

**AGREED MINUTES OF PAKISTAN-AFGHANISTAN BILATERAL TRADE
MEETING**

(Islamabad, 8th May, 2018)

An Inter-Ministerial Bilateral meeting between Pakistan and Afghanistan was held on 8th May, 2018 at the Ministry of Commerce, Islamabad. The purpose of the meeting was to improve bilateral trade relations. The meeting was co-chaired by Mr. Mohammad Younus Dagha, Secretary Commerce, Pakistan and Ms. Kamila Sidiqi, Deputy Minister for Industries and Commerce, Afghanistan. Mr. Fazal Abbas Maken, Secretary, Ministry of National Food Security, Mr. Hamdullah Hamdard, Deputy Minister, Agriculture, Irrigation and Livestock of Afghanistan and Mr. Najibullah Wardak, Deputy Minister for Revenue & Taxes, Ministry of Finance of Afghanistan also attended the meeting with officials from various Ministries / Departments and Chambers of Commerce and Industry from both sides. (List of participants is at **Annex-I** and Record Note of Discussions held during the meeting is at **Annex-II**).

2. The bilateral meeting took place in a cordial and brotherly atmosphere. In their opening remarks, the heads of the two delegations highlighted the longstanding brotherly relations between Afghanistan and Pakistan, expressing the hope that the current session will contribute to further enhancing the cooperation existing between the two countries.

Discussion on Regulatory Duties

3. Mr. Mohammad Younus Dagha, Secretary Commerce described that on the request of Afghanistan, the Prime Minister of Pakistan announced waiver of the RDs during his recent visit to Kabul on fruits, vegetables, dry fruits and animal hides/skins. In line of such announcement Pakistan was willing to remove RDs on major export items of Afghanistan including fruits, vegetables and dry fruits. He also clarified that no Regulatory Duties were imposed on animal hides and skins and requested the Afghan side to elaborate on which items they expected the Regulatory Duties to be removed. In response the Afghanistan side requested the removal of Regulatory Duties on tariff lines related to Fresh Fruits, Vegetables and Dry Fruits Imported from Afghanistan such as:

S.No	H.S 8	Description	Regulatory Duty
1.	08061000	Grapes, fresh	40%
2.	08081000	Apples, fresh	40%
3.	08109010	Pomegranates	20%

Subsequently, on the second day after the meeting, Afghan side provided an additional list of 37 tariff lines (**Annex-III**).

4. Pakistan side agreed to remove regulatory duties on major items of Afghanistan exports to Pakistan (fresh fruits, vegetables and dry fruits) within two weeks, as announced by the Prime Minister of Pakistan during his recent visit to Kabul. Further tariff concessions may be mutually considered during any bilateral discussions on Preferential Trade Agreement (PTA).

Discussion on Sanitary and phyto-sanitary issues and import of cotton

5. After technical discussions between Afghan delegation with the Secretary, Ministry of National Food Security, Department of Plant Protection officials, Cotton Commissioner and Director Animal Quarantine Department. The following decisions were taken:

- a) Both sides agreed to share their official template of the quarantine certificates for plant and plant products and animal and animal products alongwith specimen signatures of Authorized Officers of both countries within two weeks.
- b) Pakistan side agreed to facilitate Afghan exports of fresh fruits and vegetables to Pakistan and accept Afghanistan Certificate.
- c) On the request of Afghan side to allow export of cotton from Afghanistan through Torkham and Chaman entry points, Pakistan side informed that Pakistan Plant Quarantine Act 1976 and Section 28 of Plant Quarantine Rules 1967 provided for import of cotton only through Karachi port. However, the request made by Afghanistan for exports through Torkham and Chaman entry points would be considered further by the Pakistani side, in consultation with the relevant stakeholders. In this context, Afghan side agreed to share information on cotton production and trade with Pakistan after which Department of Plant Protection, Ministry of National Food Security and Research will undertake visit for Pest Risk Analysis (PRA). The visit for PRA will be facilitated by Afghan side as per mutual convenience.
- d) The existing 20000 MT of the cotton stored in southern region of Afghanistan would be allowed to be imported into Pakistan in sealed containers after fulfilling SPS requirements, as one time relaxation.

(Ms. Kamila Sidiqi)

Deputy Minister for Industries and
Commerce
Government of Islamic Republic of
Afghanistan

(Mohammad Younus Dagha)

Secretary Commerce
Government of Islamic Republic of
Pakistan

LIST OF PARTICIPANTS**PAKISTAN**

S.No.	Name & Designation	Ministry / Department
1.	Mr. Mohammad Younus Dagha, Secretary	Ministry of Commerce, Islamic Republic of Pakistan
2.	Mr. Fazal Abbas Maken, Secretary	Ministry of National Food Security and Research, Islamic Republic of Pakistan
3.	Mr. Javed Ghani, Director General	Directorate General of Transit Trade, Karachi, Federal Board of Revenue, Islamic Republic of Pakistan
4.	Dr. Syed Waseem-ul-Hassan, Director General	Department of Plant Protection under Ministry of National Food Security and Research, Karachi
5.	Dr. Khalid Abdullah, Cotton Commissioner	Ministry of National Food Security and Research, Karachi
6.	Dr. M.Yousuf Khan Minister (Trade)	Embassy of the Islamic Republic of Pakistan, Kabul
7.	Ms. Maria Kazi, Deputy Secretary	Ministry of Commerce and Textiles, Islamic Republic of Pakistan
8.	Mr. Yasir Hussain, Director (Afghanistan)	Ministry of Foreign Affairs, Islamic Republic of Pakistan
9.	Mr. Amjidur Rehman, Additional Director	Directorate of Transit Trade Peshawar, Federal Board of Revenue
10.	Mr. Muhammad Asad, Section Officer (ECO & CARs)	Ministry of Commerce, Islamic Republic of Pakistan
11.	Mr. Shahid Abdullah, Deputy Director	Department of Plant Protection under Ministry of National Food Security and Research, Karachi
12.	Mr. Muhammad Arslan Zahid, Section Officer	Ministry of National Food Security and Research, Karachi
13.	Mr. Smair Gul, Assistant Director (Afghanistan)	Ministry of Foreign Affairs, Islamic Republic of Pakistan

AFGHANISTAN

S. No.	Name & Designation	Ministry / Department
1.	H.E. Ms. Kamila Sidiqi, Deputy Minister	Ministry of Commerce, Islamic Republic of Afghanistan
2.	Mr. Hamdullah Hamdard, Deputy Minister	Ministry of Agriculture, Irrigation and Livestock, Islamic Republic of Afghanistan
3.	Mr. Mir Saeed Saeedy, Director General, International Trade	Ministry of Commerce & Industries, Islamic Republic of Afghanistan
4.	Mr. Khan Jan Alakozai, Co-chairman	Pak-Afghan Joint Chamber of Commerce and Industry
5.	Mr. Najibullah Wardak, Deputy Director, Income	Ministry of Finance, Islamic Republic of Afghanistan
6.	Mr. Ahmad Shakir Qarar, Deputy Director,	First Political Department, Ministry of Foreign Affairs, Islamic Republic of Afghanistan
7.	Mr. Edrees Raouf, Cotton Specialist	Ministry of Agriculture, Irrigation and Livestock, Islamic Republic of Afghanistan
8.	Mr. Zardasht Shams, Charge d' Affairs	Embassy of the Islamic Republic of Afghanistan, Islamabad
9.	Mr. Mohammad Nasim Kakar, Second Secretary (Incharge of Economic Section)	Embassy of the Islamic Republic of Afghanistan, Islamabad

**GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE AND TEXTILES
COMMERCE DIVISION**

**RECORD NOTE DISCUSSION HELD DURING PAKISTAN-AFGHANISTAN
BILATERAL TRADE MEETING ON 8TH MAY, 2018 AT MINISTRY OF
COMMERCE**

An Inter-Ministerial Bilateral meeting between Pakistan and Afghanistan was held on 8th May 2018 at the Ministry of Commerce, Islamabad. The purpose of the meeting was to improve both bilateral and transit trade and discuss ways & means to remove irritants pointed out by the participants.

2. The meeting was co-chaired by Mr. Mohammad Younus Dagha, Secretary Commerce, Pakistan and Ms. Kamila Siddiqui, Deputy Minister for Commerce and Industries, Afghanistan. Mr. Fazal Abbas Maken, Secretary, Ministry of National Food Security and Mr. Hamdullah Hamdard, Deputy Minister, Agriculture, Irrigation and Livestock of Afghanistan also attended the meeting with officials from various Ministries / Departments and Chambers of Commerce and Industry from both sides..
3. Ms. Kamila Sidiqi, Deputy Minister for Commerce and Industries, Afghanistan thanked Secretary Commerce for the hospitality and reiterated that trade relations with Pakistan are very important for Afghanistan as Pakistan is their largest export market. Afghanistan and Pakistan have been closely intertwined by their cultural affinity, personal contacts and large volume of trade. Bilateral and transit trade with Pakistan provides livelihood for hundreds of thousands of people in Afghanistan. The delegation was visiting Pakistan on the directions of H.E. President Ashraf Ghani, in the follow up of the visit of Prime Minister of Pakistan to Kabul last month.
4. Mr. Mohammad Younus Dagha, Secretary Commerce reiterated that Pakistan gives immense importance to the relationship with Afghanistan. Pakistan invited Afghan Minister for Commerce for meeting in Islamabad in January 2018, after Afghanistan had postponed 7th APTTCA meeting indefinitely. The Ministry of Commerce desires to discuss all outstanding issues in bilateral and transit trade and have been working vigorously to resolve the impediments from Pakistan side. A meeting with PAJCCI delegation from Afghanistan and

Pakistan was held on 23rd February 2018 to resolve problems on Pakistan side and the Ministry of Commerce held several meetings with stakeholders in last one year.

5. The volume of bilateral trade between the two countries had come down from US\$ 1.862 billion in 2015-16 to US\$ 1.637 billion in 2016-17. Pakistan's exports to Afghanistan decreased from US\$ 1.473 billion to US\$ 1.3 billion while imports from Afghanistan also witnessed a decline from US\$ 0.389 billion to US\$ 0.337 billion during the same period. However, imports and exports, both were now showing upward trend in July-April 2017-18. Exports increased by 38% as compared to July-April 2016-17 and imports from Afghanistan also increased by 28% during this period showing an increase of 35% in bilateral trade.

6. Mr. Mohammad Younus Dagha, Secretary Commerce described that on the request of Afghanistan, the Prime Minister of Pakistan announced waiver of the RDs during his recent visit to Kabul on fruits, vegetables, dry fruits and animal hides/skin. In line of such announcement Pakistan was willing to remove RDs on major export items of Afghanistan including fruits, vegetables, dry fruits. He also clarified that no Regulatory Duties were imposed on animal hides and skins and requested the Afghan side to elaborate on which items they expected the Regulatory Duties to be removed. Mr. Najibullah Wardak, Deputy Director, Ministry of Finance, Afghanistan requested for removal of Regulatory Duties on the following three items:

S.No	H.S 8	Description	Regulatory Duty
1.	08061000	Grapes, fresh	40%
2.	08081000	Apples, fresh	40%
3.	08109010	Pomegranates	20%

7. Mr. Najibullah Wardak also pointed out that there were fourteen entry points between the two countries but most were not operational. There were problems in customs valuation, Weboc system and working hours on border posts, etc. which caused long queues of trucks. He stated that 300 Afghan trucks pass through Torkham, 100 through Chaman, 50 through Kharlarchi and 20 through Ghulam Khan on daily basis but the facilitation systems need improvement. He also suggested to have Certificate of Origin issued and shared on-line, by both the countries.

8. Mr. Mohammad Younus Dagha, Secretary Commerce replied that there were many problems in bilateral and transit trade being faced by Pakistani traders but this meeting had been arranged to facilitate Afghanistan on SPS compliance and Regulatory Duties issues. He also mentioned the following issues:

- Transit Trade Rules were not yet notified by Afghanistan
- Negotiations on Trilateral Transit Trade Agreement among Pakistan, Afghanistan and Tajikistan were stalled since last many years
- Electronic data interchange (EDI) between the two Customs was yet to be implemented
- High incidence of "Service Charges" on Pakistan transit cargo
- 110% Bank Guarantee charged for Pakistan cargo exported to CARs.
- Denial of Pak trucks movement beyond Jalal Abad as well as transit to Pakistan's exports and its direct access to CARs until Pakistani exporter(s) enter into partnership with imposed Afghan partner
- Stuffage of empty containers back to Pakistan from CARs was not allowed
- Despite repeated promises T 1 certification pendency had not been resolved by Afghanistan

9. Mr. Dagha stated that the institutional mechanism to resolve these issues was the Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA). Its six meetings were held previously but the extremely critical and long pending 7th APTTCA Meeting, which was supposed to be hosted by Afghanistan in March 2016, was not being convened. Afghan side had agreed to arrange it on 11-12 September 2017 at Kabul but subsequently unilaterally postponed it for indefinite period. He said that all the issues pointed out by Afghan side as well as being faced by Pakistani traders, could be resolved by APTTCA. Ministry of Commerce, Pakistan had been working constantly to resolve all pending issues in bilateral as well as transit trade and would continue to do so, he added.

Sanitary and phyto-sanitary issues and import of cotton

10. Mr. Fazal Abbas Maken, Secretary, Ministry of National Food Security & Research requested the Afghan side to have a technical meeting with the Department of Plant Protection officials, Cotton Commissioner and Director Animal Quarantine Department. He also pointed out that Afghan exports were coming into Pakistan with multiple formats of phyto-sanitary certificate, which was causing problems in release of consignments, suggested that one format

should be decided and officially conveyed to Pakistan. He assured to facilitate Afghan exports of fruits and vegetables to Pakistan.

11. Secretary, Ministry of National Food Security & Research, clarified that the Department of Plant Protection had stationed personnel at entry points of Torkham and Chaman. A framework could be developed subsequently to cover other points like Kharlarchi, Angoor Adda and Ghulam Khan. For Pest Risk Analysis, Director General DPP and his team will visit Afghanistan soon. Both the sides agreed to formulate a work plan to facilitate trade of fruits and vegetables which is being annexed with these minutes.

12. Mr. Maken elaborated that Section 28 of Plant Protection Act 1976 provided for import of cotton only through Karachi port and Pakistan had started enforcing it strictly since last year. But to facilitate Afghanistan exports through other entry points, ways will be explored to allow import of Afghan cotton, in technical level talks.

13. In the end, both sides committed to removing all impediments in bilateral and transit trade between Pakistan and Afghanistan. The meeting ended with vote of thanks by both the sides.

ANNEXURE-III

Request List of Products Subject to Elimination or Reduction of RD

Based on the S.R.O.1035 (I)/2017, RD has been increased on certain tariff lines.

Hereby, to keep the trend of smooth trade between Afghanistan and Pakistan, the below list of products is provided and it is requested to be excluded from RD application or at least rate of RD to be reduced on them:

No.	H.S	Description	Rate of RD
1	0701.9000	Ware Potato	25 %
2	0707.0000	Cucumbers and gherkins fresh or chilled.	30%
3	0805.2910	Kino (fresh)	20%
4	0805.4000	Grapefruit, including pomelos	15%
5	0807.1100	Water Melons	40%
6	08.08	Apples, Pears and Quinces, fresh	20%
7	0809.1000	Apricots	40%
8	0809.3000	Peaches, including nectarines	40%
9	0810.9010	Pomegranates	20%
10	0813.1000	Apricots	50%
11	0813.3000	Apples	50%
12	0813.4030	Pine nut (chilgoza)	50%
13	0813.4040	Peaches (arroo)	45%
14	0813.4050	Plums (allocha)	50%

15	0813.4070	Raisins	50 %
16	0813.4090	Other	50%
17	0813.5000	Mixtures of nuts or dried fruits of this Chapter	50%
18	1701.1200	Beet sugar	40%
19	2002.1000	Tomatoes, whole or in pieces	20%
20	2004.1000	Potatoes	50%
21	2004.9000	Other vegetables and mixtures of vegetables	50%
22	2005.1000	Homogenized vegetables	20%
23	2005.2000	Potatoes	20%
24	2005.5100	Beans, shelled	20%
25	2006.0000	Vegetables, fruit, nuts, fruit peel and other parts of plants, preserved by sugar (drained, glacé or crystallized).	20%
26	2008.5000	Apricots	20%
27	52.05	Cotton yarn (other than sewing thread), containing 85 % or more by weight of cotton, not put up for retail sale.	10%
28	52.06	Cotton yarn (other than sewing thread), containing less than 85 % by weight of cotton, not put up for retail sale.	10%
29	52.07	Cotton yarn (other than sewing thread) put up for retail sale.	10%
30	6802.2100	Marble, travertine and alabaster	20%
31	6802.2300	Granite	20%
32	6802.9100	Marble, travertine and alabaster	20%
33	6802.9300	Granite	20%
34	6907.2111	Polished	45%
35	6907.2211	Polished	45%
36	6907.2311	Polished	45%
37		Talk Powder	