

**“ GROWING NEED OF THIRD PARTY LOGISTICS (3PL) IN PAKISTAN: ANALYSIS ON  
OIL AND GAS INDUSTRY ISLAMABAD”**



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## **Dedication**

I dedicate my research report to my beloved and humble parents in gratitude of their worth and blessings in my life which showed me the path of success, achievement and accomplishment. Without their support and prayers, I wouldn't be able to get this far.

*A dream is your creative vision for your life in the future. You must break out of your current comfort zone and become comfortable with the unfamiliar and the unknown.*

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## Abstract:

The need of third party logistics is becoming prevalent in the industry of oil and gas in Pakistan. The study discusses the relationship that exists between third party logistics (independent variable) and supply chain performance (dependent variable). The study discusses various definitions of supply chain management, supply chain evolution, supply chain management in oil and gas industry, numerous definitions of logistics and third party logistics, several aspects of inventory management, transportation management, warehouse management and information management, effects of outsourcing specific business function to third party logistics provider in general and specifically in oil and gas industry. Survey for this study was carried out in **10** firms and organizations (Mol, Mari Petroleum Company Limited, Oil And Gas Development Company, Pakistan Petroleum, Pakistan Oil Fields, Shell Petroleum, Pakistan State Oil, Schlumberger, Attock Petroleum and Dewaan Petroleum) operating in oil and gas industry restricted to Islamabad and Rawalpindi. Data collected through 10 firms was later analyzed by using SPSS (Version 7.0). On the basis of theoretical framework, four hypothesis were developed which are **H1**: Outsourcing inventory management to third party logistics service providers has significant impact on increasing supply chain performance, **H2**: Outsourcing transportation management to third party logistics service providers has significant impact on increasing supply chain performance, **H3**: Outsourcing warehouse management to third party logistics service providers has significant impact on increasing supply chain performance and **H4**: Outsourcing information management to third party logistics service providers has significant impact on increasing supply chain performance. On the basis of several tools and tests applied, hypothesis **H1**, **H2** were accepted and **H3**, **H4** were rejected. Research concludes that outsourcing specific business function to third party logistics is not just a mean to be cost efficient, but also proves to be strategic instrument for gaining competitive advantage through increased supply chain performance, service and flexibility throughout the chain.

## Key wordings:

Supply Chain Management, Logistics, Third Party Logistics, Outsourcing, Logistics Service  
Provider, Supply Chain Performance, Inventory Management, Transportation Management,  
Warehouse Management, Information Management

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