

Towards building Gujranwala
an Industrial Cluster

Why Industrial Clusters (IC)?

- IC impact regional development and exports in a significant way.
- They attract investments, create backward and forward linkages, thus stimulating local businesses. They add value to natural resources and generate large scale employment.
- ICs foster specialization leading to greater efficiency, higher productivity, lower cost and promote competitiveness for exports, create new businesses where there is a gap in the supply chain. By expanding the economies of scale they encourage the growth of small and medium enterprises.
- Nurture synergies in supply chain management being close to the suppliers and customers thus reducing transaction costs, improve efficiency in turn around time.
- Informal knowledge spill overs exchange between firms, workers, professionals located in the cluster contribute the outcomes in form of cost savings, higher margins and increased revenues.

Why Gujranwala?

- Gujranwala region (Gujranwala, Hafizabad, Wazirabad, Gujrat and Daska) has a dense concentration of small and medium enterprises with a strong tradition of innovative initiatives, end to end manufacturing capabilities within a compact geographical area.
- Gujranwala is well connected through railways, highways, motorways, airport, dry port, bonded warehouses.
- The region has relatively high literacy rate with 75% females being literate. This potential for skilled, managerial talent and human capital is high.
- The large number of university campuses, engineering colleges, degree colleges can be useful in establishing linkages with industry and solve their problems including research and technology transfer.

Why Gujranwala? (Continued)

- The existing industries in the region such as metal based products, consumer electronic goods and appliances, furniture ceramics and sanitary fittings, cutlery, agricultural tools and machinery cater to the needs of domestic market. Industrial clusters would enable these industries to become competitive for export markets. Metal based products, electronics and engineering goods are sunrise industries in the global market.
- Technical and vocational institutes can be geared up to produce the skill sets – trade as well as digital – for meeting the growing needs of these industries.
- Basmati rice processing, quality standards compliances, packaging and value added products can make them attractive for international market.

Why Gujranwala? (Continued)

- Gujranwala offers decent housing facilities for middle class professionals and managers, Cafes, restaurants, fast food outlets, shopping malls and cultural activities. Their families can get decent health care and children can attend reputable schools.
- The travel time and distances between the hub i.e. Gujranwala and other parts of the region are quite short and quality roads linking them do exist, although they may need upgradation.

What needs to be done?

- The first step is that all chambers of commerce and business associations and organizations operating in the various districts of the region meet and agree to form a governing body for setting up registering, planning, coordinating, overseeing implementation, monitoring the progress of Gujranwala industrial cluster and take corrective actions to resolve the problems coming in the way.
- This cluster cannot take-off unless there is a joint collaborative effort of the private sector, federal, provincial and local governments with active support of divisional commissioners and close involvement of institutions such as SMEDA, small industrial corporation, board of investment, trade development authority of Pakistan, GEPCO, SNGPL, local development authority, WASA etc.
- Trust and mutual corporation among the business community and the sponsors is the critical success factor. Those creating divisions among the business community and trying to pull each other's legs in pursued to capturing the leadership positions or getting the prominence or using the offices for personal projection and benefits would only ensure the downfall of this initiative.

What needs to be done? (Continued)

- What Gujranwala lacks today is the absence of anchor firms – few large firms – that can attract suppliers, service providers, competitors leading to agglomeration.
- Special economic zones, small industrial estates, export processing zones, Expo centers, Special technology zones should be established and managed professionally with tax incentives, power, water, sewerage, internal road and link roads to main transport arteries under autonomous body structure.
- Universities, research institutes, banks, financial institutions, Micro finance institutions and organizations would form an integral support infrastructure along with leading law firms, engineering and procurement firms, accounting firms, consultancy services, architectural firms and marketing companies.

What needs to be done? (Continued)

- Technical and vocational training should be upgraded and their curriculum, pedagogical tools, facilities and equipment, assessment methods should be designed by industries to cater to their specific needs. Trainers should be qualified and accredited. Each sector must have its own training institute over seen by respective business associations.
- Industrial cluster would required testing labs, quality assurance and control, compliance with international standards particularly environmental health and occupational. Either branches off PCSIR, PSQCA and testing labs should be invited to locate in the region or new facilities set-up.

Thank You