

# A Comparative Understanding of Critical Problems Faced by Pakistani and Indian Transportation Industry

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**Abstract**—It is very important for a developing nation to developing their infrastructure on the prime priority because their infrastructure particularly their roads and transportation functions as a blood in the system. Almost 1.1 billion populations share the travel and transportation industry in India. On the other hand, the Pakistan transportation industry is also extensive and elevating about 170 million users of transportation. Indian and Pakistani specifically within bus industry are well connected within and between the urban and rural areas. The transportation industry is radically helping the economic alleviation of both countries. Due to high economic instability, unemployment and poverty rate both countries governments are very serious and committed to help for boosting their economy. They believe that any form of transportation development would play a vital role in the development of land, infrastructure which could indirectly support many other industries' developments, such as tourism, freighting and shipping businesses, just to mention a few. However, it seems that their previous transportation planning in the due course has failed to meet the fast growing demand. As with the span of time, both the countries are looking forward to a long-term, and economical solutions, because the demand is from time to time keep appreciating and reacting according to other key economic drivers. Content analysis method and case study approach is used in this paper and secondary data from the bureau of statistic is used for case analysis. The paper focused on the mobility concerns of the lower and middle-income people in India and Pakistan. The paper is aimed to highlight the weaknesses, opportunities and limitations resulting from low priority industry for a government, which is making the either country's public suffer. The paper has concluded that the main issue is identified as the slow, inappropriate, and unfavorable decisions which are not in favor of long-term country's economic development and public interest. The paper also recommends to future research avenues for public and private transportation, which is continuously failing to meet the public expectations.

**Keywords**—Bus transportation industries, transportation demand, government parallel initiatives, road and traffic congestions.

## I. SELECTION OF A PROBLEM

INDIA is among the most populated countries in the world and its travel and transportation sector is very large and diversified. The beginning step of any nation towards their

infrastructure development is to develop their roads and transport industry [1]. Indian transportation industry also has well connected in the urban and rural areas which are dramatically helping the economic alleviation. The urban poor rely on public transit for trips that require motorized transport. Thus, public transit plays a critical role in sustaining and improving the welfare of the urban poor by providing mobility to millions. The past few decades have witnessed a continuous disinvestment in public transit by governments in Pakistan who have cut public services in an attempt to balance their books. When the government funded mass transit disappeared from the streets, the private sector stepped in to provide transit service, which left much to be desired in terms of efficient provision of quality service and safety [2]. Recently, provincial governments in Pakistan have embarked on bus-franchising schemes, which offer exclusive service rights to operators on dedicated routes. The transit operators, in return, guarantee a certain level of service. In Punjab province of Pakistan, for example, a bus-franchising scheme has delivered hundreds of new buses now playing on intra-urban routes [3]. Due to the high poverty rate Indian and the Pakistani government is very committed and serious to help the economic development and poverty. Transportation in India needed to be privatized that will definitely ease some of the government financial burdens. Therefore, government policies are needed, some amendments, which could further encourage the local bus manufacturers to participate in the local development of the transportation industry.

## II. UNIT OF ANALYSIS

In this paper, we have used two private bus services, namely, creative travel bus service (CTBS) from India and Daewoo bus service from Pakistan.

## III. INTRODUCTION TO CTBS

CTBS is providing quality coaching services originating only from Delhi. The company is committed to achieving the correct target market, with the right price, position, the environment, time, and place. It is a type of company which is providing an air-conditioned (A/C) mini bus and luxurious coaches within the Delhi vicinity for the need of local passengers and tourists. CTBS is also been available for hiring coaches to be used by the tourist, corporate and private sector, within the India. CTBS is an efficient and reliable bus transport system which is vital to sustain a high growth rate

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and alleviate poverty specifically in India environment. The company also providing discounted rates and prices for their loyal and regular customers. In addition, they are also maintaining the flexibility by creating customized group transportation solutions that could fit the specific needs of their customers and especially foreign tourists. The company is continuously improving the bus services accordingly, updating the buses' interior condition with more ergonomics and comfortability of users by introducing some new bus models. The company is targeting a fleet of over 15 different types of buses and coaches with a variety of economical, luxury and premium segment of buses. CTBS is also willing to invest in luxurious coaches and buses if there is any demand for that kind of services and furthermore could expand their networking across the whole Indian continent. This paper is a bird's eye view of Indian bus transportation industry and then taking Creative Bus Service in India as a case study.

CTBS is providing coaching services only from Delhi to other metropolitan cities by providing an air-conditioned (A/C) mini bus and luxurious couches in Delhi. Table I shows the CTBS company profile.

TABLE I  
COMPANY PROFILE OF CREATIVE TRAVEL BUS SERVICE [4]

Company Profile	
<b>Company Name</b>	Creative Travel Bus Service
<b>Address</b>	CB – 206/5, Ring Road, Naraina, New Delhi – 110028
<b>Phone</b>	011-25778684, 09810833751, 09213641453
<b>Email</b>	kreativetravelindia@yahoo.com
<b>Website</b>	www.coachrentalcompany.com, www.kreativetravelindia.com

The company is targeting a fleet of over 30 different types of buses and coaches with a variety of economical, luxury and premium segment of buses. CTBS has one-third of their vehicle fleet, which are less than two years old, which again show that it is a well-maintained bus service which use Delhi as their central hub.

#### IV. INTRODUCTION TO DAEWOO BUS SERVICE

The basis of this study is that “people of Pakistan are dissatisfied with transport services at large” [5]. The Daewoo Bus Service (DBS) had been operating intercity bus services between the urban and rural cities in Pakistan. They are well-established transporters provider whom with the familiarity of local bureaucracy and market survival factors such as the tariff, operations, and optimization strategy to best fit the transportation design, system, and decision. On the other hand, DBS is the first and the biggest foreign transportation investment company with an advanced and well-organized transportation system in Pakistan. DBS has nationwide networked with various international trade linkages. With a large fleet of buses, therefore technically advanced workshops had been established in order to do maintenance of the fleet for the safety of the passengers, state of the art terminals, training institutes for drivers and mechanical staff, just to mention a few. Daewoo has been rendering transport facilities for the last 15 years to the people of Pakistan and very much

appreciated by the masses simultaneously highly praised by the Pakistani Governments for its sustainable consistent success. Pakistani Media often express appreciation for the company's evolutionary accomplishment in transportation sector locally and internationally, through various channels. Table II shows the DBS company profile.

TABLE II  
COMPANY PROFILE OF DAEWOO PAKISTAN EXPRESS BUS [6]

Company Profile	
<b>Company Official Name</b>	Daewoo Pakistan Express Bus Service Ltd.
<b>Address</b>	231-Ferozepur Road, Near Kalma Chowk, Lahore, Pakistan. UAN: 111-007-008 / 03311-007-008 FAX: 042-5884021.
<b>Phone</b>	
<b>Email</b>	info@daewoo.com.pk
<b>Website</b>	http://www.daewoo.com.pk

#### V. LITERATURE REVIEW

The transportation system in India has shown a considerable model shift away from the railways in favor of roads, both in passenger and freight transport [7]. In India personal vehicles dominate road passenger transport is indicated by a very fast growing rate of registered vehicles which is now accounted for almost more than 72 million vehicles. Table III shows the registered vehicle in India.

The share of buses in the number of vehicles has steadily constant as we can see in Table III. Personally and privately owned vehicles presently accounted for 90% of passenger road traffic, whereas the other 10% is provided by government owned public transport bus companies in India [8]. While the private sector owns a greater number of buses compared to the government (about 85% of the total number of buses), most private bus operations are based on the ‘Contract Carriage permit’ that permits these bus service operators and leased out for private use, and prohibits their use as a means of public transit [9].

TABLE III  
NUMBER OF REGISTERED VEHICLES IN INDIA [8]

Year	All Vehicles (in Thousands)	Two Wheelers	Car, Etc.	Buses
1997	37,332	68.92%	12.5%	1.30%
1998	41,368	69.24%	12.42%	1.30%
1999	44,875	69.81%	12.38%	1.20%
2000	48,857	69.83%	12.57%	1.15%
2001	54,991	70.11%	12.83%	1.15%

There are some Indian cities with a huge number of populations who go back and forth from their workplaces, such as Delhi and Kolkata, although, public transit operations by private buses are prevalent. These are exceptions, and in general, public transit is usually a government owned legal monopoly in most parts of India [10].

The buses which are administered by government authorities have been overwhelmed by many financial constraints and are very difficult even meeting their fleet replenishment requirement, let alone expand the entire convoy to provide the increasing demand [11].

### A. Indian Transportation Economic Contribution

Base on the Indian statistics 2007 the Indian transportation is facilitating 1.1 billion people [12]. Indian transport and logistics have a great contribution in Gross Domestic Product (GDP) as this sector has gone through a change and it is continually changing with respect to demand conditions. This sector grew at 10 percent annually. In the last two decades, the demand has appreciated in parallel with the GDP. Accordingly, this sector also takes the growing theme and expands. Table IV shows the continuous growing trend and its contribution in Indian GDP [13].

TABLE IV  
INDIAN TRANSPORT CONTRIBUTION TO GDP [13]

Year	Contribution of Transport In GDP (%)	Proportion of Transport in Total Expenditures (%)
2000-2001	5.8	4.5
2001-2002	5.8	4.8
2002-2003	6	4.1
2003-2004	6.2	3.9
2004-2005	6.4	4.2

The key economic indicators and comparatively its overall view of its transport sector, which is again divided into road, rail, sea and air. European Business & Technology Centre (EBTC) market report [13] has informed that it is recorded a shift of Indian people traveling from rail to road use due to tariff policies that charge too much freight to subsidize passenger travel. The total of 87.4% passenger traffic carried via road [12]. On the other hand, the total contribution of Pakistani Travel & Tourism to GDP was PKR1, 632.2 billion (7.1% of GDP) in 2013, and is forecast to rise by 6.5% in 2014, and to rise by 5.6% per annum to PKR2, 999.1 billion (7.4% of GDP) in 2024 [14].

### VI. METHODOLOGY

The methodology used to arrive at this case study include content analysis base on the secondary data available on the creative bus travel services and DBS website and general Indian and Pakistani transportation empirical data.

### VII. FORMULATION OF PROBLEM

The problem in this case study is formulated based on personal observation, literature review, and experience. As CTBS is such a nice bus service but it is just limited to Delhi vicinity and not keen to expand their bus services networking to cover the whole Indian continent. In addition, the CTBS not want to offer their tourist packages from other major cities of India. On the other hand, DBS in Pakistan is almost covering all the major cities in Pakistan, with the strategy for not to have multiple stops, which might annoy passengers towards their destination. DBS bus station (pick and drop) is out of the cities which are more towards company's interest rather than a customer. This makes the customers very inconvenient, timely and expensive to catch their buses. As what their strategy is to operate from or near to highways, expressways or bypasses.

### VIII. PROBLEM STATEMENT

CTBS has been operating its fleet since 2002 with high reputation and their success has become the eyesore of other transport services. Due to the high demand, the management is thinking to eyesore its services. Even though the expansion of the company service has been discussed often, but the company is more concern about the company's survival and profitability in the long-term. They fear that, if the company starts expanding their business, their core business focus might be losing some portion of the market share. However, a market survey was conducted in order to get the real picture of how the customer demand was and finally it shows the positive result, which mean that there were high demands from the Indian population to use the bus services in catering the population mobility especially during the festive seasons.

#### A. Increasing Demand

The Indian public transportation is lacking due to the continuously increasing demand since last few decades. On the other hand, the passengers turn more and more into personalized vehicles rather than traveling to the old, outdated, insecure, uncomfortable and degraded bus facilities [15].

#### B. Limited Space - Traffic Congestion

Traffic congestion is not new in India and it is getting worse as due to the reason that local government has no other alternative. Or it may say they do not have any control on it. Because of the limited space and very heavy rush, police are forced to keep traffic personnel. It seems like everybody is on the road with no enough space on the road. What to do and who will do if you can see in India parking is another problem and people often park their cars on the road and this cause traffic jam. Traffic Jam is a serious matter and with insufficient parking space it makes it even worse. Police officers are also very limited to see the entire activities and there they need more police officers to control any breach of traffic law and regulations.

#### C. Findings

The problem which is identified in the Case is the CBTS and DBS is facing problem in term of the profit growth and market expansion. It is identified that the company's profitability remains below average and the company's management has the concern to expand the company's operation. However, at the same time the management has the concern that if they enter in new market portfolios they might lose their focus on the core business.

### IX. DISCUSSION

Base on the observation, this case study have identified that there are many issues facing by Indian and Pakistani Transportation Industry. This paper has identified that Indian and Pakistani transportation industry is facing various problems such as road congestion, limited expansion of public transport, no government initiatives for transportation facilities, unfavorable government planning and policy for transportation, not suitable alternatives of bus services, less

expansion, companies are very limited when it comes to new investments and private companies are expecting high investment with high returns in a short time. On the other hand bus transportation, companies can only survive if they maintain their service delivery with appropriate pricing. If the pricing is not suitable bus transportation demand might fluctuate accordingly and influence pricing strategies, cost, and profits.

#### X. RECOMMENDATION

In India the per capita income is roughly USD1, 570 (nominal as per 2013), and in Pakistan it is about USD1, 513 (nominal as per 2014) the cost of public transport cannot be increased. The same is the case with the buses. Buses being overstuffed with passengers have to negotiate extremely congested narrow streets. With no special rights of way, they have to compete with a mixed array of other vehicles as well.

##### A. Road Congestion

Severe roadway congestion has slowed down most buses to a crawl during peak hours. The accelerated growth of India's population has put tremendous pressure on all its transport systems. The ever increasing travel demand of its millions has put a strain on weak infrastructure. Clearly, public transport is severely compromised and screaming for attention [16].

The government needed to come up with a multi-track road plan. Especially infrastructure needed to be designed to fulfill the demand of next 30 to 50 years. On the other hand, it is needed to have an expressway, motorways with bypass road not crossing the Indian cities. Likewise, time and money will be saved for direct bus service to a destination when they do not enter the cities which are not included in their destination [17].

##### B. Privatization

Public transport in India needs to be privatized. Privatization will definitely ease some of the financial burdens. The government policies that have encouraged the manufacturers of small cars have resulted in people unhappy with the public transport system opting for personal cars. This has only increased the burden on the already congested roads. The government should make separate lanes on the road, especially for public transport so that the buses do not have to negotiate all the other vehicles as well. With lesser congestion and better speed, the services will get better. The introduction of sky buses could be another solution.

##### C. Limited Expansion of Public Transport

Despite rapid urban population in major Indian towns and cities, the policy on transport has continued to remain the same. This has been complicated by the expansion of the public transport sector and travel demands that have exceeded the supply. Secondly, poor infrastructure has impeded on the capacity of public transport service to deliver quality services to travelers. This is demonstrated by the lack of convenient and effective public transport systems, overcrowding buses and slow cycle time [18].

##### D. New Government Initiatives

In contrast with the ever changing demand the government also takes new initiatives from time to time in order to keep updating the bus transportation at city, village, and state and at the national level. As there are some initiatives by the Indian local state government to produce solutions like Bus Rapid Transit (BRT) system. In addition to that, many air-conditioned buses are included by Indian state government to bring the operational excellences and make better public transport system in and among cities.

##### E. Favorable Government Planning and Policy

The government should be the dominant player in seeking sustainable solutions to the challenges of the Indian transport industry. This is because of its direct role and responsibility in infrastructure development, articulation of public transport policies and enactment and implementation of relevant laws governing the public sector. There is a need for the government to expand the existing infrastructure and develop effective policies to address the challenges of the public transport system.

##### F. Alternatives of Bus Services

The alternative of the bus services can be either train or any other possible way to be traveling through a river or sea. The main concern over here is the cost and time. The development of an effective railway transport service could serve as a viable solution in shifting off the burdens placed by privately owned vehicles on the crowded road network.

##### G. Privatization of Bus Services

If the government keeps failing to operate the bus service, so it is not better than to privatize and likewise it can not only help the industry grow, but it will also upgrade and bring operation efficiencies. Privatization of non-performing public service players and reduction in road congestion could solve the problems of the Indian public system. The government takes a leading role in all these issues and can benefit from the increased ease of transport and movement of people, goods, and services.

##### H. Huge but Meaningful Investment

If the industry can able to do some good investment in the bus transportation industry, it can help to not only bring the operational efficiency but it will also have the significant economic contribution. Indian bus services required a huge investment with meaningful strategies in accordance and compare to any developed country can help the Indian bus industry successful ultimately.

#### XI. IMPLEMENTATION

This case study has recommended many ways how the Indian and Pakistani transportation industry can implement its strategies, in general, to improve the transportation facilities. Especially operational management of these companies can expand their offices and their fleet and express bus services from most of the major cities and villages of India and Pakistan. On the other hand CBTS and DBS can expand their

entrepreneurial activities (alliances with other tour package providers, off season packages, web portal, less barriers between the real traveler and company) to grab international tourist, medical tourist and other diplomatic visitors to offer their first class services.

## XII. CONCLUSION

There are many hurdles in making the CTBS a successful company. There are a lot of issues like traffic congestion, over demand and competition to survive. But still the success of the company revolves around how it plays its leading role in providing quality and operationally efficient services and meets the increasing demand. The travel demand has far exceeded then the limited supply and resources of transportation and along with that some negligence of infrastructure and services allocated to the transportation industry [19]. Specifically, public transport has been under pressure since from last many decades. This has added that the majority of bus services is overcrowded, undependable, slow is speed, not convenient to public, operationally slow cycle time and due to inflation and a reduction in productivity the bus services are gradually becoming insufficient and inefficient. By keeping all these problems, the CTBS managers needed to come up with a strategy and policy and remain profitable. On the other hand, DBS Pakistan is effective in customer relationship management strategies and they are quite efficient in the implementation of their operational decisions. The company has always provided optimum quality services and they need to further align according to the customer demand. The customers are then attracted to the product themselves. All they need is to maintain this loyalty of their customers and keep providing quality services with reasonable price and adequate numbers of buses if the demand is higher on any specific route.

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