

PORT LINK INTERNATIONAL SERVICES

QUARTERLY NEWSLETTER

Q3/2020



CPEC

& Transportation Plans



What's **NEW**
at **Port Link**?

**INDUSTRY
INSIGHTS**

Pakistan's Logistics Market
News &
Recent Developments

AFTER MONTHS OF COVID-LED DOWNFALL, PAKISTAN'S EXPORTS GROW 5.8PC IN JULY

“ According to the commerce ministry, Pakistan exported goods and services worth \$1.99bn in July 2020, as compared to \$1.88bn in July 2019 ”

As per the data shared by the commerce ministry Pakistan, the country exported goods and services worth \$1.998 billion in the first month of FY21, as compared to \$1.889 billion in July FY20, depicting a growth of 5.8pc YoY. In rupee terms, the export proceeds posted 11.3pc growth in July 2020 compared to the same month of last year. The data showed that since May 2020, a visible improvement has been observed in export orders from international buyers, mainly in the textile and clothing sectors.

It may be noted that the Covid-led decline in Pakistan's exports started in March 2020, when the country witnessed an 8pc drop. This decline widened in April 2020, dropping by 54pc, but improved to -35pc in May, and further to only -6pc in June 2020. Based on the import-export data, the country's trade deficit came down by 14.7pc in July 2020 from a year ago. The decline was mainly due to a fall in imports and paltry growth in exports from the country. However, imports are expected to bounce back in the coming months following the abolishment of regulatory duty on raw materials and semi-finished products.



The top **10 importing products** included soya beans (+616pc), petroleum coke 192pc, palm oil 190pc, rubber 36pc, fruits and vegetables 24pc, pharmaceuticals products 17pc, inorganic chemicals 14pc, iron and steel 12pc, tea 11pc, plastic products 8pc, electrical and electronic equipment 5pc. As per the official statement issued by the ministry, PM's Commerce Adviser Razak Dawood, "In spite of the fact that we still have COVID related smart lockdowns, our export-led 'Make in Pakistan' is moving forward," he maintained.

EXPORTS RISE 6PC YOY TO \$1.87BN IN SEPT, 2020

Pakistan's exports rose 6pc to \$1.872 billion in September 2020, as compared to the corresponding month of last year, Adviser to Prime Minister on Commerce and Investment Abdul Razak Dawood said on Friday, 2nd October. "The export figures for Sep 2020 have shown improvement. As compared to Sep 2019, our exports have grown 6% to USD 1.872 billion. The adviser urged exporters to try to win more orders from the existing markets and reach out to untapped markets, besides fulfilling the current orders. "I am hopeful that in October 2020 we will have further growth". It may be noted here that after registering a growth in exports during the month of July 2020, the country witnessed a sharp decline in exports during August.

PORT LINK VALUE'S THE ASSOCIATION WITH ITS GLOBAL LOGISTICS PARTNERS!

Looking forward to growing business together in the coming years..!



CPEC - MOVING INTO HIGHER GEAR



The Belt and Road Initiative (BRI), formerly known as One Belt, One Road (OBOR) is China's imperialistic and expansionist agenda in large parts of Eurasia, South-Asia and Africa. Known as *"The New Silk Road"*, it connects China to Africa through seaways and highways. A flagship of the BRI, is the China Pakistan Economic Corridor (CPEC), a collection of infrastructure projects that are currently under construction throughout Pakistan.

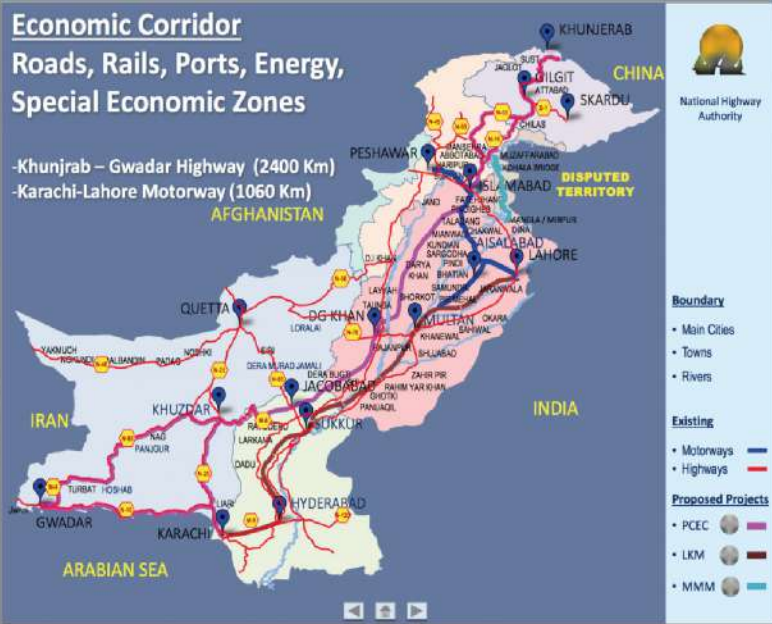
CPEC SEZs: Although the initial round of CPEC investments focused on energy and connectivity, the real promise of this flagship BRI corridor is industrial cooperation. A number of *special economic zones (SEZs)* planned under CPEC are meant to attract Chinese investors, who would relocate their manufacturing establishments to Pakistan to move closer to the growing Pakistani middle-class urban consumer base and the thriving export markets of Middle East and North Africa. In return, Pakistan would get investments and jobs, ushering in a new era of industrialisation. Apart from *Gwadar Free Zone*, a total of *nine SEZs* are planned under CPEC, including the three priority SEZs in Sindh, Punjab and Khyber-Pakhtunkhwa: Dhabeji SEZ, Allama Iqbal Industrial City, and Rashakai Economic Zone. It is heartening to know that Pakistan is member of all initiatives being the iron brother and host of flagship project of BRI, the CPEC. It provides a unique opportunity to Pakistan to make CPEC a pilot project of Eco-civilization and the vision of

prosperity and better living. Although Pakistan and China have taken some initiatives for green development like renewable energy projects and eco-tourism but both countries can turn CPEC into pilot project of eco-civilization.

CPEC Projects:

CPEC Projects in Pakistan range from Infrastructure to Energy, Gwadar Port Development & other various projects. Some of the infrastructure projects comprise of Peshawar-Karachi Motorway, upgradation of railway tracks and lines, expansion & reconstruction of ML-1 line, Havelian Dry Port etc.

China-Pakistan Economic Corridor is a framework of regional connectivity. CPEC will not only benefit China and Pakistan but will have positive impact on Iran, Afghanistan, India, Central Asian Republic, and the region. The enhancement of geographical linkages having improved road, rail and air transportation system with frequent and free exchanges of growth and people to people contact, enhancing understanding through academic, cultural and regional knowledge, activity of higher volume of flow of trade and businesses, producing and moving energy to have more optimal businesses and enhancement of co-operation by win-win model will result in well connected, integrated region of shared harmony and development.



CPEC & PAKISTAN: CENTRAL ASIAN CONNECTIVITY

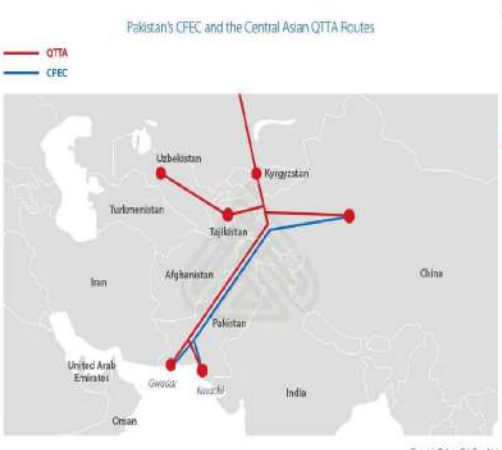
UZBEKISTAN LOOKS TO CHINA'S BELT & ROAD AND PAKISTAN'S CPEC TO CONNECT THROUGH PORTS

Uzbekistan has formally sought Pakistan's support for accession to the Quadrilateral Traffic in Transit Agreement (QTTA) in a bid to utilize Karachi and Gwadar ports for its trade operations, joining Pakistan, China, Kyrgyzstan and Kazakhstan. The Quadrilateral Traffic in Transit Agreement (QTTA) is a transit trade deal between China, Pakistan, Kyrgyzstan and Kazakhstan for facilitating transit traffic and trade. In a major development, Pakistan has decided to have access to market of Central Asian States through China as Uzbekistan has agreed to become part of the Quadrilateral Traffic in Transit Agreement(QTTA) already signed among Pakistan, China, Kyrgyzstan and Kazakhstan.

The QTTA provides an alternative gateway to Central Asia by completely circumnavigating Afghanistan. Pakistan would use the Karakorum Highway, which connects Gilgit-Baltistan to China's Xinjiang region which links with Central Asian States. Pakistan would support the desire of Uzbekistan to become part of the QTTA. Uzbekistan has since long been expressing seriousness to join the QTTA, which will enable Pakistan to export its products under QTTA to Central Asia. He said that Uzbekistan is also very keen to invest in Pakistan's Karachi port as it wants to have access to the market of Middle East countries. The investment in Karachi port will also help increase the regional connectivity for trade among the regional economies.

The bilateral trade between the two countries is not up to the mark as in 2019 trade turnover of Uzbekistan with Pakistan reached more than \$122 million. In 2018, the volume was estimated at \$98 million while in 2017 it was just \$36.6 million.

Both the countries, however, have the potential to increase the bilateral trade up to \$1 billion in next 5-6 years.



The route followed under QTTA:

Karachi - Rawalpindi - Hassan Abdal - Gilgit - Khunjrab (Pak/China Border) - Kashgar - Torugart (China/Kyrgyzstan Border) - Bishkek - Akjol - Kordai (Kyrgyzstan/ Kazakhstan Border)-Almaty (Kazakhstan)

= Length – about 3710 Km

Geopix Asia Pte Ltd

TAPI PROJECT - A CATALYST FOR REGIONAL CONNECTIVITY

The Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project has been planned to bring natural gas from energy-surplus Central Asia to energy-scarce South Asia. According to the TAPI project, Turkmenistan would export its natural gas from Galkynysh, the second largest gas field in the world, to Afghanistan, Pakistan and India through 56-inch diameter pipeline. TAPI pipeline has a length of 1814 km out of which, 214 km is in Turkmenistan, 774 km in Afghanistan and 826 km in Pakistan reaching to the Fazalka region in India. This US\$ 10 billion project is for 30 years that was started in 2015, with Asian Development Bank acting as the facilitator and coordinator.

Turkmenistan would bear 85% of the project cost while Afghanistan, Pakistan and India would contribute 5% each. Turkmenistan authorities have completed their part of gas pipeline from Galkynysh gas-field to Turkmen-Afghan border. Financial closure of the project is expected in 2021.

CPEC & TAPI pipeline strategic partnership

CPEC has now become one of the vital components of the rise of Asian Century in which regional energy resources may play a contributory role in achieving massive industrialization, socio-economic prosperity, optimal levels of de-carbonization and last but not the least greater access to regional markets. In this context, Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline may play a central role in the days to come. Rapidly changing geopolitical and geostrategic trends lead towards revival of regionalism instead of declining globalization. So amalgamation of the CPEC & TAPI is must for greater regional connectivity. The CPEC and TAPI are the prime examples of regional energy corridors in Central Asia and Asian regions. Turkmenistan is also the part of China's global initiative i.e. One Belt & One Road (BRI) and the CPEC is the flagship project of the BRI too, so "consent of interest" is there to move forward for the early execution of the long awaited gas pipeline of the TAPI.



The 1,800km-long pipeline, which begins from the Galkynysh gas field in Turkmenistan, passes through Herat and Kandahar in Afghanistan, moves through Pakistan via Quetta and Multan and concludes at Fazilka in India would be part of the CPEC. Pakistan has completed the entire preparatory works (survey, mapping, soil tests, land acquisition etc.) required ahead of launching the civil work for laying the pipeline.

In September 2020, Special Assistant to Prime Minister (SAPM) on Petroleum Nadeem Babar on Friday met with Turkmen delegation to discuss progress on the Turkmenistan-Afghanistan-Pakistan-India (Tapi) pipeline. Babar met with the visiting delegation, headed by Tapi Pipeline Company Ltd CEO Muhammetmyrat Amanov, which was also attending by Turkmen Ambassador to Pakistan Atadjan Movlamov. The meeting reviewed progress on the project and expressed satisfaction over its pace despite the challenging coronavirus situation. The visiting delegation informed that it intended to start construction activities in Afghanistan by building the gas pipeline from Turkmen-Afghan border to Herat offtake point. Meanwhile, President Dr Arif Alvi also had a call with Turkmen President Gurbanguly Berdimuhamedov on Friday on bilateral relations, as well as the implementation of Tapi project.

LATEST UPDATES & TRADE NEWS



BRITISH AIRWAYS TO BEGIN DIRECT WEEKLY FLIGHT OPERATIONS TO LAHORE

September 15, 2020:

The Government of the UK has announced that British Airways will operate four direct flights from Lahore, Pakistan to London Heathrow. British Airways announced on Tuesday that it will start flight operations for Lahore from October 12th, 2020. In the extended operations in Pakistan- British Airways will operate four flights a week from Lahore to Heathrow International Airport. The airline says it will connect the passengers in Pakistan to Canada, the US, and the UK. After Islamabad, Lahore is the next city the UK's carrier will be flying to in Pakistan. it will open up even more opportunities for business links, people-to-people ties, and tourism. Last month, Virgin Atlantic, a British international airline, has announced to start flight operations for Pakistan. Also, as of 3rd September, there was an increase in British Airways flights from 3-times a week to 5-times a week between Islamabad and London.

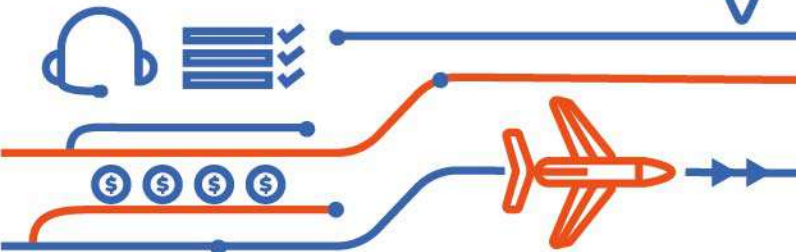
BELGIUM KEEN TO STEP UP TRADE WITH PAKISTAN

September 09 2020:

Belgium is keen to invest in Pakistan as it is a potential country for business and investment activities, said Ambassador of Belgium Philippe Bronchain.

During a visit to the Islamabad Chamber of Commerce and Industry, the ambassador along with his Trade Commissioner Abid Husain discussed various prospects for further enhancing bilateral trade, investment and joint ventures between Belgium and Pakistan. ICCI President Muhammad Ahmed Waheed said, "Belgium was one of Pakistan's important trading partners within the European Union. Husain said Pakistan was mostly exporting textile products and some raw materials to Belgium.

INTERNATIONAL TRADE



PAKISTAN, KYRGYZSTAN AGREE TO INCREASE TRADE, CONNECTIVITY

September 10, 2020:

Pakistan and Kyrgyzstan have agreed on the need to increase mutual trade and comprehensively upgrade bilateral cooperation in all fields. This understanding was reached when Foreign Minister Makhdoom Shah Mahmood Qureshi had a cordial meeting with his Kyrgyz counterpart Chingiz Azamatovich Aidarbekov on the sidelines of SCO Council of Foreign Ministers meeting in Moscow. Both sides expressed satisfaction at their ongoing collaboration at the regional and international fora.

INCREASE IN PAK-AFGHAN TRADE IMPERATIVE FOR REGIONAL PROSPERITY

October 07, 2020:

NA speaker directs SBP to establish bank branches at Angoor Adda and Ghulam Khan borders for facilitation of traders. Asad Qaiser said that an increase in trade volume with Afghanistan would ensure prosperity in the region. He appreciated the performance of the FBR and Customs regarding container clearance on Torkham and Chaman borders. The National Logistic Cell representative informed the committee that container clearance had reached an average of up to 1,870 per day due to deployment of extra personnel and speedy clearance of Afghanistan-bound containers. He said that clearance would be enhanced up to 2,000 containers per day.



ANNOUNCEMENTS

APSA (ALL PAKISTAN SHIPPING ASSOCIATION) ELECTION RESULTS

ELECTION RESULTS 2020-2021

Dear Readers,

This year APSA (All Pakistan Shipping Association) announced its election results for the office bearer & executive committee members.

We congratulate **Mr. Aasim Siddiqui**, Managing Director - Marine Group, on being elected as Chairman APSA unopposed for the year 2020 - 2021.

&

Mr. Nasir Pasha, COO & Country Head - Port Link, on being elected as Executive Committee Member APSA unopposed for the year 2020 - 2021.

APSA's membership is representative of the interconnectedness of the shipping industry, not only are shipping agents and their principals; members of the Association, membership has expanded to include ports, shipping industry consultants, surveyors, consolidators among other entities. The APSA is also represented on almost every shipping related committee or organization local, regional and international. The main aim of APSA is to protect and promote shipping and the related trade and industry in Karachi and elsewhere in Pakistan.



LATEST DEVELOPMENTS AT PORT LINK

CSA FITS AIR

ALL PAKISTAN

ORIGIN AIRPORTS 'KARACHI & LAHORE'

Fits Air Destinations



FITS AIR DESTINATION					
S.No	Country	City Code	S.No	Country	City Code
1	ANGOLA	LAD	20	SOUTH AFRICA	PLZ
2	BURUNDI	BJM	21	SUDAN	KRT
3	BURUNDI	DLA	22	SUDAN	JUB
4	CONGO	FIH	23	TANZANIA	DAR
5	CONGO	BZV	24	TANZANIA	JRO
6	CYPRUS	LCA	25	UGANDA	EBB
7	ETHOPIA	ADD	26	ZAMBIA	LUN
8	GHANA	ACC	27	ZIMBABWE	HRE
9	KENYA	NBO	28	BRAZIL	GRU
10	MALAWI	LLW	29	GEORGIA	TBS
11	MOROCCO	CMN	30	KAZAKSTAN	SCO
12	MOROCCO	CAS	31	AZERBAIJAN	GYD
13	MOROCCO	RAK	32	TUNIS	TUN
14	NIGERIA	LOS	33	PERU	LIM
15	NIGERIA	KAN	34	COLOMBIA	BOG
16	RWANDA	KGL	35	CHILE	SCL
17	SENEGAL	DKR	36	ARGENTINA	EZE
18	SOUTH AFRICA	JNB	37	EL SALVADOR	SAL
19	SOUTH AFRICA	BEN	38	UGANDA	EBB

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PORT LINK

COURIER SERVICE



PARCEL DELIVERY



INTRODUCING



COURIER SERVICES

Ex Hong Kong & China to Karachi

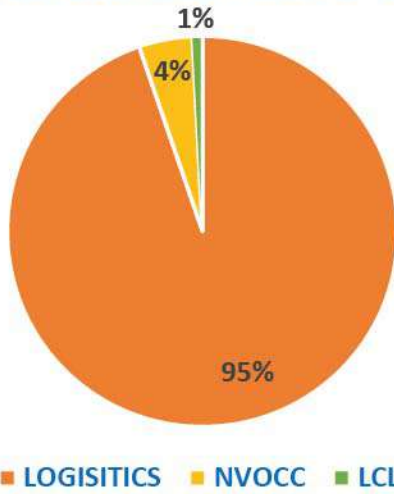
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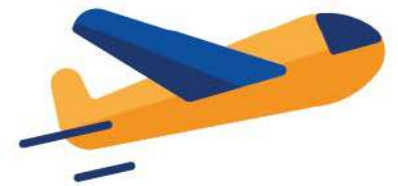
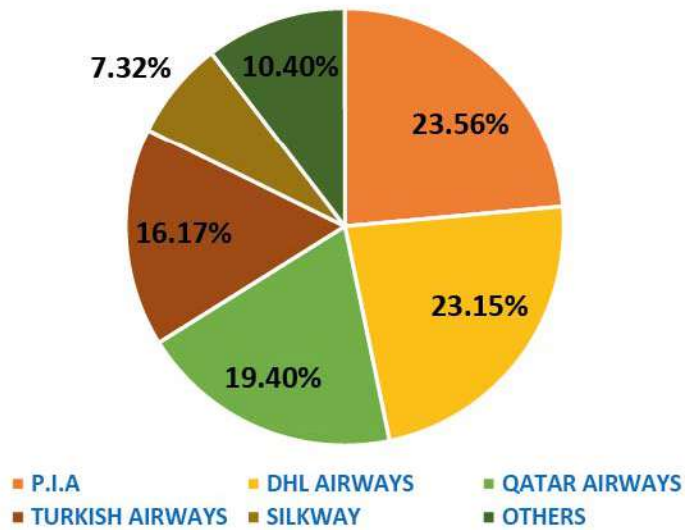
LOGISTICS PERFORMANCE

Q3 / 2020
JULY - SEP, 2020

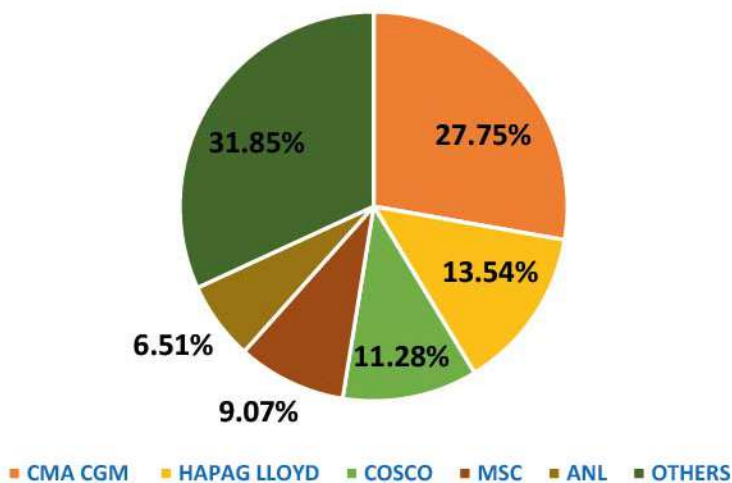
PERCENTAGE VOLUME BY FREIGHT CATEGORY



TOP AIR CARRIER WISE PERCENTAGE VOLUME



TOP SEA CARRIER WISE PERCENTAGE VOLUME





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