Revisiting Economic Landscape of Pakistan

NTC Lecture Series Initiative

Report

Trade Facilitation in Pakistan: Shipping and Logistics Sector

National Tariff Commission

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Trade Facilitation in Pakistan: Shipping and Logistics Sector

1. Background

With the overarching objective of reassessing the economic landscape of Pakistan, the National Tariff Commission (NTC) has initiated a comprehensive strategy to foster a deep understanding of the economy and trade in the context of recent global and regional developments. This strategy involves an in-depth analysis of crucial trade and economic issues. It aims to provide a set of guidelines to policymakers based on deliberations with eminent speakers and experts.

In this context, the Commission has devised a plan to identify and invite distinguished scholars, prominent speakers, subject specialists, and practitioners for lectures on various aspects of trade and the economy. Consequently, the concept of organizing the "NTC Lecture Series" as a knowledge-sharing network was conceived.

Primarily, the objective of this initiative was to augment the NTC team's understanding of trade and tariff-related matters while enhancing their knowledge-based skills. Recognizing the significance of the overall concept, the Commission acknowledged the necessity to expand the scope of these lectures in the form of subsequent reports based on mixed-method research. The aim is not only to sensitize policymakers and stakeholders but also to provide benefits to general readers including student and business community.

This effort entails the regular organization of lectures that explore topics related to trade, tariffs, and other areas that are directly or indirectly associated with and complementing the functions of the NTC. In this context, an inaugural lecture titled "Measuring the Amount of Tariff Protection and Cost of Tariff Protection" was held on November 07, 2023, at the NTC Secretariat in Islamabad. The lecture was conducted by an eminent Trade Economist of the country.

2. Introduction

The shipping and logistics sector share a close connection and remain integral to the fabric of Trade and Commerce. According to Pakistan's National Freight and Logistics Policy document, fostering economic growth and trade necessitates an integrated, seamless, efficient, reliable, and cost-effective freight transport and logistics network. This involves leveraging cutting-edge technology, streamlined processes, and a skilled workforce.

The Ministry of Commerce has championed the Logistics Export Strategy, recognizing it as a priority export sector within the Strategic Trade Policy Framework (STPF). The objective is to bring tangible benefits to the country's economy and create substantial employment opportunities. The Logistics Export Strategy 2023-2027 for Pakistan delineates the envisioned path for the industry's development, meticulously crafted through an extensive consultative process involving both public and private sector stakeholders.

To further support the domestic industry, the National Tariff Commission (NTC) administers trade remedy laws i.e. Anti-dumping, Countervailing, and Safeguard Measures. The NTC conducts on-the-spot investigations to ensure fair trade opportunities for the concerned trade and industry. Among various factors influencing trade dynamics, the cost associated with shipping and logistics emerges as a pivotal component. It consistently contributes to determining key factors such as the landed cost (CIF value) of the material and the overall cost involved in the production and marketing processes for local industries.

Following the positive reception of the first lecture, the second lecture titled "Trade Facilitation in Pakistan: Shipping and Logistics Sector" was conducted on November 17, 2023, at the NTC Secretariat in Islamabad. Mr. Muhammad Rajpar, Vice-Chairman of the Pakistan National Committee of the ICC, delivered the lecture. The proceedings of the lecture constitutes the fifth segment of the report.

With the broader objective in mind, the primary goal of the lecture was to deepen the understanding of the NTC technical team, sensitize policymakers, and raise awareness among stakeholders and the general public about the latest developments at the international and national levels. The keynote speaker provided a comprehensive overview of the subject from both global and regional perspectives, identified bottlenecks and constraints, and proposed policy guidelines for relevant organizations and the private sector.

The report's main objectives encompass:

- examining the role of shipping and logistic sectors in international trade and economic growth;
- identifying global shipping and logistics disparities: developed v/s developing countries;
- studying the logistics performance index (LPI) as a benchmark for port efficiencies and comparing LPI in Pakistan with competing trade partners;
- assessing and comparing the development of Pakistan's shipping and logistics sector with trading partners.
- identifying bottlenecks in the shipping and logistics sector;
- Identifying the role that NTC can play to strenthen this sector; and
- proposing action and policy guidelines to enhance the performance of existing ports in Pakistan.

3. Literature Review

Part 3.A: Shipping and Logistics sector as a catalyst of International Trade and Economic Growth

The global shipping and logistics sector is a crucial facilitator of international trade and economic growth, enabling the seamless movement of goods worldwide. As the global economy evolves, this sector undergoes significant transformations, optimizing supply chains through the adoption of digital technologies, cleaner fuels, energy-efficient methods, alternative transport modes, and advanced tools such as data analytics, artificial intelligence (AI), and blockchain. The global shipping and logistics sector benefit from the thriving e-commerce industry, improved high-speed network connectivity, and a growing demand for efficient services due to increased online purchases. These innovations not only reduce transportation costs but also enhance trade connectivity, contributing significantly to global economic prosperity (Grzelakowski, et al., 2022).

According to Ashley (2023), the global shipping and logistics sector reached USD 7.98 trillion in 2022 and is expected to grow to USD 18.23 trillion by 2030. This sector is projected to make a significant contribution to the extent of 10.7% of the global GDP, underscoring its importance in fostering economic growth and job creation on a global scale. Improved trade connectivity, facilitated through infrastructure development and logistics networks, boosts global trade by 5% to 10% (Dördüncü, 2021). The growing significance of e-commerce is driving demand for logistics services, with the global e-commerce logistics market projected to reach USD 404.84 billion by 2027 (Technavio, 2022). Streamlined customs procedures and trade facilitation measures further promote trade growth by reducing border crossing times by 50% (World Bank, 2023).

Part 3.B: Global Shipping Disparities: Infrastructure, Labour, and Technical Differences in Developed vs. Developing Countries like Pakistan

The global shipping and logistics sector highlight sig-

nificant variations between developed and developing countries, influencing infrastructure, workforce expertise, and operational efficiency. In developed countries, the presence of advanced infrastructure and a skilled labour force foster efficient logistics networks, leading to decreased transportation costs and expedited delivery times. This stands in stark contrast to the challenges faced by developing countries like Pakistan, grappling with infrastructure bottlenecks and a shortage of skilled labour, hindering the overall efficiency of their logistics networks.

These disparities are substantiated by World Bank indicators for 2023, which illustrate the considerable gap between developed and developing countries. In developed countries, road infrastructure stands at 83.5%, contrasting with 36.5% in developing countries. Similarly, the contrast in rail density is stark, with developed countries boasting 4.9 kilometres per 1,000 square kilometres, while developing countries lag at 2.0 kilometres. Moreover, the average container handling capacity of ports in developed countries was estimated at 4.2 million TEUs per year, compared to 2.1 million TEUs per year in developing countries in 2022. Beyond infrastructure, World Bank indicators for 2021, reflect a big difference in education levels between developed and developing countries. In developed countries, 43% of people are in higher education as compared with only 18% in developing countries. This educational gap adds to the disparities in the logistics sector as well.

The pronounced shortage of logistics skilled workers in both developed and developing countries, noted by Benayoune et al. (2021), adds another layer to the challenges faced by the sector. This shortage is particularly significant when considering the efficiency gap, as highlighted by the World Bank's 2022 data. The average time release index for imports stands at 5.2 days in developed countries and 9.2 days in developing countries.

Addressing these gaps becomes imperative, especially for developing countries. The Asian Development Bank (2017) emphasizes the need for a substantial annual investment of USD 2.5 trillion in infrastructure. Simultaneously, meeting the demands of the 4th Industrial Revolution in these countries necessitates a parallel investment in skills development, as highlighted by the United Nations Conference on Trade and Development (UNCTD) in 2022.

Noureen and Mahmood (2022) stress the urgency of significant investments in logistics infrastructure, including roads, railways, and ports, to effectively meet the escalating demands of international trade in context of Pakistan. To bridge these disparities, strategic measures such as streamlining customs procedures, reducing bureaucratic hurdles, and implementing modern trade facilitation measures are crucial. Embracing digital technologies like electronic data interchange (EDI), blockchain, and artificial intelligence (AI) would thus be required as integral factors of the strategy to enhance transparency, visibility, and effectiveness of logistics operations.

Simultaneously, investing in training and education programs targeted at developing a skilled workforce in logistics management, supply chain operations, and freight forwarding becomes essential. This comprehensive approach, as emphasized by Rocha, et al., (2020), not only addresses immediate challenges but also positions the sector to compete more effectively in the dynamic landscape of global shipping and logistics.

Notably, investments in infrastructure, skills development, and technology adoption can empower developing countries to enhance their logistics performance. Recognizing these variations lead us to explore specific measures, such as the Logistics Performance Index, to better grasp the complexities of global logistics efficiency.

Part 3.C: Shipping and Logistics Sector of Pakistan

Pakistan, a developing country heavily dependent on imports and exports, occupies a strategic location at

the crossroads of Asia, establishing itself as a crucial hub for international trade. Within this context, the shipping and logistics sector assumes a pivotal role, linking the country to global markets, facilitating the import of raw materials, the export of finished products, and seamless participation in international supply chains. As Rocha, et al., (2020) have outlined, this sector contributes over 10% to Pakistan's GDP.

Furthermore, the shipping and logistics sector plays a vital role in fostering essential connectivity between Pakistan and its neighbouring countries, thereby promoting regional trade and cooperation. Notably, Pakistan's seaports manage over 90% of the country's trade volume. The heightened competitiveness highlighted by Rocha, et al., (2020) suggests potential outcomes such as increased exports, improved market access, and a boost in economic growth for the country.

Recognizing the significance of efficient movement of goods across borders for international trade, it becomes imperative for Pakistan to address these challenges. The high logistics costs, as identified by Noureen and Mahmood (2022), present an opportunity for improvement. Investing in efficient and cost-effective logistics services has the potential to significantly reduce trade costs, enhancing the competitiveness of Pakistani products in the global market. As Pakistan navigates these challenges, optimizing its shipping and logistics sector can lead to a more interconnected, competitive, and economically vibrant future for the country.

The far-reaching impact of the shipping and logistics sector on economic growth extends to job creation, productivity enhancement, and attraction of foreign investment. According to the Labour Force Survey of Pakistan (2017-18), this sector employs over 2 million people directly and indirectly. However, despite these positive aspects, there are challenges like delays and higher costs, which need to be addressed to further improve the performance of this sector. Noureen and Mahmood (2022) reveal that Pakistan's logistics costs are among the highest in the region, accounting for over 20% of the value of traded goods.

These quantifiable contributions highlight the crucial role of the global shipping and logistics sector in driving the international trade and economic prosperity of Pakistan.

Part 3.D: Logistic Performance Index

The Logistics Performance Index (LPI) is a benchmarking tool developed by the World Bank that assesses the efficiency and effectiveness of a country's logistics and supply chain management. It provides a comprehensive overview of the logistics performance of a country based on the perceptions of logistics professionals, including freight forwarders, shipping companies, and customs brokers. The LPI is based on a survey that evaluates the performance of various dimensions related to trade and transport logistics. Each of the dimensions is briefly described below:

1. ***Customs Clearance Process:*** This dimension assesses the efficiency, speed, and simplicity of customs clearance procedures. It includes factors such as the speed of customs processing, document requirements, and the use of electronic documentation.
2. ***Quality of Trade and Transport Infrastructure:*** Infrastructure quality evaluates the adequacy and modernity of a country's transportation infrastructure, including ports, roads, railroads, and information technology. A well-developed infrastructure is crucial for the smooth flow of goods.
3. ***Ease of Arranging Shipments:*** This dimension measures the ease with which shipments can be arranged, considering factors such as the quality of logistics services, the availability of information on shipping routes, and the ease of booking shipments.
4. ***Competence and Quality of Logistics Services:*** This dimension assesses the competence and quality of logistics services, including the per-

formance of logistics service providers, the reliability of services, and the ability to track and trace shipments.

5. ***Tracking and Tracing:*** The ability to track and trace shipments in real-time is essential for supply chain visibility. This dimension evaluates the effectiveness of tracking and tracing systems in place, contributing to better control and management of shipments.
6. ***Timeliness of Shipments in reaching Destination:*** Timeliness measures the reliability and punctuality of shipments, including the frequency of delays and the overall speed of delivery. Timely shipments are critical for meeting customer demand and reducing inventory costs.

Part 3.E: Role of Shipping and Logistics Sector in International Trade

When it comes to the international trade, the shipping and logistics sector is crucial as it facilitates the movement of goods between countries. A well-functioning logistics sector can enhance a country's competitiveness by reducing transaction costs, improving the reliability of supply chains, and boosting overall trade efficiency. Here's how improvements in the shipping and logistics sector can contribute to the competitiveness and trade of an economy:

- ***Cost Reduction:*** Efficient logistics can lead to cost reductions in transportation, warehousing, and customs clearance, making exports more competitive and attractive to international buyers.
- ***Time Efficiency:*** Streamlined logistics processes result in faster delivery times, reducing lead times for imports and exports. This can be a significant competitive advantage in global markets.
- ***Reliability:*** A reliable logistics network ensures that shipments arrive on time and in good condition. This reliability is crucial for building trust with trading partners and attracting foreign investment.
- ***Trade Facilitation:*** Improved logistics infrastructure and procedures make it easier for businesses to engage in international trade. This, in turn, can attract foreign investors and foster economic growth.
- ***Global Value Chains:*** A well-connected logistics network allows countries to integrate into global value chains, where different stages of production are spread across multiple countries. This can lead to increased specialization and efficiency.

Countries that invest in and improve their shipping and logistics performance often experience positive economic outcomes. For example, Singapore, known for its world-class logistics infrastructure consistently ranks high in the LPI. Its strategic location, modern ports, and efficient customs procedures contribute to its competitiveness in global trade. Germany, with its efficient logistics network emphasis on quality and reliability, is a key player in international trade. Its well-developed transport infrastructure and strong logistics services contribute to its competitiveness. Similarly, Netherlands is another example with a strong logistics sector. Its advanced transportation infrastructure, including major ports and efficient customs procedures, has made it a gateway for goods entering and leaving Europe.

Part 3.F: What Policymakers can learn from LPI?

The policymakers can use the LPI to identify areas of strength and weakness in their country's logistics and supply chain infrastructure. It can help guide policy decisions and investments to improve transportation, customs procedures, and overall trade facilitation. Countries with higher LPI scores are generally better positioned to attract and support international trade, which can contribute to economic growth (World Bank, 2023). Therefore, the LPI can be used by policymakers in the following ways:

- ***Targeted Interventions:*** Armed with LPI data, policymakers can implement targeted interven-

tions to address specific challenges in customs clearance, infrastructure, logistics services, or other areas. This may involve investing in infrastructure development, streamlining customs procedures, or enhancing the capabilities of logistics service providers.

- ***Benchmarking Against Peers:*** The LPI allows countries to benchmark their performance against that of peers and competitors. This comparative analysis can highlight areas where a country lags behind and provide insights into best practices adopted by high-performing nations.
- ***Monitoring Progress Over Time:*** As the LPI is updated regularly, countries can use it to monitor their progress over time. Continuous improvement efforts can be tracked, and the impact of policy interventions can be assessed through changes in LPI scores.
- ***Attracting Foreign Investment:*** A high LPI score signals to the international business community that a country has efficient logistics and is a favorable destination for investment. This can attract foreign companies and investors, fostering economic growth.
- ***Policy Formulation:*** The LPI results can inform the formulation of policies aimed at improving logistics performance. For example, if customs clearance is identified as a bottleneck, policymakers can focus on streamlining customs procedures.

Part 3.G: Pakistan's Performance in the LPI since 2007

The World Bank's LPI helps countries assess trade challenges and improve performance. Table 1 shows a consistent decline in Pakistan's LPI rankings from 2007 to 2018, indicating an overall deterioration in logistics performance. A closer look at the six dimensions of the LPI provides additional insights into each aspect of the index.

- ***Customs Performance:*** Pakistan's customs performance worsened notably in 2010 and 2018, attributed to inefficient government efforts in streamlining procedures and reducing red tape.
- ***Infrastructure Performance:*** Infrastructure performance in Pakistan rapidly declined in 2010, later showing a little improvement but ultimately worsening beyond 2010 levels. This trend is driven by increasing infrastructure needs and challenges in maintenance and expansion.
- ***Ease of Arranging Competitively Priced Shipments:*** Pakistan's capability to secure competitively priced international logistics services remained stable until 2016 but sharply declined in 2018, with the ranking falling from 66 to 97 within two years. This significant fluctuation indicates a lack of substantial improvements and notable setbacks in this aspect.

Table 1: Pakistan's Performance in Logistic Performance Index Since 2007

Year	Overall LPI	Customs	Infrastructure	International shipments	Logistics Quality and Competence	Tracking and tracing	Timeliness
2007	68/150	69	71	65	63	76	90
2010	110/155	134	120	66	120	93	110
2012	71/155	46	71	68	72	90	83
2014	72/160	58	69	56	75	86	123
2016	68/160	71	69	66	68	67	58
2018	122/160	139	121	97	89	136	136

Source: Logistics Performance Index Reports, World Bank.

- ***Competence and Quality of Logistics Services:*** Logistics services quality in Pakistan fluctuated, with a decline in 2010, subsequent improvements, and a substantial drop in 2018.
- ***Tracking and Tracing:*** Tracking goods in Pakistan has notably worsened, signaling setbacks in monitoring and providing real-time information, particularly in 2018.
- ***Timeliness:*** On-time arrivals and delivery predictability in Pakistan pose challenges, indicating a need to prioritize efforts for enhancing the reliability and timeliness of logistics services.

In summary, the data in Table 1 indicates a continuous decline in Pakistan's LPI, posing a significant challenge. Despite government efforts in customs and infrastructure, ongoing work is needed to improve logistics capabilities. Further enhancements are expected, but additional efforts are crucial to meet infrastructure requirements.

Part 3.H: Comparative Analysis of Pakistan's LPI with Regionally Competitive Countries

In comparing Pakistan's LPI performance with Bangladesh, India, Indonesia and Vietnam, Table 2 analyzes how Pakistan ranks relative to these countries. The comparison includes overall rankings and rankings in each dimension of the index.

- ***Overall Performance:*** Pakistan's overall LPI ranking declined significantly between 2007 and 2018, falling from 68th to 122nd. Bangladesh saw a similar decline, moving from 87th to 100th. India's ranking dropped slightly, from 39th in 2007 to 44th in 2018. Similarly, Indonesia's ranking dropped slightly, from 43rd to 46th. The only country whose overall ranking has improved is Vietnam, from 53rd in 2007 to 39th in 2018.
- ***Customs:*** India's customs performance improved, moving from 47th in 2007 to 40th in 2018. Pakistan saw a drastic decline from 69th

Table 2: Comparison of Pakistan's Performance in LPI with Regionally Competitive Countries

Country	Overall LPI	Customs	Infrastructure	International shipments	Logistics Quality and Competence	Tracking and tracing	Timeliness
			Logistic Performance Index's Ranking in 2007 Total number of countries 150				
Bangladesh	87	125	82	96	103	88	54
India	39	47	42	40	31	46	47
Indonesia	43	44	45	44	50	33	58
Pakistan	68	69	71	65	63	76	90
Vietnam	53	37	60	47	56	53	65
			Logistic Performance Index's Ranking in 2018 Total number of countries 160				
Bangladesh	100	121	100	104	102	79	107
India	44	40	52	44	42	38	52
Indonesia	46	62	54	42	44	39	41
Pakistan	122	139	121	97	89	136	136
Vietnam	39	41	47	49	33	34	40

Source: Logistics Performance Index Reports, World Bank.

to 139th, while Bangladesh's customs performance remained relatively stable. In this dimesnion, Vietnam'e ranking too hasdeteriorated somewhat.

- ***Infrastructure:*** India which was leading in this dimension in 2007 has performed poorly in this dimesion. Indonesia saw some deterioration, Pakistan experienced a significant decline, and Bangladesh's performance declined over time as well.
- ***International Shipments:*** India and Bangladesh witnessed slight declines in international shipments performance. Pakistan's performance has drastically deteriorated, while Vietnam consistently excels in this dimension among the selected countries.
- ***Logistics Services:*** India's logistics services declined from 31st in 2007 to 42nd in 2018. Pakistan witnessed a significant deterioration, moving from 63rd to 89th. Bangladesh's performance remained stable, and Vietnam once again consistently ranked the highest among the countries in the same period.
- ***Tracking and Tracing:*** India's tracking and tracing performance gradually improved from 46th in 2007 to 38th in 2018. Pakistan's performance declines from 76th to 136th, while Bangladesh showed some improvement. Vietnam, as ususal, consistently led in this area too.
- ***Timeliness:*** India's timeliness performance showed some decline, remaining a challenging area. Pakistan's timeliness performance declined, and Bangladesh's performance drastically droped. Vietnam consistently performed the best in timeliness.

While all five countries experienced changes in their LPI rankings between 2007 and 2018, the trends varied significantly. Pakistan and Bangladesh faced major declines, primarily due to their struggles in the Efficiency and Infrastructure dimensions. India and Indonesia saw a relatively stable ranking with some slight improvements. Only Vietnam achieved remarkable progress, with substantial improvements across most dimensions, particularly Infrastructure and Market Access.

These contrasting trends highlight the importance of tailored policy interventions to address specific challenges and leverage strengths in each country. Pakistan and Bangladesh need to prioritize improvements in Efficiency and Infrastructure to improve their logistics performance and competitiveness. India, despite its relatively stable ranking, can further enhance its performance by focusing on Market Access and Timeliness. Indonesia and Vietnam can continue their upward trajectory by strengthening their remaining dimensions, particularly Timeliness and Tracking and Tracing.

4. Methodology

The initial observation revealed a limitation in the depth of information provided on the subject matter. Recognizing this research gap, it became evident that further investigation is needed to enhance the depth and comprehensiveness of the analysis. To address this need, a deliberate decision was made to embark on an extensive review of relevant literature and conduct additional research. This strategic approach was deemed necessary to gather a more comprehensive understanding of the intricacies within the shipping and logistics sector, enabling a more thorough and insightful analysis.

The methodology employed in this research adopts a mixed-methods approach, incorporating both primary and secondary data sources to ensure a thorough and well-rounded analysis. Primary data is gathered from lecture information, while secondary data is sourced from the World Bank's Logistics Performance Index (LPI) as well as from port sources. This combination allows for a comprehensive national and regional assessment. The primary goal is to evaluate Pakistan's performance in the LPI over time and compare it with selected competing countries.

The study utilizes this information to closely examine the present condition of Pakistan's ports, specifically focusing on the shipping and logistics sector. By leveraging insights from the LPI and supplementary data, the research aims to provide valuable recommendations for enhancing the nation's trade. The principal objective is to contribute to the improvement of Pakistan's shipping and logistics capabilities, fostering a more competitive position in international trade.

5. Key Findings from Primary and Secondary Data/ Information

Part 5.A: Overview of Pakistan Seaports

Ports in Pakistan play a very crucial role in the country's economy and almost all of Pakistan's international trade transits through these ports not only employ tens of thousands of people but also facilitate allied services. These services include shipping, stevedoring, terminal operations, clearing and forwarding, handling, transportation, bunkering, repair and maintenance, warehousing, etc.

In FY23, Pakistani ports have shown a considerable decreasing trend in cargo handling at both KPT and PQA due to political instability and consequent economic meltdown culminating in austerity measures and import compression (Idrees, 2018).

5.A.1 Karachi Port Trust (KPT)

Presently, KPT comprises 33 berths and three container terminals namely Karachi International Container Terminal (KICT), Karachi Gateway Terminal Limited (KGTL), and South Asia Port Terminal Limited (SAPTL). The number of ships handled by KPT in FY23 was 1637, showing a decline from the 1,831 ships, handled in FY22 (Karachi Port Trust, 2023).

Table 3 data reveals a notable decline in the handling of dry bulk cargo (-16.4%) and containers (-12.7%) by KPT in FY23 compared to FY22. Liquid bulk cargo also experienced a decrease, with a percentage change of -31.72%.

Since KPT was facing operational losses, its tariff was drastically increased w.e.f. 12th April 2023 to make up for lower revenues amidst rising costs.

Pakistan and China have signed a framework agreement for investment in the Karachi Coastal Comprehensive Development Zone project, spreading over 687 hectares with the estimated cost of around $3.1 billion under CPEC. The agreement involves the Karachi Port Trust (KPT) and the China Road and Bridge Corporation (CRBC). The scope of the project includes Karachi's new industrial city, external connection roads, breakwaters and coastal bridges, cruise terminals, seawater desalination plants, and environmental improvement works (Idrees, 2018).

5.A.2 Port Qasim Authority

PQA comprises two berths and fifteen terminals, including the Qasim International Container Terminal (QICT). In FY23, the number of vessels handled by PQA was 1492, a decrease from the 1691 vessels in FY22 (Port Qasim Authority, 2023).

Table 4 data indicates a substantial decline in PQA's handling of dry bulk cargo (-4.23%), liquid cargo (-16.5%), and container cargo (-23.55%) in FY23 compared to the previous year. In FY23, the

Table 3: Karachi Port Trust(KPT)

KPT	FY 2022	FY 2023	% change
Dry Bulk	36.64 MT	30.63 MT	-16.4
Liquid Bulk	15.07 MT	10.29 MT	-31.72
Containers	2.21 TEUS	1.93 TEUS	-12.7

Note: MT = Metric Tonnes, FY = Financial Year and TEU = Twenty Equivalent Unit

import of coal in Pakistan's cargo mix decreased, with PQA handling 122 coal vessels (carrying 6.64 million tons), compared to 248 coal vessels (carrying 13.236 million tons) in FY22. It is worth noting that KPT has been prohibited from handling coal since August 2018, following a Sindh High Court order to avoid environmental hazards.

Table 4: Port Qasim Authority

KPT	FY 2022	FY 2023	% change
Dry Bulk	18.556 MT	11.091MT	-40.23
Liquid Bulk	21.014 MT	17.541 MT	-16.5
Containers	1.282 TEUs	0.98 TEUs	-23.55

Note: MT = Metric Tonnes, FY = Financial Year and TEU = Twenty Equivalent Unit

According to the PQA's Annual Report 2022-23, in FY23, the handling of imported regasified liquefied natural gas (RLNG) at PQA decreased, with 107 LNG vessels handled, compared to 125 vessels in FY22. Notably, due to the ongoing energy crisis, Pakistan has resorted to importing Russian oil for the first time, securing it at a discounted rate amidst ongoing Western sanctions following Russia's invasion of Ukraine.

PQA plans to construct two new LNG terminals, a new oil terminal, and two additional multipurpose berths. Additionally, to accommodate larger vessels, PQA aims to enhance its current channel draught from 13m to 14m. Further, PQA is actively working on deepening its channel draft and widening its navigational channel to enable the docking of deep draft ships. For the implementation of this development plan, DP World has reportedly offered its support (Port Qasim Authority, 2023).

5.A.3 Gwadar Port Authority (GPA)

Table 5 indicates a comprehensive insight into the performance of various terminals operated by the Gwadar Port Authority. The FAP Grain & Fertilizer Terminal, operational since 2010 with a designed capacity of 4.0 million tons, handled 48 ships in FY23, showcasing operational efficiency and substantial capacity utilization. The EETPL LNG Terminal, operational since 2015 with a designed capacity of 4.5 million tons, demonstrated effective performance by handling 4.497 million tons in FY23. Similarly, the PIBT Coal Clinker & Cement Terminal, operation-

Table 5: Gawadar Port Authority

Terminal	Berth/ Terminals	Annual Design Capacity (million tons)	Annual Throughput FY23	No. of Ships Handled in FY23	Cost (US$ Million)	Year Of Operation
FAP Grain & Fertilizer Terminal	1	4.0	2.66	48	135	2010
EETPL LNG Terminal	1	4.5	4.497	74	120	2015
PIBT Coal Clinker & Cement Terminal	1	8.0	4.997	89	285	2017
1320 MW PQEPC Coal Terminal	1	4	1.470	29	2085	2017
PGPCL LNG Terminal	1	4.5	2.045	33	135	2017
MW 3&4 Coal Terminal (HFP&S)	1	4	0.173	4	138	2017

al since 2017 with an annual capacity of 8.0 million tons, processed 4.997 million tons in FY23, indicating notable operational efficiency.

Despite a high cost of US$ 2.085 billion, the 1320 MW PQEPC Coal Terminal, operational since 2017, exhibited efficiency by handling 1.470 million tons in FY23. Similarly, the PGPCL LNG Terminal, operational since 2017 with a capacity of 4.5 million tons, showcased operational efficiency by handling 2.045 million tons in FY23. Lastly, the MW 3&4 Coal Terminal (HFP&S), which became operational in 2017 with a design capacity of 4.0 million tons, processed 0.173 million tons in FY23, reflecting some operational activity. In summary, table 5 provides a comprehensive snapshot of each terminal's performance, highlighting their operational efficiency and the extent to which their designed capacities were utilized during FY23.

Despite being called a "crown jewel," Gwadar is not fully operational even after almost twenty years. The Government of Baluchistan and the Federal Government need to work out a comprehensive arrangement to ensure uninterrupted and smooth development work to achieve shared targets set out by China and Pakistan under the CPEC initiative.

Further, trade in Gwadar is slow due to poor marketing and inadequate infrastructure. Gwadar lacks essential resources like power, gas, and water, and needs better road, rail, internet, and cellular connectivity. Even if these issues are addressed, trade won't improve without additional roads and rail connections beyond Gwadar. The opening of the new Gwadar International Airport has been delayed by another year, now expected to be completed in March 2024.

Part 5.B: Comparative Analysis of Ports

To initiate a comparison of PQA with other ports, it is essential to first examine the operational efficiency of the existing facilities within Port Qasim. The recent data from terminals indicates that Port Qasim is operating at a utilization rate of 4.325% to 99.3% with these additional facilities (Port Qasim Authority, 2023).

PQA's annual throughput capacity is 76 million tons. In FY23, PQA handled 28.632 million tons which equates to 37.67% capacity utilization, whereas the total throughput/total containers capacity is 2 million TEUs out of which 0.98 million TEUs were handled in FY23, representing 49% capacity utilization (Port Qasim Authority, 2023).

While comparing Pakistani port's efficiency with Bangladesh and Sri Lanka, it appears that the port of Chittagong also experienced a decline in container traffic during the recently concluded fiscal year FY23 compared to the previous year. Despite this decrease, the port maintained its impressive three-million TEUs status, handling 3 million TEUs by the end of FY23. In contrast, during CY22, the Port of Colombo substantially managed 6.82 million TEUs, surpassing the combined throughput of Port Qasim and KPT.

Furthermore, in FY23, Chittagong Port successfully managed a total of 118.96 million tons of general cargo. In comparison, during the calendar year 2022, the Port of Colombo handled a significant volume of 31.772 million tons of general cargo. This suggests that the Port of Colombo predominantly deals with containerized cargo traffic rather than bulk and liquid cargo.

These figures provide clear insights into Port Qasim's performance relative to the other two ports. While the addition of new terminals has contributed to Port Qasim's revenue, strategic planning is now crucial to establish itself as a significant player in the industry. Expanding port facilities is undoubtedly essential for future development. However, it is equally important for Port Qasim to ensure that these additional facilities help improve port operation reasonably well (Port Qasim Authority, 2023). Furthermore, recent insights from Ahmed (2022) shed light on the challenges and opportunities within Pakistan's logistics sector, as documented by The World Bank.

Box 1: Role of the National Tariff Commission in Enhancing Trade

The National Tariff Commission (NTC) holds a pivotal role in enhancing the efficiency and streamlining of trade through tariff rationalization. The cost to 'make and sell component' of the investigations on dumping issues, wherein, shipping and logistics cost include 4 percent to 5 percent in normal course of action, although serves as a visible indicator, the delays in shipments due to poor port efficiency leads to disrturbance of economic cycle of the firms. NTC may take various measures, to help logistics business.

Primarily, the NTC can concentrate on simplifying and increasing transparency in tariffs, working to reduce complexities in customs procedures and facilitating smoother clearance processes for both imported and exported goods. Aligning Pakistan's tariff structures with international standards is imperative, fostering consistency with major trading partners.

Swift resolution of trade disputes concerning tariffs is essential for fostering a stable trade environment. The NTC can establish effective mechanisms for dispute resolution, providing clarity and certainty for businesses engaged in international trade. Moreover, fostering collaboration with shipping and logistics providers is crucial to enhancing coordination and efficiency in cargo handling, transportation, and delivery.

Through close collaboration with industry stakeholders, the NTC can play a vital role in optimizing port operations and reducing turnaround times for vessels, thereby facilitating smoother trade flows. Additionally, providing advisory services to the logistics industry on best practices, regulatory compliance, and measures to enhance competitiveness is another area where the NTC can add significant value.

Through these strategic initiatives, the NTC can make substantial contributions to the development of a conducive environment for trade, supporting economic growth and improving the efficiency of shipping and logistics processes.

6. Overview and Comparative Analysis of Pakistan Seaports with Neighbouring Competitors (Chabahar, Dubai, and Colombo Seaports)

Part 6.A: Gwadar Port and Chabahar Port: Relationship and Implications

The initial observation highlighted a limitation in the Pakistan, endowed with abundant natural resources and strategically positioned, is often lauded for its geographical advantages. However, despite boasting a 1000 km coastline and two fully operational ports, the country has yet to fully harness these benefits due to the absence of innovative policy reforms. Critical elements such as automated customs clearance processes, real-time port monitoring, simplified paperwork, and the adoption of user-friendly digital platforms are lacking.

According to the Ministry of Maritime Affairs (2023), Gwadar Port stands as a crucial element of the China-Pakistan Economic Corridor (CPEC), having significant geo-economic importance. Currently, under the management of China Overseas Ports Holding Company (COPHC), Gwadar features three multipurpose berths and handled 26 vessels in FY23, down from 39 vessels in FY22. Despite being touted as a deep-water port, the current draft is 12.5 meters, below the designed 14.5 meters, which presently is less than KPT/PQA. Nevertheless, the government has allocated Rs. 4.6 billion to restore the original depth of the navigational channel, with approximately 40% of the work reportedly completed.

The relationship between Gwadar Port in Pakistan and Chabahar Port in Iran, being neighbouring ports, is influenced by geographical proximity, economic interests, and geopolitical dynamics (Punjab Board of Investment and Trade).

6.A.1 Geographical Proximity

- Gwadar and Chabahar Ports are situated nearby, with Gwadar located in Pakistan's Baluchistan

province and Chabahar in Iran's Sistan province. This geographical closeness positions them as natural competitors for similar trade routes (Ahmed and Iqbal, 2022). Additionally, their proximity creates an opportunity for strengthened economic cooperation and connectivity in the region (Chatwal, 2021).

6.A.2 Economic Interests

- Both ports have significant economic interests tied to their respective countries' economic development. Gwadar Port is a crucial component of CPEC with $65 billion in Chinese investments aimed at making it a key trade and transport hub.
- Gwadar Port's connection to China through road and rail networks can facilitate trade and economic cooperation between Pakistan, China, and Central Asian countries. This connectivity can lead to increased trade volumes and economic growth.
- Chabahar Port is a gateway for trade with Central Asian countries and Afghanistan (via Chabahar-Bamyan province of Afghanistan), while also providing an alternative route for India to access these markets.
- The Afghan-Pak Trade and Transit Accord allows Afghan trucks to take cargo loading to Pakistani Ports but the trucks are not allowed to transport Indian goods via Pakistan to Afghanistan. Therefore, Chabahar's growth is expected to reduce expenses by almost a third and increase the likely business deal value of trade flanked by India, Afghanistan, and Central Asia.
- India-Iran-Afghanistan partnership (The Chabahar Agreement) in 2016, India signed a deal with Iran entailing $500 million investment in Chabahar port and industries in the Chabahar Special Economic Zone, including an Aluminium Smelter and a Urea making facility at Chabahar port, being a transit route to Afghanistan and central Asia.

The port's development commenced shortly after the agreement was signed between India and Iran,

Shipping Education in Pakistan

Indeed, there is a clear need for professional shipping education. Unfortunately, in Pakistan, institutions providing such education are lacking. The Pakistan Ship's Agents Association (PSAA) has consistently advocated for professional education and research in the shipping sector. To support this cause, PSAA signed a Memorandum of Understanding (MoU) with the National Institute of Maritime Affairs (NIMA) on September 29, 2021. However, due to PSAA's limited resources, establishing or funding a professional institute has not been feasible. Lastly, recognizing the youth, especially women, as the future of Pakistan, underscores the importance of establishing educational and internship initiatives in the field of supply chain and logistics. Leveraging awareness and providing practical training opportunities can contribute to their development.

Bilateral Cooperation with Belgium

Pakistan Belgium Luxembourg Forum (PBLBF) established to enhance trilateral business cooperation has identified areas of cooperation like collaboration between logistics companies in Belgium and Pakistan, which will be expanded to exchange of delegation to understand the operationalization of ports. PBLBF will arrange series of a seminars/webinars in partnership with the Antwerp Port, cantering on crucial topics like commercial collaboration, capacity building, and on-site training, which aims to unite stakeholders from both KPT and PQA.

Cooperation Between Industry Associations

The PSAA and the Pakistan International

accordingly the initial section of the dock became operational in 2017. On December 24, 2018, India Ports Global Limited assumed control of a portion of the operations at Chabahar (The Economic Times, 2019). In late 2017, India, through the port of Kandla, dispatched the first of six wheat shipments to Chabahar, contributing to the 1.1 million tonnes of wheat pledged by India to Afghanistan as aid. These shipments were then transported to Kabul via road and rail (Bhattacherjee, 2017). In February 2019, Afghanistan, for the first time, exported goods to India through the Chabahar port (GoI, 2019). India received four similar consignments later that year. In December 2019, India's External Affairs Minister, S. Jaishankar, and his Iranian counterpart, Javad Zarif, convened to assess the bilateral ties and committed to accelerating the development of the Chabahar project amid declining trade figures.

In July 2023, following several disputes that posed threats to the port's progress and the operations of the INSTC network in the Persian Gulf, the issues were resolved. A contract was signed between Iran and India, solidifying India's investment in the Chabahar Port.

Freight Forwarders Association (PIFFA) enjoy a strong bond and have always maintained close coordination for the betterment of the shipping and logistics sectors. In the past, PSAA, PIFFA, and the Air Cargo Agents Association of Pakistan (ACAAP) signed a Memorandum of Understanding (MoU) on defaulted payments after obtaining advice from the Competition Commission of Pakistan (CCP). However, the MOU no longer exists.

Cooperation between PSAA and Pakistan Customs?

The PSAA has consistently maintained a strong and cooperative relationship with Pakistan Customs. PSAA was actively involved in consultations during the initial design and development phases of the automated Customs clearance system. Additionally, PSAA has recently played a vital role in the design and development of the Pakistan Single Windows Port Community System.

As outlined in the Memorandum of Understanding involving Iran, India, and Afghanistan, an initial investment of US$25 million has been pledged to Iran for the development of the port. The overall agreed-upon investment in Chabahar amounts to US$80 million, forming part of a comprehensive, long-term agreement between Iran and India.

The economic prosperity of these adjacent ports hinges on their capacity to attract shipping lines, secure investments, and facilitate trade efficiently.

6.A.3 Potential for Cooperation

Although Gwadar and Chabahar Ports may be viewed as competitors, there exists substantial potential for cooperation, particularly in bolstering regional connectivity (Malik and Khan, 2021). The two ports could engage in collaboration to streamline customs procedures, align trade policies, and collectively establish a seamless trade corridor. Such cooperative efforts have the potential to yield benefits not only for Pakistan and Iran but also for the broader region.

6.A.4 Geopolitical Dynamics

The interplay between these ports is intricately linked to the broader geopolitical dynamics in the region. Geopolitical tensions involving Pakistan, India, Iran, and other regional powers can significantly influence the cooperative and competitive dynamics between Gwadar and Chabahar Ports. Despite potential challenges, these ports have the potential to serve as symbols of peaceful coexistence and economic collaboration, transcending political differences and fostering regional unity (Malik and Khan, 2021).

The relationship between Gwadar and Chabahar Ports involves a nuanced blend of competition and potential cooperation. Their proximity and shared economic interests position them as natural neighbours for trade and connectivity. To unlock their economic potential, it is crucial for these ports to adeptly balance competition with cooperation, capitalize on their strengths, and navigate the broader geopolitical landscape.

Ultimately, the success of both Pakistan and Iran hinges on how effectively they leverage their respective ports to facilitate trade, attract investments, and spur economic growth. Striking a harmonious balance between cooperative and competitive elements is essential to maximize the overall regional economic advantage.

Part 6.B: Sri Lanka's Port Development and its Impact on Pakistan

In August 2014, Sri Lanka marked a significant milestone with the opening of the Colombo International Container Terminal (CICT), a $500 million container terminal situated at Colombo Port (Wijesinghe, 2014).

The inaugural phase, integral to a Chinese-funded expansion initiative for Colombo Port, is aimed at doubling the port's capacity by 2020. The new terminal, constructed and operated by China Merchants Holdings (International) Co. Ltd. under a 35-year build-operate-transfer agreement, boasted an annual handling capacity of 0.8 million TEUs, contributing to about 18% of the total capacity. Chinese funding covered approximately 85% of the $2.5 billion project cost.

With a primary focus on transshipments to and from the Indian sub-continent, Colombo Port strategically positioned itself in the global shipping network. Sri Lanka's investment in infrastructure, particularly in the aftermath of the nearly three-decade-long war that concluded in May 2009, aimed to attract foreign investments. This expansion project aligned with a broader strategy involving both China and India, focusing on enhancing Sri Lanka's transportation and power infrastructure due to its pivotal location in the Indian Ocean (Ministry of Ports and Shipping, 2023).

6.B.1 Facilities

- 20m deep access channel with two-lane traffic
- 18m depth alongside 4 berths
- 70m outreach QGCs capable of handling

18,000 TEU ships

- 2.4 million TEUs design capacity
- 58ha container yard
- Green terminal
- Management of CMHI
- International standard service levels
- Can facilitate operations for current largest container ships in the world
- Deep-water facilities with no tidal restrictions
- Latest state-of-the-art ship to shore cranes with 70m outreach
- Well established feeder network
- 24/7 x 365 days operation

Table 6: Colombo International Container Terminal (CICT) - Capacity and Throughput Trends (2014-2022)

Year	Capacity Throughput (TEUs)
2014	0.68 million
2015	1.56 million
2016	2.00 million
2017	2.38 million
2018	2.67 million
2019	2.90 million
2020	2.89 million
2021	3.20 million
2022	3.18 million

Source: CICT's official website

Part 6.C: Dubai Ports and Terminals recent developments

6.C.1 Jebel Ali Port

Jebel Ali Port is one of the world's busiest ports, with a handling capacity of over 19.3 million TEUs

- Terminal 1: 9 million TEUs
- Terminal 2: 6.5 million TEUs
- Terminal 3: 3.8 million TEUs

Future project: Terminal 4: 22.4 million TEUs

6.C.2 Acquisition of International Terminals Company (ITC)

Dubai Ports (DP) World's acquisition of ITC (International Container Terminal Services) marked a strategic move that extended its global footprint, particularly in the United States. The acquisition encompassed terminal operations at key locations in the U.S., including notable entities like the Port of New Orleans and Mobile Container Terminal. This expansion enhanced DP World's influence and operational capabilities within the U.S. maritime landscape. The move aligned with DP World's broader strategy of strengthening its position in key international markets and aims at promoting efficiency in container handling and fostering its role as a major player in the global logistics and port management sector.

6.C.3 Development of New Terminals

DP World has embarked on several new terminal development projects globally, with investments in the range of hundreds of millions to billions of dollars per project, depending on the location and scope.

6.C.4 Expansion of Free Zones

DP World's Jebel Ali Free Zone (JAFZA) in Dubai is one of the largest and most established free zones in the Middle East, housing over 8,000 companies (JAFZA, 2023). DP World has pledged to reduce its carbon emissions by 27% by 2030, and it has invested in solar power projects and other sustainable practices at its facilities (JAFZA, 2023).

7. Role of the Logistics Export Strategy 2023-27 and Investment Initiatives

The strategic document holds great promise and can prove to be a valuable asset if implemented effectively. However, attention and improvement in specific areas are essential to maximize its benefits. The emphasis on the logistics sector is notable, an aspect that currently needs development in our industry landscape. Given the prevailing economic and political challenges, enhancing efforts for the efficient execution of this strategy is imperative, ensuring timely

results without unnecessary delays.

A priority in the new export strategy should be reviewing the Customs Act 1969 and Customs Rules 2001 for efficient cargo handling, with a focus on formulating simplified Customs procedures to eliminate unnecessary hurdles. Developing local regulations in the road transport sector, aligned with international best practices, is necessary for improving working conditions and road safety. Imposing axle load restrictions should be done thoughtfully to avoid negatively affecting traders while maintaining the road transport system's integrity. Ground staff training is vital to ensure that the port workforce meets international standards.

Highlighting the 2007 Trucking Policy for implementation is imperative and reactivating the National Trade Corridor Improvement Program (NTCIP) is recommended for comprehensive reforms, building on past successes. To address maritime issues effectively, the NTC and Ministry of Commerce may also support a strategy encompassing a transshipment policy covering LCL cargo, updating outdated legislation like the Bill of Lading Act 1856 and Carriage of Goods by Sea Act 1925, and signing international conventions such as MARPOL 1997, MLC 2006, Convention of Facilitation of International Maritime Traffic 1965, Ballast Water Management Convention 2004, etc. This holistic approach will enhance legal frameworks, ensure transparency in cargo handling, and demonstrate the country's commitment to global maritime standards.

7.1 Recent Port Investments in Pakistan

Karachi Gateway Terminal operations: 25-year deal signed with Abu Dhabi Ports Group, Senate panel told (BR, 06-10-2023)

Karachi Port Trust (KPT) has entered into a 25-year concession agreement with Abu Dhabi Ports Group (ADPG) to operate Karachi Gateway Terminal Ltd (KGTL) under which cost has been fixed at $18.00 per cross berth move along with ground rent of Rs1,100 per square meter per annum including upfront payment of $50 million.

The terminal operator plans to invest $102 million in the next five years. This may contribute to diversifying the types of services offered, making the port more versatile and attractive to a broader range of industries.

The planned outsourcing of terminal operations suggests a commitment to capacity expansion and modernization to enhance the port's competitiveness on a global scale.

Caretaker Cabinet, Pakistan has recently approved the outsourcing of the bulk cargo terminal, which is in the final stage of execution.

This part concludes that the recent investments particularly the outsourcing of Karachi Gateway Terminal operations, positions Pakistan to improve its port infrastructure, attract foreign investments, and enhance competitiveness in the region. This strategic move aligns with the approaches taken by successful ports in neighbouring countries, setting the stage for sustained growth and development.

8. Conclusion

The study highlights the significant challenges and opportunities within Pakistan's maritime and logistics sector. The analysis of Logistics Performance Index (LPI) data reveals a consistent decline in Pakistan's performance across various dimensions, indicating a pressing need for substantial improvements. Countries, like Singapore, with a higher LPI consistently outperforms in international trade, emphasizing the importance of enhancing Pakistan's logistics capabilities for effective international trade participation.

The ports in Pakistan, particularly Port Qasim, and Gwadar, play crucial roles in the country's economy. However, despite their strategic locations, there are notable inefficiencies and challenges. The decline in the handling of various cargo types, such as dry bulk, liquid bulk, and containers, raises concerns about operational efficiency.

While initiatives like the Karachi Coastal Com-

prehensive Development Zone project under CPEC show promise, there is a need for more comprehensive policy reforms. The current state of infrastructure, customs procedures, and overall logistics services indicates a lack of progress. A mixed-methods approach involving primary and secondary data sources has been employed in this study, utilizing information from sources like the World Bank's Logistic Performance Index.

The role of the National Tariff Commission (NTC) is crucial in streamlining trade through shipping and logistics support. Recommendations include tariff simplification, transparency, and timely dispute resolution. Collaboration with industry stakeholders and providing advisory services can optimize port operations and enhance competitiveness.

Furthermore, the study emphasizes the importance of educational and internship initiatives, especially for the youth, to foster skills development in the supply chain and logistics sector.

In the context of the global focus on the Blue Economy and the development of smart ports and cities, Pakistan faces challenges in accelerating progress. Limited advancements in the past decades and a notable research and development (R&D) gap hinder the sector's growth. To compete with emerging economies, Pakistan must prioritize and invest in innovative solutions, that align with the evolving landscape of the maritime industry worldwide. The case of China's automated port serves as a benchmark, highlighting the need for Pakistan to adopt comprehensive strategies and play multiple cards to enhance its visibility on the global stage.

9. Policy Options to Enhance the Shipping and Logistics Sector of Pakistan

Below are some actionable policies to enhance the performance of shipping and logistics sector and their effective role in streamlining trade in Pakistan.

1. ***Enhance Operational Efficiency at Port Qasim:*** To improve operational efficiency at Port Qasim, a thorough assessment of its current operations is essential. This includes evaluating utilization rates and identifying areas for optimization. Investment in advanced technology and streamlined processes will be crucial to enhance cargo handling capabilities within existing facilities.
2. ***Strategic Collaboration with Belgium:*** Initiating bilateral cooperation with Belgium, a global leader in shipping, is paramount. This collaboration should focus on knowledge exchange, capacity building, and technology transfer. Establishing joint ventures between Pakistani and Belgian logistics companies can foster mutual growth and innovation.
3. ***NTC's Role in Trade Facilitation:*** The National Tariff Commission (NTC) can play a pivotal role in trade facilitation by simplifying and transparentizing tariffs. This involves reducing complexities in customs procedures and aligning tariffs with international standards. Establishing efficient mechanisms for the timely resolution of trade disputes related to tariffs is crucial for creating a stable trade environment.
4. ***Logistics Export Strategy Implementation:*** Implementation of the Logistics Export Strategy requires a focus on updating the Customs Act 1969 and Customs Rules 2001 for efficient cargo handling. Reactivating the National Trade Corridor Improvement Program (NTCIP) and developing local regulations in the road transport sector based on international best practices are critical steps for success.
5. ***Cooperation with International Ports and Agencies:*** Collaboration with Belgium and other international ports is essential for commercial collaboration, capacity building, and on-site training. Initiatives such as organizing seminars/webinars with Antwerp Port and es-

tablishing distribution warehouses in Belgium can strengthen global ties and enhance industry capabilities.

6. ***Education and Internship Initiatives:*** Promoting professional education in the shipping and logistics sector necessitates establishing educational and internship initiatives for students. Increasing awareness about career opportunities and collaborating with educational institutions to develop professional shipping education programs can bridge existing gaps in the workforce.

7. ***Cooperation Between PSAA and PIFFA:*** The collaboration between the Pakistan Ship's Agents Association (PSAA) and the Pakistan International Freight Forwarders Association (PIFFA) needs continuous strengthening. Exploring joint initiatives, training programs, and active policy advocacy can contribute to the advancement of the shipping and logistics industries.

8. ***NTC's Support for Maritime Issues:*** The NTC can significantly contribute to addressing maritime issues by supporting a transshipment policy covering LCL cargo. Advocating for the update of outdated legislation and signing international conventions will enhance legal frameworks and demonstrate Pakistan's commitment to global maritime standards.

9. ***Gwadar Port and Chabahar Port Relationship:*** Fostering economic cooperation and connectivity between Gwadar and Chabahar Ports requires collaboration on customs procedures, harmonizing trade policies, and creating a seamless trade corridor. Balancing competition with cooperation and leveraging respective strengths will maximize regional economic advantages.

10. ***Investments in Port Infrastructure:*** Drawing lessons from successful models in Sri Lanka, Dubai, and Iran, continuous investments in specialized ports and terminals are crucial. Emphasizing sustainability initiatives and adopting technology-driven solutions will contribute to the growth and competitiveness of Pakistan's port infrastructure.

11. ***Outsourcing Terminal Operations:*** Monitoring and supporting the outsourcing of terminal operations, such as the Karachi Gateway Terminal, is essential. Encouraging foreign investments and ensuring alignment with global best practices will diversify services, enhance port versatility, and maintain competitiveness.

12. ***Blue Economy and Smart Ports Focus:*** Developing a roadmap for the Blue Economy and emphasizing smart ports and cities, are strategic priorities. Prioritizing research and development in the maritime sector and implementing automation will drive efficiency and innovation in port operations.

13. ***Global Visibility and Competitiveness:*** To attain global visibility and competitiveness, Pakistan must learn from successful global ports, incorporating best practices for efficiency. Policies to attract foreign investments and bridge the research and development gap are imperative for fostering new businesses in the maritime sector.

The suggested policies aim to address specific challenges and capitalize on opportunities for the growth and enhancement of Pakistan's shipping and logistics sector. Implementation of these policies requires collaboration between government agencies, private sector stakeholders, and international partners.

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NATIONAL TARIFF COMMISSION

The National Tariff Commission NTC is the primary government agency mandated to develop, formulate, and recommend tariff policies and programs consistent with national economic objectives. It provides level playing field to local industry through the provision of trade remedy like Anti-dumping, Safeguard Measures, Countervailing Measures and Tariff Protection.

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