Pakistan–Afghanistan Relations: What Next?

Towards Pragmatic Policy Pathways in a Shifting Regional Order

POLICY ROUNDTABLE REPORT

Center for Research and Security Studies (CRSS)

Islamabad, Pakistan

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ABOUT THIS REPORT This report synthesises the interventions made at a high-level CRSS roundtable on June 30, 2026, comprising economists, development experts, former diplomats and envoys, and regional experts.

Introduction

As the Taliban complete five years in power in August 2026, Pakistan–Afghanistan relations are effectively frozen. What began in 2021 with expectations in Islamabad of a more cooperative relationship with Kabul has instead given way to a prolonged security and political impasse. The border has remained largely closed since October 2025, amid Pakistan's conviction that the Afghan Taliban regime hosts and shelters the outlawed Tehreek-e-Taliban Pakistan (TTP), which uses Afghan territory to plan, support and launch attacks against Pakistani civilians and security personnel.

Against this backdrop of prolonged border closure, worsening security tensions and a deepening political impasse, the Center for Research and Security Studies (CRSS) convened the roundtable, "Pakistan–Afghanistan Relations: What Next? Towards Pragmatic Policy Pathways in a Shifting Regional Order."

The roundtable was organised around a difficult policy question: how can Pakistan respond to the threat posed by the TTP without allowing one security dispute to consume the entire relationship with Afghanistan, and is prolonged border closure economically and politically viable in the long run? Participants examined cross-border militancy, the widening trust deficit, trade and transit, border management, people-to-people ties, humanitarian movement and the changing regional environment around Afghanistan.

There was no complete agreement on the roots of the crisis. Some speakers regarded the TTP as the central obstacle to normal relations, while others viewed it as part of a longer history of strategic mistrust, inconsistent policies, mutual interference and domestic governance failures on both sides. A broad area of convergence nevertheless emerged: geography makes disengagement impossible, prolonged closure carries significant economic and humanitarian costs, and a workable relationship requires security measures to operate alongside diplomacy, regulated trade, regional engagement and sustained contact between the two societies.

Context: A Relationship Reduced to a Security Impasse

Pakistan's current policy is shaped by a genuine and persistent militant threat. Islamabad maintains that the TTP uses Afghan territory to plan, support and launch attacks against Pakistani civilians and security personnel, with much of the violence concentrated in the border provinces of Khyber Pakhtunkhwa and Balochistan. The Afghan authorities dispute the extent of their responsibility, while critics of Pakistan's approach argue that the crisis cannot be understood without considering the legacy of strategic depth, shifting alignments, internal governance failures and repeated policy reversals on both sides.

A significant turning point came in September 2023, when TTP militants attacked Pakistani military posts in Chitral near the Afghan border. Pakistan formally raised the incident with the Afghan interim authorities and publicly stated that the security threat emanating from Afghan territory was relevant to decisions concerning the opening and closure of border crossings.[i] The attack intensified Islamabad's concerns over militant sanctuaries and reinforced the view that assurances from Kabul were not producing measurable action. Security considerations subsequently became more closely linked to decisions concerning trade, transit and cross-border movement.

In October 2023, Pakistan tightened the Afghan transit regime through measures intended to curb smuggling and prevent the diversion of transit goods into Pakistani markets. A 10 per cent ad valorem processing fee, payable in advance at the time of declaration, was imposed on selected Afghan transit goods.[ii] Pakistan also introduced bank guarantees equivalent to applicable duties and taxes, while requiring at least 25 per cent of transit consignments to be scanned and 10 per cent to undergo physical examination through the Risk Management System.[iii] [iv] Although introduced as regulatory and revenue-protection measures, these requirements also increased costs, delays and financial uncertainty for legitimate traders.

The decline in transit trade therefore began well before the prolonged border closure imposed in October 2025. Afghan transit through Pakistan fell from 102,886 containers worth $6.7 billion in FY23 to 54,114 containers in FY24 and 42,959 containers worth $1.36 billion in FY25. By FY26, it had declined to only 11,592 containers worth $367 million. Reverse transit, through which Afghan exports reached third-country markets via Pakistan, fell from $454 million in FY25 to just $7 million in FY26.[v]

The October 2025 closure accelerated an already established decline. Trade, transit, visas, border movement and diplomatic engagement became increasingly conditional on progress against the TTP. Cross-border strikes and reports of civilian casualties added another layer of hostility, while the continued absence of a written and verifiable counter-terrorism mechanism deepened mistrust between Islamabad and Kabul. Pakistan Customs confirmed that export and import clearances at major crossings had been suspended amid the security escalation, leaving hundreds of bilateral and transit vehicles stranded.[vi]

The economic effects have not been confined to Afghanistan. Figures presented by the FBR's Chief Customs Wing at the Beyond Boundaries VI dialogue showed that, over the period compared, Pakistan's exports to Afghanistan fell from $1.6 billion to $245 million, while Afghan exports to Pakistan declined from $928 million to $200 million. Traffic through Torkham fell from around 45,000 trucks annually at peak Afghan Transit Trade levels to roughly 4,000 vehicles.[vii] These losses affected manufacturers, transporters, customs clearing agents, warehouse operators, port workers and daily-wage labourers on the Pakistani side.

The disruption also extended to Pakistan's emerging commercial links with Central Asia. Pakistan had previously handled around 10,000 transit vehicles for Uzbekistan and 3,000 for Tajikistan. Figures presented at the Beyond Boundaries dialogue showed these numbers falling to only 59 vehicles for Uzbekistan and 47 for Tajikistan.[viii] This demonstrated how instability along the Pakistan–Afghanistan corridor could undermine regional transit agreements developed over several years and weaken Pakistan's ambition to serve as a gateway between Central Asia and the Arabian Sea.

Afghanistan, meanwhile, increasingly redirected trade towards Iran and Central Asia. Its imports rose by 15 per cent to $13.2 billion in FY25. Iran became Afghanistan's largest source of imports, accounting for 31.3 per cent, while Iranian direct and transit corridors together accounted for 48.6 per cent of Afghanistan's total imports.[ix] The shift reduced Kabul's reliance on Pakistani ports, although the use of longer and more expensive routes also raised logistics costs for Afghan businesses and consumers. For Pakistan, it meant declining exports, reduced port and transport activity, lost regional market share and an erosion of the economic leverage it had sought to exercise.

The humanitarian consequences have also been considerable. Border restrictions have divided tribes and families, disrupted the movement of students and patients, constrained access to medical treatment and affected communities whose social and economic lives have historically depended on movement across the frontier. The crisis has therefore extended well beyond governments and security institutions to traders, workers and border populations.

The regional environment is changing at the same time. China, Iran and the Central Asian states have maintained practical economic and diplomatic engagement with Afghanistan despite continuing security concerns. A prolonged Pakistan–Afghanistan rupture risks further redirecting trade towards alternative routes, reducing Pakistan's relevance to emerging connectivity projects and discouraging regional investment.

Pakistan therefore faces two connected challenges: securing credible and verifiable action against cross-border militancy, and preventing the continued loss of economic, political and social influence caused by prolonged estrangement. The central question is not whether security concerns should shape the relationship, but whether they should be allowed to suspend every other dimension of it.

Key Takeaways

SECURITY The TTP is the immediate constraint on bilateral normalisation, but participants differed on whether it is the principal cause of the crisis or its most visible expression.

POLICY Reactive measures and an exclusively government-to-government approach have narrowed the available space for diplomacy and problem-solving.

ECONOMY Border closure may provide short-term pressure, but prolonged restrictions weaken trade, humanitarian access and Pakistan's regional connectivity ambitions.

ENGAGEMENT Business, chambers of commerce, Track 1.5 and Track 2 channels can preserve contact when formal relations stall.

REGION China, Uzbekistan, CAREC and other regional or multilateral platforms can support dialogue and create incentives, although they cannot substitute for political decisions in Islamabad and Kabul.

Speaker Interventions

Maj. Gen. (R) Inam Ul Haque | Former Senior Military Official

Maj. Gen. (R) Inam Ul Haque offered a conceptual frame for understanding the repeated failures in Pakistan–Afghanistan relations. He argued that limited sociological understanding on both sides has produced flawed policy choices. He linked this gap to the countries' different state-formation experiences and historical trajectories, noting that actions Pakistan regarded as assistance during the Soviet occupation and the later NATO presence were often perceived in Afghanistan as interference.

He argued that the relationship has been framed too narrowly through governments and security establishments. Business-to-business and people-to-people ties should carry greater weight, while socioeconomic interests should take precedence over zero-sum geopolitical calculations. At the same time, he maintained that the TTP remains a threat of a scale not faced by Afghanistan's other neighbours. In his assessment, trade and economic engagement will remain subordinate to security unless the issue is addressed.

Abdul Waheed Waheed | Afghan Scholar

Abdul Waheed Waheed challenged the view that the TTP alone explains the present crisis. He located the deeper problem in Pakistan's long-standing pursuit of "strategic depth" and in a broader pattern of frequently shifting policies on both sides over the past five decades. These inconsistencies, he argued, have repeatedly generated mistrust and instability.

He also stressed that Afghanistan is not blameless and that both countries must confront their own internal fragmentation instead of relying on mutual accusation. Pakistan and Afghanistan will remain neighbours regardless of political disagreement, making diplomacy at Track 1, Track 1.5 and Track 2 levels indispensable. He cited earlier engagement in Ankara and Doha as evidence that dialogue can produce movement, provided both sides negotiate as equal counterparts and maintain policy consistency.

Ambassador Asif Durrani | Pakistan's Former Special Envoy to Afghanistan

Ambassador Asif Durrani described the TTP as the central item on Pakistan's agenda with Afghanistan. In his view, trade, visas and border reopening all depend on progress against the group, whose presence inside Afghanistan and use of Afghan territory remain the principal sources of bilateral tension. He described the relationship between the TTP and the Afghan Taliban as symbiotic and questioned the assumption that the Taliban were ever naturally aligned with Pakistan's interests.

Drawing on his tenure, he recalled repeated assurances that the situation would improve within a few months, followed by little visible change. He therefore called for verbal commitments to be converted into a written and verifiable mechanism. He also referred to UN Security Council Resolutions 1368 and 1373 as relevant to the obligations of states confronting cross-border terrorism. In addition, he drew attention to Pakistan's 17 divided border tribes, a social and administrative challenge he said none of Afghanistan's other neighbours faces in the same way.

Lt. Gen. (R) Asif Yasin Malik | Former Senior Military Official

Lt. Gen. (R) Asif Yasin Malik emphasised the practical value of Track 2 dialogue, particularly in resolving people-to-people issues when official channels are strained. Drawing on his own experience of dealing with the TTP, he argued that no externally supported insurgency can succeed without a conducive domestic environment. Pakistan must therefore examine internal conditions alongside external support networks.

He described the problem as difficult but manageable. A better understanding of Pashtun and Baloch dynamics on both sides of the border should inform policy, while reactive decisions disconnected from ground realities should give way to a measured and consistent approach. He recalled the Islamabad–Kabul–Kandahar bus service, cross-border craftsmanship and historic trading relationships as examples of the socioeconomic foundation on which bilateral ties could be rebuilt.

Ali Raza Hanjra | Project Director, CAREC-RIBS (ITTMS), Federal Board of Revenue

Ali Raza Hanjra reviewed Pakistan's efforts since 2021 to pursue joint border control under Article 8 of the World Trade Organization's Trade Facilitation Agreement. He said technical engagement with Afghan customs officials had made progress but later stalled because it lacked sustained policy backing. He also identified Afghanistan's limited participation in CAREC trade forums as a serious gap in the regional connectivity architecture.

For Hanjra, trade is the vehicle through which improvement in the wider relationship can occur, while sound policy must provide the engine. He called for Afghan chambers of commerce to be re-engaged in regional forums and argued that business institutions can preserve functional contact during periods of political tension. A security-first approach that continually restricts trade, he warned, will weaken connectivity and deepen mistrust.

Imtiaz Gul | Executive Director, CRSS

Imtiaz Gul recalled leading the original 2013 survey committee for the Asian Development Bank-funded Torkham, Chaman and Wagah border project, contrasting the optimism of that period with the present impasse. He noted that engagement through the Pakistan–Afghanistan Joint Chamber of Commerce and Industry has continued, though inconsistently.

He urged policymakers to assess border closures through their humanitarian, economic and regional consequences as well as their security rationale. While acknowledging Pakistan's exposure to cross-border terrorism, he argued that prolonged closure is unsustainable for a country that seeks to become a regional connectivity hub. Patients dependent on specialised treatment across the border illustrated the human cost of policies that sever essential movement.

Haroon Sharif | Former Minister of State and Former Chairman, Pakistan Board of Investment

Haroon Sharif argued that an economic relationship built primarily on geopolitical sentiment cannot be sustained. He cited the former Afghan government's heavy dependence on external financing and observed that Pakistan's own economic model has repeatedly relied on similar "geopolitical rents". Neither model, he suggested, creates the domestic economic foundations required for durable regional cooperation.

He viewed platforms such as CAREC as useful convening spaces but not as mechanisms capable of resolving deep political disputes. Progress may therefore require trilateral arrangements involving third countries with a direct stake in borders or connectivity. He also cautioned that China and other investors will not commit substantial capital while instability and mistrust continue to dominate the region.

Hamza Boltaev | Head, Center for Afghanistan and South Asian Studies, IAIS, Tashkent

Hamza Boltaev described a shift in Central Asian policy since August 2021, from security-driven caution towards pragmatic economic engagement with Afghanistan. Trade and transport links have expanded, while the Pakistan–Afghanistan border closure appears to have diverted some commercial activity towards Central Asian routes. He also relayed a perception among some officials in Kabul that Pakistan is using trade and economic access as instruments of security policy.

He noted that political and academic circles in Uzbekistan increasingly recognise Pakistan as an important actor in Afghanistan-related affairs and see the bilateral relationship as consequential for Central Asian stability and integration. Politicising the border, he argued, works against regional connectivity and reduces the space for cooperative economic planning.

Dr Ma Zheng | Senior Associate Researcher, Sun Yat-sen University

Dr Ma Zheng presented China as a proponent of peace and stability in the Pakistan–Afghanistan region. She highlighted China's support for the Urumqi process as a channel for dialogue and confidence-building, describing Beijing's preferred role as that of a facilitator rather than an actor seeking to impose an outcome.

She outlined three principal Chinese concerns: respect for the sovereignty and territorial integrity of both countries; priority attention to counter-terrorism through border control and intelligence-sharing; and Afghanistan's economic and humanitarian situation, including the burden Pakistan has carried in hosting Afghan refugees. She argued that the core deficit is institutional and political trust rather than cultural distance. A minimum workable agenda, in her view, would combine counter-terrorism steps, phased border reopening, trade corridors, refugee management and reliable crisis communication.

Javed Hassan | Economist and former Chairman, NAVTTC

Javed Hassan questioned whether Pakistan has publicly explained the rationale and intended outcomes of its cross-border strikes into Afghanistan, particularly when civilian casualties are reported. He contrasted this approach with China's preference for economic leverage and limited confrontation in its own regional disputes.

He asked whether the strikes are materially degrading TTP capabilities or instead enabling the group to provoke escalation and weaken Pakistan's international narrative. Reports of Afghan civilian casualties, including among people receiving treatment or rehabilitation, could undermine the legitimacy of Pakistan's security case even where the underlying threat is real.

Ammara Durrani | Senior development expert and former Assistant Resident Representative, UNDP Pakistan

Ammara Durrani warned that the relationship is beginning to echo the hostility and rhetoric associated with Pakistan–India relations. Pakistan may ultimately lose more from a prolonged rupture with Afghanistan, she argued, particularly as multilateral financial arrangements and regional infrastructure priorities evolve. China, the Central Asian states, Iran, Russia and India have all developed more functional relationships with Kabul than Pakistan currently maintains.

She urged Pakistan to adopt the pragmatism shown by China, Russia and Uzbekistan, managing relations despite unresolved disputes. She also called for multilateral and financial institutions to play a more active, incentive-based role, including through a dedicated framework that protects existing investments and creates practical reasons for both sides to remain engaged.

Dr Salma Malik | Assistant Professor, Department of Defence and Strategic Studies, Quaid-i-Azam University

Dr Salma Malik argued that Pakistan's Afghanistan policy remains dominated by security and military logic, with insufficient ownership by civilian foreign-policy institutions. She pointed to India's continued flight connectivity with Afghanistan as an indication that regional competition for access and influence has not paused despite the political uncertainty around Kabul.

A more publicly articulated and broadly supported Afghanistan policy, she suggested, would be more durable than one driven by episodic security decisions. Pakistan should prioritise economic cooperation and follow the logic of placing disputes on the back burner where possible while continuing engagement in areas of mutual interest.

Hamid Sharif | Development finance expert and former ADB Country Director for China

Hamid Sharif described terrorism as the immediate crisis but cautioned against losing sight of the broader relationship. The TTP's ideological challenge to Pakistan's constitutional and Islamic order, he argued, could create a destabilising precedent for other regional states. Afghanistan's neighbours should therefore coordinate on the terrorism threat rather than treating it as a bilateral problem alone.

He argued that trade creates more durable leverage than coercion. Pakistan's tendency to carry out threats, such as cutting trade, has reduced their value as bargaining tools and encouraged Afghanistan to seek alternative partners and routes. He called for a reset in trade relations and warned that Pakistan is losing the international narrative when reports of civilian casualties overshadow its security concerns. Policy should distinguish the present authorities in Kabul from Pakistan's longer relationship with the Afghan people, including educational, cultural and social ties.

Policy Recommendations

The following recommendations synthesise recurring proposals and areas of broad convergence.

Immediate Priorities

1. **Create a written and verifiable counter-terrorism mechanism.** Move beyond verbal assurances by defining commitments, evidence-sharing procedures, benchmarks and a means of assessing compliance on cross-border militancy.
2. **Keep diplomatic channels active during security crises.** Sustain Track 1 contact and complement it with Track 1.5 and Track 2 engagement so that dialogue does not stop when formal relations deteriorate.
3. **Pursue a phased and risk-managed reopening of the border.** Protect essential trade, medical travel and humanitarian movement while retaining targeted security screening and the capacity to respond to specific threats.
4. **Establish reliable crisis communication.** Create a regular channel through which border incidents, strikes, alleged violations and urgent humanitarian cases can be raised before they trigger wider escalation.

Institutional and Economic Repair

5. **Restore technical border and customs cooperation.** Revive the work undertaken under Article 8 of the WTO Trade Facilitation Agreement and provide sustained policy backing for joint border management and the Integrated Transit Trade Management System.
6. **Bring chambers of commerce into the policy architecture.** Re-engage Afghan chambers, strengthen the Pakistan–Afghanistan Joint Chamber of Commerce and Industry, and ensure that business-to-business channels remain functional through political crises.

7. **Use regional and trilateral formats more deliberately.** Draw on China's Urumqi process, CAREC, Uzbekistan and other neighbouring states to facilitate dialogue, support connectivity and build regional ownership of counter-terrorism and trade outcomes.
8. **Develop financial incentives for continued engagement.** Explore a dedicated multilateral framework that protects existing investments, lowers the risk of regional projects and gives both sides a material stake in maintaining cooperation.

Longer-Term Strategic Direction

9. **Articulate a coherent and publicly supported Afghanistan policy.** Define Pakistan's objectives across security, trade, refugees, diplomacy and regional connectivity, with stronger ownership by civilian foreign-policy and economic institutions.
10. **Address domestic drivers of militancy.** Examine the local political and socioeconomic conditions that allow externally supported insurgencies to recruit, operate and endure, including the specific dynamics of Pashtun and Baloch border regions.
11. **Separate relations with the Afghan people from disputes with Kabul.** Preserve educational, cultural, medical, transport and community links so that government-level tensions do not harden into long-term hostility between the two societies.
12. **Strengthen the credibility of Pakistan's public narrative.** Explain the aims and legal rationale of security actions, acknowledge civilian harm concerns, and communicate how particular measures contribute to measurable counter-terrorism objectives.

Conclusion

The roundtable did not minimise the seriousness of the TTP threat. It did, however, challenge the assumption that security can be achieved by allowing the threat to define every aspect of Pakistan's relationship with Afghanistan. The present approach has produced pressure but little durable resolution, while the costs of closure are spreading across trade, humanitarian movement, border communities and Pakistan's regional connectivity ambitions.

A more workable policy would proceed on parallel tracks. Pakistan should seek written and verifiable action against cross-border militancy while preserving diplomacy, regulated trade, humanitarian access and contact between the two societies. Regional actors can facilitate this process and help create incentives, but they cannot replace consistent decisions in Islamabad and Kabul.

The immediate objective need not be a grand political reconciliation. A functional relationship, supported by crisis communication, predictable border management and a minimum economic agenda, would be a meaningful first step. Over time, that framework could reduce the space for coercive policy, rebuild institutional trust and prevent an unavoidable neighbourhood from becoming a permanent confrontation.