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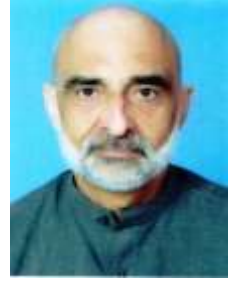
The latest Edition of Year Book for Fiscal Year 2016-17 is in our hands.

An earnest effort has been made to summarize the success stories of industrialization and entrepreneurship in the country from Gwadar to Khunjab, under the policy guidelines of current government and within the mandate assigned to Ministry of Industries & Production. The times had been hard and the nation has fought bravely against all odds to keep the wheel of industry and business running in the country. This edition presents an overview of several large, medium and small scale industrial activities with far reaching impact on the economy and industry of Pakistan

The next edition will In-Sha-Allah bring more heartening news encompassing therein achievements pertaining to Industrial Sector under CPEC.

*(GHULAM MURTAZA KHAN JATOI)
(FEDERAL MINISTER)*

PREFACE



I am glad to share with you the annual round up of MOIP in the form of Year Book 2016-2017.

The document is a reflection of assignments taken up, projects launched, activities carried out and businesses undertaken by the enterprises and industrial setups operating under the umbrella of Ministry of Industries & Production. The Ministry, in collaboration with its local and international partners is steadily moving forward to modernize the industrial setup of the country in line with the international standards and best practices. We aim at achieving a thriving industry capable of providing world class products and services at the door step of customers, creating new job opportunities, besides earning foreign exchange for the country.

The brief overview of the nationwide activities with statistical data will hopefully prove to be useful for interested investors and research purposes.

*(Mian Asad Hayaud Din)
Additional Secretary
(Incharge)*

CONTENTS		Page No.
1.0	Introduction	1
	1.1 Vision, Mission and Objectives	2-3
	1.2 Functions of Industries & Production Division	4
	1.3 Organizational Setup	5-10
2.0	Public Sector Development Programme (PSDP)	11
	2.1 Achievements in Public Sector Development	11-13
	2.2 PSDP Projects	14
3.0	Public Sector Corporations / Organizations	
	3.1 Pakistan Institute of Management (PIM)	15-16
	3.2 Small & Medium Enterprises Development Authority (SMEDA)	17-27
	3.3 Department of Explosives (DOE)	28
	3.4 Export Processing Zone Authority (EPZA)	29-30
	3.5 Pakistan Industrial & Technical Assistance Centre (PITAC)	31-44
	3.6 National Fertilizer Corporation (NFC) and its subsidiary companies	45-47
	3.7 State Engineering Corporations (SEC) & its Units	48-49
	3.7.1 Heavy Electrical Complex (HEC)	50-53
	3.7.2 Pakistan Machine Tool Factory (PMTF)	54-58
	3.7.3 Pakistan Engineering Company (PECO)	59-61
	3.7.4 ENAR Petrotech Services Limited (EPSL)	62-64
	3.8 Engineering Development Board (EDB)	65-73
	3.9 Pakistan Steel Mills (PSM)	74
	3.10 National Productivity Organization	75-82
	3.11 Utility Stores Corporation (USC)	83-86
	3.12 Pakistan Industrial Development Corporation (PIDC), its subsidiary companies and Joint Ventures	87-122

1.0 INTRODUCTION

Ministry of Industries & Production (MOI&P)'s aim is to facilitate Industrial growth in the country, both in public and private sector. It plays a significant role in creating an enabling environment for industrial growth in the country. Pakistan is endowed with all the essential requisites of industrialization i.e. availability of raw materials, cheap labour, entrepreneurship and domestic consumer market of around 190 million people. The Ministry has been mandated with the task to achieve the Government objectives to forge ahead in all the Industrial sectors with the required pace and motives. Now-a-days, industrialization is considered a major tool for economic growth. With these objectives in view, MOI&P devised its strategy and moved forward with all its resources.

During the period 2016-17, the broad functions performed by the Ministry of Industries & Production were:

- Initiatives to boost Industrialization in the country and the steps taken for promotion of social and economic well-being of the people.
- Policy / Reforms formulation & implementation.
- Development of Industrial parks on the principle of Public Private Partnership.
- Technology and skill up-gradation for Industrial development.
- Provision of consumer goods at affordable prices through Utility Stores.
- International exposure to Engineering Industry in Pakistan.
- Facilitation of product diversification and capacity expansion.
- Operational performance of public sector Corporations / Units.

In order to implement the above-mentioned functions, strategies followed and the achievements made during the year as well as the future plans of the Ministry are discussed in the subsequent pages.

1.1 VISION, MISSION AND OBJECTIVES

VISION

“To Achieve Efficient, Sustainable and Equitable Development”

MISSION

“To play a leadership role in formulating and implementing a comprehensive strategy for rapid industrialization of Pakistan which aims at maximizing job creation and enhancing Pakistan’s international competitiveness”

OBJECTIVES

- Focus on not only industry, but more broadly on social and economic systems as a whole.
- Promote innovation and facilitate creation of knowledge based assets.
- Identify industrial cluster groups and facilitate and incentivize their development along with backward and forward linkages.
- Promote movement along the value chain from lower value-added activities towards higher value-added activities and provide support to Research, Development and Product design as a catalyst.
- Enhance global orientation to adapt and respond to the changing global environment.
- Improve the requisite economic foundation by focusing on the development of human resource, technology acquisition, physical infrastructure and business support services to increase productivity.
- To ensure optimum capacity utilization and revival of sick units.
- Encourage expansion programmes for existing Industrial Sector.
- Give top priority to knowledge based assets and provide sufficient resources to investors so that they could get the pertinent information from one window for effective decision making.
- To ensure creation of an enabling environment to the entrepreneur / prospective investor through a well-defined, integrated and coordinated network of information system, supported and facilitated by the organizations under Ministry of Industries and Production.
- To create conducive environment so that interests & fears of the investors are taken care of.
- Balance the interest of the stakeholders through its supportive organizations on regular basis.
- To monitor the activities of associated departments and to provide line of action for their expected achievements.
- To start cooperation at provincial level so that the impediments faced at that level can also be removed.
- To provide technical assistance and education commensurate with the requirements of industry. If required establishing new Centers or Institutes besides strengthening the existing Institutions or Centers to impart required knowledge and skills to potential investors.

1.2 FUNCTIONS OF INDUSTRIES & PRODUCTION DIVISION

Under the Rule of Business, 1973 as amended from time to time Ministry of Industries & Production is assigned the following functions:

1. Employment of Foreign Personnel in commercial and industrial enterprises.
2. Establishing/Running Federal agencies and institutions for:
 - a. Promoting industrial productivity.
 - b. Promoting special studies in the industrial fields; and
 - c. Testing industrial products.
3. Keeping a watch, from the national angle, over general price trends and supply position of essential commodities;
4. Explosives (excluding the administration of Explosive Substances Act, 1908) and safety measures under the Petroleum Act, 1934 and Rules made there under.
5. Prescription and review of criteria for assessment of spare parts and raw materials for industries.
6. Administrative, financial, operational, personnel and commercial matters of Pakistan Garments Corporation.
7. National Fertilizer Corporation (NFC), Lahore.
8. All matters relating to state industrial enterprises, especially, in basic and heavy industries, namely:-
 - a. State Engineering Corporation (SEC).
 - b. State Cement Corporation, Lahore.
 - c. Pakistan Automobile Corporation, Karachi.
 - d. State Petroleum Refining and Petrochemical Corporation, Karachi.
 - e. Federal Chemical & Ceramics Corporation, Karachi.
 - f. Pakistan Steel Mills (PSM) Corporation, Karachi.
 - g. Pakistan Industrial Development Corporation (PIDC), Karachi.
9. Any other industrial enterprises assigned to the Division.

1.3 ORGANIZATIONAL SETUP

Business allocated to the Ministry of Industries & Production has been distributed amongst the following Wings:-

1. Finance, Admin & Regulation (FAR), Wing

Core Tasks:

- I. Administration / Establishment matters of main Ministry.
- II. Budgetary and financial matters of main Ministry and its Organizations.
- III. Foreign and local trainings, workshops and seminars.
- IV. Litigation matters of the Ministry, Attached Department, Corporations/ Companies and Organizations working under Ministry of Industries and Production.
- V. Council and Coordination work.
- VI. Matters relating to MIS Centre, import of Urea fertilizer and Sugar Advisory Board.
- VII. Work relating to Assembly / Senate Business.
- VIII. Administrative/ Operational matters of the following:
 - a. Utility Stores Corporation.
 - b. National Productivity Organization (NPO).
 - c. National Fertilizer Corporation.
 - d. National Fertilizer Marketing limited.
- IX. Keeping a watch, from the national angle, over general price trends and supply position of essential commodities.

2. Large Enterprises Development (LED), Wing

Core Tasks:

- I. Work relating to Administration and Establishment of following Organizations working under LED Wing.
 - a. Pakistan Steel Mills (PSM)
 - b. State Engineering Corporation.
 - i. ENAR Petro-Tech Services Limited (EPSL).
 - ii. Pakistan Machine Tool Factory (PMTF).
 - iii. Pakistan Engineering Company (PECO).
 - iv. Heavy Electrical Complex (HEC).
 - c. Pakistan Automobile Corporation, Karachi.
 - d. Sindh Engineering Ltd, Karachi.
 - e. Republic Motors Limited Company Lahore.
 - f. Engineering Development Board.
- II. Ensuring preparation of yearly and quarterly plans for the above large-sized companies attached with Mol&P;
- III. Policy Evaluation and Monitoring of Chemicals, Pesticides, Cement, Mining Industry, Ghee/Cooking Oil, Solvent Extraction, Poultry, Plastic, NEPRA, Leather Goods, Sports Goods, Surgical Instruments, Paper and Pulp.

3. Medium Enterprises Development (MED), Wing

Core Tasks:

- I. Preparation & Yearly review of SME Policy.
- II. Overseeing Implementation of SME Policy.
- III. Creation of financial products for SMEs and ensuring its outreach
- IV. SME facilitation in creating backward and forward marketing linkages
- V. Work relating to Administration and Establishment of following Organizations working under MED Wing: -
 - a. Small & Medium Enterprises Development Authority (SMEDA)
 - b. Pakistan Industrial Development Corporation (PIDC) including its following subsidiary Companies: -
 - i. Pakistan Stone Development Company (PASDEC)
 - ii. Pakistan Gems & Jewelry Development Company (PGJ&DC)
 - iii. Pakistan Hunting & Supporting Arms Development Company (PHASDC)
 - iv. Furniture Pakistan
 - v. Aik Hunar Aik Nagar Project (AHAN)
 - c. Southern Punjab Embroidery Industry (SPEI)
 - d. Khadi Crafts Development Company, Multan.
 - e. Leather Crafts Development Company, Multan.
 - f. Matters relating to AGRO Food Processing Company, Multan.
- VI. Ensuring preparation of quarterly and yearly plans for the above Medium sized companies working under MOIP.

4. Industrial Infrastructure Development (IID) Wing

Core Tasks:

- I. Preparation and implementation of long-term (5 years) and short-term (six months or more) industrial infrastructure development plans, with particular reference to China Pakistan Economic Corridor (CPEC).
- II. Preparation and implementation of Trucking Policy with the aim to facilitate present fragmented trucking system into a cohesive industry capable of dealing with China Pakistan Economic Corridor requirement.
- III. Preparation, implementation, monitoring and evaluation of public sector Development Projects (Funded through PSDP, foreign or internally funded).
- IV. Work relating to Project Monitoring and Evaluation Cell
- V. Work relating to Administration and Establishment of following Organizations working under IID Wing:
 - a. Export Processing Zones Authority (EPZA)
 - b. National Industrial Parks Development and Management Company(NIP)
- VI. Ensuring preparation of yearly and quarterly plans for the above Infrastructure development companies attached to MOIP.
- VII. Matters related to Explosives Department.

5. Investment Facilitation (IF) Wing

Core Tasks:

- I. Protection and promotion of industries & economic enterprises through developing incentive structures in the broad areas of: -
 - a. Fiscal Policy
 - b. Monetary Policy
 - c. Trade Policy
- II. International Coordination except China Pakistan Economic Corridor.
- III. Ensuring creation of an enabling environment to the entrepreneurs/prospective investors.
- IV. Investment facilitation and inter-ministerial coordination for removing bottlenecks in the way of new and existing industrial investment projects.
- V. Industry Facilitation Centre (IFC)
- VI. Enforcement of energy and industrial standards.
- VII. Employment of foreign personnel in commercial and industrial enterprises.
- VIII. Bilateral Investment Promotion and Protection Agreements;
- IX. Matters pertaining to Labour Laws and ILO.
- X. Coordination with International Agencies i.e. UNDP, UNIDO, World Bank, IMF, Asian Development Bank, Islamic Development Bank, etc.
- XI. Matters pertaining to SAARC including SAPTA, SAFTA and FTAs.

6. Professional Skill Development (PSD) Wing

Core Tasks:

- I. Identification of training & skills gaps of SMEs and Large-scale Industries.
- II. Work relating to Administration and Establishment of following Organizations working under PSD Wing:
 - a. Technology Up-gradation & Skills Development Company (TUSDEC)
 - b. Karachi Tools Dies & Mould Centre, Karachi (KTDMC)
 - c. Gujranwala Tools Dies & Moulds Company (GTDMC).
 - d. Ceramic Development& Training Complex, Gujranwala (CDTC).
 - e. Pakistan Chemical & Energy Sector Skills Development Company (PCESSDC).
 - f. Pakistan Institute of Management (PIM), Karachi
 - g. Pakistan Industrial Technical Assistance Centre (PITAC)
- III. Preparation of skills development plans in respect of the above Skills Development Companies working under MOIP.

2.0 PUBLIC SECTOR DEVELOPMENT PROGRAMME (PSDP)

2.1 ACHIEVEMENTS IN PUBLIC SECTOR DEVELOPMENT

Achievements of Ministry of Industries and Production (MoI&P) during the year 2016-17 are as follows:

- Fourteen (14) development projects were executed during the Financial Year 2016-17 and an expenditure of **Rs. 690.150 million** was incurred in the implementation of development projects of Ministry of Industries & Production against total allocation of **Rs. 1159.525 Million**. (Detail is placed at **Annex-I**).
- Following projects were completed by 30th June, 2017.
 - i. Development Projects of Pakistan Gems and Jewellery Development Company.
 - ii. Establishment of Gems and Jewellery Training and Processing Centre, Azad Jammu Kashmir (AJK).
 - iii. Foundry Service Centre, Lahore.
 - iv. Establishment of (CFC) for Silk Cluster at Mingora, Swat.
- The development projects executed during the year were geared to act as demonstration effect to provide common training facilities, technological transfer and common machinery pools. The basic thrust of the development projects was on technology driven growth within a framework to encourage economy of scale, value addition and diversification of products in order to make our products competitive in the international markets.

In addition to the above, following new projects were processed during the FY 2016-17.

DDWP/DWP		Rs. In Million	
Sr#	Name of the Project	Total Cost	Status
1	Fruit Dehydration Unit, Swat	59.940	PC-I scrutinized/ processed in the MoI&P and approved in the DDWP meeting. Project is in implementation stage.
2	SME Business Facilitation Center, Multan	59.890	PC-I scrutinized/ processed in the MoI&P and approved in the DDWP meeting.
3	Business Skill Development Centre for Women at Bahawalpur	59.116	PC-I scrutinized/ processed in the MoI&P and approved in the DDWP meeting.
4	Business Skill Development Centre for Women at Dera Ismail	59.493	PC-I scrutinized/ processed in the MoI&P and approved in the DDWP meeting.

	Khan		
5	Industrial Technology Benchmarking	36.340	Reviewed by Mol&P and approved by Pakistan Industrial Development Corporation (PIDC) DWP.
6	Handicraft Development and Promotion in Less Developed areas of Pakistan	59.640	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting.
7	Improvement of Hostel Facility at PITAC	59.872	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting.
Total		394.291	

CDWP

Rs. In Million

Sr #	Name of the Project	Total Cost	Status
1	National Business Development Programme for SMEs, All over Pakistan	1954.978	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the CDWP.
2	Agro Food Processing Facility at Mirpurkhas	575.43	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the CDWP.
3	Fruits, Vegetables and Condiments Processing Centre, District Naushahro feroze, Sindh	535.10	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the CDWP..
4	Product Development Center for Composites Based Sports Goods, Sialkot	487.970	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the CDWP.
5	Fruit Processing & Packaging Plant, Quetta	365.82	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the CDWP.
6	SMEDA SME Facilitation Complex, Lahore	350.000	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the CDWP.
7	Establishment of Registration, Evaluation,	320.010	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the

	Authorization and Restriction of Chemicals (REACH) Testing Laboratories, Sialkot & Karachi		CDWP.
8	Peshawar Business Center, Peshawar	163.690	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the CDWP.
9	Technology Upgradation of Cutlery Industry, Wazirabad Gujranwala	280.38	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the CDWP.
10	Footwear Cluster Development through CAD/CAM & CNC Machining, Lahore	78.69	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the CDWP.
11	Industrial Designing & Automation Centres	783.40	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the CDWP.
12	Handicraft Export Development Project	385.226	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the CDWP.
Total		6280.694	

Government of Pakistan
Ministry of Industries & Production
PSDP 2016-17

(Million Rupees)

Sr. No	Name of the project	Capital Cost	Allocation FY 2016-17	Releases in FY 2016-17
1	2	3	4	5
1	Development Projects of Pakistan Gems and Jewellery Development Company	1400.000	193.850	193.85
2	Establishment of (CFC) for Silk Cluster at Mingora, Swat	57.530	6.640	6.64
3	Establishment of Bostan Industrial Estate Phase-I	519.612	169.318	169.32
4	Establishment of Design Institute specially for Energy Sector Plants at HMC, Taxila	665.380	100.000	0.00
5	Establishment of Gems and Jewellery Training and Processing Centre, Azad Jammu Kashmir (AJK).	59.920	24.507	24.51
6	Establishment of infrastructure in Quetta Industrial & Trading Estate (Phase-II)	279.975	25.350	25.35
7	Foundry Service Centre, Lahore.	206.310	17.500	0.00
8	Hyderabad Engineering Support Centre (HESC), Hyderabad.	257.010	80.000	65.40
9	Light Engineering Upgradation Centre for SMEs in Balochistan (LEUC), Hub Lasbela.	250.570	80.000	65.33
10	“PC-II for feasibility study on Establishment of Turbines and Power Plants Equipment Manufacturing Facility at HMC”	50.000	30.000	0.00
11	Peshawar Light Engineering Centre (PLEC), Peshawar.	265.140	80.000	39.25
12	Provision of Infrastructure in Quetta Industrial State (Phase-IV)	194.697	33.200	33.20
13	Water Supply Scheme for Hub Industrial Trading Estate Phase-II (Extension)	353.216	69.160	67.30
14	Infrastructure Development of Gwadar Export Processing Zone	5400.367	250.000	0.000
		9959.727	1159.525	690.149

PUBLIC SECTOR CORPORATIONS / ORGANIZATIONS

3.1 PAKISTAN INSTITUTE OF MANAGEMENT (PIM)

Established in 1954, PIM is the oldest and the largest management training institute in Pakistan with head office in Karachi and Branch offices in Lahore & Islamabad.

PIM is serving both public & private sector organizations by offering short duration management training programmes on one hundred (100) or more topics. It also offers 3 to 4 months duration diploma & certification programmes in around fifteen (15) topics.

Slogan/Motto:

Progress Through Better Management and good Governance.

Vision:

To take a lead role in management training and development in Pakistan

Mission:

At PIM, a positive change is brought in the personal and work life of people through training, education, and consulting to make the individuals and organizations more competitive, effective and useful in the society.

OBJECTIVES

- To develop and maintain a modern and conducive infrastructure and environment to provide world-class management trainings and related services,
- To introduce latest and cutting-edge management tools and technologies in our management trainings,
- To continuously upgrade PIM faculty and their offerings on emerging trends & practices in the field of management,
- To seek and nurture partnership and alliances with world class local and international organizations to build a high-quality image and brand of PIM in the market,
- To strengthen working relationships with organizations and their employees by making them more loyal and ambassadors of PIM.

Achievements and Initiatives taken during 2016-17:

- PIM trained 3,243 professionals of middle and senior management level from government, public sector organizations, and private sector organizations in 2016-17, which was 5% higher than that of last year figure.
- New training programmes and diploma programmes were launched successfully this year.
- During this year, 03 consulting assignments were completed in the areas of management functions for two public and private sector organizations.
- MoUs were signed with many organizations to create synergy and improve or enhance PIM's offerings, including agreement signed with JS Bank for providing training and other services in Karachi, Lahore and Islamabad on long term basis.
- A flagship senior level training programme, "Advanced Management Programme (AMP)" was re-launched in August, 2016 after a gap of eighteen (18) years. In year 2017-18, it is planned from August 07 to 18 in Karachi for C Level leadership.
- USA Lead 2017 was simulated in February 2017 in Karachi which was attended by more than one hundred (100) professionals from the corporate sector.
- PIM operations were expanded and a branch office was established in Islamabad in collaboration with IPD, IIUI at their Faisal Masjid campus in Islamabad.
- Four batches of different durations ranging from 3 months to 1 year were taken and trained on behalf of PSDF in Lahore, under Youth Skill Development Programme of the Government.

3.2 SMALL & MEDIUM ENTERPRISES DEVELOPMENT AUTHORITY (SMEDA)

Small and Medium Enterprises Development Authority (SMEDA) is the apex organization for development of the SME sector in Pakistan. It has an all-encompassing mandate towards fostering growth of SMEs along with a broad service portfolio spread across various SME sectors and clusters, human resource development through training, industry support for productivity enhancement, business development services and collaborative projects with national and international development partners. Details of key activities/achievements of SMEDA during Fiscal Year (FY) 2016-17 is as under:-

I. SMEDA's Regular Business Development Support Services, Research & Advocacy

- Walk-ins Facilitated: 6,742 (including PMYBL)
- Investment Facilitation: PKR 482 Million (*Approx.*)
- Pre-feasibility Studies Developed: 56 (18 new, 38 updated)
- Business Plans Developed: 28
- Training Programmes / workshops: 232 programmes (8,193 participants)
- SMEDA Newsletter (*Quarterly*): 4 Issues, containing information on SME development initiatives and guidance for SMEs
- SME Observer (Bi-Annual): 2 Issues with 5 research articles for policy advocacy
- SMEDA Research Journal: 1 Issues with 5 research papers for policy advocacy
- Annual Report: Annual Publication
- SMEDA Web Portal Downloads: 209,884
- Consultants Database: 390+ consultants registered; Free database of service providers

II. Special Projects with International Development Partners

1. Industry Support Services

SMEDA in collaboration with various International Development Agencies such as Japan International Cooperation agency (JICA), German International Cooperation (GIZ), Training and Development Centers of the Bavarian Employers Association (bfz), Germany and local experts, provides technical assistance to SMEs across a range of industries to upgrade their skills and improve systems. Over 50 International Technical Experts have been engaged by SMEDA and demonstrated best practices for improving Productivity & Quality, reducing Energy Wastages and

improving workplace environment of SMEs. During FY 2016-17, 74 industrial units (33 new and 41 fellow-ups) were the direct beneficiaries of this Programme in the areas of Energy Efficiency, Productivity Improvement, and Environment/Green Productivity. In addition, 11 Training Workshops/Seminars were conducted with international and local consultants on the subject of Productivity & Quality Improvements, Green Productivity and Energy Efficiency. A few of key initiatives are as follows:

- Two Awareness Seminars and Workshops on “Productivity and Quality Improvement” were conducted by JICA Experts in collaboration with PAAPAM
- 5 small farms were facilitated through awareness creation on sources of solar energy and benchmarking process.
- Awareness Seminars on Energy Efficiency Management were conducted at Lahore, Karachi & Peshawar
- Seminar on “KPIs; An Effective Tool for Improving Productivity and Quality” for members of PAAPAM
- Technical support provided to M/s JADBROS, Peshawar for reducing energy losses in Injection Molding process and improving quality of water tank’s cover in consultation with Experts of JICA and Ravi Auto Sundar Estate, Lahore.
- Implementation of First Safety Implementation and AutoCAD Designing at Al-Hadeed Industries
- Participation in National Workshop on finalized Project Design/ Financing Plan for NAMA/GCF financing for Sialkot Industrial Sector's Renewable Energy Solutions organized by PITCO
- One-day Training Workshop on Energy Savings (Electrical) conducted.

2. Technical Support to Auto Parts Manufacturing Industry

In order to broaden the scope of productivity improvement activities across the value chain of auto sector and subsequently improving the share of localization of auto parts, SMEDA in collaboration with JICA has initiated a technical support programme of Japanese way of improving productivity and quality. SMEDA’s efforts have resulted in the launch of a 4 years project for Technical Support to Auto Parts Manufacturing Industry of Pakistan. The programme was launched in collaboration

with JICA in FY 2014-15. During this 4 years programme, Technical Support will be extended to 50 auto parts manufacturing units of Pakistan through five (05) JICA Technical Experts. During FY 2016- 2017, evaluation of 40 factories in second term was completed. In addition, productivity and improvement tools were introduced in 22 factories and follow up visits were also completed in 22 factories.

3. Economic Revitalization of Khyber Pakhtunkhwa and FATA (ERKF)

The Multi Donor Trust Fund (MDTF) project ‘Economic Revitalization of Khyber Pakhtunkhwa and Federally Administered Tribal Areas (FATA)’ is a joint initiative for both Khyber Pakhtunkhwa and FATA to provide support to SMEs, attract Diaspora investment, and strengthen institutional capacities to foster investment and implement regulatory reforms. The project is being administered by the World Bank on behalf of 10 donors and consists of the following components:

- i. Component 1: SME Development
- ii. Component 2: Investment Mobilization
- iii. Component 3: Capacity Building to Foster Investment & Implement Reforms

The total cost of the SME development component of project was US\$ 20 million. During FY 2016-17, 87 cases of grants, amounting to Rs. 73.25 million were approved. Grants amounting to Rs. 67.67 million were disbursed in 83 cases that resulted in rehabilitation of businesses and employment creation for adversely affected areas of the region. The outcomes of the project for the period July 2016 - March 2017 is as under:

**ERKF PU SMEDA Grant Approval/Disbursement KP only
July 2016-March 2017**

Components	No of Grants Approved	Amount of Grants Approved (Rs.)	No of Grants Disbursed	Amount of Grants Disbursed (Rs.)
Rehabilitation	80	67,634,500	78	63,384,500
Up-gradation	7	5,621,300	5	4,287,300
Total	87	73,255,800	83	67,671,800

Note: Cases were done only in KPK

The Project successfully implemented its first round from 2012-2017 in which the project over achieved its targets by 200% by disbursing grants to 1,700 SMEs against the target of 850 SMEs. The project also created around 23,000 direct jobs in the region. The financial progress of the projects was 100% for the first round of ERKF. The project has received 3rd Position in a project competition held at World Bank Headquarters in Washington, DC, USA.

Owing to the great success of the first round of the project; World Bank committed an amount of USD 11.6 Million for the SME Development Component for the **Second round of the Project (ERKF-AF)** i.e. till June 30, 2020. Round II of the Project implementation has been initiated from July 2017.

4. Revival of Investment Promotion Unit (IPU)

An Investment Promotion Unit, in collaboration with UNIDO funded by the Italian Government, has been established at SMEDA for investment promotion in Pakistani SMEs and channelizing investment in high growth sectors. One of the core activities of IPU is facilitating business meetings of Pakistani businessmen in Italy through technical tours, specifically in the food processing, leather, renewable energy sectors. In this regard, during FY 2016-17 SMEDA facilitated eight-member Business Delegation from Pakistan to participate in 'Macfrut 2016', an international trade fair, held in Italy from 14th to 16th September 2016 under the project.

5. Subcontracting Partnership Exchange Programme Pakistan (SPX Pakistan)

SMEDA has initiated a Subcontracting Partnership Exchange Programme in collaboration with United Nations Industrial Development Organization (UNIDO) by the name, “**Subcontracting Exchange Programme Pakistan (SPX Pakistan)**” as part of UNIDO SPX Global Subcontracting Exchange programme. The main activities of the SPX Centers are: **SPX Profiling, SPX Benchmarking, Effective Buyer Engagement** and **SPX Supplier Development of SMEs in Pakistan**. With targeted support along the value chain and market linkages provided through SPX Pakistan platform, the existing Industrial base can be developed into reliable sourcing partners

for buyers and suppliers as well as becoming part of SPX Global Exchange Programme for access to international markets. Following are some project achievements during FY 2016-17:

- i. UNIDO Benchmarking Tool Training: Training to SMEDA team by international Expert Mr. Mark Modena (Winning Moves, an internationally acclaimed firm). Live benchmarking sessions were conducted with the industry.
- ii. 10-member companies of SPX Pakistan were benchmarked on UNIDO Benchmarking Tool.
- iii. 25 Investment Profiles of local businesses were developed.
- iv. Sensitization event regarding awareness & promotion of SPX Pakistan Services were held in Lahore and Peshawar.
- v. Profiling of 110 new enterprises completed.

6. Youth Employment Project (YEP)

SMEDA in collaboration with United Nations Development Programme (UNDP) implemented Youth Employment Project (YEP) to provide better self-employment opportunity to the youth of Karachi. YEP aims to facilitate creation of 500 small enterprises by training the technically trained youth in garments sector. The training programmes will enable them to develop their small ventures and earn sustainable income. During November 2016-March 2017, 11 training programmes with over 500 participants were conducted.

III. SME Development Projects under Public Sector Development Program (PSDP)

In Pakistan, lack of infrastructure and technology are major constraints that hinder SME productivity and competitiveness. In order to cope with this challenge and to have a demonstration effect through use of modern technologies, SMEDA has been implementing projects across Pakistan. These projects are financed through the Public-Sector Development programme (PSDP). During FY 2016-17, SMEDA implemented five (05) PSDP funded projects at a total cost of Rs. 688.35 million. Detail of PSDP Projects is as under:

S#	Project Name	Status
1	Red Chilies Processing Center, Kunri	Operational and providing services to the cluster
2	Women Business Development Center, Mingora, Swat	Operational
3	Establishment of Community Facilitation Centers for Honey Processing and Packaging, Swat	Operational
4	Sialkot Business & Commerce Center, Sialkot	Under execution
5	Establishment of Community Facilitation Centers for Silk Cluster at Mingora, Swat	Under execution

Red Chilies Processing Center - A Success Story of SMEDA's PSDP Projects:

Red Chilies Processing Centre (RCPC), Kunri, is an initiative of SMEDA, funded through Public Sector Development Programme (PSDP), Government of Pakistan. The project is being implemented by SMEDA with the purpose of enhancing the quality of dried red chilies and increasing the profitability of growers by providing a prompt drying solution during the monsoon season when harvesting starts. The Common Facility Center shall also be used by local growers and/or traders to get other agricultural products like onion and garlic dehydrated during off-season. The key achievements of the project are as follows:

- i. Around 40-45 small farmers have benefited from the project.
- ii. Around 30 people have been employed on short term/daily wages.
- iii. Rate of fresh chilies has increased by Rs. 2.50 per kg due to processing demand in the current season.
- iv. Mainstream spices processors like National Foods has showed keen interest in paying a premium (Rs. 25/kg) to their suppliers for chili processed at the center.
- v. Over 4200 maunds of chilies have been processed so far. Order of one truckload of hybrid-processed chilies is in process.

IV. Industry Academia Linkages

SMEDA aims to emerge as a major player and think tank on the SME sector in Pakistan by promoting SME specific research in the country. In an effort to enhance organizational outreach across academic institutions of the country, SMEDA has signed a Memorandum of Understanding (MOU) with numerous universities to strengthen industry-academia linkages.

2nd SME Conference (International) – A Success Story

After the success of the 1st National SME Conference, the 2nd SME Conference (International) was held on 15th - 16th March 2017 at Pearl Continental Hotel, Lahore.

The 2nd SME Conference (International) provided a platform to stakeholders to share their research and institutional support structures for galvanizing SME sector development. To promote a culture of research, specifically focusing on SMEs, the 2nd SME Conference (International) was also jointly organized by SMEDA and University of Management and Technology (UMT).

A total of over 250 participants attended the conference on both days. The participants and speakers included; Consul General of Turkey, Chief Representative of Japan International Cooperation Agency (JICA), representatives from George Mason University (USA), UNIDO, British Council, Chambers of Commerce & Industry, Deans/Directors of Lahore University of Management Sciences (LUMS), University of Management and Technology (UMT), University of Lahore (UOL), Lahore School of Economics (LSE), Lyari University (Karachi), University of Balochistan (Quetta) and City University of Science & Information Technology (Peshawar). The Conference was a 2-day event, with 4 sessions. The sessions were on the following thematic areas:

- i. Developing a Conducive Business Environment for SMEs
- ii. Local & International Market Development for SMEs
- iii. Enterprise & Entrepreneurship Development

iv. Access to Finance

While the primary purpose of the conference was to bridge the industry – academia gap, the conference also provided an opportunity to various public, private and international development organizations to engage in a meaningful dialogue for SME sector development, and develop synergies and institutional linkages. The event managed to garner the interest of a host of participants including government officials, apex corporate experts, highly acclaimed academics, financial institutions and representatives of international development agencies. The conference included research paper presentations by university students and professors while experts from various private and public sectors presented on SME development initiatives.

V. Research, Policy and Advocacy

One of the core areas of SMEDA interventions is Policy development, advocacy and research to protect and promote SME interests with a view to reduce the cost of doing business.

During FY 2016-17, SMEDA provided input on various policies of the Federal Government to protect SME interest. In FY 2016-17, SMEDA developed recommendation for Federal Budget 2016-17 in consultation with SME stakeholders. Around 250 SME stakeholders including SMEs, Chambers of Commerce & Industry and Trade Associations and Sector Development Companies were approached to obtain recommendations regarding taxation, tariffs, regulatory procedures and any other issue that impede SME growth. In addition, Consultative Workshops in Lahore, Karachi, Quetta and Peshawar were also organized to discuss budgetary issues with key SME stakeholders. The workshops were conducted in collaboration with respective Chamber of Commerce & Industries and attended by around 150 representatives from SMEs, Trade Associations, Academia and Women Entrepreneurs (WEs).

VI. Prime Minister's Youth Business Loans (PMYBL)

At the launch of PMYBL in 2013, Eighty-Five (85) Business Pre-feasibility Studies (also translated into Urdu) were developed along with information resources and tools including, FAQs on Pre-feasibility studies, Financial Calculators (4),

Guidelines/Template on developing Business Plan, and Training Video Documentaries (7) developed on various aspects of business.

17.11 Million Pre-feasibility studies and other tools and resources were downloaded from SMEDA website and 25,077 prospective loan applicants facilitated through SMEDA helpdesks after the launch of PMYBL. *(477 prospective loan applicants have been facilitated during 2016-17 and 0.53 million downloads were recorded during the period).*

Information dissemination of PMYBL has been enhanced through SMEDA regular training programmes across the country.

Completed BDS need assessment of 590 beneficiaries

VII. SMEDA – SBP Interaction to Accelerate SMEs Access to Finance

In order to create an environment that supports greater financial inclusion, the State Bank of Pakistan and SMEDA have collaborated and have been engaged in various initiatives and programmes. A few key initiatives undertaken during the period are as follows:-

- i. **National Financial Inclusion Strategy (NFIS):** SME specific input was provided for the National Financial Inclusion Strategy, developed by the State Bank of Pakistan in collaboration with the World Bank. The Government has approved the NFIS. SMEDA is a member of the Steering Committee of NFIS as well as Technical Committees on “Microfinance, Agriculture Finance & Housing Finance” and “SME Finance”. SMEDA provides support and input to the Working Committees constituted under Technical Committee on SMEs for implementation of NFIS.
- ii. **Capacity Building:** Training and awareness creation programmes were held at various locations for apprising SMEs of the existing schemes of SBP, commercial banking products and business development support available through SMEDA. In this regard, an awareness session on financing schemes for Sports Goods & Marble Industry were held in Sialkot & Peshawar (in collaboration with SBP) respectively.

- iii. **3S Forum:** The State Bank of Pakistan has established an institutional committee with SMEDA and the Securities & Exchange Commission of Pakistan (SECP) as members. The objective of the Committee is to ensure a ready mechanism for information exchange and to propose recommendations for creating a facilitative regulatory environment for enhancing SMEs access to finance. Launching of venture capital funds for SMEs through Asset Management Companies (AMCs), exploring possibility for establishment of an SME rating agency and options for arranging credit lines to leasing companies are key areas where SBP, SECP and SMEDA propose to work together.

VIII. Institutional Collaborations and Partnerships Developed for Investment, Business and Export Promotion of SME Sector

One of the core functions of the organization is to strengthen institutional ties with local and international agencies. During FY 2016-2017 SMEDA signed Memorandum of Understanding (MoU) with numerous institutions including Bank Alfalah, Plan 9 and University of Turbat. In addition, numerous meetings were held with International Development Partners, including the World Bank, Asian Development Bank, UNIDO, USAID to discuss areas of mutual cooperation.

IX. China-Pakistan Economic Corridor (CPEC)

The China-Pakistan Economic Corridor offers immense opportunities for achieving Pakistan's development objectives. SMEDA, in this regard, provided policy inputs on Draft Long Term Plan of China-Pakistan Economic Corridor (CPEC) to capture key areas to mobilize investment for the benefit of the SMEs sector of both countries. During FY 2016-17, SMEDA's activities in this area were as follows:-

- i. SMEDA facilitated Memorandum of Understanding (MoU) between All Pakistan Business Forum (APBF) and Zhimakaimen Economic and Trading Industrial Zone Management Company Limited, China. According to the MoU, local SMEs will be offered facilities for setting up shops in the centers being developed by the Chinese company.
- ii. Identification of clusters based on regional endowment along the proposed CPEC route (including 100 KM off route).

- iii. Participation in "CPEC Celebrations and Summit" held on August 29, 2016, Islamabad.
- iv. CPEC Conference and Workshop was organized in collaboration with CNW Global Trade and Transport on November 19, 2016 at Lahore.
- v. Conducted research project "Opportunities for SMEs under China Pakistan Economic Corridor (CPEC)- An Exploratory Study".

3.3 DEPARTMENT OF EXPLOSIVES (DOE)

Department of Explosives' performance during 2016-2017 remained as under:

REVENUE TARGETS

S. No	Activities	Islamabad	Lahore	Karachi	Multan	Peshawar	Quetta	Total
1	License Granted	177	552	144	640	107	38	1,658
2	License Renewed	479	1,677	4,470	1,136	394	350	8,506
3	License Cancelled	8	40	8	-	1	2	59
4	License Suspended	4	-	-	-	-	-	4
5	License Expired	42	96	16	-	23	22	199
6	Inspection Conducted	494	7,479	1,629	60	46	13	9,721
7	Vehicle Approved	466	7,234	1,508	5	46	-	9,259
8	NOC/ Permit	28	377	-	8	-	-	413
9	Layout GPL	-	290	-	18	1	27	336
10	ESPI/Meeting	-	32	-	-	-	-	32
11	Court Attendance	10	102	34	17	21	-	184
12	Revenue Earned	99,394,750	61,288,422	43,548,648	23,467,086	21,292,625	6,243,558	255,235,089
13	Expenditure Incurred	18,309,813	7,648,947	7,106,241	4,951,372	3,995,679	3,097,996	45,110,048
		Revenue Estimates During 2016-17	Revised Estimates 2016-17			Actual Revenue collected during 2016-17		
		250,000,000	190,000,000			255,235,089		

3.4 EXPORT PROCESSING ZONES AUTHORITY (EPZA)

Mandate

Export Processing Zones Authority (EPZA) was established by the Government of Pakistan in 1980 under Ordinance IV of 1980 with the mandate to plan, develop and manage Export Processing Zones in Pakistan. EPZA is an autonomous body under the Ministry of Industries and Production.

Export Performance of Zones during July 2016 – June 2017 period

(Figure in US \$ Million)

S#	Name of EPZ	Export during July 2016 to June 2017	Cumulative since inception Export
1.	Karachi EPZ	451.055	4,920.349
2.	Saindak EPZ	83.126	1,953.960
3.	Duddar EPZ	17.620	46.620
4.	Risalpur EPZ	2.551	17.847
5.	Sialkot EPZ	4.439	14.144
6.	Tuwairqi EPZ	0.023	29.288
7.	Gujranwala EPZ	0.334	0.838
	Total :	559.148	6,983.046

MAJOR ACHIEVEMENTS

- i. New 40 projects were sanctioned during 2016-17.
- ii. Export increased by 8% as compared to 2015-16.
- iii. Attracted Capital investment of US \$ 32.544 million with committed export of US \$ 86.325 million during 2016-17.
- iv. During the year 2016-17 the number of employment reach to 35,000 workers in EPZs - Pakistan.
- v. EPZA contributed an amount of US \$ 5.591 million in Government treasury on account of Presumptive tax during 2016-17.

EXPANSION OF KEPZ

KEPZ is the first project of EPZA. It is established on area of 305 acres in two phases. (Phase I & II). Now both the Phase (I & II) have been fully colonized. For further expansion of KEPZ Phase-III development work on 80 acres of land is in progress.

FUTURE PLANS

The EPZA management has taken following steps for industrial promotion activities in the country, through establishing Gwadar & Faisalabad EPZs in Pakistan:

- GWADAR Export Processing Zone is to be developed on 1000 acres (50% BOT + 50% PSDP funding).
- Faisalabad EPZ: EPZA has signed Joint Venture Agreement (JVA) with Faisalabad Industrial Estate Development and Management Company (FIEDMC) to establish FIEDMC EPZA Zone on Motorway (M-III) near Faisalabad, on 500 acres.

Progress of other Zones ZONES NOTIFIED / IN OPERATION

PROJECTS OF EPZA

Project	Area	Status
1) Karachi Export Processing Zone (KEPZ) – The First Project of EPZA Karachi EPZ Phase-I Funded by the Government	211 acres	In operation
Karachi EPZ Phase-II Self-Financed by EPZA	94 acres	In operation
Karachi EPZ Phase-III land acquired by EPZA through its own funds	80 acres	Development work in progress
2) Risalpur Export Processing Zone (Managed by Khyber Pakhtunkhwa Economic Zones Development & Management Company) (KP, EZDMC) former name is Sarhad Development Authority)	92 acres	In operation
3) Sialkot Export Processing Zone (Managed by Punjab Small Industries Corporation)	238 acres	In operation
4) Gujranwala Export Processing Zone (Infrastructure being developed)	113 acres	In operation
5) Saindak Export Processing Zone (Operated by Chinese Company)	1284 acres	In operation
6) Duddar Export Processing Zone (Operated by Chinese Company)	1500 acres	In operation
7. Tuwaiqi Export Processing Zone (Operated by Saudi company)	220 acres	In operation
8. Gwadar Export Processing Zone (Land provided by Govt. of Balochistan)	1,000 acres	Infrastructure being developed

3.5 PAKISTAN INDUSTRIAL TECHNICAL ASSISTANCE CENTRE (PITAC)

Introduction

The Government of Pakistan established Pakistan Industrial Technical Assistance Centre (PITAC) in 1962 with the merger of Industrial Research and Development Centre (IRDC) and Industrial Productivity Centre (IPC) as an Autonomous body under the Ministry of Industries and Production, Government of Pakistan and registered under the Societies Registration Act 1860.

Since its inception PITAC has been rendering Technical Assistance to industry by way of designing and manufacturing of Production Tooling Equipment, Prototyping, and rendering Training Services to Engineers, Supervisors and Technicians from variety of industries throughout the country.

Advisory Services in Metal Works, Steel Re-Rolling, Heat Treatment, Low Cost Automation and Plastic Mold Making has also been an important function of PITAC.

During the Year 2016 – 2017, PITAC offered Short Term Intensive Training courses in Techno-Managerial fields. These courses were designed in such a way that supply-side responses are perpetually in sync with the demand side impulses from the industrial environment. The contents of the courses were carefully designed to meet the requirements of the Industry and kept under review to bring them in conformity with the changing needs.

PITAC during 2016-2017 continued to train unskilled workmen of SME's and small-scale workshops (cottage) by the provision of Demand Driven Technical Courses resulting in better income and employment opportunities.

In this way, PITAC directly contributed towards Skill development for the SME's and light engineering sector in accordance with the National Industrial Strategy devised by Ministry of Industries and Production, Government of Pakistan and Pakistan Vision 2025 – Developing Human and Social Capital by Planning Commission, Government of Pakistan.

It is hoped that the workmen acquainted with Technical Skills will be a strong backbone for the industry of this country in the future.

SCOPE AND FUNCTION

PITAC is an Autonomous Organization working under the Federal Ministry of Industries and Production, Government of Pakistan. Its workshop facilities have been established in Lahore to provide Training, Technological Back up Support and Advisory Services to the industry and have its Regional Centre(s) in Gilgit Baltistan, Karachi, Peshawar, Islamabad, Quetta and Mirpur (AJK).

Since 1962, PITAC has been rendering Technical Assistance to industry by way of Designing and Manufacturing of Production Tooling Equipment, Prototyping, Training of Engineers, Supervisors, Technicians and Managers from a variety of industries throughout the country. Advisory Services in Metal Works, Heat Treatment, Low Cost Automation, Programmable Logic Controllers (PLCs) and Plastic Mold Making are important functions of PITAC.

MISSION STATEMENT

To upgrade, advice, disseminate, extend assistance and skill development in technical and managerial fields to individuals and organizations throughout Pakistan.

OBJECTIVES

Following are the main objectives of PITAC:

- To Train and Upgrade the skills of Industrial Personnel in the Technical and Managerial fields.
- Disseminate modern technical knowhow among industrial personnel through Seminars, Group Discussions, Workshops and Demonstrations.
- Extend advisory services to industries;
- To provide common facilities like Metal Working, Casting, Heat Treatment, Electroplating, Surface Treatment, Designing and Manufacturing of machine elements and reverse engineering
- In conjunction with the training programmes the centre will produce modern manufacturing techniques and production methods, while at the same time producing newly designed tools and products (prototypes) which contribute to the advancement of Pakistan's Industrial Development.

OVERVIEW OF PERFORMANCE (2016 – 2017)

PITAC COLLEGE OF TECHNOLOGY (PCT)

The Governing Body of PITAC directed its management to start 3 Years Diploma of Associate Engineering (DAE) Programmes. Ministry of Industries & Production, Govt. of Pakistan agreed with the direction of PITAC Governing Body and issued Administrative Approval for Establishment of PITAC College of Technology (PCT) to start 3 Years Diploma of Associate Engineering (DAE) Programmes in Mechanical Technology, Die and Mold Technology, Manufacturing Technology and Electrical Technology.

In the First Phase, PITAC is starting Mechanical Technology in the Session 2017 – 18, for which NOC has been applied to TEVTA, Punjab. Three Classes of 50 students each will be started in the Morning Session from September 2017. In Second Phase, PITAC will start remaining technologies, from the next year.

Pakistan Industrial Technical Assistance Centre (PITAC) has available In-House Teaching Faculty in the field of Mechanical Technology, in House Lab Staff in the field of Mechanical Technology and Related Subjects, Administrative, Accounts and other Support staff is also available.

BACK UP SUPPORT AND ADVISORY SERVICES

PITAC during 2016-2017 offered Technological Backup Support and Advisory Services to the Industry specifically in the following areas:

- Computer Integrated Plastic Mold Making
- Computer Aided Designing (CAD)
- Computer Aided Machining (CAM)
- Designing and Manufacturing of Production Tooling Equipment like Jigs , Fixtures, Dies, Gauges etc.
- Designing and Manufacturing of Plastic Injection Molds, Blow Molds, Compression Molds etc.

- Precise Machining Techniques and Methods i.e. CNC Machining Centre, CNC Turning Centre, CNC EDM Sinker, CNC EDM Wire cut, Small Hole Drill Machining, Jig Grinding, Jig Boring, Precise Surface grinding etc.
- Operation of Injection Molding Machines
- Advanced Inspection Techniques I.e. Co-ordinate Measuring Machine
- Programmable Logic Controllers
- Heat Treatment
- Foundry and Pattern making
- Preventive Maintenance and Calibration
- Super finishing Techniques I.e. Lapping, Honing, Precision Surface Grinding etc.

SME's and Industry benefitted through PITAC's Technological Back up Support & Advisory Services in these fields. The various jobs done by PITAC are not from commercial view point but to help develop local industry and to solve their manufacturing problems. Such Jobs lead industry towards self-reliance, improvements in technical knowhow, saving production equipment from break downs and to bring freedom from imports as far as possible. It has also helped in development of SMEs.

Description	No. of Jobs	
	Booked	Delivered
July 2016 – June 2017	153	166

SKILL DEVELOPMENT TRAINING PROGRAMMES

PITAC is playing its pivotal role in the progression and advancement of **Pakistan Vision 2025 – Developing Human and Social Capital**. It provides every citizen in the society the opportunity to improve their quality of life by providing Demand driven Skill Development Training Programmes. In this way, PITAC is positively contributing towards strengthening human and social capital and allowing the population to optimally contribute to and effectively benefit from economic growth. These human resources ultimately become the strong back bone of Pakistan Industrial sector and act as catalyst for accelerating the process of industrialization.

The PITAC continued to offer Short Term Intensive Training courses in Techno-managerial fields, these courses were designed in such a way that the supply-side responses are perpetually in sync with the demand side impulses from the industrial environment. The contents of the courses have been carefully designed to meet the requirements of the Industry and have kept under review to bring them in conformity with the changing needs.

The Skill Development Programmes consists of Regular Training Programmes, Weekend Training Programmes, Internships, PSDF (Punjab Skill Development Fund) Funded Training Programmes and Seminars/Workshops/Symposiums.

In Year 2016 - 2017, total **5054** Trainees were trained in the Skill Development Programmes:

Sr. No.	Programme Details	No. of Trainees
1.	Regular Training Programmes	2275
2.	Weekend Training Programmes	181
3.	Internships (08 – 16 Weeks) (For Engineers, Diploma Holders, Tradesmen)	83
4.	PSDF Funded Training Programmes	117
5.	Workshops / Symposiums	2398
	Total Trainees	5054

➤ **REGULAR TRAINING PROGRAMMES**

These programmes are mainly in the field of Metal Working and cover the following subjects:-

- Jigs and Fixture Design
- Press Tool, Cutting Tool and Gauge Design
- Injection Mold Design Basic / Advanced
- AutoCAD (Civil / Electrical / Mechanical)
- Piping Design
- Air Conditioning and Refrigeration
- Programmable Logic Controllers
- CNC Machining Centre Operation and Programming
- CNC Turning Centre Operation and Programming
- CNC EDM Sinker / Wire cut Operation and Programming
- 3D CAD/CAM (DeiCAM Power Shape / Power Mill)
- 3D CAD/CAM (Master CAM)
- Advanced Measuring Techniques with Co-ordinate Measuring Machine (CMM)
- Injection Molding Operation and Programming

- Basic Welding
- TIG / MIG Welding
- Heat Treatment Techniques
- Engineering Draughting
- Inspection and Quality Control
- Electrician
- Welding and NDT Inspection
 - NDT Level –I
 - NDT Level –II
 - Welding Inspection Level – I
 - Welding Inspection Level – II
- Instrumentation and Process Control System
- MS Project / Primavera (P6)
- Quantity Surveyor
- Spoken English / IELTS

➤ PITAC HEAD QUARTER LAHORE PERFORMANCE

• REGULAR TRAINING PROGRAMME HQ LAHORE

Sr. No	Training Course	No of Trainees
1	Auto CAD Mechanical	215
2	Auto CAD Civil	96
3	Auto CAD Electrical	153
4	3D CAD CAM	144
5	CNC Machining Centre	81
6	Engineering Drafting	153
8	Quantity Surveyor	56
9	Electrician	36
10	Computer Foundation	30
11	Basic Welding	16
12	CNC Turning Centre	46
13	RAC	54
14	Machine Shop Practice	18
15	I & PC	67
16	Inspection & Measuring Tec	33
17	Tig Welding	18
18	Land Surveyor	18
19	Mold Design	3
20	Jigs & Fixture Design	7
22	Cutting Tool Design	1
23	CNC EDM Sinker / Wire Cut	1
24	Solar PV	19

25	Heat Treatment	1
26	Pattern Making	1
27	Injection Molding	6
28	CNC Milling	6
29	6G Welding	2
30	Mig Welding	1
31	Plumber & Pipe	45
32	Primavera	67
33	Short Hand	20
34	Calibration Lab Tec	5
35	Foundry Techniques	2
36	Safety & Health Officer	112
38	Pneumatic Control	15
Total		1746

• **HUMAN RESOURCE DEVELOPMENT WORKSHOPS/ SEMINARS/ SYMPOSIUMS HQ LAHORE**

During the Year 2016 – 2017, the following Human Resource Development Workshop / Symposiums / Weekend courses were organized by PITAC independently or in Collaboration with other Private / Public Sector Organizations.

Sr. No	Training Course	No of Trainees
1	PVC Pipes & Fitting (MUL)	217
2	PVC Pipes & Fitting	44
3	PVC Pipes & Fitting	112
4	Lean Six Sigma	18
5	Lean Six Sigma	29
6	Lean Six Sigma	6
7	Health Safety & Environment	39
8	House Keeping & Hygiene	10
9	Power of Thoughts	29
10	Rediscover Your Self	22
11	Spoken English	30
12	Employ Ability & Skills	33
13	Instant Confidence	55
14	Data Management Using STATA	16
15	Spoken English	36
16	The Art of Conversation	36
17	Relationship	25

18	Peak Performance	28
19	Stress Management	41
20	Five Loved Languages	19
21	Enjoy Your Own Life	27
22	Time Management	23
23	Pay Roll Management	31
24	Personality Grooming	55
25	Success Formula	29
	Total	1010

- **WEEKEND TRAININGS PROGRAMME HQ LAHORE**

- **PROJECT MANAGEMENT – WEEKEND PROGRAMME**

This weekend programme was to make people aware of the Project Management Life Cycle, its Do's and Don'ts while planning the Project, Project Execution, Monitoring and Risk Analysis in accordance with the PMBOK 5th Edition. This weekend programme was especially designed for working professionals, Project Managers, Planning Engineers etc.

- **HUMAN RESOURCE MANAGEMENT (HRM) – WEEKEND PROGRAMME**

The purview of this Human resources management – Weekend Programme involved several functions i.e. Workforce planning, Induction, Orientation and Skills management, Training and development, Personnel administration, Compensation in wage or salary, Time management, Travel management, Payroll, Employee benefits administration, Personnel cost planning, Performance appraisal, Labor relations etc. This weekend programme was especially designed for working professionals, HR Managers, Recruitment consultants etc.

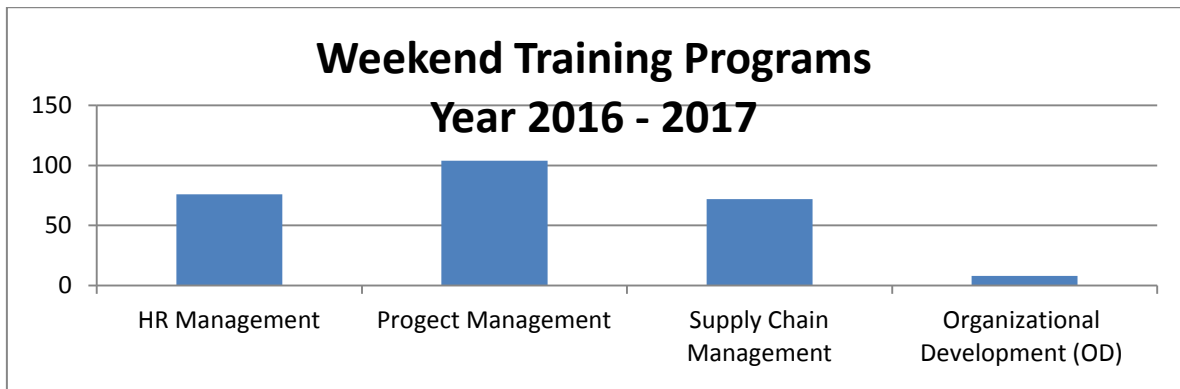
- **SUPPLY CHAIN MANAGEMENT (SCM) – WEEKEND PROGRAMME**

This weekend programme was to make people aware of Supply chain business processes and their integration. Supply chain management (SCM) is the management of a network of interconnected businesses involved in the ultimate provision of product and service packages required by end customers. Supply chain management spans all movement and storage of raw materials, work-in-process inventory, and finished goods from point of origin to point of consumption (supply chain). It involves Customer service management, Procurement, Product

development and commercialization, Manufacturing flow management/support, Physical distribution, Outsourcing/partnerships, Performance measurement, Warehousing management etc.

- **ORGANIZATIONAL DEVELOPMENT (OD) – WEEKEND PROGRAMME**

This weekend programme was to make people aware of enhancing Organizational capacity in operation, Structural Engineering, Departmental Alignment, Human Resource Management, Key Performance Indicators Development, Understanding Key Success Factors etc. This weekend programme was especially designed for working professionals, Directors, Managers, and General Managers etc.



➤ **PITAC’s HQ contribution in Punjab Skill Development Fund (PSDF)**

- **Skill Development Programme (Skill for Job 2016)**

Under Skill for Job 2016, PITAC had signed a contract with PSDF on 6th December 2016 to train 150 trainees from all Punjab. Details are mentioned below:

S#	Course Name	Duration	Batch	Start Date	End Date	Registered Trainees
1.	PLC – I	3	1	02-01-2017	31-03-2017	23
2.	CNC – I	3	1	02-01-2017	31-03-2017	20
3.	Welder –I	6	1	02-01-2017	30-06-2017	12
4.	PLC – II (Morning)	3	2	01-04-2017	30-06-2017	25
5.	CNC – II	3	2	01-04-2017	30-06-2017	14
6.	PLC – II (Evening)	3	2	01-04-2017	30-06-2017	23
Total Number of PSDF Programme Trainees for FY-2016-17						117

PITAC REGIONAL CENTRE(S) PERFORMANCE IN F.Y- 2016-2017.

➤ PITAC REGIONAL CENTRE MIRPUR (AJK).

PITAC Regional Office Mirpur (AJK) provided trainings to 950 No(s) trainees during the period from July 2016 to June 2017 in different areas like Information Technology, language, Mobile Repairing, Health & Safety Officer, Primavera and Computerized Accounting & Finance and Workshop Seminars etc.

The details of the trainees are provided below:

- REGULAR TRAINING PROGRAMME OF REGIONAL CENTRE MIRPUR (AJK)

Sr. No.	Regular Training Programme	July 2016- June 2017
1.	Computer Foundation	27
2.	Tally Computerized Accounting Software	2
3.	Mobile Repairing (HARDWARE)	20
4.	Spoken English	6
5.	AutoCAD (Electrical)	3
6.	Primavera	11
7.	Safety & Health Officer	12
8.	Logo Design	6
9.	Information Technology	5
10.	Office Management	6
11.	Auto CAD General	5
12.	Health & Safety Officer Mirpur	7
	Total	110

- WORKSHOPS/SEMINARS

Sr. No	WORKSHOPS/SEMINARS	July 2016 to June 2017
1.	One Day Free Workshop at Pilot School System	60
2.	Seminar in Govt, High School Chatter Park	74
3.	Seminar on Computer Foundation	77
4.	Spoken English	2
5.	Primavera P6	2
6.	Primavera P6	4
7.	Primavera P6	3
8.	Spoken English with CIMIT	2
9.	Tally Computerized Accounting Software	12
10.	Tally Computerized Accounting Software	2
11.	Logo Design	3
12.	Introduction to MS Office	28

13	Computer Foundation	266
14	Computer Foundation	4
15	Computer Foundation	55
16	Computer Foundation	52
17	Simulation of Industrial Projects	200
	Total	846

➤ **PITAC REGIONAL CENTRE KARACHI.**

The Regional Centre Karachi has conducted two workshops and a course on Computer Foundation contributing 388 No(s) of trainees in total for FY-2016-17. The details of the participant are provided below:

- REGULAR TRAINING PROGRAMME OF REGIONAL CENTRE KARACHI

Sr. No	Training Course	July 2016- June 2017
01	Computer Foundation	5
	<u>Total</u>	<u>5</u>

- WORKSHOPS/SEMINARS

Sr. No	WORKSHOPS/SEMINARS	July 2016- June 2017
1	PVC Pipes & Fitting (Karachi)	105
2	PVC Pipes & Fitting (Hyderabad)	67
3	Fundamentals of Supply Chain	34
4	Fundamentals of Supply Chain	30
5	Art of Technical Selling	13
6	Vendor Management	13
7	Vendor Management	13
8	Fundamentals of Supply Chain	8
9	Implementation of SCM	5
10	Health Safety & Environment	6
11	Health Safety & Environment	26
12	High Performance Selling	15
13	Electrical House Keeping	8
14	Introduction to Trade	7
15	Computer Foundation	5
16	Strategic Maintenance Management	16
17	Wining and Commercial	3
18	Production Management	9
	<u>TOTAL</u>	<u>383</u>

➤ **PITAC REGIONAL CENTRE PESHAWAR.**

The Regional Centre Peshawar trained 369 No(s) of trainees at the centre including a seminar on “PVS Pipe & Fitting”

The details of the trainees are as follows:

- REGULAR TRAINING PROGRAMME OF REGIONAL CENTRE PESHAWAR

Sr. No	Training Course	July 2016- June 2017
1	Auto CAD Mechanical	51
2	Auto CAD Civil	103
3	Auto CAD Electrical	76
4	PLC	28
5	Health & Safety Environment	2
6	Supply Chain Management	3
	Total	263

- WORKSHOPS/SEMINARS

Sr. No	Workshop/Seminars	July 2016- June 2017
1	PVC Pipes & Fitting (PSH)	106
	Total	106

➤ **PITAC REGIONAL CENTRE ISLAMABAD.**

PITAC Regional Centre Islamabad conducted one-day professional level workshop at Islamabad on PVC Pipes & Fitting and contributed 23 Nos. of trainee in FY 2016-17.

- WORKSHOPS/SEMINARS

Sr. No	Workshop Seminar	July 2016- June 2017
1	PVC Pipes & Fitting (ICT)	23
	Total	23

➤ **PITAC REGIONAL CENTRE QUETTA.**

The Regional Centre Quetta conducted one workshop & Six Computer course and contributing 78 No(s) of trainees in total for FY-2016-17.

- REGULAR TRAINING PROGRAMME OF REGIONAL CENTRE QUETTA

Sr. No	Training Course	July 2016- June 2017
1.	Basic Computer & Windows 7	15
2.	Microsoft Office	8
3.	Windows Server 2012	3
4.	Microsoft and English Grammar	8
5.	Computer Hardware & Installation	5
6.	Computer Networking	9
	Total	48

- WORKSHOPS/SEMINARS

Sr. No	Workshops/Seminars	July 2016- June 2017
1	Seminar Regarding Brief Introduction on PITAC	30
	Total	30

➤ **PITAC REGIONAL CENTRE GILGIT BALTISTAN.**

The Regional Centre Gilgit Baltistan conducted 8 Nos. of courses and contributing 101 trainees in total for FY-2016-17.

- REGULAR TRAINING PROGRAMME REGIONAL CENTRE GB

Sr. No	Training Course	July 2016- June 2017
1.	Computer Foundation	1
2.	Short Hand	17
3.	Spoken English	5
4.	Spoken English	18
5.	Adobe Premier Photoshop	16
6.	Chinese Language	18
7.	Financial Management & its Rules	13
8.	Proposal Writing and Project Management	13
	Total	101

3.6 NATIONAL FERTILIZER CORPORATION (NFC)

Background

NFC is one of the premier institutions in the public sector. It has healthy traditions and has maintained a profit generating history. NFC was incorporated as private limited company in August, 1973. The main role and objectives of the Corporation are as under:

- Create new fertilizer production capacity in the country.
- Make the fertilizers available throughout the country at uniform prices.
- Keep adequate stocks of fertilizers in consumption areas to overcome any possibility of artificial shortage.
- Keep the fertilizer prices at reasonable level throughout the country.
- To carry out educational and research & development activities.

At the time of creation of NFC three small plants having total capacity of 306,000 m. tons were transferred to NFC by Pakistan Industrial Development Corporation (PIDC). NFC undertook the policy of expansion and a capacity of production of over 2 million m. tons fertilizer was created in the country by establishing six fertilizer manufacturing companies as under:

- Pak Arab Fertilizers (Pvt.) Limited, Multan
- Pak Saudi Fertilizers Limited, Mirpur Mathelo
- Pak American Fertilizers Limited, Daudkhel
- Pak China Fertilizers Limited, Haripur
- Hazara Phosphate Fertilizers Limited, Haripur
- Lyallpur Chemicals & Fertilizers Limited, Jaranwala

However, as per privatization policy of Government of Pakistan, all manufacturing units of NFC have been privatized by the Privatization Commission. All the plants were earning profits at the time of privatization

Subsidiaries / Institution under NFC and their objectives

Presently, NFC has following subsidiary companies namely:

- National Fertilizer Marketing Limited, Lahore
- NFC Institute of Engineering & Fertilizer Research, Faisalabad

Achievement of NFC and Its Subsidiaries During the Year

National Fertilizer Corporation of Pakistan

NFC acts as a holding company which directs, coordinates and controls the group activities, lays down guide-lines for economic and technical development of the Corporation and co-ordinates the plans for their implementation. NFC being the holding company facilitated its subsidiaries in managing their affairs in efficient manner.

In order to expand engineering educational facilities and compete with other engineering institutions, NFC has planned to establish two new engineering institutes as under:

- (i) NFC Institute of Engineering & Technology, Naushahro Feroze, Sindh.
- (ii) NFC Institute of Engineering with Exclusive Wing for Women at Lahore.

NFC as well as all its subsidiaries i.e. NFML, NFC-IE&FR Faisalabad and NFC-IET Multan remained in profitable position during the year.

National Fertilizer Marketing

National Fertilizer Marketing Limited (NFML), a subsidiary of NFC was incorporated in 1976. The Company was entrusted with distribution and marketing of fertilizer produced by NFC manufacturing companies and imported fertilizers as determined by GOP. With the privatization of all NFC production units, GOP tasked NFC / NFML in 2008 to distribute the entire quantity of imported Urea so as to meet the Government objective of making the fertilizer available at the desired locations at reasonable price to the farmers.

All the imported quantity allocated to NFC / NFML has been successfully handled / distributed to farmers. During the year 2016-2017, NFML sold / distributed 117,051 m. ton of imported Urea through dealer's network all over the country, at the price fixed by the government.

NFC Institute of Engineering & Fertilizer Research, Faisalabad

The Institute is offering degree programmes in the fields of Chemical, Electrical, Mechanical, Civil Engineering, Computer Science, Bachelor of Business Administration, Chemical / Electrical / Mechanical Engineering Technology and also offering M.Sc. Degree course in Chemical Engineering. All Programmes are accredited by Pakistan Engineering Council (PEC). The Institute is affiliated with University of Engineering & Technology (UET), Lahore.

Besides carrying out degree programmes, the Institute is also conducting Research & Development activities to cater to the needs of local chemical/ fertilizer industry. Presently 1670 students are enrolled in various disciplines of engineering programmes.

Future Plans

Phase-I (2017-2020)

1. B.Sc. Petroleum and Gas Engineering
2. B.Sc. Computer Engineering
3. Master in Business Administration (MBA)
4. Bachelor of Architecture (B.Arch.)
5. M.Sc. Electrical Engineering
6. M. Sc. Mechanical Engineering

Phase-II (2021 - 2025)

7. Ph.D. Chemical Engineering
8. M. Sc. Civil Engineering

3.7 STATE ENGINEERING CORPORATION (SEC)

State Engineering Corporation (SEC) is one of the leading public-sector organizations working under the Ministry of Industries and Production, Government of Pakistan. The corporation is looking after affairs of the following three manufacturing units and one Project Management Consultancy unit:-

MANUFACTURING UNITS

- Heavy Electrical Complex (HEC), Hattar
- Pakistan Machine Tool Factory, Karachi
- Pakistan Engineering Company (PECO), Lahore

PROJECT MANAGEMENT CONSULTANCY UNIT

- ENAR Petrotech Services Limited, Karachi

SEC companies since their establishment have developed a strong base for the design, engineering and manufacturing of variety of light, medium and heavy engineering products and provide Project Management Consultancy Services to Oil & Gas, Chemical, Petro-chemical, Fertilizer as well as other process industries. Through continuous efforts, they have achieved optimum level of deletion for various products which helped in enhancing import substitution of capital engineering goods in country.

State Engineering companies have been persistently playing a pivotal role in its area of activity which encompasses the following:

- Promotion of industrialization through indigenous manufacturing and development;
- Establishing facilities to manufacture capital goods and heavy machinery;
- Acquisition and development of medium to high technologies for manufacturing engineering goods at competitive price;
- Optimizing local capabilities/ facilities in engineering/ manufacturing sector;
- Emphasis on export of engineering goods;
- Seeking product diversification for new markets;
- Production of conventional defense armaments;
- Fostering R&D culture;

- HR development in the professional fields out of which many have played pivotal role in local industrial sector;
- Consultancy Services in design and engineering towards development of Engineering Procurement Construction (EPC) projects in Oil & Gas Sector, fertilizer and other process industry.

3.7.1 HEAVY ELECTRICAL COMPLEX

INTRODUCTION

Heavy Electrical Complex (HEC), a nationally significant unit of State Engineering Corporation, is located in Hattar Industrial Estate, District Haripur, KPK. It was set up at a cost of Rs. 1,158 million with the techno-financial assistance of the People's Republic of China. The company possesses 61 acres of land out of which 43 acres are allocated to the factory whereas remaining was earmarked for future developments.

HEC has trained manpower numbering around 316 persons including 22 regular (engineers & professionals) whereas remaining are daily wagers mostly workers engaged through labour contractor.

The Company holds ISO 9000 – 2001 Certification. Accordingly, strict quality control is enforced during all the stages of production using specified procedures and techniques based on latest management practices.

The project was designed to manufacture 148 Nos. power transformers (PTs) rating from 6.3 MVA to 40 MVA, 132/11.5KV to meet the exclusive requirements of WAPDA / NTDC (DISCOs) & KESC. The company started commercial production during 1997.

ROLE AND FUNCTIONS

The company has been set up for meeting country's requirements of heavy electrical equipment starting from manufacturing Power transformers at optimum cost to support the national electrification programme and strive for import substitution. Although not in its original scope, the mandate of the company has been extended to Rehabilitation / Refurbishment of Power Transformers, which has resulted in saving large amount of foreign exchange besides contributing towards reducing load shedding problems.

ACHIEVEMENTS / PERFORMANCE

By end June, 2017 HEC manufactured 339 new PTs valuing over Rs. 8.7 Billion of different rating and supplied to WAPDA/KESC and various other customers. Moreover, HEC has also repaired/ rehabilitated 178 Power/Auto transformers valuing Rs.888 Million for WAPDA, KESC, AJK Hydro Power Board, POF, Pakistan Railways and some other private sector industries. HEC also participated in USAID sponsored

rehabilitation plan for the power sector by supplying fan motors and circuit breakers valuing around Rs. 14 million.

The largest power transformer repaired at HEC so far was 250 MVA having voltage rating of 15/220 KV and weighting 250 tons. HEC also repaired 03 auto transformers of ultra-high voltage i.e. 500KV upto 200 MVA for WAPDA for the first time in the country.

HEC has so far achieved import substitution to the tune of Rs. 9.6 billion (Around US \$ 122.9 million) through manufacturing of new transformers as well as repair of damaged transformers. The repair work ranged upto 500 KV power transformers, at less than 25 % of the replacement cost and 50 % of the lowest foreign bid. The products manufactured, besides regular ones, include own designed transformers of rating 31.5/40 MVA, 132/11.5 KV and five transformers of 20/26 MVA, 132/6.6 KV.

The company sales touched Rs.912 million in 2016-2017 though fluctuating with the market trends. HEC has been sustaining its operation totally at its own. Operating and Financial Results of the company are tabulated below:

(Quantity in Nos and Value in Rs. Millions)

Description	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
New	14	17	5	7	34	22
Repair/Rehabilitated	2	7	5	8	20	43
Total	16	24	10	15	54	65
Production Value	471	626	251	381	552	797
Sales	539	704	251	374	677	912
Pre-Tax Profit / (Loss)	9	(7)	(124)	(152)	32	30
Total Assets	1,378	1,715	1,506	1,502	1,634	1,496
Total Liabilities	188	536	452	603	711	552
Net Equity	1,190	1,179	1,054	899	923	944

***Provisional**

As can be seen from the above tale, after recovering from the privatization shock during 2015-16, the company has been turned-around. Highest ever number of PTs (65) were

rolled-out during 2016-17 as well as 2015-16 (55). After sustaining losses for the three consecutive years up to 2014-15, the company has earned profit during the succeeding two years.

PRODUCT DIVERSIFICATION

HEC is in possession of Chinese Technology for manufacturing 7 types of 132/11 KV Power Transformers from 6.3 to 40 MVA capacity. However, Power transformers of 5 out of 7 types for which technology was acquired have been phased-out for the Electricity Distribution Network in Pakistan. Accordingly, HEC has to look-out for other technologies/products. In line with this thinking HEC has succeeded in developing technology of a 31.5/40 MVA 132/11 KV Power Transformer besides few others for the Cement Sector. Thirty-Three-33 units of HEC designed 31.5/40 MVA PTs have been supplied to DISCOs by June 2017. Moreover, Design Modification of a 20/26 MVA Power Transformer has been achieved. This development would result in cost saving to the company as compared to earlier design. Seventeen 17 units of the Power Transformers with the modified design after approval by the concerned quarters have been supplied to DISCOs up to June, 2017.

The company is also in the process of developing a GSM based automatic communication system of Power Transformers with the name of GTrAMS (GSM Transformer Monitoring System) which would transmit real-time transformer critical data to the specified mobile numbers. This would facilitate preventive maintenance of the transformer and avoid any major loss to the transformer in case of a developing fault. Moreover, the company would have a new source of revenue if DISCOs are convinced to adopt this system.

FUTURE STRATEGY

HEC has earned good market recognition in the field of power transformer manufacturing and re-habilitation. In order to further strengthen HEC has devised the following action plan:

- Securing orders along-with inputs to address HEC's cash-flow problems

- Securing more orders for rehabilitation of transformers having lesser cash-flow requirements
- Maximizing Market Share to secure orders worth Rs 1.3 billion
- Promoting revised design of module 20/26 MVA, 132/11.5 KV
- Optimization in existing design of power transformers
- Diversification for manufacturing Higher Module Step-down Power Transformers (160 MVA and 250 MVA) as well as Step Up Generator Transformers.
- Introducing GSM mobile based real time information dissemination system for monitoring Grid stations.

3.7.2 PAKISTAN MACHINE TOOL FACTORY LIMITED (PMTF)

ACHIEVEMENT OF HIGHEST SALE TARGET DURING 2016-17

PMTF through its efforts and support of Mol&P successfully achieved its targeted orders from its Local and Foreign customers. However, due to paucity of available fund, PMTF was facing problem in managing required inputs. As such, through negotiation process with our customers, especially with Civil Armed Forces, PMTF was been able to get their orders valuing Rs. 606.377 million along with 100% advance payments. These funds were fully utilized for arrangement of required inputs from local and abroad to support production activities and facility utilization. PMTF continued its production activities for the manufacturing of all its product segments including Transmission Components, Die cast Parts, Machine Tools and defense Products. Whereas most of PMTF production activities were involved in production of defense items due to urgency of CPEC project and for meeting PMTF promises, so that further orders are ensured for the year 2017-18.

As such with grace of Almighty Allah, PMTF has successfully achieved its highest ever production and sales target of **Rs. 1.2 Billion** during the year 2016-17. Previously, PMTF highest sale was achieved in the Year 2009-10 of Rs 1.197 Billion. PMTF engineering products / segment-wise sale achieved for the year is as under:

S/N	PRODUCT	VALUE (000)	RS.
1.	Sale for Defense Products / Exports	926,916	
2.	Sale for Transmission Components	192,171	
3.	Sales for Alum. Die Cast Parts	16,682	
4.	Sale for Machine Tools Product	56,546	
5.	Sale of Misc. Items	8,429	
	TOTAL	1,200,742	

Development of various technical projects under taken and executed

a) Development of New Generation Gas Meter V3, for SSGC

PMTF customer Messrs SSGC has introduced New Generation Gas Meter Model V3. Previously PMTF has been supplying body parts of Gas meters Model G 1.6 and G4 types. Accordingly to meet the new demand of V3 Gas meter, PMTF has developed the required dies / tooling's, which is now approved and supplies are being made. During the year, orders for these gas meter parts worth **Rs. 30.5 million** were executed and further orders for these parts are shortly expected from SSGC.

b) Development of Specialized Gear Box for PMO

Project Management Organization (PMO) Rawalpindi, one of the strategic organizations has a specialized requirement of development of Reduction Gear Boxes for their Strategic nature of job. Accordingly, PMTF took this project in hand as national cause, and successfully developed these Gear Boxes. After successful approval of samples, PMO completed their total quantity of 22 Nos. valuing Rs. 28.3 million. PMO enquiry for further procurement of these Gear Boxes is under process.

Besides through its R&D activities, PMTF has under taken various development projects for its major / regular customers, on recurring demand basis as mentioned below:

Development of Turbine Parts for M/s Al-Noor Sugar Mills Ltd

M/s Al-Noor Sugar Mills Ltd, had urgency for the development / supply of 04 parts for their 2.2MW Turbine, including Couplings and Gears. Accordingly, through R&D efforts, PMTF has successfully developed and executed initially ordered quantities of said jobs. After completion of supply of initial quantity, PMTF has executed their further requirements of these items for the total value of Rs. 1.950 million.

Development of Crown Wheel & Pinion for Romanian Dumper Truck

M/s Attock Cement Ltd, had urgency for the development / supply of Crown Wheel & Pinion for their Dumper Truck of M/s DAC Romania, for qty 02 Sets. Since these special transmission items of Romanian origin were not locally available, as such PMTF under

took this development job. Through R&D efforts, PMTF successfully designed, developed and supplied these parts of Dumper Truck for total value of Rs. 0.520 million.

Development of Pedestal Mount for Machine Gun

In view of the security situation and local requirements, PMTF through its R&D efforts has designed Pedestal Mount suitable for mounting of Machine Gun MG1A3 on Security Vehicles. This design was shared among its potential buyers of defence products to meet their requirement. Accordingly, PMTF successfully obtained its 1st development order for quantity 08 Nos. of “Pedestal Mount with Bevel Gear Assembly” for Machine Guns for M/s SPD. PMTF successfully completed this development order for the total value of **Rs 1.10 million**. Further order for this Pedestal Mount from SPD is under process to be completed during the financial year 2017-18.

PMTF obtained good business for its Defense products from Local as well as Export customers.

i. Export Business Executed for Defense Products

Through PMTF marketing efforts, it has become successful in obtaining good export business during the year 2015-16, for the supply of RPG-7 to friendly country, qty 1100 Units. This order has been successfully executed during the Year 2016-17 and achieved export **sales of USD 2.69 million**.

ii. Export Business Procured for Defense Products

PMTF also successfully obtained export business of **USD 1.436 Million** during the year 2016-17, for the supply of defense items, qty 600 Units to friendly country. This order is currently under execution. PMTF is also expecting good business opportunities from its foreign customers in good quantities and value.

iii. Local Business Procured and Executed for PMTF Defense related products

Due to prevailing security situation and CPEC requirements, PMTF through its efforts has become successful in getting its considerable share for supply of security items to Civil Armed Forces (CAF) in all provinces, during the year 2016-17. Accordingly, PMTF got fresh orders valuing **Rs. 757.15 Million** from these local and foreign customers. As

such out of the fresh received and previous orders, PMTF successfully executed sale for **Rs. 926,916 million** i.e. **77.2%** of the total sale. As such to meet its Sales targets and timely supplies, maximum of PMTF facilities are now engaged in production of defense items / weapons for CAF.

DETAIL OF TARGETS SET OUT AND EXTENT TO THEIR REALIZATION BY PAKISTAN MACHINE TOOL FACTORY DURING THE YEARS 2016-17

During the Year 2015-16, PMTF planned sales of Rs. 1.255 Billion, the segment-wise details are as under:

a) **Total Target set for the Year 2016-17**

		RS. MILLION
S/N	PRODUCT SEGMENT	SALES TARGE
1.	Transmission Products	175.534
2.	Die Casting Products	164.902
3.	Special (Defense) Products	733.443
4.	Machine Tools	181.150
Total		1,255.029

PMTF successfully procured orders towards its targeted sale for their execution. Initially, due to financial crunch, PMTF faced some problems in execution of orders. However, after receipt of customer advances, especially from Civil Armed Forces, to manage weapons timely for CPEC project, PMTF production cycle was revived with required inputs and facilities. As such, PMTF managed to complete its set targets and achieved its highest ever sale figures during the year 2016-17. Detail of targets achieved so far in each segment is as under:

b) **Total Orders executed for the Year 2016-17**

		(RS. MILLION)
S/N	PRODUCT SEGMENT	ACTUAL SALES ACHIEVED
1.	Transmission Products	192.171
2.	Die Casting Products	16.682
3.	Special (Defense) Products	926.916

4.	Machine Tools	56.546
5.	Others	8.429
Total		1200.742

c) **Balance Orders in Hand (as on 30 Jun 2017)**

(RS. MILLION)

S/N	PRODUCT SEGMENT	BALANCE ORDERS
1.	Transmission Products	495.487
2.	Die Casting Products	3.980
3.	Special (Defense) Products	703.530
4.	Machine Tools	115.113
Total		1,318.110

3.7.3 PAKISTAN ENGINEERING COMPANY

Primarily there are four types of planned activities which were focused during the year.

- 1) Regular Production Activities at existing capabilities.
- 2) Capacity Enhancement.
- 3) Infrastructure and Estate Restoration & Development.
- 4) Research and Development --- Plan for Diversification.

REGULAR PRODUCTION ACTIVITIES

Production activities were all set out to the targets and remained in continuous operation during the years. Following is summarized the production status during F.Y 2016-17.

Description	Unit	Quantity	Budget 2016-17	% age
Distribution Line Tower	M/T	3604	4300	(16.18)
Distribution Line Tower	M/T	7103	17900	(60.32)
Foundry Castings	M/T	29	80	(63.75)
Pumps and Turbines Nos.	117	100	17	
Electric Motors	M/T	55	100	(45)

Financial Highlights	(Rs. in Millions)
Sales	1,353.2
Gross Profit	166.2
Operating Expenses	111.9
Profit after Tax	54.3
Earnings per share (Rs.)	11.73
Total Production (M/T)	10706

- 1) The tower demand during this year was mostly focused on the main line Transmission Towers (500KV) for which mostly the ordered quantity was quite huge and with new type of tower designs. PECO neither had that much of production capacity nor the tower design were available to PECO, it was a new tower development which also included tower assembly approval and type testing within stipulated time. In addition to this, it involved submission of heavy Bid Securities, Securities/Earnest Money involved in the tender procedure and therefore participation was a major constraint in this regard.
- 2) The ordering of 132 KV has also shown a declining trend.
- 3) It is also very evident and had already predicted for the lower selling prices due to active participation of Chinese companies in the market and thus also reducing the profit margins whereas prices of raw material and labor rates have also shown increasing trend during the year.
- 4) The Steel Castings in Foundry and sales regarding Pumps/turbines and Electric Motors have been affected due to higher cost and availability of Chinese of products at lower prices.

CAPACITY ENHANCEMENT

- Purchase of a new CNC Angle Punching Machine to enhance fabrication capacity of Structure Division to meet with the urgent delivery requirements of the clients and to reduce the labor cost while automating the manufacturing process.
- Repair and renovation of 08 numbers of Hydraulic Press to enhance production capacity.
- Repair and renovation of 04 numbers of Heavy Duty Over-Head Cranes and their structure to stream line and increase production (Special galvanizing plants).
- Coordination and negotiations remained in progress to work out for possible joint venture option with one of the leading tower manufacturing companies in China.
- Renovation of Pump Shop Test Bed to ensure quality assurance and enhancement of testing capabilities as per latest requirements.
- Purchase of a heavy duty dynamic balancing machine to balance heavy routers of electric motors and impellers of pumps for better performance at high speed and quality.
- Installation of a new coal Gasifier for rolling mills to meet with the energy shortage and necessary fuel requirements to operate existing Rolling Mills.

INFRA-STRUCTURE AND ESTATE RESTORATION AND DEVELOPMENT

- On the construction of Kacha Jail road fly over by NLC the entrance of PECO factory has been elevated and renovated.
- A road from main gate till the foundry division had been there and it was in depression and very bad condition since last many years. This road, about 1.6 KM travel, has been elevated and carpeted by NLC in a gesture of good will having a good cooperative liaison of PECO authorities with NLC concerned. No financial expenses are incurred by PECO for the completion of this task.
- A large-scale cleaning and clearing of jungle/ forest activity has been carried out for the development of estate land on own initiatives and self-motivation.

RESEARCH AND DEVELOPMENT PLAN FOR DIVERSIFICATION

- Collaboration with foreign company is in progress for the manufacturing of high efficiency electric motors on the basis of BOT. Sample motors have been received and further proceeding are in progress.
- Assembling of E-Bikes/ Scooty at PECO: Serious efforts are in progress to work on the local assembling of E-Bikes/ Scooty. After a detailed search and study an appropriate manufacturer of these products from China have been selected for coordination on this project.
- Some product samples have also been ordered for further study and re-engineering of these products, after getting them tested to meet with requirements of local market.
- All possible efforts are made to work on fusible localization and assembling (gradually/phase wise) of these models. A variety of similar products and items will be added in to the range on the successful development and marketing of these products.
- Fabrication of structural work is also focused to enhance product range for structure division. A prototyping of electric power transformer tank is in progress against a commitment for order confirmation from the client.

3.7.4 ENAR PETROTECH SERVICES (ENAR), KARACHI

ENAR Petrotech Services (Private) Limited (ENAR) was formed in 1972 and currently, working under the administrative control of State Engineering Corporation (SEC), Ministry of Industries & Production, Government of Pakistan.

ENAR is the only multi-discipline integrated ISO 9001-2008 certified design engineering organization in Pakistan providing project management services during last four (04) decades with the commitment to technical excellence and high caliber personnel allow ENAR to deliver a best practice service in various phases of the oil & gas sector projects.

ENAR is an integrated engineering and consultancy company providing complete range of service for execution of project in Oil / Gas processing, Storage, Petrochemical, Chemical and Fertilizer sector. The ranges of service are detailed below:

- Project Development /Planning
- Basic / Process Engineering
- Detailed Engineering
- Project Management
- Procurement Assistance
- Construction Management and commissioning
- Operation & Management

MAJOR ACTIVITIES/ACHIEVEMENTS

ENAR has executed following major oil & gas projects during 2016-17:

➤ PARCO'S MCR REVAMP PROJECT: AWARDED TO ENAR IN MARCH – 2017

PARCO intends to enhance the crude oil processing capacity from 100,000 to 120,000. The additional feed will comprise 12,000 BPSD condensate and 8,000 BPSD of Crude OIL. In this connection, the existing units (CDU, GCU, NHU, LPG Merox & DU/DHDS) will require modifications/revamping and also installation of two new modular units (PENEX process Unit & PSA Unit): The overall scope is as follows:

- Review of detailed engineering performed by UOP for REVAMP and new modular units.

- Development of scope for PC contractor, Evaluation of PC contractors Bids and Technical evaluations review for the major items procured by PC.
- Conduction/Participation in HAZOP studies.

➤ **SSGC'S LPG AIR MIX PLANT PROJECT**

The SSGC's LPG Air Mix project was awarded to ENAR in June – 2017, the overall scope of work for Design of LPG Air Mix Project” is split into following parts:

- FEED study for a generic LPG Air Mix Plant.
- Gap Analysis of 06 Existing (04 Operational and 02 Under Construction) LPG Air Mix Plants.

➤ **PARCO's MFM (MEHMOOD KOT-FAISALABAD-MACHHIKE) PIPELINE MOGAS PROJECT**

The PARCO's MFM project is awarded to ENAR in August- 2016 where the scope of work of the project is being performed on following phases:

Phase-I

- Detailed engineering & PC tender document for installation of IFR in storage and all remaining works at PS-5 MCR Mahmood Kot, TS-3 Faisalabad and TS-4 Mach hike.

Phase-II

- Detailed engineering design and preparation of purchase enquired for mainline pumps for PS-6 Kot Bahadur Shah.
- Front End Engineering Design (FEED) and EPC tender document for complete PS-6 Kot Bahadur Shah pumping station.
- Front End Engineering Design (FEED) and EPC tender document for all Phase-II work other than Bahadur Shah at PS-5 Mahmood Kot, TS-3 Faisalabad and TS 4

➤ **OMV's LATIF DE-BOTTLENECKING (DBN) PROJECT**

The OMV's Latif DBN project is awarded to ENAR in September - 2016, where the scope of work of the project is being performed on following parts:

- Detailed review of the concept documents, understanding of the complete project scope.
- Installation and integration of gas-liquid separation system at Latif North-I Hub, dew point control system at Latif North-I hub and produced water storage tank and reinjection package at Latif North-I hub.

- Utility Skids (CI injection & Instrument Gas Skid) required at Latif North-I Hub
- F&G system where required at Latif North-I hub
- Vent and Blow down system where required for the new system at LNI hub
- Adequacy check of the control panels at Latif North-I Hub
- Adequacy checks, and detailing of engineering solutions of the existing systems at Latif North-I
- Cost estimates of produced water injection pumps.

➤ **OGDCL's Soghri Processing Facility Project**

The OGDCL's Soghri Processing Facility project was awarded to ENAR in July - 2016, where the scope of work of the project is being performed on following Stages:

- Stage-1: Modification/detailed engineering, preparation of technical Specs & Tender Documents Bill of Quantities (BOQs)
- Stage-2: Pre-Bid Clarifications, Technical & Financial Evaluation of Bids
- Stage-3: Assistance for Contract Preparation
- In addition, ENAR has also executed quite a number of projects for other clients (including PAPCO, PPL, OCAC, ARL, PDIL, etc.) related to design/detailed engineering of Wellhead Development, FEED Packages, feasibility study, lender preparation and valuation study.)

(FIGURES IN MILLION RS.)

Law/Legal Instrument under which the org. is created	Year	Annual income During last five years	Annual Expenditure on Salaries / Operations During Last Five Years	Profit / loss during last five years	Specific targets achieved during last five years (budget target)
Incorporated under the companies Act 1913 (Now the Companies Ordinance. 1984)	2016	150.10	144.00	10.80	195.00
	2015	177.00	175.00	8.24	233.00
	2014	227.18	197.38	38.45	260.00
	2013	226.48	153.67	4.49	395.00
	2012	225.69	117.60	39.06	88.38

3.8 ENGINEERING DEVELOPMENT BOARD (EDB)

AUTO POLICY

Automotive Development Policy (ADP) 2016-2021

Government of Pakistan has approved Automotive Development Policy (ADP) 2016-21 and is effective from 1st July, 2016. Under the said policy following measures were approved:

- New investment measures;
- Five-year tariff plan;
- Rationalisation of Import Policy;
- Establishment of infrastructure for Quality, Safety, and Environmental Standards;
- Ensure consumer welfare, and
- Establishment of Pakistan Automotive Institute.
- Other Interventions

New Investment Policy

Under Greenfield Category-A of the New Investment Policy, EDB received ten (10) applications so far, out of which four applicants namely M/s Regal Automobile Industries Ltd, M/s Hyundai Nishat Motor (Pvt) Ltd, M/s Kia Lucky Motors Pakistan and M/s United Motors (Pvt) Ltd., have been awarded Greenfield status under ADP 2016-21 by Ministry of Industries and Production on the recommendations of EDB. The approval has ushered in a new era of Auto Sector development and economic growth in Pakistan. The remaining cases are under process/ evaluation and shall be finalized after completing necessary legal formalities.

Note: Currently, Motorcycle industry policy is under review.

Five Year Tariff Plan for the Development of the Automotive Sector

- Under ADP 2016-21, the CBU duty rates were to be reduced by 10% on the import of cars up to 1800 cc and below cars. (Applicable from 2017-18). Accordingly, MoIP/ EDB recommended reduction in customs duty on import of certain cars for two years during the Budget exercise 2017-18 but the reduction was not incorporated in the Budget 2017-18. Moreover, 25% exemption of custom duty has been withdrawn on import of vehicles of above 2500 cc which is against the tariff roadmap given in the ADP 2016-21.

- The import duty rates on localized parts i.e. 50%, and non-localized parts i.e. 32.5%, have been lowered to 45% and non-localized parts 30% to improve indigenous competitiveness.
- The duty Structure pertaining to concessionary inputs available to Auto parts Manufacturers, is being rationalized to eliminate mis-declaration among sub-components and components.
- 0% tariff slab has been replaced with 1% in line with the overall government policy.

Rationalization of Import Policy

- Age limit of three years to be continued in case of cars
- Age limit of five years to be continued in case of Buses, Vans, Trucks, Pickups, SUVs including 4x4 vehicles
- Special Purpose Vehicles of following HS Codes not older than five years shall be allowed to end users as specified in the import policy order:
 - Prime Movers HS Code **(8701.2040)**
 - Concrete mixer lorries HS Code **(8705.4000)**
 - Dumpers designed for off highway use HS Code **(8704.1090)**.
 - Others HS Code **(8705.9000)** including water sprinklers be maintained.

Measures taken in the ADP 2016-21 regarding Import Policy have been incorporated in the Trade Policy.

Establishment of Infrastructure for Quality, Safety, and Environmental Standards

ADP 2016-21 envisages adoption of United Nations Economic Commission for Europe (UNECE)'s (WP-29) regulations. Adoption of WP.29 has also been supported by Ministry of Planning, Development & Reform, Pakistan Automotive Manufacturers Association (PAMA) and Auto Industry Development Committee (AIDC). For adoption of WP-29, a summary has been forwarded to Ministry of Foreign Affairs for seeking approval of Cabinet for signing Instrument of Accession to WP-29 enabling Pakistan to become a full member of the Forum. A representative of EDB has already represented Pakistan twice at the forum as an observer country.

Establishment of Pakistan Automotive Institute (PAI)

Measures have been taken in the ADP 2016-21 for establishment of PAI for planning and implementation of activities relating to the development of automobile industry, particularly research, education, testing infrastructure and technical guidance. A Japanese consultant is working at EDB for the need assessment of the local automobile industry.

Ensuring Consumer Welfare through provision of quality, safety, choice and value for money

- Amount of advance payment shall be limited up to 50% of the total price. Price and delivery schedule, not exceeding two months shall be firmed at the time of booking. Any delay over two months shall result in discount @ KIBOR+2% prevailing on the date of final delivery/settlement from the final payment. This will help shorten delivery lead time
- Development and Enforcement of safety regulations.
- Compulsory installation of immobilizers in cars by the OEMs.
- Product recall system shall be put in place in line with global practice.

Other Interventions

➤ Truck Financing by Commercial Banks

The ADP adopt to extend the consumer finance facility to individual customers for commercial vehicles in line with car segment financing scheme at the prevailing interest rates. This will help industry to improve its production capacity.

➤ Incentivize Fleet operations

Keeping in view of upcoming China Pakistan Economic Corridor and other mega projects like Lahore - Karachi Motorway, ADP adopt to corporatize the trucking sector by incentivizing fleet operation schemes through allocation of dedicated funding by State Bank of Pakistan / IFI's with reduced interest rates to enhance volumes of the industry and enable it to absorb fixed cost to reduce overall cost.

BUSINESS DEVELOPMENT GROUP

1. Pakistan at Hannover Messe 2017

Engineering Development Board organized Pakistan's Pavilion at the world's largest trade fair of industrial technologies “Hannover Messe-Germany” in April 2017. 33 prominent engineering companies from Pakistan participated to showcase their products and capabilities. The Trade Fair showcased a wide spectrum of products of top engineering companies in the industrial supply category. A group of delegates from leading technical universities and industries were also accompanying the delegation.

Pakistan’s Pavilion was the hub of activities and Pakistani stands were among the most visited stalls due to group participation, quality of exhibits, decor of the stalls and excellent give away items promoting the soft image of Pakistan as an engineering destination. Besides the visit of hundreds of customers, general visitors, and many Delegations/ Businessmen from the world’s known technology providers and manufacturers visited Pak Pavilion. During the event, Pakistan Association of Automotive Parts and Accessories Manufacturers (PAAPAM) organized a seminar with the support of EDB, which was attended by 30 industrialists from Germany, China, France, Turkey, Thailand and Hong Kong etc wherein business potential and incentives being offered by the Government of Pakistan to the investors were highlighted. MoU was also signed between M/s Darson Pvt. Ltd. Pakistan and M/s Butsch GmbH Germany for manufacturing and sales of automotive rubber products. The signing ceremony was presided by the Ambassador of Pakistan in Germany. Besides mentioned developments, majority of the companies received a good number of inquiries with good business prospects of becoming sales leads.

2. EDB’s Participation at PAPAS (Auto Show) 2017

Engineering Development Board (EDB) had set up a stall at PAPAS (Auto Show) 2017 held in March 2017. Many local and foreign delegates visited EDB’s stall. Detailed deliberations were held on investment facilitation regime being provided by the present Government. GM-EDB ensured that under the patronage and guidance of the Ministry of Industries & Production EDB would continue to support local industry with rational policies and other developmental activities.

3. CPEC Summit & Expo

Engineering Development Board (EDB) had setup Mol&P stalls in CPEC Summit & Expo held in Pak China Friendship Center, Islamabad from August 29th to August 30th, 2016, organized by Ministry of Planning, Development and Reform. EDB/ Mol&P stalls were source of attraction for both Chinese and local visitors in respect of information pertaining to the role of Mol&P and its attached organizations with reference to Engineering Industry, Economic Zones and Industrial Parks. Substantial number of Chinese businessmen visited EDB/ Mol&P stalls and showed keen interest to have joint partnership with the Pakistani companies. EDB placed promotional/introductory materials of all the attached departments working under MOI&P and following material was also prepared for information sharing with the visitors:

1. Documentary of MOI&P
2. MOI&P Broucher
3. Give away

4. Capacity Building and International Linkages

EDB has developed linkages with various international organizations to provide Short Term Expert services to local industry with the objective to improve production process, quality of product, managerial capabilities, accounting system improvement etc. These experts are providing professional and technical services in the areas of energy efficiency, product and product quality improvement, productivity & process improvement, international certification, international marketing, improvement in accounting system and improving product design. During the period under review, EDB facilitated/arranged MoU between PUM- Dutch experts and PAAPAM for auto sector, while Pakistan Chemical Manufacturers Association had a useful negotiation with the PUM for availing their services; same was also arranged by EDB. During visit of PUM representative to Pakistan, EDB arranged visits to local industry i.e. M/s Iman Group and M/s Pronto Promo Pvt. Ltd.

ENGINEERING SECTOR

- Industrial Research Programme (IRP)

Engineering Development Board is actively pursuing Industrial Research Programme which was initiated with the collaboration of Academia and Research Organizations. The underlying objective is to facilitate the local industry by providing affordable solution of their technical problems and foster R&D activities in the industry by engaging huge R&D potential existing with Universities and research organizations.

Industry across the country ranging from electronics, electrical, HVAC, castings/forgings, fabrications, chemicals, steel, renewable energy, etc. has started sharing industrial technical problems, which are being discussed with concerned researchers of various universities. Some of the major initiatives taken under IRP are as under:

- i) Up-gradation of steel re-rolling industry which involves automation of processes, designing of efficient gas burners, re-designing of heating furnaces, improvements in rolls quality, etc. ATCOP is actively working with Steel Re-rolling industry for the proposed up-gradation. Successful execution of the research project will impact the whole re-rolling industry, enhance its efficiency and would affect substantial savings of energy besides improving the environment.
- ii) Development of DC Fan with the help of PIAS to facilitate the people use solar energy directly for air blowing during hot season. Similarly, a project regarding designing of energy efficient domestic fans is also under process with NUST team.
- iii) Handholding of Surgical and Cutlery industries to promote cost competitiveness and quality improvement. ATCOP is working on this project.

Bilateral Trade Environment

FTAs-PTAs

EDB is working on Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs) with different countries in coordination with different government organizations under the leadership of Ministry of Commerce.

- FTAs/PTAs with the following countries are under negotiations which will soon be concluded.
 - FTA with Thailand

- FTA with Iran (Pakistan already have PTA with Iran)
 - FTA with Turkey
 - 2nd Phase of FTA with China
- PTA with Indonesia is under consideration for review. 2nd review meeting of the same was held in February 2017 in which it was agreed by both the countries to review the existing PTA to make it beneficial for both partners.
 - Moreover, EDB is involved in negotiations with different countries through Joint Ministerial Commissions and Working Groups for enhancing trade with these countries.

A. TARIFF RATIONALIZATION EXERCISE

The main objectives of the tariff rationalization exercise are:-

- Reducing cost of doing business by decreasing cost of inputs
- Encouraging local Industry to invest in priority sectors.
- Simplifying procedures for payment of Customs Duty, Sales Tax and Federal Excise
- To counter the menace of under-invoicing, smuggling and mis-declaration
- To encourage import substitution

CONSULTATIVE APPROACH

Consultative based approach was followed in Tariff Rationalization Exercise undertaken for the Federal Budget 2017-18. The proposals received from the Industry, Trade Associations, Chambers, FBR, Mol&P etc. were analyzed and firmed up by EDB for consideration by FBR.

NOTIFICATIONS REGULATED BY EDB

Following notifications are regulated by EDB.

- **SRO 656(I)/2006 dated 22.06.2006** – Authorizes EDB to allow import of CKD under concessionary regime to OEMs.
- **SRO 655(I)/2006 dated 22.06.2006** – Authorizes EDB to allow concessionary import of raw-materials, sub-components, components and sub-assemblies to vendors
- **SRO 693(I)/2006 dated 22.06.2006** – Notifies list of locally manufactured parts / components as recommended by EDB

- **Fifth Schedule to the Customs Act 1969 and SRO 678(I)/2004 dated 07.08.2004** – To determine local manufacturing status of goods being imported under concessionary regime to protect local industry.
- **SRO 827(I)/2001 dated 03.12.2001** – Binds government and public-sector organizations to give price preference to local industry over imported goods. EDB to monitor implementation of SRO and resolve issues relating to determination of landed cost factor.
- **SRO 450(I)/2001 Authorizes** EDB to determine IOR/Wastages of inputs procured under DTRE and under Manufacturing Bond.

Performance w.r.t various SROs / Notifications

		No. of Cases Finalized	
		2015-2016	2016-2017
A. TBS-1 (4-Wheelers) - SRO 656 & SRO 693			
1	Certificates issued vehicle wise:	203	154
2	Lists verified issued vehicle wise:	203	154
3	Input Records verified vehicle wise:	171	130
B. TBS-II (2/3-Wheelers) - SRO 656 & SRO 693			
1	Certificates issued vehicle wise:	266	272
2	Lists verified issued vehicle wise:	266	272
3	Input Records verified company wise	74	75
4	Assembling Facilities verified	04	02
C. Determination of IOR under SRO 655			
1	Input Output Ratios under SRO 655 (Revalidation + New)	192	196
2	Input Output Ratios under SRO 656 (Direct Materials)	04	04
3	Input Output Ratios under DTRE	13	20
D. Determination of local manufacturing status (5th Schedule to the Customs Act 1969 & SRO 678)			
1	Determination of local manufacturing status of imported goods	210	213
E. Finalization of cases under SRO 827			
1	Determination of status of procurements and its implementation as per procedure and laws of Government	20	14

ON-LINE QUOTA DEBITING SYSTEM FOR CLEARANCE OF AUTOMOTIVE PARTS AND INPUTS THEREOF (SHIFTING OF ONE CUSTOMS SYSTEM OF PRAL TO WEBOC)

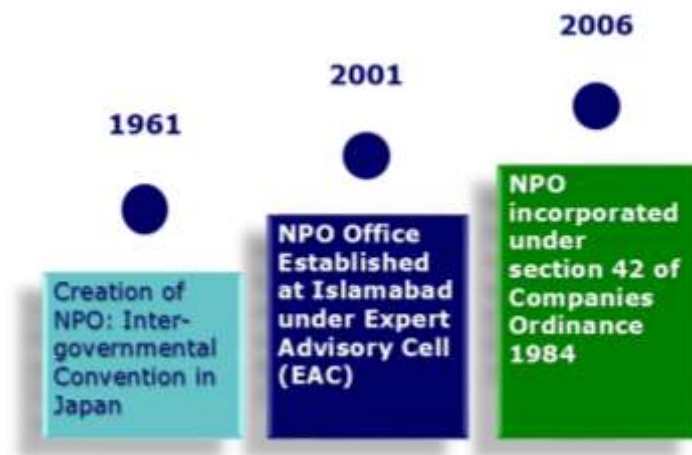
- WeBOC System is operational since 1st July, 2013 and EDB uploads online quota of inputs on WeBOC for online debiting.

3.9 PAKISTAN STEEL MILLS (PSM)

Pakistan Steel Mills, Karachi is on the active privatization list of the Privatization Commission and efforts are being made by the Federal Government for its disposal through privatization.

3.10 NATIONAL PRODUCTIVITY ORGANIZATION (NPO)

National Productivity Organization (NPO), a public-sector entity under the Ministry of Industries & Production (MoIP), Government of Pakistan was originally established in 1961 under a regional intergovernmental convention to formally represent Pakistan as member of Asian Productivity Organization (APO), Japan. Currently, APO Japan has 19 contributing member countries. Secretary MoIP is the country Director representing Pakistan at APO Governing Body. Besides, productivity and quality promotion, NPO also acts as a Liaison Office of APO Japan.



NPO was registered as a Public-Sector Company under section 42 of the Companies Ordinance 1984 in 2006, under the Ministry of Industries and Production. It is, presently, working on enhancing Productivity and Quality to develop a Knowledge Based Economy. The NPO has its Head Office at Islamabad and Regional Offices at Lahore, Peshawar and Karachi and Sub Offices in Faisalabad and Multan. NPO has planned to open an office in Quetta also. The NPO has the following vision statement and mission statement:

Vision

“Productive and Competitive Pakistan”

Mission

“To strengthen the national capacity in productivity, quality and competitiveness for sustainable socio-economic development.”

Major Activities/ Achievements of 2016-17:

1. Compliance Status

Completed Compliance with SECP Corporate Governance Requirements

- Audit of Accounts: 2012 - 2016
- Held pending Annual General Meetings
- Prepared First Annual Report 2015-16

2. Five years renewal of NPO License received on April 23, 2017.



3. Systems and Human Resource Development

Internally declared 2017 as the year of NPO Transformation; System Development and Human Resource Capacity Building

- Development of NPO Annual Human Resource Book initiated
- Development of Policies on Code of Conduct, Anti-Corruption, Conflict of Interest, Women Harassment and Training Policy
- Development of Financial Manual is in process
- Restructuring NPO Departments
 - Re-assignment of tasks after evaluation of HR competitive capacity
 - Team work is promoted and Monthly meetings are organized
 - Targets to each department for 2017-18 assigned
 - NPO is headed towards ISO 9001 certification in due course

4. National Trainings

Wide range of specialized trainings, including but not limited to, replication of international trainings are being provided through various types of programmes such as General Awareness Training (GAT), Training on Wheels (TOW), Corporate Training (CT), Train the Trainers (TTT), Distance Learning and e-Learning programmes in the management and technical disciplines; such as Productivity and Quality Management, Green Productivity, Energy Management, Benchmarking, Quality standards, Human Resource Development

and Personal Productivity Skills. NPO is also offering training programmes via E-learning & Video conferencing. A summary of national trainings is as follows:

Sr. #	Description	Jul 2016 – Jun 2017	
		No. of Programmes	No. of Participants
1.	Quality and Productivity Management	09	122
2.	Operations Management	06	51
3.	Personal Productivity Skills	05	61
Total		20	234

5. International Trainings

Based on APO platform, NPO has been offering different types of programmes including Trainings/Workshops, Technical Expert Services, Research, Conferences, Observational Study Missions and Development of Demonstration Companies. Main thrust areas of these services include Industry Development, Innovation, Green Productivity, Agriculture Development, Service Sector Development and Public-Sector Development. A summary of international trainings is as follows:

Description	2016-17	
	Total Courses	No. of Participants
Intl. Courses	57	84
Technical Expert Service	5	460
Total	62	544

6. Secretary-General APO Visit to Pakistan

Mr. Mari Amano, Secretary-General of APO visited Pakistan from 6 to 8 April 2016 for meetings with high officials in MoI&P, MoPD&R and CEO NPO. As an outcome, five additional programmes approved for Pakistan. Following programmes were held during 2016-17:

- Development of NPOs - Development of Productivity Practitioners (DPP) – implemented (27 March – 8 April 2017 attended by 20 Participants)
- Technical Expert Services (TES) on ISO 9001:2015 for NPOs and Public-Sector Organizations – implemented (9-20 January 2017 attended by 14 Participants)
- TES on Lean Manufacturing Systems for Productivity Enhancement – implemented (3-7 October 2016 attended by 26 Participants)

Two programmes will be held in due course:

- TES on Women & Youth Entrepreneurship Development
- National Follow-up Programme on Result Based Management & e-Government

7. Services and Projects

a. Pakistan Productivity, Quality & Innovation Initiative (PQI):

- CEO NPO presented the concept of Productivity, Quality and Innovation in the 9th Meeting of Advisory Committee of MoPD&R and Planning Commission of Pakistan under the Chairmanship of His Excellency Prof. Ahsan Iqbal, Federal Minister for MoPD&R held on 8th March 2016
- PQI initiative finally approved for launching in collaboration with multiple executing agencies
- Organized Workshop on Pakistan Productivity, Quality and Innovation Initiative from 10-11 January 2017, at Ministry of Planning, Development & Reform (MoPD&R) which was attended by over 100 participants from Public & Private sectors, Industry and Academia
- NPO to organize National Conference for launching of PQI initiatives for 500 participants, 4 Sectoral Workshops for 50 participants each and 30 training programmes to train 600 participants throughout Pakistan.

b. Prime Minister's Excellence Award (PMEA):

- To be launched in the public and private companies along the lines of the Malcolm Baldrige National Quality Award (MBNQA) and European Foundation for Quality Management (EFQM) excellence models in US and Europe respectively.
- Candidate companies shall submit their applications to the PQI Core Committee that will be assisted by NPO for evaluation.
- NPO will deploy a team of assessors (trained by NPO) to individually visit and evaluate the candidates (as per criteria) short-listed by PQI Core Committee.
- PQI Steering Committee will form an Award Evaluation Committee (AEC) which will send its recommendations for the award to the Steering Committee.

- The Steering Committee will finalize the names to whom award will be given and send these recommendation to Prime Minister.

c. Green Productivity

NPO is working on one of the prime priority sectors of the Government of Pakistan i.e. Energy. Since inception, it has conducted more than 300 energy efficiency audits in various sectors including textile, steel, buildings, etc. It has established Green Productivity Center in 2015, which will act as data / knowledge / research center for all organizations / institutes working on the subject. In this regard, NPO is replicating Green Productivity (GP) practices which is a major subject of APO and is of high global concern. NPO is focusing mainly on the promotion of GP and following areas:

- Energy Efficiency and Conservation
- Material Flow Cost Accounting
- Water Efficiency

Energy audits of the following sectors were conducted in the year 2016-17;

- Conducted 11 Energy Efficiency Audits in various sectors (7 textile, 2 buildings, 1 Sports and 1 Food Processing) and identified 15% to 20% potential energy savings in electrical/mechanical and processes at no or negligible investments.
- Awareness / Hands on training: Trained 44 technical staff members

d. Global Clean-tech Innovation Programme (GCIP)

- NPO is supporting the GCIP technically in marketing, linkages development, mentoring & judging activity for innovators.
- A start-up fund for consistency is being developed by UNIDO in collaboration with private sector.
- GCIP includes a global competition aimed at encouraging innovation for clean technologies. Out of 585 applicants, judges selected 82 innovators / Start-ups. 5 Winners of the competition visited Silicon Valley, USA for global competition and won the global award.
- NPO received Appreciation Certificate from UNIDO for its contribution to make the programme successful and introducing innovation to entrepreneurs.

e. Made in Gilgit Project

NPO has executed Made in Gilgit project under USAID Small Grants and Ambassador's Fund Programme (SGAFP) with the aim to improve productivity and socio-economic condition of 35 crafts' persons belonging to district Gilgit.

- 1st exhibition held from 4-5 May 2017 at Alhamra Hall, Mall Road, Lahore. Opening by Mr. Abdul Basit, President, Lahore Chamber of Commerce & Industry.
- 2nd exhibition held from 7-9 May 2017 at Lok Virsa, Islamabad. Opening by Mr. Khalid Iqbal Malik, President, Islamabad Chamber of Commerce & Industry. Mr. Raja Amer Iqbal, President, Rawalpindi Chamber of Commerce & Industry also visited the exhibition
- Seminar on "Marketing Linkages & Potential Opportunities" held on 9th May 2017 at Islamabad Chamber of Commerce & Industry. Attended by Executive Members of ICCI. Mr. Khalid Malik, Senior Vice President, ICCI offered space in the exhibition hall of ICCI to showcase the products/crafts of Made in Gilgit project beneficiaries
- Project Closing Ceremony held on 9th May 2017 in Lok Virsa. Mr. Iqbal Hassan, Minister for Planning, Development and Reform was the Chief Guest. Mr. Jaffar Ullah, Deputy Speaker, Gilgit Baltistan Legislative Assembly also attended the ceremony. Shields Distributed among all 35 beneficiaries.

f. IFC Business Edge® Teaser/Pilot Events

- 05 trainings under 01 Pilot programme held at Lahore (Aug 2016)
- Attended by 89 participants

8. Consultancy and Benchmarking:

NPO is providing consultancy services to renowned national and multinational companies on Productivity & Quality. It includes 5S, Kaizen Management, Benchmarking, Industrial Engineering Tools, Total Productive Maintenance, Six Sigma, Human Resource Management and Factory Improvement studies. To enhance outreach and cope with the dynamics of globalization in the industry, NPO has successfully established National Register for Trainers & Consultants. NPO can also assist companies in Standards Implementation such as ISO 9001:2015, ISO 14000, OHSAS 18001, SA 8000, ISO 17025.

NPO initiated Benchmarking in industrial sectors of Pakistan with the technical assistance of Asian Productivity Organization. NPO has worked on Benchmarking studies for Industrial sectors such as textiles, surgical, cutlery and Fan. These studies helped identify the gap.

Such gap analysis studies are expected to prove helpful in ascertaining the current level of competitiveness of the Pakistani industry in comparison with other global industries.

Briefly, following activities took place during 2016-17:

- Conducted 5S Audit of Engro Fertilizer Limited, Daharki, 21-22 Sep 2016
- Conducted 5S Audits of Engro Powergen Limited, Ghotki, 23 Sep 2016
- Conducted 3-day 5S Training of M/s Fatima Fertilizer, Sadiqabad, 5-7 December 2016. Attended by 24 participants.

9. New Initiatives:

- Development of Productivity Practitioners Training Programme was organized from 27th March – 8th April 2017 at Islamabad under APO's Institutional Development of NPO's programme. The programme was attended by 20 participants from all over Pakistan. Good performers are being utilized for conducting NPO training programmes.
- To launch 3 Months Diploma Programme in Productivity, Quality and Innovation in collaboration with International Finance Corporation Business Edge®. NOC is received from Economic Affairs Division (EAD) through MoI&P.
- After 2005, NPO has availed APO project on Development of Demonstration Company on Energy Efficiency & Conservation Programme (EE & C) from July 17, 2017 to March, 2018. Following three companies are selected for the project:
 - Serena Hotel, Islamabad
 - Asian Foods, Lahore
 - Pakistan Engineering Company, Lahore
- To support PQI initiative, NPO intends to initiate Productivity Movement throughout Pakistan to inculcate productivity culture among masses. In this regard, NPO is developing a register of qualified trainers and consultants to be utilized during the productivity drive.
- 38 qualified Trainers & Consultants have applied in response to an Expression of Interest published by NPO in June 2017.
- Handholding of 397 beneficiaries of 3rd Batch of Prime Minister Youth Business Loan (PMYBL) scheme. Telephone calls were received by 197 beneficiaries, and 69 beneficiaries have shown interest in attending the NPO trainings for free of cost.
- CEO NPO had a Meeting with DG Planning & Coordination and DG ICT, National Vocational & Technical Training Commission (NAVTTTC) for identifying areas for mutual cooperation. NPO submitted Expression of Interest for Prime Minister Youth Skill Development Programme (PMYSDP) to NAVTTTC.

Collaborations with Partner Organizations:

a) United Nations Industrial Development Organization (UNIDO):

- Sustainable Energy Initiative for Industries in Pakistan
- Global Clean-tech Innovation Programme (GCIP)
- Inaugural ceremony for the provision of Cutlery Polishing Machines to the Cutlery Manufacturers
- Closing ceremony of the EU funded Trade Related Technical Assistance (TRTA-II) programme

b) International Finance Corporation (IFC):

- Launching Ceremony of the Report on “Sustainable Industrial Growth in Pakistan”
- International Finance Corporation (IFC) Business Edge®
- EAD has issued NOC to NPO for conducting Diploma on Productivity, Quality and Innovation

c) Asian Productivity Organization (APO):

- NPO acts as a Liaison Office of APO Japan and working together on different international programmes related to productivity and quality promotion.

d) Chambers of Commerce & Industry:

- All major Chambers of Commerce & Industry in Pakistan

e) Business Associations:

- All Pakistan Commercial Exporters Association of Rough and Semi-precious Stones
- Naran Hotels Association

3.11 UTILITY STORES CORPORATION (USC)

Brief History

Utility Store Corporation was established in July 1971, by taking over 20 retail outlets from the Staff Welfare Organization. Passing through various stages of expansion and reorganization, the Corporation was operating 5376 Stores including Franchise Stores throughout the Country during year 2016-2017.

Legal Status

The Corporation was established under an Executive Order of the then President of Islamic Republic of Pakistan. It was registered as private limited company under Companies Act, 1913, now called Companies Ordinance, 1984.

Basic Objectives

The basic objectives for which the Corporation was established are:-

- a. To protect the real income of the people by selling essential consumer items at prices lower than those prevailing in the open market.
- b. To act as a price moderator in the market and a deterrent to profiteering, hoarding and black marketing by the private sector
- c. Provision of Economic relief to consumers through Special Relief Packages
- d. Food security during crisis (Provision of basic Food items to affectees during Natural Calamities)

Operational Performance

Operational performance of the Corporation during last seven years is tabulated hereunder:-

Year	(Rs. In Millions)	
	Sales including subsidy	Net Profit/(Loss)
2010-11	68,917.32	843.19
2011-12	68,281.55	775.28
2012-13	94,036.93	1399.84
2013-14	87,348.56	(202.32)
2014-15	59,011.11	(2,202.87)
2015-16	50,373.42	(3,073.96)
2016-17 Un-Audited	57,870.10	(3,370.67)

Employment Generation

The Corporation at present is one of the major job providers in the Country. The Corporation has manpower of **13,644** personals in different categories.

No burden on Government Exchequers

The Corporation is not a burden on the Government Exchequer. It is not getting any kind of grant or subsidy for its operational expenses. All kinds of operational expenses which include the cost of salaries, wages, cost of selling and distribution, rentals of the buildings, the cost of electricity, payment of taxes etc. are being met by the Corporation itself from the Gross Profit margin of the sale proceeds.

Taxes Deposited in the National Exchequers

Despite selling the essential consumer items at the prices lower than the open market, the Corporation during the last nine years has paid various taxes amounting to **Rs.47.463 Billion** in the Government exchequer as per following details:

S. No.	Year	Amount (Rs. In Billions)
1)	2008-09	4.149
2)	2009-10	4.534
3)	2010-11	5.157
4)	2011-12	5.294
5)	2012-13	6.766
6)	2013-14	8.473
7)	2014-15	6.754
8)	2015-16	6.336
9)	2016-17	6.908
	Total	54.371

Expansion of the Network

Since the year 2007 network of the corporation has been considerably expanded. Number of Warehouses increased from 15 to 65 and stores from 560 to 5376. At present, Utility Stores Corporation is one of the biggest Corporation of Ministry of Industries and Production having its network all over the Country. The Corporation is operating 34% in the urban and 66% in rural areas.

Provision of essential commodities

The Corporation has successfully discharged its obligatory functions of provision of essential commodities at reduced prices. The prices of essential commodities being sold at USC outlets are 5 to 10 percent less as compared to open market.

Penetration into rural areas

The Corporation has successfully penetrated in the rural areas by opening of stores at Union Council level. Present percentage / ratio of the coverage of the stores in Urban and rural areas is that the Corporation is operating 34% in urban areas and 66% in rural areas.

Ramzan Relief Package 2016

The Government approved Ramzan Relief Package-2016 by providing a subsidy of Rs.1.75 Billion. Under this Ramzan-2016 package, twenty-two essential commodities which included Atta, Sugar, Ghee/Oil, Dal Channa, Dal Mash Washed, Dal Moong Washed, Dal Masoor, Baisan (Chakki), Dates (Khajoor), Rice Basmati, Rice Sela, Broken Rice, White Gram, Squashes and Syrups(1500ml/800ml), Tea, Milk (Tetra Pack) and Spices, Black Gram, Masoor whole were sold on subsidized rates. In addition to this, the prices of more than 1500 food and non-food items have been reduced by the Corporation by narrowing its own margins and through obtaining additional discounts from vendors/suppliers. In addition to the Sales / provision of subsidized items to consumers through USC's own network, the Corporation also established more than 300 Stalls in the Sasta Bazars organized by the Government of Punjab in all the Districts of Punjab and arranged mobile Utility Stores throughout the country where Utility Store was not operated. The Corporation achieved sale of Rs. 14.967/- Billion during the month of Ramzan-2016. Much needed relief has been availed by the consumers.

Ramzan Relief Package 2017

The Government approved Ramzan Relief Package-2017 by providing a subsidy of **Rs. 1.60 Billion**. Under this Ramzan-2017, **Nineteen** essential commodities which included Atta, Sugar, Ghee/Oil, Dal Channa, Dal Mash Washed, Dal Moong Washed, Dal Masoor, Baisan (Chakki), Dates (Khajoor), Rice Basmati, Rice Sela, Broken Rice, White Gram,

Squashes and Syrups(1500ml/800ml), Tea, Milk (UHT) and Spices, have been sold on subsidized rates. In addition to this, the prices of more than 1500 food and non-food items have been reduced by the Corporation by narrowing its own margins and through obtaining additional discounts from vendors/suppliers. In addition to the Sales / provision of subsidized items to consumers through USC own network, the Corporation also arranged mobile Utility Stores throughout the country where Utility Store was not operated. The Corporation achieved sale of **Rs. 16.75/- Billion** during the month of Ramzan-2017. Much needed relief has been availed by the consumers.

Special Role of USC

- i) Provision of Food security to affected People during the natural calamities
- ii) Intervention in market through sale of subsidized items
- iii) Provision of economic relief to consumers through special Relief package like Ramzan Relief Package every year.
- iv) Market intelligence

3.12 PAKISTAN INDUSTRIAL DEVELOPMENT CORPORATION (PIDC)

A. Internal Progress in compliance of CGRs:

- In compliance of Corporate Governance Rules-2013, the Chief Internal Auditor and Chief Financial Officer have been appointed in the Corporation. In order to further strengthen and drive the economy of the Corporation, Internal Audit, Legal, Human Resource, and Communication Departments have been strengthened. This will help dealing corporate affairs of PIDC in more befitting manner. The Corporation now has competent HR at its all-statutory positions.
- The Corporation has been able to place a strong financial and administrative control mechanism through the implementation of various policies i.e. Whistle Blowing Policy, Anti-Corruption Policy, Harassment Policy and is developing Company Manual, which was due for revision since three decades.

B. Continuation of Role as Facilitator to Industry:

- During the year 2016-17, PIDC remained fairly active to continue its role towards Industry Facilitation. The particular focus was imparted on supervision of PIDC on its subsidiaries through development of close liaison with the subsidiaries, which has helped PIDC to understand the issue of these subsidiaries and to suggest corrective measures to streamline their affairs and to usher them on track of self-reliance and sustainability.
- PIDC extended support of **Rs.125 million** during the financial year 2016-17 to its subsidiaries. In addition to that PIDC contributed an amount of Rs. 110.858 million in form of income tax/withholding tax in the government exchequer.
- An amount of **Rs. 195 million** has been invested for construction of Industry Facilitation Centre (IFC) building at Islamabad. PIDC holds 37% shares of IFC followed by 27% of Pakistan Steel Mills and 18% of NFC.
- PIDC earmarked piece of land of 2-kanals for construction of AHAN Building office at Lahore.
- In order to unleash the potential of Sports Sector of the country, the Corporation commissioned a study on Sports Goods Sector of Pakistan of worth Rs. 42.582 million by J.E Austin and handed over to SMEDA for further execution.
- Contributed Country Papers on Bilateral Trade, providing data analysis of five years statistics of imports & exports, supply & demand gap, proposal from our organization on bilateral relationship of Pakistan – South Korea, Sri Lanka, UAE, Thailand, Russian Federation, Qatar, South Africa, Senegal, Belarus, Bulgaria, Iraq, Turkmenistan, Kingdom of Saudi Arabia, Iran, Algeria, Bosnia.

C. Financial Results of PIDC:

- The Financial Results of PIDC for the last 05 years from 2011-12 to 2015-16 based on Audited Accounts and for the Financial Year 2016-17 (Provisional/Un-audited) are as under:

(Rs. in million)

DESCRIPTION	2012	2013	2014	2015	2016	2017 (Provisional/ Un-audited)
Share Capital	905.8	905.8	905.8	905.8	905.8	905.8
Reserves & Acc. Profit	5,834.9	6,603.7	7,336.7	8,006.0	8,204.4	13,191.6
Share Holders Equity	6,740.7	7,509.5	8,242.5	8,911.8	9,110.2	14,097.4

Long Term Liabilities	7.1	9.3	8.3	8.2	8.9	8.6
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Total Capital Employed	6,747.8	7,518.8	8,250.8	8,920.0	9,119.1	14,106.0
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Current Assets	3,349.4	3,076.5	4,491.2	4,413.3	4,335.1	4,278.6
Current Liabilities	202.6	444.0	499.7	355.9	326.6	422.0
Working Capital	3,146.8	2,632.5	3,991.5	4,057.4	4,008.5	3,856.6

Non-Current Assets	3,601.0	4,886.3	4,259.3	4,862.6	5,110.6	10,249.4
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Net Assets	6,747.8	7,518.8	8,250.8	8,920.0	9,119.1	14,106.0
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OPERATIONAL RESULTS

Income	826.6	824.2	753.8	702.4	622.3	618.0
Expenditure	450.7	287.6	243.5	405.6	373.1	304.0
PROFIT/(LOSS)BEFORE TAX	375.9	536.6	510.3	296.8	249.2	314.0

FINANCIAL INDICATORS

Earning per share (Rs.)	32.34	43.07	43.09	29.33	18.17	24.01
Break-up value/share (Rs.)	744.17	829.04	909.96	983.85	1,005.76	1,556.35
Return on capital employed %	5.57	7.13	6.18	3.34	2.73	2.23
Debt: Equity ratio	0.11:99	0.12:99	0.10:99	0.09:99	0.10:99	0.06:99
Current ratio	16.53:1	6.93:1	8.99:1	12.40:1	13.27:1	10.14:1

FINANCIAL DATA

2016-17

(Rs. in million)

Description	2015-16 (Actual)	2016-17 (Provisional/ Unaudited)	Increase/(Decrease)	
	(1)	(2)	Value	% age
Income	622.388	618.059	(4.329)	(0.696)
Pre-Tax Profit & (Loss)	249.225	314.001	64.776	25.991
Taxes & Duties	125.467	110.858	(14.609)	(11.644)

D. Future Plans:

- PIDC is also initiating CPEC Tower Project at Karachi (Rs. 1.0 billion approx.) and construction of Thread Line Gallery (Rs. 500 million approximately) to facilitate micro enterprises and exposure of artisan work.
- Board of PIDC also approved Auto vendors industry at Bin Qasim, Karachi, and the project activity is in progress. The task for establishment of PIDC Auto Vendor Park shall be assigned to NIP. The space in Auto Park shall be provided to vendors on rental basis which will save their development cost and reduce front load on them.
- Establishment of Noushahro Feroze Industrial Park (NFIP) was conceived and approved by the Board & DWP of PIDC on 1st Quarter in 2016, furthermore, Agreement & MoUs has been signed between PIDC & NIP and an amount of **Rs. 50.000 million** released by PIDC for development work of the Park and also inaugurated the development activity on 12th August, 2017 Under the Chairmanship of Respectable Minister for Industries & Production.
- PIDC shall invest in two CPEC related Industrial Parks to be initiated by NIP in the year 2017-18 to facilitate and promote industry.
- PIDC has planned to establish R&D cell as Centre of Excellence for innovation and Technology' which aims at to serve an Advisory Wing of Mol&P. The cell shall be established in 2017-18.
- A forward-looking plan has been chalked out to utilize available space of Sindh Engineering Ltd; (SEL). A proposal is under consideration of Privatization Commission.

E. Overview of Work & Performance of PIDC Subsidiaries

- In pursuance to the revised role of PIDC and to achieve the above objectives, the eight new wholly owned subsidiaries of PIDC and two J.V. companies were incorporated under section 42 of the Companies Ordinance 1984 as non-profit organizations. These companies are meant for promotion of respective sectors/industries and skill development in the country.

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3.12.1 National Industrial Parks Development & Management Company

Introduction

Company has been registered with a capital of Rs.150 million provided by PIDC. An additional amount of Rs.175 million has contributed by PIDC, thus the paid-up capital of the company has increased to Rs.325 million. Government has also allocated a loan of Rs.2 billion as seed money to NIP. The company has been able to payback its current liabilities and settled loan of Rs. 500 million along with interest. The Company performed reasonably well and book of accounts show that the Company is economically viable and financially sound.

Main aim of the company (NIP) is to establish modern/ world class industrial parks throughout the country. All infrastructural facilities such as water, power, natural gas, telephone, warehousing and other common facilities would be provided in these industrial parks.

Activities, Achievements & Progress 2016-17

The activities undertaken by the companies during the year 2016-17 are as follows:

Existing Projects:

- Korangi Creek Industrial Park, Karachi
- Bin Qasim Industrial Park, Karachi.
- Rachna Industrial Park, Lahore.
- Khairpur Special Economic Zone, Khairpur
- Sargodha Industrial Park, Sargodha
- Naushahro Feroz Industrial Park, Naushahro Feroz
- Supervision of PASDEC Projects
 - Marble City, Risalpur on 180 acres
 - Marble City Mohmand Agency on 300 acres

Korangi Creek Industrial Park (Land 250 acres)

➤ **Performance Review and Investment:**

- Korangi Creek Industrial Park is located at Korangi Creek Industrial Area, Karachi; SEZ has been approved by Prime Minister of Pakistan. The project is spread over 250 Acres of land, out of which total saleable area is 150 Acres (Low Density Zone is 127 acres and high-Density Zone is 23 Acres) 113.4 Acres out of 127 Acres of low density zone and 8.650 Acres out of 23 acres has been sold out.
- 21 industries are in a process for the construction of industrial infrastructure which is near to completion. 62 Building plans have been approved by cantonment Board Korangi Creek. Another 17 customers have signed License agreement and are gearing up to commence construction. Furthermore, 2 MW power has been provided to the customer as per their requirement.
- NIP is anticipating, the colonization of KCIP will be completed within couple of years, and the investment, GDP contribution, employment will be generated accordingly.

➤ **Prospect by June 30th, 2018:**

KCIP is the flagship project of NIP, we are expecting the overall industries will be operative by June 30, 2018. The investment is to be expected from the following industrial clusters

- Consumer Food and Pharma
- Light Engineering
- Garments/ value added textiles
- Packaging and Printing
- Ware Housing

Bin Qasim Industrial Park (land Area 930 Acres)

➤ **Performance Review and Investment:**

Bin Qasim Industrial Park is located within the confine of Pakistan Steel Mills area, Karachi. SEZ has been approved by Prime Minister of Pakistan. The project is spread over 930 Acres of land, out of which total saleable area is approx. 750 Acres, and the total area sold so far is 594 Acres.

Company has successfully attracted foreign investors such as M/s Yamaha Motors Pakistan Limited which brings 150 million dollars in Pakistan and started its operation in 2014 and its production is catering to the need of motor cycles in the local market as well as exporting it to other countries. Another foreign joint Venture Mid Coil Company started its operation for the production of steel sheets for local industries.

➤ **Prospect by June 30th, 2018:**

The company is in process of finalizing deals with its several Foreign/ Local investors who are ready to establish these industries in the following Clusters:

- Auto & Allied
- Light Engineering
- Foundry & steel fabrication

Rachna Industrial Park (land Area 175 Acres)

➤ **Performance Review and Investment**

Rachna Industrial Park is located 6.5 km off Lahore Sheikhpura Road. The project is spread over 178 Acres, out of which total saleable area is approx. 140 acres, and the total sold area is 88.50 Acres.

Due to shortage of funds the project was slowed down. As of now, company has sold 20 Acres of plot to a renowned Multi-National M/s AzkoNoble, remaining 51.5 Acres of plot is to be sold to local as well as foreign investors which contributes handsome amount of investment besides generating employment.

Phase 1 of the project is complete in terms of infrastructure which includes excess road internal road network, water and sewage Line and overhead tanks. Remaining work will be planned out and executed shortly.

➤ **Prospect by June 30th, 2018**

NIP is planning to mobilize its investors to construct and start industrial activity by 2018, through following clusters:

- Auto & Allied
- Light Engineering

Khairpur Special Economic Zone, Khairpur

NIP as Project Management Consultant to the Sindh Government has developed Khairpur Special Economic Zone, located at Khairpur at main National Highway. The project is spreads over 140 Acres, out of which total saleable area is 83.66 acres, and the total area allotted is 61.40 acres. Following are the clusters and industries promoted at the park:

- i. Date processing
- ii. Agro Food Processing,
- iii. Halal Meat,
- iv. Light Engineering

Naushahro Feroze Industrial Park

A piece of land measuring 80 Acres (owned by PIDC) has been procured and development process is being started. The park would house the value-added activities of industrial sector as well as agriculture sector of Nawabshah, Moro, Nausharo Feroze. In order to kick-start the project, CFTC Furniture Pakistan is being established.

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3.12.2 Technology Up-gradation and Skill Development Company

Introduction

TUSDEC has been registered under public-private partnership with a capital of Rs.150 million. Two third of its BOD members are from the private sector and one third from the public sector. The Chairman and CEO are from the private sector.

It envisages setting up Skill Development Centers all across the country and up-gradation/induction of latest technologies in country's key industrial clusters.

TUSDEC has initiated a number of projects in this regard which include, Gujranwala Tools Dies & Moulds Centre, Skill Development Centers in the earthquake affected northern areas, Ceramics Complex at Gujranwala, National Institute of Design & Analysis in 8 cities and Technical Up-gradation of Garment Industry.

Activities, Achievements & Progress 2016-17

On-Going Projects:

1. National Institute of Design & Analysis (NIDA)

- TUSDEC is running five CAD/CAM training centers supported by Ministry of Industries & Production under PSDP scheme with an aim to overcome the dearth of skilled manpower of key industrial clusters of Pakistan in the field of digital product design and engineering through multidisciplinary training in CAD/CAM and changing the current industrial environment from analogue to digital.

- NIDA offers Trainings and Product designing and development through reverse engineering services (3D scanning)

Geographical Locations: Lahore, Sialkot, Karachi, Quetta, Peshawar

Target Group: Manufacturing concerns, Industry Professionals, Engineers, Students, Marginalized Youth

Outputs/Impact:

- Five centres have trained almost **764** individuals in **133** courses during 2016-17
- **538** scanning and designing jobs performed and revenue generated is **Rs. 2.12 M** during 2016-17

2. Engineering Support Centers– Asian Development Bank

- TUSDEC is establishing 3 Engineering Support Centers under ADB and Government of Pakistan's five years SME Sector Development Programme.
- The centers will facilitate local industry with modern design and fabrication solutions, technical consultancy while upgrading the skills set of the engineers and technical workforce on modern CNC machines along with CAD/CAM and Metrology.
- A pool of seasoned local and foreign consultants has been financed for the top-grade construction of the centers, commissioning of the high-tech equipment and initial training of the manpower.

Geographical Locations: Peshawar KPK, Lasbela Baluchistan, Hyderabad Sindh

Target Group:

- Rubber & Plastic Goods Match Manufacturing,
- Metal and Metal Products,
- Engineering Industries
- Electronic Goods manufacturers
- Auto Rickshaw & Scooters/ Motor cycles industries
- Other Metal Aluminum Products Manufacturers
- Hunting & Sporting Arms manufacturers

Expected Impact/Outputs:

Hyderabad Engineering Support Centre

- **3600** jobs for CNC and conventional machining section in 3 years. Similarly, **1440** jobs in 3 years for each inspection & measurement and surface treatment & heat treatment sections.
- Total **1065** students would be trained in 3 years in different technical trades.

Light Engineering Up-gradation Centre for SMEs in Baluchistan

- The capacity of the common facility is 4 jobs/day and 960 jobs in a year for CNC and conventional machining section.
- Jobs/day for each inspection & measurement and other shops and laboratories.
- Parallel to a CFC, Light Engineering Up-gradation Centre will also provide training to approximately 176 students per year in various technical fields.

Peshawar Light Engineering Centre (PLEC)

- PLEC will also provide training to approximately **355** students per year in various technical and management fields.
- **1200** jobs in a year for CNC and conventional machining section
- jobs/day for each inspection, measurement, heat treatment & surface treatment sections

3. SkillTech International Karachi

- TUSDEC is running SkillTech International Karachi with an aim to empower industry professionals and youth with locally and internationally accepted training standards for better job prospects.
- Training are being offered in various trades including Specialized Course on PLC, Industrial Automation & Process Control (DCS/HMI/SCADA), Industrial Automation (PLC + HMI Development), HVAC Designing, PIC Microcontroller, Steady State Process Simulation, Field Instrumentation

Geographical Locations: Karachi, Sindh

Target Group: Industry Professionals, Engineers, Students, Marginalized Youth

Outputs/Impact:

- **332** individuals have been trained in various trades during 2016-17. The institute also offers international certifications which help trainees to find employment opportunities abroad.

4. Cement Research and Development Institute (CR&DI)

- TUSDEC restored the operations of CR&DI in January 2006 by its laboratory and upgrading its testing facilities with the funding of Rs 1.75 million from PIDC
- Providing top quality testing facilities following the global standards include Pakistan (PSS), Indian (IS), Srilankan (SLS), European (EN-197) & US (ASTM)
- Materials Tested include Cement (OPC, SRC, White, Blended), Fly Ash, Silica Fumes, Slag, Concrete Pavers, Grout, Clinker Dolomite, Iron Ore, Gypsum, Fire Bricks

Geographical Locations: Lahore, Punjab

Target Group: Construction and cement manufacturing industry

Outputs/Impact:

- Sample tested during the year are **991** and revenue generated is **Rs. 6.0428 M**

5. Skills for Job 2016 - Punjab Skills Development Fund (PSDF)

- TUSDEC is providing technical and vocational trainings to the unemployed /marginalized youth of pre-selected districts of Punjab to improve their livelihood chances through better employment prospects in national and international market. TUSDEC is currently offering training to PSDF trainees in Solar Photovoltaic and City & Guild Level 2 Electrical/Electronic Diploma.

Geographical Locations: Karachi (Sindh) and Lahore (Punjab)

Target Group: Un-employed Youth of all districts of Punjab

Outputs / Impact:

75 individuals were trained in NIDA Lahore/ Skill Tech Karachi in selected marked driven trades

- Solar Photovoltaic and Solar Thermal - 50
- Level 2 – Certificate in Engineering Electronic technology (City & Guilds) - 25

Completed Projects:

1. Research study on Women's Empowerment through Crafts, Entrepreneurship and Technology

- To provide craft and entrepreneurship landscape broadly and in relation to female communities.
- To understand the skills gaps and labor shortage affecting the crafts sector, including any differences or similarities across countries.
- To identify key players in relation to the skills gaps and shortages; outline market demand for their products.
- To identify potential partners and possible co-investors for future Programme development.
- To assess the role of technology and digital in the work of the key players – consider whether there are any key players using technology, specifically mobile and digital technology to advance their work.

Geographical Locations: All over Pakistan

Target Group: Women entrepreneurs, Crafts sector stakeholders

Outputs / Impact:

- Conducted detailed Literature Review
- Designed Institutional and Individuals Questionnaires for data collection
- Data collection and analysis
- Recommendations
- Final Report developed

2. Supporting TVET sector in KP& FATA (The European Union) 2012-17

- Establishment of a functioning provincial set up linked to the private sector that facilitates in demands and placement for technical training.
- At least 12,000 employable women and men from Khyber Pakhtunkhwa (KP) and the Federally Administered Tribal Area (FATA) trained in various technical skills and their post training professional situation monitored.
- Critical assistance to enhance capacities of selected technical and vocational training institutes.

Geographical Locations: All Districts of Khyber Pakhtunkhwa (KP) & FATA

Target Group: Vulnerable youth and women in rural districts of KP & FATA

Outputs/Impact:

- **16952** individuals enrolled, out of which **13,667** women and men from KPK and FATA are trained and passed out in various technical and vocational skills. The trainees are further linked with employers and MFIs
- Total placements/ entrepreneurship development support to **9143** trainees
- Up-gradation of **5** technical and vocational training institutes of KPK & FATA
- Trainings were offered in **62** market driven/demand oriented trades

3. FATA Transition and Recovery Programme - UNDP (2016)

- The project aimed to equip the natives with demand oriented vocational skills to become earning hands of their families. This will not only result in economic recovery of the area but also help the youth to streamline their energies in productive work.
- 625 trainees will be benefited with tool kits and Rs. 3000 Stipend per month.

- 2 to 3 Life skills sessions will be conducted.
- Career Counselling sessions for trainees
- Market linkages support for job placements and entrepreneurship development

Geographical Locations: Bara, Khyber Agency FATA

Target Group: Vulnerable youth and women

Outputs/Impact:

- Trainings provided to **625** marginalized youth, men and women of the area in demand oriented trades. (Jewelry making, hand embroidery, building electrician, solar and UPS technician, home appliance repair, plumbing)
- Career Counseling sessions
- Product display and certificate distribution ceremony for market linkages

4. Research and Development

PC – 1's Developed and Submitted to MoIP/PIDC during 2016-17

- Industrial Technology Acquisition Policy 2017-22
- Industry Technology Benchmarking
- Footwear Cluster Development through CAD/CAM & CNC Machining
- Technology Up-gradation of Cutlery Industry
- Up-gradation of Logistics Sector
- Construction Testing Facility
- Business Development Centre for Fisheries
- Industrial Designing & Automation Centres
- Industrial Mechanization Research Institute
- TUSDEC Designing Centres

5. Business Development & Marketing

- **30** Meetings were held with different national and International organizations to identify opportunities for collaboration

- 5 MoUs/ Agreements signed with different national and international organizations to collaborate and work together for technology upgradation and skill development initiatives:-
 - Agriculture Mechanization Research Institute, Multan
 - Corvit Systems Ltd. Peshawar
 - South Asian conversation Agriculture Network (SACAN) Services Pakistan
 - Alif Foundation
 - Globalis International
- 21 Request for Proposals(RFPs) / Expression of Interests (EOIs) submitted to different national and international organizations for projects related to Technology up-gradation and skill development during 2016-17:-
 - Proposal for Training of Master Degree Holders in General Subjects – HEC
 - Final_Cluster_Development_Based_Agriculture_Transformation_Plan-_V2025 – Planning Commission
 - Final_Cluster_Development_Based_Industrial_Transformation_Plan-_V2025 - Planning Commission
 - Establishing National Incubation Centre for Quetta and Peshawar – National ICT R&D Fund
 - ICT for women entrepreneurship Development Programme - National ICT R&D Fund
 - Conducting Training Needs Assessment (TNA) of Government Employees – UNDP Pakistan
 - Women Focused Employment Driven Training – PSDF
 - Provision of Services (trainers) and training raw material for 3 vocational and skill trainings for (30 women and 30 men) in Tehsil Chubara District Layyah – Doaba Foundation
 - Baseline study for “Pathways to Success (PTS)” Project, in Khyber Pakhtunkhwa, Punjab and Sindh” 2017 - USAID Training for Pakistan Project
 - Training Arrangements in Five Districts of Punjab - USAID Punjab Enabling Environment Project (PEEP)
 - Craft, Entrepreneurship and Technology for Women's Empowerment Research project " – British Council

- Request for Expression of Interest for Establishing Women Training Centres in FATA – FATA Development Authority
- Developing/Designing the Training Programme for Hospital Managers – Primary and Secondary Healthcare Department Punjab
- Proposal to Design and Deliver Training for Women Hub Owners, Managers and Workers on Grading and Packaging and Strengthening linkages between mango farmers and hubs - USAID - Agriculture Market Development Project CNFA
- Proposal for Empowerment of Women Garment Workers in Sialkot, Pakistan – UN Women
- Women Focused Trainings - PSDF
- Skills for Job 2016 - PSDF
- Enterprise Development Trainings in Swat – Lasoona NGO
- Expression of interest for Partnership in Food Security and Livelihood Programme (Punjab & KPK Province) – Johanniter International NGO
- "Call for Expression of Interest" for Local Partners – CESVI NGO
- ACTED Prequalification Application Document Projects in KP and FATA – ACTED

3.12.3 Karachi Tools Dies & Mould Centre (KTDMC)

Introduction

Company has been registered with a capital of Rs.450 million. A Tools, Dies and Moulds Centre has been set up at Karachi by the Company. The Centre is providing support to the country's dies and moulds sector in carrying out rapid prototyping through the latest technologies such as stereo-lithography since 2007, selective laser sintering and rapid tooling along with support for CAD/CAM and CNC machining.

The KTDM Centre has since been completed and has started trial production of tools, dies & moulds and training in Korangi Creek. A number of CAD/CAM and CNC courses have been completed and trained over 500 students in short term course and has started One-year diploma in Dies & Mould making in September 2008. Inauguration ceremony of KTDMC has been performed by the President on 11th February, 2008.

The KTDM Centre is Producing and Designing of Dies & Mould for on the Job training of semi-skilled and skilled workmen. These activities include,

Activities, Achievements & Progress 2016-17

KTDMC has served nation in following ways:

- Saves foreign exchange every year, as before formation of KTDMC, mould produce by KTDMC were imported from abroad;
- Moulds making technology upgraded by KTDMC in Pakistan.
- Provides training to under privileged class of Pakistan and ensure their job placement, which resulted decrease in unemployment.
- KTDMC is supporting the industries since inception. In recognition of KTDMC's outstanding services, Atlas Honda has bestowed KTDMC with an Award of Excellence.
- Served as an executing agency for NAVTTC in order to execute vocational training in the field of Auto CAD and Production Design & CAM.
- KTDMC for the first time in the history of Pakistan manufactured Lower Pressure Die Casting Mould (LPDCM)

Description	2017	2016	2015	2014	2013	2012	Growth
Students	465	460	452	437	361	312	8.31%
Courses	41	38	38	37	35	31	5.75%
Dies & Moulds	48	48	47	45	40	32	8.45%
Heat Treatment Cycles	68	67	73	50	45	40	11.20%
Reverse Engineering Hours	1905	2050	2014	2,500	2,065	1,888	0.18%
Number of Clients	94	83	80	60	55	48	14.39%

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3.12.4 Pakistan Stone Development Company (PASDEC)

Introduction

PASDEC was incorporated to up-grade dimensional stone industry, promote value addition and develop domestic and international markets by introducing modern know-how and equipment. Its Board of Directors include 2/3rd members from private sector and 1/3rd from public sector.

PASDEC aims to transform traditional stone sector into modern, competitive and knowledge-based industry through reengineering of the stone productive value chain and HRD. Currently, the average loss at the mines is estimated to be around 73% compared with 40% international standards. Production at the quarry sites is below 50% international standards. The irregular shape block, small sized blocks produced by unscientific methods also lead to high wastage (further 54%) during processing. Mining without proper prospecting and geological studies and processing by untrained staff on outdated machines by compressors, drill rods and blasting consequently result in wide fractures and asymmetrical raw material supply, resulting in wide fluctuation in quality of natural stone products. This subsequently, results in low yield, low productivity, low selling price, poor margin and weak competitive position in the export markets.

Activities, Achievements & Progress 2016-17

During the financial year 2016-17, PASDEC has shown considerable progress in all the pertinent areas such as;

1. Machinery Pools

- The Company has successfully implemented demonstration projects and introduced latest quarrying technology in Pakistan. Two Machinery Pools are currently operational at Gaddani and Risalpur, serving south and north regions respectively.
- A large number of mine owners are now shifting toward mechanized mining as their requirement of mechanized mining machinery at subsidized rental is being met through the machinery pools
- The quarry machinery pool project has been up-graded through World Bank funding to enhance production of square blocks in the country for ultimate increase in exports and minimize wastage of value able natural reserves. The company with dynamic policy measures and vigorous approach rented out all the

quarry machinery on subsidized rates to maximum lease holders in the period resulting increase in production of square blocks. The facilitated quarries are expected to produce 20,000 tons of square blocks annually.

- 13 sets of excavators and compressors are added to the Machinery Pool Risalpur through world bank funding all of which are rented out in short span of 2 months.
- The Company has generated revenue of Rs. 120.04 million by the deployment of machinery from its Machinery Pools during the period.
- For CIPK project, the Company has generated revenue of Rs57.64 million. PASDEC has earned Rs.5.76 million, as management fee agreed with the KPK government, being 10% of rental collection.

2. Quarrying Projects

- The company in collaboration with lease holders reactivated the quarries during the period. The quarries are as follows:
 - a. MQ Khuzdar
 - b. QUG Javed Khan, Buner
 - c. QUG Dir Granite
- Total production of handed over quarries during the period is 1560 square and 1360 semi square blocks and revenue collection is 1.5 million
- Total sales from other quarries is 2.34 million during the period

3. Marble Cities

- The Company remained successful in arrangement of 2-megawatt electric connection for marble city Risalpur. It is worth mentioning that 33 plots have been handed over to the allottees and after the electrification of Marble City Risalpur, industrial development process has been initiated on 18 processing units. Among which five units have started the production, whereas more units are expected to start production in the near future.
- Total receipts for the Marble City Project are Rs. 165.76 million during the period.

4. Miscellaneous Achievements

- PC -1 submitted for the establishment of Machinery Pool at Khuzdar to strengthen Marble Sector in Balochistan under 50% cost sharing by GoB and 50% by Federal Government (PSDP), Total cost of the project is Rs 773 million.
- MOU signed with Govt. of AJK to provide technical support for the development of the Marble & Granite sector of AJK

- MOU signed with Italian Development Committee to promote cooperation between the two countries in marble & granite sector.
- Government of Gilgit-Baltistan was briefed on their untapped sectoral prospective, and they agreed to enter into a long-term MoU with PASDEC to upgrade and exploit the dimensional stone sector of GB
- Italian Marble Association agreed to sign an MOU for establishment of Skill Development Centre, where in 50% of the project cost would be borne by the Italian Government. Negotiations are in process to finalize the deal.
- Matter of access to finance has been taken up with the SBP for M&G Sector.
- Proposal to include Marble City projects in the CPEC submitted to the Board of Investment.
- Proposals have been initiated regarding facilitation in relocation of machinery manufactures from China under CPEC and to restrict imports through non-tariff barriers.

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3.12.5 Pakistan Gems & Jewelry Development Company (PGJDC)

Introduction

PGJDC has been incorporated to introduce modern know-how/ practices and equipment both for Jewelry manufacturing and gemstone mining and cutting/processing to finished products for local and export market.

Activities, Achievements & Progress 2016-17

Gems & Jewelry Training & Manufacturing Centre:

- Total 61 training programmes conducted with 861 participants in Gems & Jewelry Training & Manufacturing Centre Karachi, Lahore, Quetta, Peshawar, Gilgit, AJK and Sargodha.

Following Facilities have been offered to sector:

- Gem lab is operational and issuing Gem Identification certification.
- Gemstone processing facility has been offered to the sector.
- Services of Rapid Prototyping Machine have been offered to the sector. It has up graded the technology and production capacity of the sector.

Gem Exchange

- Gem Exchanges have been established by PGJDC at Peshawar and Quetta, primarily to facilitate linkages between buyers and sellers of gemstones. It is an integrated approach of providing all the services under one roof, reducing costs and increasing cooperation amongst different stakeholders of the value chain.
- Gem Exchange Quetta is located at Prince Road, which is the hub of Gems and Jewelry trade in Quetta. PGJDC facilitates Gemstone trade through Gem Exchange Quetta and is striving hard to promote the Gemstone and Mineral Specimen treasures of Balochistan Province. At Gem Exchange Quetta, following facilities are being offered to the sector:-
 - Trading Booths: At Gem Exchange Quetta, 17 Trading booths have been established and rented out to the local gemstone sector on very subsidized rates where the booth holders are engaged in gemstone and mineral specimen trading.
 - Gem Identification Laboratory: The Gem Identification Laboratory at Gem Exchange Quetta is fully equipped with most up-to-date and sophisticated

equipment through which gem identification and testing services (Certificate and Verbal Opinion) are being offered to the local sector at very low charges.

- Gem Bazaars: Gem Bazaars are being held at Gem Exchange Quetta regularly in which gemstone sector stakeholders from all across Pakistan participate and get engaged in gemstone trading under one roof. So far, 12 Gem Bazaars have been conducted at Gem Exchange Quetta successfully.

Assaying and Hallmarking Centre Lahore:

- The Assaying and Hallmarking Centre Lahore is situated at Jamaluddin Afghani Road which is the heart and hub of jewelry manufacturers and retailers in Lahore. So far 62 members have been registered for Assaying and Hallmarking services by the center and a total of 842 articles have been analyzed (Special Analytical Services Laser marking /engraving /Hallmarking Services) during year 2016-17.

Assaying and Hallmarking Centre Karachi:

- The Assaying and Hallmarking Centre Karachi is situated at Abdullah Haroon Road Saddar Karachi which is considered to be the hub for jewelry manufacturing and designing in Karachi. So far 172 registered members have been registered for Assaying and Hallmarking services by the centre and a total of 1302 articles have been analyzed (Special Analytical Services Laser marking /engraving /Hallmarking Services) during the year 2016-17.

Dubai International jewelry Week:

- Participated in Dubai International Jewelry Week at Dubai World Trade Centre on 7-10 December 2016. Five (5) booths were set up during the event through PGJDC's platform.

2nd Pakistan International Gems & jewelry Exhibition in Lahore:

- PGJDC organized 2nd Pakistan International Gems and Jewelry Exhibition in Lahore at PC Hotel on 13-16 April, 2017. Seventy-four (74) exhibitors from all over Pakistan exhibited their products.

Gem Bazaars in Quetta, Peshawar & Gilgit:

- Organized 13th Gem Bazaar in Quetta at Millennium Mall on 23-24 October 2016. 30 exhibitors participated and displayed their products.
- Organized 17th Gem Bazaar in Peshawar at Nishtar Hall on 5-6 November 2016. 20 exhibitors participated and displayed their products.
- Organized 1st Gem Bazaar in Gilgit at Hotel Rupal Inn on 12-13 November 2016. During this show 30 exhibitors participated and displayed their products.

3.12.6 Pakistan Hunting & Sporting Arms Development Company

Introduction

PHSADC has been incorporated to create a properly organized hunting and sporting arms industry aiming to become an export based industry.

The Company will establish a Common Facility and Training Centre (CFTC) at Darra Adam Khel (DAK), a Gunsmith Skill Development Centre in Peshawar and an Industrial Estate with modern facilities at DAK. The total Project Cost of Rs. 96.81 million has been subscribed by PIDC.

Activities, Achievements & Progress 2016-17

Establishment of Common Facility and Training Centre (CFTC), Peshawar

- CFTC inaugurated by Honorable Minister Industries & Production Mr. Ghulam Murtaza Jatoi in December, 2016.
- CFTC has earned total business of Rs 1.4 million in 6 months.
- All machines are well engaged for the cluster

TOSS Show Exhibition at Islamabad.

- TOSS Show was planned in December 2017. Exhibition along with Shooting Competition was planned in Board of Director's meeting. A venue under Pak Army in Peshawar was identified and booked for the event.
- Budget, Planning and initial marketing/ promotion of the event were done at Social Media and among stakeholders.
- The same after non-availability of the budget was cancelled by the Honorable Board members.

Status of the Small Industrial Estate

- Site Identified and section 4 has been imposed and negotiation is in progress

1000 TT Magazines for USA

- 1000 TT magazines manufactured by Sherpao Arms and exported to USA

20 Revolvers for UK

- NOC for Export order for 20 revolvers from UK forwarded to MODP and the same is still awaiting approval

4 Revolvers for Canada

- NOC for Export order for 4 revolvers from Canada forwarded to MODP and the same is still awaiting approval

3.12.7 Furniture Pakistan (FP)

Introduction

The PC-1 of Furniture Pakistan & Initiation of Development Projects has been approved by the Development Working Party (DWP) of PIDC and by PIDC Board at a total cost of Rs.590 million.

A Sectoral Development Company has been formed, the Board of Directors of which has majority members from private sector who are prominent and leading personalities from the Furniture Industry of Pakistan. The company will coordinate with all the stakeholders and implement the strategy to upgrade the furniture industry of Pakistan thus helping to enhance the export of furniture.

Activities, Achievements & Progress 2016-17

1. Common Manufacturing:

- Common manufacturing services have been initiated by Furniture Pakistan during current financial year through CFTMC Chiniot, CEFWA Sargodha and CFTMC Peshawar, about 1350 products and other wood related jobs have been completed in lieu of common facility manufacturing.

2. Procurement of Land to Establish CFTMC Naushahro Feroze:

- Proposal for allotment of land for establishment of CFTMC Naushahro Feroze by PIDC from the already procured land by National Industrial Parks Development & Management Company (NIP) Karachi at Naushahro Feroze has been approved by Ministry of Industries & Production and subsequently approved by BoD, FP in its 29th meeting. The same case has been submitted to PIDC for allotment of 2.19-acre land vide letter number FP/HO/CEO/270417-01. Allotment of land is in demarcation phase along with that hiring of civil consultant is under process. Case of re-appropriation of already approved funds have also forwarded to PIDC.

Other Activities:

- A new product line has been devised and re-costing of entire product line has been done.
- For effective marketing and to introduce Furniture Pakistan in the market, a new brochure has been designed.

- For larger volume of business, Furniture Pakistan would be participating in tenders under the new strategic business plan.
- Rs. 1,812,630/- worth orders have been received and 98% productions on those orders has been completed at CFTMC Chiniot, CFTMC Peshawar and CEFWA Sargodha.
- Strategic business plan has been approved by MOI&P & PIDC and subsequently MOI&P directed PIDC to release the funds.
- Procurement plan for the procurement of raw material (raw wood, hardware and others), Generators for power backup at projects and essential machines has been approved by the BoD and the same has been forwarded to PIDC for release of funds so that activities as per approved Strategic Business Plan could be initiated for self-sustenance.

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Aik Hunar Aik Nagar (AHAN)

Introduction

The PC-1 of Aik Hunar Aik Nagar (AHAN) Project has been approved by Development Working Party (DWP) of PIDC and by PIDC Board at a total cost of Rs.200 million.

A Sectoral Development Company has been formed to implement the project, the Board of Directors of which has majority members from private sector. The objective of this project is to develop sustainable market driven interventions in rural areas aimed at enhancing employment opportunities and increasing income in the informal rural markets, thus leading to rural poverty alleviation.

Activities, Achievements & Progress 2016-17

1. AHAN Capacity Building Projects: To achieve its objectives, AHAN initiates clearly defined, handmade product-specific projects in rural and semi urban areas across the country for capacity building and training of the artisans and craft persons.

Following services were provided through AHAN projects.

- Craft related Skill Enhancement and capacity building
- Product development/Designing
- Technological Input
- Quality Assurance
- Marketing and promotion
- Financial Support through linkages

During the period under report, 07 new projects across the country were completed by AHAN. 4,600 artisans & crafts persons are being facilitated through AHAN's ongoing projects across Pakistan. AHAN encourages financial participation from stakeholders to execute such projects in order to ensure their ownership. The idea is to develop sustainability of the activities after the project period is over. Collaboration with private sector partners not only provides expertise in product development and design innovation but they also assist in providing employment opportunities for project beneficiaries. About more than 30% of these direct project beneficiaries have become independent entrepreneurs. They have also been exposed to high-end markets locally and internationally.

Sr. No.	Project	Donor/ Partner	No. of Artisans	Areas
1	Skill Enhancement and Livelihood Support project	UNHCR – RAHA	475	Quetta, Pishin, Ziarat, Loralai (Baluchistan)
2	Skill Enhancement & Livelihood Initiative (SELI)	UNHCR – RAHA	1000	Peshawar, Newshehra, Charsadda, Mardan, (KPK)
3	Training of Artisans	PRADO – SRSO	150	Bhit Shah (Sindh)
4	Skills for Market	Punjab Skills Development Fund (PSDF)	800	Sargodha District (Punjab)
5	Improved Livelihoods Through Creative Industries in Pakistan	CKU Denmark	1500	All Provinces
6	Women Economic Empowerment through Skill Enhancement	USAID	120	Pishin (Balochistan)
7	Marketing Support to AHAN-BISP beneficiaries Through E-Commerce	BISP & AHAN	555	All Provinces

2. Handcrafted Product Development and Quality Assurance: Though local crafts persons put their maximum efforts in producing traditional, ethnic products, however, they tend to neglect design improvement and diversification. Finishing, value addition and quality issues are also there. AHAN design section, in close coordination with marketing department continuously work on developing new products with improved designs, shapes, new uses, better motifs and color schemes for changing market trends.

During this year, more than 2,000 new products of various categories have been developed by AHAN, which are being produced by artisans associated with AHAN. AHAN has initiated the process for identification of artisans who can develop initial samples of masterpiece products through involvement of top designers of the country. AHAN designers under the close supervision and guidance of AHAN BOD Design Committee have started conducting basic research on designs, motifs, patterns and themes of products coming from different regions of Sub-Continent in sectors such as Textiles, Ceramics, Wood Craft, Silver Jewelry and Naqashi. Sample development is already being carried out through involving relevant crafts persons.

3. Marketing of Traditional Rural Crafts of Pakistan: During the period under report, AHAN continued focusing on enhancing rural producers' skills and arrange marketing channels for rural producers and their products developed through AHAN's capacity building programmes.

During 2016-17, AHAN carried out marketing activities in a systematic and sequential manner that includes:

- Conducted / Participated in 14 Exhibitions/Trade Fairs
- Sale of Rs. 42.76 million by the AHAN artisans / beneficiaries
- Sale of Rs. 4.66 million by Handmade (AHAN own brand)

a) Exhibitions/Trade Fairs: AHAN facilitated trained rural artisans to participate in exhibitions and trade fairs. Such exhibitions provided platform to rural artisans for market exposure through direct selling of their items and to establish market linkages with different market players. These events helped artisans from far off areas to establish business relationships with buyers, shopkeepers, designers, and major outlets. AHAN participated in a number of exhibitions and trade fairs arranged at national levels. A list of events attended by AHAN beneficiaries is given below:

Events during 2016-17:

- Emporium Mall Meena Bazar: 14th August 2016
- AHAN Handmade by Pakistan Exhibition: 22-24 Oct 2016
- Daachi Exhibition: 14-16 Nov 2016
- NDU Islamabad Exhibition: 10 Dec 2016
- Karachi CKU: 10 Dec 2016
- CKU PNCA Exhibition: 15-16 December 2016
- Creative Pakistan Sindh Exhibition: 27th Dec 2016
- Safa Gold Exhibition: 29th Dec 2016
- CKU Exhibition in KPK: 30 Dec 2016
- Karachi Exhibition: 18th January, 2017
- CKU closing ceremony Display: 20th March 2017

- 13th WCCI Exhibition: 13th May 2017
- DK in PK Display: 13th May 2017
- Eid Exhibition Peshawar: 23rd Jun 2017

b) Handicraft Stores/Outlets: Placement of newly developed handmade products is a major issue for artisans from far off areas of the country. Since opening exclusive outlets for such items requires huge costs and involves certain financial risks, AHAN has planned to obtain shelf spaces/racks at prominent locations e.g. design houses, production houses, shopping malls etc.

c) Online Marketing: To provide yet another option to rural craft persons, AHAN has joined hands with BISP (Benazir Income Support Programme) to 'e-market' handmade products developed by rural artisans of Pakistan through providing online selling opportunities. TCS has offered a separate page for products of BISP beneficiaries on its website www.yayvo.com. All products being produced by BISP & AHAN common beneficiaries have been uploaded on that page for online selling so that the consumers could place orders for purchase. Therefore, online selling facilities to artisans through www.daraz.pk, www.urbangalleria.pk and www.yayvo.com are ongoing.

3. Networking & Linkages: Since AHAN is the only organization under the federal government targeting rural cluster development engaged in producing handmade products/handicrafts, it has been successful, over the period, to bring all related actors together to address issues being faced by this very important sector. Several new proposals for collaboration with different donors and partners have been sent such as UNHCR, Canada Fund for Local Initiatives, Japan Embassy, Prime Minister Youth Business Loan Scheme, Benazir Income Support Programme, Punjab Skill Development Fund, Punjab Small Industries Corporation, Tourism Development Corporation of Punjab, P&D Department KPK, Provincial Women Development Departments, etc.

3.12.8 Pakistan Chemical and Energy Sector Skills Development Company (PCESSDC)

Introduction

The company has been incorporated with total project cost of Rs.209 million with PIDC 's share of Rs.100 million.

PCESSDC has been incorporated as a Joint Venture with M/s. Engro Chemical Pakistan Limited at Dharki, Sindh. Establishment of Technical Training Center is underway on 16.4 Acre area. The centre formally inaugurated classes have been started in 2011 as per schedule. The first batch of diploma in mechanical and chemical is in progress.

The company aims to provide quality technical education offering three-year diploma in the fields of chemical and Mechanical Technology, to turn out skilled manpower required by a number of fertilizer, oil and gas companies and power plants in the region.

3 years Diploma in Chemical Technology: There is a great need for good chemical technicians in our industrial sector specially in petroleum processing, pharmaceuticals, cement factories and power generation plants, to name a few. The Chemical Department has complete General/Applied Chemistry Lab to meet the academic requirements of the students. We are in process to establish labs for heat, mass transfer, fluid mechanics, electronics and instrumentation.

3 years Diploma in Mechanical Engineering: Design and development of machines and equipment used for manufacturing of production equipment. The Mechanical Department has well-equipped laboratories which include engineering labs, manufacturing workshops, drawings halls and CNC centers.

Activities, Achievements & Progress 2016-17

- Construction of Sona Auditorium funded by Fauji Fertilizer
- Establishment of Incubation Park funded by Engro Corp. to deliver entrepreneurship training to the students.
- Positions in SBTE (08 out of 10)

- Registration with Pakistan Philanthropy (PCP)
- Vocational courses with SRSO, PPAF, IRC & BBSYDP
- New Vocational Courses with NEVTTC & USAID
- 250 Skilled, DAE qualified workers given to the industry
- More than 1200 students were trained through VTC in different trade and given to the local industry/market
- Trained 100 Young Men and 100 Young Women through USAID Vocational courses named as “T.R.A.D.E. (Training Rural Artisans and Developing Expertise)”
- Successfully conduct 1st convocation of DAE graduates in Sona Auditorium. Chief Guest was Hussain Dawood, Chairman Engro Corp.

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3.12.9 Southern Punjab Embroidery Industries (SPEI)

Introduction

SPEI is a PIDC sponsored joint venture with a private entity M/s Alico. The project, the PC-1 of which has been duly cleared by DWP and approved by BOD of PIDC, has total project cost of Rs. 816.125 million which is shared between PIDC and private partner in the ratio of 26% (Rs.212.193 million) and 74% (Rs.603.932 million) respectively. The PIDC sharing is confined to capital cost/pre-operational only. The company having its head office in Multan, envisages setting up high quality embroidery manufacturing units, spread in and around Multan. Through this setup, not only the country will be having a high class state-of-the-art embroidery manufacturing facility but it aims at providing job opportunities to 4000 and plus artisans available in the area. This company also plans setting up training facilities for developing the skills of local artisans, mostly belonging to womenfolk, on modern lines. The plans also aim at exporting the product.

Activities, Achievements & Progress 2016-17

- To follow the Government / MoIP / PIDC Vision experiencing remarkable growth in areas of production of value addition and achieved its objectives of providing state of the art services to the local poor raw as well skilled artisans specially women.
- During the value addition work project engaged about more than 4800 local raw and skilled peoples in which most of them were women.
- During the year about 7900 people also got financial & technical benefits from the SPEI.
- SPEI is a supper active and one of the exclusive esteemed organization whom directly assist national vocational training commission of Pakistan prime minister secretariat.
- SPEI has signed MoU with NAVTTC for Prime Minister's Youth Skill Development Programme 2013-14 and PMYSDB phase ii & phase iii for the 2015-16 & 2016-17 by the Prime Minister of Pakistan.
- National Vocational & Technical Training Commission of Pakistan (Prime Minister Secretariat) has selected SPEI and singed MoU to assist them "Prime Minister's Youth Skill Development Programme 2013-14 up to 2016-17".

- SPEI has signed MoU with Technical Education and Vocational Training Authority (TEVTA), government of Punjab 2015-16 and during 2016~17 trainings of TEVTA are running smoothly successfully, a total of 2000 female in the 04 batches of 500/ students under TEVTA recently passed out and 99% students obtained 90% marks in their exam.
- SPEI has also signed MoU with PSDF (Punjab Skill Development Fund) government of Punjab for its trainings and signed MoU in August, 2016 and under the said project of 2016-17 trainings are now in progress. During the year about 1600 students are getting trainings in 08 different traits.
- Under a joint funded PC-1 of PIDC&SPEI about 1300 women are getting technical & vocational industrial trainings during 2016-17.

During 2016-17 SPEI acquired affiliations with the following authorities:

- SPEI is registered institute with TEVTA Punjab.
- SPEI is also registered with Punjab Board of Technical Education
- SPEI is also registered with National Vocational & Technical Training Commission (NAVTTTC).
- Punjab Technical Board of Education.
- SPEI is committed and stand with The Government of Pakistan for developing trained, Skilled, educated, cultured, prolific, flourished & empowered human resource for the country which should play their role for the achievement of Developed Pakistan.

PAKISTAN AUTOMOBILE CORPORATION
(a wholly owned subsidiary of PIDC)

BACK GROUND:

- Initially all nationalized automobile companies were placed under Board of Industrial Management (BIM) (automobile group).
- In 1973, BIM (automobile group) became Pakistan Automobile Corporation Ltd (PACO) a public limited company headed by a chairman appointed by GOP. BOD also appointed by GOP.
- Each of the companies had a separate Managing Director and BoD.

CURRENT STATUS:

- All PACO units already privatized, except SEL.
- Being a sick unit, SEL to be liquidated shortly.
- RML property at Lahore is under privatization.
- Yasoob companies; APL, ESL & TML under liquidation.
- Under policy of government to consolidate and improve management of state owned Enterprises (SOES) PACO administratively merged with PIDC by MOI&P in 2007.
- Converted into wholly owned subsidiary of PIDC.
- Entire shareholding of PACO and assets transferred to PIDC.
- After settlement of all issues PACO to be liquidated shortly.

MAIN ISSUES:

- Liquidation of Yasoob group companies; APL ESL & TML.
- Decree of Rs.250. Million in favour of NDFC/NBP against PACO's counter guarantee for ESL
- Complications in disposal of RML assets in Lahore; shared by 35% with private co-owners.
- Privatization/liquidation of SEL.
- Settlement of employee's issue of SEL for which funds requested by SEL (Rs.100 million).

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