



# **Developing Seamless Customs Clearance for Domestic & Cross Border cargo**



## Why Seamless Customs Clearance?

- To Facilitate trade
  - Outcome: Increased trade volume for increased growth and development.
- Factors that determine trade potential:
  - Government Policy
  - Location
  - Size of population
  - Connectivity to the World
  - Culture



# Pakistan's Trade Policy

- Policy - export led growth
  - We hover around US\$ 25-30 billion.



# International trade of relevant countries/regions

Country	Population in m	Imports US\$bn	Export US\$ bn
Kazakhstan	19	43	52
Kirgizstan	06	06	03
Tajikistan	09	03	02
Turkmenistan	06	05	08
Uzbekistan	31	23	15
<b>Total 1</b>	<b>71</b>	<b>80</b>	<b>79</b>
Russia	142	305	379
Iran	86	76	101
Afghanistan	38	07	02
Xinjian	26	06	16
Azerbaijan	10	16	15
Georgia	05	09	06
<b>Total 2</b>	<b>307</b>	<b>419</b>	<b>519</b>
<b>Pakistan</b>	<b>220</b>	<b>56</b>	<b>25</b>

Source: <https://www.cia.gov/the-world-factbook/countries/>

[http://www.xinhuanet.com/english/2021-05/28/c\\_139974917.htm](http://www.xinhuanet.com/english/2021-05/28/c_139974917.htm)

<https://research.hktdc.com/en/data-and-profiles/mcpc/provinces/xinjiang>



# Pakistan's Transit regimes

## Multi-lateral

1. **Quadrilateral Traffic & Transit Agreement (QTTA) -1995**
2. **ECO Transit Transport Framework Agreement (TTFA) -1998**
3. **Central Asia Regional Economic Cooperation (CAREC) - 2010**
4. **Transport International Routiers (TIR) – 2015**

## Bi-lateral

1. **Afghanistan Pakistan Transit Trade Agreement (APTТА)- 2010**
2. **Uzbekistan Pakistan Transit Trade Agreement (UPTТА) - 2021**



# Transit potential of Pakistan

1. The international trade (Imports/Exports) of land locked countries around Pakistan is US\$1100 bn
2. The quantum of International trade of these countries to which Pakistani ports offer shortest route is US\$300 bn
3. Estimatedly US\$100 bn of transit trade injects US\$ 5 bn to the transit country's economy
4. Optimal utilization of its transit potential can add upto US\$ 15 bn annually to Pakistan's economy



# Transit Trade - Iran Vs Pakistan

Indicator	Iran	Pakistan
Annual weight	11 million tons	2.5 million tons
Value	US\$ 94 billion	US\$ 5.5 billion

**Approx US\$100 bn of Transit Trade will inject US \$ 5 bn  
to  
Pakistan's economy**

Sources: <https://www.tehrantimes.com/news/464046/Annual-transit-of-goods-via-Iran-anticipated-to-hit-11m-tons>  
<https://en-mehrnews-com.cdn.ampproject.org/c/s/en.mehrnews.com/amp/180139/>



## Afghan Transit Trade

Year	Forward		Reverse	
	TEUs	US\$ bn	Tons	US\$ bn
2018-19	120,170	5.3	113,125	0.28
2019-20	123,075	5.3	138,307	0.27
2020-21	121,067	4.7	153,117	0.38
<b>2021-22 (upto Jan)</b>	34,914	2.0	110,929	0.32





# TIR Comparison

<b>TIR indicator</b>	<b>Global</b>	<b>Average for 77 countries</b>	<b>Pakistan</b>
Companies registered	<b>30,000</b>	490	<b>4</b>
TIR carnets per year	<b>1,000,000</b>	13,000	<b>14</b>



## Recent Initiatives taken by Pakistan Customs for Trade Facilitation

- PSW
- RMS
- ITTMS Project
- Trade LENS (Maersk)
- NTC
- AEOs
- Pre-arrival clearance
- PRR
- TIR
- ETIR
- CMR
- NII Scanners
- Clearance in the sky



# Latest efforts by Pakistan Customs to tap the true transit trade potential

1. Quadrilateral Transit Trade Agreement was signed in 1995 by Ministry of Communication, the Rules for implementation of this agreement were not made till todate – the same are being prepared
2. Sea leg of for a TIR journey was not developed in WeBOC, realizing its utility the module for the same is being developed on fast track
3. Digital TIR is the paperless form of TIR regime, MoU has been signed with International Road Union for initiation of pilot of digital TIR
4. The WeBOC module for Uzbekistan Transit Trade was developed in record time of 4 months
5. The regime for Afghan Transit Trade has been eased out through elimination of compulsory examination and introduction of auto-assessment and Revolving Insurance Guarantee

Thanks