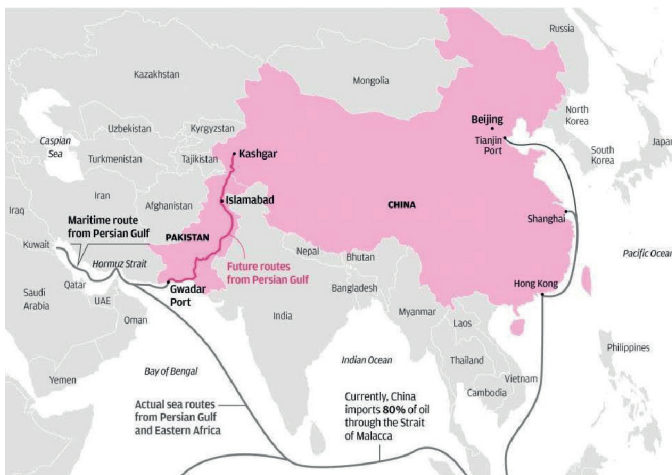


# New Prospects for Regional Logistics Providers in Asia

China and Pakistan signed an agreement in 2015 that has attracted the attention of the entire world. This agreement is known as China Pakistan Economic Corridor (CPEC) and it comprises of several projects, such as construction of deep sea port, road networks, railways networks and power plants. According to expert opinion, this corridor is opening paths to smooth bilateral and multi-lateral international trade. The corridor will cover around 3,000 km from Kashgar (China) all the way to Gwadar (Pakistan). It will not only connect South and East Asia, but also this connectivity will be further expanded to Central Asia and Middle East through Gwadar deep sea port. It is one of the six corridors under China's Belt and Road Initiative (BRI) proposed by President Xi Jinping in 2013. The official CPEC long-term plan of 2017 defines it as follows:

*The CPEC is a growth axis and a development belt featuring complementary advantages, collaboration, mutual benefits and common prosperity.*



## Regional Logistics Networks

Over the past 30 years, China has been following the export-led growth hypothesis. It can be seen that this

approach has proven to be successful as many European and American companies have moved their manufacturing setups to China due to the low cost of supply chain management there. However, rapid globalization is changing the dynamics of global trade and logistics networks and it has motivated China to initiate CPEC and other economic corridors.

## Significance of CPEC & Major Areas of Focus

The future of this initiative involves improvement of the economic integration among three continents, namely Asia, Europe and Africa. It envisages a land silk road across Asia and Europe and maritime Silk Road across Southeast Asia and Indian Ocean. The success of CPEC will encourage regional logistic providers to develop new setups in Pakistan around important areas, such as the China-Pakistan border or the deep sea port of Gwadar. Both qualitative and quantitative methods including a survey will be employed to analyze the following aspects of CPEC:

- New regional logistics network design and planning
- Future prospects for regional logistics service providers; will there be a shift in their locations?
- Impact of land infrastructure development on Pakistan's economic growth
- How will it change the multinational firms' location preference for regional distribution centers?
- Role of maritime trade route via Gwadar port
- Trade relations and economic prosperity on national (for China & Pakistan) and regional levels

The results of the study will help to establish the fact that logistics companies can gain if they opt for an open and progressive policy and establish new setups in developing Asian countries like Pakistan.



Ayesha Khan  
M.phil.

Business Studies /  
Economics

Lahore, Pakistan  
ayasha@uni-bremen.de

International Graduate School for Dynamics in Logistics  
Contact: Dr.-Ing. Ingrid Rügge

Universität Bremen  
Hochschulring 20  
28359 Bremen, Germany

www.logistics-gs.uni-bremen.de  
info@IGS.LogDynamics.de