

**PRIVATIZATION OF FREIGHT TRAFFIC OF
PAKISTAN RAILWAYS TO IMPROVE LOGISTICS
FACILITIES IN PAKISTAN**

By

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No.	Date	Place of Meeting	Topic Discussed	Signature of Student
5	29-01-2017	Faculty 10	Research Topic discussion in context to Literature review.	<i>Andleeb Irfan</i>
6	19-02-2017	Faculty 10	Hypothesis and questionnaire formation for the purpose of Data Analysis	<i>Andleeb Irfan</i>
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I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 14% that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

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Abstract

Purpose: The purpose of this research project is to identify if privatization of Pakistan railways will improve better utilization of its existing assets and how it can help in improving logistics facility in Pakistan.

Pakistan Railways (PR) once a profitable institution now needs huge public funds to keep it afloat. For years the governments have been using Pakistan Railways to get political favors by giving employment to incompetent people. Pakistan Railways has been used as a social service to create jobs, offer subsidize travel to government servants and other groups. Corruption exists in all cadre of employees, from stealing oil, scrap, ticket and receiving commission on purchases. For almost a decade PR has needed nearly Rs.30 billion of subsidies/ write off to keep the organization running. The organization can no longer be supported by public funds and needs to be made financially viable as public enterprises or privatized to reduce the losses to the exchequer.

Research Methodology: The Data to carryout research was collected through a questionnaire base survey. It contained the sample of 206 respondents for the purpose of analysis. The respondents included employees of different SC, Supply Chain Managers, students specializing in Supply Chain Management, and owners of the business were the main respondents. The collected data was analyzed using Statistical Software SPSS 19.

Findings of the Research: This research project studied the options of privatizing or deregulating PR. The alternate is to provide huge input of funds to make Pakistan Railways commercially viable. The option to gradually deregulate PR by inviting external firms to operate passenger and freight trains and provide services that would restore the confidence of businessmen and general public in Pakistan Railways. The research carried out shows that the respondents favor deregulating freight trains, reducing overstaffing gradually and bringing in professional management to revive Pakistan Railways. The respondents rejected the investment in infrastructure upgrade under the present sick system.

Practical Implications: Deregulating freight trains will bring in many logistics firms in freight transport by train and not only improve the service but also reduce on congestion on the roads.

Key Words: Pakistan Railways, Freight traffic