SAARC REGIONAL MULTIMODAL TRANSPORT STUDY (SRMTS)

DRAFT FINAL REPORT (PAKISTAN)

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EXECUTIVE SUMMARY

Pakistan occupies the north-western sector of the Indian subcontinent and has a land area of 796000 sq. kms. Maritime transport is the primary transport mode for international trade. Consequently, connectivity with the ports has been a top priority in the development of the road and road transport network. The Arabian Sea in the south provides sea access for the international trade through the ports of Karachi and Bin Qasim with a third port, Gwadar, being developed.

Pakistan is connected with India through land routes that continue on to other SAARC countries, but there is no significant movement of freight between these countries using surface transport. This is because there are no bilateral agreements allowing such movements. However, there are agreements covering the passenger sector that permit bus services through designated border crossings.

With the introduction of containerization, a multimodal transport system has been introduced in Pakistan and eight (8) dry ports have been established at the major industrial and commercial centres to facilitate multimodal transport of containers. This has facilitated the custom formalities at the sea ports.

Corridors/Sectors

Air transport is important in regard to economic growth, as well as in the promotion of trade and tourism. The aviation sector is governed by the Civil Aviation Authority (CAA) that is responsible for generating funds through operations at the airports and undertakes infrastructure development work on a self-financing basis. Presently, CAA controls 44 airports, including 10 designated international airports.

Pakistan International Airlines (PIA) is the sole national flag carrier in Pakistan and remains in the public sector. Four private carriers operate on the main domestic routes and on a few international routes.

Pakistan has a seaboard of 700 kms, of which 450 kms is to the west towards the Persian Gulf and 250 kms to the south and east towards India. As the connection by land to India has been virtually closed to freight traffic, the maritime sector has been the dominant transport mode used for trade to India and the other SAARC countries. Pakistan has a small national fleet with fifteen vessels, including four Aframax tankers, ten multi purpose vessels and one large bulk carrier but none of the vessels are engaged specifically on intra-regional trade. The main connectivity to SAARC countries is provided by twenty container shipping lines. Services to the west coast of India (JNPT/Nhava Shiva) and Sri Lanka (Colombo) are on direct call basis. The remainder of the ports in the SAARC region are served through feeders and trans-shipments by hub ports. Shipping with India and Bangladesh is governed by a bilateral agreement that restricts the bilateral trade to lifting by the national flag vessels. This is limiting and as a result is largely ignored.

Road is the dominant mode of transport for inland transport movement and accounts for 89 percent of passenger traffic and 90 percent of freight traffic. The road network is about 260,000 kms, of which 61 percent is paved road and the rail network has11,515 track kilometres.

The only SAARC land route is through Wagha, a border town with India that is located about 27 kms from Lahore. Half of the road between Lahore and the border is dual carriage way and remaining half is being widened and dualised. The local traffic on this route on the first 14 kms from Lahore varies between 7,000 to 9,000 vehicles per day but after km 14 is much lower.

With regard to rail transport, Pakistan Railways has a fleet of 550 diesel locomotives, 29 electric and 14 steam locomotives, with 1843 passenger carriages and a fleet of 21,702 freight wagons of various descriptions. As per a bilateral agreement, two passenger trains are plying each way weekly between Delhi and Lahore, with each train having 10 wagons for freight. Freight in bulk is cleared through inter-change of goods trains but movement of open wagons, tank wagons or containers is not permitted.

Pakistan shares borders with four neighbouring countries - India in the east, Iran in the south-west, Afghanistan in the north and west and China in the north-east. The movement of vehicles in these countries is regulated by bilateral agreements, on a reciprocal basis. The busiest border posts are with Afghanistan.

Bilateral discussions are in progress for opening the following new routes with India:

- Lahore – Amritsar;
- Nankana Sahib – Amritsar; and
- Kokhrapar – Munabao.

Major Development Projects

In the aviation sector there are the following major projects:

- New Islamabad International Airport;
- Upgrading of Gwadar Airport;
- New Airport for Peshawar; and
- Sialkot International Airport (Pvt.Ltd) (under construction).

In the maritime sector there are thirty public- private development projects at a total cost of 100,000 million Rupees, many of which are already in progress.

Issues and Constraints

The main constrains in the aviation sector are the perceived high charges for using Pakistani airports and the lack of cargo facilities and equipment.

In the maritime sector the main problems are the high costs passed on to users relative to the performance given, delays in implementation of development projects, insufficient dredging, the

restrictions imposed by bilateral agreements with Bangladesh and the high port dwell times that result in significant congestion.

In the rail sector the main problems relate to the inability to move significant non-bulk cargoes across the Indian border under the existing agreements. The Afghan Trade and Transit Agreement provide rail with a near monopoly for the movement of transit cargoes from the ports to the Afghan borders. However, the level of service given is poor and results in high transit times.

In the road sector, there is a need for more road development so as to reduce transit times and hence road transport costs. Overloading remains a key problem that still needs to be addressed.

The main problem at the borders is the lack of physical infrastructure and utilities. This is compounded by the border procedures undertaken by the various border authorities. There is therefore a need for modernization of the borders and the introduction of international standard border procedures, such as those compliant with the Revised Kyoto Convention.

1. COUNTRY PROFILE

1.1 Geography

Pakistan consists of a territory running from the Arabian Sea to the Chinese border in the Himalayas and has a total land area of 796,000 square kilometres. The country consists of four provinces; Punjab, Sindh, Baluchistan and NWFP (North West Frontier Province). Among the SAARC countries Pakistan shares its land borders only with India, with whom it has around 3,000 kms of border on the eastern side of the country.

1.2 Transport Demand

According to the basic principles of trade economics whatever volumes of freight are being imported using any transport mode must reach their final destination rapidly, efficiently and cost effectively. Similarly, the production of the country for export purposes should be able to move out of the country without delays by safe and cost-effective means. Pakistan is fully convinced that one of the most effective and sustainable ways to address underdevelopment, poverty alleviation and trade growth issues in the region is to develop the transport network so as to be able to expand international trade, preferably among the regional countries.

International trade in Pakistan uses the maritime mode as its primary mode of transportation, with the inbound movement of freight from the ports of Karachi (Karachi Port and Port Qasim) to the other cities (up-country) or to the neighbouring countries by the road and rail modes. Similarly exports are sent down to the ports by road or rail. The ports are almost in a position whereby they are able to respond to the demands of berthing of the increasing number of container ships, as well as being capable of handling those containers through the provision of relevant port infrastructure and equipment. However, the flow and movement of freight up-country depends mainly on the capacity, economics and the infrastructure of the national network and this is not yet fully meeting national needs.

1.3 Ports

The Arabian Sea in the south provides maritime access for the international trade through the major ports of Karachi (Karachi Port and Port Qasim). These are in close proximity to each other. The port of Gwadar is also now being developed for cargo handling and is geographically located at Gwadar East Bay, about 460 kms from Karachi, close to the Iranian border.

1.4 Land Transport

In Pakistan, road is the principle method of freight transportation and consequently has been allocated a high priority so as to be able to development a modern road and road transport network. By June 2005, the road network consisted of 260,000 kms of road, including 9,031 kms of National Highways and Motorways.

In relation to through corridors by land transport, Pakistan only has connections with India among the SAARC countries. At present, there is no significant movement of freight between the

two neighbouring countries by either rail and road, though efforts are under way to improve trade facilitation between the two countries by improving the infrastructure and inter-state relations. Pakistan is connected with India through road and rail passenger transport links from Lahore to Delhi and the newly opened road link from Muzaffarabad (Capital of Kashmir(Pakistan) to Srinagar (Summer capital of Indian Kashmir). The opening of another route from Nankana Sahib to Amritsar is also under consideration. In addition, it is proposed to be reconstructed a new corridor to connect India with south-eastern Pakistan about 350 kms from Karachi, thus opening up a southern route.

There is an agreement for the operation of a Delhi-Lahore Bus Service with four services each way per week carrying about 45 passengers per bus. There is also a fortnightly bus service between Srinagar and Muzaffarabad that started in April 2005. It runs to the Chokothi Post at the line of control where passengers cross over the bridge on foot and board another bus waiting across the border.

At present there is no agreement between Pakistan and India for the movement of freight traffic. However, there are some notified Land Custom Stations (LCS) between India and Pakistan. The freight movement between Pakistan and India using the various land routes is very small though some freight is interchanged through the Wagha - Attari border crossing. There are proposals to open up freight transhipment operations at some of the newly developed border crossings.

Multimodal transport operations mean the movement of goods from origin to destination using two or more transport modes under a single transport document. The concept of multimodal transport system was introduced in 70's with the advent of containerized transportation. It was formalized by UNCTAD and the International Multimodal Transport Association (IMTA) was established at Geneva in 1993. Following this international policy development and with the commissioning of the international container terminals at Karachi Port and Port Qasim, Multimodal Transport System was introduced in Pakistan. Pakistan Railway has been trying to transform itself into a customer-led, efficient and profitable commercial entity. To achieve these objectives, Pakistan Railways among others, has started MT operations through the establishment of national dry ports.

Eight dry ports, which are also seen as inland extensions of custom facilities at the seaports, have been established at the major industrial and commercial centres to facilitate multimodal transport of containers. The dry ports are located at Lahore, Faisalabad, Sialkot, Multan, Rawalpindi, Peshawar, Hyderabad and Quetta. Containers shipped to or from inland destinations are custom cleared at these dry ports.

2. PROFILE OF CORRIDORS / SECTORS

2.1 Aviation Sector

Air transport occupies a pivotal role in the overall economic growth and development of the country, particularly as its contribution cannot be over-emphasized in the promotion of trade and tourism. Pakistan's aviation sector is governed by the Civil Aviation Authority, which was established in 1982 as an autonomous organization for the development of airport infrastructure facilities as well as the regulation of air transport services/operations. The Civil Aviation Authority acts as a service provider, as well as regulator for providing/managing safe, efficient adequate airport facilities and regulating airline industry/operations in Pakistan. It generates funds through operations at the airports and thus undertakes construction/improvement of the new/existing airports on a self-financing basis. The CAA is administratively controlled by the Aviation Division of the Ministry of Defence, with a high level Board with the Secretary of Defence as its Chairman.

Presently the CAA owns 44 airports. Out of these, 10 are international and 34 are domestic airports and this includes 20 feeder service airports. 5 domestic and 14 feeder airports are non-operational due to lack of air traffic in the past few years. There are 4 airlines operating on domestic routes and 25 on international routes.

Pakistan International Airlines (PIA) was established in 1954 and is the sole national flag carrier in Pakistan operating in public sector and it enjoyed a monopoly status until 1992. During the last 3 years PIA has been able to achieve slight profitability, with these profits increasing steadily. In 2004-05, the gross profit is expected to be around Rupees 4.4 billion.

The Government in 1993 decided to liberalize air transport by allowing private airline operators in Pakistan. The objective was to provide additional capacity and encourage competition to make air travel more economical and affordable for the public. Currently, there are four private carriers operating on the main domestic and a few of the international routes. Because of the economical fares as compared to PIA, these private airlines are able to attract additional traffic from other transport modes, but they are facing stiff competition and have to pay significant outstanding dues to the CAA.

Passenger volumes on the SAARC routes are shown in Table 1 below:

Table 1: Passenger Flows on SAARC Routes

Route	2001	2004	ACGR (2001-4)
KHI-BOM	54,675	76,702	11.8%
KHI-DEL	77,637	91,772	5.6%
LHE-DEL	28,213	31,725	3.9%
KHI-DAL	71,517	64,472	-3.3%
KHI-KTM	22,717	17,394	-8.4%
KHI-CMB	27,705	35,749	8.7%

(Source: CAA)

2.2 Maritime Sector

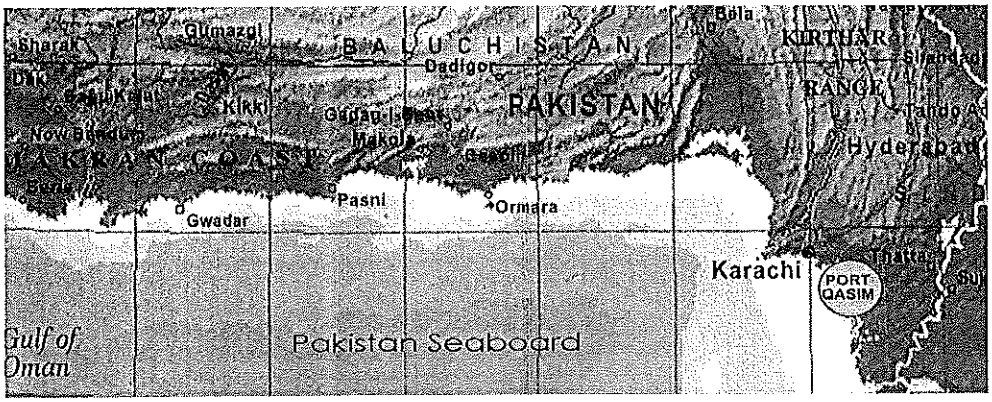
Pakistan geographically occupies the north-western sector of the Indian Subcontinent and has a seaboard stretching 700 kms, of which 450 kms is to the west of Karachi towards the Persian Gulf and 250 kms to the south and east towards India. India is the only SAARC country with both by sea and land connectivity. Historically the trade connection by land with India has been very weak due to the prevailing political environment in recent years. Consequently, the maritime sector has been the predominant means of conveying trade between Pakistan and India and other SAARC countries. The maritime sector transports 95-98% of trade by value.

Pakistan export volumes by sea to SAARC countries represents under 4% share of the total national exports and 3% by value. However, recent developments within the region such as a more relaxed political environment, new agreements on bilateral free trade regimes and SAFTA, are generally expected to change the share very significantly in the coming years.

2.2.1 Ports

Pakistan presently has two international ports, Karachi and Port Qasim[1]. The geographical proximity of the two ports puts them in one Karachi complex of ports serving the entire hinterland of the country, together handling 1.4 million teus[2], 18 million tonnes of liquid bulk cargo, 7 million tonnes of dry bulk cargo and 10.7 million tones of general cargo giving a volume of nearly 37 million tones in the year 2004. A third port, Gwadar, is under construction located at the western extremity of the country and should be operational in the year 2006. This will primarily be a transhipment port. The positioning of the ports is shown in Figure 1.

Figure 1 Ports of Pakistan



1. Port Bin Qasim, usually called 'Port Qasim'

2. Abbreviation for 'twenty-foot equivalent unit', a single common denominator used to describe all sizes of containers.

Karachi and Port Qasim provide a comprehensive range of services to the trade and shipping, community, including container terminals (two at Karachi and one at Port Qasim) and oil terminals at both ports. They can handle vessels of up to 75,000 dwt[1] and both ports are well connected to the hinterland by road and railways. There is a shipyard situated at Karachi providing dry-docking and repair services to ships, supplemented by a good number of marine workshops. Bunkering facilities are readily available. Both ports share the same well-developed maritime cluster.

2.2.2 National Fleet

Pakistan national fleet is small, 14 vessels including four Aframax[2] tankers, 10 multipurpose vessels and one large bulk carrier. The deadweight capacity of the national fleet is 600,000 tonnes. There is only one ship owning company; none in the private sector. There are no container or liner services provided by the national fleet.

2.2.3 Shipping Services

The container trade is entirely carried by the international and regional carriers. Connection to SAARC is provided by at least 20 container consortia, including two feeder services. Services to west Coast India (Nava Shiva, mainly) and Sri Lanka (Colombo) are on direct call basis. Rest of the ports in the SAARC regions are served through feeders and transhipments through hub ports. Containers to Bangladesh are transhipped from Colombo. Other ports in India are mainly served through Nava Shiva. Nepal is served through the port of Kolkata. Male is served through Colombo with occasional break-bulk vessels calling directly at Male.

There are a total of 80 carriers calling at Pakistani port comprising of 20 shipping lines and 60 NVOCC operators (Non-vessel operating common carriers) in 2004. The shipping lines share of the traffic as a whole was 75%, but there are two NVOCC amongst the top 10 carriers.

There are 18 container consortia operators plus two common feeders operating in the Pakistani trade providing ships of between with 700 and 2,700 TEU capacity per vessel. Most operators have a frequency of approximately 4 sailings per month. Due to cross membership and sharing of vessels by operators, the capacity on offer would be closer to about 4,000 TEUs per week. The big liner companies are operating on an inter-regional basis but also carrying intra-regional cargo, hence the total capacity on offer is not a true representation of capacity on offer for the intra-regional trade. However capacity as such is not an issue since the effective utilization averaged only 461 TEU per week (2004) for the entire intra-regional trade; lines would be able to adjust the space according to demand over a period of time. However it is conceivable that liner operators may sometimes prefer to choose to carry better paying inter-regional freight over the low paying intra-regional trade, at times of higher demand. However this potential constraint is not foreseen for at least a few years.

1. Abbreviation for 'deadweight tonnes' a single common denominator used to describe all sizes of containers.
2. Tankers about 80,000 to 120,000 dwt, developed for maximum utility in most regional trades.

In general there are estimated to be around 2000 TEUs direct to JNPT/Nhava Shiva and Mumbai, and 11 000 TEUs to Colombo that could be classified as SAARC destined containers handled directly in the year 2004. The balance of around 11 000 TEUs to SAARC destinations were handled through a transhipment/feeder basis. Thus, the share of transhipment/feeders may be taken as no more than 46% of the total.

The position with regard to the capacity available for the current trade volume is considered satisfactory. There are usually no out-shipments on export traffics and seasonal demands can be easily met since the outbound capacity provided out of Pakistan is under utilized, as a result of the imbalance with larger volumes of imports as compared to exports.

2.2.4 Shipping Agreements

Shipping with India and Bangladesh is governed by two bilateral agreements which mainly restrict the bilateral trade to carriage by the national flag vessels. These have not helped in promoting the enlargement of national fleets. The trade has adjusted to practical conditions and containers move on third flag vessels, albeit with extra documentation process.

2.3 Road Corridors

Road is the dominant mode of inland transport accounting for 89% of passenger traffic and 96% of freight traffic. The road network is approximately 260,000 kms, of which about 61% is paved road. The major inter provincial arteries called national highways, including 711 kilometres of motorways, is 9,031 kms in length. The road density is 0.32 km per square kilometre, which is considerably lower than the neighbouring countries. The national highways and motorways of Pakistan are given in Table 2 below:

Table 2: National Highways and Motorways

No	Route	Length (kms)
N-5	Karachi – Hyderabad – Multan – Lahore – RWP – Peshawar – Torkham	1,819
N-10	(Makran Coastal Highway) Liari – Ormara – Pasni – Gwadar – Gabd	653
N-15	Nansehra – Naran – Jalkhad - Chilas Road	240
N-25	Karachi – Nela -Khuzdar – Kalat – Quetta – Chaman	813
N-35	(KKH) Hassanabdal – Abbottabad – Thakot – Gilgit – Khunjrab	806
N-40	Lakpass(near Quetta) – Dalbandin – Taftan	610
N-45	Nowshera – Dir – Chitral	309
N-50	D.I.Khan – Zhob – Kuchlad (near Quetta)	531
N-55	(Indus Highway) Kotri - D.G.Khan - D.I.Khan – Kohat – Peshawar	1,264
N-65	Sukkur – Sibi - Saryab (Quetta)	385
N-70	Multan - D.G.Khan – Loralai – Qila Saifullah	477
N-75	Islamabad – Satra Mile - Lower Topa – Kohala	90
N-80	Turnol – Fatehjang – Kohat	146
M-1	Islamabad - Peshawar Motorway	155 (35)
M-2	Lahore - Islamabad including 32 km links & Lahore Bypass	367
M-3	Pindi Bhattian - Faisalabad Motorway	53
M-9	Karachi – Hyderabad Motorway	136
S-1	Gilgit – Skardu Road	167
S-2	Kohala - Muzaffarabad Road	40
	Total	**9,031**

Note : M-1 has the remaining portion of 120 km to be finished
(Source: National Highway Authority)

2.3.1 Potential Linkages

Pakistan is geographically placed at a strategic location within South Asia and has two primary transit routes linking Torkham on the Afghan border up in the north with ports of Karachi and Port Qasim in the south. There is another link that joins Karachi with Chaman on the Afghan border.

The following Asian Highways have linkages with India, Iran, China or Afghanistan:

- AH.1 provides link to India with Afghanistan through Pakistan. The road enters Pakistan from India at Wagha Border and terminates at Torkham, passing through Lahore Rawalpindi and Peshawar;
- AH-2 connects India with Iran, starts from Lahore and terminates at Taftan (Border village in Baluchistan) while passing through Sahiwal, Multan, Sukkur and Quetta;
- AH-4 Connects Karachi port with China;
- AH-7 This highway connects Karachi port with Afghanistan; and
- AH-51 connects the capitals of Baluchistan (Quetta) and NWFP (Peshawar) with Afghanistan at Chaman and Torkham respectively.

2.3.2 SAARC Road Routes

Among the SAARC countries, Pakistan is only connected with India through the road from Lahore to Amritsar and the newly opened road link from Muzaffarabad to Srinagar. Pakistan shares its longest border of around 3,000 kilometres with India, therefore efforts are being made to negotiate an agreement with India to reopen/reconstruct a third land border crossing route from Khokhrapar-Munabao in the south eastern part of Pakistan, about 350 kms from Karachi. In addition, bilateral discussions are going on for opening more routes such as Nankana Sahib – Armritsar, Khokhrapar – Munabao and a potential route Sialkot (commercial city of Punjab) – Jammu (the winter capital of Indian Kashmir).

a) Lahore - Delhi

Lahore is the second biggest industrial/commercial centre in Pakistan. There has been a steady expansion of industries in and around Lahore during the last 50 years with hundreds of large industrial units in the district manufacturing quality products of textiles, leather, steel and machinery. It is connected to all of the major and small towns through metalled road.

Wagha border is about 27 kilometres from Lahore. The road from Lahore for the first 16 kilometres is dual carriageway and is 20 ft wide either side. Widening/dualisation of the road from 16 kms to the border are in progress. The local traffic on this route up to kilometre 14 from Lahore varies between 7,000 and 9,000 vehicles per day but is very thin traffic from there to Wagha.

At present, there is no formal agreement between Pakistan and India for freight movement but there is an agreement for operation of a 4 times weekly Lahore-Delhi bus service carrying 40-45 passenger per bus.

b) *Muzaffarabad-Srinagar*

Muzaffarabad is the capital of Kashmir on Pakistan side. The Chokothi border post is about 66 kms from Muzaffarbad. A fortnightly bus service between Muzaffarabad and Srinagar has been recently started with effect from April 2005. The bus service is up to Chokothi Post on Pakistan side and up to Kaman post at the line of control on Indian side where passengers cross over and board the bus waiting across the respective border posts of Pakistan and India.

c) Potential New Routes

Bilateral discussions are in progress for opening the following new routes;

- Lahore - Amritsar;
- Nankana Sahib - Amritsar; and
- Kokhrapar - Munabao.

Another potential route Sialkot-Jammu is also being considered. These two towns that are only 38 kms apart have their own importance, as Sialkot is a sports manufacturing and export centre and Jammu is the winter capital of Indian Kashmir.

d) Agreement between Pakistan and India for regulation of bus service between Lahore and New Delhi

At Islamabad on 17th February 1999, an agreement was signed between the Government of Pakistan and Government of India having agreed to explore possibilities of expansion and promotion of vehicular traffic between the two countries on the basis of mutual advantage and reciprocity and with a view to strengthen interaction between the people of the two countries on the basis of common interests, by operating a passenger bus service between Lahore and New Delhi.

2.4 Rail Corridors

The Railway in Pakistan came into existence in May 1861 when a 169 kilometre long railway line was opened between Karachi and Kotri. Pakistan Railways now has a network of 7,791 route-kilometres of track with 610 railway stations over the network. Out of 11,515 track kilometres, 10,960 kilometres is broad gauge, 1,043 kilometres is double track, while the remaining length is single track. 293 kilometres route length of track is electrified. At present about 92,412 staff are employed in Pakistan Railways and there is a fleet of 550 diesel electric locomotives, 29 electric and 14 steam locomotives, 1,843 passenger carriages and 21,702 freight wagons of various descriptions.

2.4.1 SAARC Rail Routes

Lahore is the historical city and capital of its biggest province Punjab with a railway network available for both for passenger as well as freight traffic. It has a busy Dry Port that handles 80% of the total containerized traffic of the country. From Lahore the rail track turns towards the Indian border which is only 23 kilometres away. Wagah is the last station on the Pakistani Railway network and Attari is the first station on the Indian Railways. The rail track from Lahore to Wagah was part of the Lahore-Delhi double line link in the British era.

Pakistan and India executed a bilateral agreement on June 28, 1976 which has been extended from time to time. Normally, both passenger and freight traffic is handled through interchange points i.e. Wagah and Attari Railway Stations. Two passenger trains are plying each way per week, plus an additional freight capacity of 600 tonnes per train by attaching 10 additional freight bogies to the passenger trains. However, in practice the bulk freight is usually transported by means of an interchange of goods trains. There is considerable potential to improve the volume of freight traffic carried, but due to the complicated banking system for opening Letters of Credit and the cumbersome Custom procedures this discourages the movement of freight traffic.

Railways represent is the cheapest mode of land transport and is six times more economical than the road and more environmentally friendly. However, rail traffic has remained stagnant for years, thus potentially hampering the trade activities. The main flaw in the agreement that controls the movement of freight and passenger traffic between Pakistan and India is that it does not allow for the movement of open and tank wagons and container traffic across the border. Given the similar specifications of the rolling stock and infrastructure on both railways, India and Pakistan are in a favourable position to promote such movement of freight by rail on an economical cost basis that could result in prosperity to the people and stable growth to the business activities in the region. To achieve this target, both countries have to change the old bilateral agreement and allow the free movement of all types of freight stock within permissible limits to enhance the volumes of such commodities like petroleum products, rock phosphate, molasses and containerized traffic etc. etc. moving between the two countries. It is considered that there is sufficient demand for a daily exchange of at least one container train each way between Pakistan and India if the current restrictions were to be removed.

Both the Railways maintain a zero balance in the wagon pool, which is being observed on 10^{th}, 20^{th} and last day of month. If the zero balance is not maintained, then specific hire charges are raised by the concerned Railways. All goods traffic between India and Pakistan is charged on a "Paid to Pay" basis with each country collecting freight charges up to its international border. However, certain stations have been nominated in both the countries for which passenger tickets can be issued and their earnings accounted for later on.

As regards the connectivity between Pakistan and Bangladesh the route starts at Gede on the Indian side of Bangladesh's western border and follows the Indian broad gauge east - west trunk line system up to the border with Pakistan at Attari, passing through Ranaghat, Naihati, Bandel, Saktigarh, Gaya, Sonnagar, Mughal Sarai, Allah Abad, Kanpur, Tundla, Aligarh, Ghaziabad, Delhi, Ambala, Sirhind, Ludhiana, Jalandhar, Amritsar and Attari. It is entirely broad gauged

(1,676 mm) track and has a total length of 1,975 kilometre, of which 130 kms consists of quadrupled track, 127 kms of triple track, 1,682 kms of double track and 28 kms of single track line. Apart from serving the New Delhi, it also connects through to Kolkata and Haldia ports. This rail link from Attari connects to Lahore and following an east - west alignment connects with Mirjawa (Iranian Railway Station) then goes up to Zahidan. This link, having length of 1,730 kms start at Wagah and has double track up to Lahore.

3. PROFILE OF GATEWAYS

3.1 Airports

The aviation policy stipulated in Pakistan's Medium Term Development Framework (2005-10) ensures the provision of safe, efficient and affordable air travel in the country. The salient features of this policy are as follows:

- Facilitation of civil aviation operations both in international and domestic markets in conformity to ICAO safety parameters and standards;
- Encouraging competition through optimising the number of private airlines services;
- Conditions to be made conducive for maximising the number of freight airline operators; and
- Encouraging private sector investment in the development of new airports on a BOT basis.

The general strategy for Civil Aviation includes:

- Granting of frequency capacity and availability to airports by foreign airlines on a reciprocal basis; and
- Government's role to be restricted to airworthiness safety and security while a decentralized approach to be adopted in project implementation and decision-making in accordance with the market forces.

The strategy for airports planning and development is as follows:

- Integrated plans to be formulated for upgrading, improving and enhancing operational and functional capabilities of airports;
- Efficient, comfortable and friendly handling services be provided to operators and passengers;
- Cargo handling facilities and security systems to be modernized at the airports; and
- Existing training facilities for technical, operational and ground personnel be upgraded to produce a professionally sound work force.

Among the 44 airports 25 are operational. During the last five years, the work relating to improvements and augmentation in capacity of major airports have been initiated as follows:

- Establishing cargo centres with appropriate facilities at the major international airports of Karachi and Lahore;
- Expanding airside facilities at Peshawar International Airport to cater for Airbus A300/A330 operations;
- Upgrading Gwadar airport for handling Boeing 737 operations or aircraft of similar weight; and
- Construction of a new international airport at Sialkot for cargo services on a BOT basis with the land being provided as government equity.

The CAA is implementing the aforesaid projects on a self-financing basis, except for that at Sialkot airport.

In relation to airline policy and strategy, it is proposed that an open-skies policy based on the principle of reciprocity and bilateral agreements be adopted. This policy mainly aims at liberalization of air travel market to attract more foreign airline operations into Pakistan.

It is recommended that in future:

- The role of CAA be limited to regulatory functions;
- The Airport Development Agency be reviewed to provide airport infrastructure and services; and
- Competition among PIA and other Pakistani private airlines to be avoided on international routes.

3.1.1 Airports – Category A (Karachi and Lahore)

Currently among the 25 operational airports, Karachi and Lahore serve as hubs for air travel activities involving maximum handling of international/domestic traffic and interchanges. In volumes terms these two are followed by Islamabad, Peshawar and Quetta. Modern airport terminal complexes have been developed at Karachi and Lahore using the concept of satellite system technology and are operating as major international airports as far as infrastructure facilities and services are concerned. The international flights handled at both these airports among others, include operation of air services to SAARC Member States. Presently, a total number of 48 flights for intra-regional traffic are being operated from Karachi and Lahore and these are shown in Table 3.

Table 3: Services to SAARC countries from Pakistan Airports

Airport	Round trips per week	Airline
Karachi – Mumbai	10	PIA
Karachi – Delhi	6	PIA
Lahore – Delhi	8	PIA
	4	IA
Karachi – Dhaka	6	PIA
	2	Biman
Karachi – Kathmandu	4	PIA
Karachi – Colombo	4	PIA
	4	UL

(Source: CAA)

As evident from the above table, Karachi and Lahore are the only airports handling flights to SAARC countries and thus can be termed as 'gateways' for air travel from Pakistan to Bangladesh, India, Nepal and Sri Lanka. The infrastructure facilities and services at these airports are shown in Annexure IX.

3.1.2 Airports – Category B (Others)

Infrastructure facilities and services at Category B airports are shown at Annexure IX. Among these airports, Islamabad, Peshawar, Quetta and Gwadar may in future become gateway airports for intra-regional traffic when more countries in the region become full members of the SAARC organization, such as Afghanistan.

3.2 Seaports

The Pakistan seaport complex comprises of the Port of Karachi, operating for some 150 years, and the port of Bin Qasim, which came into operation only in early 1983. All international maritime trade is handled by these ports. Both ports are supported by marine facilities such as workshops, shipyard, shipping agents, forwarders and clearing agents with Custom Houses being situated in the proximity of each port.

Both ports are managed by the Federal Government through a Trust for Karachi Port and an Authority in the case of Port Qasim. Both are therefore Government-controlled and fall under the Ministry of Ports and Shipping. This Ministry has a Ports & Shipping Wing situated in Karachi, under which are placed the Mercantile Marine Department, the Shipping Office, Examiners and Surveyors and the Pakistan Marine Academy. Thus, the required administrative set-up is available at Karachi for both the port and shipping sectors. All the major classification Societies have their representatives or offices at Karachi providing services to ports and shipping alike.

These ports are well connected through road and rail to the rest of the country. Regular container trains connect them to the ICD at Lahore. A fast transit of less than 24 hours is assured between Karachi/Port Qasim and Lahore, which is the largest industrial and commercial centre after Karachi. Another major industrial centre, Faisalabad, is also well connected by rail services carrying containers. The railway also carries break bulk and bulk cargoes to many destinations throughout the country, with connections right up to Afghanistan border through Peshawar and Landi Kotal in the North West Province, and through Quetta and Chaman in the Baluchistan province, and also into Zahidan, Iran through Quetta and Taftan.

Port Qasim is situated about 11 kms off the national Highway and enjoys fast road access to Karachi-Hyderabad Motorway (M-9) that is part of the main artery to the Punjab and elsewhere. Port Qasim is located some 50 kms east of the port of Karachi and faces much less congestion in its connections to the hinterland. There are large industrial estates and a free zone situated nearby, plus a large industrial zone within the port area that feeds into the port.

The Port of Karachi is located in the very south of the city and is surrounded by a well-populated and congested area. However, exit expressways have been built to lead the heavy port traffic some 30 kms away to the Motorway (M_9). A northern by-pass and another expressway, the Lyari Eexpressway is under construction to provide exit routes without having to go through the city traffic areas and will connect to the Motorway and up to Baluchistan. Karachi Port serves several industrial areas situated near the port, to the north of the city, an industrial estate to the east and a major area on the Sindh -Baluchistan border.

There is a robust road transport sector serving both ports, providing 'bonded' and non-bonded road transport of goods and containers. Despite its largely informal and unorganized set-up the road services are considered reasonably cost-effective and reliable by its users.

There are a number of off-dock containers terminals (container freight stations) serving both ports. Thus, both ports are providing complete range of port infrastructure and services, comprising of administrative regimes, tertiary services, shipping and allied services and good hinterland connections.

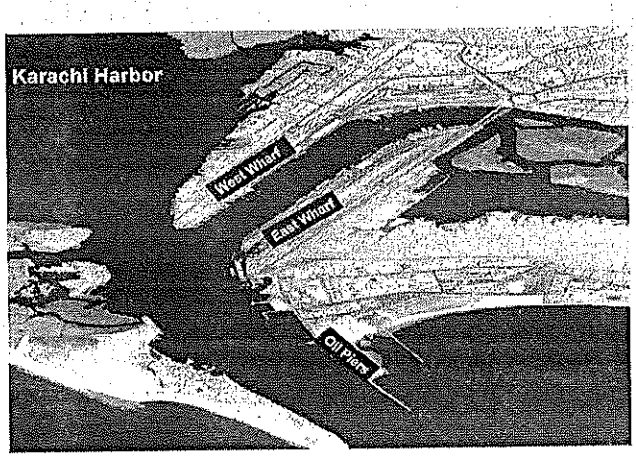
3.2.1 Karachi Port

Port of Karachi is managed by a Board of Trustees under the Karachi Port Trust Act of 1886. The Board has representation from major users, the City of Karachi and the Karachi Chamber of Commerce and Industry. The Chairman is appointed by the Government and most of the Trustees are nominated by various departments or bodies. The Chamber representative is elected by the members of the Chamber. For the last three years the port has embarked on a policy of converting itself to being a 'land lord port' and steps have been taken to some extent to outsource services or to privatize its functions.

The Port comprises of two major parts on either side of the harbour and channel, the East Wharf (EW) and West Wharf (WW) and a set of oil piers near the entrance to the port are shown in Figure 2.

Figure 2: Karachi Port

Channel Length	11.5 kms
Channel Depth	12.2 metres
Dry Cargo Berths	30
Oil berths	3
Containers Terminals	2
Off Dock Terminals	3



Vessels other than tankers of up to 10.5 metres draft can be berthed at Karachi at selected berths with tankers up to 11.89 metres draft being accommodated at the oil piers. Most of the shipping services call at Karachi. The port handled 77% of total cargo by weight and 67% of containers in the FY 2004.

The port is adequately equipped in terms of tugs, pilot boats and other craft. There is a heavy lift floating crane that is now operating well below its original capacity of about 80 tonnes and a luffing crane of maximum 40 tonnes capacity is available at the West Wharf. The port otherwise does not have any cargo cranes at the wharves, so is dependent on ships gear. There are no

specialized dry bulk terminals in the port, despite the fairly large quantities handled. The annual tonnage handled is shown in Table 4

Table 4: Type and Volume of Cargo Handled at Karachi Port 2003-04

Type of Cargo	Tonnage	% of national tonnage
General Cargo (Dry)	9,987,580	93
Dry Bulks	3,875,035	54
Liquid Bulks	13,950,878	77
Total	**27,813,473**	**77**
Containers-TEUS	824,753	67

(Source: KPT)

a) Specialised Terminals

Oil Terminals

The three oil piers are situated near the entrance to the port and provide the deepest draft with tankers up to 75,000 dwt commonly being berthed. All liquid bulk cargoes, such as crude oil, petroleum products, chemicals and vegetable oils are handled, including several grades of oils. The tank farms are located fairly close to these berths. The oil piers are well-equipped, but there is no facility to receive the washings or sludge off the tankers, though this has not seriously effected the operations to date. Vegetable oils can also be handled at Berth No 1 EW, where pipelines exists connecting the berth to the edible oil storage tanks nearby.

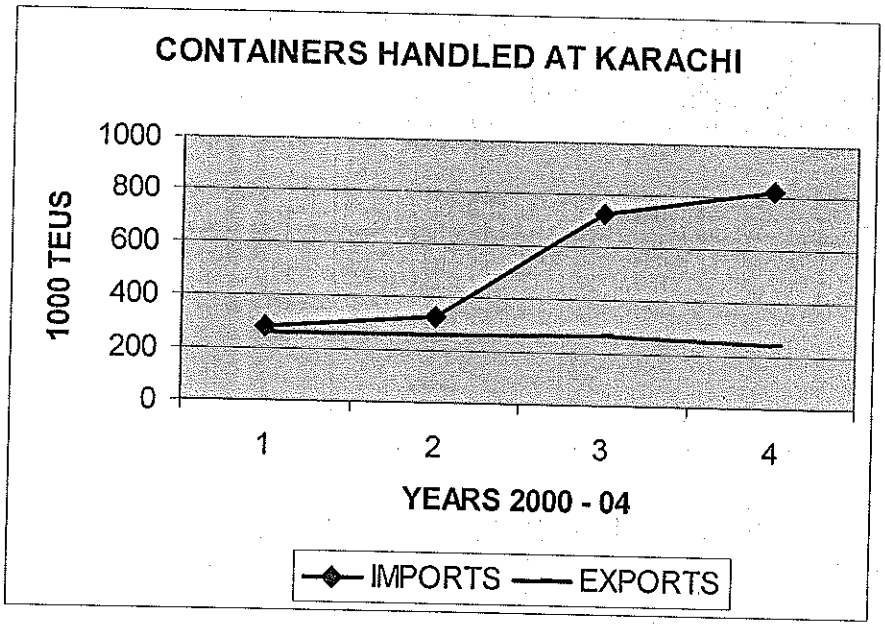
These terminals handled 11.13 million tones of petroleum oils, 330,000 tonnes of vegetable oils and 248,000 tonnes of liquid chemicals during the FY 2004.

Container Terminals

The total container traffic though Karachi Port in recent years is shown in Figure 3.

The Karachi International Container Terminal (KICT) is the largest facility and is located on the West Wwharf. It is equipped with 4 STS cranes (gantries) and other support equipment. It is handling vessels with a draft of up to 10.5 metres, and occasionally to 11 metres, with 2,000 - 2500 TEU capacity vessels. It handled 400 000 TEUs in 2004, representing 48% of the total TEUs handled at Karachi Port and 33% of the national total TEUs handled. The terminal has almost reached its maximum technical capacity of 500,000 TEU and is commencing an expansion programme to raise its capacity to 750,000 TEUs by 2010.

Figure 3: Container Traffic at Karachi Port 2000-2004

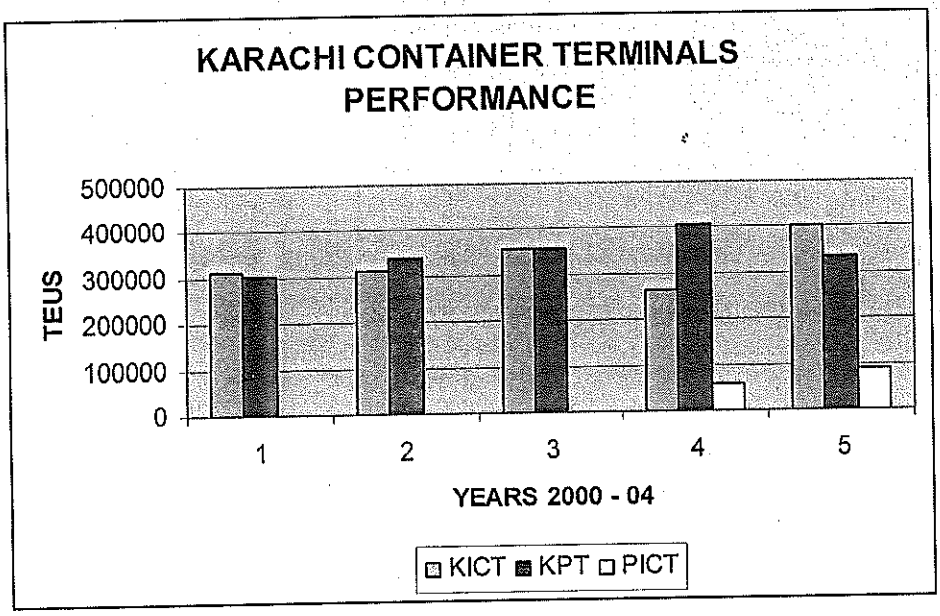


(Source: KPT)

The Pakistan International Container Terminal (PICT) is located on the East Wharf and commenced operations in 2003. It has two STS gantry cranes and support equipment. It can berth vessels of 10.5 metres draft. PICT has two moveable luffing cranes capable of discharging containers, in addition to the gantries. Some 91 000 TEUs were handled during 2004, about 11% share of the port's containers. It is rapidly building up to its designed capacity of 250,000 TEUs and is facing a shortage of space. During the current year it has said to have reached 75% occupancy already.

While the two container terminals handle all gearless container vessels, there is a large volume of containers carried by self-discharging vessels – i.e. vessels with suitable ships gear such as deck cranes. Such container vessels use the designated conventional berths that feed through to a number of container yards operated by various stevedores who also provide the support equipment, such as trailers, container spreaders etc. These conventional berths, commonly referred to as KPT, have handled significant numbers of containers during the last two years as can be seen in Figure 4.

Figure 4: Volumes Handled at Karachi Container Facilities 2000 - 2004



(Source: KPT)

3.2.2 Port Qasim

The port was initially planned as a bulk handling port and came into operation in the 1980s, primarily to service the Pakistan Steel Mills situated nearby. Since then it has developed into a multipurpose port handling all kinds of cargoes and ships.

The port is established under the statutory Port Qasim Authority (PQA). The Chairman and the Board members are appointed by the Government to represent user departments and trade bodies. The port works close to the principles of a 'landlord' port and its operational functions are in private hands.

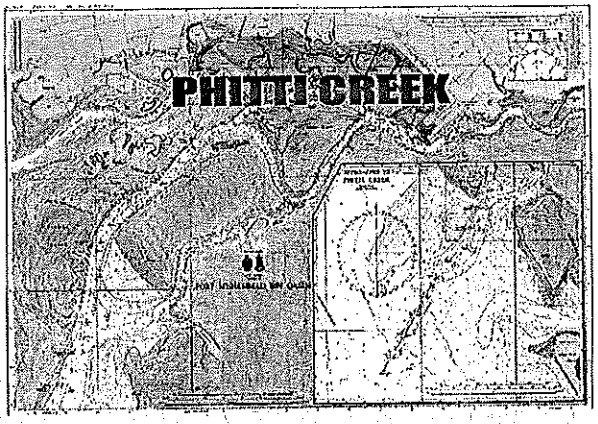
The port is located about 50 kms from Karachi and has a long navigation channel of 45 kms running along the Phitti Creek, with a bar entrance south-east of the Karachi port entrance. The port comprises of several specialized independently operated terminals located along the creek. The container terminal is located at the Marginal Wharf (MW) and has seven berths of which three are under the QICT and the other 4 are used for break bulk, dry bulk and edible oil ships.

Vessels of up to 75,000 dwt can be regularly handled. Tankers and bulk carriers with a draft of 11 meters can also be berthed. Container vessels with a maximum 10.5 metre draft and others with draft of 9.5-10 meters can are berthed at the Marginal Wharf.

Details of the port are shown in Figure 5.

Figure 5: Details of Port Qasim

Channel Length	45 kms
Channel Depth	11 metres
Dry cargo berths	3
Palm Oil Berth	1
Container Terminal	1
Chemical Terminal	1
Oil Terminal	1
Iron Ore & Coal berth	1
Off-dock terminals 2 at PQ and 1 at Karachi	



Details of the Types and volumes of cargo handled in recent years are shown in Table 5.

Table 5: Type and Volume of Cargo Handled at Port Qasim 2003-04

Type of Cargo	Tonnage	% of National Volume
General cargo (Dry)	740,000	07
Dry Bulk	3,315,000	46
Liquid Bulk	4,079,000	23
Total	**8,134,000**	**23**
Containers TEUs	402,000*	33

* Provisional

(Source: PQA)

The port is equipped with tugs, pilot boats and other harbour craft. There are no shore cranes provided at the marginal wharf for the handling of general or dry bulk ships, but the specialized terminals have appropriate loading/discharging equipment.

There are several terminals at Port Qasim as follows:

a) Multipurpose Terminal consists of what is sometime called the Marginal Wharf. Berth No 1 handles the edible oil tankers of 25,000 dwt with a draft up to 9.5 metres and Berth Nos 2 - 4 can handle vessels up to 35,000 dwt with a 10 metre draft. Usually dry bulk vessels and rice vessels are berthed at Berths No 2-4;

b) Qasim International Containers Terminal (QICT) occupies Marginal Wharf Berths Nos 5 - 7. It started operations in 1997 and currently has 6 STS cranes with supporting equipment, a quay wall of 600 metres and a draft of 11 metres. It can accept container ships up to 2,500 TEU capacity. This is the only container terminal at Port Qasim and its

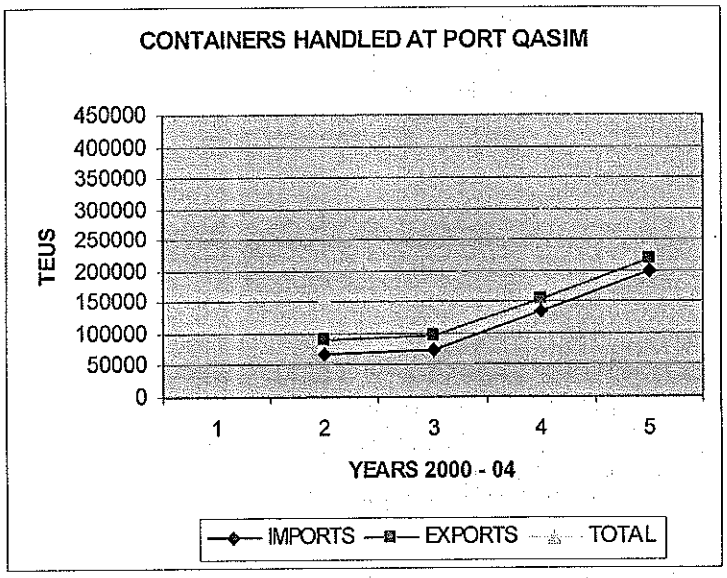
capacity is virtually stretched in 2005 with 418 000 TEUs being handled. As a result it is planned to increase the capacity to 850,000 TEUs by 2010. Details of the containers handled in recent years are shown in Figure 6;

c) Engro Vopak Chemical Terminal is an integrated liquid bulk chemical terminal and also serves LPG tankers. It can handle vessels of 10 metres draft and handled 761,000 tonnes of liquids in FY 2004;

d) FOTCO Oil Terminal handles crude oil and petroleum products from tankers up to 75,000 dwt with a draft up to 11 metres. It handled a total of nearly 4.5 million tonnes in 2005 against a rated capacity of 8 million tonnes; and

e) Iron Ore & Coal Berth serves the import requirement of Pakistan Steel Mills and is connected with a 4.5kms long conveyor belt to carry the ore and coal up to the mills. It has a draft of 11 metres and can handle Panamax vessels. A total of 2.9 million tonnes was handled in FY 2004.

Figure 6: Containers Handled at Port Qasim 2000 - 2004



(Source: PQA)

3.3 Border Posts

Pakistan shares borders with four countries, namely India in the East, Iran in the South West, Afghanistan in the North and West and China in the North East. The main cross border posts between Pakistan and these countries are as follows:

- Wagah (Lahore, Punjab) (Pak-India border):
- Taftan (Baluchistan) (Pak-Iran border);
- Chaman (Baluchistan) (Pak-Afghan south border);

- Torkham (North West Frontier) (Pak - Afghan northern border); and
- Sust (Gilgit, Northern Areas) (Pak - China border).

The above five border posts are used for transit traffic facilitating trade through the land corridors with these neighbouring countries. The movement of vehicles of neighbouring countries is regulated by bilateral agreements on a reciprocal basis. The vehicles of Pakistan and neighbouring countries are allowed up to the nearest custom posts, which are located inside the countries, and in some countries further inside, except in the case of India where goods must be transhipped at the border.

Currently, Pakistan is handling transit traffic using national highways/roads that is destined for Afghanistan through two cross border points at Torkham and Chaman respectively. However, only transit traffic related to aid or security organizations can move direct by road from the port to the borders, the remainder has to be sent by rail from the port to the railheads at Peshawer or Chaman and then on-carried over the border by road. The terms for handling of transit cargo are stated in the ATTA (Afghan Transit Trade Agreement) signed by both countries.

The existing infrastructure facilities at the terminal are inefficient and lag far behind that of international standards, especially as comprehensive custom checking is not available at border terminals and has to be carried out in the open storage areas or adjacent towns. This results, not only in delays, but also compromises controls and adds to the overall transportation costs.

To modernize and enhance the facilities as well as to make them available in a single location i.e. one stop processing, the Government intends to construct state-of-art terminals of international standard at both of the above border posts. This task has been designated to the National Logistic Cell (NLC) and some initial funding had been offered by the ADB. In addition, more cross border facilities are required at Ghulam Khan (North Waziristan) on the Pakistan - Afghan border (NWFP) and Khokhrapar on Pakistan - India border (Sind).

In addition to establishing cross border facilities, the border policy also envisages a review of the legal framework and custom rules/regulations and to update these procedures to meet present day requirements of transit traffic between Pakistan and its neighbouring countries. This will include gradual compliance with the Revised Kyoto Convention and introduction of an automated customs control system.

3.3.1 Border Posts - Category A

The conditions prevailing at each location are described as follows:

a) Taftan (Pak-Iran)

The customs post at Taftan is actually technically located at Quetta for clearance purposes. Iranian trucks are allowed to travel from the actual border to Quetta 635 km inside the country for clearance and Pakistani trucks are allowed to Zahidan 100 km inside Iran. This is based on a bilateral agreement signed between Pakistan and Iran on Road Transportation of Goods in 1987. The vehicle movements between the border and Quetta are escorted by Customs staff deputised

for this purpose. However, some scrap from Iran is off-loaded at Taftan where the National Logistic Cell (NLC) has built a scrap yard. The Customs staff at Taftan check the documents and then arrange an escort for the movement to Quetta. The Immigration authorities check passports and visas at the actual border, which is open from dawn to dusk at mutually agreed timings on both sides.

b) Chaman (Pak-Afghan)

Chaman Customs post is located at the border. On the Afghanistan side, the actual border is at Waish where there is a check point but all traffic is either escorted to Spin Boldak, 8.5 km inside Afghanistan, or sent on to the ICD at Kandahar. Afghan trucks are only allowed as far as Chaman in Pakistan but Pakistani trucks can go up to Kandahar. However, due to the adverse security conditions in Afghanistan, few Pakistani trucks travel far into Afghanistan on this route, except for those with shipments for aid and security organisations. Most of the goods tend to be carried on Afghan trucks and are transhipped either in Chaman or at the actual border post in the Customs compound, especially dried fruits destined for India.

c) Torkham (Pak-Afghan)

Torkham handles the largest amount of cross border traffic in the country. The Customs post is controlled by Peshawar Customs, 46 km inside the country. Afghan trucks can come up to Peshawar from where goods are transhipped from rail or road vehicles or alternatively bilateral trade can be transhipped at the border post onto Afghan vehicles. Pakistan trucks can travel from anywhere in Pakistan and go up to the nearest Afghan ICD at Jalalabad or even through to Kabul ICD. However, in view of current security problems in Afghanistan, only a few Pakistani trucks travel through as far as Kabul, though numbers are steadily growing as security improves. All Afghan transit goods that arrive from Karachi by rail under the ATTA are moved to transit sheds at the city/cantonment railway station from where they are loaded on trucks for onward movement. A truck terminal is also located near the cantonment railway station for other than transit goods to and from Afghanistan. Customs export clearance is done at the city/cantonment railway station and truck terminal/dry port in the city.

The vehicles cleared by Customs in Peshawar are sealed and escorted to the border. There are custom personnel at the border responsible for receipt and dispatch of vehicles. They check the seals and in certain cases goods as well and then let the vehicles cross the gate in Afghanistan. The gate is open from dawn to dusk.

There are some seasonal movements of fruit from Afghanistan that are transhipped at Torkham onto Pakistani vehicles and then taken to Wagah and 'carried across by hand' over the border into India.

d) Sust (Gilgit)

The Pak-China border is located at Khunjrab Pass at a height of 11,000 feet. Sust is Custom and Immigration post and is located 75 km from the border at a height of 6,000 feet. The border is

snow covered and open in summer only (May-November). There are only security personnel at the border, who check gate passes and let the vehicles though.

Chinese trucks are allowed up to Sust and Pakistan trucks can go up to the nearest custom post located 100 km inside China. However, the movement of vehicles is more restricted with only vehicles of designated transport agencies of the two countries being allowed to operate. The agency responsible on Pakistan side is Northern Area Transport Corporation (NATCO), who also operates passenger coaches. Similarly, there is a Chinese state agency operating trucks and coaches.

Return loading is not allowed by either country on each others vehicles. Chinese vehicles bring their goods up to Sust and go back empty. Similarly, Pakistani vehicles go up to Chinese nearest Custom Post and come back empty. A warehouse has been built at Sust with the help of China where transhipment is carried out.

3.3.2 Border Posts Category B

a) Wagah (near Lahore)

Wagah is located 28 km from Lahore city centre. The only trade allowed at Wagah was Afghan dry fruit and fresh fruits to India which are transported from Afghanistan through Chaman or Torkham. Afghan trucks are not allowed to carry these goods up to Wagah so the Pakistani trucks undertake the transit movement for these goods from either Chaman or Torkham to Wagah. The goods are unloaded on the Pakistan side, inspected by custom staff and carried by hand by Pakistani security cleared labour across no man's land, handed over to Indian labour for clearance by their Customs and then loaded onto trucks for onward movement. The border is open from dawn to dusk.

There is also passenger traffic crossing the border on foot after completing customs and immigration formalities on either side. Recently, imports of vegetables, meat and animals have also been allowed through Wagah.

4. RELEVANT CONFIRMED SECTOR DEVELOPMENTS

4.1 Aviation

As indicated in Section 3.1, there are on-going projects being undertaken to upgrade and enhance the capacity of the major airports to cope with traffic growth. Ever since the 9/11 incident Pakistan has also had to cater for additional traffic generated by allied forces operations and reconstruction/rehabilitation activities in Afghanistan. This warrants improvements and augmentation of the terminal facilities. There is a lack of infrastructure/terminal facilities for handling cargo operations at both of the major international airports (Karachi and Lahore). Realizing this, the CAA is executing projects to increase the capacity of the Jinnah Terminal at Karachi and the providing a new Terminal Complex at Lahore where a cargo centre with facilities is being established for the processing of cargo export. The on-going works should be completed within the next five years. In addition to these on-going projects, CAA plans to undertake the following major development projects during the next five year plan (2005-10):

- *New Islamabad International Airport*: Presently the CAA is operating the airport at Islamabad, which is owned by the Pakistan Air Force. There is a need to establish a new airport for the capital, Islamabad, with construction being funded through CAA's own sources:
- *Upgrading of Gawadar Airport for Boeing 737 Operation*: The upcoming Gwadar port warrants that the existing infrastructure at the Gwadar International Airport be upgraded to handle Boeing 737 and A320 aircraft operations. The project is being executed with the financial assistance of the Sultanate of Oman;
- *New Airport for Peshawar*: CAA has a long term plan to provide modern airports at all major cities of Pakistan. During this plan period the CAA intends to build a new airport for Peshawar. In addition, as an interim development, it is proposed to expand the terminal facilities at the existing Peshawar airport;
- *Procurement of Fire Crash Tenders*: The fire fighting equipment at the airports need to brought up to conform to ICAO standards and requirements. The CAA has planned a phased procurement of large/medium size Fire Crash Tenders; and
- *Procurement of ATC Simulator/Radar*: The personnel working in the air traffic control system of CAA need to be trained in modern techniques. CAA therefore intends to procure an ATC simulator and radars to impart skills training to ATC personnel and thus update their knowledge regarding latest technology.

The CAA of Pakistan plans to execute these projects using its own resources, other than at Gwadar. In overall terms an investment outlay of Rs 17.7 billion is estimated to be required to undertake these projects over the next five years.

4.2 Maritime

In relation to future development planning, the following have been identified as the key issues:

(i) Existing facilities at the ports are not in step with the economic growth forecasts of about 6.5 to 8.5 %. Most facilities would be found inadequate at the end of the forecast period unless development takes place;

(ii) There is demand from the shipping sector for deeper drafts to be available. Since both ports have navigational channels and basins, these would need to be dredged to increase the draft and enable larger size vessels to enter the ports. In practice, the dredging is already in arrears at both ports and hence inclusion of this activity in development plans;

(iii) Container traffic in particular is expected to grow about 14% annually. All container terminals are operating near to their maximum capacity and unless expansion takes place in the areas behind the berths, length of quay walls and more equipment, they will not meet future requirements; and

(iv) The national fleet is very small in terms of the potential of trade it can serve and industry aspirations based on the long duration profit-taking cycle currently being experienced in the shipping industry supports further investment in the national fleet.

The Government of Pakistan has asked the public and private sector to devise practical developments in the ports and shipping sector that would be achievable, including a timeframe for execution and the ability to self-finance or raise credit for the projects. Thus, a Mid Term Infrastructure Development Plan for the maritime sector has been put together for the 10th Plan period, 2005 through to 2010. Details of the projects in this plan are listed in Table 6. Work on some of the projects is already underway, while others are at various stages of technical studies, approvals, financial negotiations etc.

4.3 Rail

Governments of Pakistan and India are fully aware of existing passenger and freight traffic potential and regional, as well as intra-regional, trade opportunities that are awaiting decisions by the leaders of both the countries. Pakistan Railways has already undertaken a number of projects in order to play an increasingly competitive role, with the main features of existing policy and strategy including revitalization of the railways in order to make it a more commercially-oriented entity. Moreover, private public participation in new projects is to be encouraged.

At the Chaman border some initial feasibility and design work has been undertaken in respect of the possibility of extending the rail line from the current railhead through to Spin Boldak via Waish and possibly through at a later stage to Kandahar. However, as yet these plans have not been approved by either side and therefore they are merely at an assessment stage.

Table 6: Medium Term Infrastructure Development Plan – Public and Private Sectors 2005-2010

Million Rupees

S.No	Project	Self Financing/ Cooperation	Public - Private & Private Sector Financing	Total
	Port Qasim Authority			
1	2nd Iron ore and Coal Berth		2,925	2,925
2	2nd Container Terminal		3,510	3,510
3	2nd Oil Jetty at FOTCO		1,170	1,170
4	Coal / Clinker Terminal		1,755	1,755
5	Liquid Cargo Terminal		667	667
6	LPG Terminal		1,463	1,463
7	Marine Workshop		585	585
8	Desalination Plant		1,463	1,463
9	Through Own Resources	3,094		,3094
10	Projects through Peripheral Development charges	618		618
	Total PQA	3,712	13,538	1,250
	Karachi Port Trust (KPT)			
1	Capital Dredging for Developing of Channel	1,650		1,650
2	Reconstruction of Oil Peir-2	367		367
3	Development of a Cargo Village on KPT Estate in Western Backwater Area	1,200	10,800	12,000
4	Construction of Deep Draught Berths at Keamari Groyne	9,000	24,000	33,000
5	Procurement of Anchor Hoist Vessel	250		250
6	Procurement of two self propelled split type Hopper barges	486		486
7	Procurement of self propelled Water Barge	100		100
8	Container Terminal at Berths 6-9 (US$ 75M)		1,500	1,500
9	Setting up of Dry Bulk Cargo Handling Terminal(US $20 m)		1,200	1,200
10	Construction of Port Tower Complex		16,000	16,000
11	Setting up of Desalination Plant		1,400	1,400
12	Rehabilitation of Roads and Construction of Bridge Under Tameer-e-Karachi Programme	842		842
13	Procurement of Trailer Suction Hopper Dredger	2,150		2,150
14	Container Terminal at Berths 28-30		3,300	3,300
	Total KPT	16,045	58,200	74,245
	Pakistan National Shipping Corporation			
1	6 Nos. 2nd hand Panamax / Handymax Vessels (US$ 18 m each)	6,480		6,480
2	4 Nos. 2nd hand Crude Oil Tankers (US$25 Million each)	6,000		6,000
	Total PNSC	12,480	0	12,480
	Total Ports (PQA+KPT+PNSC)	32,237	71,737	103,974

4.4 Borders

Government of Pakistan intends to develop border crossing facilities at Wagah, Torkham, Chaman and Taftan. These facilities include modern terminals, parking, warehousing, custom / immigration facilities to international standard under one roof, along with installation of automated systems and state-of- art handling equipment.

ADB has offered technical assistance for the development of a new physical facilities and institutional arrangements at Chaman as a pilot project, which would be replicated at other sites including Torkham and Ghulam Khan for which ADB is providing financial assistance under an approved project namely NWFP Road Sector Development Programme. The funding situation however is not clear as NCL who are now allocated the responsibility of developing these borders have indicated that they will provide the necessary funding.

5. ISSUES/CONSTRAINTS TO INTRA-REGIONAL TRANSPORT

5.1 Aviation

The key issues/constraints involved in Pakistan's aviation sector are highlighted below:

- As indicated earlier, the Civil Aviation Authority of Pakistan has assumed a dual role being both a service provider as well as regulator for the air transport sector in Pakistan. This creates a potential conflict of interest at times due to their dual responsibilities;
- CAA has denied higher user charges at airports, but the industry cites that they have contributed to the bankruptcy of many new airlines and stopped other foreign airlines coming to Pakistan; and
- The landing charges for different types of aircraft at airports in Pakistan are much higher than in comparable countries and thus need to be rationalised / modified.

5.1.1 Infrastructure

- Air terminal complexes at both Karachi and Lahore airports have been constructed with ample passenger capacity. However, they lack modern cargo centres and cargo handling equipment and these need to be provided;
- The other airports like Islamabad, Peshawar and Quetta lack passenger terminal facilities to international standards. While the runways at the three airports cater for the landing requirements of large wide-bodied aircraft, such Boeing 747/777, Airbus A300, 310 etc. the taxiways/parking bays for such aircrafts are insufficient to accommodate more such aircraft;
- Islamabad, Peshawar and Quetta airports all lack sufficient car parking facilities;
- The smaller airports in the north and south such as Gilgit, Gwadar, Turbat etc. have small runways that are insufficient for operation of Boeing-sized aircraft operations; and
- Major and minor airports lack the latest navigation facilities to be able to handle bad weather situations, such as fog, rain, etc.

5.1.2 Services

- Currently, apart from the higher user charges, the lack of Government assistance on profitable domestic routes has contributed to private airlines going out of business;
- The Pakistan route is considered to be uneconomical for many international airlines of repute, thus limiting choice and quality;
- Apart from the two major airports at Karachi and Lahore where passenger services have considerably improved, there is generally a lack of adequate passenger handling facilities and services at the other airports;
- Capacities of the bridges/skywalks, other than at Category A airports, is below the demand and require to be expanded or new airports need to be constructed, especially at Islamabad, Peshawar, Multan, etc; and
- Air transport services lag far behind in relation to cargo handling facilities available at airports in Pakistan. Modern cargo warehouses at the major airports are non-existent

and need to be established with modern cargo handling equipment, thus effectively opening up the air cargo market.

5.2 Maritime

The Pakistan economy is expected to grow at a rate of 6.5 - 8.5 % over the next five years with FY 2005 already showing 8% growth. That being the case, it is essential that all sectors, including the maritime transport sector, are able to support and nurture growth at these high levels. Towards that end the macro issues for the entire sector would appear to be as follows:

- Provision of all facilities, both physical and non-physical, to meet the demands of the trade generated through the anticipated growth rate; and
- Provision of all facilities and services at a cost-effective level to be able to retain competitive advantage.

These are both equally relevant in the context of international or intra-regional trade. Against these future requirements the following are the identified issues/constraints:

5.2.1 Ports and Terminals

- The industry feels that the ports are generally too costly in terms of their tariffs and additional costs passed on to the trade for their less-than-efficient performance. Overheads are high, procedures are still too restrictive and decisions and execution of change are behind the times. These need to be addressed through a complete change over to 'land lord' status with the operations left to the private sector;
- Ports would need to double their facilities to properly serve the expected growth rate in traffic. Traditionally, the ports are always missing the planned development completion schedules, but this is now a more critical issue under the prevailing conditions and urgent steps are needed to ensure completion of projects on time;
- Dredging, which is already in arrears at both the ports, needs to be addressed as a top priority as it is already restricting the current shipping and handling performance;
- Industry requires facilities for night navigation and unhindered working of the ports on a 24/7 basis. Night navigation facilities are only available with some restrictions, and dredging arrears contribute to this deficiency;
- Small turning basins at the ports are restricting the size of ships. Ships have grown larger and longer and need wider and deeper turning basins. Due to this restriction both ports have to limit the length/beam of the ships calling;
- The trade feels that terminal charges are relatively high in the ports, particularly considering the local level of costs. It is expected that terminal charging systems should assist the trade in retaining competitive edge; and.
- Ports need fast track exit routes for the traffic out of the port and into the hinterland. Existing plans are taking too long to complete while the traffic grows and the need for additional road infrastructure etc. becomes ever more urgent.

5.2.2 *Services*

- Bilateral agreements restricting/sharing cargoes to/with the national flag ships is now a hindrance to trade and has proved to be of no assistance to national fleets. Pakistan has two such agreements/protocols, one with India and the other with Bangladesh. These agreements need to be revised, indeed scrapped, to bring in the free access regime prevalent elsewhere. This will enable more shipping services, more competition and consequent reduction of seafreight costs. It should be noted that none of the national flag vessels are participating in the SAARC trade with Pakistan with all the intra-regional seafreight being entirely carried by international or inter-regional carriers;
- More shipping capacity needs to be provided in the near future as a number of bilateral and SAARC level free trade agreements are being negotiated that should lead to increased intra-regional trade;
- In the longer term there is a need to be less reliant on feeder services. Feeder services by their very nature tend to be more costly compared to intra-regional or inter-regional carriers because of the size of their operations. However, this needs to be evolved over a period of time as demand grows such that direct services become more economical;
- Dwell times reported for import containers are 6-12 days for imports and 2-6 days for exports. These are too high compared to international benchmarks. Pakistan Customs have launched their CARE and PCCS program, which has been under trial at KICT for the last six months. This program enables the shippers, clearing agents and ship agents to electronically submit documents. Customs follow a risk management process and clearance in advance of arrival is technically possible, however the average dwell time is still excessive even with CARE. The main reasons are incorrect filing of the computerized data and the Customs examination process. The on-dock Customs examination process, 7-days free time allowed on import containers and the presence of abandoned or disputed cargo whose disposal is subject to Custom auctions takes months to be implemented. On the exports 2-3 days is reasonable given that 24-hours are accounted for under the Container Security Initiative where the export must wait cold for 24 hours. All terminals contend that dwell times are consistently decreasing but it is a slow process and import dwell time in particular needs addressing to reduce terminal congestion.

5.2.3 *Trade Issues*

- Present agreements with the SAARC countries provide some concessions for Customs duties on a good number of commodities. However, some trade sectors feel that the list of commodities is not realistic in the sense that many are simply not tradable and those which are more in demand are not found in the concessions list. Thus, the purpose of the concession is defeated and trade remains restricted; and
- Application of Rule of Origin of Goods is very narrow and restrictive. In the absence of direct shipping services in some cases, goods move through an entrepot, in which event the real origin of goods becomes contentious. The trade would prefer a more liberal interpretation in keeping with the trading realities and practices at entrepots, though it is recognised that there are significant problems worldwide in relation to Rules of Origin and their abuse.

5.3 Railways

Pakistan Railways mostly have diesel locomotives. Electric locomotives were introduced during early 70s but these are now decrepit and since then the number of electric locomotives has not increased because of the lack of electrification of the rail network. The most pressing problems concerning locomotives are lack of high performance locomotives. In order to provide more reliable and sustainable services and to expand railway transport, it is essential to increase the number of high performance locomotives by replacing aged locomotives.

The existing passenger coach fleet is insufficient to meet service demands. In addition, the express trains are always crowded and passengers are required to purchase tickets well in advance to reserve their seats. Not only are the numbers but also the service level of passenger coaches needs to be improved. As for freight wagons, most of the existing fleet consist of old 4-wheeler wagons will be useless in near future. Suitable high performance wagons need to be introduced as far as possible to make railway freight transport competitive.

The track is in variable condition given their long history with rehabilitation and strengthening works of tracks that has been carried out being insufficient. In the section between Karachi and Peshawar the allowable axle load is 22.80 tonnes, which is standard for the 3,000 HP locomotives and new high performance freight wagons with full loading. However, the axle load for other lines is 17.27 tonnes or less. The structural standard for track strengthening of Primary-A and Primary-B Section is shown below:

	Primary-A	Primary-B
• Rail	U1C54/100RE	100 RE/90R
• Sleepers	1,640 sleepers/km	1,562 sleepers/km
• Ballast thickness	30 cm	25 cm
• Speed	120 km/hr	100 km/hr

Double track sections represent only 1,043 kms out of 7,791 route kms with almost all these double track sections belong to the most important sections (Karachi-Lahore 1,219 kms). The double tracking works in the remaining sections of Karachi-Lahore route are under construction with completion scheduled in 2006.

The existing signalling system is not suitable for the current operation and safety requirements. In order to ensure safety, the modernization of the signalling system with the installation of Automatic Train Protection (ATP) paying attention to the installation schedule is a matter of great urgency. The main lines and its bypass lines require both modernized signalling system and ATP and at least an ATP interlocking system should be added on other branch lines.

The current ATTA covering transit cargo through to Afghanistan requires the movement from Karachi or Port Qasim to be undertaken by rail to the railheads at Peshawar and Chaman. All commercial parties involved in such movements complain about the long transit times between 'ships rail' and delivery at the railheads. It is understood that availability of wagons and train paths, as well as internal inefficiencies contributes to the problem. There is strong international

pressure to remove this monopoly and this can only be countered by improvements in service by Pakistan Railways.

5.4 Road

The overall national road network is not in a very good condition with about 40% of the highways being classified as 'poor' to 'very poor'. However, the Government has initiated various programmes for rehabilitating the priority highways sectors with the assistance from the World Bank and Asian Development Bank, in addition to its own resources. It has plans to increase revenue by increasing toll rates and toll gate locations in order to secure funds to improve maintenance of the main highways.

Vehicle overloading is a major cause of pre-mature pavement deterioration and is an impediment to the sustainable development of the highway network. Overloading reduces the economic benefits and increases maintenance costs of the road projects. The local truck body manufacturers make elevated truck bodies that enable overloading to reduce unit haulage costs. The excessive wheel loading when combined with reduced tyre contact area exerts pressure far in excess of the bearing capacity of pavement. An axle load study carried out by the National Transport Research Centre in 1995 indicated that 43% of rear axle loads exceed the 12 tonnes and therefore the legal axle load limit of the Road Safety Act 2000 was imposed.

An average value of Equivalent Standard Axles (ESAs) for various axle configurations of commercial vehicles calculated in accordance with AASHTO Pavement Design Guide 86, and compared to the USA axle load limits shows that 2-Axle Pakistan trucks are equivalent to 22 USA trucks in terms of their effects on pavement structure. The 2002 Highway Safety Ordinance establishes the legal framework for overloading control as follows;

- Axle load limits should be enforced on National Highways and Motorways;
- Overloaded vehicles drivers should be directed to remove the extra load from the vehicle on the site provided for this purpose and then proceed; and
- The drivers of the vehicles carrying 15% in excess of the limits should be liable to be punished with imprisonment.

However, the normal practice of imposition of fines does not appear to be the solution, since habitual violators merely pass on the cost to the end users. It is therefore important to amend the legislation to increase the penalties including imprisonment and cancellation of business registration for habitual violators. Consequently, the National Highway Safety Ordinance is being now amended.

The lack of a bilateral transport agreement with India means that there is no direct movement of goods by road being carried through Wagah border despite clear evidence that there is a demand for such services.

5.5 Borders

The key issues in relation to borders are as follows:

- There is a general lack of infrastructure at the key borders, especially at Torkham and Chaman. The existing crossings lack traffic separation schemes, adequate offices for the various border authorities and appropriate reliable utilities, especially water, electricity and water;
- There is a lack of warehousing/storage and loading/unloading areas for the checking and transhipment of goods at the border;
- There is a need to streamline and simplify the legal framework and documentation of custom procedures and to make it compatible with the Revised Kyoto Convention;
- There is a need to impart skills training in handling equipment and packaging;
- The introduction of multi-axle vehicles, especially to increase the numbers of containers passing through the border without transhipment, is needed. This may require some revision to the ATTA that was drawn up and agreed prior to containerisation; and
- The ratification of the TIR convention by Pakistan would eliminate the need for customs escorts between Quetta and Taftan for compliant transport, and might be used for Afghanistan if its re-admission were to be approved.

6. TRAFFIC FORECASTS (2005-2020)

6.1 Aviation

Pakistan has a population of about 150 million people. During 2003-04 the total air passenger traffic was 11.5 million. In terms of revenue passenger kilometre, the total air passenger traffic was 23,469 million, including the traffic of foreign airlines operating to and from Pakistan. Aviation accounted for approximately 10% of total passenger traffic handled by all modes of transport during 2003-04. The total air cargo traffic was 290,000 tonnes, which was about 2% of the total freight traffic carried all transport modes in Pakistan during 2003-04.

The performance of the air traffic sector 2001-2004 is discussed in the following sections together with projections until 2020.

6.1.1 Passengers

The volume of passengers handled by air in recent years is shown in Table 7.

Table 7: Air Passenger Volumes 2000 – 2004 (Number of Passengers)

	2000-01	2001-02	2002-03	2003-04
International	5,518,000	4,829,000	5,112,000	5,743,000
Domestic	6,521,000	5,062,000	5,508,000	5,800,000
Total	**12,039,000**	**9,891,000**	**10,620,000**	**11,543,000**

(Source: CAA)

The domestic passenger traffic has witnessed a sharp decline from 9.3 million passengers in 1995 to only 5.8 million passengers in 2003-04, while international passenger traffic remained in the range of 5 – 5.7 million passengers during the past 8 years.

All over the world, airline traffic has registered a negative growth rate during the past 4 years. The main reasons include geo-political conflicts, epidemics (SARS virus), natural disasters and terrorist attacks. The estimates of revenue passenger km (RPKs) carried by all the airlines in Pakistan are shown in Table 8.

Table 8: Airline Traffic on All Routes 2000-2004 Revenue Passenger Kilometres (RPKs)

	2000-01	2001-02	2002-03	2004-04
International	20,204,000	18,567,000	18,557,000	21,080,000
Domestic	3,057,000	2,465,000	2,157,000	2,389,000
Total	**23,261,000**	**21,032,000**	**21,014,000**	**23,469,000**

(Source: CAA)

As regards passenger traffic on SAARC routes, Table 9 gives the passenger flows in 2000, 2001 and 2004.

Table 9: Passenger Traffic between Pakistan and SAARC Countries 2000-2004

	2000	2001	2004
Karachi - Mumbai	36,387	21,062	32,944
Mumbai – Karachi	41,857	33,316	43,758
Karachi - Delhi	31,472	37,925	38,426
Delhi - Karachi	34,338	39,712	53,346
Karachi - Dhaka	36,726	38,901	28,451
Dhaka – Karachi	38,344	32,616	36,021
Karachi – Kathmandu	11,836	7,058	6,342
Kathmandu - Karachi	15,300	15,659	11,052
Karachi – Colombo	16,063	10,973	18,119
Colombo – Karachi	16,525	16,732	17,630
Lahore – Delhi	18,282	13,213	--
Delhi – Lahore	18,736	15,000	--

(Source: CAA)

The traffic between Pakistan and India remained suspended for two years from 2003 to 2004 respectively. Moreover, there was a ban imposed by India on Pakistani carrier flying over her territory during this period. As such no data has been shown in Table 9 under these years

The provision of improved airport infrastructure facilities coupled with better services is expected to result in an increase in air passenger traffic, both on domestic and international routes. An overall annual growth rate of 4.3-4.6% has adopted for this study to project future passenger traffic up to 2020 with the base 2003-04 passenger traffic as shown in Table 10.

Table 10: Projected Growth in Passenger Traffic 2005-2020

Year	International	Domestic	Total Passengers
2004	5,743,000	5,800,000	11,543,000
2005	6,007,000	6,049,000	12,056,000
2006	6,284,000	6,310,000	12,594,000
2007	6,573,000	6,581,000	13,154,000
2008	6,875,000	6,864,000	13,739,000
2009	7,191,000	7,159,000	14,350,000
2010	7,522,000	7,467,000	14,989,000
2015	9,419,000	9,216,000	18,635,000
2020	11,794,000	11,375,000	23,169,000

(Source: Consultants estimates)

During the next 5 years, Pakistan's strategy is to introduce more liberalization and create an enabling environment to attract more foreign airlines, which would contribute towards a rise in RPKs and numbers of passengers being handled by carriers. Moreover, the induction of more

airlines in Pakistan's aviation sector, the introduction of new wide bodied aircraft in their fleet and improved services is expected to make significant impact on the growth of RPKs. Considering this and that airline passenger traffic is expected to grow at a rate 4.3-4.6% as indicated above, the projected growth in Revenue Passenger Kilometres is shown in Table 11.

Table 11: Projection of Revenue Passengers Kilometres 2004-2020

Year	RPKS (million)
2004	23,469
2005	24,619
2006	25,825
2007	27,091
2008	28,418
2009	29,811
2010	31,271
2015	39,721
2020	50,454

(Source: Consultants estimates)

Table 9 showed the current air passenger traffic between Pakistan and the other SAARC member states and this indicated marked fluctuations over the four years period from 2001 to 2004. The two way traffic between Pakistan and the SAARC countries with the exception of Karachi-Dacca and Karachi-Kathmandu routes, indicate growth rates ranging from 3.9% to 11.8% per annum from 2001 to 2004. The traffic growth on the average over the entire SAARC air routes to/from Pakistan is estimated for this study to be 3.0% per annum. This modest growth rate is adopted for the intra-regional air passenger traffic through Lahore and Karachi as shown in Table 12.

Table 12: Projected Passenger Traffic Flows between Pakistan and SAARC by Air 2004/20

Route	2004	2005	2006	2007	2008	2009	2010	2015	2020
KHI-BOM	76,702	79,003	81,373	83,814	86,328	88,919	91,586	106,173	123,084
KHI-DEL	77,637	79,966	82,365	84,836	87,381	90,003	92,703	107,468	124,584
LHE-DEL	31,725	32,676	33,657	34,667	35,706	36,778	37,881	43,915	50,909
KHI-DAL	64,472	66,406	68,398	70,450	72,564	74,741	76,983	89,244	103,459
KHI-KTM	17,394	17,916	18,453	19,007	19,577	20,164	20,769	24,077	27,912
KHI-CMB	35,749	36,821	37,928	39,064	40,236	41,443	42,686	49,485	57,367

6.1.2 Cargo

The cargo traffic both internationally and domestically has been growing at a steady rate of 4.4% per annum increasing from 252,000 tonnes in 2000-01 to 288,000 tonnes in 2003-04 as illustrated in Table 13 below.

Table 13: Cargo through Pakistan Airports 2000-2004 (Tonnes)

	2000-01	2001-02	2002-03	2003-04
International	172,000	157,000	173,000	190,000
Domestic	80,000	81,000	94,000	98,000
Total	**252,000**	**238,000**	**267,000**	**288,000**

(Source: CAA)

Air cargo traffic in the domestic transport sector has very little market share, representing just 2% of the total freight traffic handled by all transport modes. It has been relatively stagnant for years and still remains so. The international air cargo has not been developed mainly owing to the lack of facilities, such as absence of cargo centres at airports, shortage of handling equipment and modern technology and packaging techniques that are jeopardizing the international air freight traffic potential from Pakistan.

Cargo traffic on SAARC routes in each direction is shown in Table 14.

Table 14: Air Cargo carried on SAARC Routes 2000-2004 (tonnes)

	2000	2001	2004
Karachi – Mumbai	31	249	324
Mumbai – Karachi	678	434	760
Karachi – Delhi	147	160	216
Delhi – Karachi	40	32	43
Karachi – Dhaka	1,427	1,483	1,705
Dhaka – Karachi	1,816	1,340	1,541
Karachi – Kathmandu	204	88	101
Kathmandu – Karachi	151	77	90
Karachi – Colombo	111	218	231
Colombo – Karachi	2,437	1,847	1,939
Lahore – Delhi	n/a	n/a	n/a
Delhi – Lahore	n/a	n/a	n/a

(Source: CAA)

During past 3 years air freight traffic on international routes has shown increasing tonnages but with a modest growth, especially the volumes handled at three major airports namely; Karachi, Lahore and Islamabad. With the establishment of cargo centres at these major airports and some enhancement in equipment and cargo handling facilities, as well as the upcoming SAARC free trade agreement to be signed among the member countries and the inclusion of Afghanistan in SAARC, it is anticipated that the air freight traffic from Pakistan being at the one end of SAARC region, could rise significantly. However, a more conservative steady growth rate of 4.4% has been adopted for the projections of cargo tonnage and available freight ton kilometres (AFTKs) as shown in Table 15.

Table 15: Projections of Tonnage and AFTKS through Pakistan Airports 2004-2020

Year	Tonnes	AFTKs (million)
2004	288,000	1,416
2005	300,672	1,525
2006	313,902	1,592
2007	327,713	1,662
2008	342,133	1,736
2009	357,186	1,812
2010	372,903	1,892
2015	462,485	2,346
2020	573,589	2,910

The current air freight traffic between the major airports of Pakistan for different destination in SAARC region shows growth. During the past three years (2001-04), the traffic grew at rates ranging from 2.0% to 10.5%. The highest traffic growth has been registered at Karachi Airport. It can be seen in Table 14 that the growth rates on the various routes has varied considerably. The traffic growth on the individual routes is shown in Table 16.

Table 16: Traffic Growth on SAARC Routes 2001-2004

Route	2001-02 tonnage	2003-2004 tonnage	ACGR%
Karachi – Mumbai	683	1,084	16.5
Karachi – Delhi	192	259	10.4
Karachi – Kathmandu	165	197	6.0
Karachi – Dacca	2,823	3,246	4.7
Karachi – Colombo	2,065	2,170	1.7

In the forecasts the ACGR shown in Table 16 have been used but the growth rates for the India-Pakistan routes have been reduced to 8% per annum from 2008. This is because the average growth in air cargo worldwide is projected at 8% and it is not considered that sustained growth much in excess of this is feasible in the longer term on these routes. The resulting forecasts are shown in Table 17.

Table 17: Projected Cargo Flows between Pakistan and SAARC by Air 2004/20

Route	2004	2005	2006	2007	2008	2009	2010	2015	2020
KHI-BOM	1,084	1,262	1,446	1,627	1,757	1,897	2,049	3,010	4,424
KHI-DEL	259	286	316	349	376	406	439	645	948
KHI-DAL	3,246	3,399	3,558	3,726	3,900	4,084	4,276	5,380	6,769
KHI-KTM	197	209	221	234	248	263	279	373	500
KHI-CMB	2,170	2,206	2,244	2,282	2,321	2,360	2,400	2,612	2,842

(Source: Consultants estimates)

6.1.3 Airports

Major airports, namely Karachi, Islamabad, Lahore, Peshawar and Quetta, handled most of the passenger traffic. Though Karachi Airport has the maximum number of international passengers growth there was on the decline for the period from 2001 to 2004. However, it is considered that this trend will be reversed and therefore a growth rate of about 5% has been used to forecast overall international traffic as shown in Table 18.

Table 18: International Passenger Traffic through main Pakistan Airports 2004 - 2020

Airport	2004	2005	2006	2007	2008	2009	2010	2015	2020
Karachi	2,203949	2314146	2429854	2551346	2678914	2812859	2953502	3769500	4810944
Islamabad	1285212	1349473	1416946	1487794	1562183	1640292	1722307	2198149	2805457
Lahore	1307881	1373275	1441938	1514035	1589737	1669224	1752685	2236920	2854940
Peshawar	518266	544179	571388	599957	629955	661453	694526	886410	1131310
Quetta	39373	41342	43409	45579	47858	50251	52763	67341	85946
Multan	13280	13944	14641	15373	16142	16949	17796	22713	28988
Faisalabad	16474	17298	18163	19071	20024	21025	22077	28176	35961
Gwadar	6751	7088	7443	7815	8206	8616	9046	11546	14736
Turbat	2682	2816	2957	3104	3260	3423	3594	4587	5854

(i) The above forecasts include traffic proportion are estimated only at nine airports out of 25 airports which are operation in the country.

The above figures include embarked, disembarked and transit passengers, especially at first six airports indicated above.

6.2 Maritime

A 3-year comparison study was undertaken in preparation for the 10th Plan, later called the Medium Term Infrastructure Development Plan. This showed a 5.5 % average annual growth rate for general cargo, less than 3 % for Dry Bulks and a negative growth for Liquid Bulks but high growth in the container market averaging over 13% per annum as shown in Table 19 below.

Table 19: Pakistan Maritime Traffic Growth 2002-2004

Cargo Type (tonnes)	2002	2003	2004	Change 02-04	Average Annual Growth rate %
General	8,580,000	9,160,000	9,990,000	+1.41	+5.48%
Dry Bulk	7,450,000	8,280,000	8,080,000	+0.63	+2.82%
Liquid Bulk	21,660,000	19,800,00	18,230,000	-3.43	-5.27%
Containers (TEUs)	888,000	1,020,000	1,245,000	+357	+13.40

(Source: Industry Papers for the 10th Plan)

The forecast for the Maritime Sector are based on the 10 Year Plan projections but calculated forward to 2015 and 2010. These are shown in Table 20.

Table 20: Forecast for Maritime Traffic

Port/Traffic	2004	2005	2006	2007	2008	2009	2010	2015	2020
Karachi									
General	9.16	10.17	11.30	12.55	13.94	15.48	17.19	19.09	21.20
Dry Bulk	3.35	3.67	4.01	4.37	4.77	5.19	5.67	6.18	6.74
Iron Ore/Coal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Liq Bulk	14.34	15.33	16.38	17.51	18.71	20	21.38	22.85	24.42
Containers	825	909	1002	1104	1216	1340	1477	1627	1793
Port Qasim									
General	0.748	0.931	1.158	1.441	1.793	2.230	2.775	3.452	4.296
Dry Bulk	1.56	2.01	2.60	3.35	4.32	5.58	7.20	9.29	11.99
Iron Ore/Coal	2.90	3.58	4.42	5.45	6.73	8.31	10.26	12.66	15.63
Liq Bulk	**4.283**	**4.85**	**5.50**	**6.23**	**7.06**	**8.00**	**9.06**	**10.27**	**11.64**
Containers	**420**	**511**	**621**	**756**	**919**	**1,118**	**1360**	**1654**	**2012**
Total									
General	**9.908**	**11.101**	**12.458**	**13.991**	**15.733**	**17.710**	**19.965**	**22.542**	**25.496**
Dry Bulk	**4.91**	**5.68**	**6.61**	**7.72**	**9.09**	**10.77**	**12.87**	**15.47**	**18.73**
Iron Ore/Coal	**2.90**	**3.58**	**4.42**	**5.45**	**6.73**	**8.63**	**10.26**	**12.66**	**15.63**
Liq Bulk	**18.623**	**20.18**	**21.88**	**23.74**	**25.77**	**28**	**30.44**	**33.12**	**36.06**
Containers	**1245**	**1420**	**1623**	**1860**	**2135**	**2458**	**2837**	**3281**	**3805**

(Source: Consultants estimates based on 10 Year Plan)

6.3 Rail

During 1990-2005 Pakistan Railways has lost its dominant passenger traffic monopoly position due to the growth in road transport competition. Despite this adverse situation passenger volumes have registered an annual average increase of 3.8% during the last five years. The same competitive situation applies to the freight sector but this has also shown an annual overall growth of 4.7% since 1990.

Appendix 1 SAARC Trade Statistics

Imports by Areas

(000 Rs.)

SNO.	Country	1999-00	2000-01	2001-02	2002-03
1	Bangladesh	1526858	1944280	1689428	1907974
2	Bhutan	31709	15253	23794	41880
3	India	6595494	13928480	11471155	9737430
4	Maldives	7877	9602	9723	4194
5	Nepal	124021	56880	51052	79675
6	Sri Lanka	1789335	2056652	1750791	2235600
	Total	10075294	18011147	14995943	14006753

Export by Areas

1	Bangladesh	6236612	7841418	6193071	6675868
2	Bhutan	12631	16320	19593	6254
3	India	2777405	3246436	3027235	4121527
4	Maldives	63363	103242	92191	193696
5	Nepal	106401	130940	146954	179276
6	Sri Lanka	4999840	4396552	4419930	4446913
	Total	14196252	15734908	13898974	15623534

Appendix 2 Aviation

Passenger Flight Frequency and Capacity (current schedule)

Origin (Air Port Code)	Destination (Air Port Code)	Carrier(s) Airline Code	Flight's per week each direction	Type of Aircraft / Capacity	Capacity (Seats)	Average Seat occupancy Level %
KHI	BOM	PK	5	743-1	433	80.8
				74M-2	520	
				A310-2	376	
BOM	KHI	PK	5	743-1	433	65.9
				74M2	520	
				A310-2	376	
KHI	DEL	PK	3	743-2	866	57.6
				A310-1	188	
DEL	KHI	PK	3	743-2	866	78.6
				A310-1	188	
LHE	DEL	PK	4	737	464	65.0
		IC	2	A320	300	45.4
DEL	LHE	PK	4	737	464	72.7
		IC	2	A320	300	46.9
KHI	DAC	PK	3	A310	564	66.8
		BG	1	A310	190	57.8
DAC	KHI	PK	3	A310	564	94.6
		BG	1	A310	190	59.2
KHI	KTM	PK	2	A310	376	32.2
KTM	KHI	PK	2	A310	376	84.2
KHI	CMB	PK	2	737	232	77.8
		UL	2	A320	300	70.8
CMB	KHI	PK	2	737	232	75.0
		UL	2	A320	300	72.5

Passenger Flows - Schedule - Charter each direction

Origin	Destination	No of Passengers per year				
		2000	2001	2002	2003	2004
KHI	BOM	36,397	21,062	--	--	32,944
BOM	KHI	41,857	33,316	--	--	43,758
KHI	DEL	31,472	37,925	--	--	38,426
DEL	KHI	34,228	39,712	--	--	53,346
LHE	DEL	18,282	13,213	--	--	--
DEL	LHE	18,736	15,000	--	--	--
KHI	DAC	36,726	38,901	--	--	28,451
DAC	KHI	38,344	32,616	--	--	36,021
KHI	KTM	11,836	7,058	--	--	6,342
KTM	KHI	15,300	15,659	--	--	11,052
KHI	CMB	16,063	10,973	--	--	18,119
CMB	KHI	16,525	16,732	--	--	17,630

Cargo Flows - Schedule + Charter each direction

Origin	Destination	Freight Tonnes per year				
		2000	2001	2002	2003	2004
KHI	BOM	31	249	--	--	324
BOM	KHI	678	434	--	--	760
KHI	DEL	147	160	--	--	216
DEL	KHI	40	32	--	--	43
KHI	DAC	1,427	1,483	--	--	1,705
DAC	KHI	1,816	1,340	--	--	1,541
KHI	KTM	204	88	--	--	101
KTM	KHI	151	77	--	--	90
KHI	CMB	111	218	--	--	231
CMB	KHI	2,437	1,847	--	--	1,939

Passenger Rate Data

Origin	Destination	Distance (Kms) Round Trip	Standard Economy Ticket Return ($)	Standard Business Ticket Return ($)
KHI	BOM	1,750	184	237
KHI	DEL	2,140	226	291
LHE	DEL	844	153	196
KHI	DAC	4,712	407	526
KHI	KTM	3,680	407	526
KHI	CMB	4,780	425	550

Airport Passenger Data

Airport	Terminal Capacity Passengers (million)	Direction	No. of International Passengers per year				
			2000	2001	2002	2003	2004
Karachi	6.00	Embarked	1,192,755	1,311,080	1,046,124	1,053,360	1,106,028
		Disembarked	1,191,250	1,270,227	1,000,336	985,449	1,034,721
		Transit	96,535	77,066	96,973	62,742	63,200
Islamabad	2.50	Embarked	486,397	537,669	529,240	613,919	644,615
		Disembarked	438,590	485,751	484,028	557,616	585,497
		Transit	68,663	92,449	45,346	54,915	55,100
Lahore	6.50	Embarked	469,517	576,309	543,146	610,934	641,481
		Disembarked	466,526	538,413	519,132	567,429	595,800
		Transit	91,094	103,991	75,034	70,519	70,600
Peshawar	1.00	Embarked	186,734	201,586	198,132	231,396	242,966
		Disembarked	171,456	203,465	204,554	217,571	228,450
		Transit	33,683	26,611	44,633	46,671	46,850
Quetta)	0.20	Embarked	10,068	10,952	9,909	18,473	19,397
		Disembarked	10,214	9,401	9,379	18,501	19,426
		Transit	35	--	--	513	550
Multan	0.20	Embarked	3,967	5,569	1,388	--	5,200
		Disembarked	3,207	4,483	1,249	204	4,900
		Transit	793	3,180	1,286	--	-
Faisalabad	0.20	Embarked	9,713	10,816	2,800	--	5,600
		Disembarked	10,191	17,579	3,231	176	5,100
		Transit	1,829	5,774	--	--	
Gawadar	0.03	Embarked	2,541	3,012	2,147	2,164	2,272
		Disembarked	2,285	2,633	2,474	2,802	2,942
		Transit	4,576	7,443	3,649	1,464	1,537
Turbat	0.03	Embarked	7,649	6,519	2,713	1,386	1,455
		Disembarked	6,233	5,588	2,176	245	1,167
		Transit	--	--	33	43	60

Airport	Direction	Tonnage Throughout per year				
		2000	2001	2002	2003	2004
Karachi	Loaded	70,456	77,110	68,547	75,988	79,028
	Un Loaded	29,959	31,863	27,771	30,490	31,700
	Transit	960	960	573	595	604
Islamabad	Loaded	9,399	12,000	12,465	13,908	14,464
	Un Loaded	5,450	7,080	7,136	7,825	8,138
	Transit	--	--	--	--	--
Lahore	Loaded	22,223	26,595	25,323	27,439	28,537
	Un Loaded	10,206	12,690	10,568	11,955	12,553
	Transit	--	--	--	--	--
Peshawar	Loaded	1,088	1,958	2,039	4,585	4,768
	Un Loaded	1,662	1,805	2,040	1,941	2,019
	Transit	--	--	--	--	--
Quetta	Loaded	17	31	16	--	20
	Un Loaded	27	20	10	24	17
	Transit	--	--	--	--	--
Multan	Loaded	11	108	13	--	15
	Un Loaded	13	8	2	1	3
	Transit	--	--	--	--	-
Faisalabad	Loaded	9	6	39	--	25
	Un Loaded	13	42	10	--	10
	Transit	--	--	--	--	-
Gawadar	Loaded	--	1	1	3	1
	Un Loaded	9	31	25	21	18
	Transit	--	--	--	--	-
Turbat	Loaded	--	1	2	--	1
	Un Loaded	50	38	11	--	15
	Transit	--	--	--	--	-

*passanger flights

Runway Capacity Data

Airport	No and size of active runways	Category of Runway	Landings and takeoffs in peak hour per runway	Landings and takeoff per annum (Including domestic)				
				2000	2001	2002	2003	2004
KHI	10500' x 150' 11155' x 148'	I		58,266	55,086	47,595	49,178	50,830
ISB	10997' x 151'	I		35,012	29,444	23,346	24,842	25,018
LHE	10860' x 151' 9515 x 151'	II		43,240	37,016	34,318	33,621	34,105
PEW	9000' x 150'	I		13,866	12784	9,688	10,001	11,200
UET	1200' x 151'	I	2	2,550	3,226	2,078	2,072	2,210
MUX	8999' x 98'	I	2	18,223	19,487	14,695	14,899	16,240
LYP	9272' x 151'	I	2	3,122	2,414	1,698	1,806	2,100
GWD	5000' x 75'	I	2	1,955	1,628	1,246	1,347	1,500
TUK	6000' x 102'	I	2	3,006	2,096	1,106	1,156	1,215
PSI	8999' x 151'	I	2	860	826	3,484	458	560
BHV	9350' x 98'	I	2	1,854	2,482	2,726	2,456	2,510
CJL	5740' x 100'	I	2	1,182	1,176	873	1,056	1,200
DEA	6499' x 98'	I	2	542	436	272	303	350
DSK	5000' x 75'	I	2	1,565	1,280	360	208	245
GIL	5400' x 100'	I	2	1,903	1,662	1,202	1,500	1,600
JAG		I	2	590	387	85	102	150
MJD	6499' x 98'	I	2	1,344	1,081	562	498	510
PJG	5000' x 75'	I	2	902	704	450	448	460
RYK	9843' x 148'	I	2	1978	2,263	1,693	1,685	1,760
KDO	11944' x 100'	I	2	840	983	932	1,660	1,500
SUL	5400' x 100'	I	2	598	481	574	519	530
SKZ	9000' x 102'	I	2	2,941	2,483	4,375	3,480	3518

Cargo Rate Data on scheduled passenger aircraft - current.

SAARC Route	Origin	Destination	Freight Minimum $	Rate for 100 kilos ($ per kilo)	Excess baggage charge ($ per kilo)
	KHI	BOM		58	1.50
	KHI	DEL		75	2.00
	KHI	DAC		100	3.50
	KHI	KTM		83	3.00
	KHI	CMB		83	3.50
	LHE	DEL		42	1.25

Abbreviations

Abbreviation	Airports in Pakistan	Abbreviation	Airports In Pakistan	Abbreviation	Airports In SAARC
KHI	KARACHI	**CJL**	CHITRAL	**BOM**	MUMBAI
ISB	ISLAMABAD	**DEA**	DERA GHAZI KHAN	**DEL**	DELHI
LHE	LAHORE	**DSK**	DERA ISMAIL KHAN	**DAC**	DHAKA
PEW	PESHAWAR	**GIL**	GILGIT	**CMB**	COLUMBO
UET	QUETTA	**JAG**	JACOBABAD	**KTM**	KATHMANDU
MUX	MULTAN	**MJD**	MOENJODARO		
LYP	FAISALBAD	**PJG**	PANJGUR		
GWD	GWADAR	**RYK**	RAHIMYAR KHAN		
TUK	TURBAT	**KDO**	SKARDU		
PSI	PASNI	**SUL**	SUI		
BHV	BAHAWALPUR	**SKZ**	SUKKUR		

THC : Terminal Handling Charges
FCL : Full Container Load
LCL : Less than Container Load
TEU : Twenty FT Equivalent Unit

Question	Report
Passenger Traffic	
1) What is the projected annual growth in passengers through national airports up to 2010?	i) The projected annual growth in passenger traffic for the period 2005-2010 of the national airports in Pakistan is estimated at around 5% for all International and Domestic traffic
	ii) The Intra-regional passenger traffic of SAARC country is projected to grow at the rate of 8% per annum
2) Are such growth forecasts available on an airport by airport basis?	Yes, growth forecasts are available for each airport
3) Do you expect an increase in intra-regional services and if so from where to where?	Yes, we accept an Increase in intra-regional services especially between India and Pakistan.
4) What is the main focus of airlines and airports strategy up to 2010?	The main focus of aviation policy is to encourage competition amongst the domestic and International carriers and to attract quality international airlines to operate to Pakistan Deregulation and liberalisation of aviation activity restricting government sphere of influence to airworthiness, safety and security matters and allowing airlines to have a freehand in the decision making and economic activity to be determined by market forces. Develop an integrated plan for upgrading, encouraging and enhancing the operational and functional capability of the airports to provide safe, secure, efficient and hassle-free services to the operators and passengers in a comfortable and friendly environment. Containment of predatory pricing and unfair competition through a workable system acceptable to the stake holders. Rationalization of user charges of the utility services as well as taxes for enhancing the competitive edge of airports in Pakistan vis-a-vis regional airports in Middle East. Provision of level playing field to private airlines to compete with public sector enterprises. Construction and development of new airports and terminal facility in Islamabad, Gawadar and Turbat. Modernization of cargo storage and handling facility by establishing of Cargo Warehouses and Cargo Terminal at major centres of import/export. Modernization of Fuel storage and Supply system for fast, efficient and economical operation of the airlines. Introduction of Future Air Navigation System (FANS) in the country. Modernization of security systems all airports with the estate of the art equipment to ensure safe and secure journey for passengers and safety and security for all establishment and infrastructure at all airports.
5) What additional intra-regional routes do you intend to open or increase the frequency of existing flights and when?	i) The following routes are most likely to be opened in the near future: a. Islamabad – Delhi b. Islamabad – Bombay c. Karachi – Hyderabad d. Karachi – Kolkata e. Lahore – Kolkata f. Lahore – Bombay g. Karachi – Chennai ii) Additional frequency will be mounted on the following routes: a. Karachi – Bombay b. Karachi – Delhi c. Lahore - Delhi

6) Which intra-regional routes are reaching capacity levels? Will you increase the size of the plane or flight frequency	The following routes required additional capacity: a. Karachi – Bombay b. Karachi – Lahore c. Lahore – Dehli
7) What are the major causes of intra-regional flight delays?	Flight delays are not an issue for the SAARC region. However, the major causes of delay, if any, are as follows: a. Technical b. Weather
8) Are there regular operational problems with the flight corridors, runway slots, or terminal gates in peak hours? What is the proposed solution?	There is no operational problem relating to the flight corridors, runway slots or terminal gate in peak hours, nor do we expect any such problem during the next 5 years period
9) What are the plans for airport/terminal development to 2010?	Following are the main projects: i. New Islamabad airport ii. Upgradation and expansion of Turbat airport iii. Upgradation and expansion of Gawadar airport. iv. Expansion and improvement of terminal infrastructure of various airport in the country. v. Procurement and replacement of Fire Crash Tenders. vi. Introduction of Future Air Navigation System (FANS). vii. Procurement of ATC simulator. viii.Installation of ALF system. ix. Procurement and technical and support equipment of operation.
10) What is the average inward and outward processing time for inward intra-regional passengers? What is the main cause of delays, Immigration/customs/other?	Incoming: 45 - 60 minutes. Outgoing: 20 - 35 minutes.
11) Is the security screening capacity compatible with demand?	Yes, Security screening is compatible with the demand
12) What are the major complaints in relation to intra-regional services?	There are no specific complaints in relation to the intra-regional services

Appendix 3 Maritime

Container Services (intra regional services only)
CONTAINER SERVICES
(Intra-regional services only)

Service and Capacity on offer by CONTAINER CONSORTIA

SAARC Route	Origin	Destination	Carrier(s)	Distance (kms)	Service Frequency per month	TEU Vessel Capacity
IDX	KHI	NSA	YML		4	1,000
CMS	KHI	NSA	YML		4	1,650
CMX	KHI	CMB	APL		4	2,200
SMX	KHI	NSA	APL		4	850
CIX	KHI	NSA,CMB	HJS/COSCO		4	1,000
MIX	KHI	NSA	HJS/USEC/DSR		4	2,200
IPAK	KHI	NSA, MUN	MSC		4	2,700
EPIC	KHI	NSA	CONTSHIP/P&O/SUD		4	4,000
SAX	KHI	NSA,CMB	NYK/SSL		4	1,000
IPX	KHI	CMB,NSA	P&O		4	1,500
AMS	KHI	MUN	OOCL		4	2,000
NA	KHI	NSA	NSCSA		20 DAYS	2,300
GALEX	KHI	NSA,CMB	CMA/HJS/NORASIA		4	2,400
SWEX	KHI	NSA	CMA/MACANDREWS		4	1,000
MEX	KHI	MUN	PIL/K-LINE/MSC		4	1,500
IOR	KHI	MUN, NSA	PIL		4	900
KEX	KHI	CMB	COMMON FEEDER		4	1000
PIX	KHI	NSA, CMB	COMMON FEEDER		4	700
IOS	KHI	NSA	PONL/LNL/PIL		4	1100
RTW	KHI	NSA,CMB	CSCL		4	2300

NSA Nhava Shiva
MUN Mundra
CMB Columbo

Traffic Volumes: ROUTE-WISE
(imports and exports separately)

EXPORTS ONLY

SAARC Route	Origin	Destination	TEU per annum				
			2000	2001	2002	2003	2004
KHI-NSA-CGP	KHI	CHITTAGONG	0	0	0	2	0
KHI-SIN-CGP	KHI		395	42	52	151	10
KHI-CMB-CGP	KHI		8,500	7,058	6,492	9,733	9,750
KHI-MUM-CMB	KHI	COLUMBO	0	0	0	0	1,139
KHI-NSA-CMB	KHI		5,611	4,042	1,282	1,851	2,270
KHI-CMB-CGP	KHI		6,870	7,425	6,628	5,935	7,721
KHI-NSA-CGP	KHI	NHAVA SHIVA	121	1	72	0	2
KHI-NSA-CMB	KHI		953	658	2403	5003	1,694
KHI-NSA-MUN	KHI		0	5	10	659	147
KHI-NSA	KHI		0	0	1	104	106
KHI-MUM	KHI	MUMBAI	895	84	144	62	40
KHI-MUM-CMB	KHI		577	382	657	423	160
KHI-NSA-MUN	KHI	MUNDRA	0	0	0	0	
KHI-JNP-TUT	KHI	TUTICORIN	36	118	97	207	223
KHI-NSA-ALL INDIA	KHI	OTHER INDIAN PORTS	121	95	454	409	336
MALE	KHI	MALE	32	75	118	71	86
NEPAL	KHI	KATHMANDU	0	2	4	8	5

EXPORTS ONLY

Destination	TEU per annum				
	2000	**2001**	**2002**	**2003**	**2004**
Banglore	4	3	8	8	15
Chennai	49	64	246	317	221
Cochin	24	9	7	12	23
Kandla	44	15	156	47	7
Mumbai	1,472	466	801	485	200
Nhava Shiva	1,073	649	2,168	5,165	1,767
Tuticorin	36	118	97	207	223
Kolkata		4			48
Haldia			37	25	22
New Delhi	38	52	121	154	104
Ludhiana			197	437	78
Sub Total INDIA	2,740	1,380	3,838	6,857	2,708
Chittagong	8,135	6,123	5,410	8,607	8,296
Dhaka	844	972	1,113	1,271	1,442
Mongla	6	5	21	8	22
Sub Total Bangladesh	8,985	7,100	6,544	9,886	9,760
Colombo	12,481	11,467	7,910	7,786	11,130
Male	32	75	118		86
Kathmandu	0	2	4	8	5
GRAND TOTAL SAARC	24,238	20,024	18,414	24,537	23,689

Container Rates

RATES **EXPORTS ONLY**

SAARC Route (DESTINATION)	Origin	Average Seafreight per 20ft FCL USD	Average Seafreight per 40 ft FCL USD	Average Seafreight per 40 ft HC FCL USD
Chittagong	KHI	600	900	950
Kolkata		600	1100	1100
Nhava Shiva		130	250	250
Haldia		550	1000	1000
Chennai		450	800	850
Tuticorin		450	750	800
Cochin		450	700	800
Mumbai		250	450	500
Kandla		400	700	750
Mundra		400	700	750
Colombo		260	400	450
		NB: There is no THC applied on any export containers		

PORT DATA

CONTAINER TERMINALS

Traffic Levels

Name of Terminal	Port	Annual TEU capacity per terminal	TEUs handled per annum				
			2000	2001	2002	2003	2004
KICT	Karachi						
	West Wharf	500,000	311,000	314,000	358,000	265,000	400,000
PICT	Karachi						
	East Wharf	250,000				59,145	90,543
QICT	Port Qasim						
	(50KM from KHI)	600,000		162,659	226,210	333,891	495,454
A.I.C.T	Off Dock						
	Mauripur, Karachi	60,000	-	2272	22857	37355	32706

Performance and Equipment

Name of Terminal	Port	Average Import container dwell time Days	Average export container dwell time Days	Ground Storage Slots, Height of Stacks/TEU Capacity		No. of Container Cranes/ Gantries		No.of Reachstackers/ Straddlecarriers/ Heavy Fork Trucks etc. (Itemise each)	
KICT	Karachi West Wharf	8	2	GSS	2068	RTGC	12	Reachstackers	4
				HoS	4 & 5	QC	4	Empty Handlers	4
								Chassis	46
								Tractor	28
								Heavy Forklift	1
								Light Forklifts	3
								Spreaders	3
								Over-Height Spreader	1
								Heavy Lift Beams	2
PICT	Karachi East Wharf	12	3	GSS	900	Mobiles	5	Reachstackers	7
				HoS	5	STS	2	Empty Handlers	1
								Top Loaders	4
QICT	Port Qasim	12.37	6.16	GSS	3896	Gantries	6	Reachstackers	6
				HoS	3.5			Empty Handlers	3
		6-8	2-3	GSS	1000			Reach Stacker	4
A.I.C.T	Off Dock			HoS	5			Electric Reach Trucks	2
				Capacity	5000			Fork lifts	10

Connectivity and Services

Name of Terminal	Location	Rail Connected Y/N	Organizations present on terminal
Karachi International Container Terminal (KICT)	West Wharf Karachi Port	Yes	Pakistan Customs
			Karachi Dock Labour Board
Pakistan International Container Terminal (PICT)	East Wharf Karachi Port	Yes	Pakistan Customs
Qasim International Container Terminal (QICT)	Port Qasim	Yes	Pakistan Customs
Al Hamd International Container Terminal	Off-Dock Terminal,Hawksbay Road, Karachi	No	Pakistan Customs

Appendix 4 Road Sector

Traffic Levels

SAARC Route	Origin node	Destination node	Distance Km	Average vehicles per day (PCU)				
				2000	2001	2002	2003	2004
Pak-India	Lahore	Wagha	14	8944 (12814)	8335 (12817)	8321 (12328)	8211 (11798)	7583 (11210)
	Wagha	Lahore	14	8942 (12790)	8401 (12920)	8240 (12419)	8223 (11970)	7527 (1114)
Pak-India	Lahore	Wagha	27	- Not available -				239 (387)
	Wagha	Lahore	27					246 (398)
Pak-India	Muzaffarabad	Chokhoti	66		768 (1098)	790 (1132)	760 (1091)	950 (1358)

Condition Report

SAARC Route	Origin node	Destination node	Condition
Pak-India	Lahore	16 Kms	The road from Lahore to 16 kms is dual carriageway and is 20 ft wide either side.
	16 kms	Wagha	The existing road is 28 ft in width. The road is being dualised and will be 28 ft wide each side.
Pak-India	Muzaffarabad	Chokothi	The road is 20 ft wide paved one with 5 ft earthen shoulders each side.
Pak-India	Khokhropar	Munabao	There is no existing road between these two towns, only track passes through sand dunes. A two lane new road is proposed to be constructed to connect the Indian Border on the south eastern side of Pakistan about 350 kms from Karachi.

Freight Profile

SAARC Route	Origin	Destination	Main Commodities Carried
Pak-India	Lahore	Amritsar	Nil
Pak-India	Muzaffarabad	Srinagar	Nil

Rates

SAARC Route	Origin	Destination	Average freight per tonne non-bulk	Average freight per 40 ft container/trailere
Pak-India	Lahore	Amritsar	N/A	N/A
Pak-India	Muzaffarabad	Srinagar	NIL	NIL

SNO.	Question	Probable Sources	Report
1	What road improvements are expected on the SAARC routes? Why are they needed?	Ministry of Transport/Roads	Road from 14 kms from Lahore to Wagha border is being dualised and widened to atleast 48 ft and expected to be completed soon.
2	Will this improve transit times significantly and if so by how much? Passenger/freight	Ministry of Transport	Not applicable as transit time is already minimum.
3	Are the intra-regional bus services adequate to meet current and future demand? What improvements are needed?	Bus Operators	At present there are visa restrictions on both sides. Therefore only 4 buses carrying 40 passengers each cross border from each side weekly. Once the visa requirements are released the bus service will be improved.
4	What are the restrictions on operating intra-regional bus services?	Bus Operators	Govt. to Govt. policies
5	What are the main causes of delays in delays to passengers ast the borders?	Forwarders/International Road Transporters	It takes normal time.
6	Are these delays better or worse than two years ago?	Forwarders/International Road Transporters	Not Applicable
7	Are the intra-regional trucking services adequate to meet current and future demand? What improvements are needed?	Forwarders/International Road Transporters	There is no regular truck service between two countries.
8	What are the restrictions on operating intra-regional trucking services?		Govt. to Govt. policies
9	What are the main causes of delays to freight at the border?	Forwarders/International Road Transporters	Not Applicable
10	Are these delays better or worse than two years ago?	Forwarders/International Road Transporters	Not Applicable
11	Do loads have to be transferred at the border and if so why?	Forwarders/International Road Transporters	Not Applicable
12	If loads are being transferred do you think that through transport services would be more economical and if so by what %	Forwarders/International Road Transporters	Not Applicable
13	Are the axle loading regulations a problem and if so why?	Forwarders/International Road Transporters	Not Applicable
14	In your charges do you allow for unauthorized payments and if so how much as a % of total freight? Where are the main payments made?	Forwarders/International Road Transporters	Not Applicable

Appendix 5 Rail Sector

Passenger Traffic - Volumes (crossing over the border)

SAARC Route	Border Crossing	Direction Inbound/outbound	Passenger carried over the border per annum				
			2000	2001	2002	2003	2004
Amritsar-Lahore	Attari	Inbound	-	75,295	-	-	46,418
Lahore-Amritsar	Wagah	Outbound	-	77,654	-	-	42,408

Passenger Traffic remained suspended from 30-12-2001to 15.1.2004 due to tense situation on borders between Pakistan and India

Passenger Train Performance

SAARC Route	Passenger Trains Crossing Border per week	Main Passenger Origin	Main Passenger Destinations	Transit time (hours) between main origin and destination	Distance Between main origin and main destination (In Kilometers)	Border Transit Time (own side time only)
Lahore-Amritsar	Two trains each way	Karachi	Delhi,	24 hours	1726	3 hours 15 minutes
			Lucknow	29 hours	2029	
			Muradabad	26 hours	1802	
			Amritsar	17 hours	1279	
			Kanpur	33 hours	2170	
			Ali Garh	26 hours	1852	
			Allah Abad	35 hours	2362	
			Seharanpur	21 hours	1609	
		Hyderabad	Delhi	22 hours	1541	
			Lucknow	27 hours	1844	
			Muradabad	24 hours	1617	
			Amritsar	15 hours	1094	
			Kanpur	31 hours	1985	
			Ali Garh	26 hours	1667	
			Allah Abad	33 hours	2177	
			Seharanpur	19 hours	1424	
		Lahore	Delhi	9 hours	501	
			Lucknow	14 hours	804	
			Muradabad	11 hours	577	
			Amritsar	1 hour	54	
			Kanpur	18 hours	945	
			Ali Garh	13 hours	627	
			Allah Abad	20 hours	1137	
			Seharanpur	6 hours	384	
		Nankana Sahib	Delhi	11 hours	588	
			Lucknow	16 hours	891	

			Muradabad	13 hours	664	
			Amritsar	3 hours	141	
			Kanpur	20 hours	1032	
			Ali Garh	15 hours	714	
			Allah Abad	22 hours	1224	
			Seharanpur	8 hours	471	
		Rawalpindi	Delhi	13 hours	791	
			Lucknow	18 hours	1094	
			Muradabad	15 hours	867	
			Amritsar	6 hours	344	
			Kanpur	22 hours	1235	
			Ali Garh	17 hours	917	
			Allah Abad	24 hours	1427	
			Seharanpur	10 hours	674	
		Hasan Abdal.	Delhi	15 hours	838	
			Lucknow	20 hours	1141	
			Muradabad	17 hours	914	
			Amritsar	8 hours	391	
			Kanpur	24 hours	1282	
			Ali Garh	19 hours	964	
			Allah Abad	26 hours	1474	
			Seharanpur	12 hours	721	

Line Capacity

SAARC Route	Maximum Train Path per day to/from the border	Number of Train Path used by Passenger Trains	Number of Train Path used by Freight Trains	Unused Train Paths
Lahore – Wagah-Attari	40 trains	2 two trains in a week each way	0.6 trains each way	38 Trains per day each way

Freight Volumes (crossing the border)

SAARC Route	Border Crossing	Direction Inbound/Outbound	Tonnes Carried over the border per annum				
			2000	2001	2002	2003	2004
Amritsar-Lahore	Attari-Wagah	IN	312310	341035	-	-	133750
Lahore to Amritsar	Wagah-Attari	OUT	62867	74573	-	-	66124

Freight Traffic remained suspended from 30-12-2001to 15.1.2004 due to tense situation on borders between Pakistan and India.

Freight Train Performance

SAARC Route	Main Traffic Origin	Main Traffic Destination	Distance Between main traffic origin and main traffic destination	Transit time (hours) between main origins and destinations	Freight Trains Crossing Per Day	Border Transit Time (own side only)
Amritsar-Lahore	Etarsi, Mangolia, Ratlum, Amritsir	Lahore	1305 KM 1363 KM 1268 KM 100 KM	7 Days 6 Days 6 Days 2 Days	0.6	3.30 hours
Lahore-Amritsar	Lahore Warcha Khewera	Amritsir	100 KM 331 KM 321 KM	2 Days 5 Days 5 Days	0.6	3.30 hours

Freight Profile

SAARC Route	Origin	Destination	Main Commodities Carried
Amritsir-Lahore	Etarsi, Mangolia, Ratlum, Amritsir	Lahore	DOC, CRUDE DRUG, DHANIA, CUTCH BLOCK
Lahore-Amritsir	Lahore Warcha Khewera	Amritsir	ROCK SALT, DATES

Rates

SAARC Route	Origin	Destination	Avg. Freight per Tonne non-bulk	Avg. Freight per Tonne bulk
Amritsir-Lahore	Etarsi, Mangolia, Ratlum, Amritsir	Lahore	Rs.90/- per quintal	Rs.80/- per quintal
Lahore- Amritsir	Lahore Warcha Khewera	Amritsir	Rs.450/- per tonne	Rs.400/- per tonne
$ 1 = Rs.60/- (Pakistani Rupees)				

Question	Sources	Report
1) What changes are expected in intra-regional passenger services in the next five years? Why?	Central Railways	Passenger traffic will be increased manifold in near future between India and Pakistan because both the countries have adopted the policy of normalization and a number of bilateral agreements have been signed between two countries to promote friendly atmosphere and conditions for issuing visas have been relaxed. It has also been decided to open Indian Consulate at Karachi and Pakistani Consulate at Mumbai. Trade and Cultural Groups are frequently visiting the other country to promote harmony, and strengthen brotherhood between the citizens of both countries. It is observed that both the countries have recreational spots to attract the tourist and there would be lot of movement of groups of people to visit the historical places of Muslim Grandeur and glory in India. The Indians would like to visit there holy Shrines scattered all over the country. Moreover, the natural beauty of Northern Areas in Pakistan will attract a number of Indian tourists.
2) Do you expect any intra-regional passenger routes to opened up or be closed in the next 5 years?	Central Railways	Yes. The Government of Pakistan has decided to open Mirpur Khas-Khokhropar border by the end of April 2006 to facilitate the movement of Indian and Pakistani at Khokhropar. It is estimated that Rs.1 billion ($16 Million) will be spent to convert meter gauge Railway track to broad gauge to avoid transshipment of luggage and freight cargo from India to Mirpur Khas and vice versa. The existing track is full of engineering restrictions and trains are plying at an average speed of 20 kmph. After conversion of track from meter gauge to broad gauge, the trains would run at the speed of 95 to 105 kmph. It is added that India has already converted its track from meter gauge to broad gauge. It is expected that daily train service will run between Pakistan and India via Monabao and Khokhropar.
3) What mode do you consider as the main competition to your passenger services? Air or Road	Central Railways	Road is offering tough competition to Rail in Pakistan. Bus Service has been inaugurated between Lahore and New Delhi. The transit cargo from Afghanistan and Iran is moving by road upto Wagah border and then same is shifted to Attari by Indian local transport. No Truck or road vehicle is presently allowed to operate across the border. Once traffic by road is allowed then there will be lot of activities on both sides of the border. Presently 500 to 600 tonnes of cargo is cleared by each passenger train running twice in a week. The bulk cargo is lifted through freight bogies.
4) Is there a shortage of Passenger train paths, locomotives, or coaches?	Central Railways	There is no shortage of passenger and freight trains path. 98% spare capacity is available on Lahore Wagah section. However, section for Lahore to Peshawar will require doubling of track.
5) Do you expect the intra-regional freight services to grown or reduce? Why and what growth rates do you predict annually until 2010	Central Railways	Intra-Regional traffic will be increased provided trade rules are relaxed. It is estimated that inter-regional freight traffic will be increased by 25% per annum and intra-regional traffic will be increased by 15% per annum.
6) Is there a shortage of freight train paths,	Central Railways	There is no shortage of path between Lahore and Wagah, however, there would be constrained sectional capacity

locomotives, or specialized wagons?		available on Lalamusa-Peshawar Section and Quetta- Koh-e-Tuftan Section for intra-regional traffic. Pakistan Railways is investing huge amount in acquiring high speed – high capacity wagons to replace four wheelers out dated freight stock. Doubling of track on Lodhran-Multan Seciton will be completed soon and work on Khanewal and Raiwind section for doubling will be started soon. New Locomotives are also being procured to meet with future requirements.
7) Do you expect to operate container block trains on intra-regional routes and if so which ones?	Central Railways	It is expected that container traffic for Bangladesh will be available on main trunk route as stated above.
8) Does the neighboring country return wagons quickly? How long before they are returned?	Central Railways	Under Zero Balance procedure, wagons are returned before 10^{th}, 20^{th} and last day of the month. There is no detention to wagons on either side of the border.
9) How quickly do you return their freight wagons?	Central Railways	Freight Wagons are returned within four to five days after transshipping consignments in Local Wagons at Lahore and Amritsir.
10) What types of intra-regional traffic do you regard vas your primary traffic and why?	Central Railways	Jute is expected from Bangladesh.
11) Are wagons returned usually full or empty? Is there an imbalance problem	Central Railways	60% Wagons to India are returned loaded with local consignments. As the economy of India is established so Imports are more than Exports.
12) What are the main infrastructure problems on cross-border lines and where?	Central Railways	There are no infrastructure problems on both sides of borders.
13) What the main border constraints of passenger traffic?	Central Railways	Lot of time is spent on immigration and custom checks.
14) What are the main border constraints for freight traffic?	Central Railways	Special type of freight wagons i.e. Tank Wagons, open stock and Containers are not allowed to cross the border.
15) Are the borders IT connected to the central rail database? Do they interface with Customs?	Central Railways	No IT connections are provided, there is no interface with customs.
16) Why do you use rail freight? For what commodities?	Rail forwarders	Rail Freight is more economical and efficient moreover, it is anti-smuggling. Rail transport is used to lift dry dates, Salt and other commodities.
17) Does rail transport meet your freight needs and if not why not?	Rail forwarders	The transport needs could not be fulfilled due to old dated agreement executed between Pakistan and India where certain type of Rolling Stock is not allowed to move as stated above.
18) What do you regard as the main constraints to use of railfreight for intra-regional services?	Rail forwarders	Lack of common tariff, inter model facilities and absence of strong Rail forwarder groups.

Appendix 6 Border Crossings

I

Passenger Traffic

SAARC Route	Border Crossing	Working Hours	Passengers crossing per annum					
			2000	2001	2002	2003	2004	2005
Pak-India	Wagha	8 AM to 3:00 PM	17000	17020	17020	17040	17040	17040
Pak-India	Chokhoti (AJK)	10 AM to 4:00 PM	-	-	-	-	-	4000

SAARC Route	Border Crossing	Working Hours	Passengers vehicles crossing per annum					
			2000	2001	2002	2003	2004	2005
Pak-India	Wagha	8 AM to 3:00 PM	500	500	500	500	500	
Pak-India	Chokhoti (AJK)	10 AM to 4:00 PM	-	-	-	-	-	

Border Agencies

SAARC Route	Border Crossing	Agencies present at the border (or within 200 metres)
	Lahore-Amritsar (Pak-India)	Customs facilities. Facilities proposed Customs facilities. Custom House has been proposed.
	Muzaffarabad-Srinagar (Pak-India)	Pakistan Army Civil Administration
	Khokrapar-Monabao (Pak-India)	Under Construction

Border Infrastructure

SAARC Route	Border Crossing	Main border infrastructure. No. of offices/car processing lanes/freight processing lanes/weighbridge/size of parking area/overall size of facility (sq. metres) etc.
	Lahore-Amritsar (Pak-India)	Custom office Pak Ranger
	Muzaffarabad-Srinagar (Pak-India)	- N/A -
	Khokrapar-Monabao (Pak-India)	Under Construction

Question	Probable Sources	Report
1) Which border agency represents the primary constraint to passenger traffic and why?	Travel Companies/bus operators	Government to Government visa policy
2) What is the average crossing time for a bus inward/outwarad? (own side only)	Travel Companies/bus operators	Normally at Wagha. Entertainment is given to passengers.
3) What is the average crossing time for a passenger car inward/outward? (own side only)	Driver interviews	Normal
4) Which border authority represents the primary constraint to freight traffic and why?	Freight Forwardrs Trucking companies	-
5) What is the average crossing time for a truck inward/outward? (own side only). What is the main delay?	Freight Forwarders Trucking companies	No freight vehicle crosses the borders except Afghan transit they are treated normal.
6) When was the border post last developed? What was added/changed?	Customs Local Government	
7) Are there sufficient processing lanes and parking areas?	Customs Local Government	The traffic is very thin
8) What are the main problems for the immigration authorities?	Immigration Authorities	Government to Government policy
9) What are the main problems for Customs?	Customs	Nil
10) What are the main problems for the road transporters/freight forwarders?	Freight Forwarders Road transporters	Nil
11) What are the main problems for the customs Brokers?	Customs Brokers	Nil
12) Are there sufficient personnel being provided by the authorities in relation to the traffic flows?	Border Authorities Freight Forwarders Customs Brokers	Yes
13) What border redevelopments are expected between now and 2010, why are they needed and who is funding the redevelopment?	Customs I Local authorities	Pakistan - India may have trade International relations are expected to improve.
14) What is the expected annual growth in traffic up to 2010 - passengers, buses, cars and trucks?	Border Authorities	As above the traffic may grow 200%

Appendix 7 Dry Ports / ICDs

Throughput and Dwell-time Check

(000 Tons)

Name of ICD/Dry Port	Location	Tonnage handled per annum Import/Export					Tonnage in on survey day
		2000	2001	2002	2003	2004	
Lahore	Lahore	186	203	240	384	283	
Faisalabad	Faisalabad	0.54	244	11	46	37	
Rawalpindi	Rawalpindi	0.53	0.36	1.36	3.41	2.38	
Sialkot	Sialkot	109	114	107	112	99	

Name of ICD/Dry Port	Location	Container TEU handled per annum Import/Export					Container in on survey day
		2000	2001	2002	2003	2004	
Lahore	Lahore	8427	12668	14625	18973	24496	
Faisalabad	Faisalbad	26461	26196	28894	31878	31575	
Rawalpindi	Rawalpindi	-	40	19	72	199	
Sialkot	Sialkot	10637	10452	11578	12501	11507	

Facilities and Utilization

Name of ICD/Dry Port	Land Area (Sq.ft)	Ware-house Area	Tonnes through ware-house per year	Average storage time in ware-house	Tonnage in ware-house
Sialkot	722704	426396	-	-	-

Services

Name of ICD/Dry Port	Projected Capacity Tonnes/ Containers per annum	Working Hours	Organizations present	Rail connected Y/N	Customs IT connected Y/N
Sialkot			Bank, Customs, Agents, NLC Clearing & Forwarding Agents	Not	Yes (partially)

Dry Ports/ICDS (Sialkot)

Question	Probable Sources	Report
1) What is the role of the ICD/ Dryport in relation to intra-regional traffic?	Dryport Operator	It contributes in enhancement of export/ imports to intra-regional countries.
2) What perecentage of traffic is intra-regional as opposed to regional (i.e. to or from non-SAARC countries)?	Dryport Operator	1:5 %
3) Is this a customs approved depot? Are they on site?	Dryport Operator	Yes
4) What annual growth do you expect upto 2010?	Dryport Operator	8 - 10%
5) What is your main traffic?	Dryport Operator	Sports, Surgical Leather garments
6) What developments do you expect between now and 2010	Dryport Operator	Bonded warehouse will be available to import more quantity and releasing of consignments easily. Its own wharf in Karachi.
7) Will you be investing in new Infrastructure of equipment and if so what?	Dryport Operator	Bonded warehouse Housing Colony Extension of bonded cargo vehicles.
8) Do you have IT communi-cations in the site?	Dryport Operator	Computerised
9) Do customers use you for stock or transit storage?	Dryport Operator	No relation
10) What are your main operational constraints?	Dryport Operator	Multimodal problems, as ports have problems in transferring goods from one mode to the other.

Through put and Dwell-time Check

Name of ICD/ Dryport	Location	Tonnage handled per annum Import/Export					Tonnage in on survey day (5.10.05)
		2000	2001	2002	2003	2004	
Lahore Dry Port	Lahore	109,519	181,692	209,560	279,468	329,162	1,014
Faisalabad Dry Port	Gatti	4,025	796	6,634	24,406	51,346	NIL
Rawalpindi Dry Port	Chaklala	1,297	371	988	2,883	4,368	NIL
Peshawar Dry Port	Peshawar Cantt.	6,431	7,421	6,591	8,505	9,126	143

Name of ICD/ Dryport	Location	Import /Export	Container TEU handled per annum Import/Export					Tonnage in on survey day
			2000	2001	2002	2003	2004	
Lahore Dry Port	Lahore	Import Export	3687 4565	4472 5219	7703 8052	13815 7962	20203 7060	1004
Faisalabad Dry Port	Gatti	Import Export	158 124	34 -	94 184	246 2114	849 3343	NIL
Rawalpindi Dry Port	Chaklala	Import Export	32 34	6 12	35 6	82 38	140 90	NIL
Peshawar Dry Port	Peshawar Cantt.	Import Export	22 482	12 548	49 430	144 490	127 581	143

Facilities and Utilization

Name of ICD/ Dryport	Land Area	Warehouse Area	Tonnes through warehouse per year	Average storage time in warehouse	Tonnage in warehouse
Lahore Dry Port	128000 SQM	7600 SQM	30%	12 Days	4000 tonnes
Peshawar Dry Port					
Rawalpindi Dry Port					
Quetta Dry port	Controlled by National Logistic Cell				
Faisalabad Dry port	Controlled by Private Trust				

Services

Name of ICD/ Dryport	Projected Capacity Tonnes/ Containers per annum	Working hours	Organizations present	Rail connected Y/N	Customs IT connected Y/N
Lahore Dry Port	50000 TEUs	Round the Clock	Chief Traffic Manager	Yes	No
Peshawar Dry Port	30000 TEUs	8 to 24 hours	Divisional Superintendent Peshawar	Yes	No
Rawalpindi Dry Port	12000 TEUs	8 to 16 hours	Divisional Superintendent Rawalpindi	Yes	No
Quetta Dry port	Handled by NLC				
Faisalabad Dry port	Handled by private trust				

Question	Sources	Report
1) What is the role of the ICD/Dryport in relation to intra-regional traffic?	Dryport Operator	Dry ports provide custom clearing facilities near the door step of clients. The intra-regional containerized traffic can be handled at these ICDs and Dry Ports. The inter border traffic can be booked from these Dry ports to other important Dry Ports / ports of SAARC countries.
2) What percentage of traffic is intra-regional as opposed to regional (i.e. to or form non-SAARC countries?	Dryport Operator	Hardly 2 % traffic is intra-regional at this time due to restrictions of movement across the border by Rail, hence, this traffic is booked through ports by ships which enhance the cost of commodities considerably. Pakistan booked 3108 containers to India and 104 containers to Bangladesh by Sea during the period from 1.7.04 to 30-6-05
3) Is this a customs approved depot? Are they on site?	Dryport Operator	Yes, dryports are custom approved depots and custom officers work there round the clock to clear the consignments.
4) What annual growth do you expect up to 2010?	Dryport Operator	20% annual growth is expected upto 2010.
5) What is your main traffic?	Dryport Operator	Textile, dates, salt and crude drugs etc.
6) What developments do you expect between now and 2010?	Dryport Operator	Governments of Pakistan and India had agreed to open Monabao-Khokhropar section both for passenger and freight traffic. Government of Pakistan has approved conversion of meter gauge to broad gauge between Mirpur Khas and Khokhropar at the cost of Rs.1000 million. This new route will be opened in April, 2006.
7) Will you be investing in new infrastructure of equipment and if so what?	Dryport Operator	Yes Pakistan Railways is investing huge money to rehabilitate the track, acquiring high capacity wagons and for induction of new locomotives.
8) Do you have IT communications in the site?	Dryport Operator	No, there is no IT connections available presently however, online facilities and tracking of container is on hand.
9) Do customers use you for stock or transit storage?	Dryport Operator	Pakistan Railways do not provide facilities for transit storage.
10) What are your main operational constraints?	Dryport Operator	60% of Rolling Stock, Locomotives and Railway track has almost outlived their normal span of life, heavy investments are required to rehabilitate the assets and revitalize the freight business unit in Pakistan.