

Some Challenges to Logistics Industry



Manzil Pakistan is a national non-profit think tank dedicated to developing and advocating public policy that contributes to the development of Pakistan. Our aim is to shape Pakistan to a country where policies on decisions of national interest are driven by non-partisan strategic thinking and implemented through consensus in the best interest of the people of Pakistan.

Some Challenges to Logistics Industry

1- Issues of Pakistan Ports

- a. High turnaround times for ships (Needs more than 14 hrs in clearing, 2x times more than Sri Lanka / Singapore ports), congestion on berths / slow evacuation of cargo unloaded at berth.
- b. Coastal shipping and cabotage has not taken off at full swing.
- c. Inadequate depth at Port Qasim

2- Storage infrastructure related Challenges:

- a. State of available Container Freight Stations (CFS) infrastructure is inadequate for Exports-Imports (EXIM).
- b. Many older facilities now are located within city boundaries, restricting day movements of trucks / road transport.
- c. The approaching roads leading to these facilities are poor, making movement of cargo difficult and cause delay.
- d. State of warehousing is poor, (mostly not leak proof/ lack security system, absence of proper racking facility, small in size (less than 10,000 sq ft)
- e. State of cold storage is poor (especially required for pharma/chemical and farm sector, resultantly a sizeable percentage of fruits/vegetables get wasted)
- f. Multimodal logistics chain yet to take off at its full swing/capacity (It is the emerging requirement of integrated logistics).

3- Tax Structure Related Challenges

- a. Payment of multiple Taxes particularly service related taxes have issues both at federal level and provincial level
- b. Considerable loss of time in transit for road freight in order to pay such taxes / tolls.

4- Technology Related Challenges

- a. Hampered by slow rates of technology adoption & poor skill levels (Radio Frequency Identification [RFID), vehicle tracking)
- b. Warehouse management system
- c. Automation in process is still in its infancy stage.
- d. Drawbacks need to be tackled at the earliest.

5- Skills Related Challenges

Courses focusing on logistics industry are few, logistics industry is still not looked at the industry of choice for young graduates. Expertise required in following skills:-s

- a. Safety Procedure
- b. Industry understanding
- c. Multi-operations skills
- d. Technology skills
- e. Driving skills