**Reverse Logistics: Going Backward to Move Forward**

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February 22, 2022

Regulatory authorities should give importance to reverse logistics activities since a significant part of Pakistan’s environmental degradation is due to the 20 million tonnes of solid waste generated every year.

By Dr Syeda Nazish Zahra Bukhari

The COVID-19 pandemic has transformed almost all industries,including the logistics industry. To counter the impacts of this pandemic organisations have adopted Artificial Intelligence-based technologies through which customers can track their packages and receive them as contactless deliveries. The logistics industry is gaining momentum with time. The World Economic Forum reported that the number of delivery vehicles on the road will increase by 36 per cent between the years 2019 and 2030 in the top 100 cities globally. However, environmental sustainability awareness is growing globally in all industries, including the logistics industry. Nowadays, customers use brands that adopt environmentally and socially sustainable business practices. Green and sustainable logistics solution is the future of the logistics industry. The adverse environmental impacts of the logistics industry have stimulated new innovations like electric vehicles, autonomous delivery vehicles, robots, drones, etc.

Due to increasing environmental concerns, global business competition, legislation and corporate social responsibility pressures, organisations are integrating the concept of reverse logistics in their business operations. The adoption of this business ideology has also been triggered due to an acceleration in the e-commerce industry during the COVID-19. Reverse logistics is “the opposite of the standard supply chain. The goods move from the end-user back to the seller or manufacturer. It can include returns from e-commerce and retail, as well as components for refurbishing and remanufacturing. The products may be resold or disposed of permanently.”

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The five Rs of reverse logistics are returns, reselling, repairs, repackaging and recycling. It creates value by turning waste into sales and building long-term customer relationships. Reverse logistics is important because it maintains an efficient flow of goods, reduces costs, creates value, decreases risk and completes the product life cycle. It also acts as an integral cog in successfully implementing the concept of circular economy in any country.

According to research, global e-commerce revenues are growing 15 per cent annually and the product return rate has reached approximately 30 per cent of sales. It has been predicted that approximately four billion incremental units will be added to the annual reverse logistics pipeline in the year 2022. The growth in e-commerce purchases has increased the demand for returns through the same channel. By 2028, the global reverse logistics market is expected to be valued at US$ 958 billion. Reverse logistics is an important part of the supply chain in a variety of industries, including automotive, electronics, pharmaceuticals, and others. Reverse logistics services have been developed and implemented by countries all over the world to extract value from returned and damaged products. Reverse logistics activities involve warehousing, reselling, recycling management, returns management, replacement management, and environmental compliance.

In developing countries like Pakistan, the adoption of reverse logistics is still at the early stage due to the presence of various barriers including the high cost of adoption, lack of skilled professionals, lack of respective legislation, inadequate organisational culture, lack of human resources, lack of environmental awareness among stakeholders and absence of community pressure. Regulatory authorities and organizations in Pakistan should give importance to reverse logistics activities since a significant part of the country’s environmental degradation is due to the generation of 20 million tonnes of solid waste yearly, with a predicted annual growth rate of 2.4 per cent. The China-Pakistan Economic Corridor (CPEC) can play an important role in accelerating the country’s economic growth through investments in infrastructure and energy projects. However, this has also resulted in the increased consumption of natural resources due to heavy industrialisation, especially in sectors like iron and steel, textiles, automobile, etc. The waste generation from these industries requires effective recycling and reusing of this waste through the use of reverse logistics. The implementation of reverse logistics will also help organisations realise their corporate social responsibility toward environmental protection and motivate them to gain knowledge about improved product recovery systems. In Pakistan, government authorities and manufacturing companies should focus on reverse logistics processes because of current environmental policies, economic issues, social conditions and recovery of different useful products.

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