

LOGISTICS IN PAKISTAN **FORM ORIGIN TO DESTINATION** *Webinar Brief 99:2022*

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Pakistan Institute of Development Economics hosted a webinar titled " **Logistics in Pakistan: from origin to Destination**" in which Dr. Nadeem-Ul-Haque, Vice Chancellor PIDE, served as a moderator and speakers of webinar were: Mr. Ehsan Malik, CEO of Pakistan Business Council and Mr. Babar Badat, Former president FIATA. The major objectives of webinar were:

- What are logistics and what challenges logistics industry is facing?
- What are major problems in import and export of goods from origin to destination?

Major Challenges in Logistics Industry

- Pakistan logistics industry faces many challenges to make it a viable product to achieve the target. The logistics industry face five major challenges: climate Change, Environment, global supply chain, taxes and migration that are affecting the economy.
- In the 1960s, the state worked on agriculture and industries to prepare and upgrade development, but now there are water management issues and other issues to make the industry a good supply chain.
- They did a good job in the textile industry despite some limitations. Poor time management, lack of focus and area infrastructure are the reasons they could not produce good products and could not reach at the destination in timely fashion. It requires efficient logistics to produce cheaply and share cheaply, but the industry does not have a well-connected logistics industry.
- The logistics industry in Pakistan has to look forward to formulize and modernize the technology and digitalization's mechanism to meet with international standards.
- The United Nations introduces the TIR mechanism to recognized producers; facilitate cross-border goods and transportation. The TIR mechanism works very well which we have to adopt.
- The logistics industry does not have a containership. It is shipped as old blockers and tankers operated by PNCS which is not owned by the country. The government of Pakistan has to help them by building infrastructure instead of competing with the private sector.

Government Policies

- Government policies and regulations need to be reviewed and private sector assistance is needed to build shipping and railway infrastructure. Concrete measures need to be implemented after approval instead of delaying.
- Railways grew by 40-50% in the early 60's but today it is in deficit. The CPEC project is an investment of 60 billion and is undoubtedly very important, especially in terms of logistics.
- Nearly 53% of the carbon emissions are produced by heavy and medium trucks and Pakistan has yet to avail the emerging zero emissions technology.
- Due to lack of cold containers and poor handling mechanism vegetables and other things spoiled before reaching to the consumer.
- Road trade transportation increases cost and trucking mafias are controlling it by blocking roads time to time.
- Good news is that the some online traders started establish in g online platforms such as Uber. This platform promotes transparency in transportation and tracking online bookings.

Trade Policy

- Pakistan has got 75000 kilometers of water channels, Canals Rivers in comparison with Germany about 16000 water channels which they used for transportation cargo and passengers but Pakistan has not utilized the canals and rivers for transportation.

Private sector

- Nation needs to come together and build the logistics industry. The need of the hour is to engage private sector and invest on the right way forward.