



# A Study on Afghanistan Pakistan Transit Trade Agreement

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## Abstract

*The relationship between Afghanistan and its neighbor country Pakistan unceasingly continued anxious thru inferences meant for the political economy. since 1950s, the entrée to ocean remained serious for financial development of Afghanistan due to fronting thoughtful transportation difficulties by Pakistan. It is expected that consequences found as of the research will deliver a better thoughtful of the significant reason of Afghanistan Pakistan Transit Trade Agreement efficiency for bilateral trade and disclose the main challenges between Afghanistan and Pakistan. The current research purposes to find out the Trade Relation between Afghanistan and Pakistan. This research designates the procedures and methods that the scholar used while conducting research. The chapter is made up of design, population, sampling techniques, sampling size, data collection procedures, data analysis procedure, questionnaire was designed in 5 Likert-scale and was distributed to 100 participants. Research shows most of candidates agreed that Ambiguities in the rules and procedures pertaining to bonded carriers should be removed as well as the participants agreed that Afghanistan Pakistan Transit Trade Agreement is the best framework for expanding business relations between Afghanistan and Pakistan if implemented perfectly, therefore it was recommended that both countries must remove uncertainties and barriers in the rules and procedures pertaining to bonded carriers. The limitation of study was lake of interest of participants to participate in this study.*

## Keywords

*Afghanistan, Pakistan, transit and trade agreement*



## 1. Introduction

These segments likewise carry the motive it is lively and who is affected by the delicate. To distinguish the details of struggle, it appears that most significant reasons of confrontation that impacts the organization; this is a topic that extremely could suffer the influence can be helpful as well as be harmful, Currently we face challenged with two-sided trade relation among Afghanistan and Pakistan counting taxes, tariff barriers, bureaucracy of custom Establishments which is difficult to find out the key challenges APTTA has faced and factors that impact Pak-Afghan trade relation and that's why the study examines the causes of these challenges for a better trade relation between both countries (Ahmad, 2015).

Products and services distributions of Afghanistan is confirmed about 500 \$ million while the importations representation as of 3 \$ billion by year 2009 to amount of 10.4 billion \$ by year 2014. The existing version stability endured undesirable also reduced through the years. Mentioned figures, though, are not explanation of considerable casual business among Iran and Afghanistan, as well as Pak-Afghan. Business commotion is arranged on growth used for the maximum portion of former era. Pakistan remnants Afghanistan's main trade partner carrying a part of 28 % tailed thru USA, that have portion of 17.3 % Afghanistan is 3rd major end point of Pakistan's exports in year 2012- 13.4 Subsequently 2006 mutually trading states are handling for retaining cooperative transfer also importation worth overhead 1.5 \$ billion. However, Pakistan's growing amount of distribution for Afghanistan is a little reduced from 2011, exports between Afghanistan and Pakistan is progressively on increase. There is, though, competition for Pakistan as exports of Iran as well as India is increased. Moreover, different behavior of Pakistani establishments, lengthier authorization period at port, too much demurrage payments also matters linked with transportation potentials of Pakistan are issues that form transportation through Iran comparatively better (Ahmed et al., 2015).

The significance of business is guessed conspicuously in Pak-Afghan two-sided setting. Which is likewise entrenched in past applies which precede 1947; 19th century exports of dry as well as fresh fruits also nuts of Kabul and Kandahar to India competed over Peshawar, a significant place for financiers and investors intricate in export of products. While it derives to Pakistan also Afghanistan, here is likewise a normal reason to rational regarding trade as a forerunner to steadying a weak association that has a troubled political antiquity. Afghanistan is blocked-in, nonetheless separated peoples on also sideways of the boundary intermarry, trade and transportation crossways a porous hilly division. Mediation geared at altering normal important and topographical immediacies at financial interactions must force Afghanistan as well as Pakistan to not lone uphold, nonetheless likewise enlarge trade and transportation collaboration, A vital challenge is the importations from India to Afghanistan are someplace else making the method in Pakistan done illegal or valid shows, pretention of a risk to original businesses in Pakistan. Which is taken the way that traders from Pakistan import product with collaboration of Afghan traders beneath transport trade, send ten products to Afghanistan similarly at that time crackle them back into Pakistan. Supplementary issue is that quantity of consignment containers which are trade in underneath transportation trade go missing and the goods finish up vending in Pakistan marketplaces. The inducements to rustle likewise rise for the reason of Pakistan's trade limitations on imports of India. It is probable that as soon as these limitations are stress-free, casual importations or rustling of Afghanistan might likewise weakening Although trade amongst Pakistan and Afghanistan is definitely full-grown since 2001, much of this ruins casual also henceforward does not interpret into authorized figures. The 1965 arrangement, renegotiated in 2010, has so far to be studied smooth however deliberations have been continuing for numerous years, also Artefact 50 of the contract needs the supplies of the contract to be studied and edited in order to ease transportation trade. With effect from January 2016, the Agreement on Global Transportation of Products down Shelter of TIR Carnets (TIR Convention) mandates that properties travel in vehicles or containers secured by customs and that any obligations and duties incurred during the expedition are covered by an internationally enforceable guarantee. It is anticipated that this revision will enable Pakistan to export commodities to Central Asia without having to pay taxes or duties through Afghanistan. But in re-



turn, Afghanistan has been pressuring Islamabad to allow Indian travel via Pakistan. The second has shown to be a red line for Pakistan, with administrators maintaining that transit access has never been expressly sought by India and that, as a two-sided agreement, APTTA does not include devices to simplify commerce with India (Ahmed and Shabbir, 2014).

It has also become more and more clear in recent years that good cross-border branding is not always a result of physical proximity or Pakistan's ability to conduct sophisticated trade with Afghanistan. Shortly after Leader Ghani was elected in 2014, Prime Minister Sharif extended an invitation to the Afghan government to seek commercial contracts in order to increase two-sided commerce from the current \$1.6 billion to \$5 billion by 2017.<sup>11</sup> The contracts comprised plummeting prices and yielding apiece other special trade rank. President Ghani offered Pakistani savers admission to Afghanistan, counting free manufacturing regions (Hameed, 2012).

### **1.1. Research Objectives**

The persistence of the mentioned research is to examine the bilateral trade relation between Afghanistan and Pakistan. The key study objects can be well-defined as follows:

1. To examine the significant reason of APTTA's efficiency for bilateral trade between Afghanistan and Pakistan
2. To find out different measurement related Pak-Afghan bilateral trade relation.
3. To disclose the main challenges amongst Pak-Afghan Trade relation.

## **2. Materials and Method**

The current research purposes to find out the Trade Relation between Afghanistan and Pakistan. This chapter designates the procedures and methods that the scholar used while conducting research. The chapter is made up of design, population, sampling techniques, sampling size, data collection procedures and data analysis procedure.

### **2.1. Research Design**

The research Design designated was survey done by questionnaire. The case study method was applied in Custom department of Kabul, Jalalabad and Chaman; this technique was selected because this is suitable approach to identify problem in an organization. Research has distinguishing ability with aim to find many untried signs in the stated organizations. The main aim of this study was to identify Trade Relation of Afghanistan and Pakistan.

### **2.2. Instrument used for primary data collection**

#### **2.2.1. Pre-testing**

To determine the preliminary internal validity evaluation of the research survey instrument questionnaire, a pilot study was carried out. 100 workers of the Custom Department in Jalal Abad, Afghanistan, provided primary data for this purpose. After the pilot study's findings supported the instrument's internal dependability, the same instrument was employed in the designated sample locations to gather the primary data required for the current investigation.

#### **2.2.2. Survey Instrument Reliability**

The survey instrument was put to the test using an appropriate reliability analysis that included Cronbach alpha computation. All of the study variables included in the survey instrument had alpha values that were determined to be much higher than the recommended value of 0.6 (Nunnally, 1978). Exhibit 1 displays the precise alpha value for each research variable that makes up the current task.

## Exhibit-1 Details of the Measurement Scales with corresponding Reliability Values.

### 2.2.3. Population

A study population is often a large group of individuals or objects that are the focus of a scientific investigation. Studies are conducted with the population's best interests in mind. However, due to the high cost and inefficiency of testing every member of the community, researchers usually are unable to do so due to the large numbers of populations. Population of the study is consisting of all employees working in Custom Department of Kabul, Jalalabad and Chaman including line and middle level employees, low level and top level management.

#### Data Analysis

The most significant 5-likert scale in the questionnaire was the agreement scale (very agreement, agree, neutral/norm/norm, disagree, and strongly disagree). The Statistical Package for the Social Sciences (SPSS Macintosh) was used to analyze the data.

### 3. Results

**Table 1.** Trade & transit volume between Afghanistan and Pakistan is increasing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	22	22.0	22.0	22.0
	Disagree	55	55.0	55.0	77.0
	Neutral	23	23.0	23.0	100.0
	Total	100	100.0	100.0	

Table 1 indicates that “Trade & transit volume between Afghanistan and Pakistan is increasing”. The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. Out of 100 respondents, the results show that 22 respondents, or 22% of the sample, strongly disagreed, 55 respondents, or 55% of the sample, disagreed, and 23 respondents, or 23% of the sample, were neutral. Therefore, it can be inferred from the above table's data that the largest percentage of respondents—55 percent—responded negatively.

**Table 2.** Trade & transit volume between Afghanistan and Pakistan is decreasing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	14	14.0	14.0	14.0
	Agree	58	58.0	58.0	72.0
	Strongly Agree	28	28.0	28.0	100.0
	Total	100	100.0	100.0	

Table 2 indicates that “Trade & transit volume between Afghanistan and Pakistan is decreasing”. Subcategories, including strongly disagree, disagree, agree, and agree strongly, have been used to group the replies. Out of 100 responses, the results show that 14 respondents, or 14% of the sample, were neutral, 58 respondents, or 58% of the sample, agreed, and 28



respondents, or 28%, strongly agreed. The above table's data indicate that 58% of respondents gave an agree response, which is the largest percentage of respondents.

**Table 3.** Trade & transit volume between Afghanistan and Pakistan is normal

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	10	10.0	10.0	10.0
Disagree	55	55.0	55.0	65.0
Valid Neutral	14	14.0	14.0	79.0
Agree	21	21.0	21.0	100.0
Total	100	100.0	100.0	

Table 3 indicates that "Trade & transit volume between Afghanistan and Pakistan is normal". Subcategories, including strongly disagree, disagree, agree, and agree strongly, have been used to group the replies. According to the results, 10 respondents, or 10% of the total, strongly disagreed, 55 respondents, or 55% disagreed, 14 respondents, or 14% were indifferent, and 21 respondents, or 21% agreed. Therefore, based on the findings of the above table, it can be stated that 55% of respondents disagreed, which is the greatest percentage.

**Table 4.** APTTA is the best framework for expanding business relations between Afghanistan and Pakistan if implemented perfectly

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	8	8.0	8.0	8.0
Neutral	14	14.0	14.0	22.0
Valid Agree	58	58.0	58.0	80.0
Strongly Agree	20	20.0	20.0	100.0
Total	100	100.0	100.0	

**Table 5.** The most challenging business problems for Pakistani exporters in Afghanistan is insecurity

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	29	29.0	29.0	29.0
Neutral	29	29.0	29.0	58.0
Valid Agree	22	22.0	22.0	80.0
Strongly Agree	20	20.0	20.0	100.0
Total	100	100.0	100.0	



Table 4 indicates that question “APTTA is the best framework for expanding business relations between Afghanistan and Pakistan if implemented perfectly”, Subcategories, including strongly disagree, disagree, agree, and agree strongly, have been used to group the replies. According to the results, 8 respondents, or 8% of the total, disagreed, 14 respondents, or 14%, were indifferent, 58 respondents, or 58% of the total, agreed, and 20 respondents, or 20%, strongly agreed. The above table's data indicate that 58% of respondents gave an agree response, which is the largest percentage of respondents.

**Table 6.** The most challenging business problems for Pakistan is Illegal fees

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	4	4.0	4.0	4.0
Disagree	36	36.0	36.0	40.0
Neutral	31	31.0	31.0	71.0
Agree	24	24.0	24.0	95.0
Strongly Agree	05	05.0	05.0	100.0
Total	100	100.0	100.0	

Table 5 indicates that question “The most challenging business problems for Pakistani exporters in Afghanistan is insecurity” The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. Out of a total of 100 respondents, the results show that 29 respondents, or 29% of the sample, disagreed, 29 respondents, or 29% of the sample, agreed, and 20 respondents, or 20% of the sample, strongly agreed. Therefore, it can be inferred from the findings of the above table that the largest percentage of respondents—29%—responded negatively.

Table 6 indicates that question “The most challenging business problems for Pakistan is Illegal fees” The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. Out of 100 responses, the results show that 36 respondents, or 36% of the sample, disagreed, 31 respondents, or 31% of the sample, agreed, and 5 respondents, or 5% of the sample, strongly agreed. Therefore, it may be inferred from the data of the above table that 36% of respondents disagreed.

**Table 7.** The most challenging business problems for Pakistani exporters in Afghanistan is complicated documentation

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	14	14.0	14.0	14.0
Neutral	22	22.0	22.0	36.0
Agree	50	50.0	50.0	86.0
Strongly Agree	14	14.0	14.0	100.0
Total	100	100.0	100.0	

Table 7 indicates that question “The most challenging business problems for Pakistani exporters in Afghanistan is complicated documentation” The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. Out of 100 respondents, the results show that 14 respondents, or 14% of the sample, disagreed, 22 respondents, or 22% of the sample, were neutral, 50 respondents, or 50% of the sample, agreed, and 14 respondents, or 14% of the sam-

ple, strongly agreed. Therefore, it may be inferred from the findings of the above table that 50% of respondents strongly agreed.

**Table 8.** The most challenging business problems for Afghani exporters in Pakistan is Custom problems

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	2	2.0	2.0	2.0
Disagree	11	11.0	11.0	13.0
Neutral	31	31.0	31.0	44.0
Agree	41	41.0	41.0	85.0
Strongly Agree	15	15.0	15.0	100.0
Total	100	100.0	100.0	

Table 8 indicates that question “The most challenging business problems for Afghani exporters in Pakistan is Custom problems” The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. Out of 100 respondents, the results show that 2 respondents, or 2% of the sample, strongly disagreed, 11 respondents, or 11% of the sample, disagreed, 31 respondents, or 31% of the sample, agreed, and 15 respondents, or 15% of the sample, highly agreed.

Therefore, it can be inferred from the findings of the above table that 41% of respondents gave an agree response, which is the greatest percentage.

**Table 9.** APTTA is faced with challenges in bilateral trade

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	6	6.0	6.0	6.0
Neutral	43	43.0	43.0	49.0
Agree	47	47.0	47.0	96.0
Strongly Agree	4	4.0	4.0	100.0
Total	100	100.0	100.0	

Table 9 indicates that question “APTTA is faced with challenges in bilateral trade” The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. According to the results, 6 respondents, or 6% of the total, disagreed, 43 respondents, or 43%, were indifferent, 47 respondents, or 47%, agreed, and 4 respondents, or 4%, strongly agreed. Therefore, it can be inferred from the findings of the above table that 47% of respondents gave an agree response, which is the greatest percentage.

**Table 10.** Activities were initiated to improve coordination between PAJCCI and other business chambers such as the FPCCI

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	4	4.0	4.0	4.0
Neutral	23	23.0	23.0	27.0
Agree	58	58.0	58.0	85.0
Strongly Agree	15	15.0	15.0	100.0
Total	100	100.0	100.0	

Table 10 indicates that question “Activities were initiated to improve coordination between PAJCCI and other business chambers such as the FPCCI” the respondents have been classified into sub-categories i.e. Strongly disagree, disagree, neutral, agree and strongly agree. The result reveals that out of 100 respondents, 4 respondents i.e. 4 % were disagree, 23 respondents i.e.23% were neutral, 58 respondents i.e. 58 % were agree and 15 respondents i.e. 15% were strongly agree. Hence, it is concluded from results of above table that the highest of the respondents were 58 % with agree response.

**Table 11.** PAJCCI role in improving bilateral trades and investments are very good

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	16	16.0	16.0	16.0
Disagree	21	21.0	21.0	37.0
Valid Neutral	31	31.0	31.0	68.0
Agree	32	32.0	32.0	100.0
Total	100	100.0	100.0	

Table 11. indicates that question “PAJCCI role in improving bilateral trades and investments are very good” The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. Out of 100 respondents, the results show that 16 respondents, or 16% of the sample, strongly disagreed, 21 respondents, or 21% of the sample, disagreed, 31 respondents, or 31% of the sample, were indifferent, and 32 respondents, or 32% of the sample, agreed. Therefore, it can be inferred from the data of the above table that 32% of respondents had a neutral response, which is the greatest percentage.

**Table 12.** APTTA is well-organized in execution of two-sided trade amongst Afghanistan and Pakistan

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	1.0	1.0	1.0
Disagree	18	18.0	18.0	19.0
Valid Neutral	27	27.0	27.0	46.0
Agree	41	41.0	41.0	87.0
Strongly Agree	13	13.0	13.0	100.0
Total	100	100.0	100.0	

Table 12. indicates that question “APTTA is well-organized in execution of two-sided trade amongst Afghanistan and Pakistan” The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. Out of 100 responses, the results show that 1 respondent, or 1%, strongly disagreed, 18 respondents, or 18% disagreed, 27 respondents, or 27% were indifferent, 41 respondents, or 41% agreed, and 13 respondents, or 13% agreed. Therefore, it can be inferred from the findings of the above table that 41% of respondents gave an agree response, which is the greatest percentage.



**Table 13.** The condition of roads between Afghanistan and Pakistan especially Peshawar- Torkham road and Quetta-Chaman road is very effective

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	26	26.0	26.0
	Agree	55	55.0	81.0
	Strongly Agree	19	19.0	100.0
	Total	100	100.0	100.0

Table 13. indicates that question “The condition of roads between Afghanistan and Pakistan especially Peshawar- Torkham road and Quetta-Chaman road is very effective” The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. Out of 100 responses, the results show that 26 respondents, or 26% of the sample, were neutral, 55 respondents, or 55% of the sample, agreed, and 19 respondents, or 19% of the sample, strongly agreed. Therefore, it can be inferred from the findings of the above table that the majority of respondents—55 percent—answered "agree."

**Table 14.** Partial shipment problem is solved

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	2.0	2.0
	Disagree	25	25.0	27.0
	Neutral	23	23.0	50.0
	Agree	38	38.0	88.0
	Strongly Agree	12	12.0	100.0
	Total	100	100.0	100.0

Table 14. indicates that question “partial shipment problem is solved” The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. Out of 100 responses, the results show that 2 respondents, or 2%, strongly disagreed, 25 respondents, or 25%, agreed, 23 respondents, or 23%, were neutral, 38 respondents, or 38%, agreed, and 12 respondents, or 12%, highly agreed. Therefore, it can be inferred from the findings of the above table that 38% of respondents gave an agree response, which is the greatest percentage.

**Table 15.** PAJCCI should commission a study for comparing APTTA with other transit regimes to draw lessons for improvement and facilitate in implementation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	4	4.0	4.0
	Agree	74	74.0	78.0
	Strongly Agree	22	22.0	100.0
	Total	100	100.0	100.0

Table 15. indicates that question “PAJCCI should commission a study for comparing APTTA with other transit regimes to draw lessons for improvement and facilitate in implementation” The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. According to the results, 4 respondents, or 4% of the total, were indifferent, 74 respondents, or 74%, agreed, and 22 respondents, or 22%, strongly agreed. As a consequence, it can be inferred from the findings of the above table that 74% of respondents gave an agree response.

**Table 16.** Introduction of tariff parity between Afghanistan and Pakistan under APTTA can address many issues raised in the report

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Neutral	13	13.0	13.0	13.0
Valid Agree	67	67.0	67.0	80.0
Valid Strongly Agree	20	20.0	20.0	100.0
Valid Total	100	100.0	100.0	

Table 16. indicates that question “Introduction of tariff parity between Afghanistan and Pakistan under APTTA can address many issues raised in the report” Sub-categories of strongly disagree, disagree, agree, and highly agree have been used to group the responders. Out of 100 responses, the results show that 13 respondents, or 13%, were neutral, 67 respondents, or 67%, agreed, and 20 respondents, or 20%, strongly agreed. The above table's data indicate that 67% of respondents gave an agree response, which is the largest percentage of respondents.

**Table 17.** Bonded carrier has been helpful in curbing the menace of informal trade as long as it carries responsibility of bringing back the container to Pakistan. Therefore, it must be continued despite resistance from certain segments of traders

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	7	7.0	7.0	7.0
Valid Disagree	28	28.0	28.0	35.0
Valid Neutral	29	29.0	29.0	64.0
Valid Agree	33	33.0	33.0	97.0
Valid Strongly Agree	3	3.0	3.0	100.0
Valid Total	100	100.0	100.0	

Table 17. indicates that question “Bonded carrier has been helpful in curbing the menace of informal trade as long as it carries responsibility of bringing back the container to Pakistan. Therefore, it must be continued despite resistance from certain segments of traders.” The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. The findings show that, of the 100 respondents, 28 respondents, or 28% of the sample, disagreed, 29 respondents, or 29% of the sample, were indifferent, and 3 respondents, or 3% of the sample, strongly agreed. Thus, it can be inferred from the above table's data that the largest percentage of respondents—29%—had a neutral attitude.

**Table 18.** Ambiguities in the rules and procedures pertaining to bonded carriers should be removed

	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	11	11.0	11.0	11.0
Agree	68	68.0	68.0	79.0
Strongly Agree	21	21.0	21.0	100.0
Total	100	100.0	100.0	

Table 18. indicates that question “Ambiguities in the rules and procedures pertaining to bonded carriers should be removed” The responses were divided into four subcategories: strongly disagree, disagree, agree, and agree strongly. Out of 100 responses, the results show that 11 respondents, or 11% of the sample, were neutral, 68 respondents, or 68% of the sample, agreed, and 21 respondents, or 21% of the sample, strongly agreed. Therefore, it can be inferred from the findings of the above table that the majority of respondents—68%—answered "agree."

#### 4. Discussion

According to research, with \$369 million in imports, Pakistan was the biggest buyer of goods from Afghanistan, while the country ranked fourth in terms of receiving Pakistani exports. The amount of commerce between Pakistan and Afghanistan has decreased from \$2.3 billion to \$1.4 billion during the past five years. The entry of Iran and India into Afghanistan is causing Pakistan to lose market share. Afghanistan's primary import source used to be Pakistan, however since 2014, Iran has displaced Pakistan as the leading source. The Afghan-Pakistan Transit Trade Agreement dispute, trade restrictions at borders, preventing Indian goods into Afghanistan through Pakistan, and border closures are the main causes of the decline in exports. The majority of goods sent to Afghanistan are agricultural in nature. Afghanistan's preference for low-cost agricultural imports from neighboring nations such as Pakistan, Iran, and Tajikistan is the rationale behind this. In 2016, the main goods that Pakistan shipped to Afghanistan were rice, wheat, cement, and sugar. Pakistan holds a market share of above 90% for some items.

Products and services distributions of Afghanistan is confirmed about 500 \$ million while the importations representation as of 3 \$ billion by year 2009 to amount of 10.4 billion \$ by year 2014. The existing version stability endured undesirable also reduced through the years. Mentioned figures, though, are not explanation of considerable casual business among Iran and Afghanistan, as well as Pak-Afghan. Business commotion is arranged on growth used for the maximum portion of former era. Pakistan remnants Afghanistan's main trade partner carrying a part of 28 % tailed thru USA, that have portion of 17.3 % Afghanistan is 3rd major end point of Pakistan's exports in year 2012- 13.4 Subsequently 2006 mutually trading states are handling for retaining cooperative transfer also importation worth overhead 1.5 \$ billion. However, Pakistan's growing amount of distribution for Afghanistan is a little reduced from 2011, exports between Afghanistan and Pakistan is progressively on increase. However, Pakistan faces competition because to the rise in Indian and Iranian exports. Moreover, different behavior of Pakistani establishments, lengthier authorization period at port, too much demurrage payments also matters linked with transportation potentials of Pakistan are issues that form transportation through Iran comparatively better.

#### 5. Findings

Following are the findings of study:

- Study shows that that trade & transit volume between Afghanistan and Pakistan is decreasing.



- Study shows that Majority of participants agreed that APTTA is the best framework for expanding business relations between Afghanistan and Pakistan if implemented perfectly.
- Research shows that most of candidates agreed that Ambiguities in the rules and procedures pertaining to bonded carriers should be removed.
- It shows that majority of respondents agreed that Introduction of tariff parity between Afghanistan and Pakistan under APTTA can address many issues raised in the report.
- Research shows that participants agree on PAJCCI to commission a study for comparing APTTA with other transit regimes to draw lessons for improvement and facilitate in implementation.
- Research shows that APTTA is faced with challenges in bilateral trade.
- Research shows that the condition of roads between Afghanistan and Pakistan especially Peshawar-Torkham Road and Quetta-Chaman Road is very effective.
- Research shows that the most challenging business problems for Pakistani exporters in Afghanistan is insecurity.
- Research shows that the most challenging business problems for Pakistan is Illegal fees.

## 6. Limitations of the study

- Conducting research in custom department near Pak-Afghan border was difficult as most of employees were not willing to response to questionnaire.
- Time consuming

## 7. Conclusion

The relationship between Afghanistan and its neighbor country Pakistan unceasingly continued anxious thru inferences meant for the political economy. since 1950s, the entrée to ocean remained serious for financial development of Afghanistan due to fronting thoughtful transportation difficulties by Pakistan. It is considered the main motive of Afghanistan being at lead for increasing the difficulties of blocked-in states in United Nations. Actually, this is meant to be coalition of Afghanistan, Bolivia, and Czechoslovakia who shaped a sturdy plan also placed penetrating gravity Upon United Nation's General Assembly for indorsing a Meeting of Ambassadors for conducting the research upon difficulties of permitted entree to ocean for blocked-in states. For the mentioned aim, a conference was established in Geneva in 1958 the Fifth Board where representatives were chosen as the Chairman, vice- Chairman and Rapporteur correspondingly. The current research purposes to find out the Trade Relation between Afghanistan and Pakistan. This chapter designates the procedures and methods that the scholar used while conducting research. The chapter is made up of design, population, sampling techniques, sampling size, data collection procedures, data analysis procedure, questionnaire was designed in 5 Likert-scale and was distributed to 100 participants. Research shows Most of candidates agreed that Ambiguities in the rules and procedures pertaining to bonded carriers should be removed as well as the participants agreed that APTTA is the best framework for expanding business relations between Afghanistan and Pakistan if implemented perfectly, therefore it was recommended that Both countries must remove uncertainties and barriers in the rules and procedures pertaining to bonded carriers. The limitation of study was lake of interest of participants to participate in this study.

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