

FEDERAL BOARD OF REVENUE GOVERNMENT OF PAKISTAN



CENTRAL ASIA REGIONAL ECONOMIC COOPERATION REGIONAL IMPROVING BORDER SERVICES PROJECT (CAREC-RIBS)

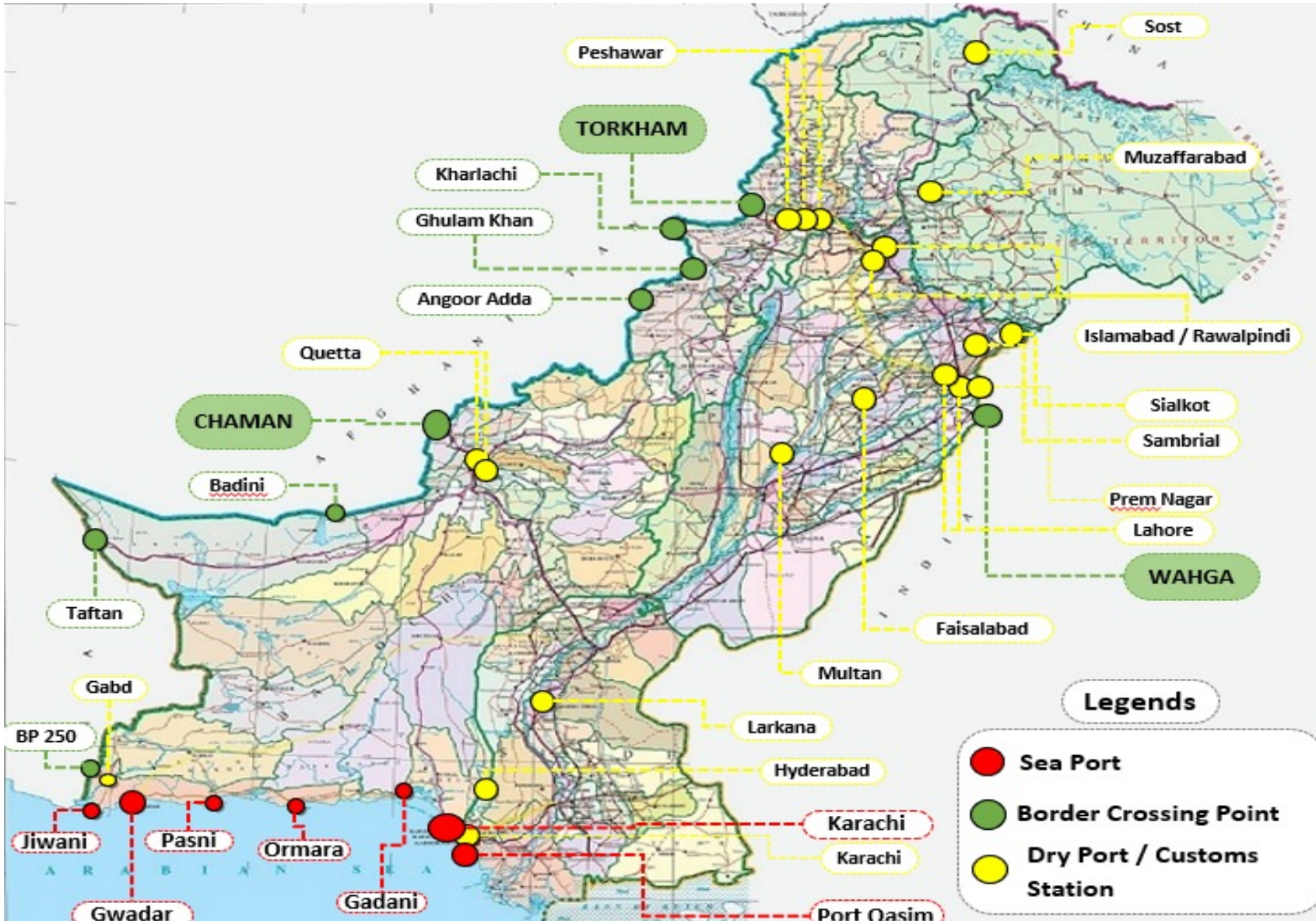
Integrated Transit Trade Management System (ITTMS)

Ali Raza Hanjra
Project Director

Project management Unit CAREC - RIBS, Customs wing, FBR

15th August 2024

Border Land Ports / Border Crossing Points of Pakistan



CAREC-RIBS Project – Background & Objectives

- **CAREC-RIBS Project intends to reduce cross border cargo clearance time by 65% & Passenger facilitation time by 90% ***
- Torkham, Chaman & Wahga BCPs currently act as bottlenecks to cross-border trade facilitation & regional connectivity in the CAREC Region.
- The loan agreement of US\$250 Million (Co-financed by GoP @USD 50 million) was signed on 26 October 2016. The project outputs are:
 - Develop cross-border state-of-the-art Trade Facilitation infrastructure at Chaman, Torkham and Wahga.
 - Strengthening Customs controls to ensure supply chain security in the CAREC Region.
 - Establishment of Pakistan Land Port Authority (PLPA) for effective port governance and increased port efficiency under CAREC Strategic Framework 2030.
 - Capacity building for BCP operating agencies in collaboration with PLPA Consultants.
- FBR as Lead Executing Agency for the CAREC-RIBS (ITTMS) Project & NLC selected as contractor on single source basis.

Note: WB Time Release Study (TRS)

CAREC-RIBS Project - Challenges

- Bid rationalization and negotiation took over two years - Torkham awarded in December 2018, & Chaman awarded in August 2019
- Land Acquisition from local tribes took almost three years for vacation of stay orders and provision of work front to NLC for construction
- Massive land slide at Torkham and Sit-ins due to one document regime at Chaman further delayed the completion milestones

Torkham BCP:

- Physical Progress: Actual 90% (Planned 97%) – to be operationalized by December 2024.

Chaman BCP:

- Physical Progress: Actual 90% (Planned 96%) – To be operationalized by December 2024.

Torkham before CAREC-RIBS in 2019



Torkham BCP after CAREC-RIBS in 2024



Torkham BCP Master Plan



Chaman Before CAREC-RIBS 2019



Chaman BCP in 2024



CAREC-RIBS Project Status



Physical Infrastructure :

- Import, Export & Passenger Terminals, Administration Buildings & Multi-Agency Transit Accommodation for 24/7 Physical Infrastructure completed for 24/7 operationalization;

Security Equipment Installation :

- Advance X-Ray Cargo Scanners installed;
- Electronic Weigh Bridges installation completed;
- Port Surveillance with Command Control Center installation completed;
- Vehicle Surveillance System Road Blockers installation completed;
- E-Gates for Passenger Facilitation under installation.

ICT Equipment Highlights :

- High-Speed Fiber Optic Cabling across BCP laid out;
- Data centers, racks, cooling units, UPSs and other allied infrastructure installed;
- Fire Detection devices installed;
- Indoor / Outdoor Wi-Fi Access Points installed;
- Field and facility wide network cabling and switches installed;

➤ Integration with WeBOC, PSW, TIR & OGAs being carried out in parallel and will complete by 30th December 2024.

CAREC-RIBS Project Physical Infrastructure

Government Agencies Facilitated by CAREC-RIBS

- Customs;
- Federal investigation Agency (Immigration);
- Anti-Narcotics Force (ANF);
- Sanitary & Phyto-Sanitary (SPS);
- Terminal Operator;
- Law Enforcement Agencies (LEAs);
- Political Administration;
- Banks;
- Freight Forwarders / Agents;
- Transporters / Bonded Carriers;
- Postal Services.

Infrastructure / Facilities Provided by CAREC-RIBS

- Customs House (Admin. Bldg.);
- Transit Trade Building;
- Business Center;
- Passenger Terminal with Facilitation Centers;
- Examination Sheds;
- Warehouses;
- Quarantine Facility;
- Customs Lab;
- Entry/Exit Booths & Canopies;
- Structured Parking for Trucks and other Vehicles;
- Canine Units;
- Multi Lane Approach Roads;
- Inspection Areas;
- Fire Station;
- Watch Towers;
- Security Posts/Gates;
- Multi-Agency Officers Accommodation (Chaman);
- Mosque, Clinic, Cafeteria.

CAREC-RIBS Project ICT Security Coverage

Security Equipment

- Advance Cargo & Security Scanners
- Baggage Scanners
- Weigh Bridges
- CCTV Surveillance with Command Control Center
- Fire Detection & Suppression System
- Explosives & Narcotics Detectors
- UVSS / ANPR / Road Blockers / Barriers
- Walk-Through Gates
- Metal Detectors
- Radiation Portal Monitors (SPD/NNDA)

ICT Equipment

- Access Control System
- e-Gates with Complete Infrastructure for Pedestrians Immigration
- Data Centers
- VoIP – IP Telephony
- Core/Access Switches, Routers and Firewalls
- High-end Computing (Application & Database Servers)
- Data Storage with Tape
- Library
- Indoor/Outdoor Wi-Fi Access Points
- Campus Wide 10G Fiber Optics
- Integration with WeBOC, PSW, TOS, IBMS & OGAs

Infrastructure for Customs & Immigration Processes

MAJOR ITEMS		TORKHAM	CHAMAN
S/N	Product Description	Qty	Qty
1	X- Ray Truck Gantry Scanners 6 MEV	2	2
2	X- Ray Truck Pass Through Scanners 6/4 MEV	2	2
3	Vehicle Weighing And Dimension Check Machine	11	11
4	Hand-held Explosive And Narcotics Vapor Tracing Equipment	12	12
5	Pedestrian Luggage Scanning Equipment (Tunnel 1x1 M)	8	8
6	Pedestrian Pallets Scanning Equipment (Tunnel 1.3 X1.3 M)	2	2
7	Boom Barriers	38	38
8	Road Blockers	12	10
9	ABC E-Gates (Complete Solution)	32	32
10	IP CCTV Cameras (Different Categories)	733	681
11	Video Wall Screens for Command & Control Centre	18	18

Enhanced Trade Facilitation:

- Least or No human interface/interruption between entry or exit points for enhanced Trade Facilitation;
- Integration with Pakistan Single Window (PSW) Portal for real-time data sharing with concerned stakeholders;
- Electronic Data Interchange (EDI) with regional economies/trading partners;
- Digitized Non-Intrusive Scanning & Entry/Exit of cargo traffic in compliance with CSI, C-TPAT, TIR & AEO Cargo Security regimes for secure supply Chain;
- Digitized passengers profiling & risk profiling for enhanced passenger facilitation.

Reduction in Cost of Doing Business:

- Speedy electronic verification of docs, clearance, weighing, scanning, evaluation of transit goods for expedited cross-border cargo movement under WTO's Trade Facilitation Agreement (TFA) for reducing Cost of Doing Business;
- Generation of Computerized e-Transit Reports (ETRs), conveyed to the exit point through integrated high-speed data links, for the purpose of clearance in cooperation with all border enforcement agencies;
- Professional Capacity Building of Border Trade facilitation Agencies;
- Socio-Economic Development generation in the region for poverty reduction and skill development.

Torkham Bottleneck

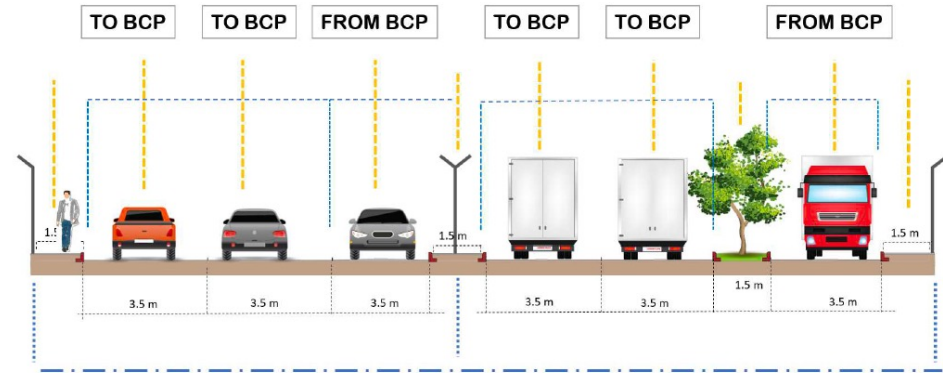


Chaman Bottleneck



Recommendations

Issue:



- Torkham BCP is a **3 + 2** lane facility – Afghan side is **1+0**
- Chaman BCP is a **3 + 3** lane facility – Afghan side is **1+1**
- Both BCP's are designed to support a capacity of **5000 trucks per day** (Import + Export)

Recommendation:

- Afghanistan may also develop similar facilities at Torkham and Chaman, with equivalent *Cargo throughput* and *Container dwell time*, in order for both countries to take advantage of enhanced trade and commerce – and prevent creation of bottlenecks at the border.

Narrow Entry / Exit Gates:

Issue:

- A very narrow gate is present at the **Torkham** zero-line which needs to be widened.
- Same issue is present at the **Chaman** BCP where Bab-e-Dosti gate is closed. Cargo is passing through a very narrow opening besides the gate.



Recommendation:

- At both BCPs, widening of gates is required to accommodate the in-bound / out-bound 5 lanes, planned under ITTMS project.

Changing of Cargo Vehicle Registration Plate:

Issue:

- Registration plates are not placed at designated location. Instead, loosely placed behind the windscreen.
- Plates are swapped (Afghan & Pakistan registered) after crossing of border.
- It will become a major problem after Automatic Number Plate Recognition (ANPR) system is installed (under ITTMS project)

Recommendation:

- This practice needs to be discouraged and strict compliance on the standardized registration plate be implemented.



Over-Sized / Non-Standardized Cargo Vehicles:

Issue:

- Vehicles carrying loose cargo
- Cargo X-Ray scanners standard height is 4.7 meters
- Oversized cargo vehicles cannot pass through the boom of the cargo X-Ray scanner

Recommendation:

- Standard dimension to be implemented on both Pakistan and Afghanistan side.



UPCOMING PROJECTS FOR BORDER LAND PORT DEVELOPMENT



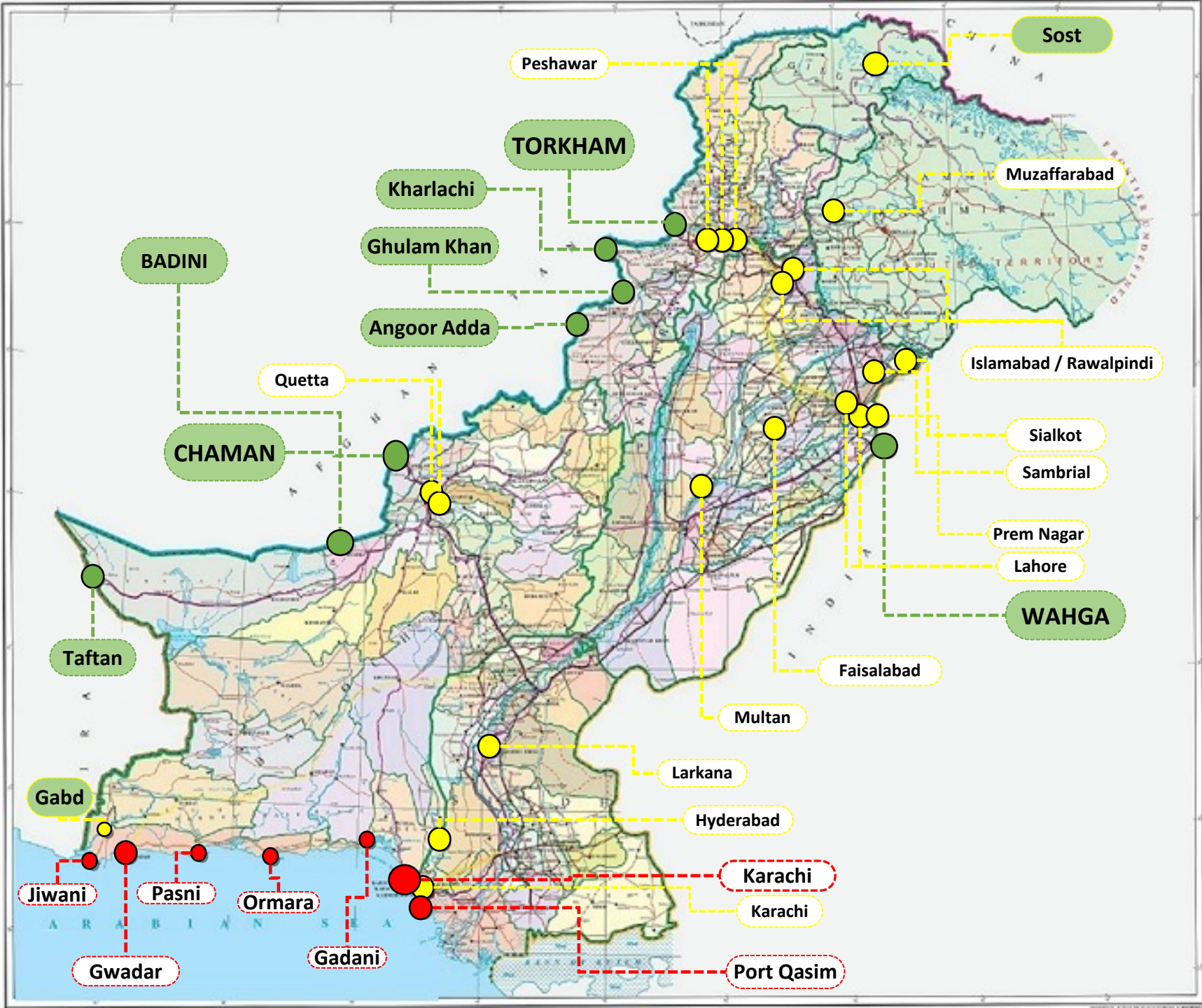
Estimated Development Portfolio USD 300 Million

1. Kharlachi - (Pak-Afg Border)
2. Ghulam Khan - (Pak-Afg Border)
3. Angoor Adda - (Pak-Afg Border)
4. Badini - (Pak-Afg Border)
5. Taftan - (Pak-Iran Border)
6. Gabd - BP 250 - (Pak-Iran Border)
7. Wahga (Pak-India Border)
8. Sost - (Pak-China Border)

Map of Pakistan with Sea Ports, Border Crossings & Dry Ports.

Legends

- Sea Port
- Border Crossing
- Dry Port / Customs Station



Establishment of Pakistan Land Port Authority (PLPA)

Issues Hindering Cross-Border Trade Facilitation

- Poor port infrastructure and equipment and low professional capacity of TF agencies.
- Low competitiveness and inefficiency w.r.t cargo clearance and monitoring mechanism.
- Higher costs of doing business due to unregulated service charges and NTBs.
- No entity for coordination, community management, and collaborative strategic planning.
- Interference of different agencies and occasional blockade of trade flow.

Challenges Faced While Establishing PLPA

- No precedence worldwide – Indian Land Port Authority and Bangladesh Land Port Authority could not be followed being sub-optimally performing entities;
- Institutional resistance and monopoly of terminal operators;
- Widely dispersed land ports throughout Pakistan and differences in border dynamics;
- Challenge in inter-agency coordination due to multiple agencies operating at land ports having their own specific domains;
- Dilemma of multiple roles/functions and keeping a lean structure for minimum expenses;
- Low capacity of agencies operating at land ports resisting modern technology/techniques;
- Conventional mindset seeing PLPA as an additional tier of bureaucracy.

PLPA – Key Objectives

- Aiding in **Ease of Doing Business (EOD)** for a Trade-friendly environment.
- Providing support in standardization of **logistics and port costs**.
- Assisting GOP in developing state-of-the-art port infrastructure for **cargo clearance**.
- Assisting in Government's **compliance to international best practices/standards** for trade.
- Inviting experts/capital from private sector to avail **Public-Private-Partnership** engagement.

Inter-Agency Coordination for Reducing Cargo Dwell Time at BCPs

- The insistence of agencies on **discreet inspection, absence of staff and manual entry systems** are the major causes of long dwell time.
- PLPA will **improve inter-agency coordination** through **enhanced interaction**.
- At present a cargo truck takes approximately **11 hours** whereas perishable items take about **4.5 hours***.
- The process will start from **land port level meetings** moving up the ladder.
- Through improved **inter-agency coordination**, it is expected that the dwell time can be reduced by **65%**.

*TRS 2016, 2018 and 2021 suggest reduction of dwell time from 11 to 4.5 hours and 4.5 to 2.5 hours respectively.

Reduction in Cost of Doing Business

- In consultative collaboration with all stakeholders, PLPA can **facilitate in standardizing the charges** for different services being provided by terminal operators and other service providers at the land ports.
- It has been found that with **10% decrease in the overall charges** at the land ports, exports/imports rise by **25 to 30%** from a particular land port (gravity model).
- Rationalization of the charges is likely to attract customers.
- Competitive charges (**reduced by 10%**) may result in an overall increase in land trade by **25%** due to enhanced profit margins of traders.



Knowledge Management & Learning Organization

- PLPA will be a **learning organization** right from its establishment.
- One aspect is the compilation of **profiles of exporters/importers** and then segregation into different categories as part of risk management.
- Based on the profiles, the **level of scrutiny** can be easily determined.
- PLPA will also evaluate **local and international best practices** for implementation at Pakistani land ports.
- Another important aspect of knowledge management is the **access & interpretation of the scanned image database of trucks and containers.**

Grievance Redressal of Stakeholders at BCPs

- PLPA will **provide a forum** for all stakeholders to air their **grievances**.
- At present, border agencies are managing interaction with the stakeholders for this purpose, however, PLPA may facilitate stakeholders in this regard.
- PLPA will act **as community manager** and communicate the concerns of stakeholder to relevant **agencies and ministries** with its recommendations/opinion.
- At present, various **trade related strategies** are being formulated by Ministry of Commerce, TDAP, Revenue Division (FBR), and National Tariff Commission etc.
- PLPA may evaluate the already **existing business environment** and **existing strategies** from the standpoint of land trade

PLPA - Outcome-Based Organizational Objectives

Some of the strategies that may be deliberated upon by PLPA are:

- Enhancement of land trade with particular emphasis on **transit trade**.
- **Maximum automation** of the process of **cargo clearance** at the land ports.
- **Process simplification** and audit to suggest improvements within the port.
- **Real-time monitoring** of cargo clearance and goods transit.

Maintenance of Port Equipment

- Equipment at **Torkham and Chaman** are capital-intensive and requires critical **maintenance**.
- There are three options:
 - **Through the OEM which is the most expensive.**
 - **Managed by terminal operators through outsourcing.**
 - **Managed by terminal operator by using its own hired team (least expensive).**
- Regardless of the choice adopted, **PLPA will ensure timely repair and maintenance.**
- PLPA may ensure maintenance of physical infrastructure.

PLPA As Community Manager

- A **Port Community System** must be designed with **PLPA's role**.
- Entry of **vehicle data** may then be made on one-time basis.
- The **scanned image** can be seen by all agencies immediately after entrance of vehicle and passing through the scanner.
- Every agency on its computer can clear a truck by pressing a button.
- This will also **record time** taken for inspection and clearance by each agency.
- In case of **complaint**, it can be analyzed, and responsibility of delay can be fixed with **PLPA** initiating the lead.

Integration With CAREC Region

- Effective integration of land ports as per the specific requirements of **CAREC and CPEC** is one of the key mandates of PLPA.
- PLPA will act as a **center for excellence** in conceptualization and preparation of master plan to integrate land ports in the network of global supply chain.
- PLPA will propose a **comprehensive road map of connected projects** to enable instant integration.
- PLPA will facilitate **GOP and other stakeholders** in simplification and standardization of documents and procedures along with installation of modern equipment to aid cargo clearance processes compatible with regional and global systems as per the

Advisory Role of PLPA

- **PLPA** will be a dedicated entity overseeing the land trade for advising the ministries and policy makers on trade facilitation.
- PLPA will be able to advise on **strategic planning** for **development of infrastructure** in the hinter land as well as inside the land ports for management future **cargo handling** and clearance demands.
- PLPA will be able to give feedback on the interventions by different ministries and departments for trade enhancement and promotion.

Compliance of Efficiency Indices

- Customers usually weigh different options on the basis of quality of services and cargo handling facilities provided by different countries.
- Different indices are maintained to make such information readily available.
- These include **Ease of Trading (EoT) Index, Logistics Performance Index (LPI), and Trade Facilitation Index (TFI)**.
- There are laid down standards to be achieved for reaching a competitive position on a particular index.
- **PLPA** can make a difference by **monitoring the indexes and proposing measures for gradually attaining a competitive position** among the regional and global competitors.

Automation & One-Stop Cargo Clearance

- Full **automation and one-stop clearance** at the BCPs are likely to take considerable time and investment demanding a constant emphasis by PLPA.
- The backbone of the system shall be **PSW**, and sub-systems integrated into it, such as the upgraded **WeBOC and PLPA ICT system**.
- PLPA will advise in **procurement of the automated Non-Intrusive Inspection (NII)** equipment for efficient clearance of trucks to minimize the dwell time.
- PLPA will act as a **coordinator** for creation of special dedicated lanes for Transit/TIR trucks, Export/Import Trucks and Empty Trucks.

Thank You