



———— NLC NEWSLETTER ————

DRIVING FORCE

JUNE 2023

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LEADING FROM THE FRONT



I am delighted to present the second edition of NLC's newsletter, **"Driving Force"**, where we share the tangible progress achieved by our organisation in the last quarter and shed light on our vision for the future. Foremost among these achievements are the successful movements of the NLC convoys to Uzbekistan, Kazakhstan and China under the TIR Convention.

In this era of unparalleled globalisation, connectivity has become the cornerstone of international trade and collaboration. By sending convoys of trucks to the regional countries, we have paved the way for seamless trade and collaboration among the business communities of these countries. Undoubtedly, this endeavour will open up new avenues for growth, foster new partnerships, and strengthen our presence on the regional stage.

As a key leader in Pakistan's construction industry, NLC continuously pushes boundaries and delivers excellence in all of its projects. In addition to completing several construction projects of scale and complexity, we have acquired a number of new mega-engineering assignments. The successful completion of projects not only enhances NLC Engineers' portfolio but also serves as testaments to its unwavering commitment to work and quality.

In the present era of rapid technological advancement, I fully appreciate the crucial role that digitization plays in improving business operations, optimizing productivity, and enabling data-driven decisions. That is why we consistently develop and implement the latest IT solutions, ensuring that we continue to keep pace with digital transformation.

I am fully cognisant of the importance of fostering a supportive work environment and prioritizing employee welfare in nurturing a thriving organisation culture. I am committed to providing our employees with opportunities for growth, ensuring a healthy work-life balance, and enhancing their overall well-being.

Reflecting on these achievements and sharing exciting new ventures, I am acutely aware of the invaluable role each member of our team plays in driving our progress. Together, we possess the power to shape the future and create a lasting impact on the success of this remarkable organisation.

Maj Gen Farrukh Shahzad Rao
Director General
National Logistics Corporation

INSIDE THIS EDITION

- **Enhancing Regional Connectivity**
- **Developing Pakistan**
- **Other Developments at NLC**
- **Special Feature**
Regional Connectivity

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NLC Launches Cargo Service for China

NLC started regular cargo service from Islamabad and Karachi to Kashghar and Shanghai for export as well as import shipments. This major breakthrough towards cross-border movement was achieved with first movement of NLC convoy to China. Plans are also afoot to extend the cargo service to Kyrgyzstan, Kazakhstan, and beyond via China under the Transport Internationalaux Routiers (TIR) and Quadrilateral Transit Trade Agreement (QTTA).

A ceremony to send-off trucks was organised at the NLC Silk Route Dry Port in Sost. Mr. Muhammad Ali Quaid, the Minister for Information Technology of Gilgit-Baltistan was the chief guest on the occasion. The event was attended by senior officials from Gilgit-Baltistan, Mr. Fawad Ali Shah, Collector Customs, presidents

of the chambers of commerce from Hunza, Nagar, and Gilgit and a large number of importers and exporters. The commencement of the cross-border cargo service to China was warmly welcomed by all participants, who termed it as a significant stride towards fostering bilateral trade between the friendly countries.

Leveraging the QTTA and TIR mechanisms, this transportation undertaking will substantially reduce both time and costs for exporters and importers, further facilitating and streamlining trade operations between these countries.



Land Route Connectivity to Uzbekistan & Kazakhstan via Afghanistan



Baiterek Tower (Observation Tower), Astana, Kazakhstan

After successful commercial cargo transportation to Turkiye and Azerbaijan under the Transports Internationaux Routiers (TIR) Convention, NLC has successfully delivered consignments to Uzbekistan and Kazakhstan via land route through Afghanistan. This accomplishment aligns with the government's policy to explore untapped markets in Central Asia by enhancing regional connectivity.

The trailblazing initiative offers a door-to-door transportation solution, resulting in a remarkable 70-80% reduction in transit time compared to existing arrangements. NLC's convoy of eight trucks loaded with 40-foot containers carrying commercial cargo from Karachi, Lahore, Faisalabad, and Peshawar embarked on the journey to Tashkent (Uzbekistan), Almaty and Astana (Kazakhstan). A distance of 3000 kilometres was covered from Karachi to Tashkent. Upon their return, these vehicles brought back import cargo.

NLC's TIR operations to Central Asia provide a one-window solution which are beneficial to exporters and importers, reducing the cost of doing business by eliminating multiple intermediaries and simplifying the border documentation processes.

Pakistani trucks for the first time entered Kazakhstan under the bilateral transport agreement between Pakistan and Kazakhstan, known as the "Agreement on International Motor Transportation between the Government of the Republic of Kazakhstan and the Government of the Islamic Republic of Pakistan," which was signed in 1995 and implemented in 2023. The utilization of TIR transportation will not only save precious foreign exchange as freight charges are incurred in PKR but also improve Pakistan's ranking in the Logistics Performance Index (LPI).

Prime Minister Shehbaz Sharif Inaugurated Key Road Projects in Islamabad



Inauguration of Karnal Sher Khan Shaheed Avenue, 7th Avenue Interchange and 11th Avenue in Islamabad. - Photo: NLC Archives

Prime Minister Shehbaz Sharif graced the inauguration ceremony of three crucial road projects constructed by NLC in Islamabad. Addressing the event, the Prime Minister appreciated the performance of NLC and its remarkable contribution to national development.

7th Avenue Interchange: The Prime Minister unveiled the 7th Avenue interchange, a remarkable feat accomplished by the NLC. Located at the intersection of 7th Avenue, Srinagar Highway, Khayaban-e-Soharwardi, and Garden Avenue near Aabpara, this interchange will alleviate congestion issues in the twin cities (Islamabad & Rawalpindi). With its advanced design and construction, it has eliminated traffic jam at this important interjection in the federal capital, ensuring smoother commuting experiences for the commuters.

Rehabilitation of Captain Karnal Sher Khan Shaheed Road: NLC successfully completed the extensive rehabilitation of the Captain Karnal Sher Khan Shaheed Road project. This project encompasses the construction of two flyovers, two bridges, and seven culverts with separate concrete lanes for heavy traffic, the project has resolved the congstion issues that used to be a routine sight particuary from evening to midnight. The road's transformation will enhance connectivity, expedite transportation, and facilitate economic growth in the region.

Construction of 11th Avenue: Another noteworthy project inaugurated by Prime Minister Shehbaz Sharif is the construction of 11th Avenue (package II). This avenue will establish a direct link between E-11 and Srinagar Highway and mitigate traffic congestion at Sector E-11 and Khayaban-i-Iqbal in Islamabad.

Prime Minister Shehbaz Sharif appreciated NLC for its invaluable role in national development and emphasized the significance of these road projects in enhancing transportation infrastructure, promoting economic growth, and improving the quality of life for the citizens.

Logistics Partnership for Reko Diq Mining Project

Reko Diq, one of the largest untapped copper-gold projects globally, holds immense potential for development. Barrick Gold Corporation, the world's leading mining company, completed the reconstitution in December 2022 — for the development of Reko Diq into a world-class, long-life mine. By expanding Barrick's strategically significant copper portfolio, the project will generate enduring benefits for Pakistani stakeholders for generations to come. Currently, Barrick is in the process of updating feasibility studies conducted in 2010 and 2011, with completion expected in 2024 and the first production anticipated in 2028.



Reko Diq Mines. - File Photo

DEVELOPING PAKISTAN



Delegation from Barrick Gold met DG NLC. - Photo: NLC Archives

Reko Diq, a truck-and-shovel open pit operation with state-of-the-art processing facilities for high-quality copper-gold concentrate, is poised to become a major economic contributor to Pakistan, particularly for the province of Balochistan. This transformative initiative is projected to create thousands of job opportunities & generate billions of dollars for the national exchequer.

Recognising the significance of this national endeavour, Barrick Gold has actively engaged the services of NLC, Pakistan's leading multimodal logistics organisation. NLC has expressed its willingness to serve as the logistics partner for the Reko Diq project, catering to a wide range of requirements. These include but are not limited to project cargo during the establishment of the mining facility at Reko Diq and the transportation of minerals once production commences.

NLC has already demonstrated its commitment by providing assistance to Barrick Gold in customs clearance of project cargo at Karachi Port, ensuring its secure movement to the project site. Both organisations are expected to formalize their collaboration through the signing of a Memorandum of Understanding (MoU), solidifying their partnership in this crucial national undertaking.

Kalma Chowk Underpass

Kalma Chowk, located in Lahore, is considered one of the city's busiest intersections, witnessing the constant influx of thousands of vehicles passing through it. The construction Downtown Central Business District (CBD) at the Old Walton Airport area is expected to add a heavy volume of vehicular traffic on the main boulevard at Kalma Underpass.

Recognizing the need for a sustainable solution to address persistent traffic issues, the Government of Punjab devised a comprehensive plan to revamp the existing Kalma Underpass and construct two additional underpasses - one leading toward Firdos Market and the other towards CBD Walton. This project was awarded to NLC in November 2022, and in response to the provincial government's directives, the diligent team of NLC Engineers worked round the clock to ensure the swift completion of the project.

By the end of February 2023, the project reached a significant milestone, with partial opening of the underpasses. This timely measure aimed to facilitate commuters during the 8th Edition of the Pakistan Super League Cricket Tournament held in Lahore. With unwavering commitment, NLC continued its relentless efforts on the remaining portion of the project without any interruptions, ultimately achieving its completion in May 2023.

As a result of this remarkable work, the project now offers approximately 250,000 motorists the luxury of the uninterrupted journey from Barkat Market (Garden Town) to Cavalry, traversing through the Kalma Chowk, Centre Point, and Lal Shahbaz Qalandar underpasses. Moreover, it also provides a convenient route from Barkat Market to Mozang and Cantt via the Kalma Chowk Underpass, eliminating the hassles of traffic congestion along the way.



Kalma Chowk Underpass, Lahore. - Photo: NLC Archives

Construction of Shabbir Sharif Underpass, Lahore

Commuters using Shabbir Sharif Road in Lahore Phase VI-DHA got major relief with the construction of an underpass on the Shabbir Sharif main boulevard. The underpass made at Avenue 3 was often the cause of congestion on this busy boulevard. The underpass has been completed by NLC on fast-track basis within 6 months only.



Shabbir Sharif Underpass, Lahore – Photo: NLC Archives

Reconstruction of Hirok Railway Bridge

In August 2022, unprecedented heavy downpours hit Pakistan very hard affecting one-third of the country, severing road/ rail communication links. Resultantly the province of Balochistan was cut off from the rest of the country. The deluge triggered flash floods that caused widespread devastation of infrastructure across the country in general and Balochistan in particular. The British-era Railways Bridge at Hirok constructed in 1890s in Bolan District collapsed by the floods cutting provincial rail connectivity with the rest of the country.

NLC was asked to take on the challenge of construction of the Hirok Railway Bridge. The task at hand required high-end professional

expertise and swift execution to restore the vital communication link at the earliest. In response, the NLC employed its finest engineering professionals and the latest construction machinery to ensure the expeditious and quality work of the project. The NLC Engineers formed different teams that worked round the clock on the bridge without observing any holiday and constituted day and night shifts to complete the project in record time. With the successful completion of the bridge, rail connectivity of Balochistan with other parts of Pakistan was restored. The first train crossed the bridge on 15 April 2023. With passage of first train on April 15th, 2023, the rail connectivity between Balochistan and the rest of the country was completely restored. The quality of work and expeditious progress of the project, carried out by the NLC Engineers, received widespread commendation from the provincial government, senior officials of Pakistan Railways, and passengers as well.



Hirok Railway Bridge, Balochistan – Photo: NLC Archives

DEVELOPING PAKISTAN - NEW PROJECTS

Project Directorates	Projects
North	<ul style="list-style-type: none"> Construction of Links from N-5 to Amaltas Avenue DHA-I along both Banks of Soan River, Rawalpindi. Rehabilitation and widening of Park Road from Taramri Chowk to Rawal Chowk, Islamabad. Rehabilitation and widening of IJP Road, Flyover at Khayaban-e-Sir Syed, Package-2, Islamabad. Construction of Boundary Wall & Allied Works in Diplomatic Enclave, Islamabad. Construction of National Emergency Operations Center (NEOC), NDMA, Islamabad. Construction / Improvement of Road from Rawalpindi-Murree-Kashmir Road - RMK (Bansra Gali) to Barian and Rati Pithli Gali, Ghiari, Chabran, Tehsil Murree. Construction of Road from Bostal Mor at Expressway to RMK. Construction of Road from Pissan to Hoper Nagar (Shahrah-e-Nagar), Gilgit.
Centre	<ul style="list-style-type: none"> Installation, Manufacturing and Erection of 132/KV Grid station Phase-9 Prism Sector-F, DHA, Lahore. Upgradation / Rehabilitation of infrastructure in Industrial Zone Phase-I Part -A, Ravi Urban Development Authority (RUDA), Lahore. Construction of six Lane Overhead Bridge at Imamia Colony Railway Crossing Shahdara, Lahore. Establishment of Small Industrial Estate in Gujrat. Construction of Residential Area at University of Narowal, New Campus. Construction of Sewer & Water supply networks at main Arterial, Chiniot Sahianwala and Sem Nala roads. Construction of Institute of Health Sciences, Canteen/Cafeteria and Commercial Center with Bank, and Post Office at the University of Narowal.
KPK	<ul style="list-style-type: none"> Construction of Student hostel, Professor/Dean Houses, Lecturer/Admin Apartments, Staff Apartments Package-IV, The University of Swat. External Developmental Works Package-V, The University of Swat. Design & Construction of Two Flyovers in The DI Khan City: <ol style="list-style-type: none"> Flyover at Tank Adda Chowk Flyover at Sabzi Mandi Chowk Dualization & Improvement of Existing N-50 from Yarik – Sagu – Zhob, Package-1: Yarik - Sagu
Balochistan	<ul style="list-style-type: none"> Clearing, Aligning & Extension of Sabzal Road in Quetta

TOTAL WORTH OF ACQUIRED PROJECTS: RS. 55 BILLION

OTHER DEVELOPMENTS AT NLC

Operationalizing Gwadar Port

In line with the Prime Minister's vision to make the Gwadar Port fully operational, NLC won PASSCO's competitive bidding for transportation of approximately 500,000 metric tons (MT) of imported wheat from Gwadar. In order to execute the wheat project, NLC undertook round-the-clock operations and efficiently handled the lifting of 446,195 metric tons (MT) of wheat from Gwadar Port. Despite the challenge of consecutive arrivals of nine vessels within a short span of approximately two months, NLC successfully managed the operation without incurring any demurrage charges. This colossal transportation task was accomplished through the deployment of 7,461 trucks, diligently completing the project within the designated timeframe. The services of NLC in operationalization of Gwadar Port, as demonstrated by the successful completion of this immense wheat operation, have been acknowledged by China Overseas Ports Holding Company Pakistan (Pvt.) Ltd in its letter to the Prime Minister of Pakistan.



Wheat Transportation Project at Gwadar Port. - Photo: NLC Archives

Logistics Park

A Logistics Park is a key enabler in the efficient movement and distribution of goods by streamlining various aspects of the supply chain, encompassing transportation, warehousing, and distribution functions. Besides enhancing connectivity by integrating various modes of transportation, logistics park provides storage and warehousing facilities and ensures efficient inventory management.

In view of its importance in modern-day logistics and trade, NLC is in the process of establishing a state-of-the-art Logistics Park on the Karachi Northern Bypass. Spread over an area of 40 acres, the logistics park will be equipped with the latest facilities including multipurpose warehouses, container yard, LNG terminal, utilities, commercial petrol pumps and office accommodation. The logistics park will connect businesses with national highways, ports and airports and will prove to be a major catalyst in ensuring ease of doing business. NLC is also planning to set up such kind of facilities at Lahore, Rawalpindi and Faisalabad in the future.



Master Plan of Logistics Park, Lahore.

OTHER DEVELOPMENTS AT NLC

An Alliance to Boost Tourism

The National Logistics Corporation (NLC) and The Army Welfare Trust (AWT) signed an agreement on 18 May, 2023 to construct a world-class, luxurious tourist resort at the picturesque Attabad Lake in Gilgit Baltistan. The ceremony took place at the AWT complex in Rawalpindi. As per the agreement, AWT will construct and operate a hotel on NLC land at Attabad Lake. NLC's Vision 2028 also supports the promotion, facilitation and growth of tourism infrastructure and logistics across Pakistan.



Director Business, NLC & Secretary, AWT signing the MoU.
- Photo: NLC Archives

NLC at TEXPO 2023

The stall set up by NLC in the fourth edition of Textile Exhibition (TEXPO) organised by the Trade Development Authority of Pakistan at the Karachi Expo Centre attracted a large number of exporters and importers of Pakistan and abroad.

NLC has showcased its multifaceted services to international and local delegates, exhibitors and other visitors during the three-day mega event. The NLC Corporate Stall was located inside Hall No 5 of the expo centre. Officials present at the stall apprised visitors about NLC's diverse operations' portfolio including multimodal logistics solutions, regional connectivity under Road Transport (TIR), marine and air services, management of border terminals, dry ports and smart IT solutions.

Extensive B2B meetings were held with delegations and corporate heads of leading national and international organisations belonging to various countries of Europe, East Asia and Africa. NLC was the only logistics organisation in the expo that is fully capable of transporting any kind of cargo within the borders and beyond. It is due to these capabilities that manufacturers and suppliers evinced keen interest to work with NLC.



NLC Participated in TEXPO 2023. - Photo: NLC Archives

OTHER DEVELOPMENTS AT NLC

NLC and Gerry's Ink MoU to Enhance Logistics Connectivity and Services

The National Logistics Corporation signed a Memorandum of Understanding (MoU) with Gerry's Group to develop, manage, and operate various aspects of logistics, including domestic and international connectivity, customs transit, and warehousing facilities.

Under the MoU, both the organization will explore mutually beneficial areas of collaboration, utilizing their immense expertise and resources to enhance logistics connectivity in Pakistan and beyond.

The areas identified in the MoU include domestic intra-port, international airport-to-airport connectivity, TIR services, warehousing and bonded storage facilities etc.

The collaboration between NLC and Gerry's is poised to revolutionize the logistics landscape in Pakistan enabling efficient and cost-effective solutions for businesses and traders.



Chief Operating Officer, NLC and Chairman Gerry's Group at the MoU Signing Ceremony.. - Photo: NLC Archives

Opening of Taftan Extension (Bazarcha) Terminal



Inauguration of Bazarcha Border Terminal - Photo: NLC Archives

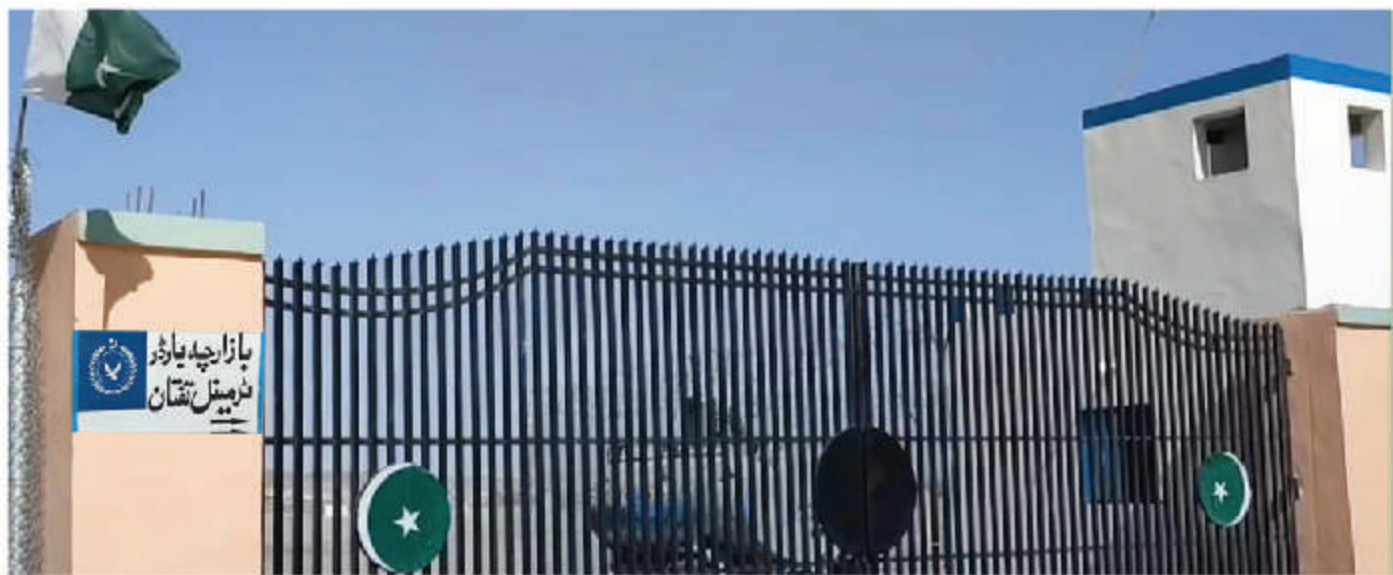
On the directives of the Government of Pakistan, the NLC in collaboration with the Quetta Chamber of Commerce & Industry (QCCI) has successfully re-opened Taftan Bazarcha, located at the Pak-Iran border. The Bazarcha, formerly operating as an informal import station, had been closed in July 2021 due to a lack of legal cover and concerns over alleged malpractices, including cross-border smuggling of goods.

On demands of the local business community, the government decided to re-open the facility. NLC was tasked to develop modalities of Bazarcha in coordination with QCCI.

OTHER DEVELOPMENTS AT NLC

As a border terminal operator, NLC agreed to take over Bazarcha, as an extension of NLC Taftan Border Terminal in line with FBR / Pakistan Customs rules & regulations and international best practices. NLC also consented to share stakes with QCCI through its local representative in the interest of the local business community and society. Under new arrangements, cement, clinker, ceramic tiles, coal, foundry coke, LPG, dates, tomato, potato and onion were allowed to be imported from Iran through this terminal.

NLC and QCCI will also develop modern trade facilities and basic amenities for government officials, traders and other stakeholders. This terminal is expected to enhance local and national trade with Iran through speedy procedures besides creating employment opportunities for the locals.



Deployment of NLC Terminal Operating System



NLC as a Border Terminal Operator (BTO) is developing NLC Terminal Operating System (NTOS) for all Border Crossing Points (BCPs) of Pakistan to upgrade the existing system of information keeping & sharing to a fully automated level. On successful completion of the lab test, the Beta version has been deployed and effectively working at Kharlachi Border Terminal. First of its kind on any land port terminal, the NTOS is now in the process of integration with stakeholder's systems.

NTOS is designed to provide real-time information of terminal operations to all relevant stakeholders connected with it through their API (Application Programming Interface) for sharing mutually required data. The system enables seamless conduct of terminal operations and effective yard management by sharing instant information of all cargo and their crews including weighment and scanning images. The system has enhanced efficiency, transparency and accountability by reducing the dwell time of cargo at Kharlachi Border Terminal.

OTHER DEVELOPMENTS AT NLC

Operationalising Gabd Border Terminal for Enhanced Trade Activities

NLC effectively manages and operates the Border Terminals along Pakistan's border with neighboring countries including Torkham, Chaman, Kharlachi, Ghulam Khan, Taftan, and Wahga. Recently, the NLC has undertaken several initiatives to improve the existing facilities at Border Terminals and explore the potential for new ones, all with the objective of enhancing bilateral and regional trade.

Among these border crossings, Gabd holds significant importance as a trade route with Iran, witnessing substantial growth in recent years. However, the trade conducted through this route remains predominantly informal. To promote trade on sustainable basis, the need was felt to establish a dedicated Border Terminal at Gabd. The Government of Pakistan entrusted this responsibility to the NLC. Although the project's PC-1 is currently undergoing approval processes, the NLC has initiated the development of essential infrastructure required for trade as an interim measure. This includes the construction of yards, weighbridges, and other necessary infrastructure for cross border trade. The Border Terminal is expected to be fully operational by mid-August 2023 which is expected to promote trade between the two countries.

Trainings Conducted by Applied Technologies Institutes of National Logistics Corporation (ATINs)

NLC remains committed to promoting skill development and empowering the youth of Pakistan and has conducted various training sessions for the youth of far-off areas.

Under the Prime Minister's Youth Skills Development Programme, 400 students were provided training at different campuses of ATINs. In partnership with the Benazir Bhutto Human Resource Research and Development Board, Government of Sindh, 300 students were trained at ATIN Khairpur. Furthermore, 25 students from DASU as part of the Dasu Hydro Power Project (DHPP) WAPDA Technical Training Programme are under training at ATIN Dina. Additionally, training programme for 150 students sponsored by the Punjab Skills Development Fund, Government of Punjab, commenced at ATIN Dina.

Such trainings aim to equip young individuals with valuable vocational and technical skills to enhance their employability and contribute to the nation's workforce.



OTHER DEVELOPMENTS AT NLC

Wheat Transportation by NEFT

NLC Express Freight Train (NEFT) signed Memorandum of Understanding (MoU) with Pakistan Railways for transportation of wheat and other commodities through its trains to various destinations. The purpose of this collaboration was to facilitate the transportation of wheat and other essential commodities through NEFT's trains, specifically from Karachi to upcountry. In line with this endeavor, NEFT successfully operated a total of 13 trains, facilitating the transportation of 25,000 tons of wheat from Karachi to Arif Wala, Okara, and Lahore. This accomplishment was made possible through the valuable support of Pakistan Railways.



Expansion of Freight Operations

NEFT locomotives used to run between Karachi and Lahore since the start of its operation in 2015. To expand freight operations beyond Lahore, NEFT has established 3 new routes namely Mehmood Kot, Faisalabad and Lalamusa. This strategic development not only widens the scope of NEFT's freight operations but also facilitates connectivity for the cement industries located near the salt range in Punjab.

Revitalizing Locomotives for Optimal Performance

To ensure the seamless functioning of NEFT's locomotives, regular overhauling is imperative upon reaching a milestone of 600,000 kilometers. Taking this responsibility, NEFT has taken the initiative to overhaul its locomotives indigenously, making them operationally fit for another three years or 600,000 kilometers. Thus far, the overhauling process has been successfully completed for seven locomotives, with the assistance of Pakistan Railways. Currently, the remaining three locomotives are undergoing the overhaul process, further solidifying NEFT's commitment to maintaining its fleet's high-performance standards.

NLC - BREAKING BARRIERS AND UNLOCKING TRADE OPPORTUNITIES



The fall of the erstwhile Soviet Union and the emergence of the Central Asian Republics (CARs) around three decades ago brought a new wave of hope worldwide, particularly in Pakistan. This optimism was fuelled by two significant factors: the end of the protracted Cold War and the possibility of opening new markets in resource-rich Central Asia. Pakistan was quick to embark upon bilateral engagements to open new chapter of regional cooperation with the Central Asian states, resulting in multiple Preferential Trade Agreements (PTAs) and transit trade agreements with various countries in Central Asia. These agreements reflect strong political will on the part of the people and governments of the Pakistan and Central Asian States to pursue the vision of sustainable development through enhanced regional connectivity and market integration. However, the realization of this vision remained hostage to fratricidal war in Afghanistan and sanctions on Iran.

Pakistan's trade potential with Afghanistan, Iran, Turkey and CARs, cannot be overstated. The country has trade and transit agreements with these nations, granting access to the vast markets of Central Asia, the Caucasus, and beyond. Pakistan's key exports to these countries in the region include textiles, chemicals, and food products, while major imports comprise energy products, minerals, and raw materials.

Regional cooperation organizations with Pakistan as its member have not been successful in fully translating the dream of

NLC - BREAKING BARRIERS AND UNLOCKING TRADE OPPORTUNITIES

economic integration and market connectivity to reality owing to several reasons. The most important among them are political instability, conflict, and security challenges that have hampered efforts to increase trade and investment in the region. Inadequate infrastructure, such as road and transportation networks, has made it difficult for goods to flow freely across borders. Bureaucratic hurdles, such as complicated customs procedures, and regulatory barriers have hindered trade and investment in the region. Limited public and private sector engagement has stalled the development of strong trade and investment bonds between countries in the region. Wide disparities in economic development and market size have created unequal trade relationships



besides limiting the potential for regional economic integration. Lack of harmonized policies and regulations related to trade and investment have created barriers to trade making it difficult to take advantage of regional economic cooperation initiatives.

Addressing these challenges requires a sustained and coordinated effort by regional cooperation organizations, governments, and the private sector to increase trade and build a more integrated regional economy.

There is no denying fact Pakistan's economic development largely hinges on diversification its exports base for which market connectivity particularly with countries in the region is indispensable. It will reduce its dependence on any one market and mitigate the risks associated with economic shocks or changes in political relationships.

Enhanced market connectivity provides access to new customers, helping to spur economic growth and job creation. Pakistan can enhance its competitiveness and attract more foreign investment, supporting economic development.

With opening new trade routes, Pakistan can increase the volume of goods and services it exports will help support economic growth. Multiple transit routes will enhance the resilience and security of its supply chains.

Transport Internationaux Routiers (TIR) is one of the most important instruments of regional connectivity. It streamlines

NLC - BREAKING BARRIERS AND UNLOCKING TRADE OPPORTUNITIES

procedures at borders and do away with frequent checks at borders thus helping save time and money. TIR-authorized operators move cargo from origin to destination across the region using a single guarantee and submit their declaration data once for an entire movement.

In recent years, there has been a growing sense of urgency and realization among countries to take concrete steps toward regional connectivity, overcoming strategic complications. A ground-breaking initiative was the commercial run by the National Logistics Cell (NLC) using TIR instrument in September 2021. NLC vehicles completed round trips to Istanbul in Turkey and Baku in Azerbaijan within two weeks. Since then, NLC trucks have made dozens of trips to various destinations in Turkey, encouraging other logistics operators to follow suit. NLC diversified its TIR operations to Uzbekistan and Kazakhstan via Afghanistan opening new avenues for regional connectivity.

These initiatives have far-reaching implications for the business community of Pakistan as trade with the Central Asian Republics, holds immense promise for brighter future prospects. According to the World Bank and other International Financial Institutions, the potential for bilateral and regional trade exceeds several billion dollars. Regrettably, the actual trade volume between Pakistan and the Central Asian Republics has failed to meet these optimistic forecasts. Recent years have witnessed trade figures below the billion-dollar mark, falling short of the anticipated potential.

However, Pakistan encounters numerous challenges that impede the full benefits of international road transport and transit. Foremost among these challenges is the lack of cooperation between the public and private sectors, which adversely hampers the expansion of exports. To overcome this obstacle, it becomes imperative for the private sector, trade and transport entities, and producers of

goods to forge more effective collaborations with the public sector regulators involved in export-related activities. These regulatory bodies encompass the State Bank of Pakistan, the Federal Board of Revenue, relevant federal ministries, provincial departments, and Pakistan Customs.

Another formidable hurdle lies in the inadequate implementation of global trucking industry standards and international regulation with regard to dimensions, vehicle fitness, safety compliance, and emissions by Pakistan's trucking industry. This underscores the need for an immediate programme of fleet modernization and upgradation. In the absence of a dedicated transport ministry, the growth of logistics sector is stunted by overlapping roles spread over multiple government ministries and departments. It is, therefore, high time to establish a separate ministry to regulate the affairs of transportation and logistics.

There is a pressing need to accord priority to bilateral trade agreements with countries in the region. Such agreements serve as catalysts for streamlining trade processes and removing the barriers that obstruct the smooth flow of trade. By fostering increased economic cooperation and regional integration, these agreements hold the potential to unlock unbounded opportunities in the regional markets.

The financial realm also presents additional hurdles for Pakistani exporters and importers, particularly in their transactions with landlocked countries. Although the State Bank of Pakistan has clarified that sanctions on transit countries do not apply to exporters and importers, private commercial banks still show reluctance in issuing financial instruments, thereby creating complications in trade proceedings. The complexity of trade finance practices, coupled with US sanctions on neighbouring countries such as Afghanistan and Iran exert considerable pressure on Pakistan's foreign exchange market, further exacerbating the challenges faced by traders. It is worth mentioning here that Iran effectively handles cargo worth billions of dollars under the TIR system. There is a need to dispel misgivings with regard to the movement of commercial consignment under TIR through Iran.

While the TIR Carnet offers permits for the transportation of goods as part of the customs convention, preserving the value of

← Tweet



Embassy of Kazakhstan to Pakistan
@KazEmbassyPK

Congratulations National Logistics Cell (NLC)!

It's great to see Pakistani operators increasingly using the #TIR system to move goods efficiently and securely across the region and beyond.

[linkedin.com/posts/internat...](https://www.linkedin.com/posts/international-logistics-cell-nlc-123456789)



NLC - BREAKING BARRIERS AND UNLOCKING TRADE OPPORTUNITIES



goods during border crossings, Pakistan must endeavour to meet international standards of transport legislation. Simultaneously, facilitating smooth visa processes, fostering people-to-people contacts, and ensuring safe routes for regional and international trade are pivotal in harnessing the full potential of trade.

Strengthening trade and connectivity necessitates concerted efforts towards improving infrastructure, streamlining procedures, and embracing international instruments such as TIR and CMR. Additionally, digitization of processes reduces bureaucratic delays are pivotal in this endeavour. Furthermore, Pakistan's Single Window, beyond its primary purpose, can serve as a knowledge platform and a network of experts, propelling regional integration through inter-governmental agreements pertaining to integrated border management, transit and trade facilitation, and business-to-business connectivity.

Among other regional alliances, Economic Cooperation Organization (ECO) can play a pivotal role as a regional platform for collective decision-making,

effectively translating regional initiatives into national priorities and practices.

Afghanistan, with its immense potential as a regional transit crossroad, remains hindered by its prevailing security situation. Unlocking Afghanistan's true potential hinges upon regional cooperation and agreements. Regional countries have the collective responsibility, to take steps for ensuring stability in Afghanistan which will translate the ideals of economic integration and regional prosperity into reality.

Mechanisms for banking channels with Afghanistan have already been established, including the acceptance of export/import proceeds through cash counters in foreign currency, third-party/country payments, and trading in Pakistani Rupees (PKR), particularly for perishable commodities.

Although challenges persist in the form of the policy and regulatory environment, high transportation costs, poor infrastructure, and limited customs facilitation at border crossings, they are not insurmountable. Key transit routes through Afghanistan presently offer reasonably favourable conditions, and concerted efforts to enhance Customs and trade facilitation are already underway.

The regional outreach initiatives undertaken by NLC, while still in their early stages, have proven the feasibility of new transit routes. Despite numerous challenges as discussed earlier, these obstacles can be overcome with the presence of a determined political will from the respective governments. Undoubtedly, the key to achieving shared prosperity in the region lies in discovering new drivers of growth. This can only be accomplished by establishing interconnected production networks and value chains. The more interdependent these networks become, the higher the potential for enhancing regional connectivity.

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