

The Causes of Transit Related Pak-Afghan Cross Border Smuggling

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Abstract

The history of trade, as evolved between nations over the past few centuries, suggests that trade relations ought to be beneficial to both the partners and that gains ought not to accrue to one nation at the expense of the other. In 1965, Pakistan and Afghanistan concluded a bilateral agreement namely Afghanistan Transit Trade Agreement (ATTA), whereby Pakistan agreed to provide transit facilities to the goods exported by and imported to Afghanistan. The present status of the trade, as persisted for the last quarter century, is that the term transit has lost its significance, as the value and nature of goods corresponds more to the indicators in Pakistan rather than Afghanistan. Thus appeared the transformation of ATT into cross border re-exports, executed by well-established network, which in the contemporary literature has been assessed as the “biggest smuggling racket in the world”. Its ill effects are felt all over the entire socio-economic and geo-political setup of the country and measures to curb it has so far proved ineffective. This study has investigated the causes of this menace and found it to have roots in history, politics, culture, society, economy, and administration and communication network and even in the drugs transactions across the Pak-Afghan border. The findings suggest that total efforts on all fronts, national & regional, economic & legal, aggressive and diplomatic are required to overcome the problem.

Keywords: Transit trade, Smuggling, Pak- Afghan boarder

Introduction

Trade has been the hallmark of bilateral relation between Afghanistan and the areas now comprising Pakistan, particularly, the province of NWFP. Over the last century, the trade and commercial sectors of Pakistan vis-à-vis Afghanistan got

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formalized and the flow of goods across the border got hampered. But the historic and political status, geographic, economic and social setup in the tribal belt all along the Durand line provided substitute arrangement. During the Afghan Jihad, from 1979 to 1980, the much-desired administrative relaxation, under political constraints was also provided. The relegation of economic interest to subordinate position vis-à-vis the political interest helped transform the Afghan Transit Trade (ATT) facilitated by Pakistan since 1965, into the biggest smuggling racket of world. This racket, over the last three decades grew exponentially, provided revenue sources to Afghanistan but proved too detrimental to the economy of Pakistan. This paper is an attempt to diagnose the causes of this 'Bonanza' and hence facilitate policy prescription by the government.

Objectives

This paper has attempted to achieve the following objectives:

- To assess the strength of the ever growing smuggling racket.
- To find all the possible causes of the Pak-Afghan cross border smuggling, which led to the dysfunction of the related administrative machinery of the country.
- To ensure that policy prescriptions, to overcome the menace, are well informed.

Methodology

The study has relied on the analysis of the scant but published literature, studies, reports of the law-enforcing and customs authorities and a large number of newspaper articles that appeared in the national press. The study has also incorporated relevant statistics of the economy of Pakistan and compared the same to those of the illegal transactions across the porous Pak-Afghan border. Original incidents have been quoted

Analysis and Discussions

The available literature on Afghanistan bound smuggling suggests its causes to have a very broad base, deep roots, numerous aspects and over lapping levels. While examining these causes, real instances have been quoted to facilitate the assessment of the intensity of the smuggling quagmire.

Tariff and Protection Policies of Pakistan

Trade and tariff policies in Pakistan have historically provided incentive for informal transactions. Pakistan had an import substituting industrialization policy in the first few decades of its existence. Although tariff and non-tariff barriers have come down substantially in recent years and there has been considerable liberalization of the trade regime, the tariff structure still provides ample impetus for smuggling. Many of the items, which are unofficially imported into Pakistan, through the ATT or other means, have high statutory tariff rates, providing strong incentive for smuggling. “Our estimates show that market prices of certain popular smuggled goods are on average 30-40 % lower than their corresponding landed prices under official imports¹. The main reason for this has been high tariff and sales tax on these goods. On the other hand, the costs of smuggling are fairly low, ranging from 5-17% (average of 10-20%) which further motivates smugglers to supply goods through unofficial channels”².

The tariff and protection policies pursued by Pakistan at present have historical routes. In the early years of Pakistan industrialization strategy, many economists thought that the establishment of domestic industries behind tariff barriers was the best policy to achieve an over all economic progress.³ Consumer goods industries were considered as the most appropriate type with which to start this process. Later the manufacturing of capital goods was envisaged. It was hoped that imports would be replaced and internal growth fostered. But experience with the strategy was turned out to be disappointing:

- i. The Balance of Payment position of the country has not been improved and dependency not reduced.
- ii. There has been a change in the structure of imports: final consumer goods, because of poor quality couldn't attract demand and at the same time the significance of plant, machinery, spare parts and raw materials got escalated.
- iii. Exports couldn't be increased, as firms producing for exports need to purchase inputs at costs above world market levels from indigenous firms operating under protection.
- iv. The policy permitted the exchange rate to remain comparatively over valued, which also discouraged exports.
- v. Wage levels in the urban areas where manufacturing plants are located, remained inconsistent with the free market levels.

- vi. It also augmented the rural urban migration thereby accelerating urban unemployment.

Thus in view of these facts, when the higher tariff rates jacked up the prices of foreign consumer goods and the protection policy failed to achieve its objectives of import substitution industrialization, there was a bonanza for the import of these goods through the illegal channels.

The Afghan Imbroglia

“Afghanistan has become one of the world’s orphaned conflicts the ones that the West, selective and promiscuous in its attention happens to ignore in favor of Yugoslavia” said former UN Secretary General Bontros Bactors-ghali in 1995.⁴ “The country has closed to exist as a viable state and when a state fails civil society is destroyed. Generations of children grow up rootless, without identity or reason to live except to fight. Adults are traumatized and brutalized knowing only war and the power of warlords. We are dealing here with a failed state, which looks like an infected wound. You don’t even know where to start cleaning it, said UN mediator Lakhdar Brahimi”.⁵

The cross roads of Asia on the ancient silk Routes are now nothing but miles of rubble. There is no semblance of an infrastructure that can sustain society-even at the lowest common denominator of poverty. In 1988 the ICRC reported that the number of Afghan families headed by a widow had reached 9800, the number of families headed by a disabled person was 6300 and 4500 people were treated for war wounds that year alone. The only productive factories in the country are those where artificial limbs, crutches and wheel chairs are produced by the aid agencies.⁶

Although re-export from Afghanistan to Pakistan existed for decades, the post - Soviet troops withdrawal chaos and conflict in Afghanistan facilitated expansion of this activity, leading to a complete break-down of formal economic institutions and had increasing in formalization and criminalization of the economy of Afghanistan. In a war economy, trading activities are among the few remaining avenues for making a reasonable living particularly in urban areas.⁷

The war has also changed the structure of other economic sectors, such as agriculture in Afghanistan. The lack of economic alternatives led to tremendous increase in poppy production, in a few provinces in Afghanistan, which has made the country as the largest producer of poppy, supplying half of world demand for opiates.⁸

While poppy production is a source of income for farmers, the manufacture and trade in opiates is believed to be creating huge illegal incomes and profits for the large drug dealers. "It is widely believed that smuggling into NWFP and other neighboring countries is used as means of laundering illegal drug money."⁹

There has been an increase in smuggling from Afghanistan from 1997 onward due to the improvement in security condition, after the Taliban take over of southern and eastern Afghanistan.¹⁰ There are indications that movement of goods had become much easier during the Taliban rules via land routes from cities in western Afghanistan (Islam Qila and Thorghundi) to Southern and Eastern Afghanistan. Trade has also been facilitated by opening of trade routes from Iran and the Central Asian Republics.¹¹ "With routes now safe and secure, the volume and value of smuggling expanded dramatically. From Quetta, truck conveyors traveled to Kandahar then southwards to Iran, Westwards to Turkmenistan and to other CARs, and even Russia".¹²

The war has displaced a large number of Afghans, approximately 3 million¹³ of whom lived as refugees in Pakistan, whose family members move back and forth between the two countries. Field observations revealed that a large number of wealthy Afghans have setup trade and business enterprises in border towns in Pakistan and in neighboring countries. The war and long term displacement of the population in Afghanistan has led to the meshing of Afghan and Pakistani population in parts of NWFP and Baluchistan. It has therefore become difficult to draw strict economic boundaries, corresponding to geographical boundaries between the two countries.

The Geographic -Factor

"Frontiers" said Lord Curzon, "are indeed the razors' edge on which hang suspended the modern issue of war or peace, of life or death".¹⁴ "The western frontier of Pakistan in view of its location is indeed "razors" edge frontier".¹⁵ This frontier- the Durand Line' is the longest among Pakistan's neighbors, measuring 1125 miles (1810 Kilometer) to the east and south.

The tribal belt extends more or less all along the frontier, though it is less defined beyond D.I.Khan Division. The tribal of the middle section of the frontier living between the Kabul and the Gomal river are harder to control on account of their intensely democratic organization. This section is divided into a number of agencies. The Bajaur Agency, Mohmand Agency¹⁶ North Waziristan Agency and South Waziristan Agency". In spite of the marked

change in the attitude of these tribal towards their present government, many are still not integrated in Pakistan. Many of them live on both the sides of the Durand Line and have kept their way of life and their tribal system intact over the centuries.¹⁷

- The regular laws of the Govt.: have not been introduced here. The administration has been carried out by means of Jirgas or tribal assemblies and the code of honors of the tribes. The Khasadars or non-uniformed tribal levies e.g. Khyber Rifles and Mehsud Scouts have been employed for picket and patrol duties with the consent and according to the wishes of the tribes.¹⁸

The Khyber rifles and Mehsud Scouts being paramilitary forces are defence-oriented in nature and the Khasadar being employed from within the tribesmen with their consent, are totally ineffective in the question of curbing smuggling. Besides, these tribesmen more than anything else observe a very strong allegiance to their rivaj and “strongly reflect and resist any outside custom, law or authority and display a strong regimentation in case of any intrusion into their boundary wall”. This boundary wall has also physical connotation. The areas away from the paved (Government) roads are considered tribal territory, where the Govt: is not allowed to take direct cognizance, while the closed areas are locally inaccessible both physically and administratively to the writ of the Govt where criminals and anti-social elements take refuge from the clutches of the government”.¹⁹

- The tribal custom of ‘Lokhey’ (pot) has also facilitated the cross border smuggling. As per this instrument, two men from two different tribes are said to be bonded in “lokhey”, where they both, turn by turn take a male sheep and slaughter it in the *hujra* of another. After execution, the instrument of ‘Lokhey’ binds both the parties to protect the life and property of the other in his territory. The instrument of ‘lokhey’ is normally executed between two influential and strong tribesmen who enjoy respect not only among the tribesmen but also with the government functionaries. This instrument has greatly facilitated the safe transit of smuggled goods through the tribal area.²⁰
- Tirah, Bazaar and Chora in the Khyber Agency for example are called closed areas, which are inaccessible for the Govt: authorities. These closed areas are “sanctuaries of great many unlawful activities”.²¹ For example it is a monstrous

problem to control poppy cultivation. But since Tirah is a “Sacred homeland of all Afridis, they are loath to defile it by opening it up to any outside presence or influence”.²² Closely associated to this is the problem of controlling smuggling.²³ “A large consignment of foreign goods is transported to Afghanistan as transit trade. However, there is hardly any market for these goods in this war ravaged country, a bulk of these goods is bound to travel back into Pakistan where there is big and flourishing market for these. As these foreign goods offer very stiff competition to the nascent local industry which need protection, the government is trying hard to control the transit of these goods back in to the country. Khyber agency, the main conduit for smuggling, historically had been a host to hordes of caravans plying the silk route, which has continued in one form or the other. This is coupled with the peculiar terrain of the Khyber agency, which facilitates transit of these goods through a myriad of passes inlets and unfrequented routes very friendly to the local tradesmen”.²⁴

- Though the specified routes for the transit trade are (i). Peshawar - Torkhum and (ii). Chaman - Weish, but actually 7 of the Afghanistan border province namely Badakhshan, Kunar, Ningarhar, Paktia, Zabal, Qandahar and Hilmind are connected to Northern Areas, Chital, Bajaur, Mohmand Agency, Kuram Agency, Northern Waziristan, Southern Waziristan and Baluchistan, respectively in Pakistan.²⁵ Along this 1810 K.M. long border, there are 141 passes through which the cross border movement of goods and humans takes place.

Thus with mountainous and arid terrain all along the long porous border, with well over 100 passes, shortage of legal opportunities of earning livelihood, the writ of the government being limited only to the paved routes, the khasadars being from within the tribal system, the geographic factor is very conducive to the booming cross-border smuggling.

Political Cause

During the period under study of the research, political concerns of Pakistan seem to have dominated the Pak-Afghan bilateral issues. The socio-economic interests were relegated to a subordinate position. The Junior position of the economic interests vis-à-vis the political interests, helped promote further the already booming

unofficial re-exports from Afghanistan to Pakistan. These political pursuits are chiefly woven around the following three issues.

- Security perception: Pakistan security perceptions were initially shaped by Afghanistan's territorial claims on parts of NWFP and Baluchistan and there were border clashes between the two states in 1950s and 1960s. Afghanistan insisted that Pakistan Pashtun tribal belt should be allowed to opt: either for independence or join Pakistan or Afghanistan. Diplomatic relations were severed twice in 1955 and 1962, as Kabul advocated Greater Pashtunistan. The Zia regime (1979-88) saw the Afghan Jihad as a means to end these claims for ever by ensuring, that a pliable pro-Pakistan Pashtun Mujahideen Government came to power in Kabul.²⁶
- The military objective of acquiring a strategic depth: The military strategists were of the opinion that Pakistan's elongated geography, the lack of space, depth and hinterland, denied its armed forces the ability to fight a prolonged war with India. Thus they argued that a friendlier Afghanistan would give Pakistan "strategic depth".²⁷ The military also assumed that the Taliban would recognize the Durand Line.

To overcome the threat of Pakistan being declared as a terrorist state by the USA under the Indian pressure, Pakistan tried to resolve this problem in 1993, by moving many of the Kashmiri groups bases to eastern Afghanistan and paying the Jalalabad Shura and later the Taliban to take them under their protection.²⁸

- Assistance in promoting the Kashmir Jihad:²⁹ The Kashmir issue became the prime mover, behind Pakistan's Afghan Policy and its support to the Taliban. The Taliban exploited this adroitly, refusing to accept other Pakistani demands knowing that Islamabad could deny them nothing, as long as they provided bases for Kashmir and Pakistani militants.³⁰

It was also to achieve the aforementioned objectives that on 28 June 1998 the cash-strapped Finance Ministry of Pakistan authorized 300 million rupees (US \$ 6 million) on salaries for the Taliban administration in Kabul,³¹ in addition to \$30 million given in aid in 1997-98. The allocation allowed the foreign ministry of Afghanistan to dispense 50 million rupees every month for the next six months to pay the salaries of Afghan officials.³² During the Prime Minister Benazir Bhutto second term of office (1993-96), Nasirullah Babar, the interior minister created an Afghan Trade

Development Cell in the interior ministry, which ostensibly had the task of coordinating efforts to facilitate the trade route to Central Asia. Besides:

- Babar also ordered Pakistan Telecommunication to setup a telephone network for the Taliban, which became part of the Pakistan telephone grid.³³
- Engineers from public works deptt and WAPDA carried out repairs and provided electricity.
- The Para military Frontier Corpse, directly under the control of Babar, helped Taliban setup an internal wireless network for their commanders.
- Pakistan International Airlines and Civil Aviation Authority sent in technicians to repair the Kandahar airport and the fighters jets and helicopters the Taliban had captured.
- Radio Pakistan provided technical support to Radio Afghanistan, later renamed as Radio Shariat.

On the face of its own economic agonies, such across the board economic assistance and concessions to Afghanistan by Pakistan to achieve political objectives, virtually made the question of abuse of Afghan transit trade, facilitated by Pakistan and other neighbors, as some thing of negligible importance.

The Narco Dollars

The drug trade in Pakistan and Afghanistan connected the dealers on both the side of the border, in long lasting and mutually beneficial bonds, strengthened by trust and confidence. Field interviews revealed that these traders have a comprehensive network mostly woven by family members. The network included offices in Hong Kong, Taiwan, Malaysia, Singapore, Japan, China, England, Germany, Dubai, Afghanistan and Pakistan. But explicitly all these offices deal in the trade of 'goods' and not 'bads'.

The financiers of the trade in NWFP for example as reported by the Peshawar customs and duly verified during the field interviews, suggested that all of them started their business from investment in drugs, first as a carriers and later as independent suppliers. To launder their narco-dollars, they switched over to the Bara type business. In the third phase, the 'money' was invested in transportation and in the fourth phase they erected shopping centers, residential colonies and even medical centers.³⁴ Since other aspects

have already been discussed in details, here we analyze the dynamics of the drugs aspect of the trade.

Unlike the trade in weapons, the drug trade is from poor to rich countries. Though this trade has been of real concern for rich countries, but unlike arms is not a useful instrument of state policy. It becomes a deadly embarrassment for the United States in the mid 1980s, as the Afghan war against the former Soviet Union was in part funded by rebels in the heroin trade.³⁵

Prior to 1985, Afghanistan was not listed among countries which were producing cannabis, coca or opium. It was in 1986 that Afghanistan first appeared on the list of nations producing opium. Starting production on 9950 Hectares in 1986, production of and area under opium cultivation increased with alarming proportion in 1990.³⁶ Between 1992-95, Afghanistan had produced a steady 2200-2400 metric tones of opium every year, rivaling Burma as the world's largest producer of raw opium.³⁷ In 1996, Kandahar province alone produced 120 metric tones of opium harvested from 3160 hectares of poppy fields.³⁸ Then in 1997, as the Taliban control extended to Kabul and further north, Afghanistan's opium production rose by a staggering 25 percent to 2800 metric tones.³⁹ The tens of thousand of Pashtoon arriving in Taliban controlled areas were farming their lands for the easiest and most lucrative cash crop available.

Three factors seem to have facilitated the growth of drug trade and its ultimate transformation into transit trade.

- Stagflation: Since the general employment level of all the economic resource, has declined over the period under study, Afghanistan can rightly be said to have been hit by stagflation.⁴⁰ All the Afghan were faced with a daily battle to find enough of grupy Afghani notes to pay for daily foodstuffs. Although the shops are full of smuggled foodstuffs from Iran and Pakistan, people did not have the money to buy them.⁴¹ Salaries for instance for the Afghan surgeons who had not fled Kabul, was the equivalent of \$5 a month. They only survived because their salaries were subsidized by the ICRC.⁴² Average salaries were around US \$ 1-3 a month.

As a result of growing poverty and no jobs, a large percentage of the urban population was totally dependent on UN agencies for basic survival and subsidized food supplies. Fifty percent of Kabul 1.2 million people received some kind of food aid from western humanitarian agencies.⁴³ Thus in view of the growing stagflation in the formal sector and the still absorbing drugs trade, people got easily attracted

towards extracting liquid gold from poppy cultivation. As late as 2000, there were about 2 million Afghan farmers engaged in poppy production.⁴⁴ Abdul Rashid the head of the Taliban's anti-drugs control force in Kandahar remarked: "We let people cultivate poppy, because farmers get good prices. We cannot push the people grow wheat as there would be an uprising against Taliban, if we force them to stop poppy cultivation. So we grow opium and get our wheat from Pakistan".⁴⁵

- The Taliban Factor: The Taliban objective of re-establishing peace and security in the countryside proved to be an immense boom to opium farming. They began to collect zakat at the rate of 20 percent of the value of a truck load of the opium from all dealers.⁴⁶ By 1997, UNDCP and the US estimated that 96 percent of Afghan heroin come from areas under Taliban control. The Taliban did more than just expand the area available for opium production. Their conquest also expanded trade and transport routes significantly.

Fifty percent of Afghan opium is grown in Helmand province which are transported in 'Toyota Land Cruiser' through the desert of Baluchistan to ports on Pakistan's Makran coast⁴⁷. Some other enter western Iran, skirt Tehran and pass on to Eastern Turkey. Some other convoys go northwest to Herat and Turkmenistan. By 1997, dealers had started flying out opium on cargo planes from Kandahar and Jalalabad to Gulf ports such as Abu-Dhabi and Sharjah.

The taxes on opium export became the mainstay of Taliban income and their war economy. In 1995, UNDCP estimated that Afghanistan's drugs exports were coming to 50 billion rupees a year. By 1998, heroin exports had doubled in value to US \$ 3 billion. Drug money provided food and cloth for the soldiers and financed the salaries, transport and perks that the Taliban leadership allowed its fighters.⁴⁸

- The ISI-CIA Umbrella: The explosion in heroin production began ironically not in Afghanistan but in Pakistan. Pakistan had become a major opium producer during the 1980s, producing around 800 metric tones a year or 70 percent of the world's supply of heroin until 1989.⁴⁹ An immense narcotics trade had developed under the legitimizing umbrella of the CIA-ISI covert supply line to the Afghan Mujahideen. "During the 1980s corruption, covert operations

and narcotics became intertwined in a manner which made it difficult to separate Pakistan's narcotics traffic from more complex question of regional security and insurgent warfare".⁵⁰ As in Vietnam where the CIA chose to ignore the trade in drugs by anti-communist guerrillas, whom the CIA was financing, so in Afghanistan the US chose to ignore the growing collusion between the Mujahideen and Pakistan's drug traffickers and elements in the military.⁵¹ 'Instances of this collusion that did come to light in the 1980s were only the tip of the iceberg. In 1983, the ISI Chief, General Akhtar Abdur Rehman, had to remove the entire ISI staff in Quetta, because of their involvement with the drugs trade and sale of CIA supplied weapons that were meant for the Mujahideen'. In 1986, Major Zahooruddin Afridi was caught while driving to Karachi from Peshawar with 220 K.g. of high grade heroin - the largest drug interception in Pakistan's history. Two month later an Air Force Flight Lieutenant, Khalil Ur Rehman was caught on the same route with another 220 K.g. of heroin. He calmly confessed that it was his 5th mission'.⁵² The US value of just these two catches was US\$ 600 million, equivalent to the total amount of US aid to Pakistan that year.⁵³

During the Jihad, both the Mujahideen and officers in the communist army in Kabul seized the opportunity. The logistics of their operation was remarkably simple. "The donkey, camel and truck convoys which carried weapons to Afghanistan were coming back empty. Now they carried out raw opium. The CIA- ISI bribes that were paid off to the Pashtun Chiefs to allow weapons convoys through the tribal area, soon involved the same tribal chief, allowing heroin run along the same routes, back to Pakistan".⁵⁴ The National Logistic Cell (NLC), an army run trucking company, which transported CIA weapons from Karachi Port to Peshawar and Quetta was frequently used by well-connected dealers to transport heroin back to Karachi for export.⁵⁵

Bara Markets

Smuggling is a function of crass consumerism.⁵⁶ It is a hard nut to crack. Especially so when it has been allowed to grow unchecked and spread its tentacles to all major towns and cities in Pakistan.⁵⁷ This trade continued unabated since 1947 and "in law a practice followed for years without any objection by all concerned, assumes force of

law. Rome was not built in a day⁵⁸. So were not these Bara⁵⁹ Markets”.

“In NWFP, smugglers markets or *Baras* were flooded with imported consumer goods causing massive losses to Pakistani industry. For example, in 1994 Pakistan, which manufactured its own air conditioners, imported just 30 million rupees’ worth of foreign air conditioners. Afghanistan, a country then totally bereft of electricity, imported through the ATT 1 billion rupees’ worth of air conditioners, which all ended up in Pakistani *Baras*, thus crippling local manufacturers. When duty free Japanese TV sets or dishwashers were available at virtually the same price as Pakistani manufactured ones, consumers would naturally buy Japanese products. The *bara* at Hayatabad outside Peshawar set up brand name shops to attract customers such as Britain’s Marks and Spencer and Mother Care and Japan’s Sony where the original products were available duty free”.⁶⁰

The very mention of the name of Bara Market explains that foreign, duty-free, smuggled goods at a relatively cheaper rates are available in the place. A very small town in the tribal belt, just 10 kilometers away from the Peshawar Cantt: Bara remained a dump and business center of foreign smuggled goods from Afghanistan for nearly twenty years i.e. from 1960 –80. With a mini boom started in the early 1970s and lasted till late 1980s in Pakistan, the enhanced purchasing power of the average income earners facilitated the spread of 'Bara Market'.⁶¹ In their first expansion, the Baras moved from their original abode inside the tribal belt At Landi Kotal (Locally Known as ‘Lworgey’), 35 K.M from Peshwar cantt and about a K.M. or two from Torkhum (Then not called as bara Market) to Bara and then to its boundary line with the settled area of Peshawar. Two factors seemed to have played a catalyst role in this movement.

- One is the creation and establishment of Hayatabad residential township, where the high income Afghan refugees, elites of NWFP from the Distt: of Charsadda, Mardan, Nowshera, Swabi in general and Peshawar in particular and specifically traders from tribal belt got settled. Prominent among these settlers are the important government functionaries. By and large this settlement overcomes the communication gap among the present players of the ‘Afghan Trade’. This collusion among the law enforcing, anti-smuggling authorities and the Bara market traders greatly facilitated the transportation and storage of their smuggled goods and reduced the carriage risks. The second is the establishment of Hayatabad Industrial Estate

(HIE) Peshawar. Respondents agreed that this estate being located on the border of Hayatabad and Jamrud village of the tribal belt also greatly facilitated the overlapping of the common grounds of the Bara-traders and the industrial magnets of the province. “Cheap import of smuggled polyester yarn, dyes, chemical, auto parts, wood timber, metal scarp etc and other industrial inputs from Afghanistan has reduced the cost of production for industry in Pakistan”.⁶² Since the Bara type markets in Peshawar are located just opposite to HIE, therefore it has been named as Karkhano (Industrial) market. In the second phase, the Baras spread to all over the province. The Survey made in NWFP by the customs’ authorities,⁶³ reveals 13 main locations in 8 districts of the province where Bara type markets exist. As may be observed in the table, the five main locations in district Peshawar alone account for 90 percent of the total smuggled value of goods in these Bara markets. Though the number of markets in Peshawar is only 43 percent of the total 113 in the province, the number of shops therein is 78 percent and the number of persons associated with the business is 85% of the total 8264 and 72471 in the province respectively. This simply implies that almost the entire Bara type business is concentrated in the District of Peshawar.

The bara type markets in Nowshera are at second place, where the value of smuggled goods is 8 percent of the total in the province. Almost 90 percent of these goods comprise of cloth. The total number of markets here accounts for 9%, the number of shops makes 9.5 percent and the number of persons associated with the business are 5.88 percent of the total mentioned in the table.

The understanding among various players of the smuggling racket, helped establish these markets in Nowshera, Haripur and Abbottabad in NWFP and Lahore, Rawalpindi, Faisalabad, Multan, Gujrat, Gujranwala, Sialkot, Sheikhpura and Dera Ghazi Khan in Punjab and even in the capital Islamabad. Thus with such a comprehensive network, with regular inflows of supplies, low transportation cost, high turnover rate and the conniving anti-smuggling and other law-enforcing agencies, Bara type markets have proved to be the major cause of the unabated and ever expanding Afghanistan related smuggling.

Table No. 01: Survey report in respect of Bara types Markets in NWFP

District/ Bara Markets	Number of Markets	Number of Shops	Number of employees and other personnel associated with the business	Approximate value of goods (million Rs)
<i>Distt Peshawar</i>				
Peshawar City	5	1287	15034	3091
Peshawar Saddar	17	442	4176	3729.5
Shoba Bazar	6	1305	2308	1125
Karkhano Market	20	3293	39324	7378
Total	1	103	1236	1125
<i>Distt. Nowshera</i>				
City Nowshera	11	784	4262	1418.2
<i>Distt. Abbottabad</i>				
Abbottabad (Jungian)	4	160	480	29.5
<i>Distt. Mardan</i>				
Sherin Koty Mardan	1	100	300	30
Sakhakot Mardan	11	225	675	57.5
<i>Distt Bannu</i>				
Bannu City	16	92	756	10.68
<i>Distt D.I.Khan</i>				
City D.I.Khan	5	199	1636	58.195
<i>Distt Kohat</i>				
Hangu	13	259	2130	55.9675
Tall	3	15	124	3
Total	113	8264	72471	17575.54

Source: Customs House Peshawar.

The Truck Mafia

In any smuggling activity, transportation is the Prime-determinant of the value, volume and turn-over rate of the goods-in-smuggling. The Afghan related transportation has such a wide spread and established

network that the business has assumed a formal rather legitimate status.

The border post between Chaman in Baluchistan province and Spin Boldak in Afghanistan and Torkhum in NWFP is a prime location for watching the smuggling racket at work. A good day estimates are 300 trucks passes per day. There seemed a comprehensive understanding among the truck drivers, custom officials of Pakistan and Taliban. They used to mix in a casual friendly way, guzzling down endless cups of tea as long lines of trucks wait to cross. Everybody seemed to know everybody else.

“Many of the huge Mercedes and Bedford trucks are stolen and have false number plates. The goods they carry have no invoices. The drivers may cross up to six international frontiers on false driving licenses and without route permits or passports. The consignment range from Japanese camcorders to English underwear and Earl Grey tea, Chinese Silk to American computer parts, Afghan heroin to Pakistan wheat and sugar, East European Kalashnikovs, to Iranian petroleum and nobody pays customs duties or sales tax”.⁶⁴

A respondent from the Central Board of Revenue (CBR) remarked: “The transport mafia is completely out of control. The Taliban are funded by the transporters to open the road for smuggling and this mafia is now making and breaking governments in Afghanistan and Pakistan”.⁶⁵

In the post Soviet withdrawal and the pre-Taliban era, the transporters were frustrated with civil war and the warlords who taxed their trucks dozens of times along a single route. In this period, the Peshawar-based transport mafia, respondents confirmed, were trading between Pakistan, Northern Afghanistan and Uzbekistan, despite the continuing war in Afghanistan. But the Quetta based mafia during the same period, were at loss with the rapacious Kandahar warlords who had setup dozens of toll chains along the highway to Pakistan. The Quetta based transport mafias were keen to open up safe routes to Iran and Turkmenistan, just as the Bhutto government were advocating a similar policy.⁶⁶

As the understanding between the Taliban and the Quetta based transport-mafia improved, they got linked to one another in more stronger economic bonds. In the initial phase, a monthly payment was made by the truckers to the Taliban. But later on the link got formalized, the payment to Taliban increased and in return, the security of the transactions was guaranteed. The enhanced security during the Taliban, reduced the cost of transportation and the losses incurred by the transporters and the damages caused to the goods got minimized. As a result, the per dollar return on investment

in Afghan Transit Trade enhanced. Over a short period of time, the field of cooperation between Taliban and trucker overlapped further as the status of Taliban was transformed from tax levying and commission taking authority to partnership which only strengthened with every passing day and every extension in the Taliban controlled areas.

The nexus extended to politicians and the cabinet ministers in Baluchistan and in NWFP. The chief ministers and the governors of the two provinces issued route permits for trucks to operate and issued wheat and sugar permits for the export of these commodities to Afghanistan. The army officers are quoted to have complained to the government that “the competition between the chief ministers and governors of the two provinces in issuing a route permit, is a major source of corruption, paralyzing the entire administrative machinery, interfering and often at odds with the ISI policy on Afghanistan and creating wide-spread Taliban "control" over Pakistan official”.⁶⁷

The ‘Truck-mafia’, thus, not only ensures smooth supplies to Bara-markets across the country but has also assumed such a strength that not it enjoys all the economies of scale associated with transportation and overpowers all the hurdles and barriers regardless of their nature and name and hence form a potent cause of the cross border smuggling.

The Aspect of Politicians

The brisk and booming transactions of smuggling⁶⁸ owes largely to the patronage and facilitation by a number of political heavyweights, both in tribal and settled areas. Some of them are actively involved i.e. have personal investment, other shelter and patronize them, whereas others use their 'good offices' to influence the anti-smuggling authorities or broker deals with them and extract monetary and ‘other material benefits’. Some instances are quoted as an evidence.

- In 1998 Pakistan Civil and military intelligence agencies unearthed a racket, involved in smuggling of cars and other goods into the country. The racket included some influential smugglers, several ministers of the provincial govt, a governor, members of a political family of Dera Ghazi Khan and a number of parliamentarians. These political people have their own jurisdictions and in their area they protect the smuggling routes from Iran, Afghanistan and India to Baluchistan, NWFP Punjab and Sindh.⁶⁹
- “According to a federal minister, if the CBR is given a free hand to nab the smugglers and confiscate their cars, dozens

of smuggled cars will be impounded from outside the parliament building".⁷⁰

- When in 1995, the govt imposed restrictions on Afghan Transit Trade, an elder brother of the tribal MNA was reported to have chartered 'Ariana Flights' to transport Japanese cloth from Dubai to Jalalabad.⁷¹
- In 1995, Baluchistan Police arrested a former MNA of Jamhoree Watan Party (JWP), Mir Asim Kurd alias Gelo. Kurd was not only involved in drug trafficking but was also charged for murdering five of the F.C. personnel and kidnapping 6 others in 1991, in retaliation for intercepting his smuggling goods convoy. He was declared as proclaimed offender by the Baluchistan High Court.⁷²
- In 1993, the US Central Intelligence Agency CIA report, titled "Heroin in Pakistan: sowing the wind", stated that former Prime Minister Nawaz Sharif's brother-in-law, Sohail Zia Butt, Islam Butt, Haji Iqbal Butt, Chaudhry Shaukat Ali Bhatti, Mohammad Ayub Khan and some ISI officials were involved in heroin smuggling.⁷³ A draft of this CIA report was printed by New York Newsday, an American newspaper, published from New York city. The newspaper published the findings and excerpts from the CIA report in its February 23, 1993 issue. The newspaper used the following headlines for its story which was written by the paper's Washington's correspondent, Knut Royee: "CIA: Heroin Rules Pakistan", 'Country run on drugs,' CIA 'report says heroin is Pakistan's life blood'⁷⁴.

The Pakistan Customs

Even a common man in Pakistan knows that corruption, inefficiency and irregularities on the part of the customs' authorities at all levels have facilitated smuggling on all routes to all the Bara Markets in the country. Coupled with corruption is the issue of over staffing. Job in custom is so lucrative, that for the ordinary post of an inspector a bribe of Rs. 1 Million is believed as very economic. Few instances of corruption and inefficiency are quoted here to determine as to how the smuggling network has intoxicated the soul of the Customs Department and how it contributed to the expansion of the network thereby causing dysfunction of all of its organs.

- Mueenuddin Khan, former chairman of Pakistan Revenue Services P.R.S., remarked "currently we have about 3500 employees, majority of whome are in the lower cadre. In customs for example we have 17 persons for one process,

which can be accomplished by two or three persons only".⁷⁵ He also attributed the inefficiency of the PRS to the lack of (a) market based approach, (b) autonomy, and (c) income - cost parity. To him the market based approach meant, the machinery involved in tax collection be paid according to market to erode the menace of corruption. Autonomy would ensure authority to exercise the power and income-cost parity meant that Rs.100 are earned at a cost of Rupee one.⁷⁶

- It is to this inefficiency of the PRS that Mohammad Younas Elahi Sethi, a leading industrialist, on behalf of the Sarhad Chamber of Commerce and Industry complained that "the CBR takes months and years to take decisions, resulting in unnecessary hardships and financial loss to the applicants, besides damaging revenue sources of the government. Petitions addressed to the authorities take two or three weeks to reach the concerned section of the C.B.R.⁷⁷ He further revealed that it was a normal practice in the CBR that orders were changed, notifications withdrawn or issued immediately to the interested parties. "Even policy matters are molded in such a way to benefit a single applicant, no matter half of the business suffers due to it".⁷⁸
- In 1999, the special committee of the Senate called upon the senior representative of the agencies concerned to help protect the ordinary commuters, who were being harrassed by the officials of different organizations deployed at various check posts on Grand Trunk Road.⁷⁹ In April 1999, the special committee of the Senate was informed by the representative of the CBR that "all regular custom check posts had been abolished and that a couple of mobile teams were still operating on G.T.Road under the Custom Act to check the flow of smuggled goods.⁸⁰ These couple of mobile teams continued its patrolling, till an ugly but natural with the affairs, incident disrupted the bonanza for the 'custom mobiles'. On March 15, 2002, the Customs' Authorities opened fire on two buses near, Aza Khel, in District Nowshera, in which the driver and the cleaner of one bus were shot dead. A bony lady, 'gundamaar', named Shagufta accused the custom mobile squad of demanding more money in addition to the agreed 42000 rupees, paid in advance.⁸¹
- In October 2000, the special judge custom, taxation and anti-smuggling, Peshawar, sentenced five government functionaries of PIA and Customs⁸², in a well known case,

wherein antiques worth million of rupees, belonged to the Kabul museum were attempted to be smuggled.⁸³

In 1993, antiques worth crore of rupees, in the custody of Islamabad Police were replaced. The newspaper report added, “Surprisingly the investigation team which was made to look into the entire smuggling attempt, comprised of such inspectors, who themselves allegedly been involved in antiques’ smuggling cases in one way or the other”.⁸⁴

- In 1996, a crime was unearthed, wherein hundreds of luxurious smuggled vehicles were sold and registered under fake auction letters,⁸⁵ issued by various “Custom Officials” and other relevant departments, based in Peshawar, Lahore, Karachi and Quetta. These vehicles included Hi-deluxe Pajeros, vans and double cabin pickups which were smuggled via Quetta from Iran. When this irregularity came to surface, a fire broke out on Feb. 13, 1996, which burnt computer terminals, resulting in loss of Motor Registration Wing (MRW) record. An inquiry into the incident was initiated and several officers and officials of MRW were booked in the FIR, lodged as a result of findings of the inquiry. The accused were soon bailed out after they were arrested.⁸⁶
- It was in the custody of Customs and State Bank of Pakistan that 120 kg of gold was replaced with metal during 9 years of trial in the court of Special Judge Customs Lahore.⁸⁷ In 1985, the Lahore Police foiled a bid of smuggling and confiscated 120 kilogram of gold. The case was soon taken over by the Pakistan Customs and the gold was deposited with the State Bank of Pakistan. During the course of the trial, the officials of Customs and State Bank used to present the gold in the court and gradually started substituting it with metal which ultimately was vanished into metal. An inquiry was ordered and the concerned officials of the State Bank and Customs were booked in the initial stage of the inquiry.⁸⁸

Implementation Lags

The anti-smuggling policies devised by Government of Pakistan are as old and numerous, as the history of the smuggling itself in this country. But the irony is that hardly any of the active policies chalked out by the government has been implemented. The inefficiency of the government to implement its policies, may be judged from the following.

- Mr. Hamayun Khan Sikandari, Chief (Custom enforcement), C.B.R, in a meeting of Regional Anti Smuggling Coordination Committee (RASCC), held in Karachi in 1999, attributed the failure of anti-smuggling efforts to the overall attitude of the government and the law enforcement agencies towards smuggling which he described as ‘lukewarm’ and ‘half-hearted’.⁸⁹ There is a lack of coordination between various antismuggling agencies and lack of policy direction due to which efforts to curb smuggling remained largely fragmented and unproductive. “The provincial authorities do not provide the needed assistance to Customs in checking the trading centers which abound in foreign goods and the sale of these goods continued unabated”.⁹⁰ The role of Federal Anti-Smuggling Board (FASB), is confined to review reports, furnished by agencies and it has not been able to effectively direct and monitor the anti-smuggling operations of various law-enforcement agencies,⁹¹ including the Civil Armed Forces.
- In the year 2000, the government planned to enact two anti-smuggling laws.⁹² One law was designed to deal with the legitimization of smuggled goods in the Bara-Markets, requiring the traders to pay duties and taxes within a given period of three months; the second aimed at enabling various government agencies to control smuggling more effectively and efficiently. The first law seemed to be a quick fix measure to generate instant revenue for the cash strapped government, the second could curtail and eventually plug smuggling. A draft of the proposed law aimed at putting an end to the illegal business at Bara-Market, was forwarded to the Chief Executive, General Pervaiz Musharraf, whereby “Bara traders will be asked to dispose off their stocks within three months and then continue to pay taxes, if the business is to be continued”.⁹³
- The interior Minister, Mr. Moeen-uddin Haider said that strict action would be taken against the Bara traders after expiry of the three months amnesty to those engaged in the business.⁹⁴ “The Government is committed to eliminate the illegal business and collect taxes from the shopkeepers and others who are involved in it”.⁹⁵
After consultation with the Bara traders and evaluating the pros and cons of various proposals, the government gave three months time to clear the stock of smuggled goods with

a number of concessions. The decisions announced by the government included:

- i). "Each small cabin will pay Rs.10000, while single shutter shops will pay Rs.15000, two shutter shops, Rs.40000, three shutter shops Rs.60000 and the shops with four or more shutter will pay Rs.20000 per shutter per annum.
- ii). The levy should be paid within one month and the current stock will be eliminated within three months".⁹⁶ The wholesalers and the composite shops i.e. establishments which dealt with local and smuggled goods, were required to pay duty in the following manner.
- iii). "They would declare their smuggled goods on self assessment basis.
- iv). Random checks of 20% of the stock will be made for verification.
- v). A concessional duty at the rate of 25 percent of normal tariff will be charged from them,
- vi). In case of mis-declaration, the entire stock will be subject to full tariff.
- vii). The duties will have to be paid within one month.
- viii). The concessional duty is applicable to current stock which has to be cleared in three months".⁹⁷

Despite such an elaborate paper work, the much talked and promised three months had not come as yet, despite a lapse of almost six years from Jan 2000.

- To effectively control smuggling, the custom authorities, in August 1998, planned to install a scanner machine at the Attock Post to check a major outlet of smuggling. The then chairman of the CBR, Mr. Moin-Uddin Khan remarked that he "was trying to get assistance from the United States and the UNDP to share the price of the costly scanner worth \$ 4 million. Once the Attock check post is effectively monitored, it will make the smugglers take longer routes, which will prove more costly for them".⁹⁸ The Chairman also informed that the CBR had decided to windup the diplomatic bonded warehouses which was said to be a 'major conduit of smuggling. He revealed that 47 such warehouses were suspected by the CBR.⁹⁹
- Similarly in another bid to plug the smuggling via the "green channel facility", the government in 1998 had decided to

reinforce baggage checking spots with scanning devices.¹⁰⁰ The scanning process in which the onus of detecting the baggage in excess or in violation of rules is with the machines which are neutral, was considered to be the best option in 1998.

The committee¹⁰¹ constituted by Prime Minister Nawaz Sharif, made several recommendations to avoid abuse of the green-channel facility. But except for the installation of six scanning devices (2 each at Peshawar and Lahore airports, and one each at Islamabad and Lahore airports), the other recommendations of the committee viz (i) appointment of honest officers on scanning offices, (ii) preparation of leaflets of simplified baggage rules, (iii) barring discretionary powers of any sort for the custom authorities (iv) monitoring of CBR activities through close circuit T.V network (v) availability of luggage trolleys of international standard by CAA and (vi) surprise checking by collector customs of the entire mechanism¹⁰², remained good only on paper.

- In March, 1999, The Frontier Constabulary (FC) force in Baluchistan was authorized to take up anti-smuggling measures and seize and auction goods, transported from Iran and Afghanistan.¹⁰³ The Inspector General of FCQ also asked for delegation of powers to head the tribunal deciding the fate of smugglers and the goods seized under the Smuggling Act. The FC Chief also asked for powers to seize the smuggled goods and for protective custody of these goods with the FC for unlimited period. A request for delegation of powers to auction the smuggled goods at no limit prices was also made by the FC Chief.¹⁰⁴ With in these powers granted and those requested by the FC Chief, laid the ugly reality of the creation of yet another anti smuggling authority with over lapping powers and with the potential of gross abuse.
- In the year 2001, the Customs House, Peshawar, prepared a 22-points crackdown plan on Bara-type markets. The crack down was planned to be implemented after the local governments were sworn in August 2001, so as to muster their support. The requirements of the number of personnel from different forces, the timing and mode of operation, technical and legal cover and means of communication required were properly evaluated and addressed. In this comprehensive plan, a 45-days amnesty scheme, wherein the

traders were required to clear their smuggled stocks and payment of due taxes was also announced. Arrangement for the storage of the goods seized during the operation was also planned at the Custom House Peshawar. But after a lapse of an year now, the proposed crackdown still awaits implementation.

We may now safely assess that over the years the economic bonds among these various interest groups have multiplied so much and got such a strength that it is very difficult for one nation to effectively check it until and unless all the nations of the region, at least at the ECO, level demonstrate a political will to combat it.

We have also observed that the successive governments in Pakistan till date, have shown concern to the growing menace posed by smuggling and has devised strategies, chalked policies and created new and empowered the existing anti-smuggling authorities to counter the threat. “But corruption in the ranks of law-enforcing agencies and other departments at airports, seaports, dry ports and check post, created especially to eliminate smuggling has actually facilitated this trade, allowing it to grow exponentially”.¹⁰⁵

Notes & References

¹ Landed prices were calculated at the C&F prices of selected brands of imported goods plus customs duty, sales tax, 5% handling cost and a 10% profit margin.

² "Watching brief strategy of Afghanistan", World Bank (1997)

³ S. M. Nasir, *Economy of Pakistan* (Lahore: Awais Book Centre, 2000), 122-123.

⁴ Ahmad Rashid, *Taliban* (New York: Atlas Associates, 2000)

⁵ Ibid.

⁶ Ibid.

⁷ Z.F. Naqvi, *Afghanistan-Pakistan Trade Relations*, World Bank Report, (1997)

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ahmad Rashid, *Taliban*, op.cit., 191

¹³ In the post Taliban scenario, the figures have now been substantially reduced approximately to one million.

¹⁴ Azmat Hayat Khan, *The Durand Line* (Islamabad: Pan Graphics (Pvt) Ltd, (2000), xiv

¹⁵ Ibid.

¹⁶ The Muhamand Agency was created in 1952 to deal with the affairs of hundred thousands Mohmands, living north of Kabul river. Ibid., 25

¹⁷ Ibid., 23

¹⁸ Ibid., 25

¹⁹ Ibid., 76

²⁰ Field Interviews

²¹ Teepu, *Khyber*, 87

²² Ibid., 87

²³ Ibid., 87-88

²⁴ Ibid.

²⁵ Azmat Hayat Khan, *The Durand Line*, op.cit., 175-178

²⁶ Ahmad Rashid, *Taliban*, op.cit.

²⁷ Iqbal Ahmad, "what after strategic depth?" *Dawn*, 23 August, 1998

²⁸ Ahmad Rashid, *Taliban*, loc.cit., 186

²⁹ Ibid., 185-188

³⁰ "We support the Jihad in Kashmir", said Mullah Omar in 1998. "It is also true that some Afghan are fighting against the Indian occupation forces in Kashmir. But these Afghans have gone on their own." *The News*, 19 August, 1998.

³¹ The Finance Ministry needed to hide this money in its own budget and that of their ministries, so that it could not appear on 1998-99 budget record and be kept away from the prying eyes of international donors, who were demanding massive cuts in Govt: spending to salvage the crisis hit economy.

³² This included 600 tons of wheat, diesel, petroleum, arms and kerosene fuel, which was partly paid for by Saudi Arabia, arms and ammunition, Ariel bombs, maintenance and spare parts for its soviet -era military equipment such as tanks and heavy artillery, repair and maintenance of the Taliban air force and air port operations, road building electricity supply in Kandahar and salaries - Ahmad Rashid, *Taliban*, op.cit.

³³ Kandahar could be dialed from anywhere in Pakistan as a domestic call, using the pre-fix 081 - The same as Quetta prefix.

³⁴ Field interviews

³⁵ Gerald Segal, *The World Affairs Companion* (London: Simon Schuster limited, 1991), 80-84.

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ahmad Rashid, *Taliban*, op.cit., 116-124

³⁹ Ibid.

⁴⁰ The stagflation refers to the simultaneous existence of inflation and unemployment, Pears dictionary.

⁴¹ Ahmad Rashid, *Taliban*, op.cit., 126

⁴² Ibid.

⁴³ Ibid.

⁴⁴ UNDCP, "Afghanistan, the Dynamics of the Farmgate Opium Trade", final report, (1998)

⁴⁵ Ahmad Rashid, "Drug the infidel's", *Far Eastern Economic Review*, (1997).

⁴⁶ UNDCP, "Afghanistan, the Dynamics of the Farmgate Opium Trade", loc.cit.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ Ahmad Rashid, *Taliban*, op.cit., 120

⁵⁰ Lawrence Lifschultz, "Pakistan: the empire of heroin." *War on Drugs* (1992): 319-58.

⁵¹ Ibid.

⁵² Ibid.

⁵³ Ahmad Rashid, *Taliban*, op.cit., 121

⁵⁴ Ahmad Rashid, "Dangerous Liaison", *Far Eastern Economic Review*, 16 April, 1998.

⁵⁵ Ibid.

⁵⁶ *The News*, October 10, 2000.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Bara is a valley of Tirah. It is bounded on the north by Surghar range, which separates it from Bazar and Chora and on the South by the Watershed of the Bara and Tirah Toi. The valley between Rajgal and Kajurai is about 50 Km, long and its width varies from a few hundred yards to 3 or 5 Km, See Teepu, *Khyber*, op.cit., 62

⁶⁰ Ahmad Rashid, *Taliban*, op.cit., 192-193.

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- ⁶¹ World Bank, “Watching Brief strategy for Afghanistan”, Islamabad (1997)
- ⁶² Z.F. Naqvi, Afghanistan-Pakistan Trade Relations, op.cit.
- ⁶³ Customs house Peshawar (2000-2001).
- ⁶⁴ Ahmad Rashid, *Taliban*, op.cit., 189
- ⁶⁵ Field interviews
- ⁶⁶ Ahmad Rashid, *Taliban*, op.cit.
- ⁶⁷ Ahmad Rashid, *Taliban*, op.cit., 191-192
- ⁶⁸ The terminology has been coined to explain that the trade-in-smuggled-goods is being conducted so widely and openly that now it is practically impossible to question the nature or status of the goods or their owners.
- ⁶⁹ *The Frontier Post*, January 12, 1998.
- ⁷⁰ Ibid.
- ⁷¹ *The News*, May 6, 1995.
- ⁷² *The Frontier Post*, April 3, 1993
- ⁷³ Ibid.
- ⁷⁴ Ibid.
- ⁷⁵ Ibid.
- ⁷⁶ Ibid.
- ⁷⁷ It was in response to letter communicated by the four member sub committee on C.B.R. constituted by the National Assembly Standing Committee on Finance, Economic Affairs and Revenue to inquire into complaints, irregularities and Public petition in 1998.
- ⁷⁸ *The Frontier Post*, February 18, 1998.
- ⁷⁹ *The Frontier Post*, February 2, 1998
- ⁸⁰ *The Frontier Post*, June 4, 1999.
- ⁸¹ *Daily Aaj*, March 16, 2002.
- ⁸² The five accused were Zafar Iqbal, security guard PIA, Peshawar, Haji Hafeez Ullah, driver PIA, airport, Peshawar, Mohammad Ayub Nawaz, security manager airport, Mohammad Nawaz Khan custom clearing agent and Mohammad Farooq Afridi a custom inspector. The PIA security guard produced six shipping bills, along with airway bills and form E, stating that they were carrying export consignment to the airport. During the course of the investigation Mohammad Nawaz, produced shipping bills, which were found to be forged. *The Frontier Post* October 20, 2002.
- ⁸³ *The Frontier Post*, October 20, 2002.
- ⁸⁴ *The Frontier Post*, August 21, 1993.
- ⁸⁵ Few vehicles under these auction letters were KF-9788, JX-6549, JP-5799, JT8690, JT-8635 and JX 6550, which were registered at the MRW Karachi. *The Frontier Post*, July 28, 1996.
- ⁸⁶ Ibid.
- ⁸⁷ *Daily Jang*, February 2, 1994.
- ⁸⁸ Ibid.
- ⁸⁹ *The Dawn*, Feb, 26, 1999.
- ⁹⁰ Ibid.
- ⁹¹ Ibid.

⁹² *The News*, October 10, 2000.

⁹³ *The Frontier Post*, December 8, 2000.

⁹⁴ Ibid.

⁹⁵ Ibid.

⁹⁶ *The Frontier Post*, May 5, 2000.

⁹⁷ Ibid.

⁹⁸ *The Frontier Post*, August 2, 1998.

⁹⁹ Ibid.

¹⁰⁰ Ibid.

¹⁰¹ The committee designated as Prime Minister monitoring and Evaluation Cell was headed by Major General (R) Sikandar Hayat as Chairman and comprised members from CBR, the Ministry of Commerce and Finance Division.

¹⁰² *The Frontier Post*, August 11, 1998.

¹⁰³ *Dawn*, March 19, 1999.

¹⁰⁴ Ibid.

¹⁰⁵ *The News*, October 10, 2000.