COMPETITIVENESS ENHANCEMENT INITIATIVES

A Presentation by
Ministry of Industries, Production & Special Initiatives
(MoIP&SI)
Mission Statement

- Formulated Oct 2004

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

- Technology Up gradation and Skill Development
- Industrial Infrastructure Development
- Sector Development Strategies for SME Sector
Technology Upgradation and Skill Development

- Establishment of Technology Upgradation & Skills Development Company (TUSDEC)
  - Established as a non-profit Company on the principle of Public Private Partnership
  - To upgrade technology and skills of key and strategic industrial clusters and connect Pakistan to the global value chain

- Making a Technology “Gap Analysis”
  - Research on technologies in use in Pakistan with global benchmarking
  - Research contemporary technologies and assist industrial clusters in technology acquisition
  - Identify shortcomings in installed technology and impact on derivative products
  - Develop technology databases / skill mapping
Technology Upgradation and Skill Development

- **Progress so far**
  - Establishment of Tools, Dies and Moulds (TDM) Centers
    - Karachi TDM Center established
      - Completion in May, 2007
    - Gujranwala TDM Center launched
      - Completion by end of 2008.
  - Establishment of CAD/CAM Centres
    - 8 CAD/CAM centres under National Institute of Design & Analysis (NIDA)
    - Locations: Lahore, Peshawar, Gujranwala, Faisalabad, Hyderabad, Multan, Quetta, and Sialkot.
Technology Upgradation and Skill Development

• Establishment of Ceramics Development Center
  ○ Being established in Gujranwala
  ○ Project approved
    ○ Completion by end 2008.

• Upgradation of Garment Industry
  ○ Provision of international experts for selected industrial units
  ○ To be completed by end 2008.
Technology Upgradation and Skill Development – Pipeline Projects

- Foundry Skill Development Centres
- “Technoplex” Engineering Support Centre
  - Chain of centres across the country
- Federal Institute of Material Testing & Homologation
- Materials Bank
Technology Upgradation and Skill Development

- Skill Development Centres
  - Being established by TUSDEC in earthquake affected areas:
    - Muzaffarabad; Bagh; Balakot; Batgram
  - Aim to improve skills in
    - Furniture Making,
    - Construction
  - Will provide
    - Technical Support
    - Facility Support (Design & Manufacturing)
    - Technical Training Courses
Skill Development Initiative

- Management by a public private partnership
- Curriculum by NAVTEC
- Sectors identified:
  - Construction
  - Auto sector
  - Hospitality
  - Dairy
  - Printing and Publishing
  - Forge, Foundry; Machine & Fabrication
  - Steel
  - Chemical/Fertilizer
  - Oil & Gas
  - Textile/Karachi
  - Textile/Lahore
  - Cement
  - Sugar
  - Furniture
  - Sports
  - Pharmaceuticals
  - Middle Management/Supervisory
  - Electronics/white goods
  - Surgical, Flatware and Fans
The Target Sectors

- Construction
- Auto sector
- Hospitality
- Dairy
- Printing and Publishing
- Forge, Foundry; Machine & Fabrication
- Steel
- Chemical/Fertilizer
- Oil & Gas
- Textile/Karachi
- Textile/Lahore
- Cement
- Sugar
- Furniture
- Sports
- Pharmaceuticals
- Middle Management/Supervisory
- Electronics/white goods
- Surgical, Flatware and Fans
Skill Development Initiative – Management Model

- A separate non-profit company for each Sector on Public Private Partnership model
- Concept of sector “Champions”
- Demand Driven Approach
  - Need Assessment
  - Setting of Standards
  - Curricula Design
  - Availability of Trainers
  - Internship
  - Placement
Skill Development Initiative - Funding

- Training Centers
  - Centers of Excellence 20
  - Technical/Vocational Training Institutes 80

- Funding
  - Capital Cost from PSDP
  - Operational cost from WWF

- Poverty not to be a barrier for entry

- Rural dispersed industries to be used as “Engines of Skill Development in Rural Areas”

- Provision for upgrading existing workers skills
Industrial Infrastructure Development

- Establishment of National Industrial Parks Development & Management Company (NIP)
  - To develop world-class industrial parks all over the country

- Salient Features of the Industrial Parks
  - World class Industrial Infrastructure
  - One window Facilitation to all investors
  - Utilities available at the doorstep of the industrialist
  - Provision of central supporting services area
  - Meant for industrialists and not speculators
Industrial Infrastructure Development

- Progress so far
  - Establishment of Korangi Creek Industrial Park (KCIP)
    - 250 acres of centrally located land in Karachi
    - Launched by the Prime Minister on 29th July 2006.
  - Establishment of Downstream Industrial Park (DSIE)
    - 930 acres on Pakistan Steel land
    - MOU finalized between Pakistan Steel and NIP
  - Establishment of Marble Cities
    - MOU signed between NIP and Pakistan Stone Development Company for developing Marble Cities:
      - 100 acres of land at Risalpur
      - 200 acres of land at Mohmand Agency.
Sector Development Strategies for SME Sector

- Priority Sectors
  - Dairy
  - Marble & Granite
  - Gem & Jewellery
  - Hunting & Sporting Arms
  - Furniture
  - Surgical Instruments
  - Sports Goods
  - Leather Products

- Strategy will be extended to other sectors
Sector Development Strategies for SME Sector (Cont…)

- Bringing stakeholders on one platform
- Exposure to international best practices
- Consensus on Sector Development Strategy
- Implementation mechanism through Sector Development Company in Public Private Mode
- Focused sector investment by GOP
Pakistan Dairy Development Company

- Established as non-profit Company on the principle of Public Private Partnership

- Progress so far
  - Horizon I Programme
    - Establishment of Model Farms;
    - Installation of Farm Cooling Tanks;
  - Horizon II Programme
    - Community Farms
    - Milk Pocket Development
    - Bulk Vending of Pasteurized Milk
    - Creation of Rural Entrepreneurs
    - Vocational Training
    - Modernization and Better Enforcement of Regulation
Pakistan Stone Development Company

- To make Pakistan a Globally Competitive & Leading Player of the International Dimensional Stone Industry

- Plans for the future:
  - Establishment of
    - Model quarries and schools attached with model quarries
    - Common Facility & Training Centers
    - Machinery Pools
    - Marble Cities
    - Warehouses
  - Up-gradation of existing quarries

- Coordination with Geological Survey of Pakistan and Provincial Governments

- Rs.1,980.00 million committed by the Government of Pakistan – Project approved by CDWP
Gems & Jewelry Development Company

- To establish Pakistan as an internationally competitive world-class hub for high value added precious stone cutting and jewelry manufacturing;

- **Plans for the future:**
  - CFTMC for Gem Mining & Jewelry Manufacturing (Karachi, Lahore, Peshawar, Quetta, Northern Areas)
  - Gems Exchanges in Major Hubs (Peshawar, Karachi & Quetta)
  - Gem Testing Laboratories (Gilgit, Quetta, Peshawar & Karachi)
  - Hallmarking facilities (Karachi, Lahore)
  - Up-gradation of Gems & Gemological Institute of Pakistan, Peshawar through affiliation with AIGS, Thailand


- Rs.1,400.00 million committed by Government of Pakistan – project approved by CDWP.
Pakistan Hunting & Sporting Arms Development Company

- To build and develop the hunting and sporting arms industry of Pakistan as well as strengthen and support its technical capabilities for enhancing competitiveness.

- Plans for the future:
  - Establishment of CFTC/ Gunsmith Skill Development Centre at Dara Adam Khel (DAK) and Peshawar
  - Establishment of an Industrial Estate with modern facilities at DAK
  - Amendment in Antiquities Act and other acts necessary to facilitate DAK Initiative
Developing Engineering Sector

- Engineering Development Board repositioned
  - To give impetus to the development of Engineering Sector to lead as a driving force for economic growth.
  - To make Engineering sector part of the global supply chain

- Creation of high powered Board of Directors with majority representation from the private sector;

- EDB being further strengthened.
Developing Engineering Sector

Achievements:

- Replacement of auto part deletion policy by an Incentive driven Tariff Based System
- Development of Long Term Auto Policy
- Location specific development initiative
- Rationalization of import duty regime
- Leadership role in formulation and implementation of Engineering sector export strategy
- Modernization of Trucking Sector
AIK HUNAR AIK NAGAR (AHAN)

- One Village One Product Concept
- Rural Enterprise Modernization
- Direct Intervention to improve Rural Traditional Products

Key Interventions
- Product Development
- Design
- Training
- Marketing

- 6 Pilots in operation
- 100 pilots funded from next year
Conclusion

- Though we still have a long way to go, all of the above mentioned initiatives will substantially address the major needs and constraints identified through our earlier research and sector specific investigation.

- MOIP&SI’s focus is on creating lasting institutions that can lead change, ensure competitiveness and are dynamic enough to adapt to future challenges.
THANKS