

# YEAR BOOK 2019-2020



GOVERNMENT OF PAKISTAN  
INDUSTRIES AND PRODUCTION DIVISION  
ISLAMABAD



### **MESSAGE FROM THE MINISTER FOR INDUSTRIES AND PRODUCTION**

Publishing of yearbooks is largely a perfunctory exercise in public sector departments. However, I am very pleased to note that while compiling Year Book 2019-20, the Industries and Production Division has followed a spirit of change compatible with the changing political ethos under the present government.

Industries and Production Division has a specialized scope that aims at creating a conducive environment for sustained industrial expansion. The political leadership is committed to promote transparency and a culture of inclusive policy formulation based on exhaustive stakeholder consultation. In this backdrop, the Year Book 2019-20 is a document that allows stakeholders to discuss and debate government policies, thus enhancing opportunities for positive and constructive feedback. This approach will also enable the government to reorient its policies according to ground realities and felt needs as well as to create an enabling eco-system, which would help promote rapid industrialization in the country.

I am sure that the Year Book 2019-20 would be a valuable contribution for practitioners and stakeholders, including businesspeople, investors, researchers and policy makers.

**(Makhdum Khusro Bakhtyar)**  
Federal Minister for Industries and  
Production



### **MESSAGE FROM SECRETARY INDUSTRIES AND PRODUCTION**

It gives me immense pleasure in documenting the performance of the Industries and Production Division for the year 2019-20, based on various activities conducted in the Division as well as its support organizations.

The document highlights the policies framed either directly by this Division or through its support organizations to promote industrialization in the country as well as special emphasis given by the Division on various emerging sub-sectors. The achievements made during the period under review would contribute towards creation of an 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 trust this document will prove to be a useful reference for an overview of the Division and the industrial sector. We would appreciate proposals and suggestions for improvements in the next Year Book.

**(Kamran Ali Afzal)**  
Secretary

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## 1.0 INTRODUCTION

Industries and Production Division aim is to facilitate Industrial growth in the country, both in public and private sector. It plays a significant role in creating an enabling environment for industrial growth in the country. Pakistan is endowed with all the essential requisites of industrialization i.e. availability of raw materials, cheap labour, entrepreneurship and domestic consumer market of around 190 million people. The Division 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, I&P Division devised its strategy and moved forward with all its resources.

During the period 2018-19, the broad functions performed by the I&P Division 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 Division 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 Industries and Production Division.
- 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 Industries and Production Division 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 Industries and Production Division has been distributed amongst the following Wings: -

#### **1. Admin & Finance (A&F) Wing**

1. Administration / Establishment matters of main Division.
2. Budgetary and financial matters of main Division 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 I&P Division 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 Division 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 Division 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:
  1. Pakistan Steel Mills (PSM)
  2. Engineering Development Board (EDB)
  3. State Engineering Corporation (SEC) and its following subsidiaries:
    - i). Heavy Electrical Complex (HEC)
    - ii). 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: -
    - i). Pakistan Stone Development Company (PASDEC)
    - ii). Pakistan Gems & Jewellery Development Company (PG&JDC)
    - iii). Pakistan Hunting & Supporting Arms Development Company (PHASDC)
    - iv). Furniture Pakistan (FP)
    - v). Aik Hunar Aik Nagar Project (AHAN)
6. Ensuring preparation of quarterly and yearly plans for the above Medium sized companies attached to I&P Division.

## **5. Industrial Infrastructure Development (IID) Wing**

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: -
  1. Export Processing Zone Authority (EPZA)
  2. National Industrial Parks Development and Management Company (NIP).
6. Ensuring preparation of yearly and quarterly plans for the above Infrastructure development companies attached to I&PD.
7. Industrial Safety and Consumer Protection.
8. Administrative and Operational matters of Department of Explosives.

## **6. Investment Facilitation (IF) Wing**

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**

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.
  1. Technology Up-gradation & Skills Development Company (TUSDEC)
  2. Karachi Tools Dies & Mould Centre, Karachi (KTDMC).
  3. Gujranwala Tools Dies & Moulds Company (GTDMC).
  4. Ceramic Development & Training Complex (CDTC), Gujranwala.
  5. Pakistan Chemical & Energy Sector Skills Development Company.
  6. Pakistan Institute of Management (PIM), Karachi.
  7. Pakistan Industrial Technical Assistance Centre (PITAC).
  8. 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 I&PD.
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 of Industries and Production Division during the year 2019-20 are as follows:

- Eighteen (18) development projects were executed during the Financial Year 2019-20 and an expenditure of **Rs. 571.690 million** had been incurred in the implementation of development projects of Industries and Production Division against total allocation of **Rs. 1166.933 million** (Detail is placed at **Annex-I**).
- Following projects were completed by 30th June, 2020.
  - 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.
- The development projects executed during the year were geared to act as demonstration effect to provide common training facilities, infrastructure development, technological transfer and common machinery pools. The basic thrust of the development projects was on technology driven growth within a framework to encourage economy of scale, value addition and diversification of products in order to make our products competitive in the international markets.

2. In addition to the above, following new projects were processed during the FY 2019-20.

#### **Departmental Development Working Party (DDWP)**

**Rs. In million**

<b>Sr#</b>	<b>Name of the Project</b>	<b>Total Cost</b>	<b>Status</b>
1	Establishment of Metal Park in Balochistan (Feasibility).	300.000	PC-II scrutinized/ processed in the I&PD and approved in the DDWP meeting dated 7 <sup>th</sup> February, 2020.
2	Industrial Designing and Automation Centers at Karachi, Lahore and Sialkot.	972.970	PC-I scrutinized/ processed in the I&PD and approved in the CDWP meeting dated 14 <sup>th</sup> February, 2020.
<b>Total</b>		<b>1272.97</b>	



**Central Development Working Party (CDWP)****Rs. In million**

<b>Sr#</b>	<b>Name of the Project</b>	<b>Total Cost</b>	<b>Status</b>
1	National Strategic Programme for Acquisition of Industrial Technology (NSPAIT) including feasibility study	2914.000	PC-I scrutinized/ processed in the I&PD and CDWP approved its feasibility component at the cost of Rs.84.970 millions dated 18 <sup>th</sup> November, 2019.
2	Establishment of Hub Special Economic Zone, Lasbela	2287.84	PC-I scrutinized/ processed in the I&PD and approved in the CDWP meeting dated 19 <sup>th</sup> -20 <sup>th</sup> May, 2020.
3	Establishment of 132 KV Grid Station at Bin Qasim Industrial Park (BQIP) Modified PC-I	1,493.081	PC-I scrutinized/ processed in the I&PD and forwarded to Ministry of Energy (Power Division). The same was approved in the CDWP meeting dated 3 <sup>rd</sup> to 9 <sup>th</sup> June, 2020.
<b>Total</b>		<b>6,694.921</b>	

**Government of Pakistan  
Industries and Production Division**

**PSDP 2019-20**

(million Rupees)

Sr. No	Name of the project	Executing Agency	Capital Cost	Revised Allocation FY 2018-19	Releases in FY 2019-20
1	2	3	4	5	6
1	Establishment of Bostan Industrial Estate Bostan Phase-I	Industries and Commerce Dept GOB	519.32	110.87	110.87
2	Establishment of Infrastructure in Quetta Industrial & Trading Estate Phase-II	Industries and Commerce Dept GOB	279.98	24.89	24.89
3	Fruit Dehydration Unit, Swat	SMEDA	59.94	25.89	13.90
4	Hyderabad Engineering Support Centre (HESC), Hyderabad.	TUSDEC	257.01	20.56	12.75
5	Light Engineering Upgradation Centre for SMEs in Balochistan (LEUC), Hub Lasbela.	TUSDEC	250.57	23.07	13.46
6	National Business Development Programme for SMEs, All over Pakistan.	SMEDA	1954.98	250.00	137.44
7	Peshawar Light Engineering Centre (PLEC), Peshawar.	TUSDEC	265.14	33.54	18.66
8	Product Development Center for Composites Based Sports Goods, Sialkot.	SMEDA	487.97	100.00	73.68
9	Provision of Infrastructure in Quetta Industrial Estate Phase-IV	Industries and Commerce Dept GOB	194.70	18.26	18.25
10	Business Skill Development Centre for Women at Dera Ismail Khan	SMEDA	59.49	15.00	0.00
11	Establishment of Hub Special Economic Zone	LIEDA, GOB	2287.84	200.00	0.00

<b>12</b>	Establishment of Metal Park in Balochistan (Feasibility)	Mines and Mineral Development Dept, GOB	300.00	100.00	0.00
<b>13</b>	Footwear Cluster Development through CAD/CAM & Machining, Lahore	TUSDEC	78.69	30.00	24.61
<b>14</b>	Handicraft Development & Promotion in Less Development Areas of Pakistan	AHAN	59.64	0.00	0.00
<b>15</b>	Handicraft Export Development Project (All over Pakistan)	AHAN	236.26	0.00	0.00
<b>16</b>	Industrial Designing & Automation Centers at Lahore, Karachi and Sialkot.	TUSDEC	972.97	100.00	92.78
<b>17</b>	SME Business Facilitation Center, Multan	SMEDA	59.89	29.89	5.93
<b>18</b>	National Strategic Programme for Acquisition of Industrial Technology (NSPAIT) including Feasibility (Knowledge Economy Initiative)	TUSDEC	2914.00	84.97	24.46
<b>Total</b>			<b>11238.379</b>	<b>1166.933</b>	<b>571.690</b>

## **3.0 PUBLIC SECTOR CORPORATIONS / ORGANIZATIONS**

### **3.1 PAKISTAN INSTITUTE OF MANAGEMENT (PIM).**

#### **Brief History:**

Pakistan Institute of Management (PIM) was setup in 1954 to provide management trainings to the professionals and managers working in industry and other organizations both in public & private sectors. PIM works as an autonomous body under the administrative control of the Industries and Production Division (I&PD), GoP. PIM is the oldest and the larger management training institute in Pakistan.

PIM's head office is located in Clifton, Karachi with branch offices in Lahore and Islamabad. Presently, total number of employees is 103. Annual budget for the year 2019-20 was Rs. 251 million with grant-in-aid of Rs. 66 million, which means that around 26% of expenditure was met from grant-in-aid and around 74% from PIM's own sources of revenue.

#### **PIM's Mission:**

Progress Through better Management and Good Governance.

#### **PIM's Charter / Vision:**

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

#### **PIM's Core Business / Activities:**

i) Management Training, ii) Management Education, and iii) Consulting.

PIM offers short duration management training programs in around 100 or more topics, and 3 to 4 months-duration diploma & certification programs in around 25 topics.

#### **A. Achievements and Initiatives Taken during the year 2019-20:**

1. PIM trained 4,328 professionals of middle and senior management level from government, public sector organizations, and private sector organizations in 2019-20. So far, PIM has trained more than 200,000 managers and professionals since its inception in 1954.
2. A few new training programs and diploma programs were launched successfully, keeping in view the latest trends in management practices and need of our client organizations.

3. An initiative of launching Pakistan Management Excellence Award (PMEA) has been taken by PIM to make the organizations more competitive and more productive, and increase our export and reduce dependence on imports. The award was launched in January 2020 in Karachi and in February 2020 in Lahore. Award ceremony is expected to take place sometime in April 2021.
4. MoUs were signed with many organizations to create synergy with other organizations and improve or enhance our offerings.
5. HEC issued NoC to start M.sc in Engineering Business Management (EBM) at PIM Karachi by the University of Warwick, UK. The program got delayed due to COVID-19, and is now expected to be launched in January or February 2021.

### **3.2 SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AUTHORITY (SMEDA)**

Small and Medium Enterprises Development Authority (SMEDA), the apex SME development organization of the Government of Pakistan, has an all-encompassing mandate of fostering growth of the SME sector. SMEDA's broad portfolio of services includes; business development services, infrastructure development through establishing common facility centers, industry support for productivity enhancement and energy efficiency, human capital development through its training programs, and SME related projects with national and international development partners. Salient activities/achievements of SMEDA during July 2019 to June 2020 are given below:

#### **I. National SME Policy**

The current government assigns high priority to SME development and creation of a conducive business environment for SMEs across Pakistan. In order to create a facilitative economic environment where SMEs can exploit emerging opportunities in the local and global market, draft National SME Policy has been developed by SMEDA.

Draft National SME Policy specifically focuses on job creation, export enhancement and increased contribution of SMEs to Pakistan's Economy. The Policy shall address core SME development issues, including; Access to Finance, Business Development Services (HR Development, Technology, Marketing, Market Access, Standards and Certifications, etc.), simplification & rationalization of taxation regime and reduction in cost of doing business. Other areas include IT, E-commerce, Women Entrepreneurship, Dairy and Livestock sector, etc. to promote growth through a sectoral approach. A cohesive strategic framework for business facilitation across the public sector institutional infrastructure, both federal & provincial, has also been developed to support holistic implementation of the Policy, under the principle of ease of doing business. Currently, the draft National SME Policy has been submitted to the Industries & Production Division for review and subsequent submission to the Federal Cabinet for approval.

#### **II. Grants Program for SMEs**

##### **I. National Business Development Program for SMEs (NBDP):**

- i). NBDP has been developed, for providing SME start-up support & business improvement through practical, on-ground services to SMEs. The project shall be instrumental in establishing new enterprises and building the capacity of existing enterprises through provision of Business Development Services (BDS), such as; marketing, technology, incubation, research & development and organizational development services. The program envisages to facilitate 314,901 SMEs, over a period of five years. The total cost of project is PKR 1954.978 million out of which an allocation of PKR 250 million has been made for FY 2019-20.

- ii). In February 2020, SMEDA launched its Organizational Development (OD) Grants Program. OD Grant up to PKR 500,000 will be provided to support SMEs. In order to facilitate potential applicants, a portal was developed and launched on 23<sup>rd</sup> February, 2020 by NBDP-SMEDA to receive online grant applications. At initial stage around Eighty (80) OD Grants will be provided to eligible SMEs. The grant will be given on first come first served basis. NBDP-SMEDA has also launched state of the art first SME Business Helpline 042 111-SME (763)-111 for SMEs in Pakistan that shall serve as a centralized business information center for all existing and potential businesses across the country.

## **II. 1000 Industrial Stitching Units, All Over Pakistan:**

SMEDA, in collaboration with the Ministry of Commerce (Textile Wing) is jointly implementing a PSDP project titled '1000 Industrial Stitching Units (ISUs)'. In the first phase of the project, 150 stitching units will be established. 60% of the machinery cost of the stitching units will be provided as a grant by the project. The total cost of project is PKR 350.54 million out of which PKR 100 million has been allocated for FY 2019-20. During July 2019 – June 2020, awareness sessions at Swabi, Multan, Gujranwala, Lahore, Faisalabad, Sialkot, Karachi and Quetta were conducted. Around 250 grant applications have been received and 46 grant cases have been approved by the Project Steering Committee.

## **III. FATA Economic Revitalization Programme (FERP) - UNDP Funded Project**

SMEDA is providing technical support to UNDP for provision of micro grants through review, assessment and validation of 4,350 Business Plans. These small-scale businesses, once established will provide employment opportunities to around 8,000 persons and livelihood to 4,000 households.

## **IV. PM's Kamyab Jawan Youth Entrepreneurship Scheme (YES)**

Under Prime Minister's Kamyab Jawan Program, SMEDA is supporting Kamyab Jawan Youth Entrepreneurship Scheme through an integrated mechanism of assistance that includes awareness creation, capacity building, training and networking. Details of support provided during the period are given below:

- Developed 40 customized pre-feasibility studies, covering sectors such as; Dairy & Livestock, Services, Information Technology (ICT), Engineering & Manufacturing, Minerals, Food & Beverages, etc.
- Created awareness through SMEDA Helpdesks, official SMEDA Website and social media pages. Around 1,317 individuals were facilitated through SMEDA Helpdesks.
- Developed online Financial Calculators for calculation of loan repayment schedule based upon program parameters.

- Info pack of the Program, for information dissemination to potential beneficiaries was also developed. Number of downloads of Information Tools was 15,426.

## V. Economic Revitalization of Khyber Pakhtunkhwa and FATA (ERKF)

The Multi Donor Trust Fund (MDTF) project ‘Economic Revitalization of Khyber Pakhtunkhwa and Federally Administered Tribal Areas (FATA)’ was implemented by SMEDA in collaboration with the provincial government of Khyber Pakhtunkhwa to provide support for rehabilitation of businesses in the region. After the successful completion of Phase-I, MDTF extended the project to Phase-II (2017-2020). Under Phase-II, ERKF Project is offering support to SMEs on the basis of 50% matching share through the following types of grants:

- Rehabilitation Grant** - This grant is given to SMEs for rehabilitation of businesses affected by crisis in Khyber Pakhtunkhwa and FATA. The program provides the flexibility of using these grants either for capital expenditures or for working capital.
- Up-gradation Grant** - Up-gradation grant is available to those SMEs that have an existing business and they need support for upgrading their business processes for improving their productivity and efficiency.
- Cluster Grant** - This type of grant is provided to groups of SMEs (at least 5 SMEs). Preference is given to those projects that benefit, not only the concerned SMEs, but the entire cluster.

Under Phase-II of ERKF project (July 2019 – June 2020), a total amount of PKR Rs. 407.10 million has been approved/ sanctioned to 562 SMEs in the region.

## III. Technology Up-gradation, Common Facility Centers & Business Development Centers

Federal Government has kept an active focus on supporting SME development through undertaking various initiatives to build SME skills, access to technology and developing modern business infrastructure. In this regard, SMEDA, during FY 2019-2020 has been implementing following PSDP funded projects:

### New Projects:

- 1. Product Development Center for Composites Based Sports Goods, Sialkot:**  
The project will serve as a Common Facility Center for manufacturing of composite sports goods i.e. Hockey sticks, Baseball and Cricket bats, Billiard Ques, Rackets, & Fishing Tackle & Golf sticks (10,800 products per annum). It is being undertaken to prepare and support local industry to aggressively enter the international market of composite-based sports goods. The total cost of project is PKR 487.97 million out of which an allocation of PKR 100 million has been made for FY 2019-20.
- 2. Fruit Dehydration Unit, Swat:** Fruit dehydration facility for processing (washing, slicing, packing, and storing) fruits and vegetables is a Common Facility Center that will replace existing hazardous and obsolete sun drying practices with modern



dehydration and packaging methods as per international standards. The total cost of the project is PKR 59.94 million out of which an allocation of PKR 25.89 million has been made for FY 2019-20. The facility will have positive impact on reducing post-harvest losses that are estimated at 35% of total production of fruits and vegetables.

**3. SME Business Facilitation Center (SMEBFC), Multan:** The objective of SMEBFC is to facilitate SMEs through SMEDA services within the region. The total cost of project is PKR 59.89 million out of which an allocation of PKR 29.89 million is made for FY 2019-20. SMEBFC will provide following services to SMEs:

- Information dissemination
- Delivery of need based training programs for SMEs
- Identification of region specific investment opportunities
- Over the Counter (OTC) products development

**4. Business Skill Development Centers for Women at Dera Ismail Khan:** The establishment of Business Skill Development Center will promote an entrepreneurial culture amongst women in Dera Ismail Khan. The total project cost is PKR 59.49 million out of which an allocation of PKR 15 million has been made for FY 2019-20. Following services will be offered through BSDC:

- Development of Display Centers
- Development of Exhibition Centers
- Engagement of Business Development Services (e.g. accountants, lawyers, product developers)
- Help Desks for advisory Services

### **Ongoing Projects:**

**1. Sports Industries Development Centre (SIDC), Sialkot** - SIDC provides common facility services for developing mechanized inflatable balls. The project has successfully manufactured approx. 1.5 million different sports goods of international standard. The Project stands completed and has been providing manufacturing facilities for Bladders, Thermo balls, Basketballs, Yarn Winding, etc. to SMEs / local industry as per requirement. During July 2019 to February 2020, the following sports goods were produced:

Bladders:	491,400 Nos.
Thermo balls:	7,300 Nos.
Basketballs:	7,700 Nos.
Yarn winding of bladders:	49,000 Nos.

**2. Sialkot Business & Commerce Center (SBCC)** offers 216 Stalls for around-the-year exhibitions and 25 Business Incubation Offices for matchmaking and B2B meetings. The project shall facilitate 1000 SMEs per annum, besides providing direct and indirect employment to 120 persons.

3. **CFC for Honey Processing & Packaging, Swat** - To date the facility has processed 3,195 kg of honey and benefitted 35 SMEs. It has also raised the price of honey on an average of Rs. 100-150 per kg after processing, resulting in approximately 30% of value addition to raw honey.
4. **CFC for Silk Cluster, Swat** is a common facility to improve quality of silk cloth through Dyeing, Washing and Pressing within the cluster. This cluster currently comprises of around 75 units in operation, as compared to the situation of a few years ago when Swat was considered as a major cluster of Silk and had more than 400 units. Trial run of the project is in process and the Project will be operational by May 2020.

#### IV. SMEDA Over the Counter (OTC)

Sr. No.	Initiatives	Achievements (Jul 2019 – June 2020)
1	SME Facilitation	6,957
2	Pre-feasibility Studies Development (New & Updated)	88
3	Investment Facilitation (PKR million)	776.38 million
4	Business Plans	9
5	Training Programs	509
6	Cluster / District Profiles (New and Updated)	43
7	OTC Products (Food Safety, Business Management, A2F etc.)	48
8	Diagnostic / Value Chain Studies	9
9	Theme Specific Helpdesks	154
10	SMEDA Web Portal (Download Statistics)	141,805
11	SME Observer	1 issue
12	SMEDA Newsletter	4 issues
13	SMEDA Research Journal	Annual Publication

#### V. Special Projects with International Development Partners

##### i. SMEDA Industrial Support Program:

SMEDA collaborates with international development organizations such as Japan International Cooperation Agency (JICA), German International Cooperation (GIZ), Training and Development Centers of the Bavarian Employers Association (bfz), Germany and local experts to extend support to the local industries. Technical assistance is provided to SMEs in order to enhance competitiveness by improving productivity, quality and energy efficiency. Details of facilitation and support provided during the period are given below:

- Under the SMEDA-JICA Auto Parts Project, technical support was extended to 52 auto part manufacturers in Lahore and Karachi.

- Baseline Energy audits were conducted in 06 SMEs from auto parts sector and Sports goods sector. Follow up visits of 9 companies were also conducted for Improving Production Efficiencies
- Provided technical assistance in implementation of Japanese productivity and quality tools like 5s/5T to 15 SME units.
- Organized 16 training programs and workshops the areas of energy efficiency, productivity, quality, 5S/5T, total productive maintenance, etc.

## **ii. Economic Cooperation & Development Forum (ECDF) under FATA Economic Revitalization Program (FERP) – UNDP Funded Project:**

Economic Cooperation & Development Forum (ECDF) platform has been set-up to discuss challenges and opportunities to accelerate economic growth in the Newly Merged Districts (NMDs). The forum comprises 50 experts from public sector, think tanks, donors, civil society organizations, academia, banks, chambers and private sector. ECDF has developed and submitted proposals for development of mineral sector to the Khyber Pakhtunkhwa government for economic development of NMDs. Other initiatives include; extension of Khyber Pakhtunkhwa Mineral Governance Act 2017, introduction of mineral specific magistracy system, digitalization of mine leases allotment process and declaring the ownership of Khyber Pakhtunkhwa Government on mineral resources in the NMDs.

## **iii. Small Business Interventions to Support Development of Clusters through CFCs- UNDP**

In order to develop clusters by establishing Common Facility Centers (CFCs), SMEDA and UNDP are jointly implementing Small Business Interventions Project. Under the project, 11 CFCs (7 in Khyber Pakhtunkhwa and 4 in Sindh) will be established. During the period, following 11 Proposals have been developed and submitted to UNDP for funding:

1. Compartmentalized Cold Storage (100 MT), Mirpurkhas, Sindh
2. Fruit Processing and Ripening Facility at Karachi, Sindh
3. Onion Dehydration & Frying Processing Facility at Karachi, Sindh
4. Garments Stitching Unit, Mithi- Sindh
5. Peanut Processing Facility- Peshawar, Khyber Pakhtunkhwa
6. Installation of Computer Numerical Control (CNC) Router Machine for wood carving, Peshawar, Khyber Pakhtunkhwa
7. Fruits, Vegetables and Meat Dehydration Unit Chitral, Khyber Pakhtunkhwa
8. Maize Silage Processing CFC at Mardan, Khyber Pakhtunkhwa
9. Honey Processing CFC, Tarnab, Khyber Pakhtunkhwa
10. Maize Silage Processing CFC at Domail, Bannu Khyber Pakhtunkhwa
11. Women Owned Reefer Van for Trout Fish, Swat, Khyber Pakhtunkhwa

#### iv. 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. 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. During the period, 05 Value Chain studies, 14 Cluster studies, and project proposals for Gypsum value addition & Advanced Granite Processing Unit, Mansehra were developed.

#### v. Provision of Policy inputs and Advocacy:

One of the core areas of SMEDA's interventions is to provide input on various policies of the Federal Government to protect SME interest. These include:

- i. **Federal Budget 2020-21:** SMEDA conducted a round of consultation to solicit proposals/ recommendation for Federal Budget 2020-21. In this regard, around 250 SME stakeholders including SMEs, Chambers of Commerce & Industry, Trade Associations and other institutional stakeholders were approached to obtain recommendations regarding taxation, tariffs, regulatory processes and any other issues that impede SME growth. Consultative Workshops were also conducted in Lahore, Karachi, Quetta and Peshawar with participation of SMEs, Trade Associations, Academia and Women Entrepreneurs (WEs). In the light of inputs received from stakeholders, recommendations were developed for Federal Budget 2020-21 and submitted to Industries and Production Division (I&PD), Ministry of Finance (MoF) and Federal Board of Revenue (FBR).
- ii. **Other Government Policies:** During July 2019 to June 2020, policy inputs were also provided on Draft E-Commerce Policy, Draft of National Emigration and Welfare Policy for Overseas Pakistanis, Pakistan National Quality Policy, MSME Strategy of Punjab and Economic Growth and Equity Strategy (2021-23).

#### VI. Supporting SMEs During COVID-19 Pandemic:

- i. **Survey on Impact of COVID-19 on SMEs:** Pakistan's economy has witnessed a negative growth due to COVID-19 pandemic, leading to a devastating economic impact on the country. An online survey titled "Impact of COVID-19 on SMEs" was carried out by SMEDA to assess the effect of COVID-19 on businesses and simultaneously identify the issues that SMEs were facing at the peak of COVID-19 pandemic. Nine hundred & twenty (920) businesses participated in the survey across Pakistan. These 920 businesses had an estimated total annual sales turnover of PKR 29 billion and employed an estimated 19,641 employees.

Respondents also identified areas for public sector support to sustain their businesses and mitigate the impact of COVID-19. These areas include; SME-specific support measures including financial packages, tax relief, guarantees and grants, relaxation in payments of utility bills, support in paying salaries and easing conditions for loan repayments. With these key findings, it was evident that Pakistan's economy was suffering and most of SME sectors were impacted. Details of SME issues and Survey results are available in full report, which can be

downloaded from SMEDA's website. The survey was utilized by the Government of Pakistan to design an electricity relief package titled '**Prime Minister's Small Businesses & Industries Relief Package**' and **Mazdoor ka Ehssas Program**.

**ii. Online SME Clinics and Webinars during COVID-19 Pandemic**

To facilitate SMEs during COVID-19 pandemic, SMEDA conducted 13 Online Thematic helpdesks for SMEs and 4 Webinar for SMEs (Live stream sessions have been viewed by more than 6500 on YouTube)

### **3.3 EXPORT PROCESSING ZONES AUTHORITY (EPZA)**

#### **Mandate**

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

#### **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.

#### **Export Performance of Zone during July 2019 – June 2020**

(Figure in US \$ million)

S. No	Name of EPZ	Export during July 2019 to June 2020
1.	Karachi EPZ	502.828
2.	Saindak EPZ	55.002
3.	Duddar EPZ	30.894
4.	Risalpur EPZ	3.043
5.	Sialkot EPZ	21.030
6.	Tuwairqi EPZ	-
7.	Gujranwala EPZ	1.281
	<b>Total</b>	<b>614.078</b>

#### **MAJOR ACHIEVEMENTS**

- Export performance of EPZA during 2019-2020 is US\$ 614.078 million compared to the last year i.e. 2018-2019 which was US \$ 700.040 million. The difference occurred due to COVID-19, otherwise export performance of EPZA always goes upward in subsequent years.
- Provides jobs to 35,000/- local population.
- EPZA has contributed an amount of US \$ 6.14078 million in Government treasury on account of presumptive tax in 2019-20.

## 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 phases (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 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

<b>PROJECT OF EPZA</b>		
<b>Project</b>	<b>Area</b>	<b>Status</b>
<b>1) Karachi Export Processing Zone (KEPZ) – The First Project of EPZA</b>		
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
<b>2) Risalpur Export Processing Zone</b> (Managed by Khyber Pakhtunkhwa Economic Zones Development & Management Company) (KP, EZDMC) former name is Sarhad Development Authority)		
	92 acres	In operation
<b>3) Sialkot Export Processing Zone</b> (Managed by Punjab Small Industries Corporation)		
	238 acres	In operation
<b>4) Gujranwala Export Processing Zone</b> (Infrastructure being developed)		
	113 acres	In operation
<b>5) Saindak Export Processing Zone</b> (Operated by Chinese Company)		
	1284 acres	In operation
<b>6) Duddar Export Processing Zone</b> (Operated by Chinese Company)		
	1500 acres	In operation
<b>7. Tuwaiqi Export Processing Zone</b> (Operated by Saudi company)		
	220 acres	(dormant)

## **EPZ INCENTIVES / FACILITIES**

### **Incentives**

- Developed land on competitive rates for 30 years
- Duty-free import of machinery, equipment and materials
- Freedom from national import regulations
- Exchange control regulations of Pakistan not applicable
- Repatriation of capital and profits
- No sales tax on input goods including electricity/gas bills
- Presumptive tax @ 1%
- Only EPZA is authorized to collect Presumptive tax at the time of export of goods which would be final tax liability.
- Obsolete/old machinery can be sold in domestic market of Pakistan after payment of applicable duties & taxes
- Defective goods/waste can be sold in domestic market after payment of applicable duties, maximum up-to 3% of total value
- EPZ units allowed to supply goods to Custom manufacturing bonds

### **Facilities**

- One window operation with simplified procedures
- All facilities like electricity, gas and water are made available
- Peaceful, secure and environmentally protected pollution-free work area
- Inter-unit transfer of finished goods among exporting units allowed
- Easy access to sea and air ports



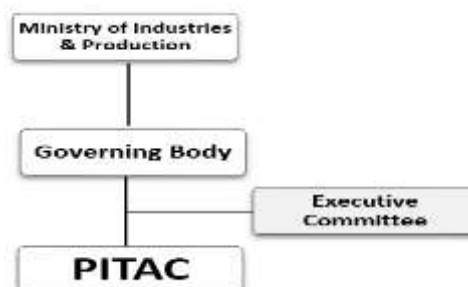
### **3.4 PAKISTAN INDUSTRIAL TECHNICAL ASSISTANCE CENTRE (PITAC)**

PITAC is an Autonomous Organization established on 26<sup>th</sup> May, 1962 with the merger of Industrial Research & Development Centre (IRDC) and Industrial Productivity Centre (IPC) under Industries & Production Division and registered under Societies Registration Act, 1860, vide Gazette Notification of Pakistan Resolution NO.C&P-9(11)/62 dated 26<sup>th</sup> may, 1962. It is a non-commercial, non-profit making and service oriented organization which provides human resource, skill development services and technical education to the industrial personnel and underprivileged youth of the Society and Technical Assistance and Advisory Services to the industrial units to facilitate industrial growth in the country besides providing entrepreneurship training and development services to the young professionals for their own startups to boost economic growth by introducing innovative technologies, products and services.

#### **ORGANIZATIONAL STRUCTURE OF PITAC**

The Operational Structure of PITAC is as follows: -

1	Industries and Production Division, Government of Pakistan
2	Governing Body
3	Executive Committee
4	PITAC



#### **MISSION STATEMENT**

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

#### **SCOPE**

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

## **FUNCTIONS**

### **The main objectives/functions of PITAC are follows:**

- To train and upgrade the skills of industrial personnel in Technical and managerial fields, provide technical Education and Entrepreneurship Training and development services.
- 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.
- To introduce 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

### **Geographical Coverage**

PITAC has its head quarter in Lahore and regional centres in Quetta, Baluchistan, Mirpur AJ &K, Peshawar KPK, Karachi Sindh Gilgit, GB and Islamabad, for ensuring access to it all over Pakistan.

### **PITAC COLLEGE OF TECHNOLOGY (PCT)**

PITAC College of Technology (PCT) provides Technical Education i.e. Diplomas of Associate Engineering (DAE) to the students to produce technologist for the Industry & development of Technical Entrepreneurs in the disciplines of Mechanical, Electrical Technologies. The PCT management working rapidly to add up new technologies to further impart the technical education to the youth of the society.

### **Technological Back up Support and Advisory Services**

PITAC provides Technological Backup Support and Advisory Services to the Industry specifically in the following areas:

- Design and Development of Engineering Products.
- 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 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.

SMEs 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 leads the industry towards self-reliance, improvements in technical knowhow, saving production equipment from break downs, enhance quality & productivity and to bring freedom from imports as far possible. It has also helped in development of SMEs.

The progress of PITAC during the fiscal year 2019-20 is as follows:

#### 1. TECHNICAL AND MANAGERIAL SKILL DEVELOPMENT SERVICES

Sr. No.	Output(s)	Indicators	FY 2019 – 20
1.	<b>Provision of Technical and Managerial Training Services to Public and Private Sector Organizations, Industries, Industrial Personnel and Individuals</b>	No. of Courses conducted in Technical and Managerial Training Fields	196
2.		No. of Trainees Trained in Technical and Managerial Training Fields	1474
3.		No. of Workshop / Seminars / Symposiums organized in Technical and Managerial Training Fields	69
4.		No. of Participants participated in Workshop / Seminars / Symposiums of Technical and Managerial Training Fields	2262
5.		No. of Courses / Workshop / Seminars / organized for Entrepreneurship Development	2
6.		No. of Participants participated in Courses / Workshop / Seminars / organized for Entrepreneurship Development	23

7.		No. of Technical Personnel trained under Apprenticeship Training Program (For Engineers, DAEs and Technicians) and Internship Training Program (For University / College Students)	58
8.		No. of Technologists produced under Technical Education Program of Three (03) Year Diploma of Associate Engineer (DAE) in PITAC College of Technology (PCT)	416
<b>Total</b>			<b>4233</b>

## 2. TECHNOLOGICAL BACK UP SUPPORT AND ADVISORY SERVICES

SME's and Industry are being benefitted by PITAC through its Technological Back up Support & Advisory Services:

Sr. No.	Output(s)	Indicators	FY 2019 – 20
1.	<b>Provision of Technological Backup Support and Advisory Services to Industry.</b>	<b>Computer Aided Designing (CAD)</b> of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	77
2.		<b>Computer Aided Machining (CAM)</b> of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	1281
3.		<b>Reverse Engineering</b> of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	46
4.		<b>Conventional Machining</b> of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	1438
5.		<b>Inspection Services</b> of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	773
6.		<b>Heat Treatment</b> of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	81
7.		<b>Super Finishing</b> of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges	64

		etc.) – In Nos.	
8.		<b>Tool Room Machining (TRM)</b> of Engineering Products, Precision Parts, Prototypes & Production Toolings (Incl. Dies, Molds, Jigs, Fixtures, Precision Inspection Gauges etc.) – In Nos.	209
9.		<b>Refrigeration &amp; Air conditioning Services – In Nos.</b>	12
10.		<b>Development of Engineering parts through various methods i.e. press working, casting, molding, welding etc. – in Nos.</b>	1943
11.		No. of Advisory Services extended to industries	15
<b>Total Number of Engineering Products, Precision Part, Prototypes &amp; Production Tooling developed and Advisory Services Extended</b>			<b>5939</b>

### **3. HIGHLIGHTS OF OTHER ACTIVITIES BY PITAC IN FY- 2019-20.**

#### **PROGRESS REPORT IN RESPECT OF PCT**

##### Parent Teachers Meeting (PTM)

To evaluate the performance of students and to convey it to the parents and also to interact with teachers, a Parent Teacher Meeting was scheduled on 20.12.2019. Parents were contacted over telephone to ensure their presence in the meeting.

##### Up-gradation of PITAC Library Facility

To further improve and update the knowledge of students, PCT has initiated the case for purchase of 250 books for further replenishes the PCT Library.

##### Industrial Visits of Students

As the industrial visits were an integral part of technical education for the students of DAE to explore new vistas and know-how to meet practical challenges of professional life, PCT arranged industrial visits of students of all classes of PCT to different industries. The detail of visits was as follows:

Sl. No.	Name of Industry	Date of Visit	Class
1	SECCO PAK (Pvt) Ltd. Head Office & Factory 18-Kms Sheikhpura Road, Lahore	12.02.20	2nd year SM-2
2	Mughal Innovations 30Kms Sheikhpura Road Opp: ICI Factory, near PSO Petrol Pump, Lahore	13.02.20	2nd year SM-1
3	Infinity School of Engineering 18Kms Lahore-Sheikhpura-Faislaabad Road, Karianwala - Lahore	18.02.20	2nd year SM-3

4	M/s. MannanShahid Forgings Mominpura Road, Off: G.T. Road Daroghawala, Lahore	20.02.20	3rd year DM-1
5	AdilMobashir Sahib Descon Technical Institute (DTI) 2Km Defence Road, Off: 24Kms Multan Road, Mohlanwal, Lahore	24.02.20	3rd year DM-2
6	Precision Forging (Pvt) Ltd. 17Kms-Sheikhupura MouzaMissan, Lahore	05.03.20 Thursday	1st year FM-1
7	Attn: Mr. Saeed Ikram Deputy Manager (HR) Millat Tractors Ltd. Lahore-Sheikhupura Road- Faisalabad Road, Shahdara Town-Lahore	26.02.20 (Under processed)	3rd year DM-3

### **Sports Gala**

To promote and strengthen physical & mental health of the students, sports gala in PCT play grounds held from February 28, to March 01, 2020. The students were given an opportunity to play different games in the sports gala.





## **Motivational Training Sessions**

Three Motivational Training Sessions on Personality Grooming and Character Building of the students of PCT were held in PITAC, Lahore.

The honorable guest speakers from renowned Institutes in Pakistan were invited to deliver lecture on Personality Grooming and Character Building to the students and their faculty members of PCT.



**“PITAC Stall” in Pakistan Auto Show 2020 being organized by PAPAAM, from 21<sup>st</sup> to 23<sup>rd</sup> Feb., 2020 at Expo Centre, Lahore**





**MoU signing Ceremony between PITAC and Salaar Technologies (Pvt.) Ltd. for Capacity Building, Skill Development of Professionals and Youth of Pakistan in the field of Information Technology under Public Private Partnership drive of the Federal Government.**



**MoU Signing Ceremony between PITAC HQ Lahore and NAVTTC Regional Office Punjab for the Provision of Hi-end Trainings under Prime Minister's Skills for All Hunarmand Pakistan Program (Kamyab Jawan Initiatives).**



**Mou Ceremony of PITAC And Ewig Life Opening A New Chapter Of Public Private Partnership. This Relation Will Encourage True Set of Skills in the Field Of I.T Including Cloud Computing, And Artificial Intelligence**



**MoU Signing Ceremony between PITAC & Global Education without Boarder Services) GEWBS for the Provision of Advance Level Chinese Language Classes from (Hanyu Shuiping Kaoshi) HSK Level 1 to Level 6**



**One Day Training on “How to Improve System Efficiency by Using it”**  
**Guest Speaker: Mr. Sohail Ahmad – Chief Executive Officer Help light**  
**Lahore**



## **Collaboration with PITMAN UK**

With joint collaboration of ETDD (Entrepreneurship Training & Development Department) and Training Division PITAC, Bravo Enterprise (Master Franchisor of Pitman Training UK) was approached for collaboration between PITAC and Bravo Enterprise. Mr. Dawood Hussain, Director of Bravo Enterprise, visited PITAC on 5th of December, 2019, and gave presentation on various trainings provided by his organization. These trainings would be beneficial for Entrepreneurs. PITAC and Bravo Enterprise expressed their intention to sign a collaborative MOU.

## **Memorandum Of Understanding (MOU) with JIANGSU University, China**

MOU was signed between PITAC and Jiangsu University, China with the approval of Federal Cabinet on 17<sup>th</sup> of October, 2019. Through this MOU, both parties agreed to establish a long term cooperation in the following areas:

1. Technology Transfer
2. Faculty Development Program (FDP)
3. Faculty Exchange Program (FEP)
4. Joint Research
5. Student Exchange Program (SEP)

## **Development of 3D Model of a Face Mask (in response to Covid-19 precautions) and its Plastic Injection Mold**

A 3D design of a face mask was created and then it was 3D printed to check its fitting on a human face. Besides this, a mold was also designed in PITAC for its mass production. PITAC is offering this design to investors who are willing to take this design and produce it on mass scale.



## **Research on indigenous development of Ventilator for patients with respiratory difficulties**

In this regards, research was conducted about the manufacturability of these ventilators. Ministry of Science & Technology and other departments like Pakistan Engineering Council and Universities were contact for collaboration. It was concluded that these ventilators can be manufactured locally provided willing investors are found.

## **Establishment of Incubation Centre at ETDD**

An incubation center at PITAC was established whose purpose is to incubate startups and provide them office space and mentoring. Currently PITAC's incubation center has three (03) startup teams.

## **Free Workshop on Health and Safety in Field Work At GCT Peshawar Organized By PITAC Regional Centre, Peshawar.**



**Free Workshop On AutoCAD And its Application at Sarhad University  
Organized By PITAC Regional Centre, Peshawar.**



**A special session on First aid and fire safety by Syed Waheed Shah Sb. Senior Manager / Trainer 1122 Muzaffargarh Punjab, Organized By PITAC Regional Centre, Mirpur.**





(PITAC) Pakistan Industrial Technical Assistance Regional Centre Sindh, had participated in 3-days IEEP Exhibition, Expo Centre Karachi.



**Mr. Agha Shahab President of Karachi Chamber of Commerce & Industry (KCCI) visited Our PITAC Regional Centre Karachi Stall at Expo Center Karachi**



**TRAINING SESSION ON “EFFECTIVE COMMUNICATION SKILLS”**

**Group Photo at the end of successful training session on "Effective Communication Skills" held at Women Study Department, University of Karachi**



**TRAINING SESSION ON “IMPORTANCE OF INSPECTION & TECHNIQUES”**

**Group Photo of participants of Training Program on “Importance of Inspection & Techniques” for Pak Army at (COD Army) Karachi.**



**TRAINING SESSION ON “FOOD TECHNOLOGY, FOOD SAFETY & QUALITY ASSURANCE”**

**Group Photo of certificate training of "Food Technology, Food Safety & Quality Assurance"**



**TRAINING SESSION ON “INDUSTRIAL ELECTRICAL SYSTEM AND APPLICATION”**

**Group photo of training session on "Industrial Electrical System and Application” held at PITAC Regional Centre, Karachi**



**TRAINING SESSION ON “PERSONALITY DEVELOPMENT FOR PROFESSIONALS”**

**Group Photo with “Personality Development for Professionals” training participants**



### **3.5 NATIONAL FERTILIZER CORPORATION (NFC)**

**The programs of activities and targets set out by NFC during the preceding financial year and the extent to which they have been realized.**

#### **Salient Achievements of NFC and its Companies during 2019-2020**

##### **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 2019-2020.
- During 2019-2020 NFC earned a pre-tax profit of Rs.514.549 million. All the expenditure remained within the budgetary limits.
- NFC has deposited an amount of Rs.100 million as dividend into Government Treasury during 2019-2020.
- Task Force on Austerity and Government Restructuring on re-organizing the Federal Cabinet in its report dated July 3, 2019 had included National Fertilizer Corporation of Pakistan in the list of entities to be privatized or transferred to Sarmaya-e-Pakistan.

##### **National Fertilizer Marketing Limited (NFML)**

- Sales performance of NFML during the year 2019-20 is as under:

<b>Month</b>	<b>Sales (M.Tons)</b>
July 2019	1,185
August 2019	22,212
September 2019	44,355
October 2019	8,587
November 2019	13,970
December 2019	10,663
Jan-Jun 2020	-
<b>Total:-</b>	<b>100,972</b>

- Task Force on Austerity and Government Restructuring on re-organizing the Federal Cabinet in its report dated July 3, 2019 had proposed that National Fertilizer Marketing Limited be merged with Trading Corporation of Pakistan (TCP), Commerce Division.
- Cabinet Division vide its Notifications dated 23<sup>rd</sup> December, 2019 had approved merger of National Fertilizer Marketing Limited (NFML) with Trading Corporation of Pakistan (TCP).
- Ministry of Commerce issued a notification on 20<sup>th</sup> April, 2020 for transfer of operational control / functions of National Fertilizer Marketing Limited to Trading Corporation of Pakistan.

- Ministry of Commerce vide its notification dated 25<sup>th</sup> August, 2020 has constituted a Merger Committee to finalize merger of NFML with Trading Corporation of Pakistan under the Chairmanship of Additional Secretary-II, Ministry of Commerce.

### **NFC Institute of Engineering & Fertilizer Research, Faisalabad**

- Task Force on Austerity and Government Restructuring on re-organizing the Federal Cabinet in its report dated July 3, 2019 had proposed that NFC Institute of Engineering & Fertilizer Research (Pvt.) Limited, Faisalabad to be handed over to Ministry of Federal Education and Professional Training.
- Cabinet Division vide its Notifications dated 23<sup>rd</sup> December, 2019 had approved the transfer of NFC Institute of Engineering & Fertilizer Research (Pvt.) Limited (NFC-IE&FR), Faisalabad from Industries & Production Division to Ministry of Federal Education & Professional Training.
- Industries & Production Division vide its Notification dated 30<sup>th</sup> April, 2020 had transferred the administrative control of NFC-IE&FR, Faisalabad from Industries & Production Division to Federal Education & Professional Training Division w.e.f. 29<sup>th</sup> April, 2020.
- NFC-IE&FR Faisalabad had been fully transferred to Ministry of Federal Education & Professional Training. New Board of Directors of NFC-IE&FR, Faisalabad has been constituted by MOFE&PT under the Chairmanship of Additional Secretary, MOFE&PT.

### **3.6 STATE ENGINEERING CORPORATION (SEC)**

State Engineering Corporation (SEC) was established in 1972 to promote a sound indigenous industrial base through manufacturing of high technology engineering goods at competitive prices, conforming to international quality standards and HR development of Professionals. The Corporation was established to manage & promote foreign direct investment (FDI) in Engineering Sector.

State Engineering Corporation (SEC) is one of the leading public-sector organizations working under the Industries and Production Division, Government of Pakistan. Two units namely Pakistan Machine Tool Factory and ENAR Petrotech Services has been transferred vide Cabinet decision to Strategic Production Division and Petroleum Division respectively in 2020. Presently, the Corporation is looking after affairs of the following two manufacturing units.

#### **MANUFACTURING UNITS**

- Heavy Electrical Complex (HEC), Hattar
- Pakistan Engineering Company (PECO), Lahore

The total workforce in corporate office and units in different categories numbers 1809 as on 30.09.2017 that includes regular, contractual and daily wagger 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;
- Fostering R&D culture;
- HR development in the professional fields out of which many have played pivotal role in local industrial sector;

### **3.6.1 HEAVY ELECTRICAL COMPLEX (HEC)**

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 264 persons including 18 regular, 03 on yearly contracts (engineers & professionals) whereas the remaining including 38 officers/supervisors and 205 workers have been engaged on a term of 89 days.

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.

#### **ROLE AND FUNCTIONS**

The company has been set up for meeting the country's 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 2020, HEC has manufactured 349 Nos new PTs valuing Over Rs. 9.120 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.1,239 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 in the past.



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. 10.359 billion (Around USDs 128 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	2015-16	2016-17	2017-18	2018-19	2019-20
New	34	22	4	5	1
Repair/Rehabilitated	20	42	23	16	41
Total	54	64	27	21	42
Production Value	552	799	230	302	127
Sales	677	910	259	306	222
Pre-Tax Profit / (Loss)	32	27	(70)	(116)	95
Total Assets	1,634	1,518	1,501	1,614	1,708
Total Liabilities	711	577	630	864	1,003
Net Equity	923	941	871	750	705

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 up-to 2014-15, the company has earned profits during the succeeding two years.

The results for the year 2017-18 had been adversely affected 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 mala fide 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. With huge orders raining on HEC afterwards, Bank of Khyber, the only financing source of HEC got scared and squeezed credit to HEC. As such, non-availability of working capital despite HEC's efforts up to the highest official level is limiting the operational and financial results of the company. In addition to that, the company is again under privatization for the 6<sup>th</sup> time since August 2019.

## **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 up to 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 same.

### **3.6.2. Pakistan Engineering Company (PECO)**

PECO is on active list of privatization. However, primarily there are four types of activities which were focused during the year in limited range:

- 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.

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

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 this, it involved submission of heavy Bid Securities, Securities/Earnest Money involved in the tender procedure and therefore participation was a major constraint in this regard.

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 to active participation of Chinese companies in the market and thus also reducing the profit margins whereas prices of raw material and labor rates have also shown increasing trend during the year.

The Steel Castings in Foundry and sales regarding Pumps/turbines and Electric Motors have been effected due to higher cost and availability of Chinese products at lower prices.

## **CAPACITY ENHANCEMENT**

PECO has worked on capacity enhancement since 2017. Following activities have been performed in this regard.

- 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.

## **INFRASTRUCTURE AND 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.



### **3.7 Engineering Development Board (EDB).**

Engineering Development Board's section/group-wise information is as under:

#### **TARIFF GROUP**

##### **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 procedures for payment of Customs Duty, Sales Tax and Federal Excise
- To counter the menace of under-invoicing, smuggling and mis-declaration
- To encourage import substitution

#### **CONSULTATIVE APPROACH**

Consultation based approach was followed in Tariff Rationalization Exercise under-taken for the Federal Budget 2019-20. The proposals received from the Industry, Trade Associations, Chambers, FBR, I&PD etc. were analyzed and firmed up by EDB for consideration by FBR.

#### **STATISTICS**

- 1103 proposals were received for budget exercise 2020-21 and the same were forwarded to Tariff Advisory Committee (TAC) of Ministry of Commerce & Trade 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**

		<b>No. of Cases Finalized</b>
		<b>2019-2020</b>
<b>A. TBS-1 (4-Wheelers ) - SRO 656 &amp; SRO 693</b>		
<b>1</b>	Certificates issued vehicle wise:	333
<b>2</b>	Lists verified issued vehicle wise:	333
<b>3</b>	Input Records verified vehicle wise:	280
<b>B. TBS-II (2/3-Wheelers) - SRO 656 &amp; SRO 693</b>		
<b>1</b>	Certificates issued vehicle wise:	437
<b>2</b>	Lists verified issued vehicle wise:	437
<b>3</b>	Input Records verified company wise	82
<b>4</b>	Assembling Facilities verified	14
<b>C. Determination of Input / Output Ratio</b>		
<b>1</b>	Input / Output Ratios - SRO 655 (Revalidation + New)	237
<b>2</b>	Input Output Ratios under SRO 656 (Direct Materials)	06
<b>3</b>	Input Output Ratios under DTRE / SRO 565	21
<b>D. Determination of local manufacturing status (5<sup>th</sup> Schedule to the Customs Act 1969 &amp; SRO 678)</b>		
<b>1</b>	Determination of local manufacturing status of imported goods	230
<b>E. Finalization of cases under SRO 827</b>		
<b>1</b>	Determination of status of procurements and its implementation as per procedure and laws of Government	48

### **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 1<sup>st</sup> July, 2013 and EDB uploads online quota of inputs of the auto industry on FBR's WeBOC system for online debiting, so that import quota of this sector is controlled and clearance of import consignments are allowed accordingly.

## POLICY GROUP

### A. AUTOMOTIVE DEVELOPMENT POLICY (ADP) 2016-2021

Government of Pakistan has approved Automotive Development Policy (ADP) 2016-21 and is effective since 1<sup>st</sup> 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

### Status of New Investment under Automotive Development Policy 2016-21

Under **Greenfield Category-A** of the Automotive Development Policy 2016-21, EDB 20 new investors have been granted Greenfield status:

01.	M/s. Kia Lucky Motors Pakistan Ltd	11.	M/s. Master Motors Ltd.
02.	M/s. Al-Futtaim Automotive Pakistan Pvt. Ltd.	12.	M/s. Sinopak E-Motors Pvt. Ltd.
03.	M/s. Khalid & Khalid Holdings Pvt. Ltd.	13.	M/s. Khalid Mushtaq Motors Pvt. Ltd.
04.	M/s. Foton JW Auto Park Pvt. Ltd.	14.	M/s. Al-Haj Automotive Pvt. Ltd.
05.	M/s. Regal Automobile Industries Ltd.	15.	M/s. Pak-China Motors Pvt. Ltd.
06.	M/s. KA Hunting Motor Company Pvt. Ltd.	16.	M/s. Dysin Automotive Ltd.
07.	M/s. Sazgar Engineering Works Ltd.	17.	M/s. Hyundai Nishat Motors Pvt. Ltd.
08.	M/s. Pak CAMC Pvt. Ltd.	18.	M/s. Al-Haj Bus Company Pvt. Ltd.
09.	M/s. United Motors Pvt. Ltd	19.	M/s. Topsun Motors & Engineering Services Pvt. Ltd.
10.	M/s. Premier Motors Ltd.	20.	M/s. Universal Motors Ltd.

Under **Brownfield Category-B** of the Automotive Development Policy 2016-21, 02 closed down units have been revived:

01.	M/s. Dewan Farooq Motors	02.	M/s. Ghandhara Nissan Ltd.
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The total investment by the 6 companies who have started operation is US\$ 481 million.

### **Establishment of Infrastructure for Quality, Safety, and Environmental Standards**

#### **Adoption Of UNECE'S Working Party – 29 (Wp-29) Regulations.**

Automotive Development Policy (ADP) 2016-21 was approved by ECC on March 18, 2016 vide Case No ECC-33/2016 dated 18<sup>th</sup> March, 2016. Following major interventions were approved for the growth and development of the auto sector:

- Five Year Tariff Structure
- Lower Entry Threshold for New Investment in the Market
- Rationalization of Import Policy
- Consumer Welfare
- ***Regulatory Mechanism for Quality, Safety and Environmental Standards i.e. Adoption of WP 29 Regulations***
- Establishment of Pakistan Automotive Institute (PAI)

It was decided in 2015-16 that Pakistan shall apply for membership of Working Party (WP.29) a World Forum for Harmonization of Vehicle Regulations under United Nations Economic Commission for Europe (UNECE) initially, as an observer and subsequently initiate and pursue actions aimed at development of regulations based on United Nations regulations (UNRs) with a long term goal of becoming the Party to the International Whole Vehicle Type Approval (IWVTA). Pakistan is the only vehicle manufacturing country which is not a member of WP-29 of UNECE. By virtue of being a UN Member, every country can apply for membership of WP 29.

Working Party-29 or WP-29 is a UN Forum working for harmonization of vehicle regulations under United Nations Economic Commission for Europe (UNECE). The WP 29 Secretariat is in Geneva, Switzerland whereas the headquarter is in New York. Every UN member country can join this forum without any registration fee. Following three agreements are being administered by WP-29.

- 1958 Agreement, which involves mutual recognition, third party certification and does not require local development of lab infrastructure
- 1998 Agreement, which encompasses harmonization of testing infrastructure and procedures
- 1997 Agreement covering periodical vehicle testing (testing of on road vehicles)

EDB in 22<sup>nd</sup> AIDC meeting took all the stakeholders on board including PAMA and PAAPAM. PSQCA, Ministry of Commerce, Higher Education Commission etc are also represented on AIDC and it was supported by AIDC in its 27<sup>th</sup> Meeting held on 28<sup>th</sup> November, 2018.

**Pakistan has been notified as contracting party to 1958 Agreement by the UN Office of Legal Affairs on 24 April 2020 and has been assigned with the symbol “E 64”.**

The 1958 Agreement contains 147 regulations relating to safety and environment whereas Pakistan opted for 15 regulations including brakes, steering, tires, lighting, safety belts, seats, collision, safety glazing, mirrors and cameras, antitheft devices etc. for cars, vans and heavy commercial vehicles. The regulations can be added in phase wise manner and their inclusion in vehicles can be ensured through inclusion in SRO 656(I) 2006, under which local assembly/manufacturing is allowed by EDB. The agreement does not involve any penalties in case of any delay in compliance to the roadmap given by a country.

**B. ELECTRIC VEHICLE POLICY**

Electric Vehicle Policy for 2-3 Wheelers and Heavy Commercial Vehicles (HCVs) was formulated after extensive efforts of Engineering Development Board (EDB)/I&PD and approved in principle by ECC of the Cabinet in its meeting held on June 10, 2020. The policy has been notified by the Cabinet and is at various stages of implementation. Incentives offered for investors are as under:-

**2-3 Wheeler**

- General Sales Tax (GST) at sales stage to be fixed for 2-3 wheelers @ 1% for five years i.e. the policy period. Sales Tax at import stage to be waived off (0%) to avoid refunds.
- EV Specific Parts of 2-3 wheelers to be imported at 1 % Customs Duty (CD) for five years.
- Exemption of 2-3 wheelers from Registration and Annual Token Tax. Reduction of toll tax to 50% for EVs.
- Existing manufacturing regime for 2-3 wheelers with respect to non EV parts & components to remain intact to safeguard already achieved localization.
- Benefits of EV policy to be extended to both; existing and new manufacturers.
- Import of new EVs (2-3 wheelers) in CBU condition at concessionary rate of duty (50 % of the prevailing rate of custom duty) to be linked with establishment of manufacturing facilities i.e. 10 units per variant with maximum of 200 units allowed to be imported under concessionary regime.

**Heavy Commercial Vehicles (HCVs) –Electric**

- 1 % Customs Duty on import of CBUs (Electric Buses, Trucks & Prime Movers)
- Import of entire CKD allowed at 1 % Customs duty to the local manufacturers.
- General Sales Tax @ 1 % at sales and waived off (0%) at import stage.
- Exemption of registration fee, annual renewal fee, permits and reduction of toll tax to 50 percent for HCVs.

## **General Proposals for 2-3 wheelers& HCVs**

- Localization of parts and components to be reviewed after 2 years announcement of policy.
- Duty and Tax Free import of plant and machinery to be allowed to both; existing and new entrants in both 2-3 wheelers & HCVs.
- Five year income tax exemption for auto part manufacturers for setting up manufacturing facility for EV related equipment.
- Inputs for EV vendors to be exempted from duties and taxes for 5 years (applies to in-house manufacturing by OEMs also).
- The funding facility of State Bank of Pakistan to encourage green investments will encompass EV manufacturers, EV parts, components and module manufacturers, EV infrastructure development including charging stations.
- Five years income tax exemption for manufacturers of EV equipment and infrastructure development.
- Import of chargers with the CKD to attract 1 % Customs Duty and 1 % Sales Tax whereas import of charging stations for electric vehicle under HS Code 8504.4030 already allowed at 0 % Customs Duty to continue.

## **C. MOBILE DEVICE MANUFACTURING POLICY**

- EDB has prepared Mobile Device Manufacturing Policy, which is expected to boost local manufacturing of mobile handsets and their exports from Pakistan. First Mobile Device Manufacturing Policy was prepared after several consultative meetings. The ECC approved the Mobile Device Manufacturing Policy on 21-05-2020 which was ratified by the Cabinet on June 2<sup>nd</sup> 2020.
- Major recommendations to attract the investors in the approved Policy are as under:
  - Removal of Regulatory Duty for CKD/SKD manufacturing by PTA approved manufactures under IOCO approved quota/import authorization.
  - Removal of Fixed Income Tax on CKD/SKD manufacturing of mobile devices upto USD 350 category.
  - Increase in Fixed Income Tax on USD 351 -500 USD category by Rs. 2000 and > USD 500 by Rs 6300 on CKD/SKD manufacturing only.
  - Removal of Fixed Sales Tax on CKD/SKD manufacturing of mobile devices.
  - PTA shall allow activation of handsets manufactured in the country under import authorization of inputs by IOCO in CKD/SKD kit (8517.1211) and not under HS Code 8517.7000 i.e. parts. This will eliminate mis-declaration in parts category at import stage. Activation of CBUs imported through notified routes after payment of all levied duty and taxes as fixed by government from time to time shall continue till any further amendment.

- In up to USD 30 category, words “except smart phones” to be inserted for CBU imports under 8517.1219 to avoid mis-declaration.
- R&D allowance of 3% to be given to local manufacturers for exports of mobile phones.
- Locally assembled/manufactured phones to be exempted from 4% withholding tax on domestic sales.
- Government to commit to ensure maintaining tariff differential between CBU Imports and CKD/SKD Manufacturing till the expiry of the policy.
- Local industry to ensure localization of parts and components as per road map included in policy.
- EDB to act as Secretariat of Mobile Phone Manufacturing Policy and ensure development of allied parts, components and devices.

## **BUSINESS DEVELOPMENT GROUP**

### **A. EXERCISE FOR EXPORT ENHANCEMENT OF VALUE ADDED GOODS/ITEMS**

EDB initiated a comprehensive consultative process with the following industrial sectors to ascertain their core problems and issues for rationalization of tariffs, and non-tariff issues in a bid to make the local engineering industry competitive globally:

Initially six sectors have been identified for exports enhancement and import substitution.

01.	Home Appliances	02.	Power Equipments
03.	Cutlery & Utensils	04.	Pumps & Motors & Valves
05.	Fittings & Ceramics	06.	Auto Parts

Detailed discussions were held with the stakeholders to find solutions to these problems. EDB is in the process of consolidating the recommendations received from various Sectors/ Associations and Industries. The relevant departments like State Bank of Pakistan, FBR, Ministry of Commerce etc are being approached for their inputs to bring out workable solutions.

### **B. EDB ORGANIZED A TRADE DELEGATION FROM DOMESTIC ENGINEERING INDUSTRY TO VISIT NAIROBI, KENYA**

BDG arranged 18-Members trade delegation from engineering sub-sectors led by Mr. Almas Hyder, Chairman BoM-EDB to participate in “1<sup>st</sup> Pakistan-Africa Trade Development Conference” held on 30<sup>th</sup> to 31<sup>st</sup> January, 2020 in Nairobi, Kenya. Several B2B meetings with the relevant stakeholders were arranged by the Pakistan’s High Commission Nairobi. The delegates had detailed meetings with them and with other visitors from across the African region to seek possibilities for enhancing exports of Pakistani engineering goods and services to Africa.

### **C. EDB'S PARTICIPATION IN "PAKISTAN AUTO SHOW 2020"**

EDB participated in the Pakistan Auto Show 2020 organized by PAAPAM in International Expo Centre, Lahore from 21<sup>st</sup> to 23<sup>rd</sup> February 2020. EDB's stall was a source of information for domestic as well as international engineering companies and visitors. Many local and foreign delegates visited EDB's stall seeking information in respect of investment opportunities available in Automotive Development Policy 2016-21, Electric Vehicle Policy and other related matters. 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 show was "**MAKE IN PAKISTAN**".

### **D. PUBLICATION OF DIRECTORY OF ENGINEERING GOODS EXPORTERS**

EDB has published Updated Directory of Engineering Goods Exporters with profiles of 200 plus exporters of Engineering Goods for circulation to all stakeholders including local and Foreign Chambers of Commerce & Industry and relevant Associations, Ministries, Diplomatic Missions in the country and Pakistan's Mission abroad etc.

### **E. STRATEGIC TRADE POLICY FRAME WORK 2020-2025**

EDB through I&PD has submitted its proposals on draft policy document of Strategic Trade Policy Frame Work (STPF) 2020-2025.

EDB is also working on reviewing of the present export incentive schemes like DTRE, EOU, Duty Drawback to make them more friendly and easier, focusing on the regulatory regime for maintaining the competitiveness in country's trade as well as ease of doing business.

### **F. 5TH HIGH COUNCIL VIRTUAL MEETING D-8 MEMBER COUNTRIES**

EDB is preparing to organize 5<sup>th</sup> High Council Virtual Meeting of the D-8 member countries in Pakistan. In this regard, coordination is going with all concerned departments through I&PD to manage the said virtual meeting successfully in view of the current pandemic situation.

### **CAPACITY BUILDING AND INTERNATIONAL LINKAGES**

EDB has established linkages with international organizations like PUM, the Netherlands to provide short terms experts services to local engineering industry with objective to improve production process, quality of product, managerial capabilities etc. In this regard, BDG provides technical services of PUM Experts to local firms/industries as and when they approached the EDB.

## **SECTOR DEVELOPMENT GROUP**

### **A. 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.
- Following FTAs/PTAs have been signed by Pakistan till-date:

S. #	Country	Agreement	Date of SRO	SROs
1	South Asia	<a href="#">FTA</a>	29 Dec, 2006	SRO 1274(I)/2006
2	China	<a href="#">FTA</a>	30 June, 2007	SRO 659(I)/2007
3	Malaysia	<a href="#">FTA</a>	31 Dec, 2007	SRO 1261(I)/2007
4	Sri Lanka	<a href="#">FTA</a>	08 April, 2014	SRO 280(I)/2014
5	China-II	<a href="#">FTA</a>	31 Dec 2019	SRO 1640(I)/2019
6	Iran	<a href="#">PTA</a>	31 Aug, 2006	SRO 894(I)/2006
7	Mauritius	<a href="#">PTA</a>	26 Nov, 2007	SRO 1151(I)/2007
8	Indonesia	<a href="#">PTA</a>	28 Aug, 2013	SRO 741(I)/2013

- Following FTAs are under Negotiations:

#### **1. Turkey**

- Seven Rounds of negotiations have been completed simultaneously in Pakistan and in Turkey.
- Text of the agreement is almost finalized.
- Request lists from both the countries are as under revision.
- Turkey is keen to have access on Pakistani auto market in reciprocation of access on Textile to Pakistan.
- Negotiations on Rules of Origin are also under process.

#### **2. Thailand**

- Ten rounds of negotiations have been held simultaneously in Pakistan and Thailand.
- Text of the agreement is at final stages.
- Request lists from both the countries are under revision.
- Thailand is keen to have access on auto market.
- One-on-one meetings of the stakeholders in auto sector have also been arranged.
- PAAPAM met Thai auto parts manufacturers on March 15, 2017.
- Negotiations on Rules of Origin are also under process.

- FTAs/PTAs negotiations are mandated to be led by the Ministry of Commerce with the support of other relevant Ministries / Organizations including Industries & Production Division (I&PD) /Engineering Development Board (EDB).
- Role of EDB: EDB, as a technical arm of the I&PD participates in FTA negotiations on behalf of I&PD for evaluation of the offer lists related to the industries after coordination with the local industry.
- Local industry is also being consulted during FTA/PTA negotiations for seeking their inputs on the offer lists of both countries.
- Concessions for import into Pakistan are recommended mostly on the input materials and goods which are not manufactured locally.
- Locally made products including those covered under CGO-02/2017 are proposed for placing on sensitive list.

## **B. INDUSTRIAL RESEARCH PROGRAM (IRP)**

EDB launched a comprehensive Industrial Research Program (IRP) with the collaboration of Academia to promote R&D activities in the industry by engaging R&D potential existing with the local universities. The Program aimed to address Industry's technical issues pertaining to product design/development, production processes and to foster much-needed innovation in the industry to enhance competitiveness of the industrial sector.

Under IRP, Industry entrepreneurs on individual or collective basis indicate their technical problems/areas where research is required. The problem is shared with researchers/ scholars of various universities for designing /developing indigenous solution. The case is finally allotted to the Research team on competitive basis. A team of 992 Professors, Scientists, Technologists, Researchers (Ph.D and M. Phil) from 23 engineering universities in 308 fields related to engineering, applied physics and applied chemistry were taken on board to address product and production problems. In response to IRP, Industry across the country ranging from electronics, electrical, HVAC, castings/forgings, fabrications, chemicals, steel, renewable energy etc. has started sharing industrial technical problems, which are being discussed with concerned researchers of various universities.

Some of industries linked-up with academia for improvement of products and process are as under:

- Sabro Industries (Pvt) Ltd., Islamabad
- Golden Pumps (Pvt) Ltd., Gujranwala
- Surgical Instruments Manufacturing Industry
- Cutlery & Stainless Utensils Manufacturing Industry
- Madinah Group of Industries, Faisalabad
- Hero Pak Electrical Industries (Pvt) Ltd
- Noon Sugar Mills Ltd., Bhalwal
- Darson Industries, Wazirabad: (Energy)

- Technical Up-gradation of Mills - Steel Re-Rolling Mills' Association

### **C. TRAINING & DEVELOPMENT INITIATIVES:**

- a. Pakistan Skill Development Fund (PSDF):** EDB concluded an understanding with PSDF to jointly carry out a need assessment exercise initially undertaking skills enhancement through customized training programs in Surgical, Cutlery, Fan and Pumps & Motors sectors to be followed by other engineering industry sectors. Preliminary meeting with the sectors have been held.
- b. Specialized Training Services:** EDB arranged specialized training services in collaboration with ATCOP/PIEAS in more than 52 disciplines which can be broadly categorized in categories like Non Destructive Testing (NTD), Advanced Welding Techniques, Advanced Instruments of Analytical Analysis, Electronics and Instrumentation & Automation. ATCOP also designs customized training program serving the training needs of the industry in the aforesaid fields.
- c. Training of PMYBL Beneficiaries:** PMYBL Program, planned to start UPS and stabilizer assembly business. ATCOP agreed to provide trainers for hand-on training of these beneficiaries. Of the 44 beneficiaries, 37 belong to Punjab, 7 to KPK and remaining 3 to Sindh province.



### **3.8 PAKISTAN STEEL MILLS (PSM)**

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.

#### **Main Products:**

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:**

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

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

### **PRODUCTION/SALES STATUS FOR THE YEAR 2019-20**

- i) **Production raw steel is at halt since 10<sup>th</sup> 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 2019-20 is given below:-

<b>Products</b>	<b>Sale (Rs. in millions)</b>
Raw Steel	-
C o k e	287
Molten Metal/Pig Iron	-
Rolled Billets	-
Cast Billets	-
Slabs	-
H.R. Coils/Plates (converted from Slabs)	-

C.R. Coils	-
Galvanized Coils/ Sheets	-
Others	264
Total	<b>551</b>

### **Inventory Position as at 30-06-2020**

S. No	Products	Saleable Inventory (MTN)	Amount Rs. million
1	Pig Iron	2,543	105
2	Coke Hard	116,555	1,264
3	Slab / Bloom	70,000	3,920
4	Cast Billet	323	24
5	HR Products	1,000	68
6	CR Products		31
7	Formed Section		22
8	Unsorted Products		19
9	Steel Scrap	7,153	179
10	Intermediate & by Products		294
11	Others		18
<b>Total :</b>			<b>5,944</b>

### **REVIVAL PLAN OF PAKISTAN STEEL**

ECC of the cabinet in its meeting held on 7th November, 2018 directed Industries and Production Division to chalk out and put up an operationalization plan of PSM within 02 months. An expert group was also constituted with the approval of Prime Minister to workout revival plan of PSM.

On 8th April, 2019 the Expert group gave a presentation to the ECC of the Cabinet about the proposed revival of PSM and accordingly, as per directions of the ECC dated 3rd May, 2019 a summary for "appointment of Transaction Advisory Consortium (TAC) for revival of PSM through advice of the Government on set of appropriate privatization modes" has been submitted to the Prime Minister being Minister In-charge of the I&PD to seek approval for its submission to the CCoP". On 13th June, 2019 Cabinet committee on Privatization (CCoP) noted the position Presented by PC and directed that PSM be handed over to privatization Commission (PC) and directed PC to advertise for appointment of financial Advisor to provide Transaction Advisory Services to solicit partnership, through a suitable mode as provided in PC Ordinance 2000 for the revival of PSM.

Accordingly, Privatization Commission (PC) initiated the process of hiring of Financial Advisor and published the advertisement in leading newspaper on 14th July, 2019. PC advertised the EOI for appointment of Financial Advisor (FA). After completion of

all legal formality PC finally appointed the FA and the process of Due Diligence on PSM Accounts, TAX, HR, Legal & Land has been started by the subcontractor of the FA from the month of January 2020. The process of due diligence was in full swing till the complete lockdown of the city due to global pandemic COVID-19. However, the FA has submitted draft report to the PC. From April, 2020 Transaction Committee meeting were held to review draft DD reports submitted by FA.

GOP also appointed full time CEO for PSM. The post was lying vacant for the last four years.

### **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. Remaining land 207.69 acres of DSIE will be allocated to the applicants in compliance with policy strictly on merit basis when we start allocation of land for Sector-III.

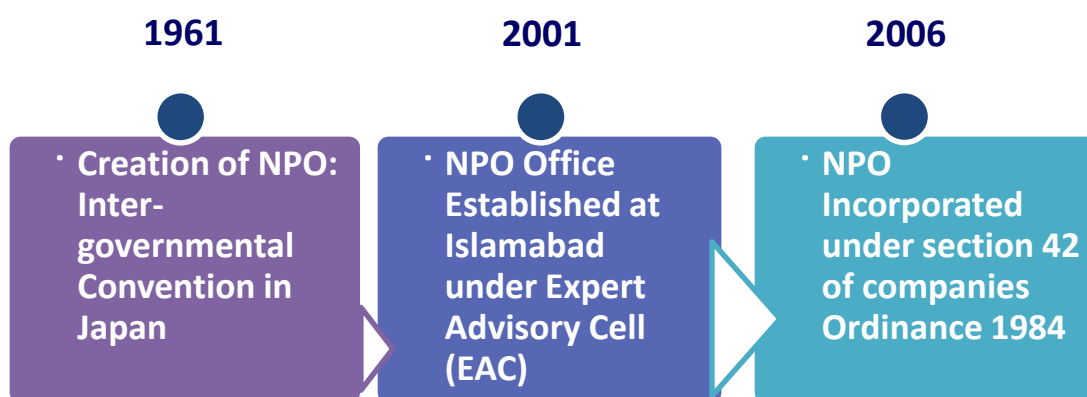
### **SOCIAL OBLIGATIONS:**

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 includes 125 Bed Pakistan Steel Hospital, Quaid-i-Azam Park, Cricket Stadium Park, Pakistan Steel Cadet College, Sports Complex.

### 3.9 NATIONAL PRODUCTIVITY ORGANIZATION (NPO)

#### INTRODUCTION

National Productivity Organization (NPO), an autonomous organization under the Industries & Production Division (I&PD), 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 21 contributing member countries. Secretary I&PD 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 Industries and Production Division. It is, presently, working on enhancing Productivity and Quality to develop a Knowledge Based Economy. During the year 2019-20, the Board adopted the following vision statement, mission statement and corporate values:

#### **Budget (2019-20)**

Operating Budget	Employee Related Expenses	Total Budget
11.796	47.00	58.796

#### **NPO ACHEIVEMENTS (2019-20)**

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 Pakistan continued to support industry through following APO assisted programs and services.

## **APO International Programs:**

<b>Title</b>	<b>No. of Programs</b>
○ Participation in International Trainings	23
○ APO Multi country programs held in Pakistan	02
○ APO International Conference held in Pakistan	01
○ Research on Smart Agricultural Transformation	01
○ Research on National Strategy on Developing Human Resources for the Industries of the Future	01
○ APO Productivity Data book and Database (research project)	01
○ 62nd Session of the APO Governing Body Meeting	01
○ 60th Workshop Meeting (WSM) of Heads of NPOs	01
○ Strategic Planning workshop for Senior Planning Officers of NPOs	01
○ The Steering Committee meeting on the report of the Vision 2025	01
○ APO Liaison Officer's Meeting	01

## **Following projects also approved during the year 2019-20**

○ Technical Expert Services	03
○ Individual Country observational study mission	01
○ Project Development of Demonstration companies	01
○ Bilateral Cooperation between NPO's (BCBN)	01

01

*Total number of beneficiaries of APO programs are 335*

## **APO Multi-Country Program on Training of Trainers on “Material Flow Cost Accounting for SME’s” from September 02-06, 2019.**

MFCA is a management tool focusing on the optimization of resources utilized in the operational flow. It examines the use of materials and energy as well as the waste produced, proposes the treatment of waste as resources, and therefore contributes to reductions in emissions and more efficient utilization of resources, and improved productivity.

The National Productivity Organization (NPO), Industries & Production Division and Asian productivity Organization (APO), Japan has successfully organized APO Multi Country program “**Training of Trainers on Material Flow Cost Accounting for SMEs**” which was held from September 02- 06, 2019 at Islamabad, Pakistan and was attended by 17 participants from APO member countries i.e. Bangladesh, Cambodia, Fiji, Indonesia, Iran, Sri Lanka, Thailand and Vietnam.

This Course was designed for owners or senior/mid-level managerial, technical Personnel & professional consultants from SMEs with the following objectives.

- To introduce different approaches in conducting MFCA training for the SMEs in their respective countries; and
- To develop a pool of trainers on MFCA who will be able to guide SMEs in improving their organizational performance through effective applications of



MFCA leveraging practical approaches and supplementary smart technologies.

### **APO Multi-Country Program on Value-Added Agriculture from 18 - 22 November 2019 Islamabad.**

It is imperative for policymakers and planners, farmers, and businesses to embrace modern technologies at all levels for smart agriculture processes and management. By using technology as a sustainable, scalable resource, agriculture can be transformed into a future-proof industry including productive, sustainable food value chains.

The National Productivity Organization (NPO), Industries & Production Division and Asian productivity Organization (APO), Japan has successfully organized APO Multi Country program “Value-added Agriculture” which was held from November 08- 22, 2019 at Islamabad, Pakistan and was attended by 22 Participants and 4 Observers. Total 16 participants attended the program from APO member countries i.e. Bangladesh, Cambodia, Fiji, Indonesia, Iran, Sri Lanka, Thailand and Vietnam, 6 local participants and 4 observers from various cities of Pakistan also attended this workshop.

National Productivity Organization (NPO) is endeavoring to promote productivity in various sectors of the economy in Pakistan, in an effort to improve productivity in the agriculture sector. Objective of this workshop was to introduce the latest innovative trends, technologies and branding techniques used globally for value-added agriculture.

International experts from Malaysia and Sri Lanka along with renowned local experts having decades of experience in agriculture were brought onboard to conduct the workshop, share their experiences and inculcate knowledge to the participants.



## **Development of Demo Companies on Material Flow Cost Accounting (MFCA):**

The project aimed to support the three demo companies in tackling their long-standing issues of high expenditure on energy consumption, low labor productivity, and high volumes of material waste. MFCA is used by the APO to assist its members in raising productivity by improving overall resource management. This tool helps businesses to improve efficiency in utilizing materials and energy while contributing to reductions in non-value-added activities, waste, and emissions.

As a result of the demo project, Serena Hotel managed to save PKR 2.5 million (USD16,172) per year, for Asian Food Industries, the savings were amounted to PKR 12.7 million (US\$82,158) and for Grand Engineering, the savings were amounted to PKR 31.40 million (USD203,131) as informed by the representatives of the organizations. Having seen the tangible results and best practices in multiple sectors/subsectors resulting from the demo projects, NPO Pakistan is confident that the positive outcomes will motivate other companies to adopt the concept of MFCA, which could result in saving millions of rupees, more efficient use of resources, and improved productivity.



## **APO-NPO International Conference Green Productivity “Material Flow Cost” September 05, 2019 at Serena Hotel, Islamabad**

MFCA is a management tool focusing on the optimization of resources utilized in operational flow. It examines the use of raw materials, energy, water and system cost and waste produced and then treats waste as resources, thereby reducing emissions and non-products, utilizing resources more efficiently, and improving productivity.

The concept of MFCA was first developed in Germany in late 1990s and was later adopted widely by Japanese companies. MFCA has helped numerous SMEs to reduce waste and costs and thus increase profits and overall productivity.

The National Productivity Organization (NPO), Industries & Production Division and Asian productivity Organization (APO), Japan has successfully organized International Conference on “Material Flow Cost Accounting” which was held at Serena Hotel Islamabad on December 05 2019 and was attended by 253 participants.

It aims to provide a platform for company executives, environmental management professionals, and MFCA practitioners to exchange experiences and knowledge of waste management and MFCA application



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## NATIONAL TRAINING / PROGRAMS

Wide range of specialized trainings, including but not limited to, replication of international trainings are being provided through various types of programs 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 in the management and technical disciplines; such as Productivity and Quality Management, Green Productivity, International standards/compliance, Agricultural Productivity, Soft Skills, Development of Productivity Practitioner and Special Programs as per emerging trends and society requirement for the development of Rural Areas & Disabled Persons. NPO is also offering training programs via E-learning & Video conferencing. NPO was able to deliver following services to the local industry.

### National Capacity Building Program

- **Productivity Trainings organized** **15**
- **Energy Audit/Green Productivity Assessments conducted** **17**  
Identified 15% to 20% potential energy savings in electrical/mechanical and processes at no or negligible investments and trained 68 technical staff members
- **Development of Demonstration companies** **03**

*(Total number of beneficiaries of NPO programs are 803)*

With the invoke of COVID-19, NPO quickly adjusted itself and starts offering online courses which helps the participants in out reaching the facility with ease. For example, in an online course on Knowledge Management held on June 02, 2020 was attended by 224 participants from 17 different cities of Pakistan including 2 participants from Azerbaijan and Dubai.

NPO is providing consultancy services to 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 developed National database for Trainers & Consultants. NPO can also assist companies in Standards Implementation such as ISO 9001:2015, ISO 14000, OHSAS 18001, SA 8000, ISO 17025. These services help 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.

NPO sustainably completed all necessary corporate compliance requirements including Annual Report for 2019-20, Board meetings, Annual General Meetings and obligations from the Industries & Production Division.

NPO primarily worked to become a corporate compliant institution within the public sector. With the support of the Industries & Production Division, NPO succeeded in great strides towards corporate compliance. In the year 2019-20, NPO is actively working on improving its internal systems & documentations and human resource capacity building to meet the challenging requirements on productivity improvement.

### **Systems and Human Resource Development**

NPO actively worked on improving its internal systems & documentations and human resource capacity building. Following activities took place in 2019-20:

- Performance appraisal system developed for NPO Employees.
- NPO Vision and Mission redefined.
- NPO developed annual plans harmonized with the vision and mission.
- Organizational structure redefined as per current requirements.
- NPO Employees salary Rationalization.  
Team work is promoted and Monthly meetings are organized.
- Initiation of Hiring of New employees on vacant positions of NPO.

### **Revisited NPO Service Rules for promoting corporate culture.**

- Redefined percentage of direct recruitment and internal promotions in NPO Service rules.
- Initiation of Gratuity for NPO Employees.
- Inclusion of revised/specialized qualification for certain position in NPO service Rules.
- Inclusion of missing qualifications of NPO employees at the time the NPO service rules were framed.

## **NPO KEYACTIVITIES**

### **62<sup>nd</sup> Session of the APO Governing Body Meeting (GBM)**

62nd Session of the APO Governing Body was held on 8 June 2020, Virtual Session. It was the first time that GBM conducted virtually using digital technology. Secretary-General Dr. AKP Mochtan proposed that a Special Account be established to assist member countries in strengthening the resilience of economies and businesses and recover from the impact of COVID-19. APO allocated special budget for each country under the Special Account:

There would be four program initiatives under Special Account for Business Recovery and Resilience:

- 1) Strengthening the digital capability of NPOs (USD 20,000)
- 2) For assistance to SMEs (USD50,000)

- 3) For critical sectors (USD40,000)
- 4) Enhanced in-country services (USD40,000)

### **Institutional Capability Development Plan for the NPO Pakistan**

NPO sought special support from APO under Specific National Program (SNP) to develop a long-term productivity policy framework with the assistance of the APO. APO allocated 60,000USD for the initiative taken by NPO. NPO Pakistan proposed an institutional capability development initiative composed of five phases: 1) preparatory work to identify key issues faced; 2) fieldwork/survey and stakeholders' meeting in Pakistan; 3) preparation of an institutional capability development plan; 4) consultative meetings; and 5) finalization and submission of the proposed institutional capability development plan.

The ultimate objective of this program is to develop an institutional capability development plan to enhance NPO's role as one of the primary institutions in the country's productivity ecosystem. The program is under implementation and consultant engaged by the APO, Dr. Robin Mann from New Zealand is assisting to develop the plan.

### **National Productivity Master Plan**

NPO intends to adopt a holistic approach to address the productivity issues in the country with the support of its stakeholders. In this regard, NPO acquired support of the Asian Productivity Organization (APO), Japan in developing a National Productivity Master Plan on the basis Productivity Quality and Innovation (PQI) Framework. APO allocated 125,000USD for the execution of the program. It is essential that the PQI initiative be taken forward with a thrust to get the fruits of productivity to run a productivity drive at country level as the productivity drive is run by the productivity organizations like Malaysia Productivity Corporation (MPC), Korea Productivity Center (KPC) etc. are few to be mentioned. Hence, in the present scenario, NPO request greater support from the government in order to catch the pace of productivity drives in other countries and for improving productivity in all spheres of economy to make Pakistan globally competitive.

### **NPO to Become a Certification Body (CB) Under the Umbrella of APO Accreditation Body**

NPO has developed and submitted proposal to APO-Japan to become a Certification Body under the umbrella of APO Accreditation Body. As a CB, NPO would contribute in the development of productivity experts for a sustainable productivity drive in the country in a more systematic way, which will eventually help in improving competitiveness of Pakistan over the years. NPO Pakistan will become an APO Certification Body to offer following Certification Schemes:

- i). Certification of Persons Schemes for Productivity Practitioners
- ii). Certification of Persons Schemes for Green Productivity Specialists.

### **Development of NPO Annual Plan**

To meet organizational objectives annual plan were developed with quantifiable targets, objectives and KPI's at individual, departmental and organizational level. The purpose of developing annual plan was to set the strategic direction of the organization and to ensure the contribution of each employee of the organization in order to achieve the objectives of NPO. These annual plans will demonstrate qualitative results in terms of capacity building and actual input of individual employee, which would lead to departmental analysis, to streamline the input and output ratio for enhancing productivity and competitiveness.

### **Technical Expert Services (TES)**

APO approved 03 proposals under the Technical Expert Services (TES) scheme for Pakistan for 2020-21 for the industry. These programs will help the industry to upgrade their knowledge and skills to get the maximum benefits.

<b>S #</b>	<b>TES Program</b>
1.	Innovation Led Knowledge Management
2.	Training of Trainer - Kaizen Practitioners Program
3.	Lead Auditors Course on ISO 50001 Energy Management System

### **Individual-Country Observational Study Mission (IOSM)**

APO approved 02 individual-country Observational Study Mission (IOSM) for Pakistan on the following topics.

<b>S #</b>	<b>Program</b>	<b>Executing Agency/Stakeholder</b>
1.	Benchmarking of Industrial Education System for National Competitiveness	Women University, Mardan
2.	Municipal Solid Waste Management and Treatment by using organic composting strategy during and after COVID-19 Pandemic	University of Management and Technology, Lahore

### **Bilateral Cooperation between NPOs (BCBN)**

In this era of globalization and unprecedented technological change, the success of emerging economies like Pakistan depends heavily on the ability of the workforce to learn new digital skills and master new technologies. To cope with inherent economic challenges and the increased competition from neighboring economies due to their rapid pace of development, the Government of Pakistan is taking initiatives to speed up growth and therefore APO approved BCBN program for Pakistan to benchmark the best industrial practices in Malaysia. This BCBN mission from Pakistan to the Malaysia Productivity Corporation (MPC) will provide an opportunity to examine productivity tools and development techniques that can improve operational procedures in the industry, agriculture, and service sectors; methods to boost

competitiveness; and examples of productivity support programs that could be adapted for initiatives in Pakistan.

### **Relocation and Renovation of NPO Head Office**

By the Grace of Allah and with the kind support of I&PD, NPO has been allocated 11<sup>th</sup> floor of Shaheed e Millat Secretariat, space measuring 7800 Sft, in January 2020. The entire space occupied by the NPO required major renovation work (Dismantling, Floor Tiling, False ceiling and Paint work etc.) and the same was managed in a way that it was undertaken by the PPWD against their budget, as there was no provision in NPO budget. In a short span of time, an independent office in good location has been established having corporate image. It is worth indicating that the tireless efforts and hard work put in by the NPO staff played a major role to achieve this landmark for the NPO within available budget, the long outstanding necessary required office accessories were purchased which includes a telephone exchange for having better and improved communication among the employees, air-conditioning system and some IT equipment's for better utilization of the employees in a conducive environment. These initiatives may support to have improved productivity and creating competitive environment. Some pictorials of the newly established / renovated offices are as follows:



### **3.10 UTILITY STORES CORPORATION OF PAKISTAN (PVT) LIMITED (USC)**

<b>S/NO.</b>	<b>SUBJECT</b>	<b>ACHIEVEMENTS / ACTIVITIES</b>																		
1.	<b>Brief History</b>	Utility Store Corporation was established in July 1971, by taking over 20 retail outlets from the Staff Welfare Organization. Passing through various stages of expansion and reorganization, the corporation was operating 4,881 stores including franchise stores throughout the country during year 2019-2020.																		
2.	<b>Legal Status</b>	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.																		
3.	<b>Basic Objective</b>	<p>The basic objectives among the others for which the corporation had been established are: -</p> <ul style="list-style-type: none"> <li>a. To protect the real income of the people by selling essential consumer items at prices lower than those prevailing in the open market</li> <li>b. To act as a price moderator in the market and deterrent to profiteering, hoarding and black marketing by the private sector</li> <li>c. Provision of Economic relief to consumers through Special Relief Packages</li> <li>d. Food security during crisis (Provision of basic Food items to affectees during natural calamities)</li> </ul>																		
4.	<b>Operational Efficiency</b>	<p>Operational performance of the Corporation during the last five years is tabulated hereunder: -</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th><b>Year</b></th> <th><b>Sales achieved (Rs. In billion)</b></th> <th><b>Net profit/Loss (Rs. In billion)</b></th> </tr> </thead> <tbody> <tr> <td><b>2015-16</b></td> <td><b>50.373</b></td> <td><b>(2.604)</b></td> </tr> <tr> <td><b>2016-17</b></td> <td><b>57.87</b></td> <td><b>(2.837)</b></td> </tr> <tr> <td><b>2017-18</b></td> <td><b>27.267</b></td> <td><b>(4.710)</b></td> </tr> <tr> <td><b>2018-19</b></td> <td><b>9.964</b></td> <td><b>(5.919)</b></td> </tr> <tr> <td><b>2019-20</b></td> <td><b>51.620</b></td> <td><b>(2.881)</b></td> </tr> </tbody> </table>	<b>Year</b>	<b>Sales achieved (Rs. In billion)</b>	<b>Net profit/Loss (Rs. In billion)</b>	<b>2015-16</b>	<b>50.373</b>	<b>(2.604)</b>	<b>2016-17</b>	<b>57.87</b>	<b>(2.837)</b>	<b>2017-18</b>	<b>27.267</b>	<b>(4.710)</b>	<b>2018-19</b>	<b>9.964</b>	<b>(5.919)</b>	<b>2019-20</b>	<b>51.620</b>	<b>(2.881)</b>
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<b>2019-20</b>	<b>51.620</b>	<b>(2.881)</b>																		
5.	<b>Employment Generation</b>	The Corporation has manpower of 12,444 personnel (Regular-5512, Contratual-3789 and Daily wages-3143)																		

6.	<b>No burden on Government exchequers</b>	The Corporation is not a burden on the Government exchequer. It is not getting any kind of grant or subsidy for its operational expenses. All kinds of operational expenses which include the cost of salaries, wages, cost of selling and distribution, rentals of the buildings, the cost of electricity, payment of taxes etc are being met by the Corporation itself from the Gross Profit margin of the sale proceeds. This is a great service to the Nation. Monthly salary bill of the Corporation is around Rs.500 million.																					
7.	<b>Taxes Deposited in the National exchequers</b>	<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. 28.114 billion to the Government exchequer as per following details:</p> <table border="1" data-bbox="582 696 1460 1037"> <thead> <tr> <th>S/ No.</th> <th>Year</th> <th>Amount (Rs. In billions)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2015-16</td> <td>6.374</td> </tr> <tr> <td>2</td> <td>2016-17</td> <td>6.959</td> </tr> <tr> <td>3</td> <td>2017-18</td> <td>4.651</td> </tr> <tr> <td>4</td> <td>2018-19</td> <td>1.476</td> </tr> <tr> <td>5</td> <td>2019-20</td> <td>8.654</td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td><b>28.114</b></td> </tr> </tbody> </table>	S/ No.	Year	Amount (Rs. In billions)	1	2015-16	6.374	2	2016-17	6.959	3	2017-18	4.651	4	2018-19	1.476	5	2019-20	8.654	<b>Total</b>		<b>28.114</b>
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<b>Total</b>		<b>28.114</b>																					
8.	<b>Expansion of the Network</b>	Since the year 2007 the network of the corporation had been considerably expanded. Number of Stores increased from 560 to 4,881. At present, Utility Stores Corporation is one of the biggest Corporations of Industries & Production Division having its network all over the Country.																					
9.	<b>Provision of essential commodities</b>	The Corporation has successfully discharged its obligatory functions of provision of essential commodities at reduced prices. The prices of essential commodities are much lower than the open market prices.																					
10.	<b>Penetration into rural areas</b>	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.																					
11	<b>Ramzan Relief Package 2020</b>	The Government approved Ramzan Relief Package-2020 by giving a subsidy of Rs.2.5 billion. Under this Ramzan-2020, 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 1,500 food and non-food items have been reduced by the Corporation by narrowing its own margins and through obtaining additional discounts from vendors/suppliers. The Corporation has achieved sales of Rs.21.739 billion during the month of Ramzan-2020. Much needed relief has been availed																					

		by the consumers.
12	<b>Special Role of USC</b>	<ul style="list-style-type: none"> <li>i) Provision of Food security to affected People during the natural calamities</li> <li>ii) Intervention in market through sale of subsidized items</li> <li>iii) Provision of economic relief to consumers through special Relief package like Ramzan Relief Package every year</li> <li>iv) Market intelligence</li> </ul>



### **3.11 PAKISTAN INDUSTRIAL DEVELOPMENT COMPANY (PIDC)**

#### **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.

#### **Devolution of PIDC Role**

After nationalization in 1972/73 more than 90% of PIDC Units were transferred to the Public Sector Corporations under the Industries & Production Division, 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 Private Ltd. Company, under Section 32 of the Companies Ordinance.

#### **Current Role of PIDC**

The Role of PIDC was redefined in 2004-05 as an "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:

#### **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 Hunar Aik Nagar (AHAN)

## **b- Joint Ventures (JVs)**

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

## **Management of Non-operational Organizations / Units**

In order to drive the economy of non-operational units, I&PD 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 Automobile 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)

## **Project Work and Performance of PIDC**

In pursuance to the objective of industrial and sector development, PIDC released funds for existing ongoing projects and activities during the year. These projects are undertaken by the subsidiaries of the PIDC as executing agencies and are specifically designed to aid the advancement of their respective sectors and economy as a whole. Given below is a brief look into the projects that were started in the financial year and / or funds released to the existing projects:

<b>Particulars of Project / Subsidiaries</b>	<b>Rupees '000'</b>
Furniture Pakistan-Centre of Excellence for Wooden Works	59,265
Pakistan Hunting & Sporting Arms Development Company	39,922
Industry Facilitation Centre -New Building Project	350,000

### **Existing Projects**

- Naushero Feroze Industrial Parks at Sindh, execution by NIP
- Common Facilities Training & Manufacturing Centre (CFTMC) at Naushero Feroze, Sindh, execution by FP
- Industrial Technology benchmarking, Cutlery & Surgical Sector by PIDC.
- Industries Facilitation Centre Building Project at Islamabad.
- Establishment of PIDC Data Centre, includes Complete Networking, Server Installation, ERP, etc.

## **Merger of PIDC Subsidiaries**

In light of the Cabinet Division Memorandum No.4-H/2019-Min-1 dated 23<sup>rd</sup> December 2019 and I&PD letter No. 3(2)/2017-ME-I dated 23<sup>rd</sup> January, 2020 to merge five of PIDC subsidiary companies i.e. Technology Upgradation and Skills Development Company (TUSDEC), National Industrial Park (NIP), Furniture Pakistan (FP), Karachi Tools, Dies Mold Components (KTDMC) & Industrial Facilitation Centre (IFC) into PIDC. The merging entities will be transformed into Business Divisions of PIDC.

Another subsidiary namely M/s. Aik Hunar Aik Nagar (AHAN) is under liquidation as per the Cabinet decision, the Audit for the year 2018-19 has been concluded and final Audit for the year ending 30th June, 2020 is underway.

The CEO, PIDC has been assigned the implementation of Cabinet decision of the Federal Government adherence to Companies Act, 2017 and other applicable Laws, Rules and Policies are to be ensured, in this context, corporate consultant is being hired to look after merging process before the merger process of five subsidiary companies.

Aik Hunar Aik Nagar (AHAN) assets and liabilities have been accounted for in company books as on June 30, 2020 as per agreement entered between PIDC and AHAN dated June 15, 2020.

## **New Initiatives FY 2021-22**

Concept Paper submitted to Industries & Production Division for onward submission to PSDP Funding 2021-22)

- Establishment of Small-Micro Enterprise Facilitation Park at 17.3 acres.
- Dates Processing & Packaging Plant at Turbat, Baluchistan
- Mineral Processing Industrial Park at Southern Baluchistan

### 3.11.1 National Industrial Parks Development & Management Company (NIP)

Sr. #	Topic/Area	Relevant Information
1.	Initiatives undertaken by NIP	<p>NIP is currently developing and managing following special economic zones:</p> <ul style="list-style-type: none"> <li>• Korangi Creek Industrial Park-SEZ</li> <li>• Bin Qasim Industrial Park-SEZ</li> <li>• Rachna Industrial Park-SEZ</li> <li>• Naushero Feroz Industrial Park-SEZ</li> </ul>
2.	Updates on NIP's Initiatives	<p><u>1) Korangi Creek Industrial Park-SEZ</u></p> <ul style="list-style-type: none"> <li>• Major infrastructure work is completed</li> <li>• Power: 4MW Feeder energized by K-Electric and other 4 MW Feeder energization is in process.</li> <li>• Gas: 5MMCFD sanctioned for industrial use and 9.75MMCFD sanctioned for power generation</li> <li>• Currently 24 industrial units are operational and 27 are under construction</li> </ul>
		<p><u>2) Bin Qasim Industrial Park-SEZ</u></p> <ul style="list-style-type: none"> <li>• More than 40% construction of road network, drainage system and boundary wall are completed</li> <li>• Power: PC-1 for establishment of 64MW Grid Station is approved</li> <li>• Gas: PC-1 for supply of 13MMCFD RLNG submitted by SSGC</li> <li>• Currently 07 industrial units are operational and 01 is under construction.</li> </ul>
		<p><u>3) Rachna Industrial Park-SEZ</u></p> <ul style="list-style-type: none"> <li>• Significant development work is underway to soon operationalize this SEZ</li> <li>• More than 60% construction of roads, drainage and sewerage network is completed</li> <li>• Power: Payment for 3MW initial connection and 26MW Grid made to LESCO</li> <li>• Gas: SNGPL has prepared an estimate for 5MMCFD gas supply</li> </ul>
		<p><u>4) Naushero Feroz Industrial Park-SEZ</u></p> <ul style="list-style-type: none"> <li>• BOI notified it as SEZ in May 2020</li> <li>• Currently development work is underway</li> <li>• Power: Provision of 3MW electricity is being pursued with SEPCO (utility provider)</li> </ul>
3.	Enhancement of NIP's One- Window Operation	<p>In exercise of the powers conferred under SEZ Act 2012 and SEZ Rules 2013, NIP has adopted SBCA Building Bye-laws for BQIP and KCIP SEZs. This step has facilitated customers in getting timely approval of building plans, which in turn contributes to rapid colonization of SEZs</p>

### **3.11.2 Technology Upgradation and Skill Development Company (TUSDEC)**

Technology Upgradation and Skill Development Company (TUSDEC) was created on the direction of honorable Prime Minister, as per extract of the minutes of meeting held on October 22, 2004 under the chairmanship of the PM *“Technology Upgradation and Skill Development Company (TUSDEC) will be created as a guarantee limited company, **wholly owned and funded by GoP**”*.

TUSDEC was institutionalized by Industries and Production Division on 24 January 2005 as a Section 42 Company under Companies Ordinance 1984, wholly owned by PIDC with a mission to *“**Upgrade technology and skills of key and strategic industrial clusters and connect Pakistan to the global value chain**”*.

Over the years, TUSDEC has successfully implemented a range of development initiatives for key industrial sectors such as Engineering, Cement, Garments, Renewable Energy, Ceramics and Skills Development supported by Government of Pakistan, national and international donors. Since inception, TUSDEC has established **7** Technology Upgradation Centres (TUCs) and **8** Skill Development Centres (SDCs) to support local industries by providing modern design, testing, training and consultancy services. TUSDEC TUCs have performed **8,484 industrial jobs**, **16,840 testing services** and **upgraded 26 labs** of TVET institutions. Similarly TUSDEC SDCs have **trained 83,953 individuals** including industry professionals, engineers, students and marginalized youth. With limited resources, TUSDEC has managed to contribute approximately **Rs 15 billion** value addition to the national economy.

#### **Recently Approved PSDP Projects:**

##### **Footwear Cluster Development through CAD/CAM Centre, Lahore**

TUSDEC’s project “Footwear Cluster Development through CAD/CAM Centre, Lahore” approved in CDWP in May, 2019 with a total cost of Rs.78.69 million. TUSDEC has started implementation and the three year project will contribute to national economy through

- 900 product design & development job
- 1600 trainees
- Value Addition of worth Rs. 214.42 million

##### **Industrial Designing & Automation Centres (IDAC) Lahore, Sialkot & Karachi**

TUSDEC’s project “Industrial Design & Automation Centres (Lahore, Sialkot & Karachi)” approved by DDWP in February 2020 with a total cost of Rs.972.97 million

out of which Rs.100 million allocated for FY 19-20. TUSDEC has started implementation and the three year project which will contribute to the national economy through;

- 525 reverse engineering (scanning/ data generation) jobs
- 101 Tech. Solutions for automation (Advisory Services)
- 26 , 3D Prototypes (Laser Printing)
- 3692 trainees (industrial automation)
- 185 new enterprises
- Rs.394 million Value addition in 2 years

### **National Strategic Programme for Acquisition of Industrial Technology (NSPAIT)**

TUSDEC developed “National Strategic Programme for Acquisition of Industrial Technology (NSPAIT)” in coordination with “PM Task Force on Technology driven Knowledge Economy” worth Rs. 2.914 billion. In November, 2019 CDWP principally approved the project and advised 3<sup>rd</sup> feasibility study at a cost of Rs. 89.974 million. The feasibility study is in process through consultancy firms while the implementation of three year project will contribute to the national economy through;

- 12,919 Industrial Jobs (Total Parts /pieces 651,885)
- 10,821 Industrial Testing Services
- 461 New Enterprises
- 4552 Employment Generated
- 10,889 Trainees
- Rs. 3.9 billion Value Addition
- Rs. 450 million Import Substitution
- Rs 8.7 billion Increase in exports

### **Technology Upgradation & Skill Development – Ongoing Initiatives:**

TUSDEC has established and been running following **7** common facilities and **6** skill development centres for provision of latest technology and equipment to industries in order to enhance productivity and manufacturing base of local industries to compete in international market.

#### **1. Product Design & Development Centre (Reverse Engineering facility)**

- TUSDEC is running a Reverse Engineering facility in Lahore and providing 3D models generation using BACES 3D, Scanner, Static Stress Analysis of mechanical components using CAE licensed software

- **549** product design and development jobs performed during 2019-20

## **2. Gujranwala Tools, Dies & Mould Centre (GTDMC)**

- Established as a Common Facility Centre (CFC) to support local TDM & allied industries by providing design, training, quality testing and consultancy services
- **48** industrial jobs performed and **520** individuals trained during 2019-20

## **3. Ceramics Development and Training Complex (CDTC)**

- Common Facility Centre contrived to upgrade the ceramics & sanitary-ware cluster through technology, engineering services, consultancy, testing & manpower training
- The centre has performed **380** industrial jobs, lab testing of **298** samples and training of **51** youth during 2019-20

## **4. Peshawar Engineering Support Centres (ESCs)**

- The centre is facilitating the local industry of KPK with modern design, training and consultancy services to local industry
- The centre has processed **45** Industrial jobs, **210** parts developed and trained **72** Individuals during 2019-20, training to **50** trainees in process

## **5. Light Engineering Upgradation Centre for SMEs in Baluchistan (LEUC)**

- The centre are facilitating the local industry of Baluchistan with modern design, training and consultancy services to local industry
- The centre has processed **32** Industrial jobs, **848** parts developed and training to **65** Individuals is in process during 2019-20

## **6. Hyderabad Engineering Support Centre (HESC)**

- The centre is facilitating the local industry of Sindh with modern design, training and consultancy services to local industry
- The centre has processed **40** Industrial jobs, **359** parts developed and training to **265** Individuals is in process during 2019-20

## **7. Cement Research and Development Institute (CR&DI)**

- The institute is providing top quality testing facilities following the global standards include Pakistan (PSS), Indian (IS), Srilankan (SLS), European (EN-197) & US (ASTM) to support local cement / construction industry.
- Materials Tested include Cement(OPC, SRC, White, Blended), Fly Ash, Silica Fumes, Slag, Concrete Pavers, Grout, Clinker Dolomite, Iron Ore, Gypsum, Fire Bricks

- **865** samples were tested during the year 2019-20

## **8. National Institute of Design & Analysis (NIDA) Centres**

- TUSDEC is running **5** CAD/CAM training centres including NIDA Lahore, NIDA Sialkot, NIDA Karachi, NIDA Quetta and NIDA Peshawar. These centres are working to overcome the dearth of skilled manpower and enhance productivity of key industrial clusters of Pakistan in the field of digital product design and engineering through multidisciplinary training in CAD/CAM.
- Five centres have trained almost **610** individuals during 2019-20

## **9. SkillTech International Karachi**

- TUSDEC is running SkillTech International Karachi with an aim to empower industry professionals and youth with locally and internationally accepted training standards
- **295** individuals have been trained in various trades during 2019-20

### **Donor Funded Initiatives:**

1. Implementing project with GIZ “Training Fund for Sindh & Baluchistan” worth Rs. 110.45 million to provide trainings to **900** youth of Sindh & Baluchistan. Trainings offered in TUSDEC training centres including SkillTech Karachi, NIDA Quetta, HESC and LEUC
2. Implementing NAVTTC “Kamyab Jawan Prime Minister Youth Skill Development Program”. Training of **325** individuals has been started at various TUSDEC facilities
3. Implemented project with support of UNDP “HR Services in Sindh in **4** Sectors (Construction, Logistics, Retail, Automobile)” worth Rs. 34.3 million. The project completed with training to **1200** youth in Karachi & Islamabad
4. Implemented project with SMEDA “National Business Development Program for SMEs”. TUSDEC has trained **766** SME owners, professionals and aspiring entrepreneurs in “Production & Operations Management”, “Sales Force Management” and “Digital Media Marketing”

### **Future Proposed Initiatives**

#### **1. Industrial Technology Acquisition Policy 2020-25**

To bring a systematic approach for developing Pakistan’s technological capabilities, TUSDEC drafted “**Industrial Technology Acquisition Policy 2020-25**” in order to benchmark, acquire, assimilate and improve the technology being used in various industrial sectors across all major clusters of Pakistan. This draft national level policy proposes following interventions to upgrade Pakistan’s industrial technology;

- Technology Upgradation Fund (TUF)                      Rs 40 billion



- **50** Technology Up-gradation Centers (TUCs)      Rs 21 billion
- **33** Technology Incubation Centers (TICs)      Rs 7 billion
- **33** Skill Development Centers (SDCs)      Rs 7 billion
- **45** Joint Ventures (JVs)      Rs 40 billion
- Establishment of Regional ITPO Offices

The total size of pilot phase is Rs. 115 billion where Rs. 80 billion will be private sector investment and government share will be Rs. 35 billion. The expected outcomes of the policy are;

- **59,543** beneficiaries
- **27,732** new enterprises
- **Rs. 350 billion** increase in exports against 35 billion investment by Government
- **108,064** employment generation
- **27,000** value added jobs
- **45** new JVs

Initially in year 2020-21, approval of Industrial Technology Acquisition Policy will be sought in order to implement policy for developing manufacturing base of Pakistan leading towards sustainable industrial development.

## **2. Support Center for Dental and Surgical Equipment (SCDS)**

TUSDEC aims to establish Center for Dental & Surgical Implants in Sialkot will support local Surgical Sector in Export Promotion and Localization. The objectives of this center will be as follow;

- Enhance Manufacturing of Dental and Surgical Implants (Knee Implants, Spine Implants, Hip Implants, Shoulder Implants, and Dental Implants) to enhance exports in high tech and value added products.
- Establish R&D facility to support local industry in enhancing product portfolio, import substitution and product localization.
- Capacity building of Surgical sector in latest technologies like Machining, Powder Metallurgy, Investment Casting, Metal Injection Moulding (MIM), Additive Manufacturing, Amorphous Molding Metal Technology through Skill development facility
- Support to local industry in compliance with international standards and certification like FDA, MPG, HPRA, GMP etc

### **Project Cost, Project life & HR**

- PKR 900 million
- 1 years execution & 3 years operations for demonstration

- 40 persons

### **Impact / Value Addition**

- Increased efficiency of production process
- Trade deficit will be reduced through export enhancement, import substitution and localization of products
- Industrial support through 100 high tech and value added products
- Capacity building of 100 industries

### **3. Federal Institute of Homologation (FIH)**

TUSDEC has proposed to establish homologation facility on international standards such as UNR, FMVSS, GTR, JIS, GB, GSO etc. Facility will homologate products and parts through Destructive and Non-Destructive Testing and Analysis.

- Facility will be able to conduct tests on Material and Component, CAD/CAE designs, Engines, Emission, Fatigue, Safety, Tyre, Electrical and Electronics, Vehicle Evaluation etc to eliminate uncertainty in quality standards of products/parts /material
- Develop skilled work force to identifying skills and technique in testing through providing professional and vocational trainings to enhance productivity and quality to comply with international standards like ISO, CE, UL etc

### **Project Cost, Project life & HR**

- Rs. 950 million (Capex: Rs. 750 million, Opex: Rs. 200 million)
- 1 year execution & 3 years operations for demonstration
- 60 persons

### **Impact/ Value Addition**

In three years of operation, approximate output of FIH will be

- 1,500 Material testing and composition jobs will be performed for manufacturing industry
- 100+ industries will be assisted in capacity building on material testing, composition mechanism, Standard identification and international standards certification
- 150 International quality certifications will be granted through technical support
- 10 vehicle brands will be tested and standardize

#### **4. Industrialization and Skill Support Center, Gwadar (ISSC)**

The proposed center will support local industries in development and enhancement of production processes leading to export promotion. The facility will support industry in Scanning, Designing, Parts manufacturing, Testing, R&D and Capacity building. To meet the current and projected demands of industrial developments in Gwadar, center will serve in following:

- Re-engineering through scanning, designing imported or locally manufactured products/parts
- Facilitate industry in Testing /identification and analysis of material being used in products/parts
- Able to identify and regenerate material composition for the designing purpose according to the needs and demands of industry
- Able to manufacture specific metal or plastic products/parts for demonstration effect
- Capacity building of industry through advisory services and trainings

#### **Project Cost, Project life & HR**

- Rs. 800 million (Capex: Rs. 500 million, Opex: Rs. 300 million)
- 1 year execution & 3 years operations for demonstration
- 30 persons

#### **Impact/ Value Addition**

In three years of operation, approximate output of ISSC will be

- 3,600 jobs on Light manufacturing, processing and re packing.
- 1,440 jobs in testing, inspection, measurement, surface treatment and heat treatment
- 1,065 trainees will be trained in different trades of manufacturing processes and industrial management

#### **5. Construction Machinery Support Center (CMSC) (Karachi)**

Construction Machinery Support Center (CMSC) will provide technical trainings to engineers, drivers, technicians, industry professionals and marginalized youth. Proposed initiative will address the existing gaps of construction sector of Pakistan. The center will work as catalyst in boosting economy through improved construction quality and HR export leading to increase in foreign remittance. The center will serve in providing services like Heavy Earth Moving Equipment (HEME) availability such as Tower Crane, Crane, Excavator, Bulldozer, Dump Truck Road Roller, Breaker,

Grader etc. to facilitate small contractors, provide repair and maintenance services to HEME service providers, Advisory role to industry in machinery handling and techniques. The center will also provide professional and vocational trainings using simulators and actual HEME such as Heavy Vehicles operation, Heavy Vehicle repair and Maintenance, Surveying and Monitoring techniques used in field.

**Project Cost:** PKR 850 million

**Timeline:** 1 year execution & 3 years operations for demonstration

**HR:** 31 persons

### **Impact / Value Addition:**

- Rs. 8 million approx. will be saved in due to best practices in 3 years span
- 829 personnel will be employed indirectly
- 31 personnel will be employed directly
- Expected average increase of Rs. 10,000 per trainee per month leading to the distribution of Rs. 530.6 million in account of technology acquisition in 3 years
- The center is expected to save Rs. 44.2 million in improved industry processes due to skilled workforce in 3 years span
- 92 new enterprises are expected to create due to skilled and knowledgeable society
- Foreign remittance will be generated by exportability of skilled manpower

## **6. Integrated Refinery and Petrochemical Complex (IR&PC)**

In order to meet the requirements of local petrochemical industry and play a role in raw material import substitution, TUSDEC Proposed the concept of “Integrated Refining & Petrochemical Complex (IR&PC)” facilitating the chemical sector development in Pakistan. The IR&PC will facilitate the different industries in Pakistan in context of CPEC development sector through following objectives;

- Establishment of petrochemical refinery to eliminate the current deficits of petroleum products including gasoline, diesel and fuel oil
- Establishment of Naphtha Cracker Complex (NCC) to obtain necessary raw materials required for different manufacturing industries
- R&D / training facility in petrochemical manufacturing that will contribute in other manufacturing industries ranging from construction, home décor, appliances, furniture, medical care, paints, cleaning stuff and top of them military gadgets
- Support to manufacturing sector of Pakistan through raw material import substitution, Savings in terms of foreign exchange, creating employment boom in different sectors of economy
- Reducing risk of supply shortages as of import delays through local manufacturing

- Facilitation to local manufacturers through accomplishment of globally recognized certifications.

**Project Cost & Financing:** Total Cost: US\$ 8 billion through Public Private Partnership

**Timeframe:** 05 Years (3 years of Implementation and 2 years of operations)

**Location:** Gawadar, Pakistan

### **Expected Outcomes:**

- Boost overall productivity of manufacturing industries
- Increased efficiency of production process
- Import substitution and export promotion to cover trade deficit
- Training and certifications support

## **7. Electronics Complex Lahore**

TUSDEC aims to develop Electronics Complex to support electronic manufacturing services (EMS) as well as provide training in mass production techniques to the local manpower. The proposed complex will provide the industry with complete printed circuit solutions commensurate with 'economy of scale' as well as expert services for product design and proto-typing. This centre will be equipped with a modern electronics design and quality assurance lab for design. It will contain high-tech SMT machines for assembly of Printed Circuit Boards (PCBs) with both through-hole and surface mount components. It will also provide PCB design, lay-out, fabrication and electronic component procurement services. Electronics Complex aims to follow the EMS model successfully followed by China and far eastern countries. Following are the objectives of ECL;

- To promote the technology of Surface Mount Assembly (SMT) in Pakistan by making it available as a common facility by providing manufacturing services and a one-stop solution for the local and export industry.
- Modern design techniques and test equipment by using services of expert engineers and consultants.
- Training facility to produce skilled workforce in technologies like PCB design, prototyping and SMT assembly
- Advisory services to develop a strong supply chain for electronics manufacturing
- Facilitate technology transfer through collaboration and sub-contracting with international brands

**Project Cost:** US\$ 5 billion through Public Private Partnership

**Timeline:** 1 year execution & 3 years operations for demonstration

**HR:** 291 persons

**Expected Outcomes**

- 15 million boards will be assembled and 120 prototypes will be developed
- 1,390 Trainees will be trained in mass assembly, designing & prototyping

### **3.11.3 Pakistan Stone Development Company (PASDEC)**

Government of Pakistan established Pakistan Stone Development Company (PASDEC) with a mandate to develop Marble and Granite sector of Pakistan. The company has established three (3) model quarries, twelve (12) quarries up gradations, three (03) machinery pools, Cluster Development (Marble City Risalpur) and development work on Common Facility Training Centre / Ware house is in process. As a result of these projects, 232 direct and more than 800 indirect jobs have been created mostly in rural and hilly areas of the country, which is a significant achievement in terms of socio-economic development of Pakistan.

Besides abovementioned developments, PASDEC has trained **1262** women on mosaic, handicraft and inlays; moreover, **605** men have been trained on use of cutting edge quarrying machinery and equipment.

PASDEC has established two Machinery Pools to provide latest mechanized mining machinery and equipment to the lease holders/mine owners on subsidized rental basis. These Machinery Pools are located at Gaddani and Risalpur to cater south and north region of the country respectively.

- Number of mines facilitated by the deployment of machinery is 55 during the period.

The Quarry Machinery Pool Risalpur (KPK) has also been up-graded through the funding of Multi Donor Trust Fund (MDTF) to enhance production of square blocks, increase in exports and minimize wastage of value able natural reserves in the KPK. The rent of the machinery is subsidized so that the mine owners can utilize the machinery to start the mechanized mining at the quarries. The ownership of the machines lies with the Mineral Development Department, KPK

Marble City Risalpur is developed on a total area of 185 acres. There are total 218 plots of 2, 4 and 8 kanals. Major development works have been completed and possession to 56 plot holders have been awarded. 18 units are under construction and 8 units have also started production. More units are expected to start production in the near future.

MOU's for joint collaborations and development of the sector have been signed with the following:

- A Memorandum of Intent between "Confindustria Marmomacchine" (Italian Association for stone and technology) and PASDEC has been signed for the establishment of the "Technological- Scientific and International Trade Centre" in Pakistan with an objective to transfer the know-how, technical and scientific education for operators and work accompanying international communication and marketing.

- National Bank of Pakistan to provide access to finance to the marble and granite sector

Pakistan Stone Development Company (PASDEC) has established multiple projects to introduce latest mining techniques and technology in the Marble and Granite sector especially in less developed areas/districts; as a result, mining approach in these areas is changing towards latest mining techniques. After the demonstration of latest quarrying techniques, wastage of marble has decreased to 45% from 75%.

PASDEC has played an important role in the development of less developed districts across the country including FATA. The projects established by PASDEC have contributed to poverty alleviation, employment generation and livelihood development of the people of these areas.



### **3.11.4 Karachi Tools, Dies & Moulds Centre (KTDMC)**

#### **Brief History:**

*M/s. Karachi Tools, Dies & Moulds Centre (KTDMC) is an “Association Not-for-Profit” and Licence u/s. 42 has been issued by SECP and accordingly incorporated on 28.03.2006 under the Companies Ordinance, 1984 now Companies Act, 2017. The company is wholly owned subsidiary of Pakistan Industrial Development Corporation (Private) Limited, working under Industries & Production Division, Government of Pakistan. The company is limited by Guarantee having share capital and governed by its Board of Directors.*

#### **MAIN OBJECTIVE:**

*To establish and run an Information Technology (IT) based common facility centre, primarily for improving the skills of the engineers and designers, enhancing the quality of designing, engineering and manufacturing of local tools, dies and moulds (TDM) especially plastic and polymer moulds, sheet metal dies, aluminum pressure dies, casting dies, tools, fixtures and precision parts through latest technology including computer aided design and manufacturing and computer aided engineering.*

#### **Quality Policy:**

*To provide world class tools, dies, molds and relevant services, with the entire satisfaction of our customers in quality, cost, and competitiveness and on-time deliver.*

&

*To provide the skilled and disciplined manpower to the manufacturing industry by implementing high educational standards and advanced practical training*

#### **Core Business:**

- ✓ Moulds & Dies Manufacturing
- ✓ Vacuum Heat Treatment & Nitriding
- ✓ Mould Texturing
- ✓ Reverse Engineering
- ✓ 3<sup>rd</sup> Party Inspection
- ✓ DAE in Dies & Moulds Manufacturing
- ✓ CAD/CAM/CAE Short Courses
- ✓ CPD Trainings

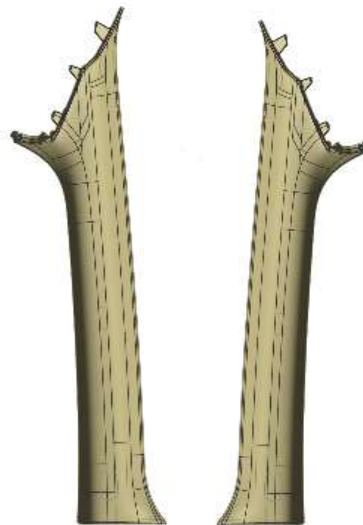
## **Teaching Factory Concept:**

The Teaching Factory concept is a synchronization of the academic and industrial approach that brings together the learning of the classroom and the experience of a factory under one roof.

KTDMC has been practicing the Teaching Factory concept since incorporation. Its Internationally Certified Faculty plays an important role in building up the aptitude of a student both personally and professionally. At KTDMC, this positive systematic interaction has contributed greatly to the creation of an environment of innovation, teamwork, strong association with the industry and a strong focus on capability development. The blend of academia and industry helps the students of KTDMC to be completely self-reliant when he steps into the professional world.

## **Achievements in 2019-20:**

1. Honda Cars Front Pillar Garnish Mould Development for Alsons Auto Parts
2. Rectification of Pak Suzuki Moulds for Alsons Auto Parts
3. Localizing Japanese Double Cavity Moulds through Atlas Honda Pakistan
4. Honda Cars Logo Moulds Development for Faraz Industries.
5. Chevron Bottle Moulds for PCI Automotive
6. Digital Marketing for DAE Intake
7. Health and Safety Training



**Honda Cars-Front Pillar Garnish Mould Development**



Suzuki Cover Splash Mould Double Cavity HPDC Crank Case 125  
Rectification Localized by KTDMC



### Honda Car Moulds for Logos



**Chevron Bottle Moulds**

**Summary**

Last 60 days ▾

KTDMC spent Rs20.00K on 2 ads in the last 60 days.



**Digital Marketing Campaign for DAE intake2020**



**Occupational Health & Safety Training**

### **3.12 AGRO FOOD PROCESSING (AFP) FACILITIES MULTAN**

#### **ACTIVITIES OF AFP COMPANY**

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	2018-19	2019-20
Pulping target as per PC-1	1,920	2,160	2,160	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	5,758	4,579
Achievement %	111.37	85.86	202.41	188.34	193.75	229.12	266.57	211.99

## 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
2018-19	118.66	83.71	34.95
2019-20	122.03	82.26	39.77

## 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

## 2.PROGRAM AND TARGET SET OUT FOR PRECEDING YEAR (2020-21)

Pulping Target	5100 Tons
Grading Target	200 Tons
Revenues Target	15.29 million

### **3.13 KCDC TEXTILE & VOCATIONAL INSTITUTE (PVT) LTD**

#### **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 programs 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
- Welding
- Auto Mechanic
- Plumber
- Computer Basic
- Refrigeration
- Many other/ ETC

## **Last Year Performance**

- KCDC is actively working as per the vision of Government of Pakistan.
- KCDC signed JV for execution Hunermand Balochistan.
- In 2019-20 we have establish 28 new technical institutes in 9 different districts of Balochistan. 2500 Students have inducted in Balochistan in first batch in 15 different trades.
- KCDC also actively worked for National Vocational & Technical Training Commission (NAVTTTC). In 2019 we have signed training MOU with NAVTAC and under these MOU's we have provided trainings of 4 different trades of textile. In these trainings 175 trainees have participated and passed out successfully.



## **Future Plans**

- Company has set different goals and targets for future major targets are mentioned here.
- Two become diploma/degree awarding Textile Institute.
- To open new units in FIEDMC CEPAC Special Economic Zone Faisalabad for development of Technical Labour for CEPAC.
- To open new Institutes in KPK and Sindh.
- Train at least 6000 trainees for in next year 2020-21

### **3.14 LEATHER CRAFTS DEVELOPMENT COMPANY PVT LTD (LCDC)**

#### **1. Detail of Activities, Achievements and Progress during the year 2019-20**

##### **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. Its PC-1 was designed to make PPP (Public Private Partnership) as a success case.

##### **i. Technology Improvement and business advisory service:**

- 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.

##### **ii. Training and Skill Development**

- M/s: Leather Crafts Development Company Pvt Ltd creates direct employment to 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.

**iii. Industrial infrastructure development, 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.

**iv. Provision of subsidies:**

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

**v. General Administration Costs:**

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

**vi. Further Achievements:**

- Company was incorporated with SECP on 31th of May, 2011.
- From 2011 till 2014, Rs 150.0 (M) were released by PSDP and Private Partner has invested Rs 198.0 (M) till 30.06.18.
- 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 3 years Company have trained over 200 people (including women 40 %) and current employees are 14.
- All the formalities of SECP are strictly observed.
- Company net loss is Rs.3.973 (M) in year 2019-20. 90% of loss is due to depreciation cost as company was not operational in 2019-20.

### **3.15 SPUN YARN RESEARCH AND DEVELOPMENT COMPANY (PVT) LTD**

#### **Details of Activities, Achievements and Progress during the year 2019-20**

##### **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.

##### **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 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 cotton products sector in Less Development Areas.

##### **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 whole 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.

## **Industrial infrastructure development, 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.

## **Provision of subsidies:**

M/s: Spun Yarn Research and Development Company Pvt Ltd is neither offering any subsidy nor receiving.

## **General Administration Costs:**

General administration costs of SYRDC occurred in the best interest of the Company to cover its own operational costs by making recycled yarn. The Company is a profit oriented venture, still it is covering its own operational and running costs.

### **i. 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 with private sector investment.
- M/s: Spun Yarn Research and Development Company Pvt Ltd has introduced recycled yarn in local market and has achieve a “Green Status” next year.
- M/s: Spun Yarn Research and Development Company Pvt Ltd has given direct jobs to over 174 persons in 2019-20.
- Company earned net profit of Rs.2.265 (M) in year 2019-20.
- Company paid 8.67 (M) sales tax & 2.72 (M) income tax during 2019-20.

### **3.16 Furniture Pakistan (FP)**

#### **INTRODUCTION**

"Furniture Pakistan" a subsidiary of Pakistan Industrial Development Corporation (PIDC), Industries & Production Division, Government of Pakistan incorporated in 2007 under section 42 of companies ordinance 1984. Furniture Pakistan is acting as an apex body for the development of furniture sector in Pakistan by increasing its overall productivity and trade through provision of technical training, common facility for production and access to the latest technology to furniture manufacturers.

#### **CORE OBJECTIVES OF THE COMPANY ARE AS UNDER:**

- Support to Furniture Sector to Improve quality of products
- Develop Productive Workforce
- Wood Seasoning
- Advisory Services
- Establish Industry Linkages

#### **Activities, Achievements & Progress 2019-20**

The objective of the company is to develop, upgrade, strengthen and promote the furniture sector of Pakistan to increase national/domestic furniture production. Furniture Pakistan is providing common manufacturing facility on state of the art wood working machinery and imparting training to build the capacity of the local furniture manufacturers to enter into new potential markets and to enhance the production capacity of local furniture industry. To achieve its objectives, Furniture Pakistan has established three Common Facility, Training and Manufacturing Centers (CFTMCs) in Chiniot, Peshawar and Sargodha. Fourth one, CFTMC is also being established in Naushero Feroze, Interior Sindh with similar facilities as provided in existing three centers.

But unfortunately, during 2019-20 FP could not perform its vital role to support the local furniture industry to enhance its production because of stoppage of PC-I based approved operational funds, immediately after the operationalization of its projects by PIDC. Along with that Federal Government has decided to merge FP into PIDC and informed vide Cabinet Division's Memorandum No. 4-11/2019-Min-I, dated 23-12-2019. The process of merger of FP into PIDC is also under way.

### **3.17 SPEI-Institute for Fashion & Professional Edification**

#### **Introduction**

SPEI. Institution for Fashion and Professional Edification is a Joint Venture Project based on Public / Private Partnership concept between PIDC and private sector (PIDC 26% & Private 74%). Company is incorporated under section 32 of the Companies Ordinance 1984.

#### **Project Goal And Objectives:**

- Develop our national human resources, particularly the youth and women, so as to make them skilled and employable for better Pakistan.
- Empower especially southern Punjab and adjoined tribal areas which are less educated and we serve them with formal vocational training and certification.
- Economic empowerment of marginalized sections of society including women, and landless village artisans, through skill development and provision of opportunities to get formal vocational training and certification for income generation.
- Help To Provide Employment Opportunity Through Vocational Skill With Main Focus To Unskilled And Unemployed Women Work Force Of This Region.
- Provide training to the marginalized, poor and vulnerable population by upgrading their skills.
- Enhancing competitiveness and productivity of the commercial skills and industrial skills through skill development.

#### **Project Philosophy**

- To develop a sector, which has its own identity and is support for the better utilization of the natural resources and opportunities of the country.
- Friendly guidance and corporation in progress through skill, technological up-gradation and product development emphasizing on women empowerment.
- Contribution to Industrial Labor Force especially by focusing women.
- Empowerment of people in under developed area of Pakistan especially south Punjab.
- To do skill development on the Environmentally Friendly Techniques and Technologies for the better wage rates and profits.
- To train people in such a way that they can stand on their feet in terms of their earnings.

## **Performance Review / Achievements /Review Year 2018-19:**

- To follow the Industries and Production Division (I&PD) vision we experiencing remarkable growth in areas of production of value addition and achieved its objectives of providing state of the art services to the local poor raw as well skilled artisans specially women.
- Acquaintances the Prime Ministers apparition during the value addition work project engaged about more than 4200 local raw and skilled peoples in which most of them are women.
- During the year about four thousand people also get financial & technical benefits from the SPEI.
- SPEI is supper active and one of the exclusive esteemed organization whom directly assist National Vocational Training Commission of Pakistan, Prime Minister Secretariat.

## **Future Targets:**

1. To become degree awarding fashion & garments engineering institute.
2. To get affiliated with some foreign universities for starting degree programs.
3. SPEI is committed and stand with the government of Pakistan for developing trained, skilled, educated, cultured, prolific, flourished & empowered human resource for the country which should play their role for the achievement of developed Pakistan.



#### 4.0 PERFORMANCE OF INDUSTRIES AND PRODUCTION Division BASED ON OUTPUT AND IN COMPARISON TO ACTUAL BUDGET (FY: 2019-20)

##### 4.1 BUDGET BASED PERFORMANCE

##### Budget VS. Actual Analysis

a. Expenditure analysis by outputs

(Amount in Rs)

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	1,456,811,000	429,332,745	<p>The reasons of the variation between Original Budget and actual expenditure are as under: -</p> <ul style="list-style-type: none"> <li>• An amount of Rs.946,330,000/- was surrendered well in time as the new project titled “National Strategic Programme for Acquisition of Industrial Technology (NSPAIT) including feasibility (Knowledge Economy Initiative)” was not approved by CDWP forum and only its feasibility component was approved.</li> <li>• An amount of Rs.2,610,000/- was re-appropriated in favour of HQ0783-Contribution to UNIDO Regular Budget.</li> </ul>
2 Training and Skill Development	Asian Productivity Organization/ National Productivity Organization (NPO) / Pakistan Institute of Management (PIM) / Pakistan Industrial Technical Assistance Centre (PITAC)	586,169,000	580,486,743	<p>The reasons of variation between Original Budget and Actual Expenditure are as under:-</p> <ul style="list-style-type: none"> <li>• An amount of Rs.796,000/- was re-appropriated in favour of ID3018-National Productivity Organization.</li> <li>• An amount of Rs.9,153,000/- was re-appropriated in favour of KA0902-Pakistan Institute of Management (PIM) Karachi.</li> <li>• An amount of Rs.80,050,000/- was re-appropriated in favour of LO0169-Pakistan Industrial Technical Assistance Centre (PITAC), Lahore.</li> <li>• An amount of Rs.5,650,000/- was re-appropriated from ID1350-Contribution to APO Japan in favour of KA0902-Pakistan Institute of Management (PIM), Karachi</li> <li>• An amount of Rs.90,000,000 was</li> </ul>

					timely surrendered against two new initiatives of AHAN as the Federal Government decided to liquidate the organization /executing agency.
3	Industrial infrastructure development , industrial production and other support services	Development Wing, Industries and Production Division	654,015,000	154,012,199	<p>The reasons of variation between Original Budget and Actual Expenditure are as under:-</p> <ul style="list-style-type: none"> <li>• An amount of Rs.400,000,000/- was surrendered well in time as the new project titled “Establishment of Hub Special Economic Zone Lasbela” was approved in May, 2020 from CDWP forum and no funds were released for the project by Ministry of Planning, Development &amp; Special Initiatives.</li> <li>• An amount of Rs.100,000,000/- was surrendered well in time as executing agency was unable to hire consultancy firm for the newly approved feasibility study titled “Establishment of Metal Park in Balochistan (Feasibility)” due to COVID-19 situation in 4<sup>th</sup> Quarter.</li> </ul>
4	Provision of subsidy	USC Section / Regulation Wing I&P Division	7,000,000,000	41,487,000,000	<p>The reasons of variation between Original Budget and Actual Expenditure are as under:-</p> <ul style="list-style-type: none"> <li>• An amount of Rs.6,000,000,000/- was allocated through Supplementary Grant in favour of Subsidies – Utility Stores Corporation under IB5056-Subsidy to USC.</li> <li>• An amount of Rs.12,500,000,000/- was allocated through Supplementary Grant in favour of Subsidies – Utility Stores Corporation under IB5055-Subsidy to USC.</li> <li>• An amount of Rs.10,000,000,000/- was allocated through Supplementary Grant in favour Utility Stores Corporation under IB5055-Subsidy to USC.</li> <li>• Rs.6,487,000,000/- was allocated through Supplementary Grant in favour of IB5056-Production &amp; Supply of Urea Fertilizer</li> </ul>

					<p>(Subsidy to M/s SNGPL.</p> <ul style="list-style-type: none"> <li>• An amount of Rs.2,500,000,000/- was re-appropriated in favour of IB5056-Production &amp; Supply of Urea Fertilizer (Subsidy to M/s SNGPL.</li> <li>• An amount of Rs.80,050,000/- was re-appropriated in favour of LO0169-Pakistan Industrial Technical Assistance Centre (PITAC) Lahore</li> <li>• An amount of Rs.419,153,940/- was surrendered in favour of ID1346-Industries and Production Division to obtain Technical Supplementary Grant (TSG) in respect of Law Charges</li> </ul>
5	Promotion of Small and Medium Enterprises	Small & Medium Enterprises Development Authority (SMEDA)	588,229,000	436,713,786	<p>The reasons of variation between Original Budget and Actual Expenditure are as under:-</p> <p>An amount of Rs.112,558,000/- was surrendered well in time by SMEDA in their ongoing projects due to the COVID-19 situation in the 3<sup>rd</sup> and 4<sup>th</sup> quarter as the executing agency was unable to continue their operational activities.</p>
6	General Administration Costs	Industries and Production Division/ Department of Supplies (Defunct)	324,000,000	721,166,642	<p>The reasons of variation between Original Budget and Actual Expenditure are as under:-</p> <ul style="list-style-type: none"> <li>• An amount of Rs.1,000/- was allocated through Token Supplementary Grant (TSG) to operate Head of Account "A0123P - Adhoc Relief Allow 2019".</li> <li>• An amount of Rs.419,154,000/- was allocated through Technical Supplementary Grant (TSG) from Demand No.58-Other Expenditure of Industries and Production Division to "Law Charges" for Payment of Court Fee and Fee to the Foreign Counsel in case of Dr. Hilal Hussain Al-Tuwariqi and Al-Ittefaq Steel Products Company Limited Vs Islamic Republic of Pakistan.</li> </ul>
7	Explosive Management and Regulatory Services	Department of Explosives and Its Regional Offices / Agro	92,069,000	85,061,139	<p>The reasons of variation between Original Budget and Actual Expenditure are as under:-</p> <ul style="list-style-type: none"> <li>• An amount of Rs.3,503,000/- was</li> </ul>

		Food Processing (AFP)			re-appropriated in favour of KA0902-Pakistan Institute of Management (PIM) Karachi
<b>Total:</b>			<b>10,701,293,000</b>	<b>43,893,773,254</b>	

## 4.2 OUTPUT BASED PERFORMANCE

### PERFORMANCE ANALYSIS BY OUTPUTS

Output	Indicator	Original Budget	Target Achieved	Remarks / Reason for Variances	
1	Technology improvement and business advisory services  Office Responsible: Engineering Development Board (EDB)	Studies upgraded/studies to be carried out of various Engineering Industries (Number of studies)	7	7	
		Number of preferential Trade Agreements / Free Trade Agreements	6	1 CPFTA-II.	5 ongoing as per Govt Policy relates with M/o Commerce
		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)	1596	1680	
		Number of Other SRO Regimes System (DTRE Scheme, 5th Schedule to Customs ACT 1969, SRO)	325	330	
		Consultancy to provide to SME's Industries through volunteer Dutch Consultants (Number of Consultants)	04	02	Cases for various Industries were taken up but match making could not be done by Dutch Agency due to non-availability/non-matching of the required experts in the desired fields. Further since Feb, 2020, there were travel advisories issued by the Dutch Govt due to COVID-19 pandemic. Therefore the target could not be achieved for the period under review.
		Custom Tariff Proposals reviewed/finalized (Numbers)	570	1103	Budget Proposals submitted to Federal Board of Revenue (2020-21)
		No of initiatives to be launched	3	3	
2	Training and Skill Development  Office Responsible: Asian Productivity Organization	No. of Govt. / Civil servants and professionals People to be trained	5,100	5,534	
		New Skill training i.e. modern managerial practices, presentation skills etc. to be introduced (number of trainings)	403	9	Owing to situation of COVID-19, the requisite task could not be fulfilled.
		Number of training to be conducted to various Government organizations	354	222	Owing to situation of COVID-19, the requisite task could not be fulfilled.

	n / National Productivity Organization (NPO) / Pakistan Institute of Management (PIM) / Pakistan Industrial Technical Assistance Centre (PITAC)	Consultancy jobs to be provided (number of jobs)	10	15	-
		Number of Engineering Jobs i.e. Production tools, Jigs, Fixtures, Dyes & Moulds, will be designed for local industry	2,392	5,924	
		Number of Energy Audits	12	17	
		Number of Skilled workforce will be produced for the industry through techno managerial training courses	3,466	3,759	
		No. of Technical Personnel trained under Apprenticeship Training Program (For Engineers, DAEs and Technicians) and Internship Training Program (For University / College Students)	110	58	Training and Educational activities were frequently suspended due to lockdown on account of Covid-19 pandemic, which resulted into less-enrollment. Therefore, the target could not be achieved.
		No. of Technologists produced under Technical Education Program of Three (03) Year Diploma of Associate Engineer (EAD) in PITAC Collage of Technology (PCT)	550	435	
3	Industrial infrastructure development, industrial production and other support services Office Responsible: Development Wing, Industries and Production Division	Number of Industrial Estates	4	3	The project titled "Establishment of Hub Special Economic Zone at Lasbela" was not initiated in FY 2019-20 due to its delayed approval from the CDWP forum.
		Number of Units in the Industrial Estate	10	10	
		Number of Initiatives to be launched	2	1	
4	Promotion of Small and Medium Enterprises  Office Responsible: Small & Medium Enterprises Development Authority (SMEDA) / Pakistan	Number of Business Plans to be developed	32	9	Business Plans are developed for SMEs that request support. COVID-19 and lockdown in the Country caused a slowdown in overall progress.
		Number of direct facilitations to be provided to SME's through established regional helpdesks	7,700	6,957	
		Number of Training Programs to be conducted	242	509	Training provided through online platforms increased during COVID-19.

Gems and Jewellery Development Company (PGJDC)	Number of Pre-feasibility studies to be updated and developed	85	88	
	Number of Cluster Profiles i.e. leather sector, garments sector etc. to be developed	25	34	
	Number of District Economic Profiles to be developed	10	9	
	Investment Facilitation i.e. establishment of projects feasibilities, loan assessment and facilitation	Rs 580 million	Rs 776.38 million	
	Number of Regulatory Procedures to be updated	66	2	
	Number of Awareness Seminars and Workshops to be conducted	12	16	
	Technical Support to Auto Parts Manufacturing Industry of Pakistan for Productivity Improvement (Number of units)	28	28	Under SMEDA-JICA Auto Part Project, technical support was extended to 52 Auto Parts Manufacturers in Lahore and Karachi. The Project is now completed.
	Energy Efficiency/Audits (Number of audits)	12	15	
	Number of CFC/Demonstration Projects to be established	5	6	<p><b><u>New Projects:</u></b></p> <ol style="list-style-type: none"> <li>1. National Business Development Program</li> <li>2. 1000 Industrial Stitching Units</li> <li>3. Product Development Centre for Composites Bases Sports Goods, Sialkot</li> <li>4. Fruit Dehydration Unit, Swat</li> <li>5. SME Business Facilitation Centre (SMEBFC) Multan</li> <li>6. Business Skill Development Centres for Women at Dera Ismail Khan</li> </ol> <p><b><u>Ongoing Projects</u></b></p> <ol style="list-style-type: none"> <li>1. Sports Industries Development Centre (SIDC), Sialkot</li> <li>2. Sialkot Business &amp; Commerce Centre</li> </ol>

				(SBCC) 3. CFC for Honey Processing and Packaging, Swat 4. CFC for Silk Cluster, Swat
	Third Party Facilitation Centers for legal recourse & facilitation (number of centers)	1	-	Financial constraints
	Number of Publications to be developed and published	8	8	
	Number of Special Projects to be undertaken in coordination with International Development Agencies	1	4	1. Economic revitalization of Khyber Pakhtunkhwa and FATA (ERKF) 2. SMEDA-JICA Auto Parts Projects – Technical Support 3. Economic cooperation & Development Forum (ECDF) under FATA Economic Revitalization Program (FERP) – UNDP Funded Project 4. Small Business Interventions to Support Development of Clusters through CFCs-UNDP
	Number of Documents/business plan/pre-feasibility available on SMEDA's website	600	90	Total number of information / tools / documents available on SMEDA website during 2019-20
	Certification Support to Gem Stone and Jewellery through Gem stone and Jewellery certification labs	200	-	The target was subject to availability of funds. As the Certification Labs of PGJDC are non-operational due to non-availability of funds, no gemstone testing and certification was done. The new PC-1 for funding of subject Gem Labs is under consideration in this Division.
	Business Advisory Services to Gems and	06	-	The target was subject



		Jewellery Sector			to availability of funds. The Business Advisory services were previously provided to the sector through help desks established at the projects. As the projects of PGJDC are non-operational due to non-availability of funds, No business advisory services were provided.
5	Explosive Management and Regulatory Services  Office Responsible: Department of Explosives and its Regional Offices	Licenses renewed (Number of licenses)	12,200	10,926	Owing to situation of COVID-19, the requisite task could not be fulfilled.
		Revenue Targets (Rs. in million)	Rs.350 million	Rs.222 million	Owing to situation of COVID-19, the requisite revenue target could not be fulfilled.
		Number of Inspections (premises license issued by Dept. of Explosives)	8200	5165	Owing to situation of COVID-19, the requisite task could not be fulfilled.
		Number of Licenses to be issued	1700	1425	Owing to situation of COVID-19, the requisite task could not be fulfilled.