

During the last five years, successive governments have adopted several policy measures to deregulate the transportation sector. These measures include:

- a) **Aviation:** Allowing the private sector to operate domestic and international passenger and cargo flights.
- b) **Mass Transit:** Participation of the private sector in the mass rapid transit system proposed for the city of Karachi.
- c) **Railways:** The Ministry of Railways is to partially privatize Pakistan Railways cargo operations and other services (ticketing, maintenance, etc.). The Ministry helped to develop bid documents under the Open Access Policy (OAP) for the private sector Railway Equipment Company (RECO). This policy package was announced by the Private Power and Infrastructure Board (PPIB). The OAP/RECO policy envisages development of a private sector Railway Equipment Company which will lease the existing railway tracks for transportation of strategic commodities such as fuel oil for power plants and other commodities including wheat, rice and fertilizers.
- d) **Motorways:** Setting up the National Highway Authority (NHA) to pursue several motorway projects. Construction of motorways between major cities is undertaken on a BOT basis. NHA recently signed an agreement with a Turkish firm for a 150 km, six-lane motorway between the cities of Islamabad and Peshawar. A 330 km, six-lane motorway between Islamabad and Lahore was completed by Daewoo (Korea) and opened to traffic in November 1997.
- e) **Airports:** The GOP is seeking international bids for development of the Islamabad and Lahore airport terminals on a BOT basis.
- f) **Ports:** Container terminals, oil terminals, and development of chemical and grain terminals are undertaken on a BOT basis. In addition, GOP is actively soliciting the interests of foreign investors for development of secondary ports at Gwadar and Pasni as well as terminals mentioned above at Karachi and Qasim port. GOP has recently created a Coastal Development Commission under the Ministry of Communication, which is in the process of developing a master plan for development of coastal regions. Korean firms have offered attractive terms for developing the Gwadar port on a BOT basis along with a road linking to Karachi.
- g) **River Transportation:** Unsolicited bids have been received by GOP for development of river cargo transportation.