NEWSLETTER

# PORT LINK

INSIDE THIS ISSUE:

COVID-19 PANDEMIC OUTBREAK

# QUARTERLY NEWSLETTER

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PORT LINK INTERNATIONAL SERVICES

# FREIGHT FORWARDING & LOGISTICS INDUSTRY

Transport/Logistics
**News & Insights**

# An Overview of Pakistan Freight & Logistics Industry

In global context, efficient Freight Forwarding and Logistics industry is the backbone of any economy. Transport and logistics play a pivotal role in the economic development of Pakistan because physical and human capital rely on the services provided by this sector. Having said that, logistics is truly the cornerstone of a nation's supply chain network that maintains a relationship between inbound and outbound transportation.

International transport is connecting Pakistan via its border crossings, ports and airports to its neighboring countries and further abroad (Figure 1).

Located at the crossroads of Afghanistan, Central Asia, the People's Republic of China, India, Iran and having its southern coastline meet the Arabian Sea and Gulf of Oman, Pakistan is considered as a hub for regional transport and trade.Pakistan's logistic and transport Sector relies upon Railways, Roads, Ports and Air Cargo.

***Ports & Shipping:*** Two major ports, Port Qasim & Port Karachi handle 90% of all international trade and 14 dry ports cater to high value external trade. Gwadar Port will be built as a leading port in the region to serve as a gateway to the China-Pakistan Economic Corridor.

***Railways:*** Pakistan Railways comprise of 7,791 Km length of route. Rail freight today makes up 6% of all goods carried in Pakistan.

***Road Linkage:*** National Highway Authority (NHA) is playing a vital role in improving the quality of Pakistan's road network. The present NHA network comprises of 47 national highways, motorways, expressways, and strategic roads. Through CPEC, NHA is connecting Khunjrab to Gwadar. Currently there are on-going CPEC projects worth Rs.700 billion related to NHA.

***Air Linkage:*** PIA, the national carrier, handles 87% of passenger and freight traffic along with other airlines. he transport, logistics and communication (TLC) sector of Pakistan consists of multiple mediums of travel – Troads, rails, air and water (rivers, sea and oceans). As per Pakistan's Economic Survey 2019, this sector contributed 13.3 percent to Gross Domestic Product (as shown in Figure 2).

## TOP EXPORT COUNTRIES FOR PAKISTAN IN THE FY 2019-2020

The United States remained the top export destinations of the Pakistani products during first half of current financial year (2019-20), followed by China and United Kingdom (UK), according to State Bank of Pakistan (SBP).

| | JUL-DEC 2018/19 | JUL-DEC 2019/20 | ABSOLUTE CHANGE | % CHANGE |
|---|---|---|---|---|
| Basmati Rice | 244 | 380.2 | 136 | 56% |
| Meat | 103 | 155.9 | 53 | 52% |
| Vegetables | 90 | 127 | 37 | 41% |
| Fish / Seafood | 184 | 225.1 | 41 | 23% |
| Rice Other Varieties | 574 | 656.3 | 82 | 14% |
| Artificial Silk & synthetic textile | 148 | 167.5 | 20 | 13% |
| Footballs | 74 | 83.8 | 10 | 13% |
| Leather footwear | 51 | 57.1 | 6.5 | 13% |
| Readymade garments | 1,260 | 1,412.9 | 153 | 12% |
| Leather garments | 135 | 150.6 | 16 | 12% |
| Leather gloves | 107 | 118.7 | 12 | 11% |
| Surgical/medical instruments | 189 | 206.8 | 18 | 10% |
| Knitwear | 1,476 | 1,588.5 | 118 | 8% |
| Bed wear | 1,161 | 1,197.9 | 37 | 3% |

(US Dollars in Million) Source: Ministry of Commerce

| | JUL-DEC 2018/19 | JUL-DEC 2019/20 | ABSOLUTE CHANGE | % CHANGE |
|---|---|---|---|---|
| Mobile phone | 364 | 615.7 | 251.7 | 69% |
| Electrical machinery & apparatus | 881 | 1,302.00 | 420.8 | 48% |
| Aircraft, ships & boats | 166 | 245.2 | 79 | 47% |
| Petroleum gas, Liquefied | 114 | 152.9 | 38.6 | 34% |
| Iron & steel Scrap | 766 | 805.8 | 40.2 | 5% |
| Spices | 75 | 79 | 4.1 | 5% |
| Worn clothing | 86 | 88 | 2.4 | 3% |
| Rubber crude incl. Synth/reclaimed | 87 | 89 | 1.9 | 2% |

(US Dollars in Million) Source: Ministry of Commerce

Fig: 2. Overview of transport, logistics and communication (TLC) sector of Pakistan.

The top three export performers for the first half of FY 2019/2020 were Basmati rice, showing a 56% growth, meat 52%, vegetables 41%, fish/ seafood 23%, growth of rice of other varieties 14%, whereas artificial silk/synthetic silk, footballs, leather footwear, all featured a 13% growth.

***"According to provisional foreign trade data compiled by the Ministry of Commerce, exports stood at $11.540 billion during first half of FY 2019-2020 (July-December), showing a $359 million (3.21%) increase as compared with $11.181 billion in the corresponding period of 2018-19"***

# NEWS IN MEDIA!

## Pakistan Trade & Investment Opportunities

## CPEC - Phase II Opportunities unveiled

12th February, 2020: Pakistan and China are all set to begin the second phase of China Pakistan Economic Corridor (CPEC) with 27 projects focused on social sectors, poverty alleviation, training, research and improving agriculture productivity. A senior official of the Ministry of Planning and Development revealed that 27 projects would be implemented in 2-3 years with an initial estimated cost of $1 billion dollars. 17 fast-track projects would begin implementation in the current year. The influx of CPEC has brought in a new wave of industrialization in Pakistan. The initial phase of CPEC (2014-18) was dominated by infrastructure development, focused on energy projects, which required major help from the government. Now, in Phase II, CPEC is moving towards more sustainable and long-term projects, with a greater focus on industrial cooperation, development of agriculture and trade. The SEZs will help to attract large FDI into Pakistan and help to reverse the tide of de-industrialization over the last 10 years. The government has announced incentives including tax holidays to attract business to make investments in Pakistan through joint ventures with local industry Minister for Planning, Development and Special Initiatives Asad Umar on Monday, 16th March 2020 said that a Memorandum of Understand (MoU) was going to be signed in Beijing for establishment of two new Joint Working Groups under China Pakistan Economic Corridor

## Pakistan, Australia to bolster trade

27th February, 2020: High Commissioner of Australia Dr. Geoffrey Shaw called on Speaker National Assembly Asad Qaiser, in which matters pertaining to enhancement of parliamentary engagement and cooperation in diverse sectors of economy came under discussion. Speaker said that Pakistan attaches immense value to its relations with Australia and desires to enhance engagement through parliamentary exchanges. The speaker said that Australia had expertise in agriculture, livestock, and soil conservation, therefore, collaboration in these fields would be beneficial for Pakistan.

## Pakistan, The Most Important Trade Partner of Thailand

7th March, 2020: Consul General of Thailand Thatree Chauvachata has said that Pakistan is one of the important trade partners of Thailand. The bilateral trade between two countries jumped to over $ 1.46 billion. He said that Thailand exported goods and services worth 1174.25 million dollar to Pakistan. Similarly Pakistani export to Thailand recorded an increase of 41.45 percent in 2019. Pakistan ranks 36th in Thailand's in global investment while it ranked second in South Asia. 4 major Thai companies have already invested in Pakistan while another 4 are exploring new opportunities for investment in Pakistan.

## Bulgaria keen to develop mutual trade ties with Pakistan

23rd February 2020: Bulgaria is keen to develop mutual trade ties with Pakistan and it can act as a gateway to Europe for Sialkot exporters, said Bulgarian Ambassador in Pakistan Aleksandar Parashkevov. Addressing the business community at the Sialkot Chamber of Commerce and Industry (SCCI) on Saturday, he called upon Sialkot exporters to explore trade markets of Bulgaria to strengthen bilateral trade.

The ambassador further promised easy access for Sialkot-made products to Bulgaria and Europe. He said his country was interested in launching joint ventures in different fields in Pakistan. Parashkevov stressed that the time was ripe to further strengthen mutual trade ties. He also highlighted key areas of investments in Bulgaria like education, tourism and surgical industry. He also invited a trade delegation under the umbrella of the SCCI to visit Bulgaria, and explore investment and business opportunities. He urged Sialkot-based surgical instrument manufacturers and exporters to explore the untapped trade potential of the Bulgarian market. He further called for uplifting bilateral trade between the two countries.

## Pakistan, UK trade volume in 2019 remained £2,043m

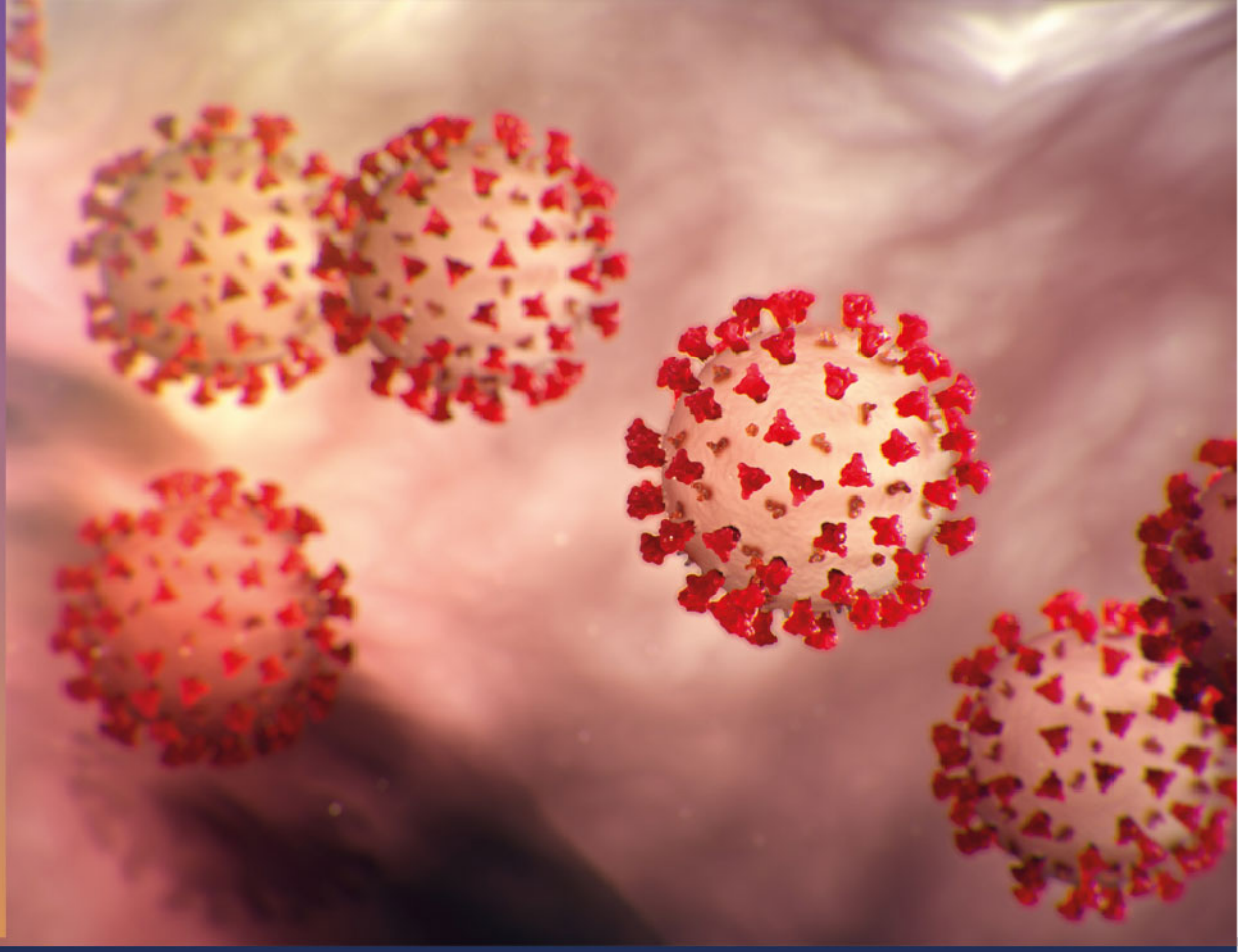
3rd March, 2020: The trade volume between Pakistan and the United Kingdom (UK) during the calendar year, January-December 2019, remained £2,043 Million showing an increase of six percent as compared to the corresponding period last year (2018). Trade and Investment Wing of Pakistan High Commission London Head Shafiq A Shahzad told APP that the UK is an important trading partner of Pakistan.

He said that in fact, the UK is also the 3rd largest destination of the Pakistani exports globally and the top destination within (European Union (EU). Shahzad said within EU, UK is also main source of Foreign Direct Investment (FDI) in Pakistan. during the year 2019 the composition of Pakistan's export basket revealed a lion share of The textile group followed by Food Group. British High Commissioner Dr Christian Turner said that the UK would explore the potential of investments in such areas as clean energy, combating climate change, health, education and tourism sectors in Pakistan.

## Turkey keen to increase trade with Pakistan

17th March, 2020: Turkey has shown keen interest in signing a sustainable and long-lasting Free Trade Agreement (FTA) with Pakistan to achieve win-win results for both countries.Turkish Ambassador to Pakistan Ihsan Mustafa Yurdakul said he hoped that Pakistan would final its list of items for the agreement with Turkey this month. He said leadership of both countries have the objective to boost the bilateral trade to five billion dollars under the Free Trade Agreement.

COVID - 19 UPDATE



# COVID-19 Grips Global Economy!

World services trade growth continued to weaken toward the end of 2019 and into the first quarter of 2020 according to the WTO's Services Trade Barometer, released on 11 March 2020. Among the component indices, the largest declines were in passenger air travel (93.5) and container shipping (94.3), growth of which was already moderating before the COVID-19 outbreak. Both indices cover developments through January and may partly reflect early efforts to halt the spread of the disease, which intensified toward the end of the month. The drop in the container shipping index was driven by lower shipping volumes in Asia while the slowdown in passenger air travel was more broad-based, also covering North America, South America and Europe.

## Coronavirus outbreak: Pakistani exporters turn to sea route trade with Iran halted

Pakistani businessmen have begun exporting fruits and vegetables from the sea route to Iraq and Azerbaijan after the government halted trade with Iran. Earlier, Pakistan used to export potatoes, kinnow and ziziphus mauritiana (bair) to Iraq and Azerbaijan through Iran. The closure of Pakistan-Iran border irked the exporters involved in sending goods to the two countries as they could face hefty losses. However, the exporters decided to change the route from land to sea to resume exports to Iraq and Azerbaijan," said All Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA).

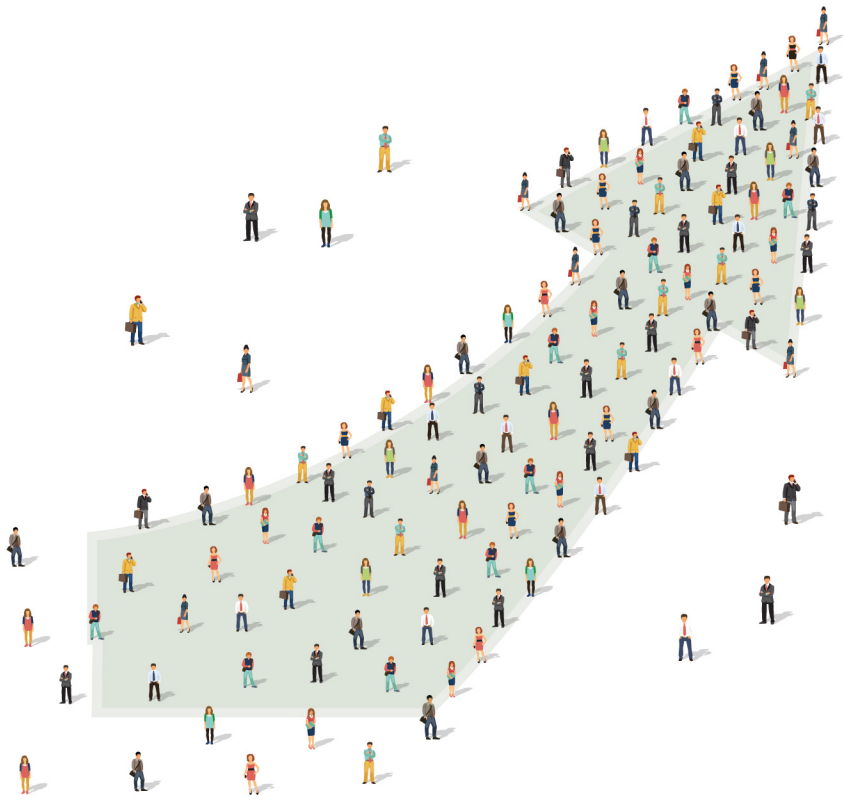
## Industries may relocate to Pakistan due to covid-19

After recovery from coronavirus, the world is likely to reconsider the global supply chains to avoid concentration of industries in one country, China, which will create opportunities of relocation of some industries to Pakistan, said State Bank of Pakistan (SBP) Deputy Governor Dr Murtaza Syed. Syed pointed out that England and other developed economies were reducing interest rate to help their markets cope with the impact of the coronavirus. There is disruption in the supply chain, which the businessmen are overcoming by heading towards other countries to substitute their imports.

**Logistics has always been a challenge, but now it's even harder to know how to solve the problem we have never faced before. Transportation companies all over the world are facing hard time managing coronavirus risk in supply chain. Government of Pakistan is taking all possible precautionary measures to fight the spread of coronavirus. We at Port Link wish you all good health, safety and wellbeing during coronavirus pandemic!**

# Together,

## We Are Stronger



Dear Valuable Partner!

We want you to know how much we have valued this partnership over the years and look forward to many more years of mutually beneficial association and new opportunities.

***Together we grow in strength and numbers!***
***Together, we shine!***

# LATEST UPDATES

## Developments at Port Link

WHAT's NEW ?

## Port Link honored for Outstanding Contribution by DHL Aviation

It is a pleasure to inform you all that Port Link International Services has been awarded by DHL Aviation in recognition for its "outstanding contribution" in 2019.

Mr. Junaid Azhar Baqai, General Manager received this prestigious award on behlaf of Port Link during the "All Pakistan Agents Award Ceremony" held at Nishat Hotel, Lahore dated 11th February, 2020.

This makes it the second consecutive year for Port Link to receive Appreciation Award by DHL Aviaition making it a major milestone acheived by Port Link's management, leadership & team.

We would like to extend our sincere gratitude to our partners, customers and dedicated staff for their support in achieving this sucess.

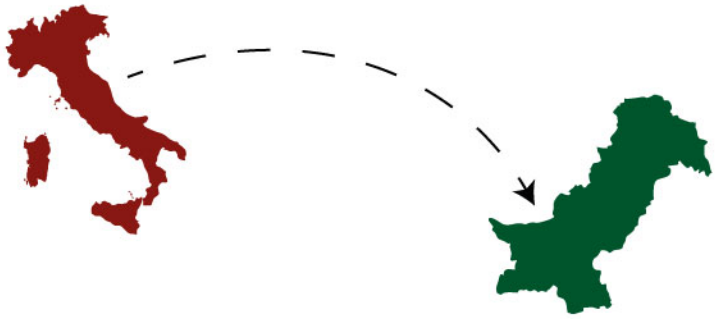
# PROJECT CARGO

## Developments at Port Link

## Project Cargo News

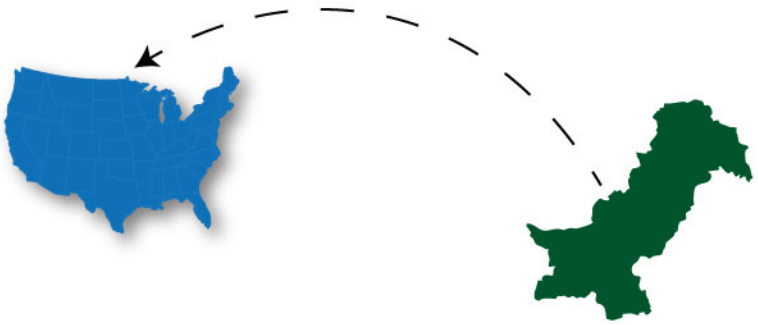
Port Link has successfully handled the break bulk shipment for production of floor tile and technical granite

| | |
|---|---|
| Project handled during: | January, 2020 |
| Country of Origin: | Italy |
| Port of Discharge: | Karachi, Pakistan |
| Package Details: | No. of packages (Mills): 3 weighing 46,150 KG each & No. of packages (Press): 2 weighing 164,000KG each. |
| Total Gross Weight (KGS): | 466,450 |

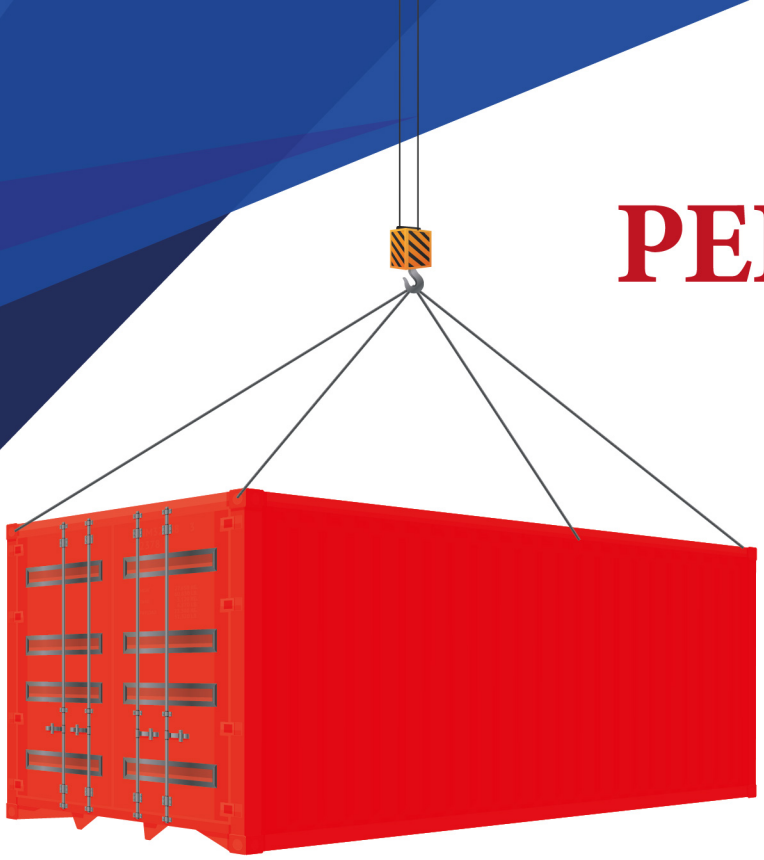


Port Link has successfully handled the Oil Field Equipment project under air freight

| | |
|---|---|
| Project handled during: | January, 2020 |
| Airport of Departure: | Karachi, Pakistan |
| Airport of Destination: | Houstan |
| Package Details: | 3 wooden crates & 1 pallet with loose cargo |
| Total Gross Weight (KGS): | 1,183 |



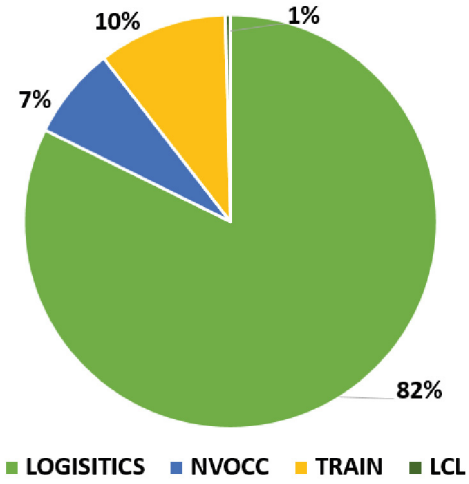
# BUSINESS PERFORMANCE



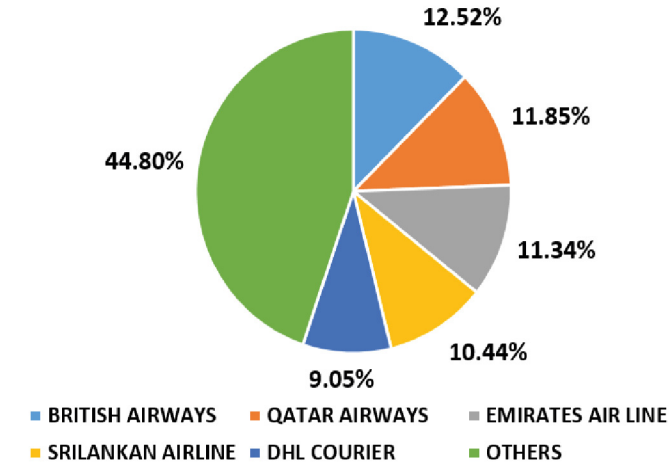
## A Qucik Glance!

## JANUARY - MARCH 2020

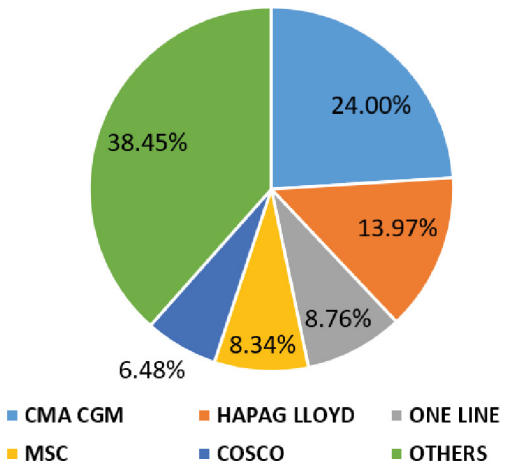
### PERCENTAGE VOLUME BY FREIGHT CATEGORY

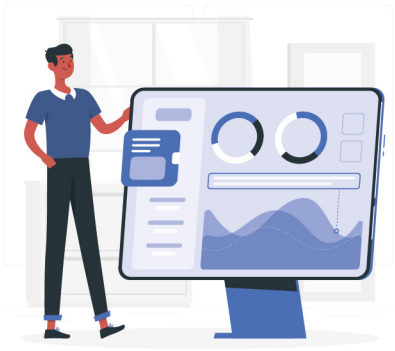



### TOP AIR CARRIER WISE PERCENTAGE VOLUME




### TOP SEA CARRIER WISE PERCENTAGE VOLUME



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