

# Collectorate's Yearbook 2020-21



**Collectorate of Customs  
(Appraisement) Peshawar**

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## Message from the Member Customs (Operations)

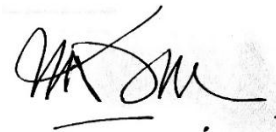
The Collectorate of Customs Appraisement Peshawar, has once again continued with precedence of publishing its annual performance report in the form of Yearbook 2020-21. The yearbook is an elucidation of Collectorate's performance in terms of tax collection at imports and exports taking place at Peshawar Dryport and land border stations in its jurisdiction. The Collectorate's presentation of its performance is pronounced in such a way as it caters to significant portion of bilateral trade activity with Afghanistan at western border of Pakistan. It is



noteworthy to mention that Collectorate has been engaged in rolling out new initiatives at land border stations like complete automation of customs business processes, opening of new border crossings for regular bilateral trade with Afghanistan. These measures synergized the govt's efforts in expansion of trade opportunities with Afghanistan and CARs.

The salient features of report include visual presentation of data in the form of graph's, trends and layouts to help reader in understanding various intricate analysis/procedures at a glance. The report also quantifies Collectorate's annual performance and carried out in-depth analysis of the trade activity along western border adjoining Afghanistan.

I hereby extend my appreciation to Mr. Muhammad Saleem, Collector of Customs Appraisement-Peshawar and his team as a lot of efforts seems to have been put in for compilation of such an extensive annual report. It is expected that recommendations put forth in the said report will be valuable both for policy makers and trade to realize enormous trade potential between Afghanistan and Pakistan. It is expected that successor Collectors will continue publishing annual performance report in form of Yearbook.



(Syed Muhammad Tariq Huda)  
Member Customs (Operations)

## Foreword

It is indeed heartening to write this foreword for second edition of the yearbook by Collectorate of Customs Appraisement, Peshawar. I have gone through its contents and found it well structured and backed up by statistical presentation of data for both imports as well as the exports clearance, taking place in Khyber Pakhtunkhwa Province. The edition presents an in-depth analysis of bilateral & transit trade carried out from border stations, located in KP. It further elaborately highlights the yearly performance of the Collectorate.



The analysis, carried out in the report, covers various clearance processes taking place in jurisdiction of the Collectorate involving comparisons, representations in the form of graphs and trends. Another key feature added in this edition is the update on Collectorate's recent initiatives on automation of the border Customs stations and the challenges faced in its implementation. The report also suggests various key areas for policy review to streamline bilateral trade with Afghanistan.

I hope that the report will serve as a valuable material for economists, policy makers, researchers and field officers to draw inferences there from. It is, therefore, highly recommended that other field offices and Directorates of Pakistan Customs may also be encouraged to work on identical lines for compiling and issuing such annual reports pertaining to their area of jurisdiction as such reports will surely be helpful for experts involved in R&D in the domain of public policy and trade for taking informed decisions.

Summing up, I appreciate Mr. Muhammad Saleem, Collector of Customs Appraisement, Peshawar and his team for formulating such a detailed report not only highlighting impediments confronting the border trade but also suggesting workable solutions to address these hurdles on priority. It is worth emphasizing to put all out efforts in institutionalizing this initiative on yearly basis for overall benefit of the department as well as the traders and other stakeholders.

A handwritten signature in black ink, appearing to read 'Asif Jah' with a stylized flourish at the end.

**(Dr. Asif Mahmood Jah)**  
**(Sitara-e-Imtiaz)**  
**Chief Collector Customs (North)**

## Preface


It is a moment of immense pleasure to publish second edition of Collectorate's Yearbook, an endeavor which was embarked upon for the first-time last year. At the outset, I have been extremely grateful for the positive response received from senior colleagues and other circles in the shape of valuable ideas to bring further improvements in the current edition of said Yearbook. This edition of the Yearbook maintains the same structure as of the first. It continues to be descriptive and analytical to act as quick resource to those engaged in research etc. New sections relating to statistics of trade data for last 10 years, brief on ITTMs project and various other initiative undertaken by the Collectorate in the FY 2020-21 have been added in the current edition.



The report focuses mainly on analysis of tax collection, operational issues and emerging trade trends illustrated with the support of statistical tables and graphs. This approach offers a compendium of information touching upon all significant aspects of trade activity across the western border of the country. The report, therefore, serves as ready reference for students, researchers and policy makers for quick grasp of relevant information regarding bilateral trade with Afghanistan. It also offers insights for policy review to address the issues confronting border trade.

Lastly, it goes beyond mentioning that Syed Muhammad Tariq Huda, the Member Customs (Operations), FBR and Dr. Asif Mahmood Jah, the Chief Collector of Customs (North) have provided all out support and insightful guidance in bringing out this publication. I am grateful for their support and encouragement. I also appreciate Mr. Muhammad Rizwan, Deputy Collector, Ms. Jaweria Shahid, Assistant Collector, Mr. Saif Ullah Khan, Assistant Collector and Mr. Farhatullah Khan, Regional Manager, M/s PRAL who delivered their best efforts in compiling of statistical data in preparation and printing of this publication. Their efforts are gratefully acknowledged. In the end, all valued readers are requested to offer their comments and suggestions to make the future edition of this publication more analytical and useful for research purposes.

**5<sup>th</sup> August, 2021**

  
(Muhammad Saleem)  
Collector



## Executive Summary

*The Collectorate of Customs Appraisement, Peshawar came to existence with the recent realignment of customs administration in Khyber Pakhtunkhwa (KP) vide SRO 624(I)2021 dated 28-05-2021. All imports and exports clearance related matters fall within the domain of Appraisement Collectorate Peshawar. The import clearances effected through Azakhel Dryport and border customs stations namely Torkham, Kharlachi, Ghulam Khan and Angoor Adda are the major source of revenue for this Collectorate. In the financial year 2020-21, the Appraisement Collectorate Peshawar has collected Rs.30.56 billion total taxes including Rs.11.9 billion customs duties for the national exchequer. Cotton, coal, fresh fruits, dry fruits and vegetables are among the major revenue spinner of bilateral border/trade. Whereas, auto parts, motorcycles parts, mobile accessories, shoes, light parts and vehicles are major revenue contributors in import clearances from Dryport in the current financial year.*

*The Collectorate was among the worst hit by Covid-19 pandemic as trade related activities remained suspended during the whole last quarter of the financial year 2019-20 due to complete closure of border trade with Afghanistan. However, in the current financial year V-shaped recovery of the economy including increase demand from large scale manufacturing industries namely textile has positively impacted the collection of total taxes alongwith significant increase in collection of customs duty. In addition to economic recovery the Collectorate has aggressively followed the policy to completely automate the business processes at border customs stations by rolling out of WeBOC. Consequently, by the end of the financial year customs clearances at all border customs stations have now been switched over to WeBOC. Another important measure which has also contributed in realization of additional duty/taxes is the operationalization of customs stations at Angoor Adda. The functioning of customs station there has regulated the bilateral trade between Pakistan & Afghanistan from this trade route. As a result, in addition to contribution in significant increase in the collection of duty/taxes, exports worth US \$ 18 million have also been witnessed from this customs station alone in the current financial year.*

*With implementation of action plan for quick clearance of goods at border stations, infrastructural upgradation and complete automation of customs business processes, the Collectorate has been able to collect Rs.11.9 billion customs duty and surpassed the assigned target of Rs.5.9 billion by significant amount of Rs.6 billion. In this way, the collection of customs duty witnessed unprecedented growth of 108% in the current financial year against its last year collection. Similarly, Rs.35.5 billion has been collected as total duty/taxes registering a growth of 64.85% when compared to its last year collection.*

## **Highlights**

- *Resumption of bilateral trade after having been closed for four months (March to June, 2020) due to the Covid-19 pandemic and easing of lockdown restrictions for trade has witnessed increased clearances of stuck up consignments resulting in enhanced revenue collection in FY 2020-21;*
- *The automation of business processes through implementation of WeBOC at all border stations and activation of Customs Station at Angoor Adda with effect from 23.09.2020 have regulated and boosted the bilateral trade activity in the southern region of KP and positively impacted the revenue collection in current FY. Prior to opening of CS Angoor Adda, none of the exports has ever been made to Afghanistan from southern route;*
- *In order to facilitate bilateral trade with Afghanistan and to address congestion issues at Torkham, CS Kharlachi has been designated for rebateable exports of cement in addition to simple exports. Further CS Ghulam Khan has been notified for movement of transit cargo enroute Afghanistan since October, 2020. Consequently, substantial exports of cement have been moved to CS Kharlachi;*
- *The adoption of ICT related measure like establishing digital connectivity at border stations, gradual automation of business processes and enhanced administrative controls resulted in increased collection of duty/taxes as compared to previous FY. The collection of customs duty has recorded substantial growth of **102.6%** in current FY 2020-21;*
- *Import of duty-free raw cotton from Central Asian States has shown unprecedented growth of around 80% in FY 2020-21. Although it has no contribution towards collection of customs duties, however, these imports yielded substantial revenue under sales tax & WHT heads;*

## **Outlook**

- *Gradual increase in imports and exports clearances reflected that the trade activity is recuperating from the pandemic odds. However, trends show that dutiable imports will not grow in proportion to the total imports volume as import of cotton which is free of custom duty is likely to upsurge in the coming year due to unprecedented demand from textile industry;*
- *The recent trend of upsurge in clearances at Peshawar/Azakhel Dryport may like to continue in the next FY due to the strict anti-smuggling measures directed towards controlling the flow of transit goods and closure/suspension of import clearances from Sust border;*



- *Complete roll out of WeBOC at Angoor Adda shall also have positive contribution especially in increasing the exports and ensuring minimal revenue leakages from South Waziristan trade route;*
- *At border stations the collection of duty/taxes might be negatively impacted because of the downward revision of values ordered vide valuation advice C. No. Misc/68/2016-I/5551 dated 31.12.2020 and due to uncertain political situation in the adjoining border areas of Afghanistan;*
- *The import of duty-free items such as raw cotton has significantly been increased during the current FY and if the trend continues the 70% of import shall be dominated by the raw cotton at C.S Torkham;*
- *With the pick-up of economic activities, bilateral trade and particularly exports to Afghanistan from border stations are set to increase in FY 2021-22;*
- *The clearances of Industrial Cargo meant for Industries located in erstwhile FATA/PATA from Dryport Azakhel may contribute significantly in annual collection of customs duty in FY 2021-2022. Moreover, Imports will also likely to appreciate both at Dryport and border stations in response to projected economic recovery in FY 2020-21;*
- *Analyzing the growth trend of imports from Afghanistan at border stations and moving of Industrial cargo clearances at Azakhel Dryport from Karachi ports, the collection of customs duties in this Collectorate are expected to increase significantly in FY 2021-22*

## Chapter - 1

### 1. Collectorate of Customs (Appraisement) – Peshawar

#### Historical Evolution

The Customs establishment in KP Province dates back to pre-independence. After independence, the Customs authorities in KP were placed under the administrative control of the Collectorate of Customs & Central Excise, Lahore. In 1974, the administration of Customs & Excise for the territories encompassing KP Province and Attock, Jhelum & Rawalpindi Districts were separated from Lahore Collectorate and a separate Collectorate namely the Collectorate of Customs & Central Excise, Peshawar was established. This arrangement continued until 1<sup>st</sup> July 1981 when a new administrative setup namely the Collectorate of Customs & Central Excise, Rawalpindi was established separating Attock, Jhelum, Rawalpindi and Hazara Districts from Peshawar Collectorate. In 1986, the Hazara Division was re-attached with Peshawar Collectorate. The sales tax in VAT mode was introduced in 1996 through a new legislation, the Sales Tax Act, 1996. A separate establishment to manage the sales tax matters in KP was created namely the Collectorate of Sales Tax, Peshawar in 1996. Afterwards, Excise related matters were separated from Customs Collectorate and merged with the Sales Tax Collectorate in 2001. Both Customs and Sales Tax Collectorates were re-named as Collectorate of Customs, Peshawar and Collectorate of Sales Tax & Federal Excise, Peshawar. The Customs establishment thereafter re-named as Model Customs Collectorate (MCC), Peshawar in 2007.

#### *Historical Timeline*

<i>Collectorate of Customs and central excise, Lahore</i>	<i>1947-1974</i>
<i>Collectorate of Central excise Peshawar</i>	<i>01-07-1974</i>
<i>Rawalpindi and Hazara Divisions separated</i>	<i>01-07-1981</i>
<i>Hazara Division Reattached</i>	<i>01-01-1986</i>
<i>Collectorate of Sales tax</i>	<i>1996</i>
<i>Collectorate of Sales tax and Federal excise</i>	<i>2000</i>
<i>Collectorate of Customs and Collectorate of Sales tax and federal excise</i>	<i>2007</i>
<i>Creation of MCC Peshawar</i>	<i>2007</i>
<i>Transit Trade and Adjudication matters separated</i>	<i>2013</i>
<i>Bifurcation into MCC A&amp;F and MCC E&amp;C</i>	<i>2019</i>
<i>Redesignated as Collectorate of Customs Appraisement, Peshawar</i>	<i>2021</i>

## 1.1 Functional Alignments

The matters related to transit trade and adjudications were separated from MCC- Peshawar in 2013. The transit trade related functions were entrusted to newly created Directorate of Transit Trade, Peshawar and adjudications matters were merged with newly created MCC-Adjudication, Islamabad. MCC-Peshawar thereafter administered functions related to imports & exports and anti-smuggling in the territorial jurisdiction of KP Province until 2019. The jurisdiction of erstwhile MCC-Peshawar was realigned on functional basis in July 2019. Consequently, MCC-Peshawar was bifurcated, vide SRO No.13(I)/2019 dated 01.01.2019 into two Collectorates namely MCC-Appraisalment & Facilitation (A&F), Peshawar and MCC- Enforcement & Compliance (E&C), Peshawar. Recently, Customs administration in KP Province has again been realigned vide SRO 624(I)/2021 dated 28.05.21 whereby a new office namely Chief Collector (Customs) KP has been established. Apart from placing the customs establishment in KP under the control of CC-KP Office, the MCC-(A&F) & (E&C) Peshawar are now redesignated as (1) Collectorate of Customs Appraisalment, Peshawar, (2) Collectorate of Enforcement, Peshawar and newly created (3) Collectorate of Customs Enforcement, D. I. Khan. It is pertinent to mention that the customs anti-smuggling/enforcement administration set up has now been divided on territorial lines to be supervised by two separate Enforcement Collectorates in KP Province.

### Collectors

#### *Collectorate of Customs and Central excise*

1.	Syed Aqeel Rizvi	01-01-1974
2.	Mian Nazir Azhar	26-05-1976
3.	Jehangir khan	21-07-1981
4.	Riaz Ahmad Malik	14-07-1984
5.	Malik Muhammad Salim Khan	15-07-1987
6.	Mumtaz Ali	20-06-1988
7.	Khalid Masood	19-10-1988
8.	Ahmad Sibtain Fazli	26-08-1988
9.	Tahir Mahmood	23-08-1992
10.	Zafar Iqbal	27-03-1994
11.	Zahid Mahmood	01-08-1994
12.	Manzoor Ahmad	11-11-1996
13.	Hafiz Muhammad Anees	03-08-1998
14.	Mumtaz Haider Rizvi	13-07-2000
15.	Humayun Khan Sikandri	21-04-2001
16.	Ikram Ullah Ghauri	29-07-2002
17.	Liaqat Ali Agha	28-08-2003
18.	Sher Nawaz	15-02-2005
19.	Rozi Khan Burki	07-10-2006

#### *Model Customs Collectorate(MCC) Peshawar*

20.	Mr. Najeeb R. Abbasi	25-07-2008
21.	Mr. Muhammad Nasir Khan	06-02-2010
22.	Mr. Muhammad Younas Khan	29-01-2011
23.	Mr. Jehanzeb Mahmood	12-12-2011
24.	Mr. Zulfiqar A. Kazmi	06-08-2012
25.	Dr. Naeem Khan	06-08-2013
26.	Mr. Ziauddin Wazir	16-04-2014
27.	Mr. Muhammad Aamer	11-02-2015
28.	Mr. Qurban Ali Khan	08-06-2015
29.	Mr. Gul Rehman	09-08-2017

#### *Model Customs Collectorate of (Appraisalment) Peshawar*

30.	Dr. M. Saeed Khan Jadoon	29-01-2018
31.	Mr. Ihsan Ali Shah (Collector MCC-A&F) 17-12-2019	11-02-2019

#### *MCC Appraisalment and Facilitation Peshawar*

32.	Muhammad Saleem	07-02-2020
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#### *Collectorate of Customs Appraisalment Peshawar*

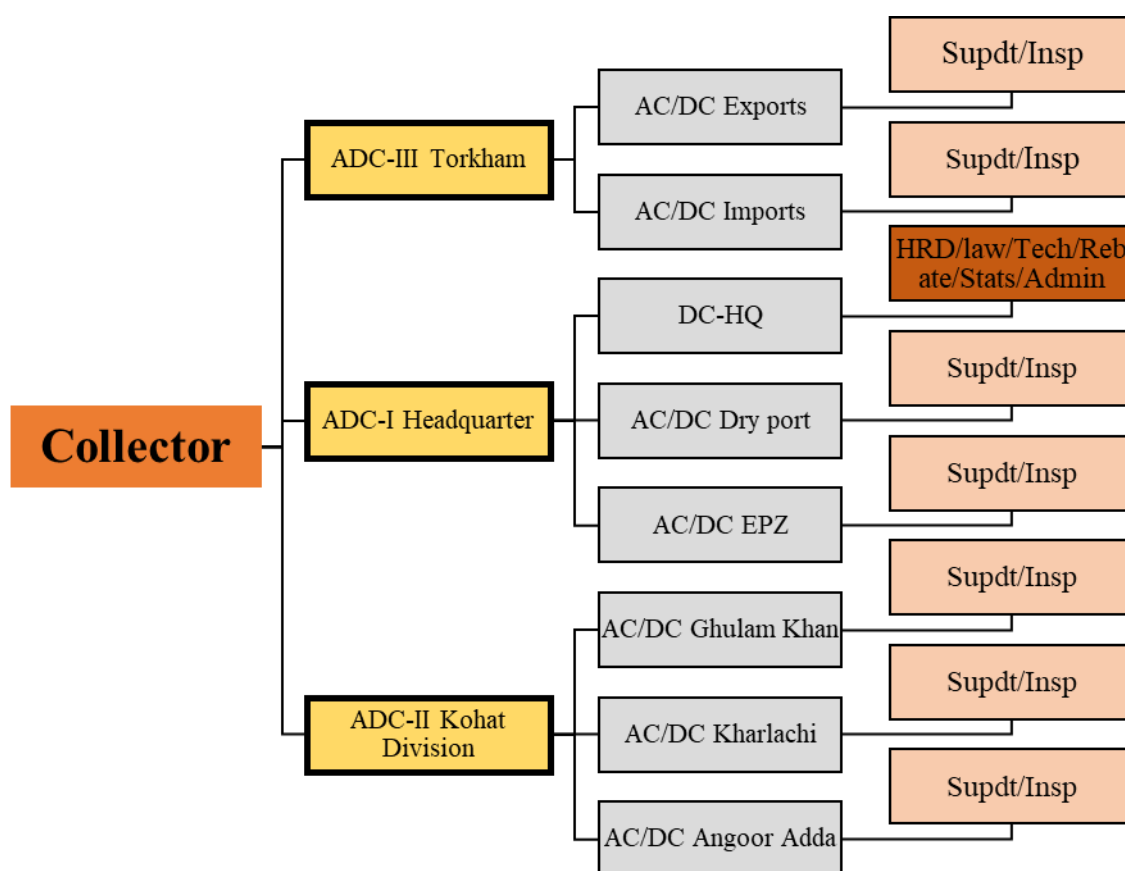
32.	<b>Muhammad Saleem</b>	<b>28-05-2021</b>
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## 1.2 Functions of Collectorate of Customs Appraisement, Peshawar

The newly designated Collectorate of Customs Appraisement, Peshawar has the jurisdiction on all matters relating to exports and imports of goods while anti-smuggling function in KP Province is entrusted to Collectorates of Customs Enforcement, Peshawar and D.I. Khan. Trade related activities in the jurisdiction of Collectorate of Customs Appraisement, Peshawar are mainly carried out at Customs Dryport, Peshawar/Azakhel and Border Customs Stations namely Torkham, Kharlachi, Ghulam Khan and Angoor Adda. The imports cleared from Dryport and border customs stations are prime source of revenue collection for Appraisement Collectorate, Peshawar.

## 1.3 Organizational Set-up

The Collector is the executive head of the Collectorate. He is assisted by three Additional Collectors and ten Deputy/Assistant Collectors followed by Superintendents/Principal Appraisers, Examiners/Inspectors, Appraisers and other Ministerial staff etc. The organogram below depicts the existing organizational set-up of the Collectorate.



## 1.4 Resources

The table below provides at a glance the human resource sanctioned/allocated to this Collectorate vis-à-vis present working strength.

S. No.	Name of Post	BS	Sanctioned Strength	Working Strength
1	Collector	20	1	1
2	Additional Collector	19	3	3
3	Deputy/Assistant Collector	18/17	10	10
4	Chief Accounts Officer	18/17	0	1
5	Statistical Officer	17	1	0
6	Superintendent	16	15	5
7	Principal Appraiser	16	5	2
8	Assistant Private Secretary	16	1	1
9	Appraising Officer	16	28	7
10	Office Superintendent	16	2	2
11	Inspector	16	105	54
12	Head Clerk	14	3	2
13	Steno Typist	14	2	1
14	Data Entry Operator	14	2	2
15	Upper Division Clerk	11	26	26
16	Lower Division Clerk	9	13	13
17	Havaldar	7	16	16
18	Sepoy	5	160	157
19	Driver	4/5	12	5
20	Lady Searcher	2/3	2	2
21	Daftari including Record sorter	2/3	2	2
22	Sweeper/Sanitary Worker	1/2	1	1
23	Mali including Laborer	1/2	2	2
24	Naib Qasid including water carrier	1/2	2	1
<b>Total</b>			<b>413</b>	<b>316</b>

## Chapter-2

### 2. An Analysis of Federal Taxes

#### 2.1 Comparative Analysis

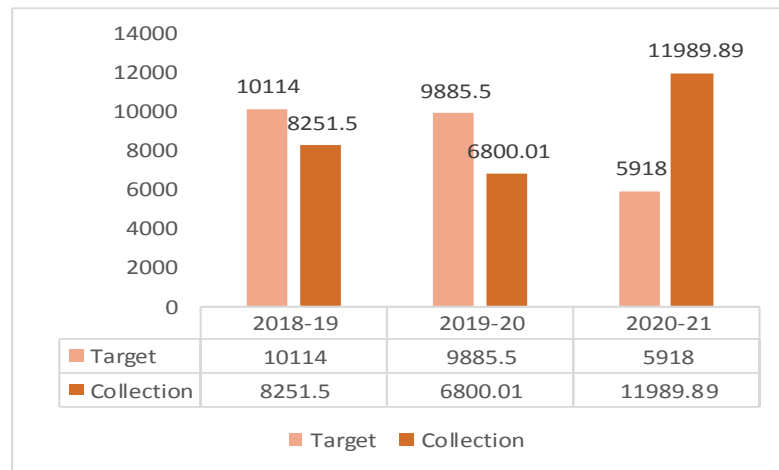
The statistics in Table-1 below shows a year-to-year comparison of duty/taxes collected from imports in FY 2020-21 and FY 2019-20.

**Table-1**  
**Comparison of Revenue Collection FY 2020-21 vs 2019-20 (Rs. In million)**

Levy	FY 2019-20			FY 2020-21			
	Target	Collection	Growth (%)	Target	Collection	Growth (%)	Growth (%) Year-to-Year Collection
<b>CD</b>	9885.85	6800.01	-31.21	5918	11989.89	102.60	<b>76.32↑</b>
<b>ST</b>	12582	7137.11	-43.28	-	13649.46	-	<b>91.25↑</b>
<b>WHT</b>	5924.7	4522.07	-23.67	-	4849.74	-	<b>07.25↑</b>
<b>FED</b>	164.5	52.23	-68.25	-	26.87	-	<b>-48.55↓</b>
<b>Total (Net)</b>	<b>28557.05</b>	<b>18511.42</b>	<b>-35.18</b>	<b>-</b>	<b>30515.96</b>	<b>-</b>	<b>64.85↑</b>

The data indicates that Rs.30.5 billion on account of total duty/taxes have been realized in FY 2020-21 (CFY) as against Rs.18.51 billion total revenue collected during FY 2019-20 (LFY). The revenue collection has, therefore, registered a significant growth of 64.8% in CFY in year-to-year collection. The levy-based collection shows that in CFY Rs.11.9 billion customs duty has been realized as against the assigned target of Rs. 5.9 billion. Therefore, the assigned target of customs duty has not only been achieved rather collection of CD surpassed by a significant amount of Rs.6 billion. In this way, the collection of CD witnessed an unprecedented growth of 102.6% in CFY against its last year collection. The collection of Sales Tax in CFY also registered a huge growth of 91.25% as compared to its last year collection. The collection of Withholding Tax (WHT) has reflected a growth of 7.25% when compared with last year collection. However, Federal Excise Duty (FED), instead, showed negative growth of -48.55% due to diversion of RBD Palm Oil etc clearances from this Collectorate to Collectorate of Customs PMBQ, Karachi. The Figure-1 below illustrates the Target vs Collection trend of CD during CFY in comparison with LFY.

**Figure 1**  
**Target vs. Collection Trend**



The main reason for significant growth in collection of duty/taxes during the CFY is the bouncing back of the economic activity after resumption of trade which remained closed for around four months i.e. March to June, 2020 during the LFY due to Covid-19. As a result, economy has witnessed a V-shaped recovery during CFY (Source: Economic Review FY 2021). The demand for industrial raw materials by LSM sector including Textiles industry has witnessed huge surge and as a result increased flow of imports primarily raw cotton from CARS through Afghanistan has been cleared from Torkham. The other factors contributed in overall collection of revenue in CFY are: (1) the resumption of regular bilateral trade with Afghanistan after relaxation of Covid-19 restrictions on trade, (2) opening of new border crossing namely Angoor Adda for regulated bilateral trade with Afghanistan, (3) the increase in volume of cargo during CFY due to clearances of stuck up consignments of previous months due to Covid restrictions, and (4) addition of FATA/PATA related industrial cargo through TP mechanism as notified under CGO No. 01/2021 from Azakhel Dryport Pirpai, Nowshera.

## **2.2 Analysis of Head-Wise Revenue Collection**

### **2.2.1 Customs duty**

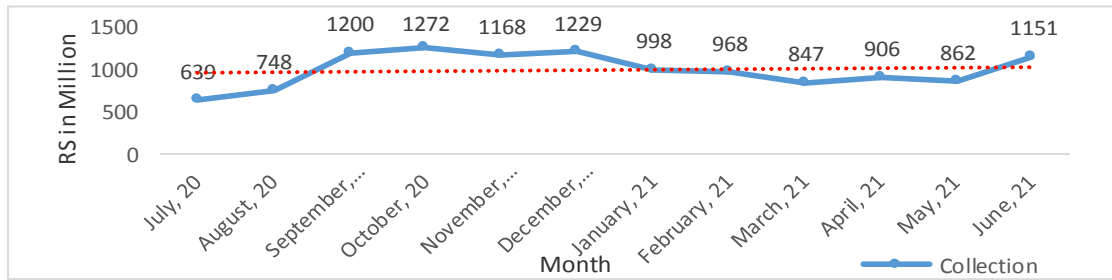
The customs duty is chargeable on value of goods imported into Pakistan mainly on ad-valorem rates provided in the First Schedule to the Customs Act, 1969. The import value consists of two components viz duty free and dutiable import values. Therefore, for collection purpose the base of customs duty is dutiable import value. The statistics in the Table-2 below shows the comparison of import indicators during FY 2020-21 and 2019-20.



**Table-2**  
**Comparison of import indicators FY 2021-20 vs 2019-20 (Rs. In million)**

Indicator	FY-2020-21	FY (2019-20)	Growth (%)	National Trend Growth (%)
<b>Total import value</b>	121886.03	82404.29	48	28
<b>Duty free imports</b>	55414.95	30863.7	80	42
<b>Dutiable imports</b>	66471.08	51540.59	29	20
<b>Customs duty</b>	<b>11989.81</b>	<b>6800.01</b>	<b>76</b>	<b>20</b>

**Figure-2**  
**Monthly collection trend of customs duties FY 2020-21**



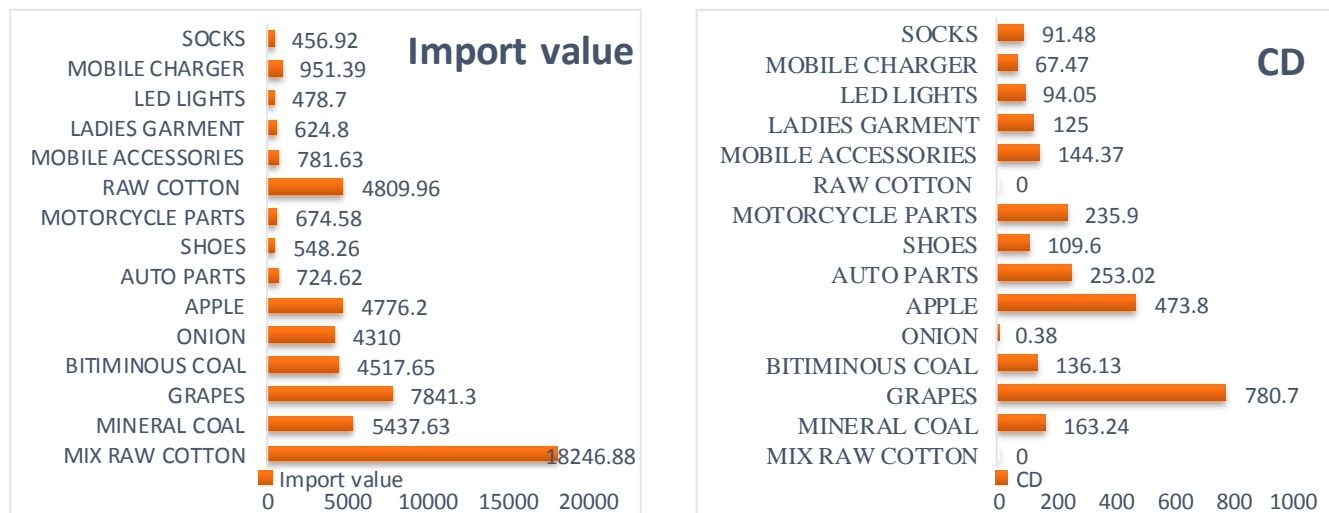
The analysis of import indicators informed that the import value during CFY registered 48% growth when compared with LFY. It is important to mention that duty free imports in this period reflected substantial growth of 80%. The dutiable imports which constitute base for customs duty also registered a sizeable increase and has shown a growth of 29 % in CFY. Therefore, the impact of growth in total import value is outweighed by the upsurge in duty free imports as dutiable imports only witnessed one third increase in proportion when compared with duty free imports. The Table-3 below indicates top fifteen revenue spinners in this Collectorate in the CFY.

**Table -3**  
**Top 15 revenue spinners 2020-21 vs 2019-20 (Rs. In million)**

PCT CODE	Item Description	Import Value			Dutiable Value			Custom Duty			Total Taxes		
		2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %
5201-0090	MIX RAW COTTON	18246.88	6435.46	184%	0	0	0%	0	0	0%	1979.97	485.48	308%
2701-1900	MINERAL COAL	5437.63	5459.67	0%	5434.2	5458.06	0%	163.24	163.04	0%	1427.75	1569.74	-9%
0806-1000	GRAPES	7841.2	10563	-26%	7840.2	10560	-26%	780.7	1051.9	-26%	1256.2	1691.9	-26%
2701-1200	BITUMINOUS COAL	4517.65	5651.54	-20%	4517.65	5651.54	-20%	136.13	169.84	-20%	1163.12	1604.58	-28%
0703-1000	ONION	4310	4568.3	-6%	5.52	20.55	-73%	0.38	0.8	-53%	835.87	1111.8	-25%
0808-1000	APPLE	4776.2	6163.3	-23%	4775.9	6160	-22%	473.8	607.53	-22%	771.05	990.57	-22%
8708-2931	AUTO PARTS	724.62	139.75	419%	724.62	139.75	419%	253.02	45.21	460%	579.35	110.98	422%
6404-1900	SHOES	548.26	36.92	1385%	548.26	36.92	1385%	109.6	7.37	1386%	572.74	39.02	1368%
8714-1020	MOTORCYCLE PARTS	674.58	175.2	285%	674.11	175.2	285%	235.9	61.26	285%	537.67	140.35	283%
5201-0060	RAW COTTON (28.5-31 MM)	4809.96	94.33	4999%	0	0	0%	0	0	0%	533.91	9.34	5616%
8518-3000	MOBILE ACCESSORIES	781.63	100.44	678%	781.63	100.38	679%	144.37	18.52	680%	455.15	59.17	669%
6212-1000	LADIES GARMENT	624.8	68.05	818%	624.8	68.02	819%	124.92	13.61	818%	415.21	45.91	804%
9405-3000	LED LIGHTS	478.7	153.03	213%	478.7	153.03	213%	94.05	30.43	209%	407.02	132.24	208%
8504-4020	MOBILE CHARGER	951.39	294.19	223%	947.45	294	222%	67.47	18.94	256%	342.72	105.83	224%
6115-1010	SOCKS	456.92	66.57	586%	456.92	66.57	586%	91.48	13.35	585%	303.71	44.91	576%
Others		66704	42432	57%	38660	22654	71%	9315	4598.2	103%	18827	9731.4	93%
Grand Total		121884.36	82401.98	48%	66469.15	51538.11	29%	11989.8	6800	76%	30408.72	17873.16	70%

The main reason for increase in the duty-free imports in FY 2020-21 is the significant rise in the imports of items like raw cotton from Central Asian States, fresh fruits and vegetable etc from Afghanistan. It is important to mention here that aforesaid items are available at concessionary rates of customs duty alongwith other taxes if imported from Afghanistan. Therefore, the impact on collection of customs duty is not in proportion to the substantial increase in import value in the CFY. On the other hand, the increase in imports of commercial items like shoes, motorcycle parts, auto parts, socks, LED lights, ladies garments have positively impacted the collection of customs duty, consequently a substantial increase in its collection alongwith sizeable surge in total revenue is recorded in the CFY.

**Figure 3**  
**Top 15 import items and CD contribution**



### 2.2.2 Reasons for increase in collection of Customs Duty

In summing up, the main reasons for increase in collection of Customs Duty witnessed in CFY are listed hereunder:

- i. Resumption of bilateral trade after having been closed for four months (March to June, 2020) due to the Covid-19 pandemic has resulted in increased clearances of stuck up consignments in July, 2020 and later months of Q1 and Q2 which positively impacted the overall revenue collection alongwith in gross collection of customs duty;
- ii. The increased volume in the clearance of commercial items like garments, articles of leather and auto parts from Dryport resulted in significant growth in collection of customs duty;
- iii. The opening of regular bilateral trade from Angoor Adda border crossing with Afghanistan since October, 2020 has streamlined the clearance of import cargo arrived from Afghanistan through South Waziristan district. This measure has positively impacted the collection of duty/taxes since the Q3;
- iv. Relocation of Dryport from Peshawar to Azakhel and clearance of industrial cargo of industries located in FATA/PATA under CGO 01 of 2021 since March, 2021 have significantly increased the volume of cargo clearance from Dryport and has also resulted in increased collection of total duty/taxes including customs duty in the CFY;

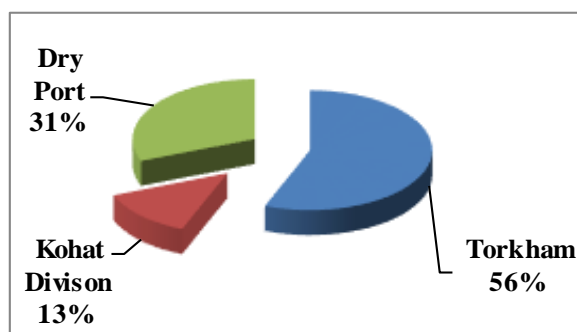
### 2.2.3 Direct Taxes

In CFY the sales tax and withholding tax (WHT) have recorded growth of 91.25% and 7.25% respectively while federal excise duty (FED) registered a negative growth i.e. -48.5%. The substantial increase in the collection of sales tax is mainly attributed to the unprecedented surge in import of raw cotton in the CFY from CARs besides increase in import volume of commercial items. The WHT increased by 7.25% as its collection is impacted downwards due to the budgetary measure taken in Finance Act, 2020 whereby WHT rate on imports of coal was decreased to 2% from 4%. The increase in collection of WHT in CFY is attributed to the increase in the import of mobile phone accessories, tube and tyres and other miscellaneous items etc. The decrease in FED is mainly caused by decrease in imports clearance of RBD Palm Oil/Olien from Dryport since these imports are moved for clearance to Collectorate of PMBQ Karachi as One-Customs clearance for safe transportation of RBD Palm Oil are disallowed.

### 2.3 Station-Wise Analysis

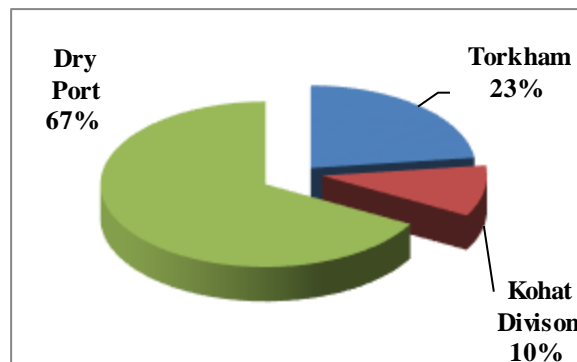
**Figure 4**  
Station-wise share in total import value in during FY 2020-21

Station	Import Value (Rs in Million)
Torkham	68229.95
Kohat Division	15896.33
Dry port	37720
<b>Total</b>	<b>121846.28</b>



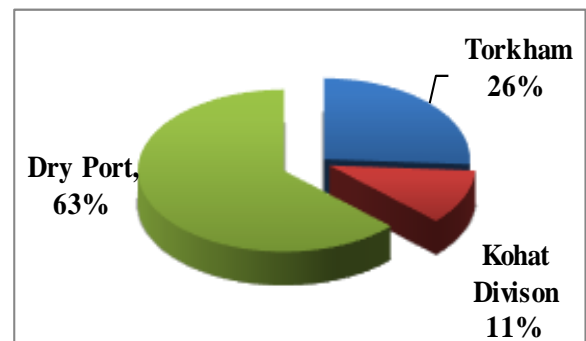
**Figure 5**  
Station-wise share in total Customs Duty during, FY 2020-21

Station	CD collection (Rs in Million)
Torkham	2005.52
Kohat Division	954.61
Dryport	9027.5
<b>Total</b>	<b>11987.63</b>



**Figure -6**  
**Station-wise share in total duty and taxes during, FY 2020-21**

Station	Total Duty & Taxes (Rs in Million)
Torkham	7855.53
Kohat Division	3285.52
Dryport	19280
<b>Total</b>	<b>30421.05</b>



### 2.3.1 Contribution of Border Trade

The bilateral trade with Afghanistan is carried out from Torkham, Kharlachi, Ghulam Khan and Angoor Adda border crossings. The bilateral border trade carried out in FY 2020-21 contributes in terms of trade volume, realization of duty/taxes etc. as under: -

- 69% in total trade volume;
- 33% in collection of customs duties;
- 37% in collection of overall duty/taxes.

## 2.4 Peshawar Dryport and Azakhel Dryport Piripai Nowshera

### 2.4.1 Background

The Railways Dryport, located in Peshawar Cantt was notified in 1986 vide SRO. No.618 (I)/86 dated 26.06.1986 as a temporary Customs clearance site till the time an independent Customs clearance station was to be established. The old Railways Dryport with an approximate area of 11 acres was located at the centre of city in Peshawar Cantt. Despite shortage of space, basic infrastructure to support the growing volume of trade, insecure site along with time restrictions for entering of cargo vehicles in city during day time, non-availability of examination and import vehicle's sheds, etc; it had been the busiest of the country that had handled Import, Export and Pak-Afghan Transit Trade (ATT) for almost 34 years. The traders including trade bodies kept on demanding for establishment of spacious dry port having modern facility to cater the requirements of trade in KP Province.

### 2.4.2 Relocation of Dryport facility to Azakhel Dryport Piripai, Nowshera

On persistent demand of the traders, business community and Sarhad Chamber of Commerce, Pakistan Railways Dryport, Azakhel Piripai Nowshera was inaugurated by the Honourable Prime Minister of Islamic Republic of Pakistan Mr. Imran Khan on 10<sup>th</sup> January, 2020 and to reassured the trade community that this measure will boost economic activities as well as trade facilitation in KP. The

newly build Azakhel Dryport is situated adjacent to Pirpai railway station and has an area of about 64 acres to accommodate the growing volume of trade at the Dryport without any time bound restrictions of cargo vehicles entry into and out of the port. It has now offered dual carriage transportation (both by rail and road) facility to ensure smooth flow of Transshipment (TP) cargo vehicles traffic round the clock.

### **2.4.3 Activation of Customs Functions at Azakhel Dryport**

It is worth mentioning that the Collectorate had to put extraordinary efforts to make Azakhel Dryport functional for customs purposes though its inauguration was held in January 2020. Accordingly, the Collectorate through its own resources arranged ICT related equipment for the deployment of WeBOC facilities for processing of goods declaration etc. After concerted efforts, the cargo clearances of TP consignments were moved to Azakhel Dryport on 01-01-2021. Later on, the Collectorate has to face another challenge where in addition to regular commercial consignments, the imported cargo meant for industries located in districts of erstwhile FATA/PATA was ordered clearance from Azakhel Dryport vide CGO 1/2021 dated 25-02-2021. Presently, the Azakhel Dryport is smoothly handling industrial cargo like iron and steel scrape, Hot Rolled Coil (HRC), Cold Rolled Coils (CRC), Plastic Dana, metallic yarn, etc. in addition to miscellaneous goods consignments.

**Figure-7**  
**Peshawar Dryport**





**Figure-8**  
**Azakhel Dryport**



**Figure-09**  
**Azakhel Dryport**





#### 2.4.4 Clearances at Peshawar/Azakhel Dryport

The statistics presented below in Table-4 reflected that in FY 2020-21, the total import value witnessed an increase of 130%. The factors like increase in the volume of high value items namely auto parts, garments etc, clearance of stuck up consignments due to Covid-19 in the Q1 & Q2 of CFY and clearance of industrial cargo meant for Industries located in districts of erstwhile FATA/PATA since March, 2021 which used to be cleared from Karachi Ports registered an increase in both import quantum and value. In CFY, Rs.6.6 billion has been collected as customs duty as against Rs.2.2 billion collected in LFY, registering a sizeable growth of 137%. The Table-4 below reflected that alongwith the increase in customs duty, all levies have also shown an upward trend i.e. 206%, 152% and 127% increase in regulatory duty, sales tax and additional sales tax respectively.

**Table-4**  
**Total import volume, Peshawar Dryport, 2020-21vs 2019-20 (Rs. In million)**

S. No	Type	2020-21	2019-20	Growth( %)
1.	Import Value	37720	16412	130
2.	Duty Free Value	6276	2224	182
3.	Dutiable Value	31444	14188	122
4.	Customs Duty	6602	2788	137
5.	Regulatory Duty	2364	772	206
6.	Sales Tax	6339	2515	152
7.	A.S Tax	947	418	127
8.	AIT	2470	1199	106
9.	Others	558	351	59

#### 2.4.5 Import mix

The sectoral analysis shows that goods cleared through Peshawar/Azakhel Dryport primarily consists of miscellaneous items like socks, ladies/gents sweaters and jackets, motorcycle parts, auto parts, bearings, door accessories, LED lights etc. In LFY, RBD palm oil/olein had been the top revenue spinner at Dryport, however, during the FY 2020-21 its clearance through Peshawar Dryport has been reduced to minimal level due to unavailability of Safe Transportation Module in WeBOC. Now clearance has been diverted to different sea ports at Karachi. During the CFY motorcycle parts, auto parts, foot-wear, ladies and gents garment have been the main revenue spinners. The Table-5 below presents the top fifteen revenue spinners at Dryport Peshawar/Azakhel.

**Table-5**  
**Top 15 imports/revenue spinners Peshawar Dryport 2020-21 vs 2019-20 (Rs. In million)**

PCT CODE	Description	Imp Value			Dutiable Value			CD			Total Taxes		
		2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %
8708.2931	Auto Parts	727.614	197.53	268.35	727.614	197.53	268.35	254.307	2.41	10452.16	662.472	136.77	384.38
8714.1020	Motorcycle Parts	677.365	173.01	291.53	677	173.01	291.31	236.91	60.558	291.21	614.273	157.99	288.82
6404.1900	Foot Wear	548.930	36.96	1385.08	548.93	36.96	1385.08	109.696	7.393	1383.78	610.855	41.53	1370.94
8518.3000	Head / Ear Phone	781.953	101.16	672.99	781.95	101.16	672.99	144.362	18.564	677.64	509.047	66.40	666.67
6212.1000	Brassier	620.891	68.15	811.11	620.89	68.15	811.11	124.178	13.629	811.13	455.595	50.59	800.61
9405.3000	LED Strip Lights	482.098	148.91	223.74	482.09	148.91	223.74	94.709	29.566	220.33	444.076	138.95	219.60
8504.4020	Charger	958.938	293.48	226.75	955	293.48	225.41	67.908	18.754	262.10	364.334	111.33	227.25
8482.1000	Bearing	1064.852	152.13	599.97	1063	152.13	598.76	79.074	11.775	571.54	363.591	60.56	500.36
6115.1010	Socks	455.868	66.00	590.75	455.87	66.00	590.75	91.232	13.199	591.20	335.068	49.04	583.20
3926.9099	Articles of Plastic	454.042	82.91	447.66	454.04	82.91	447.66	86.816	15.646	454.88	323.612	60.55	434.48
6203.3900	Gents Garments	409.999	14.00	2828.34	409.99	14.00	2828.27	82	2.8	2828.57	301.081	10.42	2789.36
8301.1000	Pad Lock	980.548	74.81	1210.79	192	16	1100.00	5.914	0.477	1139.83	292.773	27.66	958.44
9004.1000	Sun Glasses	425.246	197.53	115.28	204	81	151.85	6.113	2.41	153.65	292.752	136.77	114.05
8302.4900	Drawer Lock	417.457	310.05	34.64	416	310.05	34.17	78.695	62.008	26.91	239.394	191.11	25.26
8544.4290	Data Cable	386.749	81.67	373.55	386	81.67	372.63	77.314	16.34	373.16	235.424	50.45	366.62
Others		28327.450	14413.531	96.53	23069.626	12365.050	86.57	7488.310	3284.680	127.98	13235.653	6751.891	96.03
Grand Total		37720	16411.82	129.83	31444	14188	121.62	9027.538	3560.209	153.57	19280	8042	139.74

Apart from imports, Peshawar/Azakhel Dryport also managed substantial exports clearances. The Table-6 below shows top exports items cleared from Dryport. The exports value in CFY shows an increase of around 12% when compared with exports cleared during the LFY.

**Table-6**  
**Top 15 export items Peshawar Dryport 2020-21 vs 2019-20**

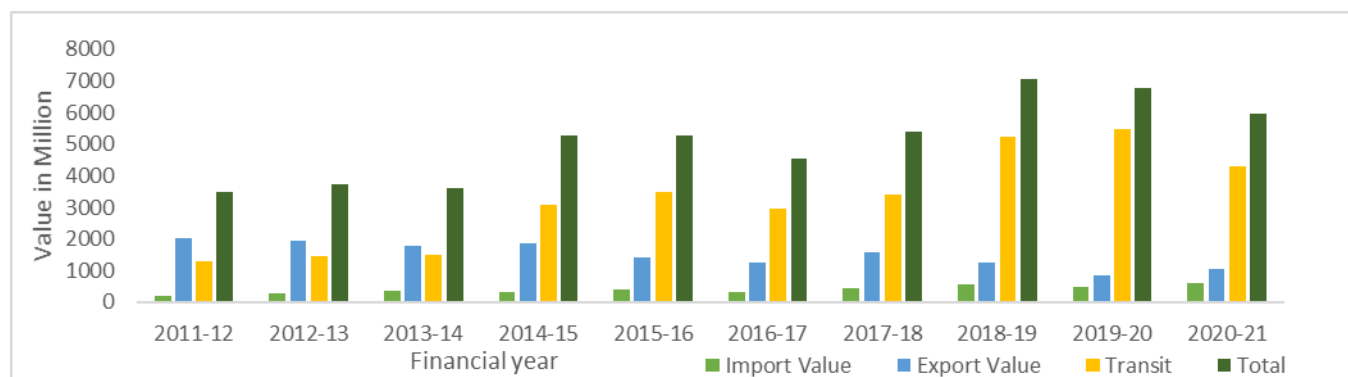
PCT CODE	DESCRIPTION	Exports Value (Rs. In million)		
		2020-21	2019-20	Growth %
2401-2000	NATURAL TOBACCO LEAVES	1.09	0.00	100%
4602-9000	BASKET	3.90	7.48	-48%
6302-3910	BED SHEETS	0.64	0.00	100%
6302-3930	PILLOW COVERS	0.21	0.00	100%
7013-9900	DECORATION PIECES	1.40	0.00	100%
7116-2000	MIXED SEMI PRECIOUS STONES	9.61	7.37	30%
7418-1000	BRASS DECORATION PIECES	1.53	3.21	-52%
9306-9000	EMPTY BOMB SHELLS	371.23	316.57	17%
9403-6000	WOODEN PIECES	5.78	5.84	-1%
Others		0.00	11.72	-100%
Total		395.39	352.19	12%

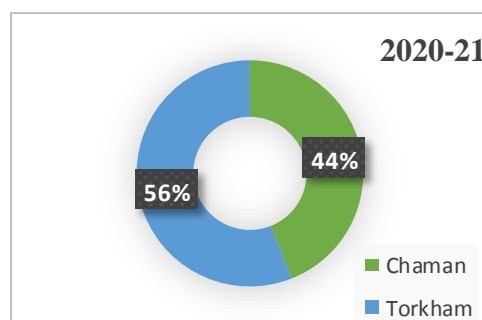
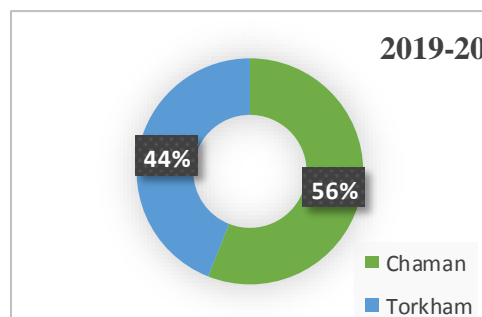
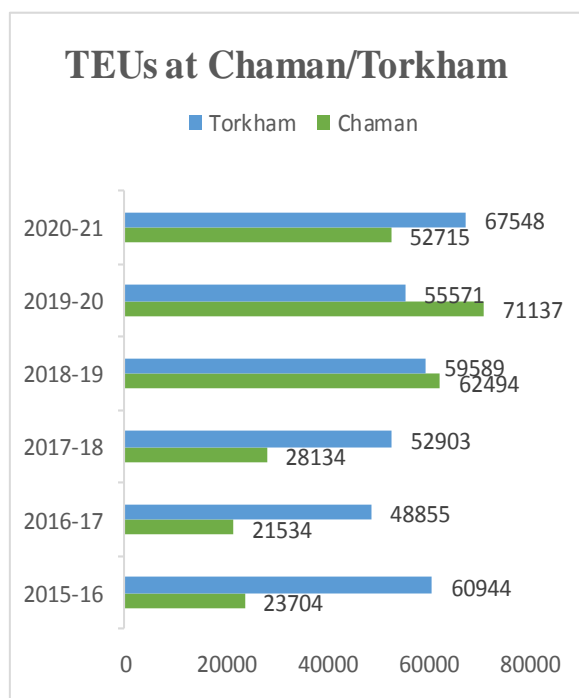
## Chapter-3 Border Trade

Pakistan and Afghanistan, the two neighboring countries shared an estimated 2430 km long border with each other having 18 border crossing points. However out of these 18 BCPs, Torkham and Chaman border crossings handle major chunk of cross-border movement of passengers and cargo. The two neighboring countries have enormous trade potential to offer, however, due to precarious law & order situation in the adjoining border areas and uncertain diplomatic ties, the trade has observed erratic patterns over time. In addition to bilateral trade, Afghanistan relies heavily on Pakistan for its supplies through transit trade. The transit trade between both the countries is governed under Afghanistan-Pakistan Transit Trade Agreement, 2010 (APTTA) and the Customs Rules laid thereunder. The bilateral trade, however, is not being regulated under a formal agreement and normally governed through past practices and scattered instructions/procedures laid down from time to time on issue basis. The Table-8 and figure below presented an overall statistical picture of trade volume between the countries over the past ten years.

**Table-7**  
**Trade Statistics with Afghanistan (Rs. In US \$)**

Year	Import Value	Export Value	Transit	Total
2011-12	182.90	2042.54	1276.54	3501.98
2012-13	297.59	1956.83	1457.61	3712.03
2013-14	357.26	1768.69	1484.47	3610.42
2014-15	324.08	1873.9	3077.92	5275.9
2015-16	389.66	1432.08	3469.22	5290.96
2016-17	336.53	1246.39	2975.28	4558.2
2017-18	444.97	1582.75	3387.9	5415.62
2018-19	545.45	1261.87	5253.84	7061.16
2019-20	484.31	851.59	5462.29	6798.19
2020-21	620.49	1043.77	4305.34	5969.6





### 3.1 Bilateral Trade

This Collectorate deals with significant trade activity at border Customs Station adjoining Afghanistan. At present imports and exports are carried out from Customs Stations namely Torkham, Kharlachi, Ghulam Khan and Angoor Adda. Before the activation of Customs Station at Angoor Adda the Customs Station at Tank had been handling the imports entering into Pakistan from this border crossing. Main imports from Afghanistan through border stations consist of fresh/dry fruits, coal, vegetables etc. The imports statistic given in Table-08 indicates the comparison of volume of trade took place in FY 2020-21 with the one carried out in FY 2019-20. The overall import value shows an increase of 8% in CFY as compared to LFY. It is important to mention that the quantum of duty-free imports have shown a substantial growth by 72% whereas, the dutiable imports have been decreased by 5%. The growth in the trade volume is mainly attributed to the improved law and order situation in the tribal districts. Moreover, activation of Customs Station at Angoor Adda for regular bilateral trade has also impacted in increasing the trade volume. This Collectorate had put its best efforts for seamless regulation of clearances made through border-tribal areas. An effective strategy to convert all manual clearance from border station was planned and vigorously pursued. Consequently, all the border custom stations have now switched over to automated clearances through WeBOC. The Table 08 and 09 provides at a glance, main imports carried out from Afghanistan from both Peshawar and Quetta Appraisalment Collectorates, while main items exported to Afghanistan from these Collectorates are tabulated in Tables 10 and 11 for a precise view.

**Table-08**  
**Total import volume land border stations MCC-(A&F), Peshawar 2020-21 vs. 2019-20 (Rs. In million)**

PCT CODE	Item Description	Import Value			Dutiable Value			Custom Duty			Total Taxes		
		2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %
5201-0090	RAW COTTON	18311.91	6435.46	185%	0	0	0%	0	61.08	-100%	1987.19	510.52	289%
2701-1900	MINERAL COAL	5470.1	5458.61	0%	5469.88	5457.84	0%	267.21	240.09	11%	1539.92	1646.44	-6%
2701-1200	BITUMINOUS COAL	4551.68	5651.54	-19%	4551.68	5651.54	-19%	227.47	264.65	-14%	1262.4	1698.96	-26%
0806-1000	GRAPES	7841.29	10563.51	-26%	7840.25	10560.39	-26%	780.67	1052	-26%	1256.24	1691.98	-26%
0703-1000	ONION	4310.04	4568.32	-6%	5.52	20.55	-73%	0.94	0.8	18%	836.44	1111.84	-25%
0808-1000	APPLE	4776.17	6163.3	-23%	4775.94	6159.97	-22%	473.88	607.8	-22%	771.1	990.85	-22%
5201-0060	RAW COTTON	4809.96	94.33	4999%	0	0	0%	0	0.99	-100%	533.91	9.74	5382%
0809-1000	APPRICOTS	1854.73	1993.26	-7%	1854.73	1993.23	-7%	184.73	198.48	-7%	291.17	319.49	-9%
0810-9010	POMEGRANATES	1514.36	1361.38	11%	1514.36	1361.38	11%	149.16	136.27	9%	239.85	218.53	10%
0707-0000	CUCUMBER	2790.64	2103.08	33%	2788.73	2102.37	33%	136.53	101.19	0%	196.19	222.67	-12%
0702-0000	TOMATOES	7655.18	5949.64	29%	41.78	28.93	44%	0.62	0.78	-21%	159.56	326.36	-51%
0713-3300	KIDNEY BEANS	5297.03	3938.65	34%	3.84	2.53	52%	0.08	0.13	-38%	105.69	79.11	34%
5201-0050	RAW COTTON	1683.73	0	100%	0	0	0%	0	0	0%	39.76	0	100%
0713-3910	GREEN MUNG DRY WHOLE	1951.67	1398.98	40%	0.9	0	100%	0.02	0	100%	38.77	28.16	38%
2526-1010	SOAP STONE	2682.46	4492.38	-40%	0.35	1.99	-82%	0.02	0.26	-92%	0.12	0.86	-86%
Others		8888.34	5264.01	69%	6241.84	3589.88	74%	737.8	286.12	158%	1898.99	808.37	135%
<b>Grand Total:</b>		<b>84389.29</b>	<b>65436.45</b>	<b>29%</b>	<b>35089.82</b>	<b>36930.56</b>	<b>-5%</b>	<b>2959.13</b>	<b>2950.64</b>	<b>0%</b>	<b>11157.31</b>	<b>9663.88</b>	<b>15%</b>

**Table-09**  
**Total import volume land border stations MCC-(A&F) Quetta 2020-21 vs. 2019-20 (Rs. In million)**

PCT CODE	Item Description	Import Value			Dutiable Value			Custom Duty			Total Taxes		
		2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %
7204-4990	REMELTABLE SCRAP	5453.78	2309.2	136%	5453.73	2309.2	136%	545.41	230.94	136%	1628.51	695.62	134%
0810-9010	POMEGRANATE	1515.42	2232.66	-32%	1509.78	2228.96	-32%	146.67	223.42	-34%	239.01	369.34	-35%
0806-1000	GRAPES	1000.12	1425.56	-30%	1000.12	1423.16	-30%	99.24	175.65	-44%	160.15	270.83	-41%
0909-3100	ZEERA	386.41	108.52	256%	323.3	108.52	198%	16.14	5.23	209%	121.42	36.07	237%
0806-2000	DRIED GRAPES	548.07	98.64	456%	546.45	98.49	455%	54.86	9.81	459%	88.81	16.46	440%
0802-1100	ALMOND HARD	112.58	10.89	934%	111.99	10.89	928%	33.65	3.26	932%	71.64	7.1	909%
1211-9000	MULATHI	556.14	76.09	631%	293.06	76.09	285%	11.56	2.83	308%	67.8	14.84	357%
0813-1000	KISHTA	355.27	118.23	200%	354.95	118.14	200%	35.43	11.66	204%	57	19.63	190%
0713-9020	MASH DRY WHOLE	3161.02	3074.11	3%	3.64	3.6	1%	0.13	0.1	30%	51.24	60.48	-15%
0703-1000	ONION	204.28	376	-46%	2.4	141.5	-98%	0.11	2.52	0%	45.25	102.5	-56%
2009-8900	POMEGRANATE JUICE	36.46	0	100%	36.46	0	100%	30.63	0	100%	37.72	0	100%
7602-0090	ALUMINUM SCRAP	170.88	24.67	593%	0	0	0%	3.24	0.40	100%	37.47	7.02	434%
7204-4920	AUTO PARTS SCRAP	55.3	5.91	836%	55.3	5.91	836%	21.96	2.46	793%	37.29	4.63	705%
0807-1900	MELON	167.28	188.7	-11%	167.2	188.6	-11%	16.66	37.85	0%	27.18	48.59	100%
7204-4910	RE ROLLABLE SCRAP	88.12	28.54	209%	0	0	0%	5.86	2	193%	24.47	8.47	189%
Others		1531.76	1175.34	30%	612.04	679.04	-10%	88.9	45.73	94%	230.99	303.84	-24%
<b>Grand Total:</b>		<b>15342.89</b>	<b>11252.18</b>	<b>36%</b>	<b>10470.45</b>	<b>7392.07</b>	<b>42%</b>	<b>1110.45</b>	<b>753.46</b>	<b>47%</b>	<b>2925.95</b>	<b>1965.38</b>	<b>49%</b>

**Table -10**  
**Total exports volume land border stations MCC-(A&F), Peshawar 2021-20 vs. 2019-20 (In million)**

S. No	PCT Code	Item Description	FY 2020-21	FY 2019-20	Growth %
			Export Value	Export Value	
1	1006-3090	RICE SILLA	15600.07	6350.19	146%
2	2523-2900	CEMENT	14352.55	10958.91	31%
3	1516-2010	VEGETABLE GHEE	5973.91	3345.66	79%
4	0805-2910	FRESH FRUITS (ORANGE)	5707.78	5301.99	8%
5	4411-9390	MDF SHEETS	5479.79	3600.93	52%
6	3004-9099	MEDICINES	5404.75	2790.76	94%
7	0201-2000	FRESH CHILLED BEEF	4894.59	2279.34	115%
8	0803-9000	MIX FRESH FRUITS	3570.48	4231.64	-16%
9	3004-3900	MEDICINES	3286.42	2031.82	62%
10	8507-1010	AUTOMOTIVE BATTERIES	3216.73	1848.59	74%
11	0701-9000	MIX FRESH VEGETABLES	3152.92	247.92	1172%
12	1006-4000	RICE IRRI-6	2948.99	1969.51	50%
13	0805-9000	MIX FRESH FRUITS	2644.15	3027.6	-13%
14	0710-1000	FRESH POTATOES	2106.13	1892.87	11%
15	3924-9000	MISC GOODS	2066.14	1144.28	81%
16	OTHERS		63656.04	56462.51	13%
GRAND TOTAL:			144061.44	107484.52	34%

**Table -11**  
**Total exports volume land border stations MCC-(A&F) Quetta 2021-20 vs. 2019-20 (In million)**

S. No	PCT Code	Item Description	2020-21	2019-20	Growth %
			Export Value	Export Value	
1	1006-3090	RICE IRRI 6	6201.31	1752.03	254%
2	1516-2010	VEGETABLE GHEE	2067.89	1643.12	26%
3	3004-9099	MEDICINES	1929.83	851.79	127%
4	3004-3900	MEDICINES	1214.31	1155.24	5%
5	0902-4020	BLACK TEA	1184.86	983.3	20%
6	2304-0000	ANIMAL FEED	990.18	179.97	450%
7	2710-1919	JP-8 FUEL	901.8	3921.55	-77%
8	7209-1790	STEEL COILS	839.44	346.66	142%
9	1901-9090	FOOD PRODUCTS	740.56	684.87	8%
10	8701-9220	TRACTORS	705.26	367.68	92%
11	2106-9090	FOOD SUPPLEMENT	633.9	359.9	76%
12	8711-2090	MOTORCYCLE	608.43	54.44	1018%
13	3004-5090	MEDICINES	339.15	103.65	227%
14	3402-2000	WASHING POWDER	313.41	5.03	6131%
15	3814-0000	RELIANCE WHITE FLUX	293.69	0	100%
16		OTHERS	4208.64	17274.19	-76%
<b>GRAND TOTAL:</b>			<b>23172.66</b>	<b>29683.42</b>	<b>-22%</b>

The exports volume to Afghanistan has shown 34% increase from border stations located in KP province whereas a declining trend by -22% in exports is observed in CFY from the border stations located in Baluchistan.

### 3.2 Border Customs Station-Wise Analysis

The table 12 below gives detailed analysis of station wise imports. Kharlachi has shown the maximum import value growth which is 208%. Dutiable value at Kharlachi has also shown growth of 213 %.

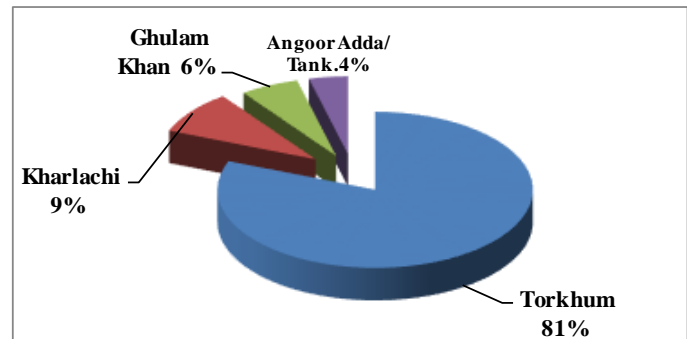
**Table-12**  
**Total import volume land border station wise 2020-21 vs. 2019-20 (Rs. In million)**

S. No.	Station	2020-21			2019-20			Dutiable Value Growth %	Duty Free Value Growth %	Import Value Growth %
		Dutiable Value	Duty Free Value	Import Value	Dutiable Value	Duty Free Value	Import Value			
1	<b>Torkham</b>	22006.8	46223.1	68230	28684	26780.5	55464.3	-23%	73%	23%
2	<b>Kharlachi</b>	6,738.78	590.11	7328.89	2,156.2	221.1	2377.32	213%	167%	208%
3	<b>Ghulam Khan</b>	3420.49	1860.25	5280.74	3891.2	1183.64	5074.79	-12%	57%	4%
4	<b>Angoor Adda/ Tank</b>	2818.24	468.46	3286.7	2201.5	320.7	2522.15	28%	46%	30%
5	<b>Total</b>	<b>34984.32</b>	<b>49141.96</b>	<b>84126.28</b>	<b>36932.6</b>	<b>28505.96</b>	<b>65438.56</b>	<b>-5%</b>	<b>72%</b>	<b>29%</b>



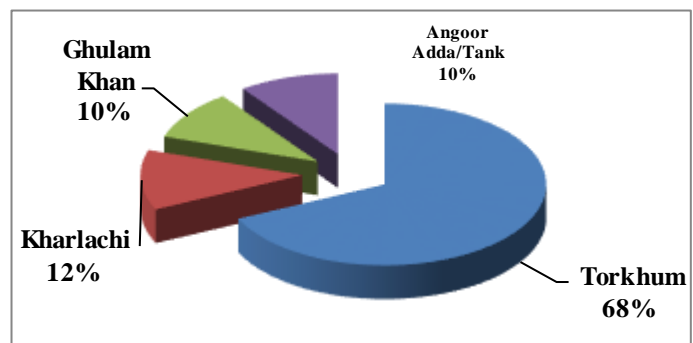
**Figure 10**  
**Station-wise share in total import value in FY 2020-21**

Station	Import Value (Rs. In Million)
Torkham	68229.95
Kharlachi	7328.89
Ghulam Khan	5280.74
Angoor Adda/Tank	3286.47
<b>Total</b>	<b>84126.05</b>



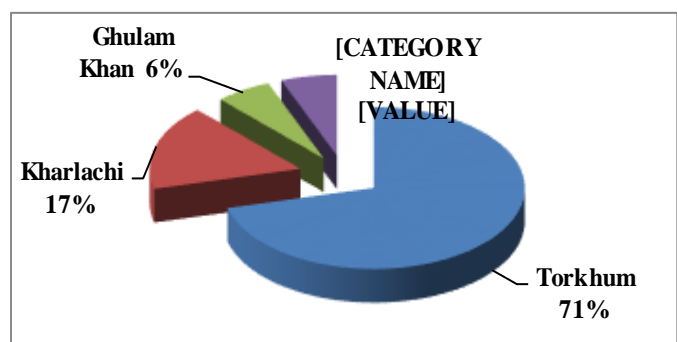
**Figure 11**  
**Station-wise share in total Customs Duty in FY 2020-21**

Station	CD collection (Rs. In Million)
Torkham	2005.52
Kharlachi	353.8
Ghulam Khan	300.4
Angoor Adda/Tank	300.41
<b>Total</b>	<b>2960.13</b>



**Figure 12**  
**Station-wise share in total Customs Duty in FY 2020-21**

Station	Total Duty & Taxes (Rs in Million)
Torkham	7855.53
Kharlachi	1875.51
Ghulam Khan	722.54
Angoor Adda/Tank	681.87
<b>Total</b>	<b>11135.45</b>



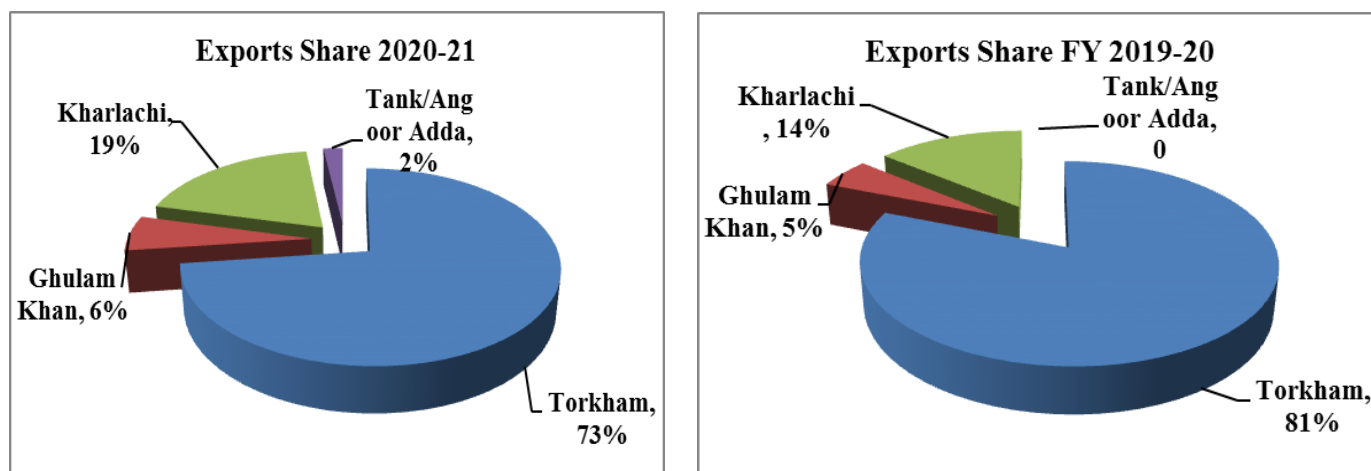
As far as exports are concerned, in FY 2020-21, border stations have registered a growth of 33% in comparison to FY 2019-20. The highest exports volume has been witnessed at Customs Station Torkham followed by Customs Station Kharlachi. One of the distinguishing features of this financial year is the activation of CS Angoor Adda with effect from 30.09.2021 which regulated the exports activity from this

station. Table-13 shows the volume of exports carried out from border stations of this Collectorate in details. US\$ 23.75 Million exports volume from Angoor Adda.

**Table -13**  
**Total exports volume station wise 2021-20 vs. 2019-20 (In million)**

Customs Station	Exports Value 2020-21	Exports Value 2019-20	Growth ( % )
Torkham	104325.8	86770.08	2%
Kharlachi	26889.29	14969.91	80%
Ghulam Khan	8256.01	5744.53	44%
Angoor Adda/Tank	3815.39	Nil	100
<b>Total</b>	<b>106687.1</b>	<b>125155</b>	<b>33%</b>

**Figure 13 & 14**  
**Station-wise Exports share in FY 2020-21vs FY 2019-20**



### 3.3 Customs Station Torkham

The Customs Station Torkham (CST) is one of the major international borders crossing point (BCP) between Afghanistan and Pakistan. This BCP connects Torkham with Afghan province Nangarhar. On Pakistani side, National Highway-5 connects it with capital city of Khyber Pakhtunkhwa via Khyber-pass. On Afghan side, Highway 7 connects Torkham to Afghan capital Kabul via Jalal Abad.

**Figure No. 15**  
**Customs Station Torkham**



**Figure No. 16**  
**Customs Station Torkham**





**Figure No. 17**  
**Customs Station Torkham**



### **3.3.1 Import Clearances:**

As mentioned earlier, CS Torkham deals with both transit and bilateral trade. Around 77% of the bilateral trade volume conducted from all the border customs stations of this Collectorate is affected through Torkham. Realizing the immense potential of trade expansion, this BCP has been made operational 24/7 in September 2019. Major imports of this station consist of raw cotton, fresh/dry fruits, vegetables, coal, Sulphur, carpet etc. The Table-14 below indicates top 15 items imported from Afghanistan in the current FY viz-a-viz last FY which shows that Rs.7.8 billion total duty and taxes have been collected in current FY, whereas the collection of customs duty has been Rs. 2 billion during current FY against Rs. 2.07 billion in last FY showing a slight decrease of 4%. This slight reduction in customs duty has been caused due to decreased import of apple, grapes, and coal. Moreover, the other reason of decrease in customs duty is the import of majority of items which are subject to either concessionary rate or total exemption from customs duty i.e. raw cotton.

**Table -14**  
**Top 15 Imports Customs Station Torkham FY 2020-21vs FY 2019-20 (Rs. In million)**

PCT CODE	Description	Import Value			Dutiable Value			Custom Duty			Total Taxes		
		2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %
5201-0090	MIX RAW COTTON	18246.88	6435.46	184%	0	0	0%	0	0	0%	1979.97	485.48	308%
0806-1000	GRAPES	7018.5	9900.3	-29%	7018.6	9900	-29%	701.8	990.19	-29%	1126.3	1589.4	-29%
0703-1000	ONION	3742.4	3867.2	-3%	0	0	0%	0	0	0%	722.28	943.2	-23%
5201-0060	RAW COTTON	4809.96	94.33	4999%	0	0	0%	0	0	0%	533.91	9.34	5616%
2701-1900	MINERAL COAL	1602.67	3848.23	-58%	1602.67	3848.23	-58%	48.65	113.87	-57%	418.51	1113.75	-62%
0808-1000	APPLE	2601.5	3539.7	-27%	2601.5	3540	-27%	260.1	354.41	-27%	417.82	569.82	-27%
2701-1200	BITUMINOUS COAL	1350.25	4716.36	-71%	1350.25	4716.36	-71%	40.89	140.15	-71%	339.08	1334	-75%
0809-1000	APRICOTS	1796.76	1870.54	-4%	1796.76	1870.54	-4%	179.73	187.03	-4%	282.97	300.2	-6%
0810-9010	POMEGRANATES	1419.87	1337.52	6%	1419.87	1337.52	6%	141.84	133.96	6%	227.8	214.7	6%
2503-0000	SULPHUR	770.42	397.71	94%	770.42	397.7	94%	23.11	11.91	94%	189.29	117.99	60%
5701-1010	CARPETS	302.59	124.36	143%	302.59	124.36	143%	60.49	24.89	143%	162.72	62.38	161%
0707-0000	CUCUMBERS	2630.59	1943.59	35%	2630.59	1943.59	35%	77.89	58.68	33%	134.51	171.08	-21%
0702-0000	TOMATOES	6102.95	5360.8	14%	1.1	2.02	-46%	0.03	0.06	-50%	126.9	295.21	-57%
0713-3300	KIDNEY BEANS	4945.59	3708.01	33%	0	0	0%	0	0	0%	98.95	74.31	33%
1202-4100	GROUND NUTS	139.22	10.57	1217%	139.22	10.57	1217%	15.3	1.16	1219%	92.42	7.02	1217%
Others		10750	8309.6	29%	2373.3	992.8	139%	455.7	62.08	634%	1002.1	263.86	280%
<b>G. Total</b>		<b>68230.66</b>	<b>55464.3</b>	<b>23%</b>	<b>22006.91</b>	<b>28683.78</b>	<b>-23%</b>	<b>2005.52</b>	<b>2078.39</b>	<b>-4%</b>	<b>7855.53</b>	<b>7851.69</b>	<b>0%</b>

### 3.3.2 Export Clearance:

Torkham is also a major route border crossing for Pakistani exports to Afghanistan and other Central Asian states. Among the major commodities flowing through the customs station include cement, sugar, meat products, fruits, vegetables etc. The exports statistics are summarized in the table 15 below which shows a healthy growth of 20% in FY 2020-21.

**Table-15**  
**Top 15 Exports Customs Station Torkham FY 2020-21 vs 2019-20**

PCT CODE	Item Description	Export Value		
		2020-21	2019-20	Growth %
2523-2900	CEMENT	8126.01	9159.22	-11%
1516-2010	VEGETABLE GHEE	5937.98	3345.66	77%
4411-9390	MDF SHEETS	5442.21	3600.93	51%
0201-2000	FRESH CHILLED BEEF	4805.16	2277.45	111%
0805-2910	FRESH FRUITS (Kino)	3774.5	5301.99	-29%
3004-9099	MEDICINES	3543.97	2588.69	37%
0803-9000	MIX FRESH FRUITS	3524.05	4172.59	-16%
8507-1010	AUTOMOTIVE BATTERIES	3199.78	1848.59	73%
3004-3900	MEDICINES	2960.45	2023.85	46%
0701-9000	MIX FRESH VEGETABLES	2629.91	178.63	1372%
1704-1000	CONFECTIONERY ITEMS	1910.02	2117.95	-10%
1006-4000	RICE	1893.86	1204.24	57%
7209-1790	PRIME COLD ROLLED STEEL COILS	1780.39	297.2	100%
7612-9030	EMPTY BEVERAGES CANS	1755.19	956.39	84%
2304-0000	SOYBEAN MEAL	1680.95	142.34	100%
OTHERS		51361.37	47554.36	8%
<b>G. Total</b>		<b>104325.8</b>	<b>86770.08</b>	<b>20%</b>

### 3.3.3 Vehicular Flow (Both Ways /Throughput) at Customs Station Torkham

The statistics in tables 16 and 17 below provide for detailed information regarding vehicular flow (both sides) from Torkham BCP.

**Table-16**  
**Imports-Exports Vehicular Flow (Throughput) at Customs Station Torkham**

S. No	Month	Import Vehicles				Export Trucks			
		2019-20		2020-21		2019-20		2020-21	
		Total P/Month	Avg. Per Day	Total P/Month	Avg. Per Day	Total P/Month	Avg. Per Day	Total P/Month	Avg. Per Day
1	July	5827	194	3860	129	4529	151	12713	424
2	August	5926	198	4089	136	3808	127	7630	254
3	September	7905	264	7367	246	4176	139	13800	460
4	October	9994	333	7432	248	5239	175	13213	440
5	November	8260	275	4689	156	5416	181	10649	355
6	December	5277	176	2976	99	6188	206	11781	393
7	January	3886	130	3189	106	5464	182	10835	361
8	February	4450	148	1130	38	6361	212	13462	449
9	March	1526	51	854	28	3601	120	17146	572
10	April	7	0	2385	80	29	1	10888	363
11	May	2	0	2876	96	1877	63	7539	251
12	June	510	17	1895	63	7224	241	8008	267
<b>Grand Total:</b>		<b>53570</b>	<b>149</b>	<b>42742</b>	<b>119</b>	<b>53912</b>	<b>150</b>	<b>137664</b>	<b>382</b>

**Table-17**  
**Transit Trade Vehicular Flow (Throughput) at Customs Station Torkham**

S. No	Month	Forward Transit TEUs				Reverse Transit TEUs				Empty Containers			
		2019.20		2020.21		2019.20		2020.21		2019.20		2020.21	
		Total P/Month	Avg. Per Day	Total P/Month	Avg. Per Day	Total P/Month h	Avg. Per Day	Total P/Month h	Avg Per Day	Total P/Month h	Avg Per Day	Total P/Month	Avg Per Day
1	July	5004	167	4581	153	26	1	96	3	5017	167	2378	79
2	August	4066	136	4899	163	40	1	47	2	3613	120	4293	143
3	September	4696	157	10280	343	72	2	180	6	5925	198	4342	145
4	October	4416	147	6832	228	181	6	615	21	4539	151	6499	217
5	November	4696	157	5065	169	275	9	470	16	6213	207	3201	107
6	December	5698	190	4874	162	1136	38	131	4	3803	127	3433	114
7	January	6030	201	4520	151	104	3	179	6	3613	120	2987	100
8	February	7021	234	4030	134	45	2	84	3	4956	165	3311	110
9	March	2307	77	5853	195	17	1	62	2	1875	63	3802	127
10	April	1476	49	5454	182	0	0	68	2	887	30	4357	145
11	May	3821	127	5476	183	1	0	36	1	1727	58	3636	121
12	June	4336	145	6074	202	5	0	18	1	2811	94	4868	162
Grand Total:		53567	149	67938	2264.6	1902	63.4	1986	66.2	44979	1499.3	47107	1570

### 3.3.4 Integrated Transit Trade Management System (ITTMS) Project:

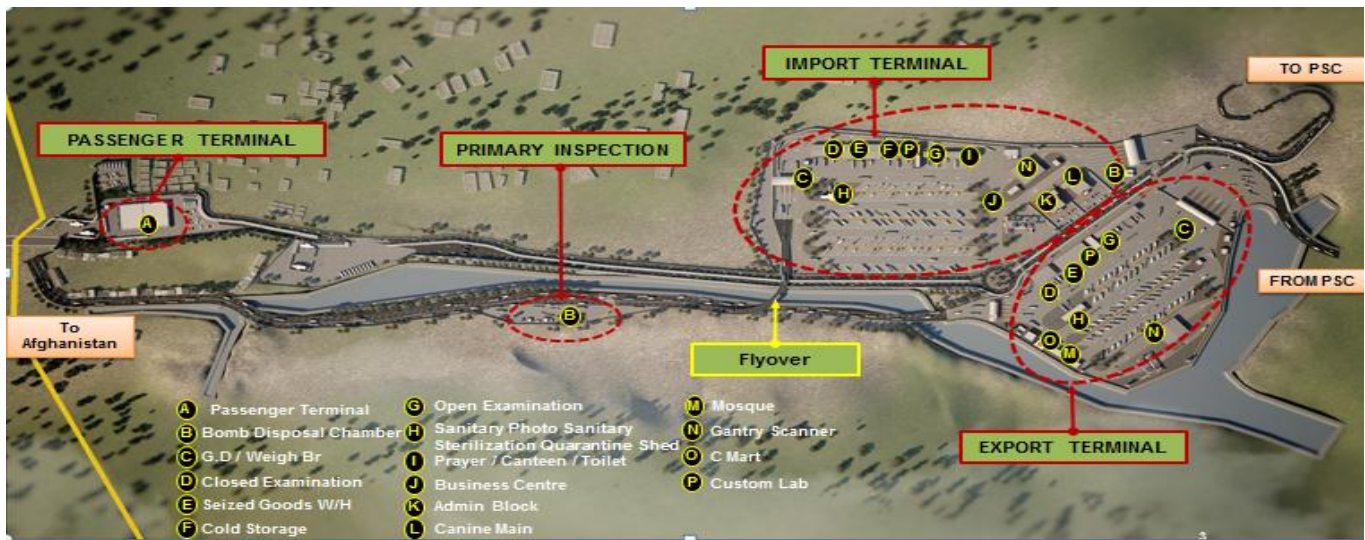
To exploit the full potential of Pakistan's strategic location as transit hub, the Government of Pakistan has initiated an Integrated Transit Trade Management System (ITTMS), as a flagship project under Central Asian Regional Economic Cooperation-Regional Improving Borders Services (CARED-RIBS). Integrated Transit Trade Management System (ITTMS) project is being developed under the Asian Development Bank's (ADB) RIBS wing. ITTMS project was included in FBR's PSDP (Public Sector Development Program) for FY 2017, with an allocation of Rs.348 million.

This project envisages the establishment of state-of-the-art facilities at Wagah, Torkham and Chaman border crossing points to significantly reduce the processing time at border stations. Under ITTMS, construction activities related to modern day terminal and border crossing point units at CS Torkham are in full swing. The ITTMS project aims at infrastructural development for harmonized and automated movement of cargo and passenger reducing reliance on manual and redundant clearance procedures. Consequently, with development of infrastructure, installation of modern digital technology and satellite based monitoring and tracking system, it will ensure trade security and facilitation by boosting trade, particularly export, reducing the cost of doing business, enhance trade facilitation by reducing barriers to international and transit trade at cumbersome border crossings and ameliorating the poor infrastructural facilities at border stations. At present, the construction work is in full swing for establishment of modern border terminal at Torkham under ITTMS project. The terminal is likely to be completed by 2022-23. The contours of border terminal under construction at Torkham are sketched in the master plan in figure-18 below.



Figure No. 18

ITTMS Master Plan Sketch



### 3.3.5 Challenges

There are numerous challenges and operational issues faced by customs authorities as well as traders in speedy clearance of bi-lateral and transit trade through CS Torkham. The Challenges faced are listed below:

- i. In the absence of any formal and comprehensive bilateral trade agreement with Afghanistan, it is challenging to streamline and regulate the vehicle movement, and concessionary regimes available to Afghan imports.
- ii. Afghanistan Pakistan Transit Trade (APTTA), 2010 does not cover aspects of investment and services costs for the transit trade cargo which is incurred on Pakistan. More so, vehicular movement related all-encompassing regulatory laws are much needed to be ensured for smooth cross border movement of vehicles.
- iii. The incomplete terminal with insufficient technical and infrastructural facilities create unnecessary delays, congestion at zero point and resulting increased cost of doing business.
- iv. The Plant Protection Department (PPD) has not yet operationalized its functions at the border station. Resultantly, phytosanitary certification is not being fulfilled and implemented so far.

### 3.4 Customs Station Kharlachi

The Customs Station at Kharlachi is located nearby Parachinar city in Kurram District of Khyber Pakhtunkhwa. Kurram agency is bordered by Khost, Ghazni, Gardez and Paktia on Afghan side. The Afghan capital city, Kabul is located around 253 km away from Kharlachi. Kharlachi is comparatively developed border station in terms of availability of internet connectivity and commercial infrastructure.

**Figure No. 19**  
**Customs Station Kharlachi**



**Figure-20**  
**Customs Station Kharlachi**



**Figure-21**  
**Customs Station Kharlachi**



### **3.4.1 Import Clearances :**

Coal, vegetables and fresh fruits imported from Afghanistan are mainly cleared from this customs station. Due to untiring efforts, Custom Station Kharlachi has been designated for rebate able exports of cement in addition to simple exports. This has resulted in expansion of new trade opportunities for the residents of the area and expansion of bilateral trade with Afghanistan through this trade route.

The Table-18 below indicates top 15 items imported from Customs Station Kharlachi in the FY 2020-21. The statistic indicates that collection of total taxes grew by 188% in CFY viz-a-viz LFY. The collection of customs duty has also shown a substantial growth of 383% in the CFY. The increase in duty/taxes collection is attributed to increased clearances of coal, grapes, pomegranates from this border crossing.



Table -18

## Top 15 import items from Customs Station Kharlachi FY 2020-21 vs. 2019-20 (Rs. In million)

PCT CODE	Item Description	Import Value			Dutiable Value			Custom Duty			Total Taxes		
		2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %
2701-1900	MINERAL COAL	3300.88	1070.78	208%	3300.88	1070.7	208%	99.7	33.38	199%	868.66	306.18	184%
2701-1200	BITIMINOUS COAL	3107.41	935.18	232%	3107.41	935.18	232%	93.51	29.69	215%	808.36	270.58	199%
0806-1000	GRAPES	182.5	72	153%	182.4	72	153%	17.17	7.29	136%	28.53	11.75	143%
0702-0000	TOMATOES	418.7	35.09	1093%	1.58	0	100%	0.05	0	100%	8.32	2.07	302%
0703-1000	ONION	30.99	5.41	473%	0.31	0	100%	0.01	0	100%	6.78	1.47	361%
0810-9010	POMEGRANATES	55.63	11.16	398%	55.63	11.16	398%	3.59	1.13	218%	5.78	1.82	218%
0806-2000	DRY GRAPES RED	31.4	0	100%	31.4	0	100%	3.12	0	100%	5.04	0	100%
4601-2900	PLATING MATERIAL	5.47	0	100%	5.47	0	100%	1.12	0	100%	2.92	0	100%
0701-9000	POTATOES	4.44	2.45	81%	3.46	2.45	41%	0.03	0.04	-25%	2.58	1.52	70%
0713-3300	KIDNEY BEANS	140.62	175.6	-20%	0	0	0%	0	0	0%	2.4	3.44	-30%
0106-4100	HONEY BEES	5.47	10.65	-49%	5.37	10.65	-50%	0.16	0.35	-54%	1.71	3.34	-49%
0813-2000	PRUNES	9.31	0	100%	9.31	0	100%	0.96	0	100%	1.51	0	100%
0707-0000	CUCUMBER	23.19	0	100%	23.19	0	100%	0.71	0	100%	1.18	0	100%
0807-1100	WATERMELON	4.69	8.5	-45%	4.69	8.5	-45%	0.42	0.83	-49%	0.72	1.36	-47%
0804-2000	DRY FIGS	2.69	0	100%	2.69	0	100%	0.27	0	100%	0.43	0	100%
Others		5.53	50.5	-89%	5.04	45.58	-89%	132.98	0.61	21700%	130.59	47.62	174%
G. Total		7,328.89	2,377.32	208%	6,738.84	2,156.22	213%	353.8	73.32	383%	1875.51	650.95	188%

## 3.4.2 Export clearances:

The Customs Station Kharlachi also deals substantial export clearances for Afghanistan. The Table-19 below presented the top 15 exports items cleared from Customs Station Kharlachi, which shows the growth of 80% in comparison to FY 2019-20.

Table-19

## Top 15 exports Customs Station Kharlachi FY 2020-21 vs. 2019-20 (Rs. In million)

PCT CODE	Item Description	Export Value		
		2020-21	2019-20	Growth %
1006-3090	RICE IRRI-6	13024.23	6142.42	112%
2523-2900	CEMENT	2573.95	0	100%
0805-2910	MIX FRESH FRUITS (Kino)	1645.31	0	100%
3924-9000	MISC GOODS	1384.01	679	104%
3004-9099	MEDICINES	1268.33	116.11	992%
0105-9900	LIVE CHICKEN	978.77	598.04	64%
0805-9000	MIX FRESH FRUITS	840.81	1626.79	-48%
0401-2000	TEA WHINTER	753.87	1228.45	-39%
0710-1000	FRESH POTATOES	533.32	852.63	-37%
0407-2100	EGGS (Of fowls of the species)	451.6	0	100%
0407-1900	EGGS	427.12	1230.36	-65%
0704-9000	MIX FRESH VEGETABLES	403.32	421.89	-4%
3004-3900	MEDICINES	316.87	0	100%
8701-9390	TRACTORS	304.95	31.55	867%
0804-5020	FRESH FRUITS (Mango)	269.33	0	100%
OTHERS		1713.5	2042.67	-16%
GRAND TOTAL:		26889.29	14969.91	80%

### 3.4.3 Vehicular Flow (Both Ways-Throughput) at Customs Station Kharlachi:

Table 20 below shows the vehicle flow to and from C.S Kharlachi. Average per day exports trucks are 86 whereas average import trucks are 36.

**Table-20**  
**Imports-Exports Vehicular Flow (Throughput) at Customs Station Kharlachi**

S. No	Month	Import Trucks				Export Trucks			
		2019-20		2020-21		2019-20		2020-21	
		Total P/Month	Avg Per Day	Total P/Month	Avg Per Day	Total P/Month	Avg Per Day	Total P/Month	Avg Per Day
1	July	257	9	241	8	1854	62	850	28
2	August	273	9	376	13	1015	34	1443	48
3	September	516	17	1161	39	898	30	1959	65
4	October	899	30	1578	53	1173	39	1917	64
5	November	503	17	659	22	1518	51	1712	57
6	December	502	17	436	15	1610	54	2408	80
7	January	376	13	536	18	2096	70	3787	126
8	February	458	15	277	9	1751	58	2243	75
9	March	256	9	1692	56	1272	42	4202	140
10	April	0	0	1492	50	0	0	3818	127
11	May	0	0	1814	60	0	0	3025	101
12	June	0	0	2636	88	0	0	3591	120
Grand Total:		4040	11	12898	36	13187	37	30955	86

### 3.4.4 Web Based One Customs (WeBOC) at Customs Station Kharlachi

It is pertinent to mention that due to long term war on terror, volatile law and order situation and sectarian issues, no significant development projects were launched, and trade activity worked on customary practices at Customs Station, Kharlachi. The infrastructural under-development hindered the smooth running of bilateral trade activity between Pakistan and Afghanistan.

Due to these challenging odds, the WeBOC could not be rolled out as per planned timelines in KP. All import/export clearances were made through One-Customs clearance system. In order to bring the border stations at par with other custom stations of the country, this Collectorate rolled out WeBOC system for the upgradation of clearance operations. The automation strategy worked in phases to mitigate the resistance and ensure smooth flow of trade. Initially only dry cargo items were made compulsory to be cleared through WeBOC in July 2020. Soon after the announcement was made, strikes and protests were launched at massive scale to boycott WeBOC roll out. This Collectorate engaged with protesting parties through Jirga and negotiations and also arranged awareness and training sessions for clearing agent/traders, and PRAL staff extended hands-on assistance to trading/clearing agents for GD filing process. After concerted efforts the clearance processes at CS Kharlachi were completely converted to WeBOC clearances, w.e.f 20-12-2020.

### **3.4.5 Challenges**

The Customs Station Kharlachi is located near town of Parachinar in Kurram District. The town once part of erstwhile FATA has faced worst form of terrorism and sectarian conflicts. Because of volatile law and order situation, the town has lagged behind in terms of upgradation of infrastructure and developmental projects. M/s NLC has been operating at this border crossing as the terminal operator. The traders, however, have raised multi-faceted issues which are listed below for their early solution.

- i. There are power shortages in the area. Due to lack of electricity the difficulties for traders increase manifold;
- ii. There is no banking booth available inside terminal. The traders have to rely on bank located in town of Parachinar which is located at a distance of 40 Km;
- iii. Currently there are no scanners available for either imports or exports. This has compelled the Customs to have more intrusive examination of goods consequently both cost and clearance time of consignments increases.
- iv. M/s NLC lacks cargo handling equipment;
- v. The station has been witnessing increase in trade volume with every passing day. There are two weigh bridges installed separately in imports yard and exports yard. However, only one weigh bridge is operational and the other has been non-operational since long for want of repair. M/S NLC would be required to operationalize the second weigh bridge to avoid delays in clearance due to increased volume of trade from this station.
- vi. Due to mountainous terrain, internet connectivity is often disrupted, which needs to be addressed on priority basis;
- vii. The station only allows cement exports for rebate claims. The trader community is continuously demanding that station must be notified for all kind of rebate-able exports;
- viii. The Phyto-sanitary certifications required for clearance of plant and animal origin products are not fulfilled as the staff of Animal Quarantine Department and Plant Protection Department has not yet been posted at station.
- ix. The terminal yards need to be levelled and metaled on urgent basis to avoid any untoward incident.
- x. The station must be made operational on 24/7 basis to cater to ever increasing workload.
- xi. There must be a mechanism to develop risk-based profile of drivers and vehicles of commercial consignments which are otherwise subjected to intrusive examination by security agencies deputed at border crossings.

### 3.5 Customs Station Ghulam Khan

The Customs Station Ghulam Khan is located in (North Waziristan) District. It was notified as border Customs station in 2004. This BCP was closed in 2014 due to volatile law and order situation in the area. The trade activities have resumed from CS Ghulam Khan since 2018. Ghulam Khan faces Khost province on Afghan side. Afghan capital Kabul is 288 km away from this BCP. During winter season trade activity is subjected to fluctuation as a result of harsh weather and remoteness of area. This station receives fresh/dry fruits and vegetables from Afghanistan.

#### 3.5.1 Import Clearances

The Table-21 below reflects top 15 items imported from Afghanistan via Ghulam Khan. In FY 2020-21, Rs.722 million has been collected as against Rs.772 million collected during LFY, recording a negative growth of 6% in overall tax collection at this station. However, the collection of customs duties has shown 9% growth viz-a-viz last year. The main reason for decrease in the collection of duty/taxes is the decline in clearance of fresh fruits like apple, prunes, and decrease in the clearance of coal and mixed vegetables.

**Figure No. 22**  
**Customs Station Ghulam Khan**





**Figure-23**  
**Customs Station Ghulam Khan**



**Figure-24**  
**Customs Station Ghulam Khan**





**Table-21**  
**Top 15 Import Items Customs Station Ghulam Khan 2019-20 vs. 2018-19 (Rs. In million)**

PCT CODE	Item Description	Import Value			Dutiable Value			Custom Duty			Total Taxes		
		2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %
0806-1000	GRAPES	613.38	573.73	7%	612.4	570.65	7%	59.15	52.63	12%	96.95	87.76	10%
0703-1000	ONION	393.48	382.43	3%	5.18	20.23	-74%	0.37	0.79	-53%	79.21	85.44	-7%
2701-1900	MINERAL COAL	278.67	477.36	-42%	278.67	477.36	-42%	8.33	13.97	-40%	73.9	131.64	-44%
0806-2000	DRY GRAPES	393.09	140.77	179%	393.09	140.77	179%	38.37	13.07	194%	61.94	22.07	181%
0808-1000	APPLE	363.25	880.54	-59%	363.25	877.21	-59%	35.01	82.87	-58%	57.44	137.89	-58%
0813-5000	MIX DRY FRUITS	384.26	92.48	316%	384.26	92.48	316%	30.4	5.24	480%	56.33	15.02	275%
0802-1100	ALMOND HARD	57.07	2.14	2567%	57.02	2.14	2564%	6.01	0.21	2762%	37.58	0.48	7729%
0702-0000	TOMATOES	1126.44	551.35	104%	39.1	26.91	45%	0.51	0.38	34%	24.17	29.02	-17%
0807-1100	WATERMELON	146.5	3.73	3828%	145.16	3.73	3792%	13.77	0.37	3622%	22.7	0.59	3747%
0813-2000	PRUNES	123.13	41.19	199%	123.13	41.19	199%	12.31	3.85	220%	19.88	6.47	207%
0813-1000	DRY APPRICOTS	116.52	351.27	-67%	116.52	350.56	-67%	11.66	30.35	-62%	19.23	51.84	-63%
0804-2000	DRY FIGS	95.82	54.46	76%	95.82	54.46	76%	8.53	4.96	72%	13.91	8.32	67%
2701-1200	BITUMINOUS COAL	48.63	0	100%	48.63	0	100%	1.48	0	100%	12.92	0	100%
4601-2900	PLATING MATERIAL	26.46	13.59	95%	26.34	13.43	96%	4.28	2.22	93%	11.72	6.58	78%
1202-4100	PEANUTS	17.64	0	100%	17.59	0	100%	1.98	0	100%	11.32	0	100%
Others		1095.58	1509.75	-27%	713.8	1220.03	-41%	68.24	64.59	6%	123.34	189.1	-35%
<b>G. Total</b>		<b>5279.92</b>	<b>5074.79</b>	<b>4%</b>	<b>3419.96</b>	<b>3891.15</b>	<b>-12%</b>	<b>300.4</b>	<b>275.5</b>	<b>9%</b>	<b>722.54</b>	<b>772.22</b>	<b>-6%</b>

### 3.5.2 Export Clearances:

The Customs Station Ghulam Khan also deals with significant exports clearances. The Table-22 below provides a comparison of top 15 exports items cleared from this station in the FY 2020-21 in comparison with FY 2019-20, showing a growth of 44% in exports volume from this trade route.

**Table-22**  
**Top 15 export items Customs Station Ghulam Khan 2019-20 vs 2018-19 (Rs. In million)**

PCT CODE	Item Description	Import Value		
		2020-21	2019-20	Growth %
2523-2900	CEMENT	3554.85	1799.69	98%
1006-4000	RICE-IRRI-6	653.96	736.57	-11%
3004-9099	MEDICINES	577.39	85.96	572%
0805-9000	MIX FRESH FRUITS	548.66	680.51	-19%
1006-3090	RICE (Broken)	467.87	19.11	2348%
0704-9000	MIX FRESH VEGETABLES	389.67	766.61	100%
3924-9000	MISC GOODS	315.17	426.20	-26%
0805-2910	FRESH FRUITS (Kino)	286.66	0.00	100%
0701-9000	FRESH POTATOES	204.74	69.29	195%
0407-1900	EGGS	136.21	112.85	21%
0710-1000	MIX FRESH VEGETABLES	128.51	14.58	781%
2309-9000	POULTRY FEED	82.05	44.57	84%
3003-3900	MEDICINES	75.67	91.14	-17%
0702-0000	FRESH TOMATOES	72.14	0.00	100%
3004-5090	MEDICINES	62.32	4.08	1427%
OTHERS		700.14	893.37	-22%
<b>GRAND TOTAL:</b>		<b>8256.01</b>	<b>5744.53</b>	<b>44%</b>

### 3.5.3 Vehicular Flow (Both Ways-Throughput) at Customs Station Ghulam Khan:

Table 23 below shows the vehicle flow to and from C.S Ghulam Khan. On an average 65 exports trucks and 24 imports truck cross the C.S Ghulam khan on daily basis.

**Table-23**  
**Imports-Exports Vehicular Flow (Throughput) at Customs Station Kharlachi**

S. No	Month	Import Trucks				Export Trucks			
		2019-20		2020-21		2019-20		2020-21	
		Total P/Month	Avg Per Day	Total P/Month	Avg Per Day	Total P/Month	Avg Per Day	Total P/Month	Avg Per Day
1	July	19	1	442	15	5616	187	2567	86
2	August	164	5	894	30	810	27	2354	78
3	September	597	20	1589	53	1019	34	2838	95
4	October	1143	38	1268	42	1333	44	2149	72
5	November	1686	56	499	17	1074	36	1416	47
6	December	2199	73	270	9	1104	37	1143	38
7	January	1277	43	180	6	1174	39	1881	63
8	February	1146	38	96	3	1913	64	2434	81
9	March	332	11	214	7	780	26	2058	69
10	April	0	0	153	5	0	0	1951	65
11	May	0	0	168	6	0	0	1708	57
12	June	0	0	379	13	368	12	1037	35
Grand Total:		8563	24	6152	17	15191	42	23536	65

### 3.5.4 Web Based One Customs (WeBOC) at Customs Station Ghulam Khan:

Like other land border stations in KP, prior to FY 2020-2021, all imports and export clearance at C.S Ghulam Khan were cleared manually due to lack of essential infrastructure like digital connectivity, electricity, and banking services etc. The rolling out of WeBOC was a daunting task at Ghulam Khan due

to security vulnerabilities and poor infrastructure. However, after concerted efforts and in coordination with security agencies/stakeholders the automation process has been rolled out gradually.

Firstly, M/s NLC ensured provision of secured internet availability through Optical Fiber Cable (OFC) and with pursuance of PRAL team, FBR-unified network (FUN) was also established. Secondly, the availability of banking booth inside the terminal was also ensured for facilitation and secured transactions by traders and clearing agents. This Collectorate took gradual steps for complete rolling out of WeBOC system. Initially, non-perishable cargo items were shifted to WeBOC and then after providing training session and running awareness campaign to traders/ agents, all clearances are completely shifted to WeBOC system since **29.12.20**. The rolling out of WeBOC, at remote border crossings will ensure better customs controls, transparency and enhanced accountability over clearance operations and revenue collection may likely increase due to automation of customs business processes at such locations.

### **3.5.5 Challenges**

The CS Ghulam khan lacks basic infrastructure due to its remote locations in erstwhile FATA district. The impact of modern technological advancement has not been realized in the shape of digital connectivity and infrastructure development because of terrorism, remoteness, ruggedness, intolerance and volatile law and order situation. The challenges faced by trading community are multi-pronged which are listed below for an early solution:

- i. There are issues of power shortages in terminal area. The terminal relies solely on electricity generators, which not only confines business hours but also increases cost of doing business;
- ii. The border crossing point operates on dawn to dusk hours. The business community have long been requesting for 24/7 opening of this border crossing;
- iii. The scanner provided by terminal operator has been designed to cater the containerized cargo only. Whereas the bilateral trade is non-containerized and often carried out on over-sized vehicles. The customs staff in such cases have to examine the consignments manually which is time consuming and increase labour costs;
- iv. There are internet connectivity issues in area. It is to be noted that internet availability is the foremost requirement for smooth running of WeBOC system;
- v. The terminal operator M/s NLC does not have any cargo handling equipment resultantly relying on manual labour. The destuffing of consignments through manual labor is time consuming and increases cost of doing business;
- vi. The terminal yards are not levelled and metaled often resulting in accidents;

- vii. The traders community have also been raised issues about non-streamlined procedures and lack of cash availability in banks of North Waziristan;
- viii. The incoming Afghan registered vehicles are not allowed to go beyond a certain point (terminal area) and all in-bound cargo is cross-stuffed or transload into Pakistan registered vehicles before moving further down the country. The trading community has been demanding that Afghan registered vehicles may be allowed till Miran Shah staging points. These staging points have been approved, however, operations have not yet been started due to the similar issues faced by Pakistani registered vehicles on Afghan side;
- ix. There is no lodging facility available for Customs staff inside the terminal area. The staff has been managing through make-shift arrangement utilizing its own resources. It is responsibility of terminal operator to provide for official and lodging requirement of the customs staff;
- x. The Customs station currently handles only rebate-able cement exports. The station may be notified for all kind of rebate-able exports to address concerns of congestion at CS Torkham;
- xi. At present no electronic data exchange mechanism with Afghan authorities existed across the border. The flow of information through EDI will benefit both customs and traders in resolving recurring problems at border crossing.

### **3.6 Customs Station Angoor Adda/Tank**

Customs Station Angoor Adda is located at South Waziristan District. Before 30.09.2020 the imports coming from this station were being dealt at Customs Station Tank which is located around 180 Km down from Angoor Adda. Since 30.09.2020, the customs station at Angoor Adda has been activated and is dealing with both the imports and exports. The main imports, cleared from Angoor Adda/Tank are fresh/dry fruits, vegetables, scrap and coal.

**Figure-25**  
**Customs Station Angoor Adda**



**Figure-26**  
**Customs Station Angoor Adda**



### 3.6.1 Import Clearances:

The Table-24 below provides for comparison of top 15 import items cleared from this station. It shows that total duty/taxes of Rs.687.8 million has been collected as against Rs.451 million in LFY, hence recorded a 53% growth in overall tax collection at this station. The collection of customs duty has also shown a significant increase of 58% viz-a-viz last year. The main reason for increase in the collection of duty/taxes is the activation of Customs Station Angoor Adda for regular bilateral trade.

**Table-24**  
**Table Top 15 Import Items C.S Angoor Adda/Tank FY 2020-21vs FY 2019-20 (Rs. In million)**

PCT CODE	Item Description	Import Value			Dutiable Value			Custom Duty			Total Taxes		
		2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %	2020-21	2019-20	Growth %
0808-1000	APPLE	1811.4	1730.51	5%	1811.17	1730.51	5%	178.68	168.99	6%	295.79	280.83	5%
2701-1900	MINERAL COAL	249.69	62.24	301%	249.47	61.55	305%	6.5	1.82	257%	65.25	17.86	265%
1202-4100	GROUND NUTS	90.58	18.98	377%	90.58	18.98	377%	9.49	1.8	427%	61.32	13.05	370%
7204-4990	REMETTABLE SCRAP	123.27	7	1661%	122.1	7	1644%	2.76	0.2	1280%	41.18	2.02	1939%
0802-1100	ALMOND HARD	42.47	0.99	4190%	42.47	0.99	4190%	7.53	0.08	9313%	33.07	0.33	9921%
0703-1000	ONION	143.15	313.24	-54%	0.03	0.32	-91%	0	0.01	-100%	27.6	81.73	-66%
0701-9000	POTATOES	53.98	0	100%	14.32	0	100%	0.38	0	100%	27.3	0	100%
0813-1000	DRY APPRICOTS	115.4	4.81	2299%	115.14	4.81	2294%	10.91	0.47	2221%	18.23	0.79	2208%
8548-1090	BATTERIES SCRAP	60.52	0	100%	60.52	0	100%	1.66	0	100%	14.01	0	100%
0806-2000	RED RAISON	67.41	0	100%	67.41	0	100%	6.5	0	100%	10.9	0	100%
0802-1200	ALMOND W/O SHELL	11.65	0.51	2184%	11.65	0.51	2184%	2.28	0.05	4460%	9.7	0.32	2931%
0804-2000	DRY FIG	55.55	3.41	1529%	55.55	3.41	1529%	5.35	0.03	17733%	9.13	0.56	1530%
0710-1000	POTATOES	9.54	0	100%	0.02	0	100%	0	0	0%	5.09	0	100%
0909-3100	ZEERA	16.19	0	100%	16.1	0	100%	0.42	0	100%	5.04	0	100%
0713-2010	MASH GREEN DRY	232.05	1.29	17888%	3.79	0	100%	0.1	0	100%	4.67	0.03	15467%
Others		203.62	56.55	260%	157.68	173.37	-9%	67.85	16.77	305%	59.59	53.46	11%
G. Total		3286.47	2199.53	49%	2818	2001.45	41%	300.41	190.22	58%	687.87	450.98	53%

### 3.6.2 Export Clearances:

The Customs Station Angoor Adda is also dealing with exports cargo. Before its activation on 30.09.2020 exports cargo was not being dealt by the C.S Tank. The Table-25 below provides top 15 exports items cleared from this station in the FY 2020-21. As the exports have recently been started along with the activation of C.S Angoor Adda, therefore, during FY 2019-20 the exports have remained 'Nil'.

**Table-25**  
**Top 15 Export Items Customs Station Angoor Adda FY, 2020-21 (Rs. In million)**

PCT CODE	Item Description	Import Value
		2020-21
1006-3090	RICE (Broken)	1812.89
0805-9000	MIX FRESH FRUITS	357.29
1006-4000	RICE IRRI-6	348.53
0701-9000	MIX FRESH VEGETABLES	303.17
3924-9000	MISC GOODS	303.02
8701-9390	TRACTORS	192.95
0704-9000	MIX FRESH VEGETABLES	172.25
8433-5900	WHEAT THRESHER	55.09
2523-2900	CEMENT	44.19
0206-2900	FRESH BEEF	38.65
0407-1900	MILK	35.75
0105-9900	LIVE CHICKEN	33.74
4819-2000	EMPTY CARTONS	24.41
1704-1000	CONFECTIONERY ITEMS	11.77
0807-1100	MIX FRESH FRUITS	10.69
OTHERS		71.00
<b>GRAND TOTAL:</b>		<b>3815.39</b>

### 3.6.3 Vehicular Flow (Imports-Throughput) at Customs Station Angoor Adda/Tank

Table 26 below shows the vehicle flow to and from C.S Angoor Adda. On an average 38 exports and 25 imports trucks crossed the border on daily basis.

**Table-26**  
**Imports-Exports Vehicular Flow (Throughput) at Customs Station Angoor Adda/Tank**

S. No	Month	Import Trucks				Export Trucks			
		2019-20		2020-21		2019-20		2020-21	
		Total P/Month	Avg. Per Day	Total P/Month	Avg. Per Day	Total P/Month	Avg. Per Day	Total P/Month	Avg. Per Day
1	July	42	1	19	1	0	0	0	0
2	August	30	1	33	1	0	0	0	0
3	September	283	9	30	1	0	0	0	0
4	October	326	11	2078	69	0	0	1632	54
5	November	248	8	1522	51	0	0	1407	47
6	December	436	15	572	19	0	0	1924	64
7	January	413	14	695	23	0	0	1355	45
8	February	547	18	649	22	0	0	1734	58
9	March	234	8	1271	42	0	0	1997	67
10	April	4	0	1140	38	0	0	1807	60
11	May	0	0	512	17	0	0	1073	36
12	June	0	0	348	12	0	0	783	26
Grand Total:		2563	7	8869	25	0	0	13712	38

### 3.6.4 Web Based One Customs (WeBOC) at Customs Station Angoor Adda:

Like other land border stations of the Collectorate, efforts were channelized to roll out WeBOC at CS Angoor Adda, which were initially met with highest level of resistance from locals and some unscrupulous elements. However, through extensive liaison of Collectorate, and inter agency coordination, WeBOC has successfully been launched w.e.f. 26.06.2021. Initially WeBOC shall be catering to clearance of non-perishable items such as coal, rice, cement etc. The Collectorate is in process of complete rolling out of WeBOC subjected to smooth internet connectivity.



### 3.6.5 Challenges

The Customs Station Angoor Adda was made operational on basis of exceptional efforts put in by the Collectorate. The authorized terminal operator has not started operations yet and Customs staff has been self-reliant in every aspect utilizing their own resources for operational needs. The challenges faced at CS Angoor Adda are exceptional and need immediate attention of authorities.

- i. The terminal operator has not started operations yet and customs staff is performing operations in a designated area manned and operated by FC authorities. All operational requirements are met by customs staff themselves;
- ii. The Customs area is located at a distance of 1km from border crossing point. There lies a densely populated bazar in between. All incoming and outgoing vehicles are escorted by FC authorities between BCP and Customs area, however, the most challenging task is to ensure integrity of cargo;
- iii. There is no electricity in the area. The whole area doesn't have any kind of digital communication. Internet, 3G/4G are not available on the basis of security concerns;
- iv. The trader and clearing agents are not familiar with WeBOC system and contemporary Customs control;
- v. The unscrupulous elements are active in the form of mafias, which often go on strikes suspending all kind of trade activity;
- vi. The Wana-Angoor Adda road is in dilapidated state and cannot cater to heavy traffic well;
- vii. Increased security checks because of volatile law and order, create un-necessary delays;
- viii. The absence of terminal operator, gives rise to all operational challenges e.g. weigh bridge, scanning, electricity, internet connectivity etc.;
- ix. There are no lodging facilities available for customs staff and staff has to rely on make shift arrangements. The temperature falls below the Celsius line in winters;
- x. Banks are not located in entire town of Angoor Adda. The only bank available is situated at distance of 60 km from CS Angoor Adda;
- xi. The absence of secured premises for examination yard increases challenges for customs staff by manifolds;
- xii. The area has been worst hit by terrorism and militancy. The customs staff are often subject to threats and intimidation by unscrupulous elements;
- xiii. Staff of Animal Quarantine Department and Department of Plant Protection are not available;
- xiv. Rebateable exports are not allowed.



## Chapter-4

### Administrative and Enforcement Measures

The Collectorate has put on concerted efforts to enhance revenue collection through administrative and enforcement measures. The measures like application of correct values either through implementation of VRs or by utilizing data base values, expeditious quasi-judicial proceedings in settling disputes where revenue was stuck-up, PRVs and recovery of arrears etc have enabled the Collectorate in achieving its assigned annual targets of customs duty. The summarized statement of these efforts is presented in the Table-27 below.

**Table -27**  
**Revenue Realized Through Administrative Measures (Rs. In million)**

Levy	Collection FY 2020-21	Collection FY 2019-20	Growth (%)
Quasi-Judicial Proceedings	4.25	1.91	122.51
Recovery of Arrears	33.32	19.47	71.14
Post Release Verifications	140.14	4.7	2861
Valuation	14987.05	5560.82	169.51
Penalty	21.73	11.97	81.54
IGM De-Blocking fee	17.51	9.08	92.84
<b>Total</b>	<b>15204</b>	<b>5607.95</b>	<b>164.15</b>

#### 4.1 Enforcement Initiatives

The trade dynamics at all border stations in KP are unpredictable and keeps on evolving with every passing day. Such trade environment poses new kind of challenges to the Collectorate in effective and seamless handling of bilateral trade cargo. The Collectorate strives hard to strike a balance between enforcement of laws and implementation of procedures on one hand; and facilitation of trade in reducing cost and clearance time of cargo on the other hand. In this regard, this Collectorate had strategize and adopted numerous measures to ensure smooth customs operations at BCPs with better customs controls. These measures are enlisted hereunder: -

##### 4.1.1 Administrative Measures

- The level of administrative supervision has been increased and an officer of the rank of Additional Collector is stationed at Torkham for handling operational issues in bilateral trade;
- The internal transfer postings of customs officials at BCPs is closely monitored in terms of performance, attitude and reputation;

- iii. Punitive measures like suspension from duty and initiation of formal enquiries under the E&D Rules, 1973 have also been taken against examining/appraising staff found responsible in seizure cases involving gross misdeclarations in consignments cleared from Torkham;
- iv. Through Post Release Verifications (PRVs) BCPs as well as bonded stations are able keep a check on clearance made through this Collectorate that has resultantly enabled the Collectorate to realize Rs. 139.17 million amount;
- v. WeBOC has been rolled out at all border custom stations falling in this Collectorate. The automated system of clearances has ensured transparency, reduction in dwell time, facilitative for trade and enhanced revenue. as well as designation of CS Kharlachi for rebate-able exports and CS Ghulam Khan for transit cargo.

#### **4.1.2 Procedural Measures**

- i. A mechanism has been put in place to monitor scans through Customs staff. Abnormal scan/ images are reported immediately on WhatsApp group and the relevant vehicles are fully examined. By such measure, many cases of auto-parts concealment have been unearthed;
- ii. Embossing of vehicle registration No. and Chassis No. on wind screen through sand blasting have been carried out at Torkham in order to eliminate use of multiple registration numbers on same vehicles which had triggered many cases of misdeclarations in the past;
- iii. The process of examination/assessments is being monitored by Additional Collector and Deputy/ Assistant Collector at Customs Station Torkham to ensure enhanced administrative controls over correct declarations and subsequent reporting for minimal revenue leakages;
- iv. In order to capture real time information regarding arrival/receipt of vehicles at border stations to forestall.

#### **4.2 Steps taken for facilitation of bilateral trade:**

In order to facilitate the bilateral trade with Afghanistan and to address the congestion issues at border customs stations especially at Torkham, the following measures have been implemented for seamless clearance of goods from border stations falling under the jurisdiction of Appraisement Collectorate Peshawar.

- i. The border station Torkham is functioning on 24/7 basis. Un-interrupted working of customs staff and other LEAs at Torkham facilitate the 70% of exports to Afghanistan carried out from this customs station alone.

- ii. A new customs station at Angoor Adda has been made functional from 1<sup>st</sup> October 2020. This measure has boosted up the exports to Afghanistan from South Region. In the first six months since operationalization of Customs Station at Angoor Adda, goods worth US \$ 18 million are exported to Afghanistan from this Station. It needs to mention that prior to opening of the said Station not a single US \$ exports has ever been made to Afghanistan from this route;
- iii. The scanners are installed at border customs stations for expeditious clearances of goods since July, 2020;
- iv. The perishable goods are being processed and allowed clearance on priority preferably within 3 to 4 hours of GD filing;
- v. The bonded limits of Customs Station Torkham have been extended to Michni check point. This measure has provided maximum space at terminal for vehicles staging and their expeditious clearances from Torkham;
- vi. In order to facilitate the quick clearance of exports consignments from Torkham the weighment of exports cargo has been shifted to NLC Jamrud Terminal alongwith filing of exports GD before Michni Check Post;
- vii. The Afghan Authorities and traders repeatedly recorded their protest against the valuation of goods imported from Afghanistan. In this backdrop, this Collectorate in coordination with trade bodies reviewed the values of Afghan imported goods applicable for the last several years. Accordingly, on the recommendation of this Collectorate the Director Customs Valuation, Karachi has issued a Valuation Advice for Afghan origin goods on 31-12-2020 where values of such goods have been rationalized and also reduced where required. In response to this measure Afghan Authorities have also reduced the valuation on fruits namely Kinno exported from Pakistan;
- viii. The Border Flag meetings with Afghan Customs Authorities at Torkham are being held on regular basis to mutually resolve operational issues confronting the trade on both sides;
- ix. Customs Station at Kharlachi has been designated for rebateable exports of cement in addition to simple exports. The Customs Station at Ghulam Khan has been designated for handling transit cargo to Afghanistan in October, 2020.

### **4.3 Projects**

The Collectorate has been pursuing different projects which include modernization of Customs residential facilities at Landi Kotal, Khyber District and construction of Model Border Terminals

(M.B.T) at customs border stations of Ghulam Khan, Kharlachi and Angoor Adda. The PC-1 of these projects has been prepared.

Construction of model border terminals is being carried out by NLC in coordination with FBR. It includes construction of state-of-the-art terminal along with Custom House at the border stations. In this regard following projects are under process. Their PC-I have been completed and forwarded to FBR for further processing.

**Figure-27**  
**Projects by MCC, Appraisalment & Facilitation, Peshawar**



- **Border Terminal, Ghulam Khan**
- Estimated Capital Cost is Rs. 1.58 billion
- Mode of financing is Govt. funding
- Execution and maintenance by NLC
- Existing facility spread over 160 Kanals
- Design shall cater:
  - 8000 to 9000 vehicles/ month
  - 25,000 to 30,000 passengers /month



- **Border Terminal, Kharlachi**
- Estimated Capital Cost is Rs. 1.54 billion
- Govt. funded with annual maintenance @ 2% of the estimated project cost.
- Existing facility spread over 200 Kanals
- Design shall cater:
  - 8,000 to 9000 vehicles/month
  - 25,000 to 30,000 passengers/month



- **Border Terminal, Angoor Adda**
- Estimated Capital Cost is Rs. 1.81 billion
- Project is Govt. funded.
- Proposed facility spread over 194.5 Kanals
- Design shall cater:
  - 8,000 to 9000 vehicles/month
  - 25, 000 to 30,000 pedestrian/month



- **Transit Accommodation at Landi Kotal (KPK)**
- Demolition of old colony, constructed in 1965
- New electricity line to address power shortage
- 40 Kanals land for new Customs complex
- Offices, barracks, collector's office, sports complex, and mosques.
- Estimated cost is Rs. 461.73 million

## **Chapter-5**

### **Conclusion**

It is an undeniable fact that for centuries people of Pakistan and Afghanistan, living on opposite sides of international border have shared language, religion, culture and ethnicities and trade as well. However, Pakistan-Afghanistan border trade and its management remain contentious issue in the bilateral relations of both countries. Both neighboring countries have had faced significant challenges in their respective socio-political, security and economic domains over the years. The required measures to facilitate and regulate bilateral trade put on back burner in the backdrop of uncertain political relations between both the countries. The impediments confronting border trade benefit the informal trade by way of smuggling either through unfrequented routes or misuse of transit trade facility. An important finding arrived from the analysis of border trade is that the unpredictable and inconsistent trade environment hindered the potential of trade expansion as both countries have yet to enter into a comprehensive bilateral trade agreement to facilitate the regular trade. Another important observation is that the infrastructure and ICT related facility at all borders stations/crossings are still short of modern standards.

The Pakistan Customs has adopted aggressive approach to completely automate the customs business processes on all the border stations falling in KP. Accordingly, the One-Customs and manual clearances have been successfully switched over to WeBOC at the end of FY 2020-21. In addition to automation the opening of new customs station at Angoor Adda has boosted the flow of regular trade from south Waziristan route. It is apt mentioning that automation of customs business processes and other measures alone cannot address the burning regulatory issues like implementation of phyto-sanitary measures etc. confronting bilateral border trade with Afghanistan. The peaceful economic cooperation between Afghanistan and Pakistan will be the only way forward for improved trade and transit facilities to connect with Central Asia. The rise in exports will boost economic growth and create employment opportunities in both countries. As envisioned in various international commitments like CPEC, CAREC etc and govt's recent initiative "Silk Route Reconnect Policy" the trade from land border stations may turn out to be game changer only not for Pakistan but for the whole region if the issues like border management, security constraints, extortions and slow clearance of good can be addressed.

In the above context, a new development is underway whereby negotiations are being held for entering into a new transit agreement with Afghanistan after the recent expiry of APPTA, 2010. Simultaneously, the government is vigorously pursuing bilateral transit agreement with Central Asian Republics (CARs) namely Uzbekistan etc. In this environment, a great opportunity is now available to both the countries to

formalize a comprehensive trade agreement covering both transit and bilateral matters for better trade management, predictable tax administration and comparative advantageous preferential trade regulations. The new trade agreement between Afghanistan and Pakistan will open a gateway of opportunities to boost trade not only with Afghanistan but also with the CARs. It is expected that conclusion of comprehensive new trade agreement with Afghanistan will prove to be a linchpin agreement for the success of other transit agreement with CARs.

In conclusion, it is recommended that Ministry of Commerce may accelerate efforts in joint coordination with other stake holders including concerned Ministries/Departments for an early inking of a comprehensive and integrated trade agreement with Afghanistan so that immense trade potential between both the countries and CARs can be translated to realities.



**Summary Report of Import Border Station IRO MCC, Appraisement Peshawar**  
(Value Rs Millions)

S. No	Station	2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21	
		Import Value	Total Duty & Taxes Collected	Import Value	Total Duty & Taxes Collected	Import Value	Total Duty & Taxes Collected	Import Value	Total Duty & Taxes Collected	Import Value	Total Duty & Taxes Collected	Import Value	Total Duty & Taxes Collected	Import Value	Total Duty & Taxes Collected	Import Value	Total Duty & Taxes Collected	Import Value	Total Duty & Taxes Collected	Import Value	Total Duty & Taxes Collected
1	Torkham	8837.4	933.98	2406.03	1643.66	2759.1	2716.7	27233.32	3492.43	33125.71	6941.7	29792.44	5965.5	40262.78	7332.25	56732.75	7131.68	5546.43	7563	68492.78	8564.44
2	Kharlachi	0	0	144.41	13.94	238.88	21.75	474.17	52.3	969.71	343.89	996.72	282.37	596.88	155.3	2309.54	663.34	2377.32	612	7390.55	1955.86
3	Ghulam Khan	1.48	0.01	761.18	54.07	534.6	48.46	0	0	0	0	0	0	0	0	1578.39	286.39	5074.79	762	5299.19	735.77
4	Tank/Angoor Adda	0	0	417.65	26.54	1233.6	26.09	96.16	27.89	0	0	109.96	29.96	206.78	57.28	1815.68	493.65	2522.16	445	3287.19	687.58
5	Burki	0	0	12.36	0.38	0	0	135.92	8.47	897.2	340	423.39	118.4	121.58	31.85	0	0	0	0	0	0
6	Teremengal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Stahdano dand	0	0	25.68	2.43	98.47	9.96	272.15	39.14	368.92	57.24	0	0	0	0	0	0	0	0	0	0
8	Khapakh	0	0	0	0	0	0	0	0	0	0	13.77	4.3	1.38	0.44	0	0	0	0	0	0
9	NLC Jamrud	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Grand Total:</b>		<b>8838.8</b>	<b>933.99</b>	<b>2542.16</b>	<b>1741.02</b>	<b>2969.66</b>	<b>2822.96</b>	<b>28211.72</b>	<b>3620.23</b>	<b>35361.54</b>	<b>7682.83</b>	<b>31336.28</b>	<b>6400.53</b>	<b>41189.4</b>	<b>7577.12</b>	<b>62436.36</b>	<b>8575.06</b>	<b>6543.86</b>	<b>9382</b>	<b>84469.71</b>	<b>11943.65</b>

**Summary Report of Export Border Station IRO MCC, Appraisement Peshawar  
(Value Rs Millions)**

S.No	Station	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
		Export Value	Export Value	Export Value	Export Value	Export Value	Export Value	Export Value	Export Value	Export Value	Export Value
1	Torkham	154594.08	148230.17	127809.31	126864.18	90481.89	83973.2	97216.98	93611.54	86767.57	105124.48
2	Kharlachi	643.38	3651.26	8921.85	21249.92	20508.62	13307.07	15736.02	22596.7	14969.59	26977.42
3	Ghulam Khan	14745.26	13786.94	8983.27	0	0	0	1741.26	9002.36	5596.52	8275.25
4	Tank/Angoor Adda	0	0	0	0	0	0	0	0	0	3815.39
5	Burki	0	694.06	1783.78	1034.52	1840.74	1610.75	5218.74	0	0	0
6	Teremengal	0	0	0	0	3927.29	1522.93	0	0	0	0
7	Stahdanodand	671.78	500.91	1056.17	6667.44	8458.49	0	0	0	0	0
8	Khapakh	0	0	0	0	0	0	0	0	0	0
9	NLC Jamrud	0	0	0	0	1041.37	6942.67	6488.17	0	0	0
<b>Grand Total:</b>		<b>170654.5</b>	<b>166863.34</b>	<b>148554.38</b>	<b>155816.06</b>	<b>126258.4</b>	<b>107356.62</b>	<b>126401.17</b>	<b>125210.6</b>	<b>107333.68</b>	<b>144192.54</b>

**Bilateral Trade with Afghanistan through MCC, Appraisement Peshawar & Chaman During Period  
2011-12 to 2020-21**

MCC, Appraisement Peshawar						Chaman			
S.No	Year	Import		Export		Import		Export	
		Value US ML	Value Rs ML	Value US ML	Value Rs ML	Value US ML	Value Rs ML	Value US ML	Value Rs ML
1	2011-12	99.14	8838.84	1918.75	170654.5	1.67	149.99	123.96	11025.17
2	2012-13	263.02	25421.58	1730.05	166863.34	33.85	3271.68	227.05	21899.74
3	2013-14	289.15	29696.55	1449.45	148554.38	67.5	6932.78	319.48	32743.92
4	2014-15	278.88	28,211.72	1,543.34	155,816.05	37.15	3,758.09	340.90	34,417.41
5	2015-16	339.66	35,361.56	1,215.07	126,258.39	57.85	6,022.98	263.81	27,412.79
6	2016-17	299.53	31,336.34	1,028.02	107,356.64	53.44	5,590.93	270.51	28,249.46
7	2017-18	374.85	41,188.99	1,152.46	126,401.64	78.58	8,634.86	446.39	48,960.42
8	2018-19	458.91	62,435.13	922.81	125,206.50	79.91	10,872.09	350.89	47,608.78
9	2019-20	412.38	65,436.45	676.75	107,339.32	70.92	11,254.01	187.15	29,683.08
10	2020-21	525.53	84,469.71	899.96	144,192.54	96.05	15,389.81	144.79	23,199.38
Grand Total:		3,341.05	412,396.87	12,536.67	1,378,643.30	576.93	71,877.23	2,674.93	305,200.15

**Transit Trade with Afghanistan through MCC, Appraisement Peshawar & Chaman During Period 2011-12 to 2020-21**

MCC-Appraisement Peshawar								Chaman					
S. No	Year	Fwd Transit		Total Nos of TEUs	Reverse Transit		Total Truck	Fwd Transit		Total Nos of TEUs	Reverse Transit		Total Truck
		Value US ML	Value Rs ML		Value US ML	Value Rs ML		Value US ML	Value Rs ML		Value US ML	Value Rs ML	
1	2011-12	1038.52	92584.43	34311	0	0	0	191.72	17092.52	7596	43.38	3858.54	2083
2	2012-13	1148.91	111043	34114	0.4	39.24	10	175.64	16976.34	7087	129.89	12528.4	4963
3	2013-14	1128.26	115872.71	44662	26.03	2673.78	1063	253.18	26002.2	9022	74.1	7595.14	3049
4	2014-15	2,303.71	233,043.11	58308	24.68	2,492.06	507	613.83	62,094.57	15112	98.13	9,906.82	3081
5	2015-16	2,888.51	300,722.89	60494	46.56	4,837.80	1761	898.20	93,511.83	24039	92.35	9,596.33	3241
6	2016-17	2,496.65	261,199.53	49113	34.28	3,580.18	569	852.07	89,143.38	21220	107.38	11,213.84	2742
7	2017-18	2,603.41	286,062.24	53188	45.64	5,006.22	567	1,010.27	111,008.36	28176	206.69	22,669.35	3534
8	2018-19	2,833.09	385,442.20	59505	54.07	7,336.32	786	2,646.96	360,118.84	63495	223.30	30,296.75	4287
9	2019-20	2,860.33	453,877.87	48825	64.96	10,303.77	1786	3,472.61	551,033.43	71228	199.81	31,691.89	4655
10	2020-21	2,221.03	356,986.41	67872	68.77	11,018.47	1416	1,935.62	311,113.29	52715	238.57	38,224.27	4939
<b>Grand Total:</b>		<b>21,522.42</b>	<b>2,596,834.39</b>	<b>510,392.00</b>	<b>365.40</b>	<b>47,287.84</b>	<b>8,465.00</b>	<b>12,050.09</b>	<b>1,638,094.76</b>	<b>299,690.00</b>	<b>1,413.59</b>	<b>177,581.33</b>	<b>36,574.00</b>