



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

**Afghanistan and Regional Trade  
Arrangements**

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# Goals

- **To facilitate increased regional cooperation**
- **To play the central role as a land bridge between Central Asia and South Asia.**
- **To connect land locked energy rich Central Asia with warm water and deep sea ports and energy deficient South Asia.**

# Preferential Trade Agreements

- **Afghanistan has bilateral Trade and Transit Agreements with Neighboring countries.**
- **Its objective is to promote its trade with neighbouring countries as it is a land locked country, so much dependent on them.**
- **We are now also focussing to move from Bilateral to Regional because we can link with many countries and can act as a ‘land bridging link’ between these countries.**

# **A Silk Road to Markets: becoming an integrated link at the heart of the Silk Road**

- Afghanistan is located in the heart of Eurasia, and since time immemorial, has been at the crossroad of cultures, between the China and the Middle East, and between South Asia and Europe.
- Silk Road connects network of trade routes across East, South, Western Asia, Central Asia, North Africa and Europe.
- Silk Road makes Central and South Asia the trade and transportation link between Europe and Asia and helps to convert Afghanistan from Aid-dependence to Trade-dependence
- Our aim is to make Afghanistan as Trade, Transit and Communication Hub.

# REGIONAL COOPERATION AND TRADE

- **Bridging Central and South Asia and further accession to TRACECA MLA.**
- **Member of ECO, CAREC and SAARC**



# Regional Economic Integration

- **To play its central role as a land bridge between Central Asia and South Asia, and the Middle East and the Far East.**
- **To connect land locked energy rich Central Asia with warm water ports and energy deficient South Asia.**
- **Afghanistan is a member of regional associations that work on strengthening cooperation on trade, transit and transportation, such as ECO, CAREC and SAARC.**
- **Afghanistan plays a key role of land link within the region, as such it can help overcome bilateral problems including border trade.**

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

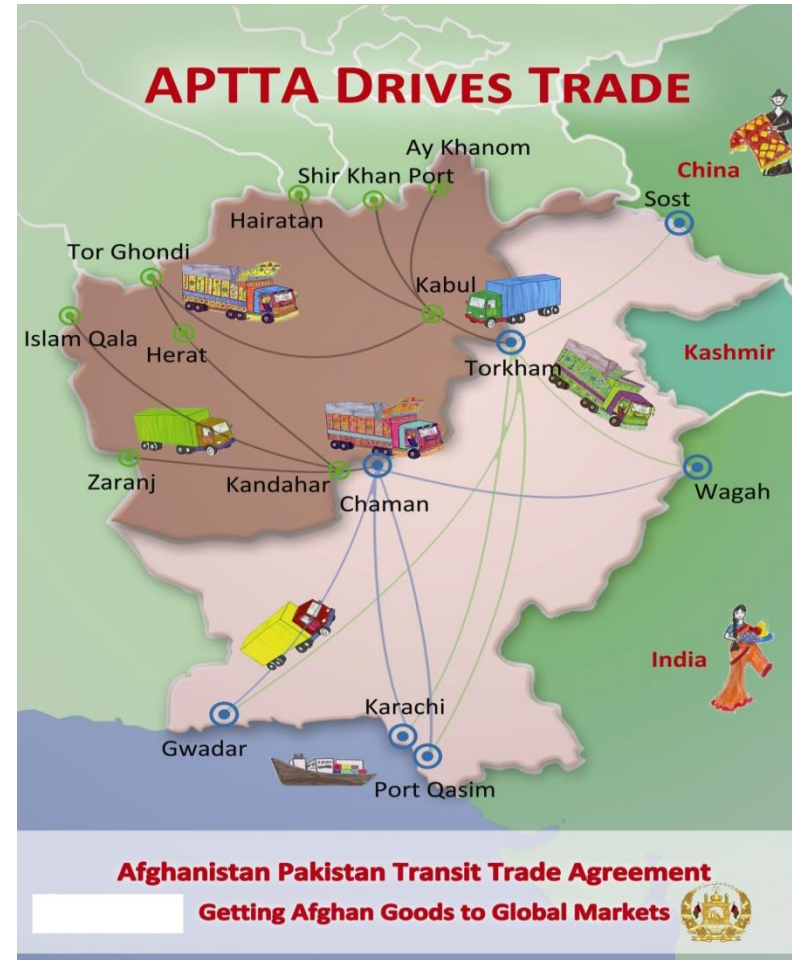
- **Further integrate to CAREC region through CBTA**
- **Signed bilateral transit agreement with Tajikistan**
- **Initial consultations on bilateral transport and transit agreements with Turkmenistan and Uzbekistan.**
- **Accession to the TRACECA basic multilateral agreement.**



# Afghanistan–Pakistan Transit Trade Agreement (APTTA)



- 1965 Agreement ATTA replaced by APTTA signed on Oct, 2010 and enforced on 12<sup>th</sup> June 2011.
- Facilitating Transit Trade for Afghanistan and gateway for Pakistan for the transit trade to Central Asia.
- Afghanistan gains access to Indian and Chinese markets via access to seaports and land crossing points



# **Cross Border Transport Agreement (CBTA) between Afghanistan, Kyrgyzstan and Tajikistan**

**CBTA**

- **Tajikistan and Kyrgyzstan—initial signatories of CBTA for Corridor 5; Afghanistan joined later**
- **Developing an action plan to implement key provisions**
- **Harmonizing some key documents**
- **Improving joint border cooperation with Tajikistan**
- **Working to establish Transport & Trade Facilitation committee according to the provisions of CBTA.**
- **Extension of APTTA to PATTTA.**

# Transit Priorities

## The Top Three Routes:

- 1) Turkmenistan-Azerbaijan-Georgia (Poti Port)
- 2) Pakistan (Karachi Port) via rail
- 3) Uzbekistan-Kazakhstan-Russia-Latvia (Riga Port)



Turkmenistan, in light green, is Afghanistan's most efficient route to the markets of Europe

## **International Road Transport (TIR)**

- **Afghanistan is now a member of TIR which is an efficient facilitation tool for international transit and transport;**
- **Activated in September, 2013.**
- **Drafted TIR Regulation**
- **Capacity building of custom officers at the border for the implementation of TIR and Green Lanes at Border Crossing Points.**

# Chabahar Agreement

- The three-nation transport and transit corridor pact between India, Iran and Afghanistan was signed in Tehran on 23 May, 2016. The pact will open an alternative trade route for Kabul, bypassing Pakistan.
- It will potentially open up an alternative route to world markets for Afghanistan.
- For India and Iran, it offers a strategic advantage as Pakistan has restricted Afghanistan's trade with India by not fulfilling the terms of a previous agreement.
- **Importance of Chabahar: Alternative to Pakistani ports. Problems faced with Pakistan due to political conflicts at times; erratic closing of borders and creating obstacles to our trade. Chabahar provides an alternative and reduces our dependence on Karachi port.**

# Lapis Lazuli Trade and Transit Agreement

- It's importance is to access the Black sea-Europe.
- The MoCI will commence processes for facilitating business with Central Asian countries and beyond including Afghanistan, Turkey, Azerbaijan and Georgia this trade and transit agreement, and final negotiations for opening up transit routes and beyond will be held in 4<sup>th</sup> Meeting Baku August, 2016 in order to access to Black sea.

# The Way Forward

- It has been recognized that trade and investment flows have played a crucial role in the economic integration of various regions of the world, and it could have been true for South Asia and Central Asia too.
- In the context of regional integration and implementation of bilateral and transit agreements, Afghanistan will promote harmonization with international conventions, agreements and standards.
- Old linkages to be revived through marketing, trade exhibitions and product fares.
- Seek ways to act as the transit routes to and from Afghanistan.
- Simplification and harmonization of trade procedures and documentation.
- Serious consideration should be given to programs and agreements to ease visa requirements for Afghan traders.

# CONCLUSION

- **Bilateral ,regional trade and transit agreements are important to Afghan producers as they provide preferential access to new markets.**
- **The MoCI will seek to strengthen and expedite the implementation of these existing bilateral, regional and transit trade agreements of economic benefit to Afghanistan.**
- **Our focus in the near future on building regional trade and investment linkages where Afghanistan can benefit interrering foreign markets to sell its natural resources, derived commodities and offer services.**
- **Afghanistan benefits from closer integration with its neighbors which promotes trade and investment in Afghanistan in their competitive self-interest.**
- **Regional trade facilitates further integration into Multilateral trading system.**
- **Afghanistan will not achieve sustainable economic development without increasing trade. Therefore, an enhanced level of regional cooperation will be required to encourage development in the long term.**



**Thank You**