

AN ANALYSIS OF CHINA-PAKISTAN ECONOMIC CORRIDOR ROUTES IN PAKISTAN: MODAL CHOICE, COSTS AND SCHEDULES

Asif Ayaz, Anthony Beresford, Stephen Pettit

Logistics and Operations Management, Cardiff Business School, Cardiff University, UK

ABSTRACT

Purpose: The China Pakistan Economic Corridor (CPEC) is a multi-billion-dollar economic project between Pakistan and China and is considered to be a vital part of China's One Belt One Road (OBOR) initiative. The corridor allows for direct access for China's trade to the Arabian Sea via a network of road, rail and air routes and ports across Pakistan. Since its inception, there has been a political and social debate about the distribution and prioritisation of investments across the three main CPEC routes, i.e. Eastern, Central, and Western corridors. There are also demands from the Khyber Pakhtunkhwa (KPK) provincial government for the inclusion of a 4th alternative route (Western Route 2) to ensure socio-economic gains are maximised for the northern regions. This research evaluates the overall competitiveness of the CPEC routes following the UNESCAP multimodal transport (MMT) Cost Model using distance, freight costs and transit times for the movement of 20 and 40 foot containers between Gwadar Port and the Khunjrab pass on the China-Pakistan border.

Design/methodology/approach: A case study approach was taken, underpinned by a questionnaire-based survey of Pakistan-based Logistics Service Providers (LSPs), Road Hauliers, the National Highway Authority and Pakistan Railways. A number of CPEC routes are explored comparing unimodal (road only) with Multimodal (road - rail - road) alternatives.

Findings: The analysis reveals that an all road Eastern route is the most competitive while multimodal options on the Eastern and Central routes are also competitive as a secondary alternative for long haul transport depending on operational conditions and cargo volumes. Future research should focus on the identification of specific transport and logistics weaknesses, and the implementation of specific remedial measures which are aimed at the improvement of transport efficiency and, more generally, at international trade facilitation.

Originality/value: The research explores route alternatives along the CPEC to provide a better understanding of the overall impact of their development.

Keywords: China Pakistan Economic Corridor, One Belt One Road, Unimodal, Multimodal, Pakistan