INADEQUACIES IN AFGHANISTAN PAKISTAN TRANSIT TRADE AGREEMENT (APTTA): CHALLENGES AND OPPORTUNITIES



ABDUL BASIT KHAN 01-278191-001

A Thesis submitted in fulfilment of the requirement for the award of the degree of Masters in Philosophy "International and Maritime Law"

Department of Legal Studies

BAHRIA UNIVERSITY PAKISTAN ISLAMABAD

January 15th 2021

Approval for Examination

Scholar's Name: Abdul Basit Khan, Registration Number: 01-278191-001

Program of Study: L.L.M Intl & Maritime Law

Thesis Title: -

"Inadequacies in Afghanistan Pakistan Transit Trade Agreement (APTTA): Challenges and Opportunities"

It is to certify that the above scholar's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index 3% that is within the permissible limit set by the HEC for the M. Phil Degree Thesis. I have also found the thesis in a format recognized by the BU for the M.Phil.

Principal Supervisor's Signature:

Name: Miss Amara Aamir

Date: January 15, 2020

Author's Declaration

I, Abdul Basit Khan hereby state that my M.Phil. Thesis titled "Inadequacies in Afghanistan Pakistan Transit Trade Agreement (APTTA): Challenges and Opportunities" is my own work and has not been submitted previously by me for taking any degree from this university "Bahria University or anywhere else in the country/world. At any time if my statement is found to be incorrect even after my graduation, the University has the right to withdraw/cancel my M.Phil. degree.



Name of scholar: Abdul Basit Khan Signature of Scholar_____

Date: January 15, 2021

Plagiarism Undertaking

I, solemnly declare that research work presented in the thesis titled

"Inadequacies in Afghanistan Pakistan Transit Trade Agreement (APTTA):

Challenges and Opportunities" is solely my research work with no significant

contribution from any other person. Small contribution / help wherever taken has been

duly acknowledged and that complete thesis has been written by me.

I understand the zero-tolerance policy of the HEC and Bahria University towards

plagiarism. Therefore, I as an Author of the above titled thesis declare that no portion of

my thesis has been plagiarized and any material used as reference is properly referred /

cited.

I undertake that if I am found guilty of any formal plagiarism in the above titled thesis

even after award of PhD degree, the university reserves the right to withdraw / revoke my

PhD degree and that HEC and the University has the right to publish my name on the

HEC / University website on which names of scholars are placed who submitted

plagiarized thesis.

Scholar / Author's Sign:

Scholar / Author's Name:

Abdul Basit Khan

ACKNOWLEDEMENT

In research work and finalization of this thesis, I consistently remained in in touch with my teachers, researchers, academicians, customs & Afghan desk ministerial officials/staff and learned legal professional/ practitioners. They all have out rightly contributed towards my awareness, understanding, contemplation and thoughtfulness, which is highly commendable. In particular, I wish to express my earnest appreciation and gratitude to the most respected, dedicated, very competent and kind teacher Miss Amara Aamir my thesis supervisor, for her encouragement at each step, timely guidance, constructive criticism and corrections. I am also extremely thankful to the Post Graduate Coordinator Dr. Tauseef Iqbal and most valuable & devoted factuality members; Mr. Adnan Khan, Nisar. A. Mujahid, Commodore Dr Syed M.A.H Gardezi, Department Head Madam Malieka Farah Deeba and her Management team for affording me this prime opportunity of seeking knowledge through most valued guidance & assistance. I too, intensely thanks to my office colleagues and friends for their support and all-out accommodativeness. I am sure that without the continued support and sparkling interest of all above mentioned persons, the thesis would not have been the same as presented here. The Bahira University concerned management, staff and my post graduate class fellows also deserve special thankfulness and regards for their whole-time aid, reassurance and respect, which too is venerable. My sincere appreciation also extends to all my contemporaries who have assisted me at various occasions in many contexts related to my research work; Indeed, their esteemed views and tips were very useful and admirable. There might be others as well but, it is not possible to pin down each name in this limited space, however their sincere contributions are priceless and cherished. I shall not forget to mention my family members unconditional support, inspiration and patience to bear my untimely obligations, especially my daughter Dr Aaizah Basit Khan who remained concerned throughout for proof reading and about my rest & health, similarly my solemn indebtedness and special thanks to my spouse Dr Samina Basit Khan for her immense consideration, great tolerance, nonstop motivation and continuous backing.

Afford -

Jazak-Allah.

ABBRIVATIONS AND ACRONYMS

ADB Asian Development Bank

ADRS Alternate Dispute Resolution Services

AO Appraisal Officer

APTTA Afghanistan Pakistan Transit Trade Agreement

APTTCA Afghanistan Pakistan Transit Trade Coordination Authority

ASEAN Association of South East Asian Nations

ASYCUDA Automated System for Computer Data

ATTA Afghan Transit Trade Agreement

BIMSTEC Bengal Initiative for Multi Sectoral Technical Economic

Cooperation

CAR Central Asian Republic

CASs Central Asian States

CPEC China Pakistan Economic Corridor

CTD Customs transit Declarations

EBRD European Bank for Reconstruction and Development

ECAFE Economic Commission for Asia & Far East

ECO Economic Cooperation Organization

EU European Union

FDI Foreign Direct Investment

GATT General Agreement on Trade and Tariff

GDP Gross Domestic Product

GSM Global System for Mobile Communication

HIM Human Machine Interface

ICRIER Indian Council for Research on International Economic Relations

IRTU International Road Transport Unit

ISEASC Institute of South East Asia Study Center

IMF International Monetary Fund

IRTU International Road Transport Unit

LAN Local Area Net Work

L/C Letter of Credit

LPI Logistics Performance Index

NLC National Logistics Cell

NTT&FC National Trade Transportation Facilitation Committee

NTM Non-Tariff Measures

NRVA National Risk Vulnerability Assessment

ORF Observers Research Foundation

PAJBC Pakistan Afghanistan Joint Business Council

PAJCCI Pakistan Afghanistan Joint Chamber of Commerce & Industry

PBC Pakistan Business Council

PCD Pakistan Customs Department

PCIJ Permanent Court of International Justice

PLC Programmable logical Controller

PTA Preferential Trade Agreement

RKC Revised Kyoto Convention

SA /SEA South Asia / South East Asia

SADC Service Data Access Component

SAFTA South Asian Free Trade Area

SBLC Stand by Letter of Credit

SCP Supreme Court of Pakistan

SCADA Supervisory Control and Dada Accusation

SEA South East Asia

SOLAS Safety of Life at Sea (International Convention)

TIR International Transport

UNCLOS United Nations Convention on Law of the Sea

UNCTAD United Nations Conference on Trade & Development

UNESC United Nations Economic & Social Commission

UNDP United Nations Development Program

UNODC United Nations Organization

WAN Wide Area Net Work

WTO World Trade Organization

ABSTRACT

The research intends to evaluate inadequacies of Afghan Transit Trade (ATTA) in general and Afghanistan Pakistan Transit Trade (PTTA) in particular to ascertain opportunities & challenges to formulate legal resolve for reciprocal Pakistan trade with CASs across Afghanistan. The trade with Afghanistan is imperative for Pakistan due to Pakistan's strategic and geographical key position in the region and Afghanistan immediate neighbor as gateway to CASs. Unfortunately, due to dubious regional politics, economic uncertainty, Durand line issues, Indian hegemonic influence and US interference, diplomatic relations remained poor since 1961. In 1965 both the countries entered into a trade agreement (ATTA), promoting Afghan trade granting access to the sea ports of Pakistan under international convention. Pakistan also desired to extend trade to the CASs but Soviet-Afghan War adversely affected Afghan's economy, geopolitics in 1980s, the post 9/11 and NATO supplies further worsened the situation. In July 2010, under supervision of US Secretary Hillary Clinton transit trade pact of 1965 was revised as APTTA, signed in October 2010. Afghan trucks were allowed inside Pakistan up to Wagah border. Pakistan was permitted access through Afghanistan to Iran via Islam Qila & Zarani, Uzbekistan via Haraitn, Tajikistan via Ali Khanum/Sher Khan, Turkmenistan via Aqina and Torghandi crossings. Pakistani goods were to enter Afghanistan via Torkham, Ghulam Khan & Chaman border crossings¹ but that never flourished owing to border exigencies, increased smuggling/ terrorist activities. Correspondingly, Afghanistan did not extend reciprocal trade rights to Pakistan. On 23 October 2017 the Afghanistan President Ashraf Ghani unilaterally announced expiration of APTTA^{2:} thus it unlocks the door to necessitate sorting inadequacies in vogue with suggested remedial measures and proposed legal structure to afforded reciprocal trade openings for Pakistan.

Key Words: Afghanistan, Pakistan, ATTA, APTTA, Inadequacies, Challenges, Remedial Measures, Legal Frame, CASs, Reciprocal and Legal Structure.

¹ "Analysis of Afghanistan Pakistan Transit Trade Agreement (APTTA)" (PDF). USAID.gov. USAID. P- 4. 7 March 2016.

² Afghan president bans Pakistani trucks from entering Afghanistan (Ghani Bans Pakistani Trucks from Entering Afghanistan) TOLO news reported 23 October 2017.

TABLE OF CONTENTS

TIT	LE		PAG			
Title	e Page		i			
App	Approval for Examination					
Autl	hor's l	Declaration	iii			
Plag	giarisn	ı Undertaking	iv			
Ack	nowle	edgement	\mathbf{v}			
Abb	reviat	ions and Acronyms	vi-v			
Abs	tract .		ix			
Tab	le of C	Contents	iix			
Rese	earch	Statement	1			
Intro	oducti	on	2-3			
Hist	orical	Background	4-5			
Lite	rature	Review	6-9			
Obje	ective	of the Research and Research Questions	10			
Rese	earch	Methodology	11			
1.	PAKISTAN AND AFGHANISTAN'S REGIONAL STATUS					
	1.1.	Overview of APTTA and Pakistan's Geo-Strategic Position	13-			
	1.2.	Indian Diplomacy/Hegemony-Impact on APTTA	15-			
	1.3.	Afghanistan's Internal Instability & Stance on Pakistan's Trade Access to	18-2			
		CASs				
2.	A NI	EED FOR REVISED LEGAL STRUCTURE FOR APTTA	20-4			
	2.1.	Global Legal Status of Landlocked States; Especially, Afghan's Right of	22-2			
		Access to the Sea				
	2.2.	APTTA Prospects under Transit Trade Convention 1965 &UNCLOS-III 1982.	25-2			
	2.3.	Legal Framework Reference Cases	27-4			
3.	ANA	LYSIS OF ATTA & APPTTA CONTENTS AND CHALLENGES IN	50-0			
	IMPLEMENTATION OF APTTA					
	3.1.	Analysis of ATTA & APTA	50-5			
	3.2.	Inadequacies/ Challenges effecting Implementation of APTTA	55-			
	3.3.	The Essential Bilateral Measures to be Adopted as per World Practice	59-0			
	3.4	The Practical Discrepancies	62-6			
	3.5	Legal Reference Cases	64-6			
1.	REM	MEDIAL MEASURES AND PROSPECTIVE LEGAL RESTRUCTURING	66-			
	OF APTTA					
	4.1.	Remedies Measures	66			
	4.2.	Remedies and Preventive Measures of APTTA	67-0			
	4.3.	Modern Supervisory and Monitoring Techniques	70-			
	4.4.	Settled Customs Regulations to be Followed	71-			
	4.5.	Recommendations for proposed Legal Structure of APTTA	74-			
5.	CONCLUSION AND RECOMMENDATIONS					
	5.1.	Conclusions	79-8 79-8			
	5.2.	Recommendations	81-8			
	5.3.	Recommendations for Future Research.	83-			
6	RIRI	LIOGRAPHY	iiix-			