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Pakistan-Afghanistan Transit Trade: A Critical Analysis of the Decade 2010-2020

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Abstract

Geo-economics plays an overwhelming role in the geo-politics of the international community. It plays a significant role in bringing the regional countries close to each other, potentially developing socio-economic relations and political stability in the region. Moreover, it has the potential to transform the lives of the people by providing numerous employment and business opportunities for the people. Similarly, Pakistan Afghanistan Transit trade offers immense opportunities to deepen the socio-cultural, economic, and political relations between the regional countries in general and Pakistan and Afghanistan in particular, which can improve peace, economic prosperity and political stability in the South Asian region. However, historically, the relations between Pakistan and Afghanistan have been tense due to territorial disputes, cross border infiltration, terrorism and smuggling. Resultantly, due to political reasons, the Pak-Afghan border often remained closed during between 2010 which affected the flow of Pak-Afghan transit trade across the border. Due to the border closure, the transit traders gave up their occupation so their business came to a halt which culminates into the spread of terrorism, decline in cooperation between the states, and creates insecurity in the region. This study explores the impacts of Pakistan-Afghanistan Transit Trade on regional peace and development during the decade 2010-20. Furthermore, this study also explores the impediments in Pak-Afghan transit trade during 2010-20. In addition to this, based on the necessity of Pak-Afghan Transit Trade and developmental projects by Pakistan, this study also explores the prospects of the Pak-Afghan Transit trade in future. This research uses both secondary and primary data. The total number of interviews is twelve which are conducted with different participants from Sarhad Chamber of Commerce, Peshawar chamber of small traders, officials from regional transit trade office Peshawar, academia and various transit traders.

Keywords: Transit Trade, Relations, Cooperation, Commerce, Border, Business, Region

Introduction

The Transit trade between Pakistan and Afghanistan is an endeavor to develop friendly relations between Pakistan and Afghanistan amidst of long-standing issues between the two countries (Sultana. R, 2011). Amid tensions, the Pak-Afghan Transit Trade Agreement not only helped Pakistan and Afghanistan come close to each other diplomatically, but also connected the Central Asian countries to Pakistan's Karachi and Gawadar seaports through Afghanistan. (Zubair, 2016).

Moreover, Pakistan lies at the hub of Central Asia, the Middle East and South Asia, providing the most economical strategic link to connect these regions (M. Tahir Masood, M. Farooq & Syed Bashir Hussain, 2016). This significance has not only developed interest of the major global powers in the region, but has also promoted multilateral trade among neighboring countries (Amir. S. A and Attarwala. F, 2015). Moreover, The US withdrawal from Afghanistan further signifies Pakistan's strategic location in the context of assisting the reconstruction and rehabilitation in Afghanistan (Zubair, 2016). Similarly, Afghanistan, despite being a landlocked country, is considered as the "Cockpit of Asia‟ not only strategically, but also culturally, geographically, and politically (Hamid, 2017). Afghanistan is called the heart of Asia or land link country as it shares border with six countries namely Uzbekistan, Turkmenistan, and Tajikistan in the North, Iran in the West, Pakistan in the South- East, and China in the remote East. Such a unique and strategic location increases, Afghanistan's potential to link the markets of South Asia, the Middle East, Central Asia and East Asia. (Akbari, 2018). However, Pak-Afghan relations have experienced ups and downs due to the Durand line issue, cross-border infiltration, refugees, drug trafficking, and disputes over counter-terrorism policy and dialogue since 1947 (Hussain and Elahi, 2015). Both countries trade blames for harboring terrorism in the region which serves as the main bone of contention between the two states. Pakistan blames Afghanistan regime for providing safe sancturies to anti-Pakistan militants who carry out attacks against Pakistan while the same blame is reciprocrated by the Afghanistan government as well.(Gartenstein &Vassefi 2012). However, since the early 21st Century, Geo-economics has dominated politico-strategic orientations, while securing economic interests has led to alterations in political inclinations of the past (Hussain. I and Elahi, 2015). Owing to such changing dynamics, Pakistan and Afghanistan signed the ‟Afghanistan Transit Trade Agreement" in 1965 (Hussain and Elahi, 2015). The agreement granted Afghanistan access to the Wagah border to unload their trucks. The agreement was renewed in 2010 with the "Afghanistan-Pakistan Transit Trade agreement" which permitted Pakistani trucks to Central Asia through Afghanistan (Hussain. I and Elahi, 2015). Resultantly, Pakistan emerged as Afghanistan's largest and Afghanistan as Pakistan's 2nd largest trading partner (Hussain and Elahi, 2015). In 2008, Pakistan's exports to Afghanistan were 35.5% whereas Pakistan-bound Afghan exports were 20.1% (Schofield, 2010). Since 2006, both trading nations decided to keep collective imports and exports value above USD 1.5 billion (Ahmad and Shabeer, 2016). Therefore, a total of $2 billion trade was observed during 2011-12 (Zubair, 2016). Similarly, Post US drawdown from Afghanistan, the challenge of international recognition will compel Afghanistan to develop a lenient approach towards neighbouring countries particularly towards Pakistan. These indications show a high prospect of improving diplomatic relations and transit trade between Pakistan and Afghanistan.

Significance of the Study

This study is of great importance due to the lack of literature on the proposed topic. The major significance of this research is to highlight the impacts of the Pakistan-Afghanistan Transit Trade during 2010-2020 on regional peace and development. It explores the impediments in the way of Pakistan-Afghanistan Transit Trade in the decade 2010-2020. In addition to this, the study gives an in-depth analysis of the prospects of the Pak-Afghan transit trade in future. Besides this, the findings of this study are based on field research and empirical data that help the policymakers in the political arena for ensuring peace and stability through the transit trade. This study is helpful for future researchers on Pakistan-Afghanistan Transit Trade. Moreover, this study is related to the literature on counter-terrorism measures, regional connectivity, economic interdependence, bilateral and trilateral trade and transit trade, and developing people-to-people contact. Moreover, this study is helpful for students of Peace and Conflict Studies, Security Studies, and Area Studies.

Besides this, this research provides an insight and discourse analysis of the Pakistan-Afghanistan Transit Trade during 2010-20 including historical perspective, challenges, and prospects.

Statement of the Problem

The Pakistan-Afghanistan Transit Trade agreement has experienced ups and downs since its signing of that agreement in 1965. After the renewal of this agreement in 2010, several challenges including smuggling, high tariffs, and lack of security, poor technology and terrorism obstructed the relationship and have affected the Pakistan-Afghanistan Transit trade. Furthermore, Pakistan-Afghanistan Transit Trade was approximately 2 billion dollars; however, during the decade 2010-2020, the trade between Pakistan and Afghanistan has reduced to 1.4 billion dollars. Consequently, the reduction of trade in the decade 2010-2020 has impacted regional peace and development. It has intensified terrorism and provoked people to indulge in terrorist activities to earn bread and butter illegally due to a lack of employment and business opportunities in wake of the reduction in transit trade.

Research Objectives

1. To highlight the impacts of the Pakistan-Afghanistan Transit Trade on regional peace and development during 2010-20
2. To explore the impediments in the way of Pakistan-Afghanistan Transit Trade during 2010-20.
3. To explore the prospects of Pakistan-Afghanistan Transit trade in future.

Research Questions

1. What has been the role of the Pakistan-Afghanistan Transit Trade in regional Peace and Development?
2. What are the impediments in the way of Pakistan-Afghanistan Transit Trade during 2010-20?
3. What are the prospects for Pakistan-Afghanistan Transit trade in future?

Theoretical framework

The author has engaged the political economic theory and structuralism theory in the research paper. The political economic theory explains how political institutions, policies and power dynamics shapes the economic outcomes. Besides this, the structuralism theory lays emphasis on the structural challenges faced by many developing states. It seeks to explore the constraints that shapes the prospects of the trade between countries.

Research Methodology

This study uses the exploratory cum analytical method. Primary data is used for this research and, therefore, open-ended and semi-structured interviews are conducted with government officials, academia, civil society, and university students. The names of the interviewees are unrevealed and instead of their real names, pseudo names are used. The division of interviews is given in table 1. Secondary data is also used for this study and, therefore, for secondary data, the researcher has read research papers, journals, newspapers, books and documents, and documentaries conducted by various individuals/organizations. The details of the participants are given in table 1 below.

Division of Interviews. Total Interviews: 15

1	Government Officials	02
2	Academia	04
3	Transit traders	9

Structure of the Study:
The first chapter of the study briefly introduces the Pakistan-Afghanistan Transit Trade. Furthermore, the second chapter explores the role of the Pak-Afghan Transit Trade in bringing peace and development to the region during 2010-20. Besides this, the 3rd chapter discusses the impediments and challenges to the Pak-Afghan Transit Trade during 2010-20. In the 4th chapter, the authors have shed light on the prospects of Pakistan-Afghanistan Transit Trade in future.

Role Of Pakistan- Afghanistan Transit Trade in Bringing Peace and Development During 2010-20 in the Region.

Pakistan-Afghanistan Transit Trade has been a source of earning for the people of Pakistan living in the border region with Afghanistan because hundreds of them have been employed as drivers, conductors, transit traders, etc. whereas numerous people have developed their own businesses in the border regions which have created an environment of peace, harmony, and economic development of the people. On the Afghanistan side, the transit trade greatly contributes to the economy of Afghanistan. Afghan farmers export a variety of fruits, carpets, rug miles, and tree nuts to the international markets worth more than $2.6 billion through Pakistan which has been a major source of earning for the Afghan people. Therefore, being a landlocked country, Afghanistan is dependent upon the transit trade through Pakistan and has continuously been benefiting from the Pakistani routes. This has paved the way for cooperation and maintaining peaceful relations between Pakistan and Afghanistan despite their contentions over various issues. Ishtiaq Ali, a research associate at Sarhad Chamber of Commerce Peshawar, says:

"Peace in a region is dependent upon the economic cooperation between the regional countries. The more the states fixed their eyes on transit and bilateral trade with each other, the more lasting and sustainable peace would be." (Ali. I, 2021). This is true because the economic dependency of neighboring states on each other leads to maintaining peace and amicable relationship. As the transit trade has been beneficial for the people of Khyber Pakhtunkhwa, Baluchistan and adjacent areas to the Border in Afghanistan, both countries have made efforts to make peace and enhance the transit trade further to benefit their respective people by providing them employment and trade opportunities.

Another research associate at the Institute of Policy Studies Islamabad, Ashfaq Rafiq, said:

"Peace and development in a region come with the socio-economic and political cooperation between the regional states. And transit trade is a key factor that has helped create amicable relations between the regional countries, particularly between Pakistan and Afghanistan." (Rafiq. A, 2021). In fact, the Pak Afghan Transit Trade has provided hundreds of jobs opportunities in shape of drivers, conductors, labor, and has developed businesses such as petrol pumps, mechanical workshops, and restaurants which keep the people from resorting to any illicit or terror activities that are detrimental for regional peace and development. Asfandiyar Khan, Deputy Director of regional Transit trade office, Peshawar, added that:

“There is no specific data available on the number of drivers, conductors, labor, and port staff working in the transhipment of goods in transit, but it has transformed the lives of hundreds of people either directly or indirectly by providing numerous employment and business opportunities to the people of Khyber Pakhtunkhwa, recently merged Tribal areas, Baluchistan and Afghanistan’s adjacent provinces to the border crossing points.” (Khan. A, 2021). Specifically, the beneficiaries are the owners of petrol and diesel pumps, restaurants, car parking, mechanics, and tabor etc. at the borders and transit routes.Besides Pak-Afghan growing relations, China has also started transiting goods to Afghanistan and Central Asian countries through Pakistan routes. Similarly, the Central Asian countries specifically Uzbekistan and Tajikistan are also interested in the Pak-Afghan Transit trade. These are the signs of growing regional connectivity, and economic cooperation which will ultimately result in strengthening the law-and-order, and peace and development in the region. Moreover, Manzoor Elahi, President of Sarhad Chamber of Commerce Peshawar, added that:

“Lasting peace in a region is dependent upon the employment and business opportunities. The more people earn, the better the prospects of sustainable peace would be.” (Elahi. M, 2021). This is because if the business opportunities and employment rates are high, the masses will not resort to illicit means of earning that contribute to the destabilization of peaceful co-existence in the region. As transit trade has provided abundant employment opportunities, the ratio in smuggling of goods across the border along with other illicit activities has reduced to a larger extent. Similarly, it has also made the people invulnerable to extremism and terror activities which have proved fruitful for developing a peaceful environment and eradicating the insecurity in the South Asian region.

The Impediments in the Pakistan Afghanistan Transit Trade during 2010-20

As a matter of fact, numerous impediments have been created in the Pak-Afghan Transit Trade which have caused ups and downs in the flow of transit cargos and have affected the jobs and businesses of the people. During 2012-17, the number of transiting trucks reduced from more than one thousand to approximately two hundred and fifty only. In fact, the Pakistan-Afghanistan Transit trade, which was aimed at boosting it above $2 billion per year during the signing the APTTA agreement in 2010, reduced to $1.4 billion during 2012-17. (The News International, 2020). Similarly, this resulted in diverting the transit trade from Pakistan routes to India and Iran through Chabahar port despite its underdeveloped infrastructure, long routes and its unfeasibility. This has not only struck savagely the transit traders, and businessmen economically, but has also undermined the relation between Pakistan, Afghanistan and India which have resulted in an unpleasant threatening scenario in the region. Before the APTTA, there were a smaller number of challenges in the Pak-Afghan Transit Trade such as cross-border infiltration, insecurity due to porous borders and lack of infrastructure. However, despite these issues, Pakistan was the largest importer of Afghanistan goods and Afghanistan was the 2nd largest destination for Pakistan’s products. “Unfortunately, after signing the APTTA in 2010, the potential of Pak-Afghan Transit trade has been undermined by various impediments that have erupted in guise of tense relations between the two countries, lack of peace and security, high tariffs, and most importantly the abuse of transit agreement which have plummeted the transit trade from $ 2 billion to $1.4 billion during 2012-17.” (Elahi. M, 2021). Furthermore, despite Afghanistan’s dependence on the Pakistan transit routes, Afghanistan’s Ministry of Commerce was not cooperating with its counterpart in Pakistan due to the Indian lobby as India was struggling to divert the Afghan Transit routes to Chabahar port. In this regard, Zia-Ul-Haq Sarhadi, President Pak-Afghan joint chamber of Commerce, said:

"The Pakistan Commerce Ministry has sent several letters to its counterpart in Afghanistan to help pave way for bringing ease in transit trade between the two countries. But the Afghanistan government ignored the letters seemingly showing their lack of interest in transit agreement with Pakistan since the commencement of transit trade with India and Iran through Chabahar port which has surged up to $1.5 billion and $2.93 billion respectively." (Sarhadi. Z, 2019). In addition to this, Ishtiaq Ali, a research associate at the Peshawar Chamber of Commerce, said that:

"The reason behind lack of cooperation on the part of Ashraf-Ghani led Afghanistan government is the rejection of their demand to let go the Indian exports through Pakistan routes to Afghanistan." (Ali. I, 2021) Pakistan rejection of this demand is based on the rules of the Geneva Convention that the Transit facility can only be provided to landlocked countries. Since India is a coastal state, Pakistan has the legal right to block Indian exports to Afghanistan through its routes. Realistically, accepting this demand would prove detrimental to the industries in Pakistan because Afghanistan would fulfill needs from the Indian exports only with no benefits to Pakistan's industries. Due to this rejection, Afghanistan has shifted its interest toward India and Iran ignoring the transit agreement with Pakistan. Furthermore, Pakistan's Directorate General of Trade reported that the Afghan government has not been cooperating with the government of Pakistan in terms of sharing the authentic data of its imports occurring under the transit agreement. "The government of Afghanistan shared that the value of imports through Pak-Afghan transit trade stands at $0.82 billion whereas Pakistan cited $2.9 billion the value of Afghan imports which is three times higher than the data shared by Afghanistan." (Tribune, 2019). This staggering gap in import value highlights the smuggling in the Pak-Afghan transit trade. Shabbar Zaidi, former chairman Federal Board of Revenue, in his interview with ARY news, said:

"The abuse of Afghan transit trade has devastated Pakistan's local industries. The smuggled products are carried to Pakistan under the umbrella of transit trade agreement which ends up in the black markets thus creating problems for local industries in Pakistan." (Zaidi. S, 2019). The agreement has the potential of $6 billion per year but we are generating only $1.7billion per year which shows the abuse of the Pak-Afghan transit trade agreement which has hampered the development of transit trade in the region.

Furthermore, the government of Pakistan have replaced the railway with bonded carriers which has created more problems instead of addressing the issues. Manzoor Elahi, President of Peshawar Chamber of Commerce said that:

"On the demand of United States to support NATO forces in Afghanistan, the Pakistan government introduced bonded carriers such as large trucks with tracking devices which proved costly, time taking, along with various irregularities on the part of drivers due to the unavailability of the Internet at Torkham and Chaman routes which results in the miscommunication between the customs office and truck driver which allows the driver to give false information about his location to the customs office thus smuggle and illegally unload the truck in Pakistan." (Elahi. M, 2021). Before bonded carriers were introduced, the shipments were carried through trains which were far speedy, safe, and cost less as they continuously drove towards their destination with no fear of smuggling of goods. But since the bonded careers have been introduced, it has certain loopholes that not only provided safe passage for smuggling, but also affected the revenue generation of the railway.

Similarly, Ashfaq Rafiq, a research associate at the Institute of Policy Studies Islamabad, said:

"Due to Statutory Regulatory Orders from Pakistan, the loose Cargos have been banned fearing that it has the loopholes to pave the way for smuggling of goods." (Rafiq. A, 2021). Loose cargos are those, for instance, which have the potential to carry a 40-ton weight of goods but are loaded with less than a 40-ton weight. Therefore, a trader must buy and carry a 40-ton weight of goods so to fully pack the cargo otherwise it would not be allowed to cross the border.

This is economically costly for those traders who cannot afford the fare of large trucks. In this regard, small traders demanded that the SRO rule should be abolished as it has barred them from availing the transit trade opportunity. Unfortunately, the problems created by bonded careers did not end here, rather it added more hurdles and impediments in the way of Pak Afghan Transit Trade. In this regard, Adnan Khan, President of Peshawar Chamber of small traders, added:

"After introducing bonded carriers, the Pakistani government made a contract with TPL Company to provide trackers to the trucks on the advance payment to help track their location. However, after some time, the company failed to produce the required number of trackers thus compelling the trucks to wait for three to four weeks to get the trackers which brought to a halt the shipments of goods across the border." (Khan. A, 2021).

In addition to this, there is a lack of modern technology for clearance and checking purposes, especially at the Karachi port. A Truck driver, Hameed Nazeer, who carries goods in transit from Pakistan to Afghanistan, said:

"There are only two tracking machines at Karachi port which often remains dysfunctional. In a time of non-availability of tracking machines, clearance of trucks takes twenty to twenty-five days which results in damaging the short-lived products and increases the trucking fare, accommodation and food expenses." (Nazeer. H, 2021)

Besides such issues, the National Logistics Corporation has developed its monopoly over the Pak-Afghan Transit Trade. It is creating hurdles by charging a huge sum of money in the shape of a clearance fee. The PAJCCI mentioned in their press report that the overwhelming monopoly of NLC over trade with Afghanistan has created unnecessary hurdles as it has illicitly replaced the authority of the customs officials and illegally charges 15 thousand rupees for clearance of trucks instead of RS 8 hundred which is the official amount. Despite charging huge sums illegally, it has failed in facilitating the truckers to easily carry shipments through the border. (PAJCCI, Press release August 7, 2021).

While highlighting Impediments in Pak-Afghan Transit trade, Muhammad Mustafa, President of Quetta Chamber of Commerce said:

"Before the Covid-19 pandemic, approximately one thousand loaded trucks used to cross the Torkham and Chaman border into Afghanistan under the Pak-Afghan transit trade agreement. However, after the Covid-19 pandemic in Pakistan, the transit trade abruptly came to a halt after the closure of Pak-Afghan borders for straight four months." (Mustafa. M, 2021). During the Covid-19 calamity, only 250 trucks per day were allowed to cross the border instead of one thousand. Moreover, the truck drivers were not allowed to cross the border pushing them to find another paid driver across the border making it quite expensive for the firms to continue transiting goods across the border during the pandemic. Apart from this, the drivers were supposed to stay in quarantine for 15 days and pay their expenses before crossing the border. If not, the drivers have to find another paid driver on the other side of the border to carry the goods further. The drivers complained that they could not afford such expenses which eventually caused delays in continuing the transit trade during the pandemic. Furthermore, Asfandiyar Khan, a Deputy Director at Transit trade regional office Peshawar added:

"Due to Covid-19 lockdown, the transportation of Cargos out of seaports came to a halt although the shipping lines during this time were operative which kept on adding the bulk of containers at the port terminals resulting in huge piling up and staking of containers at the port. However, after relaxing the lockdown, the moving out of Cargos from ports started but at a slow pace. In August 2019, more than 9000 containers got piled up at the ports of landing. The situation got further aggravated by the fact that long queues of carrier vehicles were formed en-route border stations which choked the traffic From Kohat to Torkham. On the way, illegal and unauthorized staging areas were set up by the unscrupulous elements who allowed the trucks to move out of turn after charging a colossal amount of money. All these factors led to prolonging the transportation of transit cargo from Karachi to Torkham by 25 to 30 days." (Khan. A, 2021). This issue resulted in the decline of $2 billion worth of trade in exports, reducing it to 700 million, which was the lowest in 20 years. In wake of this decline due to impediments, Afghanistan's import routes changed to Chabahar port and its imports rose to 23% from UAE and 13% from India causing a reduction in transit through Pakistan due to the impediments in Pakistani routes. Furthermore, the traders use big trucks for shipping the goods across the borders which requires at least two people to easily reach the destination. Due to Covid-19 policies, the authorities declined to allow a conductor alongside the driver. A driver, Hameed Nazeer, reported: "The authorities do not allow a conductor across the border which makes it difficult for them to drive all alone. (Nazeer. H, 2021). Besides the problems caused by the Covid-19 pandemic, the precarious law and order situation further aggravated the insecurities in the border region. "On August 18, 2016, the Afghan troops opened fire on the Pakistan military (Dawn, 2017). This incident led to the closure of the Spin Boldak border for fourteen days at a time when the grapes in Afghanistan were ready to be exported to foreign markets. Similarly, the bomb blast at the shrine of Lal-Shahbaz Qalandar at Sahwin, Sindh on February 16, 2017, resulted in the Pak-Afghan border closure for one month. Resultantly, the Afghanistan government claimed that shipment of pomegranates to UAE, India and Pakistan had significantly reduced from fifty to fifteen million only in 2016 causing the Afghans to suffer a loss of 12 million Afghanis per day. Moreover, the Afghan Taliban assaults in pursuit of seizing power in wake of the 'Doha Peace Deal' exacerbated the weak law-and-order situations that barred the transit traders to go to Afghanistan. Zubair Mothiwala, who is the President of the Pak-Afghan joint chamber of commerce, said: "The uncertain security situations in Afghanistan after the Doha Peace deal have aggravated the law and order in Afghanistan due to which the drivers fear whether they would safely reach their destination, or their loaded trucks would get stolen midway." (Muthiwala. Z, 2021 Therefore, the drivers have avoided going to Afghanistan which has affected the flow of transit trade to Afghanistan. Furthermore, Pakistan has closed various crossing points with Afghanistan due to the vulnerability of the 2500km long border to militancy and security challenges. On this long border, Pakistan and Afghanistan have 8 crossing points namely Arando in District Chitral, Nawapas, in District Bajaur, Ghorsal in district Mohmand, Torkham in District Khyber, Kharlachi in District Kurram, Ghulam khan and Angoor Adda in North and South Waziristan and Chaman in Baluchistan. Ishtiaq Ali, a research associate at the Peshawar chamber of commerce said:

"The only functional crossing points between Pakistan and Afghanistan are Ghulam khan, Angoor Adda, Torkham and Chaman whereas the rest which provides the shortest route along with parking facilities are closed due to security concerns." (Ali. I, 2021). Besides this, when the Afghan Taliban seized the Spin Boldak and Baab-e- Dosti from the Afghan military on 15 July 2021, the trucking costs surged up after taxes were charged both by the Taliban at the crossing points and the Afghan government at Kabul simultaneously. While interviewing Hayatullah Khan, a truck driver transporting grapes said that:

"The Taliban charged him 12 thousand Afghanis other than the official taxes from the government which is an extra burden on us. Because we have to pay the official taxes imposed by the Afghanistan government as well." (Khan. H, 2021)

Besides paying double taxes, the security forces on both sides of the border demand bribery from the truck drivers which furthers the problems for transit traders. The security officials demand bribes not only on main crossing points but also on several check posts on routes. Hayatullah Khan, a cargo driver at Torkham crossing point, said: "The Afghan military demands bribes from drivers which ranges from five hundred to five thousand Afghanis. The security forces allow trucks across the border at night in the absence of senior officers so as to collect as many bribes as they deem fit." (Khan. H, 2021)

On that account, Ishtiaq Ali, a research associate at PCC, added: "The bribery demands have increased after the merger of Federally Administered Tribal Areas (FATA) with Khyber Pukhtunkhwa Province. Before the merger, FATA had only two stakeholders: the political agent and the Frontier constabulary force. Now after the merger, the stakeholders have been increased as the police and various other civil departments have taken control of the affairs of trade. Therefore, the increase of stakeholders breaded an increase in the demands of bribery on the Pakistan side." (Ali. I, 2021)

Last but not the least, there is a lack of adequate banking services at the Pak-Afghan border. Pak-Afghan crossing points are the busiest routes for trade and transit. Despite this, "there is only one national bank at the border with only one counter which is run by non-qualified staff." (Ishtiaq Ali, 2021). The non-availability of banking services has affected the flow of cargo since the State bank orders not to allow any cargo without clearing the payment process. etta Chamber of Commerce, in his interview with ARY news said:

The Prospects of Pakistan-Afghanistan Transit Trade

The prospects of the Pak-Afghan Transit Trade depend upon the economic interdependence of regional states on each other, the level of security measures in the region, political relations between Pakistan and Afghanistan, the national interest of the regional countries, and the availability of consuming markets in the South and Central Asian countries. In fact, Afghanistan, being a landlocked country, relies on Pakistan to reach to the international markets. Similarly, Pakistan depends on Afghanistan to get access to the energy-rich Central Asian countries. Moreover, China is also dependent on Pakistan to trade with Afghanistan and Central Asian countries because Pakistan via Afghanistan provides the shortest route to Central Asia. Similarly, the Central Asian countries also rely on Afghanistan for access to Pakistan and International markets. Therefore, economic dependency is visible in the regional countries availing which requires improving political relations among the regional countries. In that pursuit, after 2017, Pakistan took various initiatives to pave the way for much-improved transit trade between the regional countries. The unnecessary barriers in the transit trade were removed which observed an abrupt rise in the flow of transit because the number of crossing trucks on daily basis jumped from 280 to 1800. While interviewing Asfandiyar Khan, a Deputy Director of Transit trade office Peshawar, said: "In 2018, Pakistan addressed the visa issues and liberalized the visa policy for the convenience of Afghanistan traders. The Pakistan government increased the validity of visas, stay duration in Pakistan and number of entries to Pakistan. Moreover, the Pakistan mission in Afghanistan has also been directed to grant a visit visa at multiple entries for one year and a business visa for five years. Therefore, the traders can get Pakistani visa on arrival which is a good step for attracting businessmen, and traders" (Khan. A, 2021). Under the APTTA agreement, Pakistan had provided Afghanistan only Torkham and Chaman crossing points for transit trade which were not sufficient to deal with thousands of transiting cargos on a daily basis. "Therefore, the government of Pakistan increased the crossing points and opened the Ghulam Khan and Angoor Adda crossing points with Afghanistan to reduce the burden on the Torkham border and speed up the transit process. After this, the cargos now get clearance in three days instead of 28 days." (Afridi. M, 2021). Moreover, with the opening of these crossing points, the people of North and South Waziristan have built their businesses on the transit routes in the guise of markets, parking areas, mechanical shops, etc. which is essential for the economic uplift of the people. Furthermore, the Pak India border was functional only for 8 hours before due to security issues. To facilitate the transit trade, "Pakistan equipped the Wagah border with a digital clearance system and the border now remains functional 24/7. Keeping the border opened 24/7 has accounted for an increase of 46% in the transshipment process in 2019." (Elahi, M. 2021). Similarly, Muhammad Mustafa, President of the Quetta chambers of Commerce, said:

"With the financial support of ADB, the Government of Pakistan has started construction of the 'state of the art border crossing terminals' at Torkham, Chaman, and Wagah crossing points under the integrated transit trade management system regime." (Mustafa. M, 2021). This project envisages revamping the entire infrastructure including integrated administrative offices, widening of roads, new angled vehicle parking, installation of multi-traffic lanes, erection of new pedestrian processing facilities along with new canopies and bridge installation of new equipment such as cargo X-ray scanning, vehicular weighbridges, scanning and detection of equipment for multi-entry and exit pedestrian lane are also a part of the project. (FBR report, 2021). Moreover, new information and communication technology (ICT) hardware and software will be installed as part of the transition to a single Window system. The project aims at providing and implementing all internationally recognized best practices in the transition and handling of Cargo and passengers at the border terminal. The capacity of Customs Station Torkham is 350-400 vehicles, approximately construction work on the ITTMS project has temporarily caused congestion on both sides of the roads. To tackle this situation, the limit of customs station Torkham was extended from Shaheed Mor to Michni which provided an extra road strip of about 3 km to park vehicles thus minimizing the congestion. (FBR report, 2021).Moreover, the Khyber Pass has been a busy route for trade with Afghanistan, but its infrastructure is underdeveloped which is affecting the flow of trade.
Ishtiaq Ali, a research associate at the Peshawar Chamber of Commerce, said:

"The route of Khyber Pass has been of significant importance for trade for millennia providing the shortest route for South Asian countries particularly Pakistan and China to connect with Afghanistan and Central Asian countries. Therefore, to develop its infrastructure, the Khyber Pakhtunkhwa government in collaboration with the National Highways Authority has designed a 4-lane structure of 48 km long route which connects Torkham with Peshawar which will address the infrastructure issues along with the provision of approximately one lac jobs.

Similarly, the Karachi Circular Railway (KCR) project initiated under the CPEC is a 430-kilometre-long "Mass Transit system" which will provide fast electric trains for trade and transit activities to reduce transportation costs, avoid time delays, and optimize the level of service outcome which likely to facilitate the transit of goods up to forty per cent (Wolf. E, 2021).

In addition to these, regional connectivity through roads and railway lines plays a significant role in enhancing economic cooperation between the regional countries.

In that pursuit, Manzoor Afridi, President of Pak Afghan Joint Chamber of Commerce, said:

"In December 2020, the Government of Pakistan signed a letter in collaboration with Afghanistan and Uzbekistan governments asking the world bank to lend them $4.8 billion to help complete 573km long railway track connecting Pakistan, Afghanistan and Uzbekistan." (Afridi. M, 2021). The track will connect Peshawar to Kabul and Mazar-e-Sharif to Uzbekistan. This will not only help connect Pakistan with the central Asian countries but will also connect China indirectly, which will be beneficial for transiting goods from China and Pakistan to Afghanistan and Central Asia. Besides this, there was a scarcity of dry ports in Pakistan to address the accommodation problems. Till 2020, there was only one dry port in Pakistan due to which the traders were facing accommodation problems like loading and unloading the big cargos.

Manzoor Elahi, the president of Peshawar Chamber of Commerce, argued:

"The government of Pakistan started constructing the Azakhel dry port located at District Nowshera, Khyber Pakhtunkhwa by allocating $ 30 million in 1987." (Elahi, 2021). The developmental work on the dry port was started back in 1987, but due to certain reasons, the construction was stopped. Fortunately, the Imran Khan government re-started the construction on the Azakhel dry port which became functional on 26 July 2020. The Dry port at Nowshera is a one-window operated port which was built on 28-acre land costing 510 million rupees. The dry port is equipped with advanced technology with loading and unloading facilities coupled with the customs office, railway line, National Bank, and police checkpoints as well. The trains and shipments, transported from Karachi sea-port, can easily be loaded and unloaded at the dry port before their onward transportation to Peshawar, Khyber Pakhtunkhwa's other districts and Afghanistan, through an enhanced roads and rails network. Furthermore, China has been investing in the development of Gwadar port which has a great potential for trade and transit. Manzoor Afridi, former president of Quetta Chamber of Commerce, said:

"As Pakistan provides the shortest route to Afghanistan and Central Asian Countries, the emerging economic power China has been investing in developing the infrastructure resources in Pakistan under CPEC. Under this project, China is developing one of the world's deepest ports at Gwadar, Pakistan, which will be significant for the transit trade between Pakistan, Afghanistan, China, and Central Asian countries as it provides the shortest route. ." (Afridi M, 2021). Apart from that, it has the capacity to store thousands of cargo without facing any accommodation problems. Additionally, it is not only effective in the smooth and continuous carriage of goods across the border but also, helps save the trucking costs which will attract the traders to continue transiting goods in large quantities. This will result in creating a large number of jobs and trade opportunities specifically for the people of Baluchistan and Afghanistan. Furthermore, As the Gwadar port is on the brink of completion, the government of Pakistan operationalized it in 2020. The government of Pakistan operationalized it in 2020. "It immediately attracted the first consignment of Chinese Bulk Cargo loaded with Chinese, Korean, and Japanese products on July 26, 2020, which was further transited to Afghanistan successfully." (Khan. A, 2021). This shipment can prove a beacon for the rest of the countries to transit goods to Afghanistan and Central Asian states through Gwadar. Besides this, the Pak-Afghan border is vulnerable to terrorists and smugglers who threaten the law-and-order situation in Pakistan. (Wazir. b, 2021). Therefore, to put a stop to cross-border infiltration, Babar Wazir, a Lieutenant in Pakistan Military deployed at Pak-Afghan Border, said: "In 2017, the Pakistani government started fencing the border with Afghanistan to stop the militants and smugglers from crossing the border illegally. The fencing is almost 80% complete and the remaining parts would be fenced soon." (Wazir. B, 2021). Moreover, the FC has also been replaced with the Pakistan army to improve security on the border. Similarly, the Pakistan military has closed seven illegal routes to Afghanistan and are given shot orders in case anyone comes 150 meters close to the border." (Wazir. B, 2021). Following these measures, the ratio of the militants and smugglers has significantly reduced which is beneficial for improving the security and the trade and transit with Afghanistan and other regional countries.Most importantly, on the political front, after the Taliban took control of the Afghanistan government, they eased the trade and transit policies with the government of Pakistan which ended up in a threefold rise in transit trade with Pakistan following the reduction in taxes by the Taliban government along with keeping the border open and perishing bribery demands by the Afghan security forces." (Elahi. M, 2021).

Conclusion:

The existence of numerous structural and politically motivated impediments in Pak-Afghan Transit Trade hampered its true potential particularly during 2010-20 when challenges such as uncertain border closure due to pandemic, Afghanistan's tilt towards India and Iran, abuse of the APTTA, and security threats. These challenges were the major factors that affected and diverted the transit trade to Chabahar port despite its underdeveloped infrastructure, and long routes. Resultantly, the Pakistan-Afghanistan Transit trade, which was aimed to boost above $ 2 billion in 2010, reduced to $1.4 billion during the years 2012-17. The crossing of one thousand trucks on daily basis reduced to 250 only. Similarly, farmers in Afghanistan suffered losses after the rates of fruits, and vegetables plummeted to the lowest level due to border closure and various short-lived fruits and products become waste. Moreover, hundreds of people lost their jobs, and their businesses came to a halt. Such an undesired situation not only affected the farmers, businessmen and transit traders but also increased the tensions between Pakistan and Afghanistan. Furthermore, due to the loss of jobs and business, smuggling and terror activities increased which put at stake the prospects of peace, socio-economic and political development in Pakistan and Afghanistan, and the region.

The Afghan dependency on Pakistan for trade relationships with the outside world is a driving force for addressing the contentions and improving Pak-Afghan relations. The transit trade has the potential to bring peace, prosperity and development to the South Asian and Central Asian regions in the shape of providing employment and business opportunities to the people living in the border region. As evident, due to APPTA, South Asia and Central Asia became regionally connected after Pakistan gained access to Central Asia whereas Afghanistan and Central Asian countries specifically Tajikistan and Uzbekistan utilize Pakistan's coastal ports and land routes for conducting trade relationships with the outside world.

Since the emergence of the Taliban, the impediments deliberately created by Ashraf Ghani's government due to his tilt towards India were removed which eventually caused a 50% surge in the transit trade with Pakistan. Besides this, China has also been investing in developing the infrastructure of the world's deepest seaport Gwadar and various roads in Pakistan under the project of CPEC to utilize the shortest route to Afghanistan and Central Asian countries for transiting her products to Afghanistan and Central Asian countries.

Furthermore, the landlocked Central Asian countries are also interested in transit agreements with Pakistan. They have agreed along with Afghanistan to connect South Asia and Central Asia through a railway line for the shipment of goods. This connectivity will give a boost to the transit trade in the region and more people will avail themselves of employment and business opportunities. This will improve cooperation between the regional countries, lasting peace, and sustainable development in the region. Most importantly, Pakistan and Afghanistan also share cultural and ethnic linkages which can be utilized as a magnetic force for bringing the two countries close to each other diplomatically which is essential for the advancement of transit trade relations between the two countries. Therefore, the transit trade has not only the potential to bring Pakistan and Afghanistan closer to each other socio-economically and politically but can also incorporate China and Central Asian countries into the realm of transit trade as well. Resultantly, this will trigger economic prosperity for the people of Baluchistan, Khyber Pakhtunkhwa, Central Asian countries and Afghanistan as economic prosperity and development will overcome poverty, militancy, and violence in the region.

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