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Preface

Pakistani media has reported that the new round of peace negotiations will start between the Afghan government and the Taliban in the next year's January.

After the latest wave of wicked ties between Afghanistan and Pakistan, President Ashraf Ghani traveled to Pakistan in order to participate in the HOA-IP Conference in Islamabad. Pakistanis warmly welcomed the Afghan President and had talked with him about reviving the Afghan peace process during the meetings they held with him.

After the HOA-IP Islamabad's conference, hopes for initiating the second round of the peace process emerged. Nawaz Sharif, during his bilateral meeting with the Afghan President in Paris, requested for quadrilateral meetings for peace that America and China alongside Afghanistan and Pakistan would participate in them.

The Afghan government is criticized for believing on the promises of Pakistan for the second time; whether Pakistan is not truthful in its promises or this issue is beyond its reach. Two rounds of peace negotiations took place in China's Urumqi and Islamabad's Murree as a result of Pakistan's intercession, whose participants, to a large extent, were not the competent representatives of the Taliban. The question is that, whether the competent representatives of the Taliban would be brought to the negotiation table or not? Besides that, the Afghan government needs to make sure that whether they would face the competence representatives of the Taliban?

In the second part of the Analysis, you will read about Afghanistan's membership in WTO. Afghanistan became member of WTO after waiting for almost one decade. This membership is the second great economic agreement for the Afghan government that is being signed after the TAPI Project. However, membership in this organization for developing and backward countries like Afghanistan has disadvantages besides benefits. What is the chronology and policy of Afghanistan's membership in this organization? And, also, what would be the positive and negative impacts of it on Afghanistan?

In this issue of Weekly Analysis, you are reading the analysis and researches of the Weekly Analysis' Board of Center for Strategic and Regional Studies (CSRS).

New round of negotiations and the problem of Taliban's representation



The government of Pakistan has promised that the peace negotiations between the Afghan government and the Taliban will soon revive and that Pakistan has already started its struggles regarding this issue.

The question is which group of the Taliban will talk to Afghan government? The media reports split between the Taliban and consider one group which is led by Mullah Akhtar Mohammad Mansour and the other by Mullah Mohammad Rassoul. Meanwhile, news on armed conflict between these two groups is also heard.

The Qatar Office and Urumqi and Murree Negotiations

Pakistan, in negotiations in China's Urumqi and Islamabad's Murree, had brought the individuals that were not influential in the rank of the Taliban; however, meanwhile, Pakistani army arrested a large number of wounded Taliban fighters resting in Quetta and Peshawar's private hospitals and, through this, they pressurized the main wing of the Taliban in order to send a representative of their Qatar office to the negotiations.

Mullah Akhtar Mohammad Mansour, due to these pressures, became obligated to send Abdullatif Mansour, one of the Taliban's central council's members, to represent the Taliban in the Murree Meeting. Following this, the death news of Mullah Mohammad Omar was revealed and, as a result, Tayyib Agha resigned from the chairmanship of the Qatar Office. One of the reasons behind Tayyib Agha's resignation was that why Mullah Akhtar Mohammad Mansour became surrendered to the pressure of Pakistan and why he had sent a representative other than Qatar Office's, which was against the principles that the Taliban was always insisting on, and caused the Qatar Office to lose its reputation.

In Urumqi and Murree's negotiations, Pakistan could bring Mullah Mohammad Rasoul, Mullah Abdurrazaq, Mullah Jalil, Mullah Hassan Rahmani and Haji Ibrahim, brother of Mawlawi Jalaluddin Haqqani and others to these negotiations; in the case, no one of them had influence in the rank of the Taliban. Haji Ibrahim was busy with business in past fourteen years and had no link with Sirajuddin Haqqani's network; however, Pakistan has introduced Haji Ibrahim as the representative of the "Haqqani Network". The senior officials of Inter-service Intelligence (ISI) of Pakistan were present in this meeting.

Therefore, some analysts think that Mullah Mohammad Rassoul, by accepting Pakistan's invitation and participating in these two negotiations, received his present and due to this, he became permitted to lead a splitter group of the Taliban that were separated from the main group of the Taliban led by Mullah Akhtar Mohammad Mansour.

The Qatar Office and the TAPI Project

Pakistanis, during the past several years, have tried to discredit and close the Qatar Office; however, they were not so successful in their job. Taliban were able to establish ties with different countries in the world through this office, and to participate in several conferences and meetings and to clarify their position to the world through this mean. One of the countries that the Taliban had friendly ties with was Turkmenistan. This relation vanished and cut after America's rush on Afghanistan; however, these ties renewed after the establishment of the Taliban office in Qatar (the Qatar Office).

Turkmenistan is rich with galore resources of gas and it wants to export its gas to South Asia. These struggles started after Turkmenistan received its freedom from former Soviet Union and followed by rivalry between American Unocal Company and Argentinian Corporation in order to receive the contract of this project.

The route of Afghanistan could realize this dream, but civil war and the fighting between Mujahedeen and the Taliban were obstacles in front of achieving this goal. Taliban's control over the large part of the country especially over those areas through which the pipeline was passing, it was considered as a step toward starting this project which would then transfer gas from Turkmenistan to Pakistan and India via Afghanistan; this project is named (TAPI). But after a while, America, with focusing on issues like terrorism, women rights and human rights, opposed the Taliban and, with putting economic sanctions, prevented every kind of investment of foreign companies in the country. As a result, Unocal and Bidas companies stopped struggles for achieving the contract of project "TAPI" in order not to be accused with cooperating with terrorism and human rights' abusers.

The length of this pipeline is about 1735 km whose 735 km is passing through Afghanistan, but America's rush on Afghanistan and continuation of war in the country, especially in the areas through which the pipeline was passing had prevented Turkmenistan from achieving this goal. Considering that 120 thousands NATO-led foreign troops could pave the ground for the beginning of this project.

The question remains that the security situation in Afghanistan is worse than ever in the past fourteen years and almost the entire route of the pipeline, directly or indirectly, is in the hand of the Taliban, so how can implanting this multi-billion dollar project would be possible without receiving assurance from the Taliban?

Meanwhile, Shir Mohammad Abbas, the head of the Taliban political office in Qatar was present alongside the head of the related governments (Turkmenistan, Afghanistan, Pakistan and India) during the inauguration of the TAPI Project, and, also, he negotiated about security of this project with Turkmen officials. The work of this project has begun with the assurance of the Taliban led by Mullah Akhtar Mohammad Mansour.

The Role of Taliban political office in the new round of talks

Taliban, after transferring their political office to Qatar, has always emphasized that the only address to peace negotiations is Taliban's Political Office in Qatar. This initiative that was taken by Mullah Akhtar Mohammad Mansour caused the mean to fake negotiations with the Afghan government and unknown people that were considering themselves as the representatives of the Taliban.

However, the Taliban's Political office was faced with oppositions that were: the Afghan government and Pakistan. After the members of Taliban visited Qatar, Pakistanis gave an ultimatum to the Afghan Taliban and said that they will oppose every meeting that does not have representative from Pakistani government. This issue caused Americans, who had established Taliban Political Office and considered it as the only address to peace negotiations, but due to Pakistan, it changed its this stance.

Now, as Pakistan, once again, announced its readiness to bring the Taliban to the new round of the peace talks, it is yet to be cleared that whom will participate in the second round of peace talks. Sources near to the Qatar Office says that not orders, based on preparing for peace negotiations, have been given to this office.

Ability to know the right Taliban!

It is planned that the peace negotiations between the National Unity Government (NUG) and the Taliban will start due to Pakistan's intercession in the near future. The Afghan government is required not to re-engage in incomplete and fake negotiations. Peace must be negotiated in the direction that would have the support of the most of Taliban fighters in the battle ground, because, the national interests of Afghanistan would be secured only in that kind of negotiations.

If the government of Afghanistan really wants effective and useful negotiations, it is supposed to request the Pakistani side to provide it, before the beginning of the negotiations, with the identity of those who wish to take part in negotiations on behalf of the Taliban. It is very important that the competence and dependence of the representatives of the Taliban with their relevant sides should be considered that whether they are related to the side that assures security for the TAPI project; however, this job is not that much easy.

Mullah Mohammad Rassoul consider his opposition with Mullah Akhtar Mohammad Mansour as it is originated from Mansour's dependency to Pakistan and Tayyib Agha also consider the flexibility of Mullah Akhtar Mohammad Mansour toward Pakistan in the Murree negotiations as one of the reasons behind his resignation. Therefore, participation in the Pakistani-led negotiations approves Akhtar Mansoor's dependency on Pakistan. Definitely, this issue can prevent Mullah Akhtar Mohammad Mansour's representatives from participating in these negotiations. Hence, perhaps, Pakistan would bring people like Mullah Hassan Rahmani, Mullah Aburrazaq and Mullah Abdul Jalil that are not depended on any side. However, these negotiations wouldn't benefit Afghanistan.

The representatives of the Afghan government, as same as in the past, until entering the room, do not know who will they face that are so-called the representatives of the Taliban and to what extent they have competency to represent the Taliban.

WTO Membership and its Consequences



Afghanistan received the membership of World Trade Organization (WTO) at the 10th WTO ministerial conference in Nairobi, Kenya, December 17, 2015. Afghanistan is 146th in the world and 36th among the less developed countries that received WTO's membership.

Receiving membership in this organization is a long process and Afghanistan, however, accessed this organization after 11 years of negotiations. This news has positive reaction in Afghanistan and the senior Afghan officials have warmly welcomed this development; Afghanistan is, however, among the least developed countries, and there are some expectations that the accession of Afghanistan to WTO would impact the newly emerged industries.

The Afghan policy toward WTO in past 11 years, the reason behind Afghanistan's request to become a member of WTO and impacts of accession to WTO on the country are analyzed here.

The Background of WTO

After WWII, the original intention was to create a third institution to handle the trade side of international economic cooperation, joining the two “Bretton Woods” institutions, the World Bank and the International Monetary Fund. Over 50 countries participated in negotiations to create an International Trade Organization (ITO) as a specialized agency of the United Nations. However, these negotiations failed, the draft ITO Charter was ambitious. It extended beyond world trade disciplines.¹

Meanwhile, 15 countries had begun talks in December 1945 to reduce and bind customs tariffs. With the Second World War only recently ended, they wanted to give an early boost to trade liberalization, and to begin to correct the legacy of protectionist measures which remained in place from the early 1930s.

As a result of these negotiations, the new General Agreement on Tariffs and Trade was born, with 23 founding members (officially “contracting parties”) in Geneva in 1947.

For almost half a century (1994), the GATT’s basic legal principles remained much as they were in 1948, and several other meetings were held on further decreasing tariffs and for other relevant issues. For example, in 1960s, the Kennedy Round in the mid-sixties brought about a GATT Anti-Dumping² Agreement and a section on development. The Tokyo Round during the seventies was the first major attempt to tackle trade barriers that do not take the form of tariffs, and to improve the system. The eighth, the Uruguay Round of 1986-94, was the last and most extensive of all. It led to the WTO and a new set of agreements.

Essentially, the WTO is a place where member governments go, to try to sort out the trade problems they face with each other.³

The basic difference between GATT and WTO is that the GATT dealt with trade in goods; but the WTO deals with trade in services and intellectual property as well.

¹ See online: https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact4_e.htm

² In economics, “**dumping**” is a kind of predatory pricing, especially in the context of international trade. It occurs when manufacturers export a product to another country at a price either below the price charged in its home market or below its cost of production. The purpose of this act is sometimes to increase market share in a foreign market or to drive out competition.

³ See online: https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact1_e.htm

Chronology of Afghanistan's membership in WTO

WTO established in 1994; at that time, Afghanistan was involved in civil war and did not have a good central government. With the emergence of the Taliban in Afghanistan, the security situation was somehow good; although, the world did not recognize the government of Afghanistan and the representatives of the Mujahedeen government were representing Afghanistan in the UN. Besides that, economic sanctions were also put on Afghanistan at that time. Hence, the government could not receive membership in WTO, then. However, after the new regime was established under the leadership of Hamid Karzai in Afghanistan; this country officially asked membership in the organization on November 21, 2004.

Following the official request from Afghanistan, WTO established a Working Party, consisted of 28 countries and led by Netherland, for Afghanistan in December 13, 2004. Among those 28 countries, most of them were those having trade ties with Afghanistan; like its neighboring countries (China, Pakistan and Tajikistan), India, Japan Russia, Saudi Arabia, the European Union (EU) and etc.

Afghanistan presented its Trade Policy report (Memorandum) on March 31, 2009, and the questions and replies were sent on July 26, 2010.

The working party held five meetings which took place on the following dates: the first meeting was held on 31 January 2011; the second meeting was held on 18 June 2012; the third meeting was held on 7 December 2012; the fourth meeting was held on 25 July 2013 and the fifth and final meeting was held on 11 November 2015.

Also, Afghanistan had trade-related negotiations with other members of WTO and had an agreement on it. Eventually, the Working Party presented its finalized report to WTO on 13 November, 2015 and, finally, Afghanistan received membership after Afghan First Deputy Chief Executive Mohammad Khan signed the protocol of this organization at the 10th WTO ministerial conference in Nairobi, Kenya, December 17, 2015.

The policy of Afghanistan toward the WTO

Generally, the aim behind Afghanistan's membership in WTO was that Afghanistan would develop economically and it would receive a lot of trade-related freedoms and privileges. Its trade-and-transit-related problems would solve and it would be able to attract foreign investment.⁴

Afghanistan, in order to receive the membership of WTO, brought some reforms in the fields of trade, economy and investment and has signed 9 bilateral agreements related to goods and 7 others related to services.

The main aim of establishment of WTO is opening borders for trade and reducing tariffs, and due to this, Afghanistan have put an average of 13.5% tariff on products, 33.6% on agricultural products and 10.3% on non-agricultural products.

Afghanistan will join the Information Technology Agreement (ITA) upon accession into WTO. This agreement will ask all the participants to completely eliminate duties on IT products covered by the ITA Agreement. Afghanistan's export tariffs will also be bound for 243 tariff lines. Of these, 29.6% are bound at 10%, 24.2% are bound at 2.5%. On services, Afghanistan has made specific commitments in 11 services sectors, including 104 subsectors.⁵

Positive and Negative impacts of Afghanistan's membership in WTO

Afghanistan's membership in WTO would have deep impacts on the Afghan economy and trade. As Afghanistan is among the least developing countries; therefore, this membership would have both advantages and disadvantages on Afghanistan:

Advantages:

- **Resolving Disputes:** one of the aims behind establishing WTO is that the member countries would resolve their trade-related disputes; hence,

⁴ See online: http://www.bbc.com/pashto/afghanistan/2015/12/151217_wto_afghaan_membership_iv

⁵ See online: https://www.wto.org/english/news_e/news15_e/afgancommitmentsmc10_e.pdf

Afghanistan would be able to resolve its trade-related disputes with other countries.

- **Equal Treatment:** Joining WTO gives Afghan exports access to all WTO member markets on a Most Favored Nation (MFN) basis. This means that Afghan exports will be eligible for the best treatment that the country provides to the goods of other WTO members.

For example, if the European Union grants the United States a low tariff on its potatoes, then Afghan exports must be given the same low tariff on exports of Bamiyan potatoes to the European Union.⁶

- **Free Trade:** one of the main aims for establishing WTO is freeing trade in the world and removing obstacles toward it. Therefore, Afghanistan not only would have access to the markets of 146 countries, but its exports would not face high tariffs in other countries, also.
- **Transit Dispute Settlement:** Afghanistan is landlocked country and, it, since several decades, is faced with a lot of problems with the world in the field of trade. Joining WTO makes Afghanistan to resolve its transit-related problems in this organization.
- **WTO's Assistance:** some analysts believe that Afghanistan would receive assistance from this organization, then.
- **Anti-Dumping Policy:** some developed companies reduce the prices of their goods in other countries and weakens the domestic industries and seize the local market of those countries. One of the aims of WTO is to prevent dumping policy.
- **Attracting Investment:** although, the attraction of investment, to a large extent, is linked with security situation and political stability in a country, but Afghanistan, after that, will send a signal to foreign investors that Afghanistan is willing to abide by international trade rules and, through this, the trust of foreign investors will increase, then.

⁶ See online: <http://moci.gov.af/en/page/8774>

Disadvantages:

- **Threat to Newly Emerged Industries:** governments in some countries that have recently started to become industrialized try to increase tariffs on importing goods in order for the domestic industries to survive in rivalry with foreign industries; however, Afghanistan, due to getting WTO's membership, would not be able to increase tariffs on importing goods and, so for that, the newly emerged domestic industries would suffer a lot in competition with foreign industries and they would become defeated in rivalry with importing goods, then. Therefore, it is believed that unemployment will further increase in the country, then.
- **Ending Subsidy⁷:** WTO is emphasizing on eliminating agricultural and industrial subsidy, which would have deep impact on Afghanistan's agricultural and industrials exports.
- **Reduction in Revenue:** Afghanistan, after then, would not be able to put high tariffs on imports and due for this; the government revenue would increase in this field.

The End

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Note: Please let us know your feedback and suggestions for the improvement of Weekly analysis.

⁷ A **subsidy** is a form of financial aid or support extended to an economic sector (or institution, business, or individual) generally with the aim of promoting economic and social policy.^[1] Although commonly extended from Government, the term subsidy can relate to any type of support - for example from NGOs or implicit subsidies.