

**“Effect and risk on supply chain with respect to terrorism  
in context of CPEC”**



**By:**

Ahmed Ali Kayani (01-222151-018)

**MBA**

**Supervisor:**

Sir, Ahmed Hassan

**Department of Management Science**

## ABSTRACT

*The research study is being done on “Effect of Supply chain uncertainty and risk on logistic capability of firms of China Pakistan Economic Corridor (CPEC)”. This topic is selected because the world had been badly affected by terrorism and risks in past three decades. Supply chain uncertainty and risks has significant impact on lively hood of business as well as people.*

*China Pakistan Economic Corridor (CPEC) is the new era of prosperity of not only of Pakistan in fact the whole Central Asia mainly including China, Russia, Afghanistan many others. The major activity performed in CPEC is the Logistics and the region of CPEC i.e. provinces Baluchistan and Khyber Pakhtunkhwa is significantly affected by terrorism. Many research studies are available on supply chain uncertainty and risks and Logistics in recent five (5) year.*

*Logistics capability is widely affected by supply chain uncertainty and risks. Logistic capability consists on operational flexibility, innovation and process optimization of supply chain.*

*Supply chain Risks can be described as the customer risks, organizational risks and surrounding situations.*

*Logistic capability is of the significant importance in the China Pakistan Economic Corridor (CPEC) as Pakistan has never witnessed such a massive scale logistics operation. Organizations required to enhance the capabilities but under the supply chain risks and uncertainty it has become very difficult to attain the logistics capabilities. Organizations can have the logistics capability be having the operational flexibility, innovation and process optimization.*

## **DEDICATIONS**

VERY RESPECTFULL AND HUMBLLY,  
I DEDICATE THIS WORK TO MY BELOVED  
PARENTS AND GRANDFATHER

# Table of Contents

<b>Introduction</b> .....	6
<i>1.1 Background of the Study:</i> .....	6
<i>1.2 Objectives of the study:</i> .....	10
<i>1.3 Research Question:</i> .....	10
<i>1.4 Problem Statement:</i> .....	10
<i>1.5 Significance of the Study:</i> .....	11
<b>CHAPTER 02</b> .....	11
<b>Literature Review</b> .....	11
<i>2.1 Development of Hypothesis:</i> .....	29
<i>2.2 Theoretical Framework</i> .....	30
<b>CHAPTER 03</b> .....	33
<b>Research Methodology</b> .....	33
<i>3.1 Nature of Research</i> .....	33
<i>3.2 Model for Logistics Capability</i> .....	34
<i>3.3 Measuring variables</i> .....	35
3.3.1 <i>Independent variable</i> .....	35
3.3.2 <i>Dependent Variable</i> .....	35
<i>3.4 Population</i> .....	35
<i>3.5 Sample</i> .....	35
<i>3.6 Scale</i> .....	36
<i>3.7 Tools</i> .....	36
3.8 <i>Materials and Methods</i> .....	37
<b>CHAPTER 04</b> .....	40
<b>Empirical Results</b> .....	40
<i>4.1 Demographic Analysis of Study</i> .....	40
<i>4.2 Validation</i> .....	47
<i>4.3 Correlation</i> .....	50
<i>4.4 Linear Regression</i> .....	54
<b>CHAPTER 05</b> .....	59
<b>Conclusion</b> .....	59
<i>5.1 Limitations</i> .....	60