



AFGHANISTAN

AFGHANISTAN

Country Profile

Official Name:	Islamic Republic Of Afghanistan
Official Languages:	Pashto & Dari
Location:	South Asia and Central Asia
Area:	652,000 km2 (252,000 sq mi)
Population:	Approximately 31 million people
Capital:	Kabul
Currency:	Afghani
President:	Muhammad Ashraf Ghani
Parliament Members:	249

Afghanistan's Location



Neighboring Countries

It is bordered by Pakistan in the south and east; Iran in the west; Turkmenistan, Uzbekistan, and Tajikistan in the north; and China in the far northeast.

- Pakistan = 2,430 Km
- Tajikistan = 1,206 Km
- Iran = 936 Km
- Turkmenistan = 744 Km
- Uzbekistan = 137 Km
- China = 76 Km

It is the **41st** largest country in the world.

Afghanistan

**REGIONAL WORKSHOP ON OPPORTUNITIES AND CHALLENGES IN
USING EVIDENCE BASED TRADE POLICY FOR THE ACHIEVEMENT OF
SUSTAINABLE DEVELOPMENT GOALS**

15-17 June 2016

Thimpu, Bhutan

Trade – key to Economic Development

The vision for the Afghanistan Trade Policy (ATP) reflects a country's overall developmental goals of achieving a strong, balanced, inclusive and sustainable development.

The overall aim is to establish a market driven, development-led, sustainable trade policy capable of catalyzing expanded economic growth, increased employment and incomes, and reduced poverty to attain improved living standards for all Afghan people.

The ATP will encourage the internal and external competitiveness of Afghan goods and services in order to substantially expand trade and through trade contribute to economic growth. It will be fully consistent with the international rules such as established by the World Trade Organization (WTO) and with the Government's regional trade and transit commitments.

The areas of focus are enabling business environment, crossing border trade and creating new trade opportunities.

Successes: Trade Facilitation and -Policy

WTO Accession

- WTO Ministers formally approved the Accession Package of the Islamic Republic of Afghanistan at the WTO Tenth Ministerial Conference in Nairobi on 17 December 2015.
- The MoCI will complete the steps necessary for the country to realize the full benefits of WTO membership including legislative action plan and ratification of accession package from parliament in June, 2016.
- The membership in the WTO has the potential to significantly expand opportunities for Afghan exporters by granting access as a 'Most Favored Nation' to the markets of more than 162 countries.
- One immediate benefit of membership will be participation in the Working Groups for newly acceding countries, including three neighboring countries, (i.e., Iran, Turkmenistan and Uzbekistan).

Successes: Trade Facilitation and -Policy

- Bilateral ,regional trade and transit agreements are important to Afghan producers as they provide preferential access to new markets.
- MoCI continuously negotiating and implementing trade agreements such as SAFTA, SATIS, ECOTA, APTTA and prefferential trade agreement with India.
- The MoCI will seek to strengthen and expedite the implementation of these existing bilateral, regional and transit trade agreements of economic benefit to Afghanistan.

Successes: Trade Facilitation and -Policy

SAFTA

- MoCI will continue to negotiate to broaden the sensitive list of goods under the SAFTA, which could boost Afghan exports through privileged access to other SAFTA countries.
- This is important particularly for trade with Pakistan and India that are relatively protected markets (both with average tariffs over 12 percent) and which already account for over 60 percent of Afghan exports.
- Notification of non-tariff measures and para-tariff measures under SAFTA by SAARC member states.

Trade of Afganistan with SAFTA (million Afs)

	2010	2011	2012	2013	2014	2015
Import to SAFTA						
Pakistan	31,506	69,780	72,857	75,915	70,607	72,730
India	7,041	10,117	10,833	8,855	8,221	8,332
ROW	194,947	274,586	285,651	273,943	288,849	304,176
TOTAL:	233,494	354,484	369,341	358,713	367,676	385,238
Share of SAFTA	17%	23%	23%	24%	21%	21%

Export to SAFTA	2010	2011	2012	2013	2014	2015
Pakistan	1,559	2,730	3,650	6,163	8,419	9,847
India	2,412	2,815	4,045	4,295	7,333	9,595
ROW	2,455	4,078	3,818	7,400	8,618	7,263
TOTAL:	6,426	9,623	11,514	17,858	24,370	26,704
Share of SAFTA	62%	58%	67%	59%	65%	73%

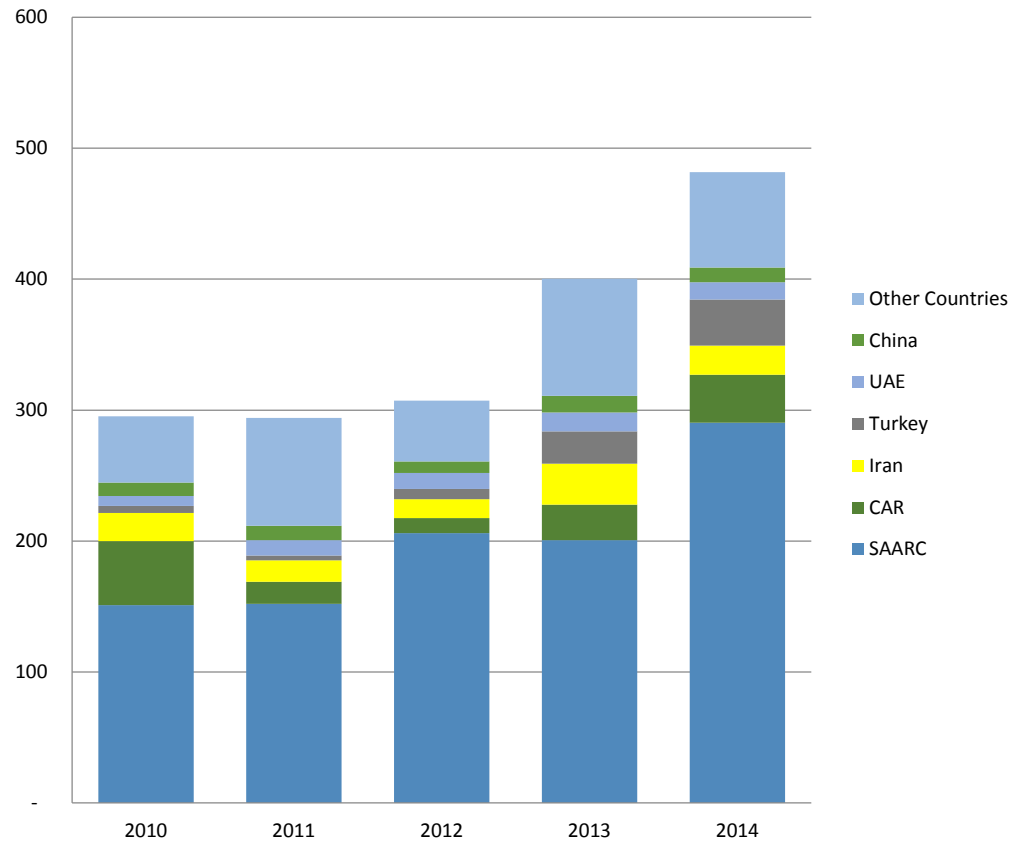
Summary on Imports by Countries and Regions

Table 1: Import to Afghanistan by countries/regions (mln USD)

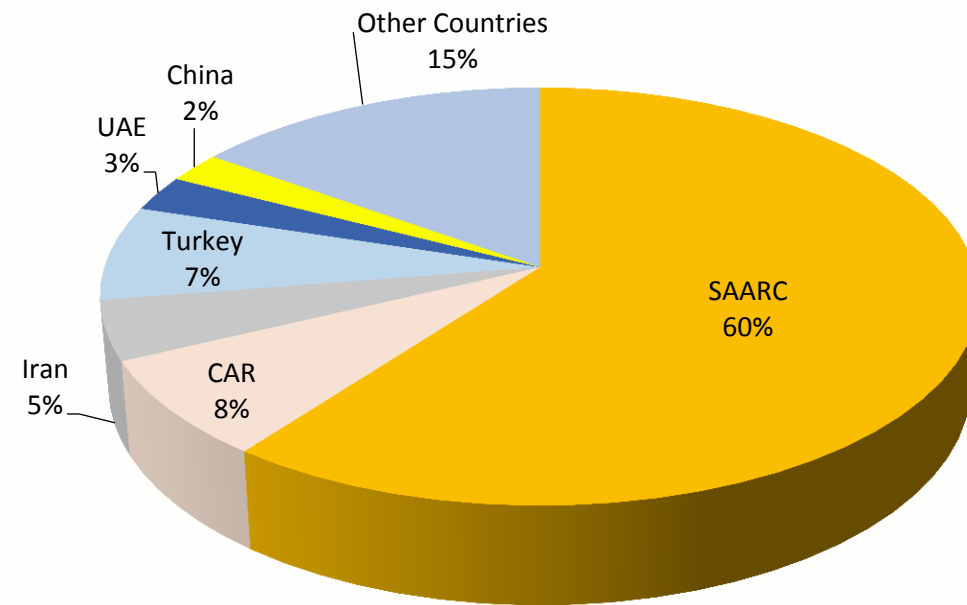
Country/Region	2010	2011	2012	2013	2014	Share	Increase
SAARC	964	1,711	1,649	1,533	1,379	22%	-10%
CAR	1,321	1,048	1,074	1,239	1,173	18%	-5%
China	316	769	1,120	1,003	912	14%	-9%
Iran	680	871	1,021	980	923	14%	-6%
Other Countries	2,625	3,175	2,392	1,696	2,018	32%	19%
TOTAL:	5,907	7,574	7,256	6,452	6,405	100%	-1%

Summary on Exports by Countries and Regions

Export from Afghanistan to region/countries (mln (USD))



Composition of Export in 2014



Successes: Trade Facilitation and -Policy

APTTA

- 1965 Agreement ATTA replaced by APTTA signed on Oct, 2010 and enforced on 12th June 2011.
- APTTCA established for the implementation of APTTA.
- Sixth meeting of APTTCA was held on February, 14-15, 2016 in Islamabad to further facilitate the transit trade.
- In revised APTTA will incorporate TIR elements.
- Draft text of amended APTTA sent to Pakistan
- APTTA will extend to regional countries.

Successes: Trade Facilitation and -Policy

Cha Bahar 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.

Successes: Trade Facilitation and -Policy

EDI with Pakistan and Tajikistan

- Coordination between customs departments.
- Through APCP a Technical Working Group was established in Jan, 2013.
- Operational since November, 2013 at Karachi-Torkham transit trade route.

Barriers to regional trade

- Tariff barriers to current trade and export diversification
- Non-tariff barriers, especially SPS
- Not full implementation of regional trade agreements.
- Delays in clearance of consignments
- Lack of harmonization and adequate communication
- Business visa issues.

Commitments to next steps

- Improving trade policies
- The MoCI will commence processes for facilitating business with China, including a transit agreement, and initiating negotiations for opening up transit routes with Turkmenistan and beyond.
- Implementation of TIR will further reduce the cost and time of transit goods
- Facilitating trade and transit
- Investing in infrastructure and connectivity
- Creating the right regional business environment
- Strengthening regional economic cooperation
- Accelerating WTO accession
- Implementing WTO commitments of Afghanistan

Ahmad Tariq Mateen
Head of Regional Trade Agreements
Ministry of Commerce and Industry
Kabul, Afghanistan

Ahmad.tariq07@gmail.com

&

Sayed Mujeeb Hashimi
Trade Expert
Ministry of Commerce and Industry
smhb87@gmail.com