the freedom of dispatches which builds exchange costs and diminishes intensity in global exchange.

The APTTA without a doubt is seeing a move in power balance; however the probability of India supplanting Pakistan as the nearest trade accomplice appears to be impossible right away. The incongruity may likewise lie in Afghanistan before long pulling the strings singularly in travel recompenses. For instance, in bringing in power from Central Asia later on, Pakistan will be subject to Afghanistan. The briefest and most financially practical path is through Afghanistan, and it could be a dimension playing field of land travel remittances on more commonly pleasing terms.

There are security issues, inability to sign the TIR framework, transporters strikes, insufficient correspondence

between the Pakistan and Afghanistan. The two parties need to smooth their trade relations further through crossing over up the hole among hypothesis and practice, and should endeavor to dispose of the hindrances and obstructions. They ought to likewise focus on controlling the pirating of merchandise, which is more (\$2.5 billion) than the smuggling (\$1.5 billion) every year. The unreasonable and unneeded charges and habitual pettiness ought to likewise be kept away from, in light of the fact that it dissolves trust in one another.

Trade is the best answer to settle all issues and encourages amiability and harmony. Legitimate trade directs and successful organization in the two closures will profit both the nations as we are neighbors and we both are not going anyplace. Presently Pakistan has chosen to make barred border with Afghanistan and send back Afghan displaced people back to Afghanistan to counter and end fear based oppression in Pakistan itself. Border closure of 2017 caused traders on both sides a huge damage and trade rigidities.

Border closure (multiple times from Pakistan) has caused Pakistan trade deterioration with Tajikistan, Uzbekistan, Turkmenistan and Afghanistan diversified its exports and imports with India and Iran via Chabahar port to get out of Pakistan's dependence (backed by India mainly) but this could cost both Pakistan and Afghanistan if tensions do not get resolved timely and reciprocal measures needs to be taken immediately. Pakistan's export to Afghanistan increased a little from US\$ 500 million in 2017 to US\$ 720 million in 2018 including items like plastic products, construction materials, electronics, pharmaceutical, chemicals, rice and vegetables.

Waziristan is now almost secure since restoration and rehabilitation process is going on and it has been declared safe and secure through Pakistani military also. Traders on both sides are begging respective governments to stop mixing trade with politics to promote peace and mutual trust because Karachi and Gwadar are still the most economical routes for trading purpose for Afghanistan.

It is now high time that both States come on terms with each other to serve shared interests to encourage national and regional stability. Redesigning the policy with improved and benefitting terms, also including Central Asia, Russia and India to expand trading circle for Pakistan may help. It does sound like a dream if India and Pakistan both integrate or come on good terms regarding APTTA because of security concerns and negative participation of India in Baluchistan.