



MESSAGE FROM THE
ADVISOR TO PRIME MINISTER ON COMMERCE, TEXTILE, INDUSTRIES &
PRODUCTION AND INVESTMENT

Publishing of year books has traditionally been a perfunctory exercise in the Public Sector departments. I am pleased to find that while compiling Year Book 2017-18, the Ministry has tried to follow the spirit of change with changing political ethos.

Ministry of Industries and Production has a specialized scope that aims at creating milieu for economic activities through sustained industrial process. The political leadership is committed to promote transparency and sharing of public policies with the stakeholders. The Year Book 2017-18 is a document that allows the stakeholders to discuss and debate the policy of the Government resultantly enhancing the prospects of a positive and constructive feedback. It will also help the Government to re-orient its policies according to the demands of the stakeholders and to create an environment which would help in the promotion of industrialization in the country.

I am sure that the Year Book 2017-18, would be a valuable addition to the library of readers including businessmen, investors researchers, policy makers and other stakeholders.

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Commerce, Textile,
Industries & Production and Investment



MESSAGE FROM SECRETARY INDUSTRIES AND PRODUCTION

It gives me immense pleasure in documenting the performance of the Ministry of Industries and Production for the year 2017-18, based on various activities conducted in the Ministry as well as its support organizations.

The document highlights the policies framed either directly by this Ministry or through its support organizations to promote industrialization in the country as well as special emphasis given by the Ministry on various emerging sub-sectors. The achievements made during the period under review would contribute towards creation of the enabling environment for growth and promotion of social & economic well being of the people and Industrial development in particular with an objective to achieve efficient sustainable and equitable development.

I hope the year book would prove to be a useful document for the improvement that would be a welcoming readers and researcher's gesture.

(Aamir Ashraf Khawaja)
Secretary

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1.0 INTRODUCTION

Ministry of Industries and 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 labor, 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 2017-18, 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 Inclusive Industrial Development”

MISSION STATEMENT

To play the role of facilitator in industrial development and entrepreneurship through policy intervention, setting up Industrial Parks and Export Processing Zones for investors, skill development of human resource for industrial sector and socio-economic development of country with particular focus on SME development and promotion of traditional crafts of Pakistan.

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. National industrial planning and coordination.
2. Industrial policy.
3. Employment of foreign personnel in commercial and industrial enterprises.
4. Federal agencies and institutions for: -
 - a. promoting industrial productivity;
 - b. promoting of special studies in the industrial fields; and
 - c. testing industrial products.
5. Keeping a watch, from the national angle, over general price trends and supply position of essential commodities; price and distribution control over items to be distributed by statutory orders between the Provinces.
6. Omitted vide SRO 973(1)/2017 dated 25-09-2017 (F.N.4-2/2016-Min-I).
7. Import and distribution of white oil.
8. Explosive (excluding the administration of Explosive Substances Act, 1908) and safety measures under the Petroleum Act, 1934 and Rules made thereunder.
9. Prescription and review of criteria for assessment of spare parts and raw materials for industries.
10. Administration on law on Boilers.
11. Administrative, financial, operational, personnel and commercial matters of Pakistan Garments Corporation.
12. Ghee Corporation of Pakistan Limited, and Pakistan Edible Oils Corporation Limited.
13. National Fertilizer Corporation, Lahore.
14. Development of Industries (Federal Control) (Repeal) Ordinance, 1979.
15. Economic Reforms (Protection of Industries) Regulation, 1972 (Regulation No. 125 of 1972).
16. All matters relating to state industrial enterprises, especially, in basic and heavy industries, namely: -
 - (a) State Engineering Corporation, Karachi.
 - (b) State Cement Corporation, Lahore.
 - (c) Pakistan Automobile Corporation, Karachi.
 - (d) State Petroleum Refining and Petrochemical Corporation, Karachi.
 - (e) Federal Chemical and Ceramics Corporation, Karachi.
 - (f) Pakistan Steel Mills Corporation, Karachi.
 - (g) Pakistan Industrial Development Corporation (PIDC);
16. 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. Admin & Finance (A&F) Wing

1. Administration / Establishment matters of main Ministry.
2. Budgetary and financial matters of main Ministry and its Organizations.
3. Foreign and local trainings, workshops and seminars.
4. Council and coordination work.
5. Matters related to USC and NPO.
6. Matters relating to MIS Centre.
7. Work relating to Assembly / Senate Business
8. Administrative matters of defunct department of supplies.
9. Litigation matters of MOIP and its Organizations

2. Chief Finance & Accounts Officer (CF&AO)

1. To tender advice in the delegated fields, where called upon.
2. To process, in accordance with the prescribed procedures, all cases relating to the non-delegated fields, foreign exchange and demands for supplementary grants which are required to be referred to the Finance Division.
3. All work relating to Public Accounts Committee (PAC) and Audit observations on appropriation accounts and ensuring compliance of the Committee's observations and recommendations and verification of records from AGPR & Audit.
4. To exercise internal checks on irregularities, waste and fraud in Terms of para 13 of the General Financial Rules, Vol-I in the Ministry and its attached departments.
5. To ensure compliance of all other rules and orders contained in the Federal Treasury Rules, General Financial Rules and instructions issued by the Finance Division from time to time.
6. To arrange meetings of Departmental Accounts Committee (DAC) for settlement of outstanding paras of inspection reports of main Ministry and its attached departments.

3. Large Enterprises Development (LED) Wing

1. Policy instructions to boost growth & development in various sub-sectors of industry with particular emphasis on Engineering Sector.
2. Enhancements of engineering goods export potential by introducing International quality standards up-gradation of technology to improve producing techniques and processes.
3. Industry facilitation through administration of various SROs by Engineering Development Board.
4. Preparation and finalization of budgetary proposals especially relating to tariff structures impacting industrial growth, in consultation with Federal Board of Revenue, Ministry of Commerce.
5. Overseeing large enterprises development issues like steel, cement, automobile, plastic, leather, sports, paper and pulp, construction and high-tech machinery.
6. Work relating to Administration and Establishment of following Organizations working in LED Wing:
 - a) Pakistan Steel Mills (PSM)
 - b) Engineering Development Board (EDB)
 - c) State Engineering Corporation (SEC) and its following subsidiaries:
 - ENAR Petro-Tech
 - Pakistan Machine Tool Factory (PMTF)
 - Heavy Electrical Complex (HEC)
 - Pakistan Engineering Company (PECO)
7. Policy Evaluation and Monitoring of Chemicals, Pesticides, Cement, Mining Industry and Surgical Instruments.

4. Medium Enterprises Development (MED) Wing

1. Preparation & Yearly review of SME Policy.
2. Overseeing / Implementation of SME Policy.
3. Creation of financial plans for SMEs and ensuring its outreach.
4. SME facilitation in creating backward and forward marketing Linkages
5. Work relating to Administration and Establishment of following Organizations attached with MED Wing:
 1. Small & Medium Enterprises Development Authority (SMEDA)
 2. Southern Punjab Embroidery Industry (SPEI)
 3. Spun Yarn Research & Development Company, Multan.
 4. Khaddi Crafts Development Company, Multan.
 5. Leather Crafts Development Company, Multan.
 6. Juice Producing and Packaging Lines for Fresh Fruits and Vegetables, Multan.
 7. AGRO Food Industry
 8. Pakistan Industrial Development Corporation (PIDC) including its following Companies: -
 1. Pakistan Stone Development Company (PASDEC)
 2. Pakistan Gems & Jewellery Development Company (PG&JDC)
 3. Pakistan Hunting & Supporting Arms Development Company (PHASDC)
 4. Furniture Pakistan (FP)
 5. Aik Hunar Aik Nagar Project (AHAN)
6. Ensuring preparation of quarterly and yearly plans for the above Medium sized companies attached to MOIP.

5. Industrial Infrastructure Development (IID) Wing

Core Tasks:

1. Preparation and implementation of long term (5 years) and short-terms (six months and more) industrial infrastructure development plans, with particular reference to Pakistan China Economic Corridor.
2. Preparation and implementation of trucking policy with the aim to facilitate present fragmented trucking system into a cohesive industry capable of dealing with Pakistan China Economic Corridor requirements.
3. Preparation, Implementation, monitoring and evaluation of Development Projects (Funded through PSDP, foreign funded or internally).
4. Work relating to Project Monitoring and Evaluation Cell.
5. Work relating to Administration and Establishment of following Organizations working in IID Wing: -
 - a) Export Processing Zone Authority (EPZA)
 - b) National Industrial Parks Development and Management Company (NIP).
6. Ensuring preparation of yearly and quarterly plans for the above Infrastructure development companies attached to MOIP.
7. Industrial Safety and Consumer Protection.
8. Administrative and Operational matters of Department of Explosives.

6. Investment Facilitation (IF) Wing

Core Tasks:

1. International Coordination except Pakistan -China Economic Corridor.
2. To ensure creation of an enabling environment from the entrepreneur perspective.
3. Investment facilitation and inter-ministerial coordination for removing bottleneck in the way of new and existing industrial investment projects.
4. Investment Facilitation Centre (IFC)
5. Enforcement of energy and industrial standards.
6. Bilateral Investment Promotion and Protection Agreements.
7. Matters pertaining to Labour Laws and ILO.
8. Coordination with International Agencies i.e. UNDP, UNIDO, World Bank, IMF, Asian Development Bank, Islamic Development Bank, etc.
9. Disposal of matters pertaining to SAARC including SAPTA, SAFTA and FTAs in the light of necessary input relating to tariff/custom duty under these Agreements provided by Deputy Chief (Technical).

7. Professional Skill Development (PSD) Wing

Core Tasks:

1. Identification of training & skills gaps of SMEs and Large-scale Industries.
2. Work relating to Administration and Establishment of following Organization working in 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 (CDTC), Gujranwala.
 - e) Pakistan Chemical & Energy Sector Skills Development Company.
 - f) Pakistan Institute of Management (PIM), Karachi.
 - g) Pakistan Industrial Technical Assistance Centre (PITAC).
 - h) Administrative and operational matters of National Fertilizer Marketing Limited (NFML).
3. Preparation of skills development plans in respect of the above Skills Development Companies attached with MOIP.
4. Administration of the essential commodities, price control, profiteering and laws including distribution and control within Federal Area.
5. Keeping a watch from the national angle, over general price trends and supply position of essential commodities, price and distribution, control over items to be distributed by statutory orders between the provinces.
6. Import of urea fertilizer and its distribution to bridge the demand/supply gap, if any during Rabi and Kharif.
7. All matters relating to NFC, NFC-IEFR, Faisalabad & NFC-IET, Multan
8. All matters relating to Fertilizer Review Committee and Fertilizer Policy (2001).
9. Matters regarding Sugar Advisory Board and Sugar Policy.

2.0 PUBLIC SECTOR DEVELOPMENT PROGRAMME (PSDP)

2.1 ACHIEVEMENTS IN PUBLIC SECTOR DEVELOPMENT

Achievements in Public Sector Development of Ministry of Industries and Production (Mol&P) during the year 2017-18 are as follows:

- Thirteen (13) development projects were executed during the Financial Year 2017-18 and an expenditure of **Rs.620.043 million** had been incurred in the implementation of development projects of Ministry of Industries & Production against total allocation of **Rs. 2737.270 Million**.
- Following projects were completed by 30th June, 2018.
 - i. Water Supply Scheme for Hub Industrial Trading Estate Phase-II (Extension)
- 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 the international markets.

2. In addition to the above, following new projects were processed during the FY 2017-18.

Departmental Working Party (DWP)

Rs. In Million

Sr #	Name of the Project	Total Cost	Status
1	Value addition in construction industry through CR&DI (Cement Research and Development institute) Upgradation	119.500	PC-I scrutinized/ processed in the Mol&P and submitted to DWP of PIDC.
2	Upgradation of CFC services for ceramics and sanitary ware sector at CDTC, Gujranwala	97.750	PC-I scrutinized/ processed in the Mol&P and submitted to DWP of PIDC.
3	Skill development & training project empowering Pakistan	72.606	PC-I scrutinized/ processed in the Mol&P and submitted to DWP of PIDC.
4	Industrial technology benchmarking (Revised)	36.340	PC-I scrutinized/ processed in the Mol&P and submitted to DWP of PIDC.
5	Development projects of Pakistan Gems & Jewellery development company (PGJDC)	67.590	PC-I scrutinized/ processed in the Mol&P and submitted to DWP of PIDC.
6	Development of pressure die casting (PDC) of Karachi tools, dies and moulds centre (KTDMC)	190.000	PC-I scrutinized/ processed in the Mol&P and submitted to DWP of PIDC.
Total:		583.786	

Central Development Working Party (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 CDWP meeting dated 19 th October, 2017.
2	Fruits, Vegetables and Condiments Processing Centre, District Nausheroferoze, Sindh	514.303	PC-I scrutinized/ processed in the Mol&P and approved in the CDWP meeting dated 19 th October, 2017.
3	Product Development Center for Composites Based Sports Goods, Sialkot	487.970	PC-I scrutinized/ processed in the Mol&P and approved in the CDWP meeting dated 19 th October, 2017.
4	Development Projects of Pakistan Gems and Jewellery Development Company.	2007.180	PC-I scrutinized/ processed and approved by the Mol&P for consideration of the CDWP.
5	Business Skill Development Centre for Women at Various Locations.	180.000	PC-I scrutinized/ processed and approved by the Mol&P for consideration of the CDWP.
6	Industrial Designing & Automation Centers Punjab, KP, Sindh & Balochistan	1280.000	PC-I scrutinized/ processed in the Mol&P.
7	Infrastructure Development of Gwadar Export Processing Zone	5400.367	PC-I scrutinized/ processed in the Mol&P and approved in the DDWP meeting for consideration of the CDWP.
8	Up-gradation of PMTF Facilities and Design Centre, Karachi	775.000	PC-I scrutinized/ processed in the Mol&P.
Total:		12,599.798	

2.2 PSDP Projects (Million Rupees)

Sr. No	Name of the project	Capital Cost	Allocation FY 2017-18	Releases in FY 2017-18
1	Establishment of Bostan Industrial Estate Phase-I	519.61	211.736	131.95
2	Establishment of infrastructure in Quetta Industrial & Trading Estate (Phase-II)	279.98	122.625	104.723
3	Hyderabad Engineering Support Centre (HESC), Hyderabad.	257.01	50.527	29.115
4	Light Engineering Upgradation Centre for SMEs in Balochistan (LEUC), Hub Lasbela.	250.57	42.614	15.037
5	Peshawar Light Engineering Centre (PLEC), Peshawar.	265.14	97.115	62.981
6	Provision of Infrastructure in Quetta Industrial State (Phase-IV)	194.70	76.567	62.997
7	Water Supply Scheme For Hub Industrial Trading Estate Phase-II (Extension)	353.22	111.855	109.778
8	Business Skill Development Centre for Women at Various Locations (New/Un-Approved Project)	180.000	28.000	0.000
9	Fruits, Vegetables and Condiments Processing Centre, District Naushero feroze, Sindh (New/Un-Approved Project)	519.18	321.50	0.000
10	Fruit Dehydration Unit, Swat (New/Approved Project)	59.940	20.000	19.559
11	Infrastructure Development of Export Processing Zone at Gawadar (New/Un-Approved Project)	5,400.367	1,116.96	0.000
12	National Business Development Programme for SMEs, All over Pakistan. (New/Un-Approved Project)	1,954.978	250.000	0.000
13	Product Development Center for Composites Based Sports Goods, Sialkot. (New/Un-Approved Project)	487.970	287.770	0.000
		10,722.665	2,737.27	536.14

3.0 PUBLIC SECTOR CORPORATIONS / ORGANIZATIONS

3.1 PAKISTAN INSTITUTE OF MANAGEMENT (PIM)

Pakistan Institute of Management (PIM) was setup under PIDC in 1954, and in 1956, it was made a national organization. In 1976, an independent Board of Governors (BoG) was constituted. PIM works under the administrative control of Ministry of Industries and Production (MoIP), GoP.

PIM's head office is located in Clifton, Karachi with one Branch office in Gulberg, Lahore. Both the buildings are owned by PIM and are purpose built. PIM also started its operations in Islamabad in December 2016. Presently, total number of employees is 119. Annual budget for the year 2017-18 was Rs. 235.815 million with grant-in-aid of Rs.84.776 million, which means around % 36 of expenditure, was met from grant-in-aid and around 64% from PIM's own sources of revenue.

PIM's Mission: Progress Through better Management and good Governance.

PIM's Charter / Vision: PIM is to take a lead role in Management Training & Development in Pakistan on a no-profit-no-loss basis.

PIM's Core Business / Activities:

Management Training, Education and Consulting.

PIM offers short duration management training Programmes in around one hundred (100) or more topics, and 3 to 4 month duration diploma & certification Programme in around fifteen (30) topics. PIM is the oldest and the larger management training institute in Pakistan.

A. Achievements and Initiatives Taken during last one year:

1. PIM trained 6,172 professionals of middle and senior management level from government, public sector organizations, and private sector organizations in 2017-18, which was 34% higher than that of last year figure.
2. So far PIM has trained around 190,000 managers and professionals since its inception in 1954.

3. A few new training Programmes and diploma Programmes were launched successfully, keeping in view the latest trends in management sciences and need of our client organizations.
4. During the year, 02 consulting assignments were completed for 2 commercial organizations in the areas of management functions. Since it re-launch, PIM has completed 9 such assignments in last 3 years.
5. 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 govt. This Programme initiated in January 2017 and was completed in December 2017. The Programme has been discontinued because it was basically for youth, whereas, at PIM, we focus on the training and development of managers and professionals. The two SEGMENTS of market are quite different and IT WAS difficult to manage.
6. Faculty members were trained to improve their training methodologies and effectiveness by an in-house workshop and also by sending them to different training Programmes offered by other similar organizations.
7. MoUs have been signed with many organizations to create synergy with other organizations and improve or enhance our offerings.
8. PIM operations were expanded and a branch office was established in Islamabad in collaboration with IIUI at ITS Faisal Masjid campus in Islamabad in early 2017.
9. Arrangements have been made to start PIM operations in Peshawar and Quetta. Operations will start before end of this year in both these cities, In Sha Allah.

3.2 Small and Medium Enterprises Development Authority (SMEDA)

SMEDA is a premier institution of the Government of Pakistan under Ministry of Industries & Production. SMEDA was established in October 1998 to take on the challenge of developing Small & Medium Enterprises (SMEs) in Pakistan. With a futuristic approach and professional management structure it has focus on providing an enabling environment and business development services to small and medium enterprises. SMEDA is not only an SME policy-advisory body for the government of Pakistan but also facilitates other stakeholders in addressing their SME development agendas.

SMEDA Mandate, as spelt out in the Ordinance, entails the following:

- Initiate, take, continue, implement and perform any and all activities for encouraging and facilitating the growth and development of SMEs
- Facilitate Policy-making and provide overall planning relating to SMEs in Pakistan
- Protect interests of SMEs
- Identify research parameters and priorities
- Conduct professional overall monitoring and evaluation
- Advise Federal Government for allocation of funds
- Act as resource base for providing expertise, information, data and statistics
- Provide, arrange and facilitate support services
- Establish association of persons, firm, company, body or corporation concerning SMEs in Pakistan

2. Vision and Mission

Vision

"Growth of globally competitive SME sector, through a conducive environment and support services, serving as an engine of sustainable growth for national economy"

MISSION

"To assist in Employment Generation and Value Addition to the National Income, through Development of the SME Sector, by helping Increase the Number, Scale and Competitiveness of SMEs"

3. OBJECTIVES

- Formulate Policy to encourage the growth of SMEs in the country and to advise the Government on fiscal and monetary issues related to SMEs.
- Facilitation of Business Development Services to SMEs.
- Facilitate the development and strengthening of SME representative bodies associations/chambers.
- Set up and manage a service provider's database including machinery and supplier for SMEs.
- Conducting sector studies and analysis for sector development strategies.
- Facilitation of SMEs in securing financing.
- Strengthening of SMEs by conducting and facilitating seminars, workshops and training programs.
- Donor assistances for SME development of SMEs through programs and projects.
- Assist SMEs in getting international certifications (such as UL, CE, DIN, JIS, ASME, KS, etc.) for their products and processes.

Salient activities/achievements of SMEDA during fiscal year 2017-18 are summarized below.

1. SMEDA's Business Development Support Services

- Walk-ins Facilitated: 9,264
- Investment Facilitation: PKR 534 Million (*Approx.*)
- Pre-feasibility Studies Developed: 46 (23 New, 23 Updated)
- Business Plans Developed: 21
- Training Programmes / workshops: 240 Programmes
- SMEDA Newsletter (*Quarterly*): 4 Issues, containing information on SME development initiatives
- SME Observer (Bi-Annual): 2 Issues with 10 research articles
- SMEDA Research Journal: 1 Issue with 3 research papers
- Annual Report: Annual Publication
- SMEDA Web Portal Downloads: 145,716
- OTC Documents/ Help Desk Material: 51 Over the Counter documents

2. SMEDA received Frost & Sullivan's Economic Development Innovation Award in the SME Sector

In recognition of SMEDA's services for SME development, Frost and Sullivan has awarded SMEDA with an *Economic Development Innovation Award in the SME Sector* as a part of its Best Practices Awards. Frost and Sullivan is an international consulting company operating in more than 40 countries. For the first time in Pakistan, a Public Sector organization has received an award in this category. This accolade has been awarded to SMEDA to recognize the best practices adopted by the organization to promote innovation in the SME sector.

Frost and Sullivan, analyzed the performance of SMEDA after a meticulous process, against other public sector companies operating in Pakistan and has recognized SMEDA's services as the best in Pakistan to promote SME led economic growth.

3. Research, Policy and Advocacy

One of the core areas of SMEDA interventions is research, policy & advocacy to protect and promote SME interests through facilitating creation of a conducive business environment.

a. SME Policy Development

SMEDA initiated exercise to Develop New SME Policy to facilitate SME-Led Sustainable Economic Growth. Since the approval of the SME Policy 2007, various initiatives have been taken to promote SME growth in the country. The Policy laid down a comprehensive roadmap for achieving coordinated growth in the SME sector resulting in job creation and reduction in poverty. Since the SME Policy was approved in 2007, a considerable time has been passed and economic & business dynamics have changed substantially that calls for renewed commitment of the Government of Pakistan to develop facilitating business environment to enable local SMEs to exploit emerging opportunities in international market. Thus, it has become imperative to develop a new Policy framework. SMEDA has now embarked upon an exercise of revision of SME Policy 2007. Technical assistance for this initiative is being provided by USAID's Small & Medium Enterprise Activity (SMEA) Project.

b. Recommendations for Federal Budget 2017-18:

During FY 2017-18, SMEDA developed recommendations for Federal Budget 2017-18 in consultation with SME stakeholders on areas regarding taxation, tariffs, regulatory procedures and any other issues that impede SME growth. Nationwide budget consultative sessions were held in 7 cities including Lahore, Karachi, Quetta, Peshawar, Gujranwala, Rawalpindi, and Sialkot to solicit inputs from the business community.

c. Exploratory study on China Pakistan Economic Corridor (CPEC).

In order to identify exportable products that have a potential to increase opportunities for SMEs under China Pakistan Economic Corridor (CPEC) and in turn boost Pakistan's exports, SMEDA has conducted an exploratory study on CPEC. The study aims to benefit the SME sector and will also be helpful for policy makers to design strategies for SME growth. The study is available at SMEDA's website.

d. Policy Input:

In addition to above, following policy inputs were also provided:

- a. Recommendations for Strategic Trade Policy Framework (STPF) 2018-23.
- b. Proposals for E-commerce Policy Framework were developed and submitted to Ministry of Commerce.
- c. Policy recommendations/comments developed for Draft Gender Policy Advocacy Group Action Plan (SAARC-GPAG Action Plan).
- d. Comments developed on Punjab Industrial Policy.

4. Special Projects with International Development Partners

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

The Economic Revitalization of KP & FATA (ERKF) is a Multi Donor Trust Fund (MDTF) Project and administered by the World Bank. The project was initiated in the year 2012 and first round of the project was implemented during 2012-2017. After the successful completion of Round-I, the MDTF extended the project to Round-II (2017-2020). The total allocated amount for the SME Development Component of the Project is Rs.11.6 Million (Rs.7.4 Million for KP and Rs.4.2 Million for FATA). During the year, ERKF project under the Khyber Pakhtunkhwa component has approved 303 grant applicants amounting to Rs.223 Million in different SME Sectors since start of the Round II.

b. 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. During 2017-18, JICA Experts and SMEDA ISC staff completed the technical assistance to 20 factories. Process for Technical Evaluation was carried out for the selection of remaining 30 factories.

c. Revival of Investment Promotion Unit (IPU)

An Investment Promotion Unit, in collaboration with UNIDO and funded by the Italian Government, was established at SMEDA for investment promotion for Pakistan's SMEs and to channelize 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 2017-18, SMEDA facilitated business delegations (including women entrepreneurs) to various trade fairs in Italy to promote B2B linkages, share knowledge & information, industrial development & collaboration and to boost exports.

d. Subcontracting Partnership Exchange Programme Pakistan (SPX Pakistan)

SMEDA 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. 228 enterprises have been registered and these SPX Pakistan members have now become a part of the UN IDO global subcontracting network.

5. SME Development Projects under Public Sector Development Programme (PSDP)

In Pakistan, insufficient infrastructure and technology are major constraints that hinder SME productivity and competitiveness. To cope with this challenge and to have a demonstration effect through use of modern technologies, SMEDA is implementing various projects across Pakistan funded through Public Sector Development Programme (PSDP). During FY 2017-18, Following ongoing PSDP Projects of SMEDA were inaugurated:

- a. Honey Processing & Packaging Plant, Swat:** The facility provides proper Honey extracting & processing, cleaning and packing facilities to the honey bee farmers, traders and exporters at their doorstep. The common facility center offers services to increase export of Honey by providing following international standard facilities to the cluster stakeholders.
- b. Common Facility Centre for Silk Cluster, Swat:** The center offers facilities to improve quality of silk cloth by provision of dyeing, washing and pressing facilities in the cluster.
- c. Women Business Development Center (WBDC), Mingora, Swat:** WBDC provides a secure facility for women entrepreneurs promoting especially home based business to conduct business in more formal manner. The center includes offices, display facility and training opportunities for women entrepreneurs of the region.
- d. Sports Industries Development Centre (SIDC), Sialkot:** This Common Facility Centre has been established at a total cost of Rs. 435.63 Million to enable sports goods sector to adopt new technology of mechanized ball. SIDC is providing following facilities/services to SMEs:
 - Manufacturing for bladders, basket balls and thermo laminated balls of all sizes
 - Manpower/ Skill Development
 - Prototype Development & Mould making services
 - Laboratory facility for testing of raw material and all kind of balls as per FIFA standards.

In addition, Planning Commission has approved five new projects worth Rs. 3.21 Billion for implementation by SMEDA. An allocation of Rs. 907.27 Million has been made in PSDP 2017-18 for following new projects:

- a. Product Development Center for Composites Based Sports Goods, Sialkot
- b. National Business Development Programme for SMEs, All over Pakistan
- c. Fruits, Vegetables and Condiments Processing Centre, District Naushehroferoze

- d. Fruit Dehydration Unit, Swat
- e. Business Skill Development Centers for Women at Various Locations

6. Feasibility/ Research Study on Cluster Development Based Mineral Transformation Plan/ Vision 2025

SMEDA was awarded a contract for a project titled 'Feasibility/ Research Study on Cluster Development Based Mineral Transformation Plan/ Vision 2025' by the Planning Commission, Government of Pakistan. The project entails an extensive study of 20 mineral clusters of Pakistan. Through the project, the government intends to develop new mineral clusters besides improving the efficiency of existing ones throughout the value chain i.e. supply-chain development, market intelligence, attraction of foreign direct investment, improved processing, and achieving desirable technical/ quality standards.

7. Sector Specific Thematic Helpdesks

In order to enhance the scope of SMEDA helpdesk and to build a platform, where SMEs can interact and discuss their business related issues with professional experts, SMEDA has introduced the Programme of organizing Theme / Sector Specific Helpdesks (TSHDs). These helpdesks provide an opportunity for SMEs to seek expert guidance from industry experts regarding managing business operations, increasing market awareness and networking support, access to finance, technological advancements and managing human resource. During 2017-18, SMEDA organized 85 thematic helpdesks nationwide to cover areas as diverse as Starting and Managing Small Business, Women Entrepreneurship, Income Tax and Sales Tax Issues, Tunnel Farming, IPR Protection & Enforcement and Trade Mark Registration, Tax Compliance for Exporters, and Online Business etc.

8. 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 programs. A few key initiatives undertaken during the period are as follows:

- a. 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.
- b. 3S Forum:** The State Bank of Pakistan has established an institutional committee with SMEDA and the Securities & Exchange Commission of Pakistan (SECP) as members to ensure a ready mechanism for information exchange and to propose recommendations for creating a facilitative regulatory environment for enhancing SMEs access to finance.
- c. Credit Guarantee Scheme (CGS):** SMEDA is a member for Steering Committee on Credit Guarantee Scheme.

9. Institutional Collaborations and Partnerships

One of the core functions of the organization is to strengthen institutional ties with local and international agencies. During 2017-18, SMEDA signed Memorandum of Understanding (MoU) with Bannu University of Science and Technology, Shaheed Benazir Bhutto Women University (SBBWU), Brains Institute, Peshawar for establishment of Entrepreneurship Development Centres and with Agriculture Department, Government of Sindh to promote Entrepreneurship in Agriculture Sector.

10. SMEDA Received Award for Best Supportive Organization for Promotion of Women Entrepreneurship in Khyber Pakhtunkhwa

SMEDA received the award for Best Supportive Organization for Promotion of Women Entrepreneur by Women Chamber of Commerce and Industries Peshawar Division (WCCIPD) in recognition of its services that are being provided to Women Chamber to support SMEs. SMEDA helped WCCIPD in developing the proposal for two major funding projects (Rs.10 Million grant by the Chief Minister Grants Fund and Rs. 2.3 Million by Export Development Fund), which were approved for WCCIPD and later on SMEDA extended support for maximum and effective utilization of funds.

3.3 Department of Explosives (DOE)

INTRODUCTION

Department of Explosives is an attached department with the Federal Ministry of Industries, which implements the enactments on the subject and policies of the government. It is a technical-cum-administrative department and its main objective is to ensure and enhance the public safety within the licensed premises. Established in 1884.

Department of Explosives administered Two Acts, namely Explosives Act, 1884, and Petroleum Act, 1934. Whereas, under Explosives Act, 1884, Explosives Rules, 2010 has been formulated for safe handling, storage, usage, manufacture, transportation, importation and exportation of Explosives Material. Under Petroleum Act, 1934 three rules namely Petroleum Rules 1937, Carbide of Calcium Rules, 1937 and Mineral and Industrial Gases Safety Rules, 2010 has been formulated for the safe storage, transportation, importation and exportation of Petroleum Products, Carbide of Calcium, Pressure Vessels and Cylinders etc.

VISION:

Safe & Secure Pakistan

MISSION:

To ensure the Public Safety and Security of human lives and property within the licensed premises.

Objectives:

To ensure the public safety and security of human lives and properties within the licensed premises, with respect to manufacturing, transportation, storage, import, export, selling and use of:

- Commercial Explosives
- Petroleum Products
- Hazardous chemicals.
- Mineral Compressed/ Liquefied Gases like CNG, and LPG.

Industrial Compressed Gases like Acetylene, Chlorine, Ammonia, Nitrogen and oxygen

PERFORMANCE OF DEPARTMENT OF EXPLOSIVES:

S. No.	Activities	Islamabad	Lahore	Karachi	Multan	Peshawar	Quetta	Total
1	License Granted	169	469	164	538	176	44	1,560
2	License Renewed	585	1,158	6,589	1864	453	293	10,942
3	License Cancelled	15	16	2	12	7	-	52
4	License Suspended	7	-	-	-	1	-	8
5	License Expired	55	182	27	-	17	15	296
6	Inspection Conducted	609	3,628	2,524	322	669	41	7,793
7	Vehicle Approved	543	2,797	2,554	245	744	10	6,893
8	NOC/ Permit	31	309	-	-	-	-	340
9	Layout GPL	-	288	11	-	-	28	327
10	ESPI/Meeting	-	20	16	-	-	-	36
11	Court Attendance	4	70	16	22	8	-	120
12	Revenue Earned	133,916,812	26,465,828	48,829,582	26,064,635	24,522,668	5,816,162	265,615,687
13	Expenditure Incurred	19,619,619	8,894,799	8,062,101	5,542,668	4,361,693	3,465,997	49,946,877

REVENUE TARGETS

Revenue During 2017-18	Estimates	Revised Estimates 2017-18	Actual Revenue collected during 2017-18
350,000,000		350,000,000	265,615,687

3.4 Export Processing Zones Authority (EPZA)

INTRODUCTION

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 & Production.

VISION

Proactively facilitate the investors and create enabling environment for them to enhance export-led manufacturing, trade and investment so as to achieve export of US \$ one Billion in coming years.

MISSION

Making all arrangement for planning, development and management of the zones and to provide for matters connected therewith or ancillary thereto.

OBJECTIVES

- To attract foreign capital, sophisticated technology, modern management skill for export oriented industrial growth;
- To provide new employment opportunities for Pakistanis and to upgrade their managerial and technical skill;
- To provide a growing market at home for country's raw material, semi manufactured goods, sub-contracting and service industries;
- To increase the foreign exchange earnings of the country by export of "value added" and
- To provide a 'show window' for displaying the ability and enterprise of country's work force to attract foreign investment in the country.

Export Performance of Zone during July 2016 – June 2018

(Figure in US \$ Million)

S. No	Name of EPZ	Export during July 2017 to June 2018	Cumulative since Inception Export
1.	Karachi EPZ	517.910	5,438.276
2.	Saindak EPZ	60.099	2,047.568
3.	Duddar EPZ	30.852	83.256
4.	Risalpur EPZ	0.658	18.504
5.	Sialkot EPZ	4.665	18.809
6.	Tuwairqi EPZ	-	29.288
7.	Gujranwala EPZ	0.597	1.435
	Total:	614.781	7,637.134

MAJOR ACHIEVEMENTS

- Made export US \$ 7,637.134 million cumulative since 1983 to 30-06-2018 from EPZs.
- For the previous year 2018 (30-06-2018) exports from EPZs was US \$ 614.781 million.
- Provides jobs to 35,000/- local population.
- EPZA has contributed an amount of US \$ 70.00 million in Government treasury on account of Presumptive tax.

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).

Progress of other Zones

ZONES NOTIFIED / IN OPERATION

PROJECT 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)

1. INTRODUCTION

Pakistan Industrial Technical Assistance Centre (PITAC) was formed in 1961 with the merger of Industrial Research and Development Centre (IRDC) and Industrial Productivity Centre (IPC) as an Attached Department and Converted into **Autonomous Agency** in **1962** and registered under Societies Registration Act 1860.

PITAC is a Non-Commercial and Non-Profit Making Organization, which contributes in the promotion of National Economy through Development of Engineering Products, Prototype Products, and Skilled Manpower.

2. MISSION STATEMENT

To Upgrade, Advice, Disseminate, Extend Assistance and Skill Development in Technical and Managerial fields to Individuals and Organizations throughout Pakistan.

3. SCOPE

To provide Assistance to the Industry by way of Training, Advisory and Technological Back up Support Services.

4. FUNCTIONS

The main objectives/functions of PITAC are as follows:

- To Train and Upgrade the skills of Industrial Personnel in the Technical and Managerial fields, Technical Education and Entrepreneurship Training and Development.
- Disseminate modern technical knowhow among industrial personnel through Seminars, Group Discussions, Workshops and Demonstrations.
- Extend advisory services to industries;
- To provide Technological Back Up Support Services to the Industry by way of Designing and Manufacturing of Production Tooling equipment like Dies, Molds, Jigs, Fixtures, Gauges, etc, making use of facilities available in Casting, Conventional / CNC Machining, Heat Treatment, Grinding, Super finishing etc.
- In conjunction with the training programmes, the centre also introduces 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.

5. Geographical Coverage

PITAC has its Head Quarter in Lahore Pakistan and its Regional Centre(s) in Quetta Baluchistan, Mirpur AJ &K, Peshawar KPK, Karachi Sindh, Gilgit, GB and Islamabad, for ensuring its access to all over Pakistan.

6. Core Functions

PITAC has following functions:

- Technological Backup Support and Advisory Services
- Technical and Managerial Training Services
- Technical Education
- Entrepreneurship Training and Development

7. Technological Back up Support and Advisory Services

PITAC provides 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, and 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.
- Injection Molding of Plastic Products (prototype)
- Advanced Inspection Techniques i.e. Co-ordinate Measuring Machine etc.
- Programmable Logic Controllers
- Heat Treatment of Metal Parts
- Foundry and Pattern making
- Preventive Maintenance and Calibration
- Super finishing Techniques i.e. Lapping, Honing, Precision Surface Grinding etc.

SME's and Industry are being benefitted by PITAC through its 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.

The details of selected performance indicators and achievements against the planned targets set out in F.Y 2017 – 18 are given as under:

Sr. No.	Outcomes	Selected Performance Indicators	Number of Jobs	
			Planned	Achieved
1.	Provision of Technical Support and Advisory Services to Industry.	Computer Aided Designing (CAD) of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	102	167
2.		Computer Aided Machining (CAM) of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	167	526
3.		Reverse Engineering of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	38	38
4.		Conventional Machining of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	1026	1182
5.		Inspection Services of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	339	497
6.		Heat Treatment of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	266	522
7.		Super Finishing of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	39	80
8.		Tool Room Machining (TRM) of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	288	636
Total Number of Jobs:			2265	3648

8. Sectorial Beneficiaries of PITAC

- Original Equipment Manufacturer (OEM)
- OEM Support Industry / Vendors
- Auto parts Manufacturers
- Tractor Manufacturers and their vendors
- Plastic Parts Manufacturers
- Public Sector Research and Development Organization
- Small and Medium Enterprises (SMEs)
- Defence Support Organization
- Light Engineering Sector
- Die and Mould Making Industry
- Home Appliances Manufacturers
- Process Industry

9. Professional Skill Development Services

(Technical Education, Technical & Managerial Training Services and Entrepreneurship Training and Development)

Vision 2025 emphasis on Developing Human and Social Capital in Pakistan, to support National Economy. PITAC is playing its role in the implementation of Vision 2025 by providing On the Job Training (OJT) and Need Based Training to the Industrial personnel, individuals and underprivileged youth of the country. PITAC trained Technical Manpower is also exported to Middle East and Europe. 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 has continued to offer Short Term Intensive Training courses in Techno-managerial fields, these courses are designed such 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 being them in conformity with the changing needs.

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

Besides that, PITAC has also extended its Skill development outreach by entering into Technical education, after the establishment of PITAC College of Technology for DAE Programs in Mechanical Technology and also plans the commencement of BS Technology and B.Sc. Engineering Programs in near future.

PITAC has also revived the function of Entrepreneurship Training, by the establishment of Entrepreneurship Training and Development Department (ETDD) in March 2018.

The performance of PITAC during F.Y 2017 - 18 in particular is as follows:

Sr.	Outcomes	Selected Performance Indicators	Number of Courses
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No.			& Trainees	
			Planned	Achieved
1.	Provision of Technical and Managerial Training Services, Technical Education and Entrepreneurship Trainings to Public and Private Sector Organizations, Industries, Industrial Personnel and Individuals	No. of Courses conducted in Technical and Managerial Training Fields	244	273
2.		No. of Trainees Trained in Technical and Managerial Training Fields	2116	2681
3.		No. of Workshop / Seminars / Symposiums organized in Technical and Managerial Training Fields	66	78
4.		No. of Participants participated in Workshop / Seminars / Symposiums of Technical and Managerial Training Fields	2518	3209
5.		No. of Courses / Workshop / Seminars / organized for Entrepreneurship Development	2	2
6.		No. of Participants participated in Courses / Workshop / Seminars / organized for Entrepreneurship Development	150	150
7.		No. of Technical Personnel trained under Apprenticeship Training Program (For Engineers, DAEs and Technicians) and Internship Training Program (For University / College Students)	100	38
8.		No. of Technologists inducted under Technical Education Program of Three (03) Year Diploma of Associate Engineer (DAE) in PITAC College of Technology (PCT)	150	150
	Total Number of Courses in Technical and Managerial Fields, Technical Education and Entrepreneurship Trainings		312	353
	Total Number of Trainees in Technical and Managerial Fields, Technical Education and Entrepreneurship Trainings		5034	6228

10. HIGHLIGHTS OF ACTIVITIES, EVENTS AND SUMMITS DURING THE F.Y 2017-18

a. CPEC THINK AND GROW SUMMIT

PITAC has organized a CPEC Think and Grow Summit in Collaboration with CPEC Centre of Excellence & JIANGSU University, China on 31st March 2018 at PITAC HQ Lahore.

The summit themes are as follows:

- CPEC Regional Trade and Foreign Direct Investment
- Logistics and Transportation Opportunities and Challenges
- National Agriculture and Food Security Action Plan
- Social and Economic Welfare
- Energy and Environment



The following International and National Speakers & Dignitaries have graced the event by their worthy presence:

- Former Minister for Planning, Dev. & Reforms
- Dr. Shahid Rashid (ED, CoE - CPEC),
- Dr. Cui Yong (Dy. Sec. General Belt & Road /Vice Dean Jiangsu University, China)
- Dr. Dragana Ostic (Assistant Professor Jiangsu University)
- Dr. Hasan Sohaib Murad (late) (President, UMT),
- Dr. Hasnain Javed (Advisor / Master Trainer PITAC, MoIP)



b. VISIT OF DR. CUI YONG, DEPUTY SECRETARY GENERAL, BELT AND ROAD INITIATIVE OF UNIVERSITY ENTERPRISE ALLIANCE AND PROFESSOR AND VICE DEAN OF JIANGSU UNIVERSITY, CHINA

Before the summit, Dr. Cui Yong, Deputy Secretary General, Belt and Road Initiative of University Enterprise Alliance and Professor and Vice Dean of Jiangsu University, China visited PITAC on 28th March 2018.

He had consented for collaboration with PITAC in terms of Technology Transfer, Faculty Development Program (FDP), Faculty Exchange Program (FEP), Student Exchange Program (SEP) Technical University, National Technology Incubation Centre, Technical Assistance and Training Centres in SEZs and IT Park.



c. ENTREPRENEURSHIP TRAINING AND DEVELOPMENT DEPARTMENT (ETDD)

Pakistan Institute of Entrepreneurship Training (PIET) was merged with PITAC in April 1997. It is revived as Entrepreneurship Training and Development Department (ETDD) in HQ Lahore and Entrepreneurship Training and Development Cells (ETDC) in Regional Centre(s) and inaugurated by Former Minister PD&R on 31st March 2018.

ETDD intends to offer Entrepreneurial and Management Trainings for Small Scale Entrepreneurs. The inaugural session of Conceptpedia Lecture Series held in PITAC HQ Lahore.



At the end of the session, PITAC signed MoU with CPEC – Centre of Excellence and University of Management and Technology Lahore.



d. Project management for women Entrepreneurs

Pakistan Industrial Technical Assistance Centre (PITAC), HQ Lahore conducted a two day training workshop on “Project Management for Women Entrepreneurs” on Friday, Feb 09, 2018 and Saturday, Feb 10, 2018 from 9 am to 6 pm.

The main agenda of this workshop is to provide platform to women from rural sector of Pakistan to discuss and present their innovative ideas which are executable with low cost budget. The training workshop enriched the participants with aid of specializing in generating business plans and designing of cost-efficient market strategies to maximize the profit and minimize the waste. The successful entrepreneurial journey is also shared by the guest speakers of the event.

The workshop was attended by 65 women aged from 18-30 years from both rural and urban sectors division of Punjab and on average with Bachelors level of education along with diverse skill based certifications.



3.6 National Fertilizer Corporation (NFC).

INTRODUCTION

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

- Pakarab Fertilizers (Pvt.) Limited, Multan
- Paksaudi Fertilizers Limited, Mirpur Mathelo
- Pak American Fertilizers Limited, Daudkhel
- Pakchina 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.

VISION

- To be a premier organization with focus on contribution to economic development of the country.

MISSION

- To contribute in meeting Government objective to facilitate the farmers by ensuring the availability of fertilizer across the country and playing a balancing role in fertilizer industry.
- To pursue excellence in education in engineering & emerging technologies disciplines and provide an environment conducive for teaching and learning.
- To coordinate and control the group activities, lay down guidelines for economic and technical development of the Corporation.

ROLE & OBJECTIVES

- 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.

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

Activities, Achievements and Progress of NFC and its Companies During 2017-18

National Fertilizer Corporation of Pakistan (NFC)

- NFC being the holding corporation facilitates its subsidiaries i.e. National Fertilizer Marketing Limited, Lahore and NFC Institute of Engineering & Fertilizer Research (Pvt.) Limited, Faisalabad in managing their affairs in efficient manner. NFC has remained in profitable position during the year 2017-2018.
- During 2017-18 NFC earned a pre-tax profit of Rs.191.522 million. All the expenditure remained within the budgetary limits.
- NFC has deposited an amount of Rs.100 million as dividend into Government Treasury during 2017-2018.
- In order to expand engineering educational facilities and compete with other engineering institutions, NFC has envisaged establishment of NFC Institute of Engineering & Technology, Naushahro Feroze, Sindh.

National Fertilizer Marketing Limited (NFML)

- NFML Urea sales during Kharif 2017 has played vital role in terms of price and availability of Urea across the country. The average price of Urea of all Urea brands remained significantly lower than the price fixed by the Government.
- All the temporary stores have been de-hired after liquidation of stocks and handed over to the owners.
- Sales performance of NFML during the year is as under:

(M. Tons)

Month	Sales	Closing Stock
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July 2017	46,338	112,650
August 2017	64,788	47,862
September 2017	30,383	17,479
October 2017	6,743	10,736
November 2017	9,226	1,510
December 2017	1,510	0
Total: -	158,988	

NFC Institute of Engineering & Fertilizer Research, Faisalabad

The Institute has generated income of Rs.356.373 million during 2017-18 and incurred expenditure of Rs.343.647 million showing a profit of Rs.21.725 million during the year.

Main Activities

Following educational programmes are being regularly carried out at the Institute: -

- **M.Sc Degree Programs:**
 - (i) Chemical Engineering
- **B.Sc Degree Programs:**
 - (i) Chemical Engineering
 - (ii) Electrical Engineering
 - (iii) Mechanical Engineering
 - (iv) Computer Sciences (Hons.)
 - (v) Civil Engineering
- **B.Tech. Degree Courses:**
 - (i) Chemical Technology
 - (ii) Electrical Technology
 - (iii) Mechanical Technology
 - (iv) Civil Technology
- **Social Sciences Degree Courses:**
 - (i) Bachelor of Business Administration

Academics

- The admissions of all programs, semester examinations and declaration of results were remained in full swing in accordance with the time schedule as per rules prescribed by UET and IE&FR.
- 1st year admissions (Entry 2017) of all Programmes after the combined entry test conducted by UET Lahore were completed on merit and nominations from the Ministry of Industries & Production and Armed Forces.

Research & Development

- Research & Development department remained engaged in development and analytical activities and enthusiastically put their efforts and focus in solution of the current issues faced by local industrial sector and agriculture farming community with special reference to water, soil and fertilizer horizons.
- Activities related to the development of new environment friendly, cost effective and demand creating NPK, foliar supplements and soil-water reclaimant type of fertilizer grades were continued and contact farmers were requested to test our R&D products on their current sown crops and agriculture field for evaluation and feedback purpose.
- R&D analytical section remained engaged in providing services for analysis of water, oil / lubricants, fertilizers and other chemicals alongwith services of pollution auditing with special reference to industrial liquid effluents and gaseous emissions / noise level.

3.7 State Engineering Corporation (SEC).

INTRODUCTION

State Engineering Corporation is one of the leading public sector organization 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 (ENAR), Karachi

VISION

Enhancement of engineering base through technology advancement

- Increase productivity with optimum capacity utilization
- Ensuring quality standards and improving competitiveness
- Maximum contribution towards Economic Growth and GDP
- Providing base for human resource development and employment generation

MISSION

To develop sound industrial base for indigenous manufacturing of high technology engineering goods and capital machinery items conforming to international quality standards at competitive rates.

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, Petrochemical, 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.

The total workforce in corporate office and units in different categories numbers 1809 as on 30.09.2017 that includes regular, contractual and daily wager employees.

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 of 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 (HEC)

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 62 acres of land out of which 43 acres are allocated to the factory whereas remaining was earmarked for future developments.

HEC has trained work force numbering around 292 persons including 21 regular, 04 on yearly contracts (engineers & professionals) whereas the remaining including 46 officers and 221 workers have been 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 set-up 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.

MISSION

The Ultimate Objective of The Organization Is Progress Through Better Services and Manufacturing of Quality and Reliable Power Transformers to Meet the Exclusive Requirements Of DISCOS, NTDC, KESC, GENCOs And Local Heavy Industry.

ROLE AND FUNCTIONS:

The company has been set up for meeting the country requirements of heavy electrical equipment starting from manufacturing PTs 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 PTs. This extended mandate has resulted in saving huge amount of foreign exchange besides avoiding operational losses of DISCOs by ensuring rehabilitation of PTs in the minimum time frame.

ACHIEVEMENTS / PERFORMANCE:

By end June 2018 HEC has manufactured 343 Nos new PTs valuing Over Rs.8.8 Billion of different ratings and supplied to WAPDA, DISCOs, Karachi Electric and various other customers. Moreover, HEC has also repaired/ rehabilitated 200 Nos. valuing Rs.986 Million Power/Auto transformers for WAPDA, KESC, AJK Hydro Power Board, POF, Pakistan Railways and some other private sector industries. HEC has 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 have also repaired 03 Nos. autotransformers of ultrahigh 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.9.8 billion (Around USDs 125 million) through manufacturing new transformers as well as repair of damaged transformers. The repair work ranged upto 500 KV PTs, 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 have touched Rs. 965 million in 2009-10 though fluctuating with the market trends. HEC has been sustaining its operation totally at its own. Operating and Financial Results of the company are summarized below:

(Quantity in Nos and Value in Rs. Million)

Description	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
New	14	17	5	7	34	22	4
Repair/Rehabilitated	2	7	5	8	20	42	23
Total	16	24	10	15	54	64	27
Production Value	471	626	251	381	552	799	230
Sales	539	704	251	374	677	910	259
Pre-Tax Profit / (Loss)	9	(7)	(124)	(152)	32	27	(70)
Total Assets	1,378	1,715	1,506	1,502	1,634	1,518	1,501
Total Liabilities	188	536	452	603	711	577	630
Net Equity	1,190	1,179	1,054	899	923	941	871

As can be seen from the above table, after recovering from the privatization shock during 2015-16, the company has been turned-around. Highest ever number of PTs (64) were rolled-out during 2016-17 as well as 2015-16 (54). After sustaining losses for the three-consecutive year's upto 2014-15, the company has earned profits during the succeeding two years.

The results for the year 2017-18 had badly suffered because of placement of no orders by DISCOs (despite being lowest in various tenders for 32 PTs valuing over 1.4 billion) due to a malafide complaint by the local agent of a foreign supplier (Chint China) against HEC PTs. The complaint proved malicious after a high-level enquiry by the Minister of Water & Power, which concluded in June 2018 after which the DISCOs have started placing orders on HEC.

PRODUCT DIVERSIFICATION:

HEC is in possession of Chinese Technology for manufacturing 7 types of 132/11 KV PTs from 6.3 to 40 MVA capacity. However, PTs 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 lookout for other technologies/products. In line with this thinking HEC has succeeded in developing technology of a 31.5/40 MVA 132/11 KV PTs besides few others for the Cement Sector. Thirty Three-34 units of HEC designed 31.5/40 MVA PTs have been supplied to DISCOs by June 2018. Moreover, Design Modification of a 20/26 MVA Power Transformer has also been achieved. This development would result in cost saving to the company as compared to earlier design. Seventeen -19 units of the transformer with the

modified design after approval by the concerned quarters have been supplied to DISCOs upto June 2018.

The company is also in the process of developing a GSM based automatic communication system of PTs 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 were convinced to adapt this system. The system has been introduced and is presently in the marketing phase.

FUTURE STRATEGY:

The company has orders in hand of 27 PTs for the value of Rs.1.095 billion and expecting orders of another 10 PTs for the value of Rs.508 million indicating bright prospects in the near future.

HEC has earned good market recognition in the field of PTs manufacturing as well as re-habilitation. In order to further strengthen the company HEC is working on 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 beyond Rs.1.3 billion
- ✓ 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.
- ✓ Venturing in larger Distribution Transformers firstly in the repairing field and then manufacturing of the

3.7.2 PAKISTAN MACHINE TOOL FACTORY LIMITED (PMTF)

MISSION

Design, develop, manufacture and supply of high quality engineering goods and related services.

Achievement of highest Sale Target during 2017-18

During the Year 2017-18, PMTF has successfully achieved its targeted orders from its regular customers and also explored new business opportunities. However, due to paucity of required funds, PMTF was facing problem in managing required inputs. Whereas, through negotiation with customers, PMTF managed some portion of required funds, but still these were not sufficient to arrange required inputs and complete its orders in hand. Yet PMTF continued its production activities for the manufacturing of all its product segments including Transmission Components, Die cast Parts, Machine Tools and defence Products. Whereas most of production activities were engaged to complete the in hand orders of defence items, required due to urgency of high security alert situation at borders.

PMTF was also expecting fresh orders from CAF valuing around Rs.640 millions, however these were not matured due to shortages of funds for procurement of weapons at ministry of interior level.

Still with grace of Almighty Allah, PMTF has been able to achieve its Break Even Point with some marginal profits during the year 2017-18. PMTF engineering products / segment-wise sale achieved for the year is submitted as under

Sr.#	PRODUCT	VALUE Rs (000)
1.	Sale for Defence Products /	Rs 550.364
2.	Sale for Transmission Components	Rs 274.591
3.	Sales for Alum. Die Cast Parts	Rs 12.005
4.	Sale for Machine Tools Product	Rs 43,121
5.	sale of Misc Items	Rs 13.151
G. Total		Rs. 893.232

A. The development of various technical projects under taken and executed are mentioned below:

i. Development of New Generation Gas Meter V3, for SSGC

Our 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 got developed the required dies / toolings, which is now approved and supplies are being made. During the year, we have executed orders for these gas meter parts worth **Rs 30.5 millions** and further orders for these parts are shortly expected from SSGC.

ii. Development of Specialized Gear Box for PMO

Project Management Org. (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, PMTF completed their total qty of 22 Nos. valuing Rs.28.3 millions. PMO enquiry for further procurement of these Gear Boxes is under process.

B. *Through its R&D activities, PMTF has under taken various development for our major / regular customers, on recurring demand basis as mentioned below:*

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

M/s Al-Noor Sugar Mills Ltd, has urgency for the development / supply of 04 parts for their 2.2MW Turbine, including Couplings and Gears. Accordingly, through our R&D efforts, PMTF has successfully developed and executed their initially ordered quantities 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.

ii. Development of Crown Wheel & Pinion for Romanian Dumper Truck

M/s Attock Cement Ltd, has 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 are not locally available, as such PMTF under take this development job. Through PMTF R&D efforts, we have successfully designed, developed and supplied these parts of Dumper Truck for the total value of Rs 0.520 million.

iii. 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 our potential buyers of defence products to meet their requirement. Accordingly, PMTF has successfully obtained its 1st development order for quantity 08 Nos. of "Pedestal Mount with Bevel Gear Assy" for Machine Guns for M/s SPD. We have now successfully completed this development order for the total value of **Rs1.10 millions**. Further order for this security from SPD is under process to be completed during the current financial year.

C. Business Opportunities from Local as well as Export customers.

i. Local Business Procured and Executed for PMTF Defence 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, these supplies were continued and completed in the year 2017-18.

ii. Further PMTF Fresh Offers were also under process with Civil Armed Forces. However due to non receipt of required funds from Ministry of Interior to CAF, these opportunities / offers were not turned into confirm order. The requirement at CAF still exists for PMTF produced defence items.

iii. PMTF has been able to get order / revised schedule for the supply of tractor components from its customer of tractor assemblers. However, due to paucity of funds required for inputs, these orders were not fully executed to turn these opportunities into Sales figures.

iv. PMTF enquiries with its foreign customers for the supply of defence items is under process. PMTF is expecting good export business during the coming period for sale of its defence stores, including Mortar and RPG-7 Launchers.

During the Year 2017-18, PMTF planned sales of Rs.1.404 Billions, the segment-wise details is as under:

a. Total Target set for the Year- 2017-18

Sr. No.	PRODUCT SEGMENT	SALE TARGET (Rs IN MILLIONS)
1.	Transmission Products	226.865
2.	Die Casting Products	62.200
3.	Special (Defense) Products	935.600
4.	Machine Tools	180.129
Total Target Value Rs		1,404.794 millions

PMTF has successfully procured orders towards its targeted sale for execution. However, due to financial issues, PMTF faced some problems in execution of these orders, and during 4th quarter of the financial year, PMTF sales was reduced due to the said reasons. As such PMTF has not been able to achieve its targeted sales figures. during the year 2017-18. Detail of targets achieved so far in each segment is submitted below:

b. Total Orders executed for the Year 2017-18

Sr. No.	PRODUCT SEGMENT	ACTUL SALE ACHIEVED (Rs IN MILLIONS)
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1. Transmission Products	550.364
2. Die Casting Products	274.591
3. Special (Defence) Products	12.005
4. Machine Tools	43.121
5. Others	13.151

Total Actual sale achieved	Rs	893.232 Millions
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c. Balance Orders in Hand (as on 30 Jun 2018)

Sr. No. PRODUCT SEGMENT	Balance Orders (Rs IN MILLIONS)
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1. Transmission Products	154.046
2. Die Casting Products	5.179
3. Special (Defence) Products	179.012
4. Machine Tools	88.483

Total Actual sale achieved	Rs	426.720 Millions
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3.7.3 PAKISTAN ENGINEERING COMPANY (PECO)

Mission

To replace the old machines and equipment with most modern, efficient machines leading towards automation. To produce quality products at higher efficiency and consistent quality with lower cost.

Vision

A sustainable growth oriented company and market leader in Steel Towers for Electricity Transmission and Telecommunication, Pumps & Electric Motors.

DETAIL OF ACTIVITIES / ACHIEVEMENTS / PROGRESS AND TARGETS OF PAKISTAN ENGINEERING COMPANY DURING THE YEAR 2017-18

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 year. Following engineering products were manufactured by PECO during F.Y 2017-18.

- Distribution Line Tower
- Distribution Line Tower
- Foundry Castings
- Pumps and Turbines
- Electric Motors

Financial Highlights	(Rs.In Million)
Sales	1,424.45
Gross Profit	25.04
Operating Expenses	108.87
Profit after Tax	(69.97)
Earnings per share (Rs.)	(12.29)
Total Production (M/T)	10706

The tower demand during this year was mostly focused on the main line Transmission Towers (500KV) for which mostly the order 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, 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.

The ordering of 132 KV has also shown a declined trend.

It is also very evident and had already predicted for the lower selling prices due top 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.

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 rooters 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 while 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 TOT. Samples 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 been also ordered for further study and re-engineering of these products, after getting them tested to meet with the 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

INTRODUCTION

ENAR Petrotech Services (Private) Limited (ENAR) was formed in 1972 Limited 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 our high caliber personnel allow us 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

MISSION

To Achieve a Leading Role as Design Engineering & Consultancy Company in Oil, Gas, Petrochemicals alternate Energy and other Process Related Sectors.

VISION

To achieve a leading role as a design engineering and consultancy company in oil and Gas, Petrochemicals, Alternate Energy and other Process related sector. ENAR is fully committed to be an independent Professional Design Engineering Organization Providing quality engineering and consultancy services with integrity, efficiency and cost effective manners to domestic and international clients.

MAJOR ACTIVITIES/ACHIEVEMENTS

ENAR is the only multi-discipline integrated design engineering and consultancy organization in the country with capabilities in process design, mechanical engineering, electrical/instrumentation and other engineering disciplines. ENAR has been involved in various phases of the Oil & Gas sector projects implementation ranging from preparation of FEED documents to start-up and commissioning and troubleshooting exercises.

The major clients of ENAR are OGDCL, PPL, PSO, PARCO, PAPCO etc. The detail of projects awarded/ achievements is tabulated below: -

S. No	Name of Project	Client	Date
1	Study for Early Start of Mogas Operations for WOPMP	PAPCO	13-Jul-17
2	Debottlenecking Study (DBN) / Enhancement of Production for Sinjhora	OGDCL	8-Sep-17
3	Conceptual Study for Adequacy Check of Existing PCV at Suction of Front-End Compressors (Phase-I)	OGDCL	15-Sep-17
4	Qadirpur Compression Project (Phase-I)	OGDCL	27-Sep-17
5	Uch Compression Project	OGDCL	2-Oct-17
6	Project Management, Supervision for Soghri Processing Facility	OGDCL	6-Oct-17
7	Consultancy Services for Installation of Front End Compression at NASHPA Field (Phase-II & III)	OGDCL	9-Nov-17
8	Conceptual Study for Adequacy Check of Existing PCT at Suction of Front End Compressors	OGDCL	19-Dec-17
9	RIC Control System Upgrade	OGDCL	20-Dec-17
10	Technical Audit of ARL Upgradation Projects	ARL	2-Jan-18
11	Consultancy Required for Gas Line Laying 564829	YTM	10-Jan-18
12	Preparation of ITB for Sale of Jhal Magsi Gas	OGDCL	15-Mar-18
13	Pre-Feasibility Study of New Pipeline PARCO Coastal Refinery - P.Q Link P/L (PPLP)	PAPCO	23-May-18
14	Machike Taru Jabba Oil Pipeline Project	PAPCO	30-May-18
15	Modification at PCV's at Suction of Front end Compressors (Phase-II)	OGDCL	31-May-18
16	Services for Basic/Detailed Design & Engineering and Construction Supervision for Various Projects" Sites At PPL's Operated Fields On Call Out Basis for Three Years Duration	PPL	31-May-18
Total :Rs 116,614,580			

3.8 Engineering Development Board (EDB).

VISION/ MISSION

“Strengthen the Engineering Sector and integrate it with the world market to make it the driving force for economic growth”

OBJECTIVE

To play a crucial role in designing and developing overall policy direction to the Engineering Sector through identifying core competencies, macro-economic environment, tariff and non-tariff business conditions through close interaction in-house and with different Government departments and stakeholders.

A. COMPETITIVENESS AND EFFICIENCY IMPROVEMENT 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 procedure 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 2018-19. The proposals received from the Industry, Trade Associations, Chambers, FBR, Mol&P etc. were analyzed and firmed up by EDB for consideration by FBR.

STATISTICS

- 384 proposals were received for budget exercise 2018-19.
- 83 proposals were finalized and forwarded to FBR for consideration.

B. NOTIFICATIONS REGULATED BY EDB

Following notifications are regulated by EDB.

- 1) **SRO 656(I)/2006 dated 22.06.2006** – Authorizes EDB to allow import of CKD under concessionary regime to OEMs.
- 2) **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.
- 3) **SRO 693(I)/2006 dated 22.06.2006** – Notifies list of locally manufactured parts / components as recommended by EDB

- 4) **Fifth Schedule to the Customs Act 1969** – To determine local manufacturing status of goods being imported under concessionary regime to protect local industry.
- 5) **SRO 678(I)/2004 dated 07.08.2004** – To determine local manufacturing status of goods being imported by E&P companies, their contractors, sub-contractors and service companies etc. under concessionary regime to protect local industry.
- 6) **SRO 450(I)/2001 Authorizes** EDB to determine IOR/Wastages of inputs procured under DTRE and under Manufacturing Bond.
- 7) **SRO 565(I)/2006 dated 05.06.2006** – Determination of IOR of engineering goods.
- 8) **SRO 827(I)/2001 dated 03.12.2001** – Engineering Goods Control Order for Public Sector enterprises procurement and supplies.

Performance w.r.t various SROs / Notifications

	No. of Cases Finalized	
	2016-2017	2017-2018
A. TBS-1 (4-Wheelers) - SRO 656 & SRO 693		
1 Certificates issued vehicle wise:	154	158
2 Lists verified issued vehicle wise:	154	158
3 Input Records verified vehicle wise:	130	154
B. TBS-II (2/3-Wheelers) - SRO 656 & SRO 693		
1 Certificates issued vehicle wise:	272	312
2 Lists verified issued vehicle wise:	272	312
3 Input Records verified company wise	75	71
4 Assembling Facilities verified	02	09
C. Determination of IOR under SRO 655		
1 Input Output Ratios under SRO 655 (Revalidation + New)	196	208
2 Input Output Ratios under SRO 656 (Direct Materials)	04	04
3 Input Output Ratios under DTRE	20	15
4 Input Output Ratios under SRO 565	20	13
D. Determination of local manufacturing status (5th Schedule to the Customs Act 1969 & SRO 678)		
1 Determination of local manufacturing status of imported goods	213	180
E. Finalization of cases under SRO 827		
1 Determination of status of procurements and its implementation as per procedure and laws of Government	14	11

C. 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.

D. 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:

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

New Investment Policy

Under Greenfield Category-A of the New Investment Policy, EDB has received Fifteen (16) applications so far, out of which thirteen applicants namely M/s Regal Automobile Industries Ltd, M/s United Motors (Pvt) Ltd, M/s Khalid Mushtaq Motors (Pvt) Ltd., M/s Kia Lucky Motors Pakistan Ltd, M/s Hyundai Nishat Motor (Pvt) Ltd, M/s Foton JW Auto Park (Pvt) Ltd, M/s Sazgar Engineering Works Ltd., Lahore, M/s Master Motors Ltd.,M/s Pak China Motors (Pvt) Limited, M/s Topsun Motors & Engineering Services (Pvt) Ltd,M/s Al-Futtaim Automotive Pakistan, M/s Khalid &Khalid Holdings (Pvt) Ltd, M/s KA Hanteng Motor Company (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. A total approved investment under ADP 2016-21 is USD 1162.34Million.

In addition, under Brownfield category two closed down units have been revived namely; M/s Dewan Farooq Motors and M/s Ghandhara Nissan Ltd.

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 2500cc 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. WP-29 Regulations of United Nations Economic Commission for Europe (UNECE)'s is aimed at harmonization of automotive regulations/ standards relating to safety and environmental protection across the globe. Adoption of WP-29 Regulations is under process.

Establishment of Pakistan Automotive Institute (PAI)

- Measures 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, tests infrastructure and technical guidance. Policy section is also working in close coordination with JICA expert on the development of Automotive Development Institute.

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.

E. BUSINESS DEVELOPMENT ACTIVITIES:

EDB's Participation in "Pakistan Auto Show 2018"

Engineering Development Board had set up a stall at Pakistan Auto Show 2018, held in Lahore from 2nd to 4th of March 2018. Many local and foreign delegates visited EDB's stall in respect of investment opportunities available in light of Automotive Development Policy 2016-21. Foreign delegates were from China, Japan, Turkey, Thailand, Taiwan, and Sri Lanka. The show was visited by more than 100,000 visitors. The exhibitors were from OEMs, Auto part manufacturers, Component suppliers etc. The theme of this year's PAPS show was **"MAKE IN PAKISTAN"**.

EDB's Participation in "10th Edition of Expo Pakistan 2017"

BDG Organized EDBs Stalls at 10th Edition of Expo Pakistan 2017 Karachi. EDB's stall was source of information in respect of investment opportunities available in Engineering Industry of Pakistan. Besides local visitors, a large number of foreign delegates from China, Japan, Austria, France, Belgium, Netherland, Vietnam, Singapore, South Africa, Belarus, Bahrain, Bangladesh, Afghanistan etc. also visited EDB's stall. Foreign Delegates were briefed about different incentive regimes being offered by the Government of Pakistan for the engineering industry particularly in Steel sector, Forging and Machining, Auto Sector, Packaging sector, Energy sector, Water Treatment Plant etc. During the event, EDB also arranged useful B2B meetings and visits of foreign delegates to the relevant engineering industry.

EDB's Participation in One Country Exhibition (Belarus)

On invitation of Ministry of National Food Security and Research, EDB participated in the One Country Exhibition (Belarus) in Islamabad. B2B meetings were held with Belarusian trade delegates in respect of Joint Ventures/ Business cooperation in engineering sectors. Delegates were briefed about ADP 2016-21.

Strategic Trade Policy Frame Work 2018-23

On conclusion of Strategic Trade Policy Frame Work (STPF) 2015-18, The Ministry of Commerce had initiated detailed working on STPF 2018-23, which will be focusing on the regulatory regime for maintaining the competitiveness in country's trade as well as ease of doing business. On request of MoC, Engineering Development Board in consultation with engineering industry prepared and submitted the proposals to the Ministry of Commerce.

Strategic Plan on Industrial Cooperation among the D-8 Member Countries

On request of D-8 Secretariat, Engineering Development Board prepared a comprehensive draft Strategic Plan on Industrial Cooperation among the D-8 Member Countries for submission to MoI&P. The proposals were focused on:

- To increase industrial cooperation among D-8 countries by identifying common sectors.
- To share prevailing industrial policy and incentives regimes by the member states to opt common mechanism for investment and enhancement of trade and facilitation.
- To improve efficiency of D-8 member states in the world economy in the long term by increasing total industrial production and national revenues.
- To develop necessary mechanisms to create synergy in the field of industry by ensuring synchronization among public and private sector institutions of member states.
- **Venture Capital Industry in Pakistan**

EDB has taken initiative to bring development through Venture Capital concept, which is a key driver in innovation, new firm creation, rapid growth of businesses, in promoting entrepreneurship, enhancing competition and job creation.

In this regard, EDB held meetings with SECP, Ijara Capital Partners Limited and Lakson Investments to prepare a roadmap for various sub sectors of engineering industry including Auto Parts, Light Engineering product, High-Tech manufacturing Sector, Renewable Energy (solar and wind) etc in respect of technology up-gradation, new product development, product diversification, capacity enhancement etc. MoU with mentioned firms has been prepared by EDB and to be materialized in the coming days.

F. SECTOR DEVELOPMENT & BILATERAL TRADE:

Bilateral Trade (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 Turkey
 - 2nd Phase of FTA with China
 - Review on PTA with Indonesia
 - FTA with Iran (Pakistan already have PTA with Iran)

- Several Rounds of negotiations have been held with regard to Pak-Thailand and Pak-Turkey FTAs with positive results. The FTAs can be concluded in forth-coming rounds.
- With regard to 2nd Phase of China-Pak FTA Nine round of negotiations have been held simultaneously in Pakistan and China. Pakistan is trying to get more access to enhance exports to 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. In the latest development Indonesia has allowed Pakistan 20 tariff lines under the preferential trade agreement (PTA) that would help increase trade by around \$150 million.
- Moreover, EDB is involved in negotiations with different countries through Joint Ministerial Commissions and Working Groups for enhancing trade with these countries.

Environment

EDB, on behalf of the Ministry of Industries & Production, has been giving its input during the meetings held in the Ministry of Climate Change (MoCC). Though industrial sector which include textiles, fertilizer, sugar factories, cement, steel and large petro-chemical plants and others contributes about 6% to the total GHG emissions of the country due to the industrial processes in use is now being dealt and responded by the environment departments of the provinces after 18th amendment.

3.9 Pakistan Steel Mills (PSM).

INTRODUCTION

Pakistan Steel Mills (PSM) is the largest and only integrated Steel Plant of Pakistan with a production capacity of 1.1 million tons per year (MTPY). PSM started production in 1985. It was established with the techno-financial assistance of the Ex-Soviet Union at a cost of around Rs. 24.7 Billion. Its location and area are:

- a. Location: 40 Km South East of Karachi at Bin Qasim.
- b. Area: 19,013 acres (about 29 square miles) which includes 10,273 acres for main plant, 8,071 acres for township and remaining land for other installations.

VISION

To become a leading steel company in South Asia committed to serve stakeholders by offering quality products through innovative and cost effective manner in environmental friendly conditions.

MISSION

Pakistan Steel is committed to be a leading steel industry by:

- Greater response to customers' present and future needs.
- Focus on productivity and quality
- Facing challenges of free market economy.
- Ensuring higher rate of return on investment.
- Creating safe working and environment friendly conditions.
- Minimizing process wastages, rejections and recycling wastes.
- Good governance.
- Fulfilling social obligations.
- Ensuring cost competitiveness by improvement in productivity and product yields through R&D.

OBJECTIVES

As per Memorandum & Article of Association of Pakistan Steel the following are the objectives:

- To establish and run steel mill at Karachi and other places in Pakistan, and to manufacture, prepare and produce iron steel and metals of all kinds, descriptions, shapes and dimensions and whether ferrous or non-ferrous and all products and by-products thereof.
- To import and deal in iron ores, limestone, coal, coke, gas, metals ferro alloys, dolomite, fluorspar, magnesite and other raw materials as may be required or used for the purpose of the Company.
- To carry on the business of mine owners, colliery proprietors, miners, and to purchase, take on lease, or otherwise acquire any mines, mining rights and metalliferous lands in Pakistan or elsewhere, to explore, work, exercise, develop and turn to account the same.
- To carry on all kinds of exploration business and in particular to search for prospect, examine and explore mines and grounds supposed to contain minerals, terrestrial and vegetable substances, precious and other useful stones and metals.
- To crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate manipulate and prepare for market ores, metals, terrestrial, vegetable and mineral substances of all kinds, and to carry on all or any other metallurgical terrestrial, vegetable and mineral operations.
- To carry on the business of iron masters, steel makers, iron and steel converters, coke manufacturers, smelters, tin-plate makers, iron founders, metal founders, and masters in all their respective branches.
- To carry on the business of manufacturing heavy plants, machines and all other ancillary heavy industrial undertakings, and to manufacture, import, export, buy, sell, let on hire, exchange, alter, improve, manipulate prepare for market or otherwise deal in or distribute all kinds of plants, machineries, machine parts, tools, apparatus, implements, chemicals, raw materials, and substances necessary or convenient for carrying on any of the above specific business or any other marketable commodities whatsoever.
- To carry on any other trade or business, whether manufacturing or otherwise, which may see to the Company capable of being carried on in connection with any of the Company's objects, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's business, property or rights.
- To take any agency and to act as Agents, Representatives and Distributors of any other company, corporation, society, firm or person dealing in with all or any of the business aforesaid.
- To buy, sell, import, manufacture, manipulate, treat, prepare and deal in merchandise, commodities and articles of all kinds, and generally to carry on business as merchants, importers and manufacturers.
- To undertake and execute any contracts for works involving the supply or use of any machinery, plants, appliances, tools, instruments and any other goods and articles

which the Company is authorized to deal in under any of the aforesaid clauses and to carry out any ancillary or other works comprised in such contracts.

- To purchase, take on lease, or in exchange, or otherwise acquire any lands and buildings in Pakistan or elsewhere, and any estate or interest in, and any rights connected with, any such lands and buildings, and to develop and turn to account any land acquired by or in which the Company is interested.
- To erect, maintain, alter, purchase, take on lease or otherwise acquire any mills, factories, workshops, manufactories, warehouses, engine houses, tanks, godowns and other building that may be necessary or expedient for all or any of the purposes of the Company.
- To employ engineers, electrician, mechanics and other technicians and experts and other persons as may be found necessary for the efficient handling and carrying on the business of the Company.
- To retain personnel and workers both in Pakistan and elsewhere, to obtain technical proficiency in various specialties connected with all or any of the business of the Company.
- To enter into any arrangements with any Government Authority that may seem conducive to the Company's objects or any of them, and to obtain from any such government or authority and rights, privileges and concessions which the Company may think it desirable to obtain, and to carry out, exercise and to comply with any such arrangements, rights, privileges and concessions.
- To acquire and undertake the whole or any part of the business, assets, property and liabilities of any person, firm or company carrying on any business which the Company is authorized to carry, or possessed of property suitable for the purposes of the Company.
- To enter into partnership or into any arrangement for sharing profits, cooperation, joint venture, reciprocal concessions or otherwise with any person, firm or company carrying on engaged in or about to carry on directly or indirectly to benefits this Company.
- To pay any premium and to pay for any property, rights or privileges acquired by the Company or for services rendered or to be rendered in connection with the promotion of the Company or the business of the Company or the acquisition of any property for the Company or otherwise, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and to issue any such shares either as fully or partly paid up or with such amount credited as paid up thereon as may be agreed upon, and to charge any such bonds, debentures or other securities upon all or any property of the Company.
- To pay all or any costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- To purchase or by any other means acquired and protect, prolong and renew, whether in Pakistan or elsewhere, any patents, patent rights, brevets, licenses, protections and concessions which may appear likely to be advantageous or useful to the Company, and to use any to urn to account and manufacture under or grant licenses or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patent, inventions or rights which the Company may acquire or propose to acquire.

- To create any depreciation funds, reserve funds sinking funds, insurance funds, any special or other funds whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for redemption of debentures or redeemable capital in any form redeemable preference shares of or any other purpose whatsoever conducive to the interests of the Company.
- To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, hundies, debentures, debenture stock, contracts, mortgages, charges, obligations, instruments and securities of any company or any authority or of any person or persons whatsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts and obligations.
- To place to reserve or to distribute as dividends or bonus shares among the members or otherwise to apply as the company may from time to time think fit, moneys received by way of profits or by way of premium, on shares or respect of dividends accrued on forfeited shares and money arising from the sale of the forfeited shares or from unclaimed dividends.
- To distribute any of the property of the Company amongst the members in specie or kind but so that no distribution amounting to reduction of capital be made except with the permission, if any, for the time being required by law.
- To aid peculiarly or otherwise any existing or proposed Charitable, Benevolent, Religious, National, Educational, Scientific institutions, and any associations, body or movement having for an object the research in science, or the solution, settlement or surmounting of industrial or labour problems or troubles, or the promotion of industry, trade or commerce.
- To adopt such means of making known the products or the trading goods of the Company as may seem expedient and in particular by advertisement in the press by circulars, by purchase and exhibitions of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
- To form and promote any company or companies subsidiary to this Company, and any company or companies for the purpose of acquiring all or any of the properties, rights and liabilities of this Company or for any other purpose which may seem directly or indirectly to benefit this company, and to sell its shares and amalgamate with any other company or corporation.
- To deal with and invest the moneys of the Company or in its custody in such manner and upon such securities as shall, from time to time, be thought for the benefit of the Company and to open accounts, overdraft accounts and cash credit with or without security, to keep fixed and other deposits with banks, firms, corporations and institutions, loan offices and other concerns and to draw, accept, discount, execute, sign, issue and deal in cheques, bills of exchange, drafts, promissory notes, bills of lading, debenture bonds, warrants, debenture coupons, certificates scrips, and securities issued by the Government of Pakistan or other countries, and all other negotiable or transferable instruments.
- To borrow or raise with or without security or in any other manner as the Company may think fit or secure the payment in any such manner as the Company shall think fit and to pledge, mortgage or charge all or any of the properties and assets of the Company whether present or future including the uncalled capital for the time being of the

Company and to issue at part or at premium or discount debentures or debenture stock payable to bearer or otherwise and either permanent or redeemable and collaterally or further to secure any securities of the Company by a trust deed or other assurance and to purchase, redeem and pay off such securities.

- To build or contribute to the building of houses, to grant pensions, allowances, gratuities and bonuses or other payments to employees or ex-employees of the Company or the dependents or connections of such persons.
- To undertake the management of any company or corporation and to act as Managing Agents, Secretaries, Managers, or Consultants of any Company, firm or person, and to appoint company agents and establish agencies and branches of this Company in any part of the world.
- To do all or any of the above things in any part of the world, and either as principals, Agents, Trustees or otherwise and either alone or in conjunction with others, and either by or through agents or trustees or otherwise.
- To do all such other things as are incidental or conducive in the opinion of the Board or Director to attainment of the above objects or any of them.
- To generate power as Business/Object of the Company.

MAIN PRODUCTS:

1. Its main and by-products are:

- a. Main Products: Metallurgical Coke, Pig Iron, Rolled & cast Billets, Hot Rolled Sheets / Coils / Plates, Cold Rolled Sheets / Coils, Galvanized Sheets& Formed Sections.
- b. By-Products: Coal tar, Ammonium Sulphate, Blast Furnace Granulated Slag.

QUALITY STANDARDS:

2. Its production and facilities/ services conform to following International Standards:

- (a) ISO-9001
- (b) ISO-14001
- (c) ISO-17025
- (d) OHSAS-18001

3. PRODUCTION/SALES STATUS FOR THE YEAR 2017-18

- i) **Production raw steel is at halt since 10th June, 2015 due to reduction in natural gas pressure by M/s. SSGC.**
- ii) Summarized position of provisional Operating Results covering Sales & Inventory for the year 2017-18 is given below: -

P r o d u c t s	S a l e (Rs. in Millions)
Raw Steel	-
C o k e	475
Molten Metal/Pig Iron	3
Rolled Billets	-
Cast Billets	-
Slabs	-
H.R. Coils/Plates (converted from Slabs)	-
C.R. Coils	-
Galvanized Coils/ Sheets	-
Others	55

Inventory Position as at 30-06-2018

Sr. No	Products	Saleable Inventory (MTN)	Amount Rs. Million
1	Pig Iron	3000	110
2	Coke Hard	126,000	1,536
3	Slab	70,000	2,813
4	Cast Billet		16
5	HR Products	1,000	37
6	CR Products		19
7	Formed Section		17
8	Unsorted Products		21
9	Steel Scrap	8,000	192
10	Intermediate & by Products		417
11	Others		13
Total:			5,191
12	Provision for shortage		190
Grand Total:			5,381

4. DELISTING OF PAKISTAN STEEL FROM PRIVATIZATION

Cabinet Committee on Privatization (CCoP) in its meeting held on 01.11.2018 has delisted PSM from the active list of Privatization. Subsequently ECC in its meeting dated 7th November, 2018 has directed MOI&P to present a plan to the ECC for operationalization of Pakistan Steel within two months.

5. CPEC INVESTMENT

However, Pakistan Steel is a marvel and technological wonder if revived, it can act as the spring board for rapid National Development and Economic growth especially because of CPEC investment and resulting huge expected steel demand. Pakistan Steel is a great enterprise and has been a major contributor to the national exchequer till 2008. It has paid an amount of Rs.110.10 billion towards duties and taxes to the Government since 1984-85 to June, 2018, which is more than the cost of the project Rs.24.70 billion. Further to this an amount of Rs.1 billion is paid to the Government of Pakistan as dividend during September, 2007 besides constructing Quaid-a-bad Flyover (Karachi) cost Rs.380 million and 18.5 Km Link Road connecting National Highway to Kchi-Hyderabad Motorway. It also created two modern townships (Steel Town and Gulshan-e-Hadeed) with schools, markets, sports complexes. It absorbed and disseminated steel making technology for the first time and created a pool of hundreds of engineers and technicians which are a national asset for all times to come. Given right environment and dedicated professional leadership, Pakistan Steel can lead the nation to prosperity as steel builds nation.

6. DOWNSTREAM INDUSTRIAL ESTATE (DSIE)

Downstream Industrial Estate was created under the Notification of Government of Sindh in the year 1984 on an area of 1420 acres. The objectives of creation of the Estate were to promote industrial growth in the area. The process of these units is mostly based on the products / by –products of Pakistan Steel so as to facilitate the industries by providing the input raw material right at their door step. The promotional efforts of Pakistan Steel succeeded and 43 downstream industries have so far been set up in this Estate on an area of 489.78 acres. 305 acres previously included for allocation in sector III of DSIE has now been included in a plan for establishment of Special Economic Zone (SEZ) on 1508.65-acre land near Pakistan Steel in context of China Pakistan Economic corridor (CPEC).

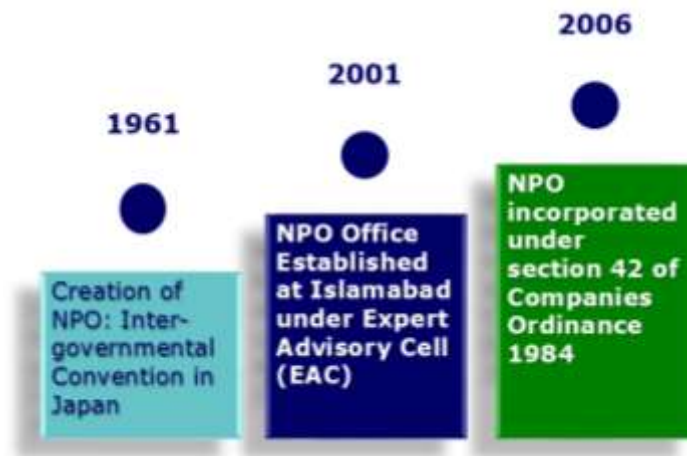
7. SOCIAL OBLIGATIONS:

Pakistan Steel has also been making noteworthy contribution in the realm of social obligations. In this regard Pakistan Steel is providing residential, medical, educational, recreational, and sports facilities to its employees as well as to the people of adjoining areas. These facilities include 125 Bed Pakistan Steel Hospital, Quaid-i-Azam Park, Cricket Stadium Park, Pakistan Steel Cadet College, Sports Complex.

3.10 National Productivity Organization (NPO)

1. INTRODUCTION

National Productivity Organization (NPO), a subordinate organization 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 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. During the year 2015-16, the Board adopted the following vision statement, mission statement and corporate values:

VISION

“Productive and Competitive Pakistan”

MISSION

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

Corporate Values

1. God fearing
2. Positive work ethics
3. Honesty, dignity and mutual respect
4. Team work
5. Continuous learning
6. Transparency and impartiality
7. Safe and environment friendly

OBJECTIVES

Objectives of NPO include

- i). To inculcate productivity consciousness through promotion of productivity concept at macro and micro levels of economy.
- ii). To measure, evaluate and improve productivity of various sectors of the economy.
- iii). To set up information collection databases and dissemination systems on all facets of economy.
- iv). To propagate productivity as an evolving concept, including attention to special issues and concerns relating to quality, environment, energy, integrated rural and community development.
- v). To train and educate management and supervisory personnel in industrial, commercial and service organizations of the public and private sectors in the techniques and process of modern management and accordingly award certificate or diploma with the permission of relevant authorities, if required.
- vi). To assist Govt. organizations and private undertakings in their efforts to improve productivity, establish performance standards, and determine rational monetary compensation system and to establish productivity Wage Board.
- vii). To increase efficiency in business management and industrial operations, by providing management consultancy and technical assistance to local industries of various sectors, especially small and medium industries.
- viii). To act as the integrated focal point of all national as well as international organizations engaged in productivity drive specially Asian Productivity Organization (APO).
- ix). To formulate strategic plans to sustain the growth of the productivity movement and to monitor it movement thereafter.
- x). To undertake research into problems of management and productivity improvements as they occur and to disseminate the results of such research.
- xi). To carry out research in productivity and quality (P & Q) in various sectors of economy, establish productivity indices for industries and to provide and disseminate information on P & Q indicators and case studies at industry, sector and national levels to Govt. as input for policy formulation and planning to enhance P& Q growth.
- xii). To disseminate P & Q literature, organize conventions, surveys, seminars and workshops as well as administer quality management awards.
- xiii). To undertake, support and subsidies measures, programmers plans and schemes, for environment development and planning, prevention of pollution and

- industrial wastage.
- xiv). To advance money or give credit, either with or without security, to such persons or companies and on such terms as may seem expedient and in particular where the same is desirable in the interest of the company and to persons or companies having dealings with the company and to guarantee the performance of any contract or obligation and the payment of money to or by any person or company and generally to give guarantees and indemnities in connection with the objects of the company, (provided that the company shall not indulge in the banking business /micro credit financing).
 - xv). To amalgamate with any other association or company having objects all together or in parts similar to those of the company.
 - xvi). Initiatives for Endowment Fund

The NPO has its Head Office at Islamabad, Regional Offices at Karachi, Lahore and Peshawar. Lahore region have further two sub-offices at Faisalabad and Multan.

2. A Summary of NPO Programmes

International Trainings / Programs

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 / Programmes (2017-18) is as follows:

Sr. #	Description	No. of Programs	No. of Participants
1.	Multi-country Trainings (in Pakistan)	1	10(local)+15(foreigners)
2.	e-Learning Courses (in Pakistan)	5	112
3.	International Trainings (abroad multiple countries)	43	73
4.	Development of Demonstration Companies	2	80
Total:		51	290

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), Corporate Training (CT), Professional Development (PD), In-house Training Activities (ITA), Distance Learning, e-Learning, Trainings under Special Projects and Diploma Programmes in the management and technical disciplines; such as Productivity and Quality Management, Green Productivity, International standards/compliance, Agricultural Productivity, Soft Skills, Development of Productivity Practitioners, IFC Business Edge® Trainings and Special Programmes as per emerging trends and society requirement for the development of Rural Areas & Disabled Persons. NPO is also offering training Programmes via E-learning & Video conferencing.

A summary of national trainings (2017-18) is as follows:

Sr. #	Description	No. of Programs	No. of Participants
1.	Productivity and Quality Management	30	295
2.	Operations Management	6	93
3.	Personal Productivity Skills	9	112
Total:		45	500

Services and Projects

Green Productivity: NPO has adopted this concept and launched Green Productivity (GP) campaign in 2006 keeping in view challenges related to resource utilization and its impact on environment. NPO is providing services on energy efficiency audits, development of Energy Management Practitioners, Green Productivity, Material Flow Cost Accounting (MFCA) and Energy Management System ISO 50001. In the year 2017-18:

- NPO conducted 13 Energy Efficiency Audits in various sectors (05 textile and 8 other) and identified 15% to 20% potential energy savings in electrical/mechanical and processes at no or negligible investments.
- Awareness / Hands on training: Trained 120 technical staff members

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. Benchmarking initiatives encourage industries to adopt best practices. Capacity building for monitoring after adopting best practices at intervals of six months can ensure quality consistency.

Following activities took place during 2017-18:

- Conducted 5S pre-assessment for M/s Fatima Fertilizer, Sadiq Abad. on 25 August 2017
- Conducted 5S Training for preparing Trainers for M/s Engro Fertilizer Daharki, on 11-13 October 2017.
- Conducted 5S Audit of M/s Engro Power Gen, Qadirpur, on 7 December, 2017

Projects: Brief activities during 2017-18 are as follows:

Pakistan Productivity, Quality & Innovation (PPQI) Initiative

- PQI initiative finally approved for launching in collaboration with multiple executing agencies.
- NPO has organized a conference with Ministry of Planning, Development & Reform to launch PQI initiatives. The conference was attended by 300 people from public and private organizations

APO Development of Demonstration Companies Project for Pakistan: NPO has availed two APO projects on Development of Demonstration Companies as follows:

- The project on Energy Efficiency & Conservation Programme (EE&C) was started from July 17 2017 and completed in April 2018. The participating companies include Serena Hotel Islamabad, Asian Foods and Pakistan Engineering Company.
- The project on Material Flow Cost Accounting (MFCA) was started from 03 October 2017 and will be completed by October 2018. The participating companies include Serena Hotel Islamabad, Asian Foods and Grand Engineering.
- Organized a national conference on energy efficiency and conservation, attended by 135 delegates, to disseminate the results achieved in the demonstration companies.

Corporate Compliance and Systems Development

Corporate Compliance: As a part of inwards direction, NPO worked to become a corporate compliant institution within the public sector. With the support of

Ministry of Industries & Production, NPO succeeded in becoming corporate compliant institution within public sector in 2016-17 by completing audit of accounts for the years 2012-2016, holding pending Annual General Meetings, preparing first Annual Report 2015-16 and achieving five years renewal of NPO License from SECP. Despite the fire incident on 10 September 2017 at NPO head office, NPO effectively managed the disaster and maximized outcome based output with limited resources, and strong national and international contacts to help execute assignments and achieve NPO objectives. NPO sustainably completed all necessary corporate compliance requirements including Annual Report for 2016-17, Board meetings, Annual General Meetings and obligations from Ministry of Industries & Production.

Systems and Human Resource Development: NPO actively worked on improving its internal systems & documentations and human resource capacity building. Following activities took place in 2017-18:

- Settlement of several Government audit observations
- Implementation of NPO Annual Human Resource Book
- Restructuring NPO Departments
 - Induction of a PhD. qualified General Manager to improve organization's operations and conduct research activities
 - Re-assignment of tasks after evaluation of HR competitive capacity
 - Exploring capabilities within the existing team members and job rotation for matching competencies. Some team members have been found very successful in accomplishing assigned tasks under job rotation strategy
 - Team work is promoted and Monthly meetings are organized

Productivity Association of Pakistan

National Productivity Organization, in order to strengthen its networking with public and private sector organizations, had launched Productivity Association of Pakistan on 25th April 2009 at Islamabad. The Board has initiated to activate the association for its due role to bring government, public sector companies, academia, and private sector to a common platform to address prospective issues.

NPO Future Strategy

Inwards Direction: NPO primarily worked to become a corporate compliant institution within the public sector. With the support of Ministry of Industries & Production, NPO succeeded in great strides towards corporate compliance. In the year 2017-18, NPO is actively working on improving its internal systems & documentations and human resource capacity building to meet the challenging requirements on productivity improvement.

Outwards Direction: Figure 1 shows thrust areas that have been identified and transformed into action plans while the medium- and long-term plans for promotion of productivity, quality and innovation are included in the framework.



3.11 Utility Stores Corporation (USC).

INTRODUCTION / BRIEF OF THE COMPANY

Utility Stores Corporation was established in July, 1971 by taking over 20 retail outlets from the Staff Welfare Organization. At present passing through various stages of expansion and reorganization, the Corporation is operating more than 3900 stores throughout the country.

VISION

To be recognized as Pakistan's leading Quality & Price Competitive Retailer.

MISSION

To provide customers with the best value, quality products and excellent service, be a preferred employer, to moderate the cost of living in Pakistan, spearheading initiatives for the good of the community, creating an inclusive and vibrant workplace and to serve the needs of our population.

OBJECTIVES

The objects for which the Corporation is established are: -

- To protect the real income of the people, particularly of the poorer sections of the society. The Corporation will supply essential items of daily consumption of or more frequent consumption and other services to consumer, especially to low-income groups, at comparatively cheaper prices than those prevailing in the open market.
- To undertake procurement of essential consumer goods from both domestic and external sources.
- To make these products available through a modernized merchandising and distribution system by establishing retail outlets in the form of utility stores.
- To ensure quality goods in adequate and regular quantities and to market them under hygienic conditions and at price lower than the market prices.
- To concentrate initially on supplying items of daily consumption, or of more frequent consumption, which figure prominently in the budget of the common man, namely, rice, atta, cereals, pulse, sugar, tea, biscuits, vegetable ghee, vegetable oils, kerosene oil, selected and cheap ready-made garments and common varieties of cotton textiles, and perishable items such as meat, milk, eggs, vegetables, etc.
- To procure supplies from the manufacturers/producers/distributors/importers on ex-mill/wholesale prices.

- To manufacturer, or, in co-operation with manufacturers of utility goods, to make arrangements for manufacture of specified merchandise for the Corporation, in order to ensure the quality and standard of such products and to sell them at cheaper prices. At a later stage these utility goods may be produces in sufficient quantities for supply to private traders in areas where poorer sections of the society live.
- To arrange sufficient cold storage facilities for perishable items and stores/godowns for other items.
- To initially start its operations by taking up existing government stores. It will open new stores in those areas where there is concentration of people of low-income groups.
- To act as a price moderator in the market and a deterrent to profiteering, hoarding, etc., by maintaining buffer stocks of daily necessities of life.
- To negotiate terms and make long-term arrangements with the manufacturers and suppliers for the production and supply of manufactured goods at the agree prices and terms.
- To make bulk purchases of major items, if possible from the source of production, to avail itself of the maximum rebate in prices of handling in bulk and to ensure a steady supply of these articles to all the stores.
- To store, clean, grade, process and pack such articles, where these operations are necessary in bulk and deliver them in ready-made form to the Utility Stores.
- Generally to do and perform all such other acts and thing as may be incidental or conducive to the attainment of the above objects, or any of them.

S/NO.	SUBJECT	ACHIEVEMENTS / ACTIVITIES																		
1.	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.																		
2.	Operational Efficiency	Operational performance of the Corporation during the last five years is tabulated hereunder: <table border="1"> <thead> <tr> <th>Year</th> <th>Sales achieved (Rs. In Billion)</th> <th>Net profit/Loss (Rs. In Billion)</th> </tr> </thead> <tbody> <tr> <td>2013-14</td> <td>87.349</td> <td>(0.202)</td> </tr> <tr> <td>2014-15</td> <td>59.011</td> <td>(2.203)</td> </tr> <tr> <td>2015-16</td> <td>50.373</td> <td>(3.074)</td> </tr> <tr> <td>2016-17</td> <td>57.87</td> <td>(3.374)</td> </tr> <tr> <td>2017-18 Un-Audited</td> <td>27.299</td> <td>(5.006)</td> </tr> </tbody> </table>	Year	Sales achieved (Rs. In Billion)	Net profit/Loss (Rs. In Billion)	2013-14	87.349	(0.202)	2014-15	59.011	(2.203)	2015-16	50.373	(3.074)	2016-17	57.87	(3.374)	2017-18 Un-Audited	27.299	(5.006)
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3.	Employment Generation	The Corporation has manpower of 12,988 personals in different categories.																		

4.	No burden on Government Ex-Chequers	The Corporation is not a burden on the Government Ex-Chequer. 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. This is a great service to the Nation. Monthly salary bill of the Corporation is more than 462 Million.																					
5.	Taxes Deposited in the National Ex-Chequers	<p>Despite selling the essential consumer items at the prices lower than the open market, the Corporation during the last five years has paid various taxes amounting to Rs.32.595 Billion in the Government exchequer as per following details:</p> <table border="1" data-bbox="526 606 1463 947"> <thead> <tr> <th>S/ No.</th> <th>Year</th> <th>Amount (Rs. In Billions)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2013-14</td> <td>8.655</td> </tr> <tr> <td>2</td> <td>2014-15</td> <td>6.885</td> </tr> <tr> <td>3</td> <td>2015-16</td> <td>6.336</td> </tr> <tr> <td>4</td> <td>2016-17</td> <td>6.909</td> </tr> <tr> <td>5</td> <td>2017-18 Un-Audited</td> <td>3.810</td> </tr> <tr> <td colspan="2">Total:</td> <td>32.595</td> </tr> </tbody> </table>	S/ No.	Year	Amount (Rs. In Billions)	1	2013-14	8.655	2	2014-15	6.885	3	2015-16	6.336	4	2016-17	6.909	5	2017-18 Un-Audited	3.810	Total:		32.595
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6.	Expansion of the Network	Since the year 2007 the network of the corporation had been considerably expanded. Number of Warehouses increased from 15 to 65 and stores from 560 to 4380. At present, Utility Stores Corporation is one of the biggest Corporation of Ministry of Industries having its network all over the Country.																					
7.	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.																					
8.	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.																					
9.	Ramzan Relief Package 2017	The Government approved Ramzan Relief Package-2017 by giving 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 has achieved sale of Rs.16.75 Billion during the month of Ramzan-2017. Much needed relief has been availed by the consumers.
10.	Ramzan Relief Package 2018	The Government approved Ramzan Relief Package-2018 by giving a subsidy of Rs.1.733 Billion. Under this Ramzan-2018, 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 has achieved sale of Rs.7.844 Billion during the month of Ramzan-2018. Much needed relief has been availed by the consumers.
11.	Special Role of USC	<ul style="list-style-type: none"> 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)

1. Introduction and Primary Role

PIDC was created in 1952 through act of Parliament, with a prime objective to set up industries in such fields where the private sector was shy and where large amount of capital outlay with long gestation period was required. Accordingly, 94 industrial units were established throughout the country on Build Operate and Transfer (B.O.T) model, which played key role towards country's development and spurred up inclusive economic growth.

VISION

“To foster a spirit of enterprise, facilitate entrepreneurs and promote development of internationally competitive industry”

ROLE

“PIDC to be the Primary Vehicle for facilitating industrialization by creating enabling environments for different segments of industries”

MISSION

“To put in the pioneering effort to establish Industries in many undeveloped sectors and backward regions of the Country”

Objective – the objective for which the Company is established are as under:

- To act as a primary vehicle for facilitating industrialization by creating enabling environment
- To Foster spirit of enterprise, facilitate entrepreneurs and promote development of internationally competitive industry.
- To promote economic and industrial development of the country by itself or in collaboration with Private Sector.
- To facilitate in the establishment of a conducive environment for growth of the industry etc.

2. Devolution of PIDC Role

After nationalization in 1972/73 more than 90% of PIDC Units were transferred to the Public Sector Corporations under the Ministry of Industries & Production, namely State Cement Corporation of Pakistan (SCCP), National Fertilizer Corporation (NFC), Federal Chemical & Ceramic Corporation (FCCCL), State Engineering Corporation (SEC), Pakistan Mineral Dev. Corporation (PMDC), leaving PIDC with few Units which were established under socio-economic consideration in the remote areas of the country. These units were also subsequently liquidated/privatized by Privatization Commission. With the promulgation of Companies Ordinance 1984, PIDC as transformed into a Pvt. Ltd; Company under Section 32 of the Ordinance.

3. Current Role of PIDC

The role of PIDC had been redefined after transformation from state-owned era to privatization particularly after the establishment of Privatization Commission in 1992. The Corporation witnessed redundant period till the need for re-defining role PIDC was realized.

The Minister for Industries and Production made a presentation to Prime Minister of Pakistan on 22nd October 2004, wherein he floated an idea of expanding scope of Ministry with special initiatives, renaming Ministry of Industries, production and special initiatives, which led towards development of certain sectors, where Private Sector was shy to invest.

The Role of PIDC was again redefined in 2004-05 as a “Industry Facilitator” organization, with the objective to act as a primary vehicle for facilitating industrialization, foster spirit of enterprise and facilitate entrepreneurs and to promote Industry through skill development and provision of common facility centre to help private Sector in specific sectors. Accordingly, PIDC established 08 new subsidiaries and 02 Joint Venture companies to create skilled and trained manpower in order to bridge technical gap and enabling private sector to unleash the potential of sectors since 2006, which are as follows:

4. Formation of Companies under re-defined Role of PIDC

a- Subsidiary Companies

- (i) National Industrial Parks Dev. & Management Company (NIP).
- (ii) Technology Up-gradation and Skill Dev. Company (TUSDEC).
- (iii) Karachi Tools, Dies and Moulds Centre (KTDMC)
- (iv) Pakistan Stone Development Company (PASDEC)
- (v) Pakistan Gems and Jewellery Development Company (PGJDC)
- (vi) Pakistan Hunting & Sporting Arms Dev. Comp. (PHSADC)
- (vii) Furniture Pakistan (FP)
- (viii) Aik HunarAik Nagar (AHAN)

b- Joint Ventures (JVs)

- (ix) Pakistan Chemical & Energy Sector Skill Dev. Company.
- (x) Southern Punjab Embroidery Industries (SPEI)

5. Management of Non-operational Organisations / Units

In order to drive the economy of non-operational units, Mol&P through deed of relinquishment and deed of assignment has tasked PIDC to look after the affairs of following companies/ units. These units have been placed in the active list of Privatization Commission (PC).

- | | | |
|-------------|---|--------------------------------------|
| i- | Pakistan Auto Mobile Corporation | (Awaits liquidation) |
| a- | Republic Motors Pvt. Ltd (RML) –Lahore | (under privatization in PC) |
| b- | Sindh Engineering Pvt. Ltd; (SEL) – Karachi | (under privatization in PC) |
| ii- | Ghee Corporation of Pakistan | (liquidated) |
| a- | Morafco Industries Pvt. Ltd; – Faisalabad | (under privatization in PC) |
| b- | Suraj Ghee Industries Ltd; – Sheikhpura | (Privatized by PC, under litigation) |
| c- | Haripur Vegetable Oil Processing Industry-
Haripur | Privatized by PC, under litigation) |
| iii- | PIDC Medical Centre – Karachi | (under liquidation in PC) |

6. PIDC Extended Financial Support to Subsidiaries and its Projects

In pursuance to the objective of industrial and sector development, PIDC remained fairly active to finance projects and activates being undertaken by the subsidiaries;

- ✓ Technology Upgradation and Skill Development Company (TUSDEC) and its projects
- ✓ Pakistan Stone Development Company (PASDEC).
- ✓ Pakistan Gems and Jewellery Development Company (PGJDC) and its project.
- ✓ Pakistan Hunting and Sporting Arms Development Company (PHASDC) and its projects.
- ✓ Furniture Pakistan and its projects.
- ✓ Aik Hunar Aik Nagar (AHAN).
- ✓ Industry Facilitation Centre (IFC).

7. Overview of Work & Performance of PIDC Subsidiaries

In pursuance to the revised role of PIDC and to achieve the above objectives, the following 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.

An over view of the performance/achievements of PIDC subsidiaries is as follows:

i. National Industrial Parks Development & Management Company (NIP)

National Industrial Park Development & Management Company (NIP) is a subsidiary of Pakistan Industrial Development Corporation, working under the Ministry of Industries & Production, Government of Pakistan, established in 2005 with the aim 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 2017-18

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 Mahmand Agency on 300 acres

Korangi Creek Industrial Park (Land 250 acres)

- Korangi Creek Industrial Park located at Korangi creek Industrial area, Karachi, the project is spread over 250 Acres of land, out of which total saleable area is 150 acres (Low Density Zone (LDZ) is 127 acres and High Density Zone (HDZ) is 23 Acres) 2.443 acres and 2.529 acres in LDZ & HDZ respectively has been sold out and total revenue generated amounting of Rs. 518.19 million during 2017-18. We are anticipating, the colonization of KCIP will be completed within couple of years, and the investment, GDP contribution, employment will be generated accordingly.

Bin Qasim Industrial Park (land Area 930 Acres)

- Bin Qasim Industrial Park located within the confine of Pakistan Steel Mills area, Karachi., the project is spread over 930 Acres of land, out of which total saleable area approx. 750 Acres, 15.00 acres has been sold out and total revenue generated amounting of Rs. 417.00 million during 2017-18.

Rachna Industrial Park (land Area 175 Acres)

- Rachna Industrial Park located at Lahore- Sheikhpura Road, the project is spread over 178 Acres for Auto Parts, Leather Products, Packaging and Food Processing units besides other auxiliary industries. 13.5 acres has been sold out.

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 spread over 140 Acres, out of which total saleable area is 83.66 acres, and the total area allotted is 61.40 acres.

Naushahro Feroze Industrial Park

- A piece of land measuring 80 Acres (owned by PIDC) has been procured and development process has been initiated. The park would house the value-added activities of industrial sector as well as agriculture sector of Nawabshah, Moro, Nausharo Feroze.

ii. Technology Upgradation and Skill Development Company (TUSDEC)

Technology Upgradation and Skill Development Company (TUSDEC) is a subsidiary of Pakistan Industrial Development Corporation, working under the Ministry of Industries & Production, Government of Pakistan, established in 2005. The charter of the company is to envisage setting up Skill Development Centres all across the country and upgradation/induction of latest technologies in country's key industrial clusters.

Activities, Achievements & Progress 2017-18

- 3 TUCs established Engineering Upgradation Centres at Peshawar, Hyderabad & Hub for SMEs and 1,168 Industrial jobs were completed and trained a total of 1,996 Students / Participants in 2,291 testing services and training.
- Rs. 1.78 Bn Value Addition through the services rendered to the industries and total Rs. 76.19 million Revenue was generated during the fiscal year 2017-18
- TUSDEC drafted "Industrial Technology Acquisition Policy for Pakistan" to benchmark, acquire, assimilate and improve the technology being used in various industrial sectors across all major clusters of Pakistan. The policy is endorsed by MoIP to forward it to Planning Commission
- Implementing Industrial Technology Benchmarking Project to conduct benchmarking of two key sectors including Cutlery and Surgical (Implant & Electro medical Devices)
- GTDMC and CDTC successfully merged with TUSDEC in Dec 2017 & TUSDEC has started revival of these companies to ensure effective technology support to industry and revenue generation for TUSDEC
- TUSDEC joined hands with Ministry of Planning, Development & Reform (MoPD&R) and National Productivity Organization (NPO), Pakistan for Productivity, Quality and Innovation (PQI) Initiative which aim to achieve competitiveness for economic growth and development in Pakistan.

iii. Karachi Tools Dies & Moulds Centre (KTDMC)

Karachi Tools Dies & Moulds Centre (KTDMC) is a subsidiary of Pakistan Industrial Development Corporation, working under the Ministry of Industries & Production, Government of Pakistan, established in 2008. The Centre is providing support to the country's dies and moulds sector in carrying out rapid prototyping through the latest technologies such as stereolithography, selective laser sintering and rapid tooling along with support for CAD/CAM and CNC machining. The KTDMC is Producing and Designing of Dies & Moulds for on the Job training of semi skilled and skilled workmen.

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.

Activities, Achievements & Progress 2017-18

- Save 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.
- KTDMC is supporting the industries since in caption in recognition of KTDMC's outstanding services, Atlas Honda has bestowed KTDMC with an Award of Excellence.
- Provides training to under privileged class of Pakistan and ensure their job placement, which resulted decrease in unemployment; 96% of the students graduating from KTDMC are employed.
- KTDMC for the first time in the history of Pakistan manufactured Lower pressure Die Casting Mould (LPDCM).

Description	2017-18
Students trained	490
Courses	47
Dies & Moulds manufactured	52
Heat treatment cycles	75
Reverse Engineering Hours	2503
Cumulative number of clients	102

iv. Pakistan Stone Development Company (PASDEC)

Pakistan Stone Development Company (PASDEC) is a subsidiary of Pakistan Industrial Development Corporation, working under the Ministry of Industries & Production, Government of Pakistan. PASDEC incorporated to up-grade dimensional stone industry, promote value addition and develop domestic and international markets by introducing modern know-how and equipment.

PASDEC aims to transform traditional stone sector into modern, competitive and knowledge-based industry through reengineering of the stone productive value chain and HRD.

Activities, Achievements & Progress 2017-18

- PASDEC has provided machines to 44 miners of the sector PASDEC on subsidized rental basis.
- Possession of plots of Marble City Risalpur has been transferred to 6 plot holders, whereas 53 plot holders had obtained procession during proceeding periods. Construction work of 20 units was started whereas 8 units also started production. More units are expected to start production in the near future. Further, development work of Rs. 87 million was carried out at the project during the period and additional payment of Rs. 18 Million was made to Peshawar Electric Supply Company (PESCO) for 4MW electric connection.
- MOU's for joint collaborations and development of the sector have been signed with the following:
 - ✓ "Confindustria Marmomacchine" (Italian Association for stone and technology) for the establishment of "Technological- Scientific and International Trade Centre" in Pakistan
 - ✓ Govt. of Baluchistan to propose and undertake projects jointly to uplift Marble & Granite Sector of the Province.
 - ✓ El Paso Technology Pakistan (Pvt.) Limited, a JS Group Company, to undertake projects in quarrying/mining jointly.
 - ✓ Zaver Mining (Hashoo Group) for initiating joint venture projects
 - ✓ University of Engineering & Technology (KPK) to introduce research based processes in the sector.
- The Company facilitated 10 exhibitors in the "Expo- Pakistan 2017" held at Karachi during (Nov 9- 12th, 2017) to showcase products.
- The Company facilitated 7 stake holders through Italian Trade Agency (ITA) for participation in the Verona Fair held in Italy in September 2017.
- The Company has also facilitated 2 stakeholders through Italian Trade Agency for "Italian Stone Experience" fair which was held during 18th - 23rd March 2018.

v. Pakistan Gems & Jewellery Development Company (PGJDC)

Pakistan Gems and Jewellery Development Company (PGJDC) is a subsidiary of Pakistan Industrial Development Corporation, working under the Ministry of Industries & Production, Government of Pakistan. The Charter of the company is to enhance the value Chain Productivity of Gems and Jewellery industry of Pakistan from mine to Market. The Company aims to enhance exports through facilitation, technology upgrading, skill development and marketing/branding initiatives. The Company endeavors to establish Pakistan High as a value added, internationally competitive, world class hub for jewelry manufacturers, traders (retailers/wholesaler/exporters) and other Stakeholders.

Activities, Achievements & Progress 2017-18

- Gems and Jewellery Common Facility Training and Manufacturing Centers (CFTMCs) in Karachi, Lahore, Quetta, Peshawar, Gilgit, Sargodha, Muzaffarabad (AJK) have been established. These centers are facilitating training in Gemology, Lapidary, Manual Jewellery and Computer added designing. Total of 44 training Programmes were conducted at these centers in the year 2017-18 and 539 students have been trained in different disciplines of Gems and Jewellery.
- Gem Exchanges in Peshawar and Quetta are providing Gem identification Laboratories Trading booths and Gem Bazaars at very low charges to the local sector.

- Gem Identification/Certification Laboratories in Karachi, Lahore, Quetta, Peshawar, Gilgit, Sargodha and Muzaffarabad (AJK) are facilitating gemstones testing and diamond grading to the customers at very subsidized rates and training the local cluster in the field.
- Assaying & Hallmarking Centers in Karachi and Lahore have registered 193 members and a total of 7800 articles have been analyzed during 2017-18.
- Marketing & Branding is in process through: -
 - ✓ Participation in APGMJA exhibitions (Dec 2017 & Feb 2018).
 - ✓ Facilitation for marketing of the Third-Party Local Exhibitions.
 - ✓ Organizing local Gems and Jewellery Exhibitions / Bazaars.
 - ✓ Advertizing and Promotion through E-marketing and Corporate video Documentary.

vi. Pakistan Hunting & Sporting Arms Development Company (PHSADC)

Pakistan Hunting and Sporting Arms Development Company (PHASDC) was established in 2006, as public company with limited liability, having share capital under section 42 of the Companies Ordinance, 1984 as subsidiary of Pakistan Industrial Development Corporation (PIDC) under administrative control of the Ministry of Production, Islamabad.

As per PC-I the company has given the mandate to make this sector a “Driving Force, enterprise strengthening through technology up-gradation, total quality management, import substitution and new business channels an international promotion.

Activities, Achievements & Progress 2017-18

- The Company has developed the products of local manufacturers as per international standards and achieved successfully the International accreditation certificate (BATF-USA & CIP-Europe) and presently some of local SME’s are processing the export orders to various countries amounting to USD \$ 55,200/-
- The company has established a modern Common Facility and Training Center (CFTC) equipped with state-of-the-art latest Computerized Numeric Control (CNC, s) machines for the hunting & sporting arms cluster of Peshawar at Small Industrial Estate Kohat Road. The center is not only facilitating the manufacturers with modern machining facilities and finished parts to produce the export quality of small arms, but also provide the below mentioned specially designed trainings to improve the skills of the existing technical manpower.
 - ✓ Advantages of CAD/CAM
 - ✓ Good Workshop Practices
 - ✓ Introduction to Digital Read Out (DRO) Technology
 - ✓ Impact of Proper Tooling on Product Quality
 - ✓ Lathe operator
 - ✓ Milling Operator
 - ✓ CNC Operator etc.
- To attract the international buyer and promote the local products the company has successfully organized the Target & Outdoor Shooting Sports (TOSS) Show-2018 exhibition at Islamabad.

- The Company has also initiated the establishment of separate Small Industrial Estate (S.I.E) for small arms SME's of Peshawar & Darra Adam Khel in collaboration with FATA Development Authority with the ultimate objective of controlling firearms production, traceability of arms within a country, regulating the sale and minimizing the smuggling etc. In this regard the land at "Mattani" Tehsil & District Peshawar has been identified and section IV of the land Acquisition Act 1984 has been imposed by the Government of Khyber Pakhtunkhwa.

vii. Furniture Pakistan (FP)

Furniture Pakistan is a subsidiary of Pakistan Industrial Development Corporation (PIDC), established in 2007 with the objective to facilitate the furniture industry through provision of excess to latest Furniture manufacturing technology and produced skill labor and to enhance the compatibility of the furniture industry of Pakistan in international markets.

Activities, Achievements & Progress 2017-18

- Common Facility Training & Manufacturing Centers (CFTMCs) Chiniot, Peshawar and Sargodha have been operationalized. These centres had generated revenue of Rs. 6.43 million alongwith manufacturing of 282 various furniture products have been completed.
- Chalked out future strategy for establishment of Common Facility Training and Manufacturing Centre, Noushero Feroze and civil work of CFTMC Noushero Feroze is under progress.
- Chalked out the future strategy for self-reliance of Furniture Pakistan and its projects, in order to lower the burden on government ex-chequer.
- PSDF funded training Programme initiated at CFTMC, Chiniot.
- Organized and participated in furniture exhibitions (Islamabad, Faisalabad and Lahore).

viii. Aik Hunar Aik Nagar (AHAN)

The Concept of AHAN is designed to emulate the OVOP (one Village One Product) of Japan and OTOP (One Tombon One Product) of Thailand Programmes which have been quite successful in modernizing non-farm micro and small enterprises (MSEs) and thus improving employment prospect of the poor. AHAN objective is to support poverty alleviation initiatives of GoP through facilitating rural craft person, artisans and poor producer groups in accessing enterprise development services and cater for neglected sector of hand-crafted products produced in rural semi urban areas.

Activities, Achievements & Progress 2017-18

- AHAN has so far executed around 150 projects in all provinces, which includes Gilgit-Baltistan and AJK.
- Following services were provided through AHAN projects:
 - ✓ Craft related Skill Enhancement and Capacity Building.
 - ✓ Product Development / Designing
 - ✓ Technological Input
 - ✓ Quality Assurance
 - ✓ Marketing & Promotion
 - ✓ Financial Support through Linkages.
- A new project subsequently was implemented to impart Product Development Training to Baluchistan Rural Support Programme (BRSP) and trained 120 women producing traditional hand-embroidered products. Similarly, sponsored by Punjab Skill Development Fund (PSDF), Govt. of Punjab. 180 women are being trained under the project.
- AHAN in coordination with marketing department had produced more than 800 new products of various categories.
- Enterprise Development Training Workshops were arranged in rural areas and 09 workshops were conducted including Sindh, Punjab and Baluchistan.
- AHAN participated in a number of exhibitions and trade fair arranged during the year 2017-18 in Karachi, Multan, Lahore and Islamabad. These events generated admirable response from the visitors and a cumulative business of Rs 1.4 million was generated through selling these new, innovative handmade projects. They were able to generate sales worth Rs. 13.40 million and received production orders of approximately Rs. 11.25 million.

ix. Pakistan Chemical And Energy Sector Skills Development Company (PCESSDC)

Pakistan Chemical And Energy Sector Skills Development Company (PCESSDC) was established under Public/Private Partnership at a total project cost of Rs.209 million with PIDC's share of Rs.100 million, as a Joint Venture with M/s. Engro Chemical Pakistan Limited at Dharki, Sindh. 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 fertilizers, oil and gas companies and power plants in the region.

Activities, Achievements & Progress 2017-18

- Construction of TTC-Daharki Main Technical Building
- Vocational Training Centre (funded by STEVTA)
- DEG Mechanical Lab (funded by DEG of Germany)
- Construction of Boys hostel (Funded by USAID)
- Positions in SBTE (08 out of 10)
- Qarz e Hasna Scheme of Meezan Bank (Ihsan Trust)
- Registration with Pakistan Philanthropy (PCP)

- Vocational courses with SRSO, PPAF, IRS, NEVTTC, USAID & BBSYDP
- Accreditation with City & Guilds (UK)
- 400 Skilled, DAE qualified students given to the industry
- More than 12000 students were trained through VTC in different trades and given to the local industry/market.
- Currently 375 DAE students under training
- Currently 450 VTC students are under training in different short courses of 03- 06 years.
- Construction of Auditorium funded by Fauji Fertilizer Company
- Construction of “Incubation Park” by EFERT for entrepreneurship training of selected top deserving students of VTC.

x. Southern Punjab Embroidery Industries (SPEI)

Southern Punjab Embroidery Industries (SPEI) was established as under Public/Private Partnership, its funding including PIDC share of 26% and rest by private sector to promote hand and machine embroidery as an industry to complete in the local as well as global market through skill development.

Activities, Achievements & Progress 2017-18

- A major development for the Southern Punjab Embroidery (SPEI) is the strengthening of its human resources, particularly the youth and women 3200 approximately, so as to make them skilled and employable.
- To provide formal and non-formal trainings in SPEI Research & Development Center (R&D) with special emphasize on female trainings.
- Enhancing Competitiveness and productivity of the embroidery and stitching industry SPEI through research & Development.

3.13 Agro Food Processing Facilities (AFP)

INTRODUCTION:

Agro Food Processing Facilities (AFP), Multan was incorporated with Securities and Exchange Commission of Pakistan (SECP) under Section 42 of the Companies Act, 2017 as Public Company, Limited by Guarantee on July 09, 2012 and self sustainable till date. Basic theme of AFP Company is to provide processing facilities as a common facility centre and to facilitate growers in term of post-harvest losses and to save the perishable fruit into value addition.

OBJECTIVES:

- To promote agro food sector by providing processing facilities for pulp extraction of various fruits like Mango, Guava, etc., and Tomato Paste/Puree to local growers at low cost and help the growers to have value addition to their agro food products.
- To support the fruit and vegetable growers in processing and value addition of their products.
- To introduce agro food based common facility centers enabling to minimize the post-harvest losses in fresh fruits and vegetables.
- To give exposure to growers about latest fruit and vegetable processing techniques to make them familiar with latest processing techniques that can add value to the products and earn foreign exchange through exports.
- To introduce vegetable and fruit processing facilities to help the growers to increase their income and exports of the country.
- To help local growers to go for technology transfer.
- To provide consultancy services regarding value addition and processing of fruit and vegetables to local growers.

FUNCTIONS:

There are three major activities of Agro Food Processing Facilities Multan i.e. Pulping, Grading & Consultancy Services: -

Pulping

- Mango 10 tons/hour
- Guava, Peach 5 tons/hour

Grading

- Round Fruits & Vegetables 5 tons/hour

Packaging Types (200Kg Bag in Drum)

- Aseptic
- Chemical
- Frozen

Consultancy Services

- Consultancy on latest manufacturing and processing techniques
- Information on latest technology

ACHIEVEMENTS AND PROGRESS

- AFP Facility provides fruits and vegetables pulping, grading and packing facility; and facilitates farmers in latest manufacturing and processing techniques through provision of professional advice and information services. The following table shows the processing results achieved since incorporation of the Company, till date.

a) Pulping Achievements

Description	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Pulping target as per PC-1	1,920	2,160	2,160	2,160	2,160	2,160
Pulping Target Achieved	2,138	1,855	4,372	4,068	4,185	4,949
Achievement %	111.37	85.86	202.41	188.34	193.75	229.12

b) Financial Overview (PKR-Million)

Financial Year	Revenue Generated	Operational Expenses	Surplus / (Deficit)
2012-13	28.080	19.084	8.996
2013-14	29.265	21.346	7.919
2014-15	68.794	42.17	26.62
2015-16	68.326	46.40	21.92
2016-17	79.30	51.40	27.90
2017-18	99.45	70.14	29.31

c) Other Achievements

- 1,022,814 Kg citrus was also graded since incorporation of AFP Company, till date.
- 350 - 400 Farms are engaged for fruit procurement for AFP
- It is an approved processing unit for multinational companies such as Nestle, Pepsi Cola International and Engro Foods etc.
- Through demonstration of the Technology and practices by AFP, 02 food-processing plants have been established in Multan by the private sector.
- Deliver Practical Knowledge to students of different universities through internship programs.

- AFP also creates direct and indirect employment opportunities for approximately 1,000 individuals during each season.
- AFP is FSSC-22000 Certified Plant
- Self sustainable Project having no burden on public exchequer

PROGRAMME AND TARGET SET OUT FOR PRECEDING YEAR (2018-19)

Pulping Target	4,500 Tons
Grading Target	600 Tons
Revenues Target	92.27 Million

3.14 KCDC Textile and Vocational Institute

Company Formation

- M/s KCDC Textile & Vocational Institute is Joint Venture Project under Public & Private Partnership Concept; Company is incorporated under section 32 of the Companies Ordinance 1984.
- It is formed as Private Limited Company under Section 32 of Company Ordinance 1984.
- Actual Commencement Date: June, 2009.

MISSION

- KCDC is committed to provide quality vocational education and training to poor class and depressed sections of society.

VISION

- Encouraging for developing human resources to reduce the mismatch between demand and supply of manpower in various sectors like Textile, Engineering, Information Technology ETC.
- To reduce unemployment among youth by equipping them for suitable industrial, self & wage employment through well designed formal & non-formal Vocational Education & Training Programs.
- Establishing linkages with industry /Institutes / R & D organizations for mutual benefits.
- Arranging quality development Programmes for instructors, staff & students thereby creating a dynamic learning environment.
- Establishing Centre of Excellence emerging areas like Crafts Making, Production & Manufacturing, CAD/CAM & Information Technology.
- Facilitating the students by conducting various activities like Quiz, Entrepreneurship program, sports and different competitions.

OBJECTIVE

- To ensure a steady flow of skilled workers in different trades for the industry.
- To raise the quality & quantity of industrial production by systematic training of workers.
- To reduce unemployment among the youth by equipping them for suitable industrial employment.

Our Vocational Trades

- Weaver/ Weaving machine operator
- Warper/ Warping machine operator
- Fabric product development specialist
- Fabric quality inspector
- Fashion design
- Graphic designing
- Cad/Cam digital embroidery
- Pattern drafting and cutting
- Home textile product maker
- Quality control in garments

- Textile Designing
- Beautician
- Domestic Tailoring
- Manual dyeing expert
- Many Other/ ETC

Last Year Performance

- KCDC is actively working as per the vision of Government of Pakistan.
- KCDC signed a MOU with Punjab Skills Development Fund 2017 for the development of Industrial Workers. In the said MOU KCDC trained 1650 artisans in different traits.
- KCDC also actively worked for National Vocational & Technical Training Commission (NAVTTTC). In 2017 we have signed two training MOU with NAVTAC and under these MOU's we have provided trainings of 4 different trades of textile. In these trainings 320 trainees have participated and passed out successfully.
- In 2017 KCDC has developed more than 100 types of fabrics which was previously not developed and this research work has been shared with different industry and brands. Now KCDC is particularly working on developing products for exports markets.
- In last year KCDC provided product Development assistance to industry & brands of Pakistan like Gulahmed, Breeze, ChenOne, Maria B, Sapphire, Fabrizio etc.
- KCDC has been evaluated by Technical, Vocational Training Authority (TEVTA) and they have registered us as a Diploma Awarding Textile Institute.
- In 2017 KCDC also been evaluated by Board of Technical Education and got the A category Textile Institute status.
- Process of Affiliation with different Universities has been started and presently in progress for becoming degree awarding institute.

Future Plans

- Company has set different goals and targets for future major targets are mentioned here.
- To become diploma/degree awarding Textile Institute.
- To open one unit in each province KPK, Balochistan and Sindh.
- Train at least 3000 trainees for in next year 2018.

3.15 Leather Crafts Development Company (LCDC)

i. INTRODUCTION:

M/s: Leather Crafts Development Company Pvt Ltd is a joint venture between Public Sector and Private Sector and it is registered with SECP under Section 32. If PC-1 was designed to make PPP (Public Private Partnership) as a success case.

ii. Technology Improvement and business advisory service

- M/s: Leather Crafts Development Company Pvt Ltd The project purpose relates directly and indirectly to the Government of Pakistan's emphasis on Development and Empowerment of less Development Areas. The primary goal of the project is to generate economic activity and provide employment to the local based people on their indigenous strengths.
- Add value on modern footings, in the traditional craftsmanship of leather products sector in less Development Areas.
- Enhancing competitiveness, efficiency, quality and productivity of leather products sector in Less Development Areas.
- Infuse gender empowerment in the region by employing at least 50% women in workforce.
- Produce skilled labor initially for the project itself and later on for the area.
- Enable the local leather products industry to enter international market.

iii. Training and Skill Development

M/s: Leather Crafts Development Company Pvt Ltd creates direct employment of our 54 persons and indirect employment opportunities for approximately 150 persons during each season and provides them training and development opportunities on state-of-the-art leather products unit. Moreover, internship opportunities are available for fresh candidates without any cost. M/s: Leather Crafts Development Company Pvt Ltd also extends technical assistance and consultancy support to local stakeholders for value addition investment mobilization and technology transfer.

iv. Industrial infrastructure developing, industrial production and other support services.

M/s: Leather Crafts Development Company Pvt Ltd industrial infrastructure is well organized, located in less developed area state of the art building, having easy access to new comers. M/s: Leather Crafts Development Company Pvt Ltd also provides informative and technical support for the SMEs in the southern Punjab region.

v. Provision of subsidies on essential commodities.

M/s: Leather Crafts Development Company Pvt Ltd is not offering any subsidy on any of its facility.

vi. General Administration Costs.

General Administration Costs of AFP Company are occurred in the best interest of the Company to suffice its own operational costs by making leather products.

vii. Further Achievements

- Company was incorporated with SECP on 31th of May, 2011.
- From 2011 till 2014, Rs 150.0 (M) was released by PSDP but private Sector was not able to share any funds. Ministry of Industries and Production decided to transfer the (Private Sector) shares to any other competent party. The Shares were transferred to new Private Partner in 2014 (by completing all Codal formalities) and Private Partner has invested Rs 188.550 (M) till 30.06.17.
- Land procurement and Civil Work were all completed by the approval of Board members and under PPRA Rules.
- Partial Machinery (15%) has been procured by Private Partner.
- Leather Crafts Development Company (Pvt) Ltd started its production in January 2016.
- During last 2 years Company have trained over 200 people (including women 40 %) and current employees are 54.
- All the formalities of SECP are strictly observed.

3.16 Spun Yarn Research & Development Company

i. Introduction:

M/s: Spun Yarn Research and Development Company Pvt Ltd is a joint venture between Public Sector and Private Sector and it is registered with SECP under Section 32.

In PC-1, the project was designed to make PPP (Public Private Partnership) as a success case.

ii. Scope of the Project:

- The Scope of M/s: Spun Yarn Research and Development Company Pvt Ltd is to consume the left-over waste of cotton ginning industry to produce useful raw material for next processes. The proposed facility aims to consume waste of cotton spinning industry in the form of card fly and dropping to convert it into valuable market products, which are known as Recycled Yarn.
- M/s Spun Yarn Research and Development Company Pvt Ltd is enhancing the competitiveness of ginning and spinning industry of this region. It will also create job opportunities for the people of less Developed Areas Enhancing competitiveness, efficiency, quality and productivity of leather products sector in Less Development Areas.

iii. Training and Skill Development:

M/s Spun Yarn Research and Development Company Pvt Ltd creates direct employment of about 174 persons and indirect employment opportunities for approximately 500 persons during each year and provides them training and development opportunities on state-of-the-art recycling yarn unit.

Moreover, internship opportunities are available for fresh candidates without any cost.

M/s Spun Yarn Research and Development Company Pvt Ltd also extends technical assistance and consultancy support to local stakeholders for value addition investment mobilization and technology transfer.

iv. Industrial infrastructure developing, industrial production and other support services:

M/s: Spun Yarn Research and Development Company Pvt Ltd industrial infrastructure is well organized, located in less developed area state of the art machinery, having easy access to trainees of rural areas and other stake holders.

M/s: Spun Yarn Research and Development Company Pvt Ltd also provides informative and technical support for the SMEs has set an example of value addition and progress for the SMEs in the southern Punjab region.

Following the trend set by SYRDC, two other Recycling Yarn Units have been established by the private sector in Sindh.

v. Provision of subsidies:

M/s Spun Yarn Research and Development Company Pvt Ltd is not offering any subsidy nor receiving.

vi. General Administration Costs:

General Administration Costs of SYRDC are occurred in the best interest of the Company to cover its own Operational costs by making recycled yarn. The Company is not a profit-oriented venture, still it is covering its own operational and running costs.

vii. Further Achievements:

- M/s Spun Yarn Research and Development Company Pvt Ltd has increased its capacity from 3 frames to 8 frames within last 3 years.
- M/s Spun Yarn Research and Development Company Pvt Ltd has introduced recycled yarn in local market and will achieve “Green Status” next year.
- M/s Spun Yarn Research and Development Company Pvt Ltd has given direct jobs to over 174 persons with Private Sector Investment and not a single rupee is spent from Public Sector funds for operational causes.

4.0 PERFORMANCE OF MINISTRY OF INDUSTRIES AND PRODUCTION BASED ON OUTPUT AND IN COMPARISON TO ACTUAL BUDGET

4.1 BUDGET BASED PERFORMANCE

Budget VS. Actual Analysis

a. Expenditure analysis by outputs

(Rs. '000)

Output	Office Responsible	Original Budget	Actual Expenditure	Remarks / Reason for Variances
1 Technology improvement and business advisory services	Engineering Development Board (EDB)/ Contribution to UNIDO	974,026,000	247,451,131	<p>The reasons of the variation between Original Budget and actual expenditure are as under: -</p> <ul style="list-style-type: none"> • An amount of Rs.4.012 Million was approved as TSG for payment of UNIDO Contribution. • An amount of Rs.287.770 Million was surrendered as no funds were cleared by Finance Division (Ways & Means) in FY 2017-18 for project titled "Product Development Center for Composites Based Sports Goods, Sialkot". • An amount of Rs.321.500 Million was surrendered as no funds were cleared by Finance Division (Ways & Means) in FY 2017-18 for project titled "Fruits, Vegetables and Condiments Processing Centre, District Naushero Feroze, Sindh". • An amount of Rs.28.000 Million was surrendered as the project titled "Business Skill Development Centre for Women at Various Locations" was not approved by Ministry of Planning, Development & Reform" • An amount of Rs.83.123 Million could not be utilized in TUSDEC three project "Hyderabad/Peshawar/Lasbela Light Engineering Centres" due to excess allocation in various heads (i.e. A01-Employees Related Expense, A03 Operating Expenses and A09 Physical Assets).

2	Training and Skill Development	Asian Productivity Organization/National Productivity Organization (NPO) / Pakistan Institute of Management (PIM) / Pakistan Industrial Technical Assistance Centre (PITAC)	419,592,000	585,643,795	The reasons of variation between Original Budget and Actual Expenditure are as under:- <ul style="list-style-type: none"> • TSG of an amount of Rs.35 Million was granted to Pakistan Institute of Management, Karachi for payment of arrears of salary. • TSG of an amount of Rs.50 Million was granted to Gems and Jewellery Development Company, Karachi for Pay, Allowances and Operating Expenses. • TSG of an amount of Rs.78.410 Million was granted to Pakistan Industrial Technical Assistance Centre, Lahore for payment of pension. • TSG of an amount of Rs.2.515 Million was granted for payment of APO Contribution.
3	Industrial infrastructure development, industrial production and other support services	Development Wing, Ministry of Industries and Production	1,639,744,000	409,448,206	The reasons of variation between Original Budget and Actual Expenditure are as under:- <ul style="list-style-type: none"> • An amount of Rs.1,116.961.000 Million was surrendered as the project titled "Infrastructure Development of Export Processing Zone at Gawadar" was not approved by Ministry of Planning, Development & Reform". • An amount of Rs.76.123 Million was not released/utilized as no funds were cleared by Finance Division (Ways & Means) in the 4th Quarter of FY 2017-18 for project titled "Establishment of Bostan Industrial Estate Phase-I". • An amount of Rs.46.419 Million was not utilized due to non-clearance of cheques of AGPR to Sui Southern Gas Company (SSGC) for installation of gas utilities and other Contingency charges by National Bank of Pakistan (SPB) in the month of June 2018 for the following projects: - <ul style="list-style-type: none"> i. Establishment of Bostan Industrial Estate at Bostan Phase-I. ii. Establishment of Infrastructure in Quetta Industrial and Trading Estate Phase-II. iii. Establishment of Infrastructure in Quetta Industrial and Trading Estate Phase-IV.
4	Provision of subsidies on essential commodities	Finance Division	4,000,000,000	4,313,393,642	Finance Division released subsidy arrears of Ramzan Relief Package-2017 during FY: 2017-18.

5	Promotion of Small and Medium Enterprises	Small & Medium Enterprises Development Authority (SMEDA)	485,756,000	235,755,585	An amount of Rs.250.000 Million was surrendered for the project titled "National Business Development Programme for SMEs, All over Pakistan." as no funds were released/ utilized due to non-issuance of administrative approval by MoIP in 4th quarter of FY 2017-18.
6	General Administration Costs	Ministry of Industries and Production / Department of Supplies (Defunct)	301,017,000	267,871,928	<ul style="list-style-type: none"> • The major saving occurred under Employees Related Expenses. Pay provision was kept for some vacant posts of officers/officials of Ministry of Industries and Production which could not be filled till June, 2018. • An amount of Rs.13,095,978/- pertains to Department of Supplies which was surrendered in time for obtaining the same as TSG to meet the shortfall of other cost centres of Ministry.
7	Explosive Management and Regulatory Services	Department of Explosives and Its Regional Offices / Agro Food Processing (AFP)	49,278,000	49,946,877	Excess of 1.357% i.e. Rs.668,877/- is nominal.
Total:			7,869,413,000	6,109,511,164	

4.2 OUTPOST BASED PERFORMANCE

PERFORMANCE ANALYSIS BY OUTPUTS

Out put		Indicator	Original Budget	Target Achieved	Remarks / Reason for Variances
1	Technology improvement and business advisory services Office Responsible: Engineering Development Board (EDB)/ Contribution to UNIDO	Studies upgraded/studies to be carried out of various Engineering Industries (Number of studies)	5	5	Achieved
		Number of preferential Trade Agreements / Free Trade Agreements	5	5	Achieved
		Tariff Based System (2,3,4 wheelers) and new auto development policy (Certificates issued/list verified/input record verified) (Number of certificates/lists/input records)	1418	1418	Achieved
		Number of Other SRO Regimes System (DTRE Scheme, 5th Schedule to Customs ACT 1969, SRO)	251	251	Achieved
		Consultancy to provide to SME's Industries through volunteer Dutch Consultants (Number of Consultants)	8	6	Achieved
		Custom Tariff Proposals reviewed/finalized (Numbers)	550	550	Achieved
		Number of initiatives to be launched	07	7	Achieved
2	Training and Skill Development Office Responsible: Asian Productivity Organization / National Productivity Organization (NPO) / Pakistan Institute of Management (PIM) / Pakistan Industrial Technical	No. of Govt. / Civil servants and professionals People to be trained	10538	10690	Achieved
		New Skill training i.e. modern managerial practices, presentation skills etc. to be introduced (number of trainings)	15	381	The target was not settled correctly earlier. The target achieved is close to the planned target.
		Number of training to be conducted to various Government organizations	448	556	Achieved
		Consultancy jobs to be provided (number of jobs)	150	140	Achieved
		Number of Engineering Jobs i.e. Production tools, Jigs, Fixtures, Dyes & Moulds, will be designed for local industry	453	450	Achieved
		Number of Energy Audits	12	13	Achieved
		Number of Skilled workforce will be produced for the industry through techno managerial training courses	5324	6579	Achieved

	Assistance Centre (PITAC)	No. of Technical Personnel trained under Apprenticeship Training Program (For Engineers, DAEs and Technicians) and Internship Training Program (For University / College Students)		NIL	
		No. of Technologists produced under Technical Education Program of Three (03) Year Diploma of Associate Engineer (EAD) in PITAC Collage of Technology (PCT)		NIL	
3	Industrial infrastructure development, industrial production and other support services Office Responsible: Development Wing, Ministry of Industries and Production	Number of Industrial Estates	02	2	Achieved
		Number of Units in the Industrial Estate	10	12	Achieved
		Number of Initiatives to be launched	05	4	One Mega Project titled "Infrastructure Development of Export Processing Zone at Gawadar" was not approved by Ministry of Planning, Development & Reform.
4	Promotion of Small and Medium Enterprises Office Responsible: Small & Medium Enterprises Development Authority (SMEDA)	Number of Business Plans to be developed	28	21	
		Number of direct facilitations to be provided to SME's through established regional helpdesks	5700	9264	Achieved
		Number of Training Programs to be conducted	190	240	Achieved
		Number of Pre-feasibility studies to be updated and developed	54	48	Achieved
		Number of Cluster Profiles i.e. leather sector, garments sector etc. to be developed	8	10	Achieved
		Number of District Economic Profiles to be developed	6	5	Achieved
		Investment Facilitation i.e. establishment of projects feasibilities, loan assessment and facilitation	Rs. 600 Million	Rs. 534 Million	Achieved
		Number of Regulatory Procedures to be updated	8	10	Achieved
	Number of Awareness Seminars and Workshops to be conducted	10	15	Achieved	

		Technical Support to Auto Parts Manufacturing Industry of Pakistan for Productivity Improvement (Number of units)	28	33	Achieved
		Energy Efficiency/Audits (Number of audits)	10	10	Achieved
		Number of CFC/Demonstration Projects to be established	12	6	The Projects planned by SMEDA in FY 2017-18 could not be funded through PSDP.
		Third Party Facilitation Centers for legal recourse & facilitation (number of centers)	1	1	Achieved
		Number of Publications to be developed and published	8	9	Achieved
		Number of Special Projects to be undertaken in coordination with International Development Agencies	3	3	Achieved
		Number of Documents/business plan/pre-feasibility available on SMEDA's website	250,000	145,716	The target was not settled correctly earlier. The plan target was 120,000 which had been achieved more than the planned one.
		Certification Support to Gem Stone and Jewellery through Gem stone and Jewellery certification labs		NIL	
		Business Advisory Services to Gems and Jewellery Sector		NIL	
5	Explosive Management and Regulatory Services Office Responsible: Department of Explosives and its Regional Offices / Agro Food Processing (AFP)	Licenses renewed (Number of licenses)	5500	10942	Department of Explosives over numbered in achieving its targets by its impressive performance.
		Revenue Targets (Rs. in Million)	190,000	265,000	do
		Number of Inspections (premises license issued by Dept. of Explosives)	5100	7793	do
		Number of Licenses to be issued	1200	1560	do