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Industrial sector witness growth despite, shocks and challenges



ISLAMABAD, Mar 27 (APP): The Industrial sector despite shocks and challenges witnessed growth during the past three years due to prudent and timely policies of the present government. According to Ministry of Industries and Production statement released by the Ministry highlighting its performance during the last 3-year of PPP led government said that the elected government of PPP, soon after coming into power, in March 2008 introduced a 9 Point Economic Agenda for accelerated economic development of the country which included Macroeconomic stabilization, Social development, Agricultural growth, Industrial Competitiveness, Human Capital Development, Energy, Capital Markets, Public-Private partnerships for infrastructure and an Institutional/ Administrative Reforms.

These 9 points, the Ministry said were the pillars of the government’s Poverty Reduction Strategy. It added that based on the aforesaid 9 points, the Ministry of Industries and Production formulated a new Industrial Strategy for sustainable and broad-based growth of the sector. The statement added that the main features of this new Industrial Strategy were to ensure economic recovery consistent with stabilization, to maintain momentum of agriculture growth together with support Policies for revival of industries, to address critical infrastructure gaps in water, power and transport for enhancing competitiveness, to achieve Millennium Development Goals and reduce poverty through a comprehensive social protection system with an exit strategy, to facilitate balanced development in the country by reducing regional disparities and rehabilitation and reconstruction of conflict affected areas. The Ministry said that the major achievements of the MoIP and its subsidiaries under the present government from March 2008 to March 2011 were that the role of State Engineering Corporation (SEC) was re-defined by the present government to make it a vibrant organization. The overall performance of SEC group of companies has satisfactorily improved during the last 3 years. The high level of sales turnover amounted to Rs.216 millions against previous year of Rs.124.8 millions thus registering an increase of 73%. These SEC groups of companies include Pakistan Engineering Company (PECO) Lahore, Pakistan Machine Tool Factory (PMTF) Karachi, ENAR Petrotech Services Karachi and Heavy Electrical Complex (HEC) Hattar. The Ministry statement added that SEC units made a number of achievements towards self-reliance and import substitution of high value added engineering goods, as are being highlighted here: PECO Lahore has enhanced its capabilities for producing a range of irrigation pumps and electric motors through invigorating its facilities.

The PECO also upgraded CNC Machining and Galvanizing facilities through foreign partners to improve quality of products. PMTF Karachi has achieved an excellent development process, initiated through in house R&D efforts, for producing Computerized Numerically Controlled Turning Centre (CNC Machine Tools) has successful results.

The company is now in a position to supply these machines on commercial basis. It has thus entered into a new era of technological advancement through first time development of CNC Turning Centre in Pakistan.

The PMTF has also successfully developed Stone Cutting Machines through R&D efforts after observing foreign manufacturing facilities and saved substantial foreign exchange.

The PMTF has now received orders worth Rs 82 million. ENAR Petrotech Services is another unit of SEC which has played a vital role in development of oil and gas sector of the country.

It has been involved in major projects such as NRL's Revamps, OGDCL's Dakhni, Uch & Qadirpur Gas Processing Plant Projects, PARCO's White Oil Pipeline Project and PARCO's Mid-Country Refinery, OGDCL's Qadirpur Compression Project etc.

The Statement of the Ministry of Industries and Production said that in view of the of significance of Qadirpur Interim Compression Project ENAR workforce has put concerted and extraordinary efforts which resulted in timely completion of this project of immense national importance. It thus contributed towards meeting the energy supply-demand gap.

The HEC Hattar developed new power transformers of 40 MVA capacities besides re-designing of its old 20/26 MVA power transformers bringing it more economical and competitive.

Highlighting the performance of EPZA'S, the Ministry's statement said that in order to attract local and international investors Export Processing Zone Authority (EPZA) was established in 1980.

A total of 10 Zones have been planned by EPZA while the Zones at Karachi, Sialkot, Risalpur and Saindak are fully functional and operational.

In the Zone at Karachi 120 Industrial plots have been developed so far in which new Industrial units have either been established, or are in advanced stages of preparation.

About 15000 to 20000 persons are likely to be employed directly or indirectly in 120 industries set up in Export Processing Zone Karachi. Further EPZA recorded 69% growth in exports during the current period from July 2010 to February 2011 as compared to the same period of last year. The exports of the current year were 41% higher to same period of last year, the statement said.

Regarding the Utility Stores Corporation (USC) performance, the Ministry's statement said that Utility Stores Corporation (USC) 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 at present is operating 5700 stores with profit earning throughout the country.

The USC earned Rs. 3,096.833 million profit during last three years.

Further, the government of Pakistan Peoples Party has provided jobs to more than 4000 people in different scales.

This will help to a great extent in the reduction of poverty in the country.

The USC in compliance with the decision / directive of the present Government has taken on duty more than 800 sacked employees who were terminated during the period from 1996 - 1998. The prices of items being sold out from the USC outlets are at an average less by 5% to 15%.

The consumer through availability of essential commodities and other goods are availing economic relief of more than Rs. 500.00 Million per month which is a great support to the middle and lower middle segments of the population in the country.

About performance of Pakistan Industrial Development Corporation (PIDC), it said that PIDC is a corporation under the Ministry and has taken a number of mega projects in hand during the last three years for industrial growth through its Sub subsidiaries like Technology Up-gradation & Skill Development Co. (TUSDEC), National Industrial Park Dev. & Management Co. (NIP) Karachi, Tools, Dies & Moulds Centre (KTDMC), Pakistan Stone Development Co.(PASDEC), Pakistan Gem & Jewellery Dev.Co. (PG&JDC), Pakistan Hunting & Sporting Arms Dev. Co (PHSADC), Furniture Pakistan and Aik Hunar Aik Nagar (AHAN).

PIDC has also established Joint Ventures on Public Private Partnership basis like Southern Punjab Embroidery Industry (SPEI) and Pakistan Chemical and Energy Sector Skills Development Co (PCESSDC).

In this regard PIDC has setup 100% funded Sub subsidiaries in these companies.

The Technology Upgradation and Skill Development Company (TUSDEC) TUSDEC has successfully implemented a number of projects aimed at upgrading technologies and enhancing skills.

These projects include (KTDMC), (SDCs), Technical Upgradation of Garment Industry, Establishment of Advanced CAD/CAM Training Centers, Gujranwala Tools, Dies & Moulds Centre (GTDMC), Ceramics Development & Training Complex (CDTC), Skill Development Centre for Overseas Employment and Cement Research & Development Institute.

The TUSDEC is a subsidiary of the PIDC approved by ECNEC for Rs.878.04 million on November 30, 2006. The Statement of the Ministry said that President Asif Ali Zardari inaugurated it on January 2010 and the GTDMC has so far done business worth Rs.21 million.

The statement of the Ministry said that the National Industrial Park Development & Management Company (NIP) project was first of its kind in Pakistan and spread on an area of 250 acres of land in Korangi Creek area, this project is based on the concept of providing clustering different categories of industries at one point equipped with all infrastructure and due facilitation.

It said that this project will house clusters of Light Engineering, Food Processing, Packaging & Printing, Consumer & Pharmaceutical and value Added Textiles/ Leather within one boundary wall and having its own power generation facilities.

This industrial park will accommodate 230 industrial units.

The PIDC has established Pakistan Stone Development Company (PASDEC) with an investment of Rs. 211.581 million.

The company is actively engaged in development of stone industry of the country by bringing latest technology.

It has achieved a number of development projects like setting up Marble City in Risalpur, Plots allotted and finalized the Master plan for the first industrial estate at FATA, Completed the Masterplan for Marble City in Loralai, Initiated Warehouse facilities in Risalpur, Initiated the project up-gradation of Quarry at Loralai ,Up-gradation of one Quarry in Buner is in progress and Started Model Quarry Project at Buner during the year 2010.

The Pakistan Gems and Jewellery Development Company (PGJDC) has been established by the PIDC with exclusive funding of Rs. 150 million, was dedicated to develop Gems & Jewellery Industry by way of inducting modern technology into the industry and also by imparting training to the youth in this discipline.

The company during April-2010 to December-2010 has arranged 103 courses, and imparted training to 1292 students in different areas of the profession, Established Gem Labs in Lahore and Peshawar and established Training Centre in Karachi that was inaugurated by the President of Pakistan.

The company is providing training to 80 to 100 students every month related to Gems and Jewellery industry. Further, the company has successfully participated in international Jewellery exhibitions in Dubai and Munich to introduce Pakistani jewelry in Europe and Middle East.

The Southern Punjab Embroidery Industry (SPEI) project was in textile sector as the name reflects addresses the socio economic posture of Southern Punjab.

The SPEI is a joint venture between PIDC and a Private Partner on the concept of Public Private Partnership (PPP).

This joint venture, aiming at becoming an active market player in textile industry, will provide 4000 and plus employments to the local craftsmen mostly from the womenfolk.

The training and production activities of this joint venture company are expected to start by March 2011.

Regarding the Skill Development Centers (SDCs) in Earthquake Effected Areas, the Ministry's statement said that PIDC has established 4 SDCs, two each in Batgram and Mansehra through its subsidiary company TUSDEC.

All these 4 SDCs, after three years of successful operations, will be handed over to Government of Khyber Pakhtoonkhwa in March 2011 as a gift from PIDC for the earthquake affected areas. These SDCs, built with a cost of over Rs. 100 million, have so far trained 5200 students in various disciplines. These SDCs will prove a catalyst in improving the socio economic texture of the area.

The Pakistan Chemical and Energy Sector Skill Development Center (PCESSDC) was now in its final stages of operation located at Daharki in Sindh and expected to start its academic activity by June, 2011.

This venture of PIDC costs Rs 209 million with 50% sharing jointly by M/s Engro, Fauji Fertilizer & Mari Gas. The institute will be affiliated with Sindh Technical Board and would initially offer 3 years Diploma Courses in Chemical, Mechanical, Instrumental and Computer disciplines.

This will not only provide high quality engineering institute to the remote area of Sindh but will also provide highly skilled Technicians and Engineers in Chemical and Energy Sector.

This project is bound to bring revolution in social and economic pattern of rural Sindh.

The Heavy Mechanical Complex (HMC) Taxila was established in 1971 and Heavy Foundry & Forge in 1976. Since inception, HMC has played a major role in the industrial growth by development of engineering technology, highly skilled human resources, quality culture and dissemination of technical know-how resulting in development of many industrial units.

The HMC has pioneered in indigenization of complete sugar plants, equipment for cement plants, industrial boilers, electric overhead traveling cranes, static equipment for oil & gas processing industry, equipment for hydro & thermal power plants, road rollers & other road construction machines, industrial steel structures, axles for railway wagons, coaches & locomotives and metallurgical industry by producing heavy iron & steel castings and steel forgings. Government appreciating the HMC initiative, in January 2011 approved the following two projects: Establishment of Design Institute especially for energy sector plants by up-grading the existing Design Centre at HMC. Establishment of Turbines & Power Plants equipment facility at HMC. Accomplishment of these two projects will be a milestone in the heavy engineering industry of the country as on completion, these projects will enable design and manufacture of the energy sector like Hydro power plants, Thermal power plants (specially coal based), Wind turbines for power generation, Hydro, Steam & gas turbines up to 300 MW, Co-generation plants for sugar industry, Oil & gas processing and refining plants & equipment for fertilizer plants.

The Small & Medium Enterprise Development Authority (SMEDA) was also playing its active role in the industrial growth of the country. Major achievements in Business Development Services of SMEDA are that it has facilitated 8,030 SMEs through its helpdesks, conducted 918 training programs in which 27,929 individuals participated, 52 new Pre-feasibility Studies for potential investments have been prepared which can be downloaded from SMEDA website (www.smeda.org.pk) and 77 Business Plans prepared for new investments.

Further, for Up-gradation of Local Industry, SMEDA in collaboration with international agencies like Japan International Cooperation Agency (JICA), Gesellschaft fur Technische Zusammenarbeit (GTZ), Senior Experts Services (SES, Germany) and Asian Productivity Organization (APO) and Local experts is providing technical assistance to SMEs in the relevant industrial units to upgrade their skills and improve systems.

A total of 168 Textile/garment, 64 Auto parts units, 02 Chemical units, 03 Fan units, 02 Foundry units and 37 Energy Efficiency Projects (includes Light Engineering, Textiles and Marble Sector) have been upgraded through this program during the period 2008-11.

The statement of the Ministry said that Engineering Development Board (EDB), has formulated various policies during the period under review, including Steel Policy, Electronic Policy and National Engineering Export Development Strategy (NEEDS).

The developed economies depend more on their engineering industry. However, in Pakistan, the export of engineering goods during 2009-10 was only \$850 million, 4% of the total exports and less than 0.5% of world's export market of engineering goods.

The EDB has taken a number of excellent steps to rationalize the prices of cars and further growth of Auto Industry country. To address the declining trend in the Auto Sector, the present government took various measures on the recommendation of EDB for its revival like Removal of 5% FED on cars, Removal of 35% LC margin on CKDs, Depreciation reduced from 2% to 1% up to a maximum of 25% on import of used cars, Reduction in CKD duty on Motorcycle from 20% to 15%, Reduction in CKD duty on Auto Rickshaw from 32.5% to 20%, and 15 -25% to 5% reduction in duty on components of Trailers.

The Pakistan Industrial Assistance Centre (PITAC) has made hectic efforts in training of manpower and has provided base for industrial development of the country.

The PITAC has helped the local entrepreneurs in designing of Plastic Moulds & in Manufacturing of precision gauge. It is also providing assistance and guidance in development of automobile parts locally.

The National Productivity Organization (NPO) was established its Regional Offices at Lahore, Karachi and Multan whereas Peshawar, Hyderabad and Faisalabad are in process.

The NPO acquired the Membership of World Confederation of Productivity Science (WCPS) and World Network of Productivity Organizations (WNPO) and started more interaction with European, African and North American Productivity Centers especially Turkey, China, South Africa, Canada, UK & USA As Special Initiatives & Projects.

The NPO initiated Benchmarking study in Industries, Fisheries, and Horticulture sectors with the help of UNIDO by developing 24 Master Trainers under UNIDO's TRTA-II program. Later on 200 consultants/trainers & 40 companies on management systems and 10 companies on CE marking will be developed.

Initiated the Prime Minister Quality Award Programme based on internationally Recognized principles of US Malcolm Baldrige Award (adopted in more than 70 countries, 17 in Asia).

Initiated NPO's first agriculture sector project on Peach for Prosperity at Swat funded by BSF, Ministry of Finance. Hosted UNDP Disaster Risk Reduction (DRR) office for industrial sectors and specially focusing on motor vehicle gas cylinders.

The NPO is developing Industrial Sector Management Information System (MIS) for ENERCON. Developed PC-1 on Enhancing Innovation & competitiveness in Leather sector, awaiting government approval through Ministry of Commerce. Conducted 73 audits of Energy Efficiency for Textile Sector on the instructions of Prime Minister of Pakistan.

Up to 10% energy saving identified for audited units. Successfully conducted Energy Conservation Trainings at Lahore, Hyderabad, Quetta, Multan, Bahawalpur, Muzaffargarh and Sargodha and more training to be conducted in other 4 cities of Pakistan, a project funded by ENERCON.

Conducted 12 APO's International Programs by utilizing APO's International Resource Persons related to Agriculture, Horticulture, Services and Industrial sectors. Conducted 11 International e-Learning (VC based) Training Programs.

More than 350 personnel recommended for APO Training programs out of which more than 180 persons offered APO's international trainings. More than 250 national trainings were organized and attended by more than 7000 participants.

More than 40 e-learning national trainings were organized and attended by more than 1000 participants. International workshop on horticulture was organized and attended by participants from 20 countries.

It said that in the past three years, a total of twenty eight (28) projects were initiated under the Public Sector Development Programme (PSDP) with the total allocation of Rs.17, 781.38 millions. Out of these, ten (10) projects/Common Facility Centres were initiated, whereas eighteen (18) already approved projects were provided financing by the present Government. Allocation of Rs. 3,220.078 million has been made in PSDP 2010-11 for 45 (28 ongoing + 17 new) projects out of which Rs. 394.365 million have been released during 1st and 2nd quarters of the year.

Twenty Eight (28) ongoing development projects are being executed during the FY 2010-11. These projects were approved in CDWP meeting of January 21, 2011.

The Ministry statement said that the present government regularized 4,732 contract and daily wages workers of Pakistan Steel Mills (PSM) Karachi.

Federal Minister for Industries and Production while handing over regularization letters to contract and daily wages workers said, though the Pakistan Steel has been facing a serious financial crisis but we have fulfilled the promises of our martyred leaders Zulfiqar Ali Bhutto and Benazir Bhutto and by regularizing thousands of Pakistan Steel's contract employees on Labour Day.

The present management of PSM with its efficient and professional approach has so far succeeded in reducing the losses to its half as compared to the total losses of last year.

The statement said that owing to consistent pursuit by the Federal Minister for Industries and Production Mir Hazar Khan Bijarani, the Ministry has prepared National Industrial Policy draft after hectic efforts, lengthy consultations and several meetings with all stake holders. Now the finalized document is ready for submission to Federal Cabinet for its approval.

It is pertinent to mention here that the proposed and prepared draft of NIP was put on the web of the Ministry for more than six months for further input/feedback from the stake holders before its finalization and for onward submission to Federal Cabinet for approval.

The statement said that if the National Industrial Policy is approved by the Cabinet, then it would be the first National Industrial Policy in the history of Pakistan.