

# Pakistan: A united front against Maritime Corruption

The maritime sector in Pakistan holds untapped potential for significant growth and economic impact. With a population of 231 million and potential for an expanding middle class, the nation is not just a large consumer market but also a logistical link. Serving as a gateway for goods en route to Central Asia and key regions in China, Pakistan has ambitions to establish itself as a global transshipment hub. Yet, operating in this environment comes with its own set of hurdles. Local companies as well as members of MACN have reported a myriad of challenges that pose barriers to unlocking the country's full maritime potential, including issues of illicit demands during vessel clearance.

In 2021, as part of the regional expansion project in South Asia, MACN, along with the Global Compact Network Pakistan (GCNP) and other local and international stakeholders, embarked on a concerted effort to address these challenges. While the journey is still underway, there are numerous complexities to navigate. The timeline for full reform remains uncertain, but the initial signs point toward a promising change in course.

## **Overcoming Fragmentation and Reluctancy**

When the Collective Action initiative first launched in Pakistan's maritime industry, the team faced a challenging landscape. The industry was notably fragmented, with a range of stakeholders who were not just divided but also hesitant to tackle sensitive issues like corruption and governance in a formal setting. This reluctance was particularly problematic for small and medium-sized enterprises, many of which felt compelled to accept murky and illicit business practices as an unfortunate but unavoidable cost of doing business in the industry.

Operating in this complex environment has hardly been straightforward, yet the teams on the ground have displayed commendable adaptability. Recognising the sensitivities surrounding the word "corruption," the initiative initially employed euphemisms like "bad practices" to foster more open dialogues. This approach yielded positive results.→



**SEPTEMBER 2023**

MACN training with Pakistan Shipping Agents Association (PSAA), held by Mathias Bak, and MACN Local Partner Global Compact Network Pakistan represented by Syed Tanvir Ahmad, Senior Advisor, and Muhammad Akram, Project Manager.

**SEPTEMBER 2023**

Senior Adviser Syed Tanvir Ahmad addressing participants during MACN's third roundtable discussion with industry representatives in Karachi.

While challenges like blame-shifting and finger-pointing have been an inevitable part of ongoing dialogue, both private industry associations and public bodies, including government agencies and port authorities, have shown an encouraging openness to these efforts.

**The signs are increasingly evident among all stakeholders: there is a genuine appetite for change within Pakistan's maritime sector.**

MACN and GCNP's outreach efforts, both formal and informal, have effectively begun to break down silos. From bilateral closed-door meetings to larger consultative sessions, the local team has worked tirelessly to forge a sense of unity of purpose among private sector stakeholders. The focus has been to instill a collective will to prevent illicit practices, and thereby improve the business environment for everyone involved in Pakistan's maritime value chain.

**Interested in learning more about MACN's initiatives in Pakistan?**

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**Written by**  
Mathias Bak  
mbak@macn.dk

