



RESEARCH PAPER

**Transit Trade Agreements between Afghanistan and Pakistan: A
Comparative Study of 1965 and 2010**

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ABSTRACT

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Afghanistan and Pakistan has signed two transit agreements in 1965 and 2010 respectively. These agreements were signed to facilitate Afghanistan with transit facilities and access to seaports for trading purposes. As trade always play a positive role to build peace and harmony between different countries, and can be used as an effective tool in developing progressive bilateral relations. No doubt, both Afghanistan and Pakistan have historical background of difficult relations but cultural, political and economic interdependence is an undeniable fact. Historically, Afghanistan had been using this route for trade but emergence of Pakistan as an independent state had a negative impact on transit trade for Afghanistan. There were number of issues which were responsible for deterioration and conflict between the two neighboring countries. Pakhtunistan and Durand Line were the major issues of bone of contention among them. Later, both the countries signed Afghan Transit Trade Agreement in 1965 to formalize transit and trade related issues. This study is actually a review of transit trade agreement signed in 1965 and Afghanistan Pakistan Transit Trade Agreement signed in 2010. This study is also a comparative analysis of both the agreements signed for resolving transit trade related issues

Introduction

Afghanistan and Pakistan are neighbors and major trading partners for more than seventy years. They have 2240 km of common bordered namely Durand Line. This border was drawn on 12th November 1893 through an agreement signed between Amir of Afghanistan, Abdul Rehman and Sir Mortimer Durand, the British representative. This border between Afghanistan and Pakistan is still

remembered after the name of Mr. Mortimer Durand (Warikoo, 2002). Afghanistan is geographically located at the cross road between Central Asia and South Asia, and it is a landlocked state surrounded by six important countries. So, Afghanistan needs access to a seaport for its foreign trade and Pakistan needs a land route to Central Asia. The first written Transit Trade treaty, known as the Afghan Transit Trade Agreement (ATTA) was signed on 2nd March 1965 (Sultana, 2011). Under that treaty both the countries made some efforts to enhance their trade and provided Afghanistan land access to the seaport for the purpose of trade.

The second Afghanistan and Pakistan Transit Trade Agreement (also known as APTTA) had been signed on 28th October, 2010 (Sultana, 2011). Both the Governments signed this agreement as the contracting parties for strengthening their economic ties on the basis of mutual benefits. They recognized the right of Afghanistan to access to sea-ports of Pakistan as an essential principle for the expansion of its international trade and economic development whereas Pakistan will get access to the North-South Corridor for trading with Central Asian States. They committed to ensure a smooth, fast and proficient shifting of goods and vehicles through their lands. They also recalled the doctrine articulated in the Convention on High Seas in 1958 (Convention on the High Seas, 1958) and the Economic Cooperation Organization Transit Transport Framework Agreement signed in Almaty in 1998 (United Nations ESCAP, 2014). They also adopted rules of World Trade Organization (WTO) while finalizing this agreement. Moreover, they decided to cooperate with each other under Article No. V of the General Agreement on Tariff and Trade (GATT) signed in 1994, read as "Freedom of Transit" (Thapa, 2010). In addition, both the countries considered that ATTA of 1965 has failed to accomplish the prevailing economic demands and the new international transit requirements. Therefore, they acknowledged a new and effective trade settlement for the two countries (APTTA, 2010).

Geo-Strategic Importance of Afghanistan

Afghanistan is a landlocked country having a population divided on the basis of ethnicity including Pakhtuns, Tajiks, Uzbeks, Hazaras, Turkmens and Nuristanis (Farooq, 2006, p. 79). It has a common border in the south and east with Pakistan namely the Durand Line, whereas Iran is situated in its southwest. In its north, there are three states namely Uzbekistan, Turkmenistan and Tajikistan while China is located in the far Northeast.

It is worth mentioning here that the United Nations General Assembly passed a resolution on 21st February 1957 regarding "the question of open access to the sea for landlocked states". In pursuance to this resolution, the Fifth Committee of this First Conference began its consideration of the special problems of landlocked countries. On 24th February 1958, a conference was held by the UNO on the subject of "The Law of Sea" and at the end of this conference, the UNO established the rules for international law (Convention on the High Seas, 1958). The Article No. 3 and its sub-section (1) deal with "Convention on High Seas 1958" elaborates that

states having no sea coast would get equal rights and freedom for international transit trade with sea coastal states. Such states situated far from sea coast and states that have sea coast would make agreement in conformity of international accord.

1. To the State having no sea coast, on a basis of reciprocity, free transit through their territory; and
2. To ships flying the flag of that State treatment equal to that accorded to their own ships, or to the ships of any other States, as regards access to seaports and the use of such ports.(Convention on the High Seas, 1958)

According to Convention on High Seas of 1958, Pakistan has to offer its territory to the government of Afghanistan being landlocked country(Convention on the High Seas, 1958), and as per Chapter No. 13 of "Custom Act 1969 and Transit Trade" titled "Transshipments" Sections No. 121, 122, 124 and 125, clearly revealed that all foreign transshipments of goods imported to any landlocked country are exempted from any kind of customs duty, withholding tax, sales tax, or advance tax(Convention on the High Seas, 1958).In addition, as per GATT(1994), the Article V is related to "The Freedom of Transit" goods and other supplies would have freedom of transit through the territory of contracting parties. The Government of Pakistan was lawfully bound to grant access of its seaports to Afghanistan according to the regulations of WTO. It was not a favour but an obligation to do so under international law (Nuri, 2012).

On 11th May 1998, the Fifth meeting of the Economic Cooperation Organization (ECO) was held in Almaty, Kazakhstan. The meeting was chaired by President of the Republic of Kazakhstan, Mr. NursultanNazarbayev. In that summit, the Prime Minister of Pakistan and the then President of the Islamic State of Afghanistan were also present. The different Heads of States discussed the significance of regional and global harmony with the view to resolve the socio-economic problems of the people of ECO region(United Nations ESCAP, 2014).

All above cited conventions and laws revealed that both the countries have to oblige each other in terms of international rules. No doubt that regional cooperation and trade play significant role in the economic richness. The example in this regard can be found in the structure of Association of South East Asian Nations (ASEAN). Trade is considered the most imperative element to make optimistic relations with other nations. No documented accord had been signed between the two governments till 1965. People were allowed to do transit trade freely without anyrestriction but restricted goods were highly prohibited. It was essential for both thecountries to make a written contract to enhance their trade capacity. Moreover, any written agreement could bring more sophisticated ways of transit trade. It could generate more revenues and employment opportunities to large unemployed population of both the countries. Furthermore, informal trade

could also be controlled by applying proper check and balance and consecutive surveillance of border crossing points.

The first initiative to legalize and codify all the necessary provisions to support the mutual trade was occurred in 1965 when both the countries signed a bilateral treaty to facilitate each other. This treaty acknowledged that the government of Afghanistan would get right and freedom to access to Karachi sea port. This agreement was signed in March 1965 in Kabul, the capital of Afghanistan (Sultana, 2011).

Another treaty Afghanistan Pakistan Transit Trade Agreement was signed in 2010 which consists of fifteen articles and two annexes. This treaty was formulated to meet the demands of 21st century and to deal with sea ports, different routes, means of transportation and customs transit procedures.

Afghanistan Transit Trade Agreement (ATTA-1965)

Afghanistan and Pakistan decided to enhance their bilateral trade and desired to strengthen their socio-economic ties in 1963 after the removal of Prime Minister Daud by King Zahir Shah (S.M. Burke, 1990). They wanted to remove the prevailing obstacles in the movement of goods and supplies through their respective territories. An agreement was concluded for this purpose by Mr. Wahid Zaman and Mr. Sarwar Umar, the then Commerce Ministers of Afghanistan and Pakistan. They exchanged their official positions in good faith and signed this accord on 2nd March 1965 (Choudhry, 2004). This accord also played an important role to provide trade opportunities to impoverished Pakhtun tribal areas by engaging them in trade and service related economic activities.

Brief Summary of (ATTA-1965)

The first article describes the freedom of transit to and from the territories of contracting parties. The second article covers the means of transportation. The third article focuses on the transit routes. The fourth article describes about customs duty and other taxes whether provincial or national. The fifth article provides that the government of Pakistan would provide space and shelter for goods at sea ports to Afghan traders. The sixth article is about the extension of railway. As per seventh article, Pakistan shall fulfill all requirements for transit traffic. Under eighth article, each party would employ liaison officer for proper implementation of this accord. According to article nine, the parties would consider most suitable dues for transportation like railway etc. Article ten prevents the adoption and enforcement of measures against health. In article eleven it was ensured that both the countries would establish consulates to review the operatives. As per article twelfth arbitrator accepted by both the parties, would be appointed in case of dispute. In article thirteen it was clearly mentioned that this treaty would not be affected by the political relations of the two countries. The

articles fourteen and fifteen describe about enforcement of Agreement, its termination and about its languages. (Yaseen, et. al, 2016)

According to this agreement both the countries made efforts to enhance their trade industry but with the passage of time it could not bring more positive results despite Afghan goods were transferred through Karachi port and they were exempted from any Pakistani duties and taxes. In addition, rail or other transportation charges were kept on the same scale as they were being charged inside Pakistan (Hussain, 2002)

After the implementation of ATTA, several developments were made in various fields like transportation, more heavy duty and open trucks were included, communication has been improved, new and improved logistics methodology was introduced, customs operatives were modified and security situation was enhanced. In nutshell, the 1965 treaty was renegotiated by the Ministry of Commerce and Trade of both the countries. Moreover, the government of Pakistan had desired of safe transportation of its goods to Central Asian States (PILDAT, 2012).

Afghanistan Pakistan Transit Trade Agreement 2010

Actually the Afghanistan Transit Trade Agreement (1965) was signed to facilitate transit trade but many Pakistani businessmen and traders had reservations regarding informal and unauthorized trade that was more detrimental to the domestic entrepreneurs and incurred huge loss of revenues to the country. Moreover, Pakistan was interested to develop its trade relations with the Central Asian Republics (CARs) through Afghanistan. As the CARs achieved independence from Moscow, the Government of Pakistan showed amicable inclination to develop trade with them. The US invasion of Afghanistan in October 2001 and its allied forces resulted in the increased demand of food, equipments, clothing, vehicles, arms and ammunition to survive. The US unforeseen interest in this regard had more importance in formulating the APTTA-2010 agreement for supplies of its armed forces in Afghanistan. All above mentioned factors were involved in convincing the government of Pakistan to settle a new transit treaty with Afghanistan. On the other side, the government of Afghanistan was also interested to upgrade the prevailing treaty i.e. ATTA 1965 due to its growing requirements of import and export through seaports of Pakistan. The government of Afghanistan had also desire to get its access to Indian market through Pakistan territory whereas ATTA-1965 agreement did not allow Afghani traders for trading with India through Pakistan's land routes. Consequently, the government of Pakistan granted permission to Afghanistan for exporting its fresh fruits and vegetables to India through the Wagah border by a new Agreement. It is important to put on record that the government of Pakistan did not grant any permission to Indian traders to export their supplies to Afghanistan through the territory of Pakistan.

The dawn of 2008 brought fruitful circumstances and the representatives of both the countries met in connection to re-negotiate a fresh transit trade agreement. Delegations were sent draft minutes for the next bilateral treaty by the Government of Afghanistan in November 2008 and the Ministry of Commerce, Pakistan obtained a mandate from Cabinet in March 2009 for revamping transit trade with Afghanistan (Ministry of Commerce, 2011). Necessary assistance was also sought from World Bank's experts for this purpose. Moreover, manuscript formation of new accord was based on the provisions of World Custom Organization as well as Revised Kyoto Convention. This resulted into signing of another accord Afghanistan Pakistan Transit Trade Agreement 2010 in October 2010.

The chief participants on that juncture were the then Prime Minister of Pakistan, Mr. Yousuf Raza Gilani, the Afghan President, Mr. Hamid Karzai and the US Secretary of State, Ms. Hillary Clinton. Both the countries recognized that the government of Afghanistan would get freedom to use sea ports of Pakistan for international trade. The government of Pakistan would also get freedom of access for its trade with Central Asian Countries. In its objectives, it was also pin pointed that India would be included in this scheme of affairs in near future (Abbasi, 2010).

It is pertinent to mention here that after signing this treaty the final operation and working on the same could not take place at once because several reservations from both the sides were prevailing which need to be re-addressed. Later on, in 2011 Afghan delegation headed by Commerce Minister arrived and met with his counterpart in Pakistan. The government high ranked officials from both sides took decisive measures and came to conclusive objectives by resolving issues of conflict and disagreements. The salient features are mentioned below:

1. The amount of bank guarantee has been reduced by both the neighbors.
2. The Insurance Companies were taken into confidence.
3. It has been decided that any financial security charged by the government of Pakistan on Afghani traders who export their goods to India would be waved off.
4. On the other hand, any financial security or guarantee on Pakistan's exports through Afghan territory to Central Asian Republics will not be charged.

Almost two years passed before concluding this new treaty and finally it became operational in June 2011. This fresh and amended agreement consists of thirteen Sections divided into 48 articles. Moreover, it has two annexes and four protocols. These protocols are most important part of the agreement and both the contracting parties are legally bound to comply with them (USAID, 2014).

Brief Summary of APTTA - 2010

First section of this agreement consists of articles one and two describing the main idea and facilities regarding movement of goods through their respective lands of contracting parties. In second section, the third article highlights the freedom of transit trade on particular routes. In the third section, articles four and five focuses on the designation of transit transport corridors and the routes which have been narrated in Annexure-1 of this pact. Section four encircles article six that is related to services and infrastructure. The fifth section consists of articles seven to fourteen. These articles tell us about the designation of maritime ports, means of transportation, transporters license, rights of roads traffic etc. The section sixth starts from article fifteenth and ends at twentieth. These articles solve the questions of road cargo, driving license, technical prerequisites for vehicles, assessment certificates, entry and exit permits. Next section i.e. seventh includes articles twenty one to twenty seven. These articles deal with shipment inspection. The shipment shall adopt national and international rules. Moreover, perishable goods would be delivered speedily and arms and narcotic drugs would be restricted. Furthermore, any inspection of shipment will be done if any irregularity is found. The section eighth contains articles twenty eight and twenty nine that provide specification of related documentation and methodology of transit. Ninth section has articles thirty to thirty three that solves the problems of custom duty, levy and charges, settlement and payment system. Section ten has articles thirty four to thirty eight which gives the right to establish Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA). Such authority would monitor the successful implementation of this pact. Eleventh section comprises of articles from thirty nine to forty nine. Under these articles appropriate mechanism would be made to settle any arising dispute. Last two sections have articles from fifty to fifty eight which tender the right to amend any clause or article as per requirement. Besides this it also specifies that APTTA-2010 will come in force for the period of five years and would be renewed (APTTA, 2010).

Entry and Exit points under APTTA-2010

The Annex 1 deals with the International Transit Transport Corridors and Ports of Entry and Exit. This Agreement provides permission to Pakistani traders to export their goods to all such countries that have borders with Afghanistan. Routes names and maps are being produced while showing the entry and exit points in Afghanistan:

- To Iran by using Zaranj and Islam Qila
- To Turkmenistan by using Torghundi and Aqina
- To Uzbekistan by using Hairatan
- To Tajikistan by using Sher Khan Bandar and Ali Khanum

In this new treaty, three seaport entry points of Pakistan namely Karachi Port, Qasim Port and Gwadar Port were allowed to use for transit trade. The Agreement also provides more routes to Afghani transporters to transit their goods. In ATTA only Chaman-Spin Boldak and Peshawar-Torkham were permitted, whereas in this new treaty APTTA-2010, Ghulam Khan situated in FATA region was also added.

Moreover, as per article five of the Annex-1 dealing with “Designation of Transit Transport Routes”, several new routes were designed and added for transportation of goods from Pakistan to Afghanistan.

The second Annex of this pact has been divided in four protocols and according to these protocols international standard for carriage would be assumed. Beside this, mechanism for temporary entrance of vehicle from and to respective territories, custom management system, the control of restricted chemicals as well as such substance which are used in the illicit manufacture of narcotic drugs etc would be made.

The Main Objectives of APTTA-2010

Each and every treaty is signed to achieve some benefits and of course Afghanistan Pakistan Transit Trade Agreement-2010 has numerous objectives and benefits. A detailed study of this agreement revealed that this accord was signed to safeguard the strategic interests of two countries. This agreement provided more revenue to the states and smooth transportation and documentation procedure. It also specifies entry and exit points for both the countries. It ensures compliance of International Protocols by which Pakistan obliged Afghanistan a land lock country to access seaports of Karachi and Gwadar. It also safeguards the interest of Pakistan’s business community because goods which were imported by the Afghani traders often smuggled back to Pakistani market. Due to that problem, domestic producers within Pakistan territory face unbearable loss in the form of low prices of the commodities. This agreement also discourages smuggling by the use of modern technology and tracking system controlled by the government officials. This treaty also ensures optimum revenue to national exchequer. In last five years, the government of Pakistan was able to generate more revenues through this international transit trade agreement. It provides guarantee of smooth flow of goods on specified routes.

Unauthorized Trade and Security Provision

Without any shadow of doubt, the government of Pakistan had severe concerns regarding unauthorized trade and security provisions. This agreement has such provisions that address and solve the conundrum of unauthorized trade and business. As per APTTA, five security echelons were made to control illegal trade (USAID Project, 2014). These security measures are mentioned below:

- Insurance Guarantees
- Bonded Carrier license
- Container security deposit
- Bank Guarantee for vehicles
- Tracking devices

Insurance Guarantees

In context of security risk, both the parties decided to get insurance guarantee from banks for their goods transportation. The article 19 of APTTA deal with 'third party vehicle insurance scheme' explains that vehicles while transporting goods from one place to other in the territory of contracting parties would be insured by a third party like banks or insurance companies. Both the states would ensure and take all necessary steps to secure moving cargos. In case of theft or lost or any unwarranted incident, the liability would be fixed by third party who has provided guarantee (APTTA, 2010).

It is important to note that financial security was established to safeguard customs and taxes. That was an important provision added in APTTA to curb illegal trade. Under APTTA-2010, the contracting parties started to accept financial guarantees that were liable to duties and taxes. The security amount is collected by the respective customs authorities (USAID Project, 2014).

Bonded Carrier License and Container Security Deposit

According to the Transit Trade Rules, if a transporter has a fleet of 25 registered vehicles, he would be eligible for valid license. Likewise, these vehicles would be registered under Companies Ordinance of 1984, with membership of the concerned Chamber of Commerce and Industry and the transporters would get National Tax Number under section 181 of Income Tax Ordinance 2001, read as "National Tax Number Certificate". After completion of above mentioned requirements, licenses would be issued against the security of fifteen million rupees and insurance guarantee from an insurance company (USAID Project, 2014).

Custom Security under APTTA-2010 Rules

According to rule 619 of Afghan Pakistan Transit Rules, the Afghani importers of goods would furnish customs security in form of insurance guarantee. This insurance guarantee would be applicable or valid for one year and would be en-cashable in Pakistan. This insurance guarantee would be determined by the Appraising Officer (AO) and the Principal Appraiser (PA) of the office of departure. In case transport units are registered in Afghanistan, a bank guarantee would be lodged (USAID Project, 2014).

Bank Guarantee for Vehicles

The article 14 of Protocol Two titled “Temporary Admission of Vehicles for Commercial use” of APTTA-2010 deal with “Bank Guarantee / Revolving Guarantee” tells that the Contracting parties would issue Temporary Admission Document through an authorized department. Host country would accept Temporary Admission Document thereon the transporter has paid bank guarantee(APTTA, 2010).

It is also noticeable that the Afghan Pakistan Transit Trade Agreement (2010) protects custom duties on the shipments. Both the contracting parties have to furnish bank guarantees for transport units but in its third meeting held in Islamabad on 11th October, 2012, the APTTCA authorities from both sides had decided that Afghan Ministry of Communication would provide guarantee for transport units because different banks in Afghanistan are reluctant to furnish guarantee (USAID Project, 2014).

Tracking System

The article 13 of Protocol One titled “International Carriage by Road of Goods and Baggage in Transit” of APTTA 2010 deals with ‘vehicle tracking system’ explains that both countries would allow only those transporters who had installed a tracking system on their vehicles(APTTA, 2010). Through this tracking system vehicles would be tracked by the contracting parties in their respective countries. Subsequently, the APTTA 2010 enforces the use of tracking systems for vehicles to observe the movement of vehicles. During the survey it has been observed that if tracking system is implemented in true letter and spirit, the unauthorized trade can be controlled and monitor easily. Moreover, both the contracting parties can generate more revenues if the prevailing problem of unauthorized trade is urgently solved.

Afghanistan Pakistan Transit Trade Coordination Authority

The article thirty four of Section X deals with the ‘Establishment of Afghan Pakistan Transit Trade Coordination Authority’ also included in this new treaty. This authority would ensure uniform interpretation and application of this treaty, monitor unauthorized trade, resolve disputes, facilitate and implement this pact in letter and spirit. This authority would meet once in every six months and would be co-chaired by the Deputy Minister for Commerce & Industry of Afghanistan and the Secretary of Commerce of Pakistan(APTTA, 2010).

Major Differences between 1965 and 2010 Treaties

Following are the major differences in both the transit treaties signed between Afghanistan and Pakistan:

a) Afghanistan Transit Trade Agreement 1965

1. In ATTA 1965, no provision was included for Pakistani traders to export goods to CARs.
2. No transit trade routes have been specified in ATTA-1965.
3. Afghani traders were not allowed for trading with India via Wagah border.
4. Only Pakistani trucks were allowed for shipments but later on Pakistani Railways was admitted for transit.
5. The two seaport entry points were demarcated namely Karachi Port and Port Qasim.
6. Afghanistan had not right to access to China by Pakistani authorities.
7. Torkham in KPK and Chaman in Balochistan were included for transportation to Afghanistan.

b). Afghanistan-Pakistan Transit Trade Agreement-2010

1. In this new agreement a Comprehensive provision has been included for Pakistani exports to CARs.
2. Specific routes have been drawn from Afghanistan to CARs.
3. In this new treaty, Afghani exports were allowed for trading with India via Wagah. Therefore, Indian exports were not permitted to export their goods to Afghanistan.
4. Afghanistan transportation companies were allowed to carry Afghan goods.
5. In this new treaty one more seaport entry point was included that is Gwadar Port.
6. The right of entry to China was also included by using Sost and Tashkurgan border.
7. An additional crossing point namely Ghulam Khan in FATA region has been determined as a new cross border point.

The Significance of the APTTA-2010 to Afghanistan

During survey, it has been established by a number of traders, businessmen and experts that effective implementation of the APTTA 2010 is more beneficial for the government of Afghanistan as well as its importers and exporters. As per survey, many goods from Afghanistan are exported to India by using territory of Pakistan and it can be anticipated that trade volume of Afghan exports to India is going to rise day by day which is more beneficial for the economics of Afghanistan.

In fact, the government of Afghanistan has deep desire to formulate amicable relations with its neighboring countries. As per Ishrat Husain, significant developments have been taken place in Afghanistan in the past few months that require fresh thinking and a review of the relationship between Afghanistan and Pakistan. Mr. Ashraf Ghani, the current President of Afghanistan enjoys excellent credentials and is committed to the economic development of his country. He further highlights that the leadership has been engaged in a highly constructive, candid and mutually rewarding dialogue with Pakistan setting aside the confrontational role of the previous government. Moreover, Afghanistan and Pakistan have agreed to work together to eliminate militant groups responsible for terrorist activities and that have been using the 'other' country as a safe haven for their activities (Ishrat, 2015).

The National Development Strategy Department in Afghanistan has also issued country's main concerns like increasing the participation of Afghan leadership in the regional initiatives which could help in the development of socio-economic position of the country. This authority has decided to share natural resources with neighboring states. Besides these steps, this authority has also focused on better border management so that illegal trade can be decreased and trafficking of drugs and weapons can be controlled. Afghan government has understood the importance of Pakistan and identifies that without help of its neighbor, it cannot achieve its goals in line with security and economic.

It is pertinent to mention here that APTTA 2010 facilitates traders of Afghanistan to export their goods to India. As per article three of Annex-1, titled "International Transit Transport Corridors and Ports of Entry and Exit" of this agreement deal with "designation of transit transport corridors", it has been explained that contracting parties would adopt an International Transportation System namely Transport Internationaux Routiers (TIR). According to this system, the passage of traffic either by road, rail or air, both the states would agree to follow the terms and conditions as envisaged by TIR system. On implementation of TIR system, transit trade between Afghanistan and India would be more favorable to Afghani exporters (APTTA, 2010).

It is diaphanous for all stake holders that APTTA 2010 certainly provides massive potential to increase socio-economic indicators of Afghanistan. Afghanistan's mineral resources have great importance in Indian market. Indo-

Afghan commerce could generate revenue for the Afghan government and could promote stability by generating employment.

According to the Asian Development Bank statistics, India has been one of the most important exporting destinations for Afghan products. TIR system would provide another opportunity to Afghani traders to export fresh fruits, dry fruits, carpets and precious marble to Indian market by using territory of Pakistan. Through APTTA 2010, Afghani exporters were allowed to transfer many perishable goods in open vehicles (Zyck, 2011).

As per available documentation, it is important to put on record that Afghani agriculture sector has most significance to other foreign states as well as India. To enhance its mutual trade, India has established its new office with the name of "India Fresh Fruit Trade Office" in Afghanistan. This act was also admired by the United States Agency for International Development. Now, Indian importers are purchasing huge quantity of different fruits including dry fruits from Afghani exporters (Zyck, 2011).

The Significance of the APTTA-2010 to Pakistan

Pakistan as contracting party also got many advantages on the implementation of APTTA 2010. In this new treaty several provisions have been added to solve the question of unauthorized trade and smuggling. This agreement boosted regional trade and socio-economy of Pakistan. Interestingly on the implementation of APTTA 2010 many local businessmen and producers raised their grievances regarding terrible effects of this treaty but after its implementation a number of people got massive benefits. As the government of Afghanistan was permitted to use its own transportation to carry goods from Afghanistan to Karachi and Wagah Border to India; many people in Pakistan provided them travelling facilities like fuel and maintenance of vehicles, hotel, food and many more. This has generated enormous profits for the people of Pakistan and it also enhanced economy of the country. This agreement has also many other provisions to control and minimize illegal and unauthorized trade which is most vital for the government of Pakistan.

It has been further reported that Pakistan will sell abroad its commodities to Central Asian Countries by using Afghanistan territory. Although in its preambles, both the contracting parties have recognized the significance of North-South passage for Pakistan. At this moment, the total export of Pakistan to Central Asia is inadequate but this term has optimistic impacts for Pakistan's economy. In this way, the government of Pakistan can use the land of Afghanistan for the promotion of its trade with Central Asian countries.

The deep study of this agreement highlights that the government of Pakistan wants to oblige western powers especially the United States of America because NATO and other Allied forces are present in Afghanistan and fighting

against Taliban as well as other terrorist groups. Pakistan has to offer its land for transit trade of Afghani goods or transportation of NATO supplies to the government of Afghanistan to get foreign aid and other incentives.

Conclusion

This research paper is a very detailed analysis of two transit trade agreements signed between Afghanistan and Pakistan. This study highlighted various important articles of both the treaties and their relevance to both the countries. The agreement signed in 1965 covered various aspects and business of trade citing the international politics of that time. The nature of bipolar politics and the conflict nature of relations between India and Pakistan led to the conclusion that neither Central Asian States who were part of Soviet Union at that time nor India was included in that agreement.

The changing nature of international politics in post-Cold War era and globalization demanded revision of transit trade agreement between Afghanistan and Pakistan. But the internal conflict and civil war in Afghanistan did not allow both the countries enough space to revise transit trade agreement. US invasion of Afghanistan and return of international politics required the need of reassessment of treaty. At last, APTTA was signed after four years of negotiations in 2010 and implemented in 2011 after a brief review of points of discontent among the two countries. Afghanistan was allowed to export its products to India through Pakistan using Wagah border and Pakistan was allowed to use land route of Afghanistan for conducting business with Central Asian Republics.

Similarly, numerous measures were taken to control illegal trade and address security apprehensions of both the countries. Some of the mechanized provisions included in the agreement signed in 2010 are insurance guarantees, bonded carrier license, container security deposits, bank guarantee for vehicles and tracking devices. The comprehensive comparison of two agreements also led to this conclusion that both time rigorous efforts were made to finalize these transit agreements so that contracting parties could get benefits as much as possible.

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