



Islamic Republic of Afghanistan  
Ministry of Industry and Commerce  
General Directorate of International Trade  
WTO Affairs Directorate

Status and challenges of  
**Trade Facilitation Agreement  
Implementation in Afghanistan**

# Presentation Outline

- General information about Afghanistan's geographical situation
- Status of Trade Facilitation Agreement in Afghanistan
- Challenges of TFA implementation in Afghanistan
- Impact of Covid-19 in Afghanistan

## Geographical Situation

- Afghanistan is located in central/southern Asia and landlocked among Iran, Pakistan, Tajikistan, Uzbekistan, Turkmenistan and China. Afghanistan shares the major features of LDCs such as poor physical infrastructure, weak institutional capacities and remoteness from world markets. To overcome the challenges related to landlockedness, Afghan government's priority is to develop adequate national transport networks and efficient transit system to promote regional economic integration and encourage FDI in economic activity leading to trade expansion.
- Although for the last fifteen years many reforms in trade, customs and transport regimes have been carried out in cooperation with donors assistance, much has to be done to address transit/trade challenges.

## Status of TFA

- **The Council of Ministers ratified the TFA (29-July-2016) when Afghanistan became a WTO member.**
- **Establishment of the National Trade Facilitation Committee(1-Nov-2016)**

# Status of TFA

## **Ministry of Industry and Commerce** (focal point for the TFA):

- **Established the National TFA Committee with participation of government and private sectors(20 representatives)**
- **Organized 18 high & technical level meetings to discuss TFA measures**
- **Organized trainings for NTFC members to understand TFA (ITC)**
- **Submission of Afghanistan's commitments under Category A (19-Feb-2018)**
- **Identification & Preparation of TFA provisions under category B&C**
- **Notification of Category C (request for technical assistance).**

# Status of TFA

## **Categorizations of TFA**

- **Category A=13 measures**
- **Category B=20 measures**
- **Category C=31 measures**

# Challenges of TFA Implementation in Afghanistan

- Lack of capacity or shortage of skilled and professional staff (for new or existing staff) to promote better understanding of the agreement (exacerbated due to COVID-19).
- Amendment of legislation: (New legislation or amendment of the existing) is a lengthy process.
- Institutional changes: (establishment of new unit or bringing the current units in one umbrella for example single window, enquiry points, risk management team and recruitment of new staff)
- Lack of border coordination and harmonization
- Lack of equipment and infrastructures (ICT and Laboratory equipment for the implementation of TFA).

# Challenges ...

- ❖ Large number of documentary requirements,
- ❖ Lack of cooperation between customs and other border agencies and traders
- ❖ Lack of standardization and harmonization,
  
- ❖ Continued manual processing of documentation – hard copies still have to be submitted.
  
- ❖ Time at ports is very high( consignment take more time to release)
  
- ❖ Lack of automated processes and scarce use of IT
  
- ❖ Lack of human and financial resources
  
- ❖ Deficiencies in infrastructure



# Impact of Covid-19 in Afghanistan

**Afghanistan faces grave challenges as a result of Covid-19 pandemic:**

- **39044 confirmed cases of covid-19**
- **1441 death-toll**
- **Reduction of revenue**
- **Unemployment**
- **Increased poverty**
- **(50% ) of manufacturing plants has stopped.**
- **Closure of borders by neighboring countries**
- **Decline in export - 65%**
- **Decline in import( from Mar to May 75% then 40%)**
- **Travel restriction (loss of 5 million\$ per week )**

# Thank you

Questions: [afghan.mission2wto@gmail.com](mailto:afghan.mission2wto@gmail.com)