

# REGIONAL TRADE & TRANSIT ROUTES FROM PAKISTAN TO CENTRAL ASIA & EUROPE



PAKISTAN REGIONAL ECONOMIC INTEGRATION ACTIVITY (PREIA)

March 2022

#### RESEARCH SCOPE

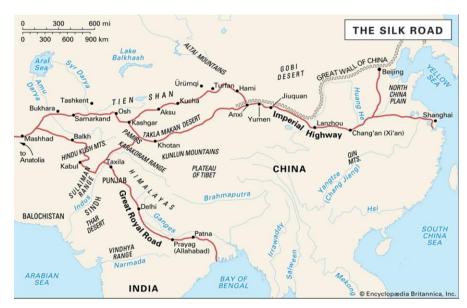
- Mapping of Land, Sea and Air routes from Pakistan to Afghanistan, each of the CARs and Europe (First Point of Entry)
- Modes of Transport
- Logistics and Land Transport Analysis
- Opportunities of Costs Reduction

#### I: HISTORICAL PERSPECTIVE

The Silk Route & Collapse of Soviet Union

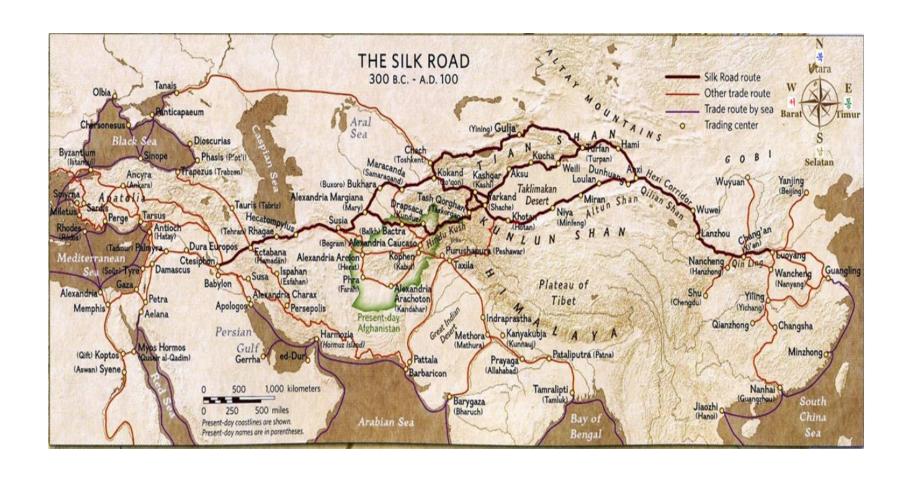
#### THE SILK ROUTE

- Ancient Silk route was a vast network of caravan trade routes connecting Asia with Mediterranean region from 2nd century B.C. till 14th century A.D.
- The need for better regional transport connectivity in Asia was realized after World War II, due to significant geopolitical changes.



The Network of Silk Route

#### THE SILK ROUTE



#### COLLAPSE OF SOVIET UNION (USSR)

Central Asia's trade connectivity
difficulties became more apparent after
independence from Soviet Union in
early 1990s, and five culturally and
ethnically diverse countries namely
Kazakhstan, Kyrgyzstan, Tajikistan,
Turkmenistan and Uzbekistan, emerged
that were facing political and economic
stabilization challenges coupled with
regional conflicts hindering trade routes.



**Post-Collapse of Soviet Union** 

 The once thriving regions along silk route transformed into landlocked regions cutoff from major maritime trade routes by national boundaries and difficult terrain

#### TRANSPORT NETWORK

- The Soviet transportation network was concentrated on Russia and other Soviet republics, while connections with the outside world were almost non-existent.
- Prolonged conflicts in the neighborhood, Afghanistan, and partly closed borders impaired individual economic regimes.



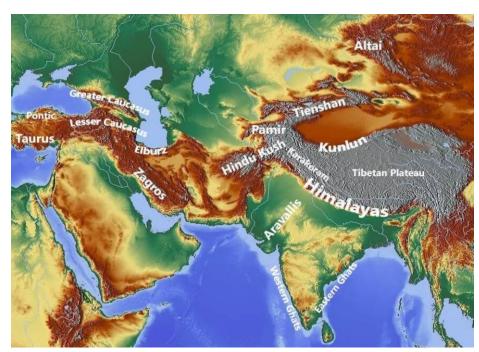
- Afghanistan has become entirely dependent upon Pakistan and Iran for access to sea routes and international markets whereas Tajikistan and Uzbekistan became doubly land locked and have to face multiple border crossings to access sea routes in south and west.
- Kazakhstan and Turkmenistan border the Caspian Sea, which is not an open sea. The region became one of the most remote and least economically integrated in the world.

## 2: CENTRAL ASIAN REPUBLICS | GEOGRAPHY

Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan & Turkmenistan

#### **GEOLOGICAL OBSTACLES**





Land locked

**Mountainous Ranges** 

# 3: PAKISTAN | REGIONAL TRADE & TRANSIT ROUTES

Objectives

#### **OBJECTIVES**

Pakistan's National logistics policy lists following as main objectives:

- Multimodal logistics will be strengthened to enhance domestic and international supply chain integration
- Intermodal terminals will be expanded to facilitate seamless integration of logistics via:

I. Road



2. Rail



3. Marine



4. Air



#### **OBJECTIVES**

These objectives lead to trade connectivity efforts and various trade corridors have been devised under these bilateral /multilateral agreements with Pakistan as a main link to seaports.

#### These corridors are:

- Asian Highway Network AHN Corridor
- Economic Cooperation Organization ECO Corridor
- The Central Asia Regional Economic Cooperation CAREC Corridor
- Quadrilateral Traffic in Transit Agreement QTTA Corridor
- Kyrgyzstan-Tajikistan-Afghanistan-Iran KTAI Corridor
- Islamabad (Pakistan)-Tehran (Iran)-Istanbul (Turkey) ITI Corridor
- Afghanistan-Pakistan Transit Trade Agreement (APTTA) Corridor
- China—Pakistan Economic Corridor (CPEC)

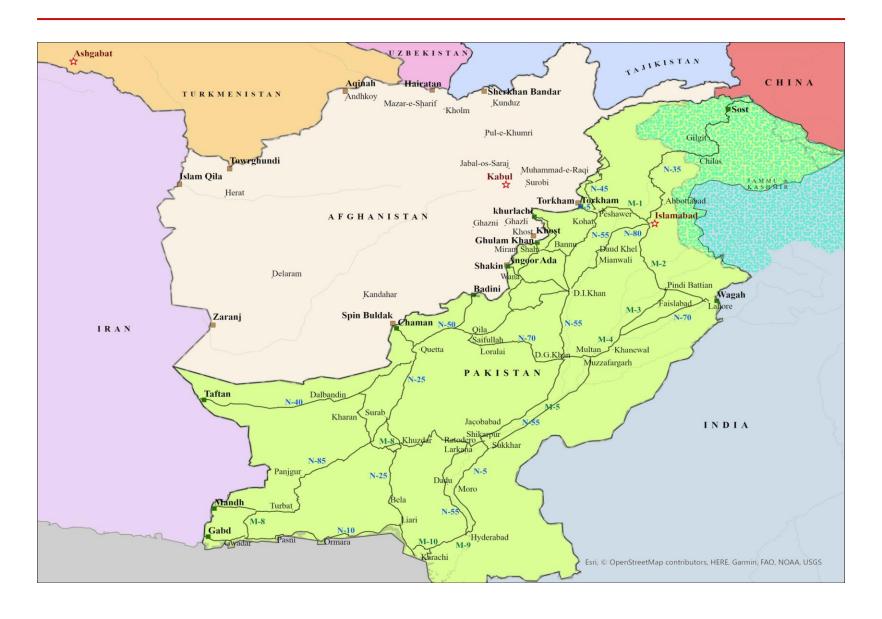
# 4: REGIONAL TRADE & TRANSIT ROUTES | MAPS

Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan and Europe

#### GEO-LOCATION ADVANTAGES

- Access to Arabian Sea (Coastline 990 KM)
  - Three International deep sea PORTS (Karachi, Qasim and Gwadar)
- Neighbors:
  - Northern: China
  - Western: Landlocked Afghanistan
  - South West: Iran
  - o Eastern: India
- Secondary Neighbors
- Apex south position providing easier access to Central Asian and neighboring countries and Turkmenistan, Tajikistan, Kyrgyzstan, Uzbekistan and Kazakhstan

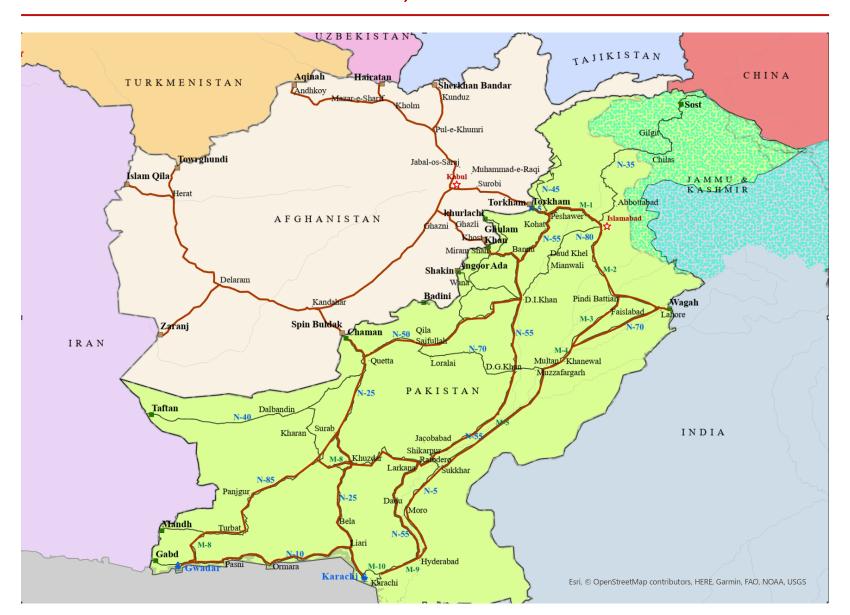
### MAP OF PAKISTAN BORDER CROSSING POINTS & HIGHWAY/ MOTORWAY NETWORK



### MAP OF ROAD ROUTES FROM PAKISTAN TO AFGHANISTAN



### MAP OF APTTA - (AFGHANISTAN PAKISTAN TRADE IN TRANSIT AGREEMENT)



### MAP OF CPEC - (CHINA PAKISTAN ECONOMIC CORRIDOR)



### MAP OF ROAD ROUTES FROM PAKISTAN TO TAJIKISTAN



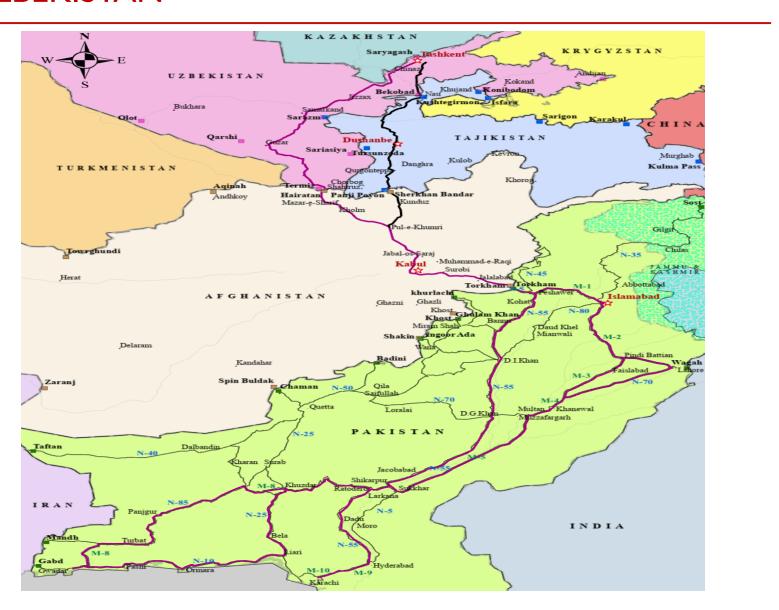
### MAP OF ROAD ROUTES FROM PAKISTAN TO KYRGYZSTAN



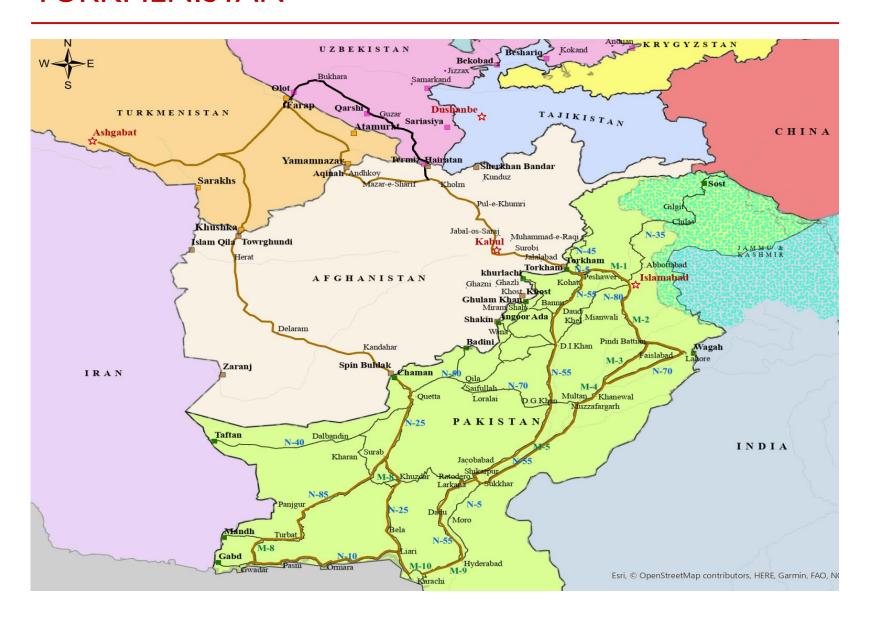
### MAP OF ROAD ROUTES FROM PAKISTAN TO KAZAKHSTAN



### MAP OF ROAD ROUTES FROM PAKISTAN TO UZBEKISTAN



### MAP OF ROAD ROUTES FROM PAKISTAN TO TURKMENISTAN



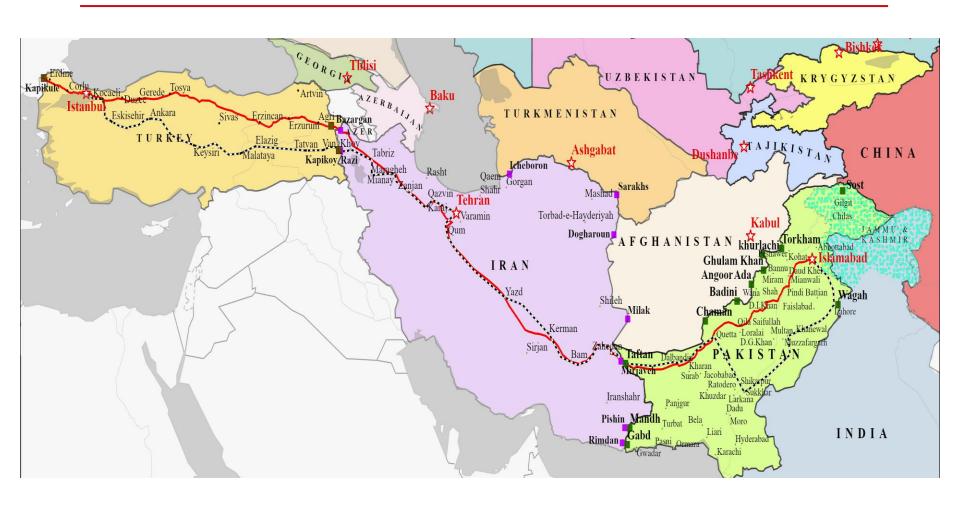
#### MAP OF ROAD ROUTES FROM PAKISTAN TO RUSSIA



### MAP OF QTTA (QUADRILATERAL TRADE IN TRANSIT AGREEMENT)



#### MAP OF ITI- ISLAMABAD, TEHRAN & ISLAMABAD



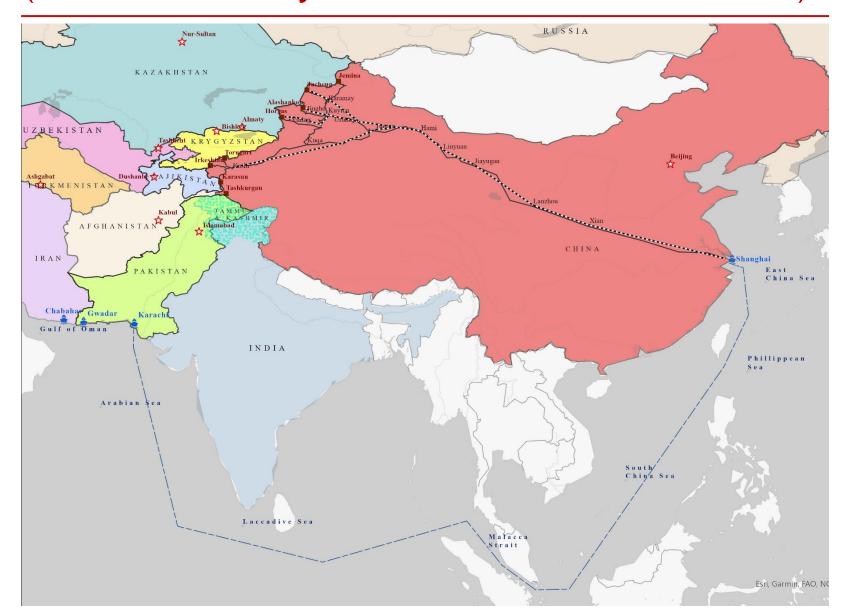
#### MAP OF LAPIS LAZULLI ROAD CORRIDOR



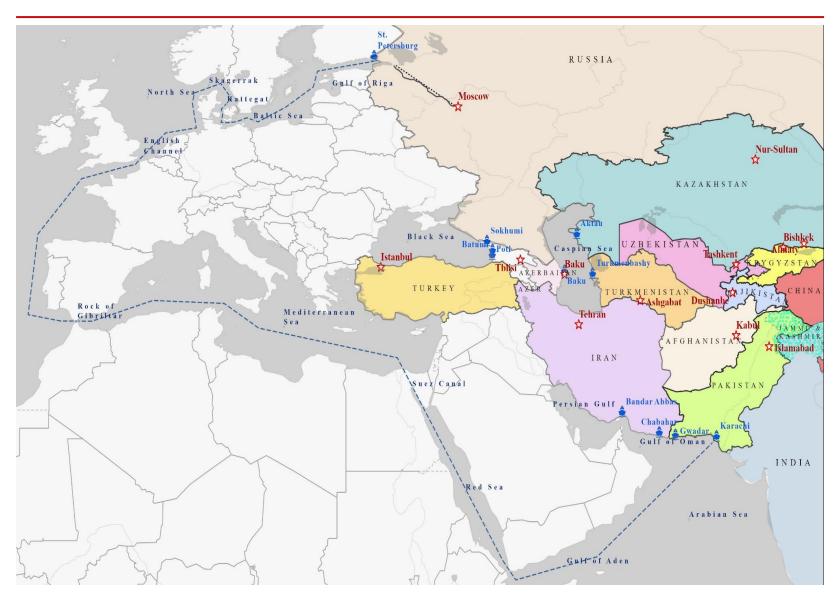
### MAP OF KTAI ROAD CORRIDOR (KYRGYZSTAN, TAJIKISTAN, AFGHANISTAN & IRAN)



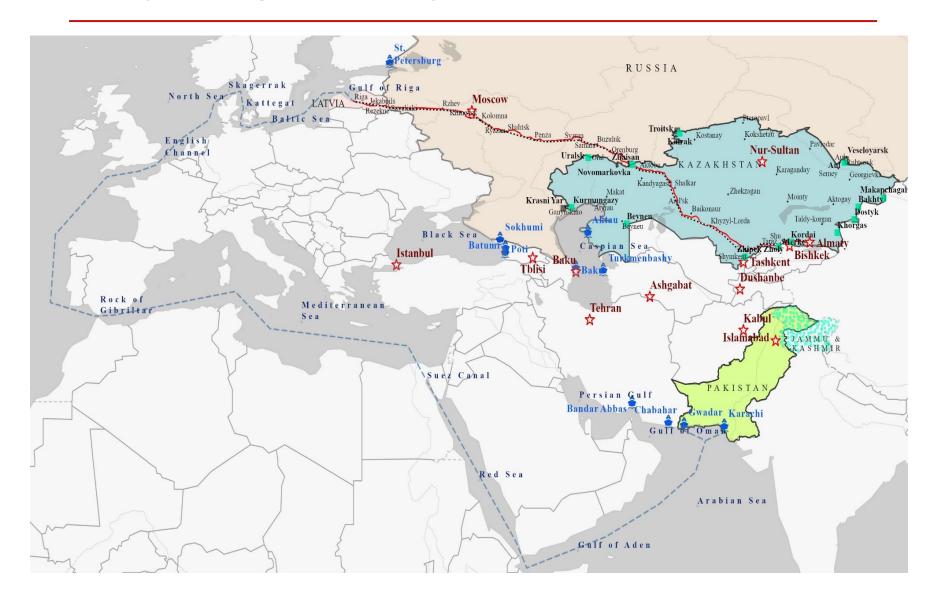
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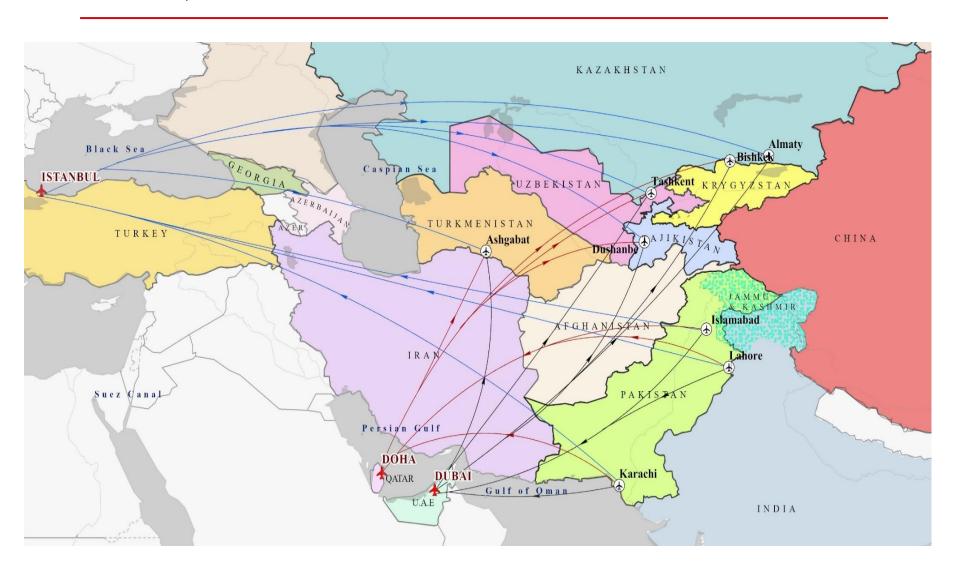
### MAP OF MULTI-MODAL ROUTE FROM PAKISTAN TO MOSCOW, RUS



### MAP OF MULTI-MODAL ROUTE FROM PAKISTAN TO KAZAKHSTAN



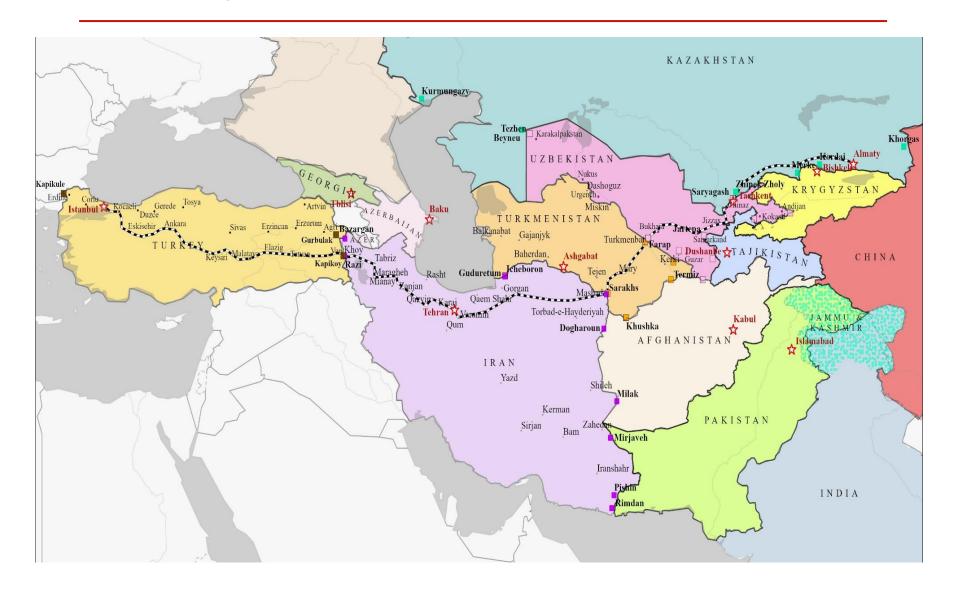
### MAP OF AIR ROUTES: HUB BASED CONNECTIONS DUBAI, DOHA & ISTANBUL



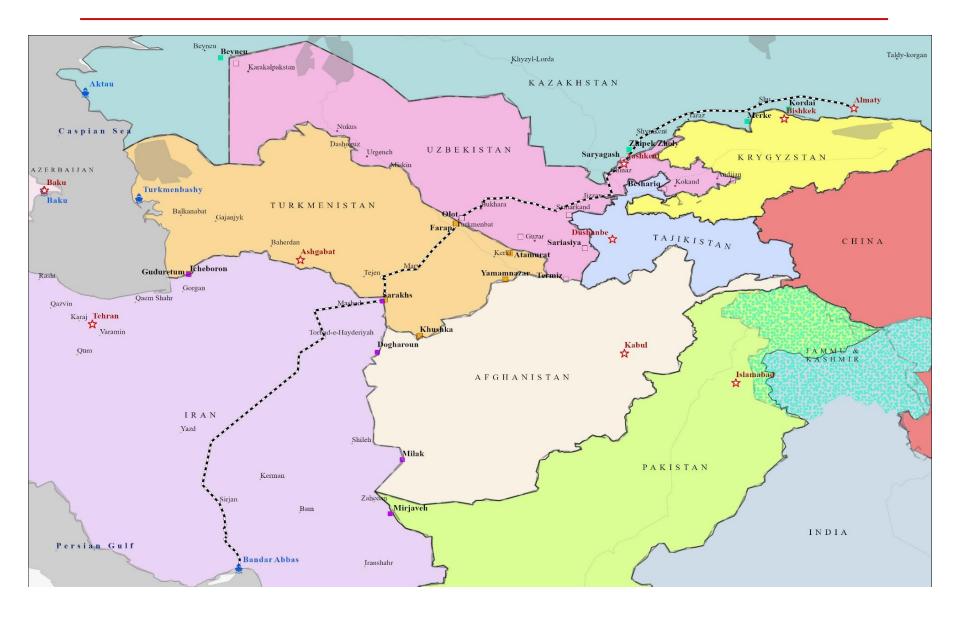
#### MAP OF RAIL NETWORK IN CENTRAL ASIA



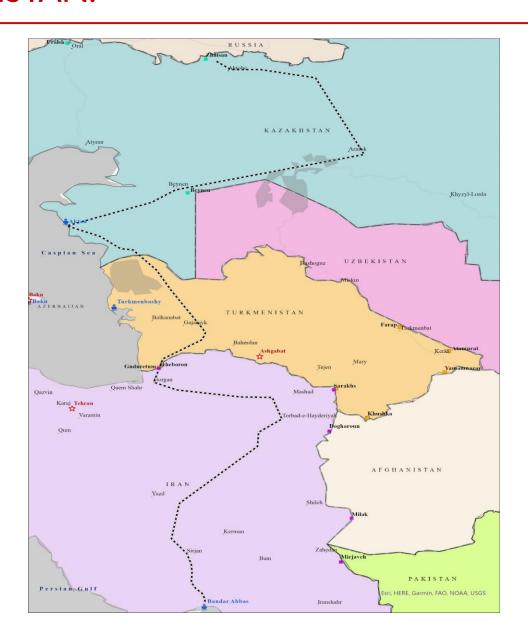
### MAP OF RAIL CORRIDOR FROM TURKEY TO KAZAKHSTAN



### MAP OF RAIL CORRIDOR FROM IRAN TO KAZAKHSTAN



### MAP OF RAIL CORRIDOR FROM IRAN TO KAZAKHSTAN:



## TRANSIT ROUTES TO AFGHANISTAN, CARS AND EUROPE

| Pakistan<br>(Karachi Port)<br>to | Routes in Use  | Shortest Route   | Preferred Route  |  |  |
|----------------------------------|--|--|--|--|--|
| Afghanistan<br>(Kabul)           | Via i-Torkham= <b>1,692 km</b><br>ii-Chaman= <b>1,406 km</b><br>lii-Ghulam Khan= <b>1,644 km</b> | Via Chaman<br>I,406 km   | Via i-Torkham = <b>1,692 km</b><br>Ii- Chaman = <b>1,406km</b> |  |  |
| Tajikistan<br>(Dushanbe)         | Torkham-Shirkhan Bandar-Dushanbe = <b>2,250 km</b>   | Ghulam khan-Khost-Kabul = 2,190 km                             | Via PRC Sost-Kulma pass-Dushanbe = 2,597 km                    |  |  |
| Krygystan                        | (1b)Khi-Torkham-Sherkhan Bander-<br>Dushanbe-Isfara-Osh-Bishkek=<br><b>3,571 km</b>              | Karachi-Khunjarab-Torugart-<br>Naryn-Bishkek = <b>2,535 km</b> | Karachi-Khunjarab-Torugart-Naryn-<br>Bishkek= <b>2,535 km</b>  |  |  |

## TRANSIT ROUTES TO AFGHANISTAN, CARS AND EUROPE

| Pakistan<br>(Karachi Port)<br>to | Routes in Use   | Shortest Route  | Preferred Route   |  |  |
|----------------------------------|---|---|---|--|--|
| Kazakhstan<br>(Almaty)           | Khi-Torkham-Sher khan Bander-<br>Isfara-Lugovoye-Bishkek-Almaty=<br><b>3,725 km</b> | Karachi-Khunjarab-Torugart-<br>Korday-Almaty= <b>2,916 km</b> | Karachi-Khunjarab-Torugart-<br>Korday-Almaty= <b>2,916 km</b> |  |  |
| Uzbekistan                       | Karachi-Torkham-Hairatan-Termez-  | Karachi-Torkham-Hairatan-                                     | Karachi-Torkham-Hairatan-                                     |  |  |
| (Tashkent)                       | Tashkent = <b>2,763 km</b>  | Termez-Tashkent = <b>2,763 km</b>                             | Termez-Tashkent = <b>2,763 km</b>                             |  |  |
| Turkmenistan                     | Gawadar-Chaman-Torgundi-  | Gawadar-Chaman-Torgondi-                                      | Karachi/Gawadar-Chaman-                                       |  |  |
| (Ashgabat)                       | Khushka-Ashgabat = <b>2,412 km</b>  | Ashgabat = <b>2,423 km</b>                                    | Torgundi-Khushka-Ashgabat = 2,235 km/2,412 km                 |  |  |

## TRANSIT ROUTES TO AFGHANISTAN, CARS AND EUROPE

| Pakistan<br>(Karachi Port)<br>to | Routes in Use   | Shortest Route                | Preferred Route                   |
|----------------------------------|---|-------------------------------|-----------------------------------|
| Russia<br>(Moscow)               | i- Via Prc-Krg-Kaz = <b>5,462 km</b><br>Ii- Via Iran-Aze = <b>3,45 l km</b> | Via Iran-Aze = <b>3,451km</b> | Via Prc-Krg-Kaz = <b>5,462 km</b> |
| Turkey<br>(Istanbul)             | Via Iran= <b>5,202 km</b>   | Via Iran= <b>5,202 km</b>     | Via Iran= <b>5,202 km</b>         |

## 5: ROUTES TO CENTRAL ASIAN REPUBLICS & EUROPE

**Trade Access** 

## TRANSIT | TRADE ACCESS FROM PAKISTAN TO AFGHANISTAN

- Pakistan can access Afghanistan from three designated BCPs through APTTA (2010) for Transit Trade
  - I. Torkham
  - 2. Chaman
  - 3. Ghulam Khan
- Border Crossing Points for Bilateral Trade
  - Angoor Adda
  - 2. Kharlachi
  - 3. Badini

One Belt One Road once enabled; Pakistan will have uninterrupted access to the Central Asian Markets, opening new avenues of trade opportunities in the region.

## TRANSIT | TRADE ACCESS FROM PAKISTAN TO CARS

- Pakistan can access CARS markets under QTTA agreement via China to Kyrgyzstan and Kazakhstan
- Connecting:
  - Karachi and Gwadar sea ports to China:
  - Central Asian Markets get access to Sea Ports of Gwadar and Karachi.
- Alternate to routes via Afghanistan. The Drawback, this route is presently suited for summer months.
- Tajikistan and Uzbekistan desire to join QTTA.

## TRANSIT | TRADE ACCESS FROM PAKISTAN TO EUROPE

 Pakistan access to Turkey and to Europe under ITI ROAD/ RAIL and ROAD corridor via Taftan BCP to Istanbul

### Connecting:

- Russia access via Kazakhstan
- Russia viaAzerbaijan



## 6: ROUTES TO CENTRAL ASIAN REPUBLICS & EUROPE

Rail Mode

### TRADE & TRANSIT ROUTES | RAIL

- Limited Freight Trains
- Freight Movement Beyond mid Country is Restricted: Dual lines (Up and Down) on the main line is from Karachi to Lahore. Afterwards it is single line up to Peshawar.
- Severe Shortages of Locomotives; has been in steady declin,e in 2006 (544) to 100 in 2014.



- Freight Train avg. speed: In the year 2014-2015 avg. speed of freight trains was 19.3 km/hr. India 25-28KM/hr and EU/Japan/USA/,the avg. 45KM/hr.
  - Loop Lines on stations for train crossings are shorter only 30-35 wagons can be are carried.
- PR has no Cold storage Containers:

### 7: LOGISTIC POSITIONING

Pakistan

### REGIONAL RAILROAD | NETWORK & USAGE

Pakistan's exports over the decades have mainly relied on European, Middle Eastern and North American markets i.e it relied on Air and Sea based logistics services.

- Pakistani trade over land in regional, transit and bilateral terms remained mostly centric to Pakistan-Afghanistan,
- This operational landscape made Pakistan's transport system domestically centered and a highly conservative
- Pakistan's land transport and logistics is not ready to take advantage;
   will be under pressure to keep up with regional players

### REGIONAL RAILROAD | NETWORK & USAGE

| Regional Rail Network |              |           |              |               |         |         |
|-----------------------|--------------|-----------|--------------|---------------|---------|---------|
| Country               | Railroad(km) | 2018      | 2017         | 2016          | 2015    | 2014    |
| Pakistan              | 7,791        | 8,080     | 5,031        | 4,774         | 3301    | 1090    |
| Afghanistan           | 100          | -         | -            | -             | -       | -       |
| Tajikistan            | 620          | -         | 165          | 228           | 317     | 391     |
| Kyrgyzstan            | 424          |           | 935          | 807           | 918     | 1010    |
| Turkey                | 10,315       | 12058     | -            | 10,773        | 9,618   | 11,145  |
| Turkmenistan          | 7,680        | -         | 13,327       | 13,000        | 13,025  | 11,992  |
| Uzbekistan            | 4,642        | -         | 22,940       | 22,937        | 22,935  | 22,932  |
| Kazakhstan            | 16,061       |           | 206,258      | 188,159       | 189,759 | 216,524 |
| Source : World        | Bank:tonne-  | kilometre | or tkm: Ltkr | m = 1.000  kg | km      |         |

### MAJOR FINDINGS

- Very limited no transporters for CARS; fragmented transportation modes from Pakistan.
- Volume of trade with CARS goes unrecorded in Pakistan.
- Remittance Issues with Afghanistan and CARs; Limited Banking Channels
- Major Delays and Cost at Sea Ports(Shipping LINES) and BCPs. (Delays)
- Regional countries supply chain is coming in direct competition with Pakistan.
- Pakistan's logistics and land transport is not geared up to take advantage of Geo-Positioning.
- Transit trade is shifting to other alternates.

### Costs | Exporting to CARs from Pakistan

Exports via Torkham BCP | Pakistan Originating (Lahore, Islamabad and Sialkot)

| Land Route                           |  | Land Route  |                                      | In CARs  |   | l otal   |   | Total                       |  |  |
|--------------------------------------|--|---|--------------------------------------|--|---|--|---|-----------------------------|--|--|
| Within<br>Pakistan<br>Costs<br>(USD) | Avg.<br>Days   | Transit Via<br>Afghanistan<br>Costs (USD)   | Avg.<br>Days                         | Cost<br>In<br>CARS   | Avg.<br>Days  | BCP<br>Days  | Total<br>Days   | Total<br>Costs<br>USD       |  |  |
| an                                   |  |   |                                      |  |   |  |   |                             |  |  |
| 850                                  | 3  | n/a   | ı                                    | n/a  | n/a   | n/a  | 4   | 850                         |  |  |
| 1100                                 | 3  | n/a   | 1                                    | n/a  | n/a   | n/a  | 4   | 1,100                       |  |  |
| 1500                                 | 3  | n/a   | 1                                    | n/a  | n/a   | n/a  | 4   | 1,500                       |  |  |
| n                                    |  |   |                                      |  |   |  |   | ,                           |  |  |
| 850                                  | 3  | 700   | 4                                    | 250  | 1   | n/a  | 8   | 1,800                       |  |  |
| 1100                                 | 3  | 1150  | 4                                    | 300  | I   | n/a  | 8   | 2,550                       |  |  |
| 1500                                 | 3  | 1650  | 4                                    | 400  | I   | n/a  | 8   | 3,550                       |  |  |
| an                                   |  |   |                                      |  |   |  |   |                             |  |  |
| 850                                  | 3  | 700   | 4                                    | 700  | 3   | n/a  | 10  | 2,250                       |  |  |
| 1100                                 | 3  | 1150  | 4                                    | 900  | 3   | n/a  | 10  | 3,150                       |  |  |
| 1500                                 | 3  | 1650  | 4                                    | 1400   | 3   | n/a  | 10  | 4,550                       |  |  |
| ı                                    |  |   |                                      |  |   |  |   |                             |  |  |
| 850                                  | 3  | 700   | 4                                    | 1100   | 4   | n/a  | П   | 2,650                       |  |  |
| 1100                                 | 3  | 1150  | 4                                    | 1600   | 4   | n/a  | П   | 3,850                       |  |  |
| 1500                                 | 3  | 1650  | 4                                    | 2100   | 4   | n/a  | П   | 5,250                       |  |  |
| 1                                    |  |   |                                      |  |   |  |   |                             |  |  |
| 850                                  | 3  | 700   | 4                                    | 1000   | 4   | n/a  | П   | 2,550                       |  |  |
| 1100                                 | 3  | 1150  | 4                                    | 1600   | 4   | n/a  | П   | 3,950                       |  |  |
| 1500                                 | 3  | 1650  | 4                                    | 2200   | 4   | n/a  | П   | 5,350                       |  |  |
|                                      | Within Pakistan Costs (USD) an  850 1100 1500 n  850 1100 1500 an  850 1100 1500 | Within Pakistan Costs (USD) an 850 3 1100 3 1500 3 | Within Pakistan Costs (USD)  an  850 | Within Pakistan Costs (USD)         Avg. Afghanistan Costs (USD)         Days Costs (USD)           850         3         n/a         1           1100         3         n/a         1           1500         3         n/a         1           1500         3         700         4           1100         3         1150         4           1500         3         1650         4           850         3         700         4           1100         3         1150         4           1500         3         1650         4           850         3         700         4           1100         3         1150         4           1500         3         1650         4 | Within Pakistan Costs (USD)         Avg. Afghanistan Costs (USD)         Avg. Days         Cost In CARS           850         3         n/a         1         n/a           1100         3         n/a         1         n/a           1500         3         n/a         1         n/a           1500         3         700         4         250           1100         3         1150         4         300           1500         3         1650         4         400           an         850         3         700         4         700           1100         3         1150         4         900           1500         3         1650         4         1400           850         3         700         4         1600           1100         3         1150         4         1600           1500         3         1650         4         1000           850         3         700         4         1000           1100         3         1650         4         1600 | Within Pakistan Costs (USD)         Avg. Afghanistan Costs (USD)         Avg. Days In CARS         Avg. Days In CARS         Avg. Days In CARS           850         3         n/a         1         n/a         n/a           1100         3         n/a         1         n/a         n/a           1500         3         n/a         1         n/a         n/a           850         3         700         4         250         1           1100         3         1150         4         300         1           1500         3         1650         4         400         1           1100         3         1150         4         900         3           1500         3         1650         4         1400         3           1500         3         1650         4         1400         3           1500         3         1650         4         1600         4           1100         3         1150         4         1600         4           1100         3         1150         4         1600         4           1100         3         1650         4         1000         4 | Within Pakistan Costs (USD)         Avg. (USD)         Transit Via Afghanistan Costs (USD)         Avg. (USD)         Cost In Days CARS         Avg. Days         BCP Days           850         3         n/a         I         n/a         n/ | Within Pakistan Costs (USD) |  |  |

### Costs | Exporting to CARs from Pakistan

Exports via Chaman BCP | Pakistan Originating (Lahore, Islamabad and Sialkot)

|                 | Land Route                           |              | Land Route                                   |              | In CARs            |              |               |                       |
|-----------------|--------------------------------------|--------------|--|--------------|--------------------|--------------|---------------|-----------------------|
| Destination     | Within<br>Pakistan<br>Costs<br>(USD) | Avg.<br>Days | Transit Via<br>Afghanistan<br>Costs<br>(USD) | Avg.<br>Days | Cost<br>In<br>CARS | Avg.<br>Days | Total<br>Days | Total<br>Costs<br>USD |
| Qandhar, Afghan | istan                                |              |  |              |                    |              |               |                       |
| 20 ft.          | 625                                  | 4            | n/a^   | n/a          | n/a                | n/a          | 4             | 625                   |
| 40 ft.          | 825                                  | 4            | n/a  | n/a          | n/a                | n/a          | 4             | 825                   |
| 40 ft. Reefer   | 1100                                 | 4            | n/a  | n/a          | n/a                | n/a          | 4             | 1,100                 |
| Ashgabat, Turkn | nenistan                             |              |  |              |                    |              | ı             | ı                     |
| 20 ft.          | 625                                  | 4            | 700  | 3            | 600                | 2            | 9             | 1,925                 |
| 40 ft.          | 825                                  | 4            | 1150   | 3            | 750                | 2            | 9             | 2,725                 |
| 40ft. Reefer    | 825                                  | 4            | 1650   | 3            | 100                | 2            | 9             | 3,575                 |

### Costs | Transit to CARs via Pakistan

#### Summary Costs | Transit to Afghanistan and CARs via Pakistan

|               | Europe(Origin)    |         | Pakistan<br>Sea-Port to BCP |          | Afghanistan<br>Entry BCP - E | IN C     | IN CARS |      | Totals |       |
|---------------|-------------------|---------|-----------------------------|----------|------------------------------|----------|---------|------|--------|-------|
|               | Sea Route         |         | oca i oit to D              | <u> </u> |                              | nd Route |         |      |        |       |
| Destination   | Sea Freight       | Days    | Transit Via                 | Avg.     | Transit Via                  | Avg.     | Cost    | Avg. | Days   | Cost  |
|               | Avg.<br>Cost(USD) | Avg.    | Pakistan<br>Costs(USD)      | Days     | Afghanistan<br>Costs (USD)   | Days     | USD     | Days |        | USD   |
| Afghanistan   | via Torkham       | BCP+    |                             |          |                              |          |         |      |        |       |
| 20 ft.        | 2,130             | 32      | 2,500                       | 4        | n/a^                         | n/a      | n/a     | n/a  | 37     | 4,630 |
| 40 ft.        | 2,700             | 32      | 3,000                       | 4        | n/a                          | n/a      | n/a     | n/a  | 37     | 5,700 |
| 40 ft. Reefer | 4,925             | 32      | 4,500                       | 4        | n/a                          | n/a      | n/a     | n.a  | 37     | 9,425 |
| Afghanistan   | via Chaman B      | SCP+    |                             |          |                              |          |         |      |        |       |
| 20 ft.        | 2,130             | 32      | 1800                        | 3        | n/a                          | n/a      | n/a     | n/a  | 36     | 2,930 |
| 40 ft.        | 2,700             | 32      | 2500                        | 3        | n/a                          | n/a      | n/a     | n/a  | 36     | 5,200 |
| 40 ft. Reefer | 4,925             | 32      | 3500                        | 3        | n/a                          | n/a      | n/a     | n/a  | 36     | 8,425 |
| Afghanistan   | to CARs as A      | fghan E | xports ( via Sh             | er Khar  | n Bander)                    |          |         |      |        |       |
| Dushanbe, T   |                   |         |                             |          |                              |          |         |      |        |       |
| 20ft.         | 2,130             | 32★     | 2500                        | 5        | 700                          | n/a      | n/a     | n/a  | n/a    | 5,330 |
| 40ft.         | 2,700             | 32      | 3000                        | 5        | 1150                         | 3        | 250     | 1    | 41     | 7,10  |
| 40ft.         | 4,925             | 32      | 4500                        | 5        | 1650                         | 3        | 400     | T    | 41     | 9,55  |
| Reefer        |                   |         |                             |          |                              |          |         |      |        |       |
| Bishkek, Kyr  | rgyzstan          |         |                             |          |                              |          |         |      |        |       |
| 20ft.         | 2,130             | 32      | 2500                        | 5        | 700                          | n/a      | n/a     | n/a  | n/a    | 5,33  |
| 40ft.         | 2.700             | 32      | 3000                        | 5        | 1150                         | 3        | 1600    | 4    | 43     | 8,45  |
| 40ft. Reefer  | 4.925             | 32      | 4500                        | 5        | 1650                         | 3        | 2200    | 4    | 43     | 13,27 |
| Almaty, Kaz   |                   |         | .555                        |          |                              |          |         |      |        | 15,21 |
| 20 ft.        | 2.130             | 32      | 2500                        | 5        | 700                          | n/a      | n/a     | n/a  | n/a    | 5,330 |
| 40 ft.        | 2,700             | 32      | 3000                        | 5        | 1150                         | 3        | 1600    | 4    | 43     | 8,450 |
| 40ft. Reefer  | 4,925             | 32      | 4500                        | 5        | 1650                         | 3        | 2200    | 4    | 43     | 13,27 |
| Tashkent, U   | zbekistan         |         |                             |          |                              |          |         |      |        |       |
| 20 ft.        | 2,130             | 32      | 2500                        | 5        | 700                          | n/a      | n/a     | n/a  | n/a    | 5,330 |
| 40 ft.        | 2,700             | 32      | 3000                        | 5        | 1150                         | 3        | 900     | 2    | 41     | 7,750 |
| 40ft. Reefer  | 4,925             | 32      | 4500                        | 5        | 1650                         | 3        | 1400    | 2    | 41     | 13,47 |
| Ashgabat, T   | urkmenistan       |         |                             |          |                              |          |         |      |        |       |
| 20 ft         | 2,130             | 32      | 1800                        | 3        | n/a                          | 3        | n/a     | 3    | n/a    | 3.93  |
| 40 ft.        | 2,700             | 32      | 2500                        | 3        | 1000                         | 3        | 1200    | 3    | 41     | 7,40  |
| 40ft. Reefer  | 4,925             | 32      | 3500                        | 3        | 1500                         | 3        | 1600    | 3    | 41     | 11,52 |

### 8: RECOMMENDATIONS

Pakistan's Trade & Logistics

## RECOMMENDATIONS | WIDER REGIONAL INTEGRATION

- Pakistan's road, rail access to CARs and onwards to Europe relies on performance of routes transiting through immediate neighbors.
- Pakistan's regional trade and transport targets can be achieved only
  with close regional cooperation in policy making, resolving conflicts, and
  timely completion of existing infrastructure projects.
- Commitment to satisfactory implementation of projects e.g ML-I,TIR, BCP modernization, and Axel Load and long term maintenance is vital for Pakistan's regional integration.

## RECOMMENDATIONS | EUROPE ACCESS IS BEST ACTIVATED VIA ITI

- A multi model rail/road corridor; ITI corridor is Pakistan's door to Europe. The route passes through logistically well developed countries.
   Coupled with QTTA, door to Europe from Kazakhstan opens as well.
- Europe is being accessed via sea already; increased shipping cost can be optimized in time and costs with the use multi model rail/road routes.

## RECOMMENDATIONS | ROUTES – CONNECTING EAST AND WEST

- Routes along Baluchistan need special attention: Need to repair and upgrade all routes and develop related infrastructure in Baluchistan; is vital for bringing life to CPEC, QTTA, ITI; establishing Pakistan's transit hub and 'Gateway to Central Asia 'claim a reality.
- Fringe benefit- Local Economy:
  - Activation of these corridors for can lower trade costs and enhance trade competitiveness, opening new possibilities for bilateral trade, job creation and welfare generation for local population.

### RECOMMENDATIONS | COST CUTTING

- Regional countries around Pakistan are developing logistically at a very fast pace; each focusing on becoming a regional trade/transit hub.
- Pakistan's quest to remain competitive in regional space requires addressal to reputation as a costly transit country.

Following cost cutting measures need consideration:

### RECOMMENDATIONS | SHIPPING LINES

- **Shipping Lines**: Documentation charges must be rationalized to be at par with regional ports.
- DO carries an insurance guarantee; on top of that security deposits (USD 4000 for Gen Cargo, USD 15000 for Ref. cargo) be evaluated and rationalized based on risks involved in Afghanistan.
- Upon Empty Container Return: 3 to 4 days is spent on EIR report; An online application be considered to file report
- Excessive Delays in Refunds; Shipping lines delays of 3 weeks for security deposit refunds coupled with security deposits is a key cost driver.

### RECOMMENDATIONS | CUSTOMS CLEARANCE

- Customs examinations need scanning and physical checks; cargo requiring examination gets 3+ days added to avg. release time. There must be SLA (Service Level Agreement) with Terminal Operators; they should be accountable for the process delays.
- Assessment of transit cargo by customs (for Insurance valuation) be made simple and automated based on HSCODE to speed up clearance and minimize human intervention.

## RECOMMENDATIONS | EN-ROUTE AND BORDER CROSSING DELAYS

- Transit cargo is Insured and carried on a bonded carrier from Sea-Port to BCP;
  - There needs to be fast lane process for seal inspection and removal of tracker at BCPs; all should be a time bound process having audit process built Into the WeBOC system.

### RECOMMENDATIONS | GOVERNANCE ISSUES-VERTICAL WORKING IS COUNTERPRODUCTIVE-BUILD BRIDGES

- All government and private stakeholders need to draft policies an implement procedures so that duplication of procedures is avoided, reports are shared and each other's' jurisdiction is respected.
- Logistics is a cross stake holder policy issue; At present handled by six different ministries:

## RECOMMENDATIONS | LOGISTICS CENTERS at BCPS

- Facilities for trade exhibitions at BCPs,
- Model like Khorgos in Kazakhstan be considered for Implementation.

# RECOMMENDATIONS | INEFFICIENT TRUCKS OPERATIONS / OBSOLETE FLEET/ UNSKILLED DRIVERS

- Register all border crossing trucks, national or foreign separately
- Discourage under power, non-standard trucks and set a time limit. Use standard and get Pakistani trucks into other countries.
- Financing products to aid up new truck fleets.
- Truckers proper training institution; not a simple driving license issuance

## RECOMMENDATIONS | IMPLEMENT TIR FROM BOTTOM UP

- Transport policy Approvals & Implementation; Only then Pakistan can leverage on OBOR, CPEC, CAREC and ITI.
- TIR be modeled as catalyst for change.
- Reduce cost for TIR; be used as a mode to create pool of trained drivers and standard vehicles.
- TIR can best be started in perishables sector.

## RECOMMENDATIONS | CONSOLIDATED DYNAMIC WEB RESOURCE FOR AFGHANISTAN and CARS

- Updated logistics, Trade, Routes, etc. info be made available ONLINE
  - Process at BCPs, Documentations, and Costs
  - Route and Issues
  - Transporters to CARs
  - Alternate Routes

### **THANK YOU**