



**The Urban Unit**

Urban Sector Planning & Management Services Unit (Pvt.) Ltd.



# Regional Development Plan for Multan

## Industries & Trade and Commerce



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# **Multan Regional Planning**

## **Introduction**

Multan Division is a historical and culturally rich region located in the southern Punjab province of Pakistan. The division comprises four districts, including Multan, Vehari, Khanewal, and Lodhran. The division is named after its capital city, Multan, which is known as the "City of Sufis" due to its rich Sufi heritage. The region has a diverse population and is home to people from various ethnicities, including Punjabis, Sindhis, and Saraikis. The division is also known for its agricultural productivity, as it is a major producer of cotton, wheat, and sugarcane.

Multan Division has a long and rich history, with the city of Multan dating back to ancient times. The region was an important center of trade and commerce during the Indus Valley Civilization and played a significant role in the spread of Islam in the Indian subcontinent. Multan was also a major center of Sufi activity, with many renowned Sufi saints having lived and practiced in the city. Today, the division is a major cultural and economic hub in the province of Punjab, attracting tourists and investors from all over Pakistan and beyond.

## **Multan Division**

Located in the heart of southern Punjab, Multan Division is the center of South Punjab, also acting as a major economic hub in the region.

Multan Division comprises four districts, each with its unique characteristics and attributes. The first district, Multan, is the capital city of the division and is known for its rich cultural heritage and historical significance. The city is home to many ancient monuments, including the famous Multan Fort, which dates back to the 12th century. The city is also known for its Sufi shrines, which attract pilgrims from all over Pakistan and beyond.

In Multan Division other than Multan, Khanewal, Jhang, and Vehari are districts with their own comparative advantages developed over time. All four districts of division share in their history with Multan, being an old cultural attraction, with its roots in Hindu Religious Tourism to today, becoming some of the fastest growing economies in the southern part of the province.

The second district, Vehari, is located to the east of Multan and is known for its agricultural productivity. The district is a major producer of cotton, wheat, and sugarcane, and its fertile land

makes it an ideal location for agriculture. The district is also home to many historic sites, including the Shorkot Fort, which dates back to the Mughal era.

### **Regional Planning Exercise**

Regional planning has a significant approach in the process of sustainable development. Haughton and Counsell (2004) emphasizes the worthiness of Regional Planning and explains that it determines redistribution of resources such as jobs and surplus working population in a way that each sector of the economy attain benefit by simultaneously meeting the national growth. This also helps in assuring opportunities and jobs to scarce lands. Furthermore, regional spatial strategy (RSS) refers to incorporating spatial framework as a part of policy implementation (i.e. operating regional policies with regional framework). This can be defined as arrangement of land resources within the region for long term planning that aims to achieve synchrony between protection and development through management and control of a territorial space (Liu and Zhou, 2021). Regional Economic development strategies (RESs) are gaining more significance the process of regional planning and for which, regional Development Agencies (RDAs) are responsible for this RESs. Hence, it can be deduced that all economic, social and environmental concerns are interrelated and by incorporating regional context to implementation strategy have the potential to benefit policy making process. Also, Liu and Zhou (2021) determine that lack of this planning process such as frequent revisions, difficulties in implementation, complex approval process and overlapping conflicts led to issue like unbalance regional development, disparity of territory spatial development for largest developing country China. Therefore, with incorporating spatial context into development process is a necessary for contemporary developmental process.

In context of Pakistan, more precisely Multan Division Punjab, the regional planning exercise needs an extensive ground level understanding of sectors and prevailing practices within the sectors. This will help to integrate all the sectors and avoid overlapping of projects and interventions. Integration of all local and regional plans is key for the successful plan and this integration does not necessarily need financial and physical resources, sometime this can be managed through soft policy interventions.

It is worth mentioning that the Multan Regional Development Plan is the first time that the trade and commerce has been considered important as a stand-alone sector in economic development plan of a region. In the past regional plans, namely Faisalabad Regional Development

Plan, Gujranwala Regional Development Plan, Sargodha Regional Development Plan, Bahawalpur Regional Development Plan, have had only a small section with respect to discussion on the sector. However, given the established importance of the sector to the regional and national economy, it was only best that this sector's development be planned for its pivotal role in the economy.

## **Stakeholders for Economic Development**

### **Federal Government**

The federal government may not have much of a direct role in the running of the city. However, it influences the local economy through its fiscal and monetary policies. FBR and SECP, both federal entities, have a strong presence in the city owing to their high revenue generation capacity. Multan-based trade bodies are often engaged in advocacy efforts with the federal government for tax issues and lowering the cost of business.

### **Punjab Government**

The provincial government holds many reins in supervising various agencies and departments of the city. It holds the biggest leverage in the form of provincial transfers of funds for both development and non-development purposes. Local government agencies have a weak revenue base; hence their sustenance remains dependent on the provincial kitty.

### **Municipal Corporation Multan (MCM)**

The role of city municipality is expanded in the new local government act. However, in absence of the elected officeholders, Divisional Commissioner is also additionally heading MCM as its Administrator. The municipality is meant to provide municipal services with an additional function of 'Economic and Value Chain Development' also entrusted to it. At present, MCM is playing a limited role in running city affairs, which is expected to increase post-local elections.

### **Multan Development Authority (MDA)**

It is a vital government entity responsible for the land management in the city. It also undertakes master planning of Multan. It has civic agencies, such as WASA and TEPA, operating as its subsidiaries. WASA provides services pertaining to water, sewerage, and drainage. TEPA is working in traffic management and transport planning.

## **District Administration**

Administratively, Multan city is one of the six tehsils, which collectively makes up Multan District. Deputy Commissioner (DC) is the administrative head of this district. The DC office is responsible for the revenue collection and implementation of government regulatory directives. It is overseeing the provision of services and maintenance of public order.

## **Multan Chamber of Commerce & Industry (MCCI)**

MCCI is the premier representative body of businesses in Multan. Its membership comprises of 6,404 companies segregated into 1,279 corporate members and 5,125 associate members. It has been the leading voice for safeguarding the interest of the business community by reaching out to upper echelons of the government. It has been instrumental in the execution of various business facilitation and infrastructure initiatives in the city.

## **Other Trade Bodies**

Multan also boasts of various other trade bodies serving different niches of the local and national business community. It includes All Pakistan Bed Sheet & Upholstery Manufacturers Association, Mango Growers Association Pakistan, Pakistan Cotton Ginners' Association, All Pakistan Fiat Tractors Dealers Association, All Pakistan Handloom & Traditional Textile Manufacturers & Exporters Association. Many of these organizations may play a pivotal role in the functioning of the growth coalition. Their contribution to the local economic development cannot be underestimated.

## **Punjab Small Industries Corporation**

Punjab Small Industries Corporation (PSIC) is a government owned body with its mandate to establish small industrial estates to provide dedicated and specialized infrastructure for industrial development. Since its formation in Punjab, PSIC has established more than 20 industrial estates. The Multan industrial estate played a pivotal role in the early days of industrialization in Multan and provided a dedicated space along with the ancillary infrastructure. The PSIC industrial estate is also supported by Cluster Development Centre and Business Incubation Centre.

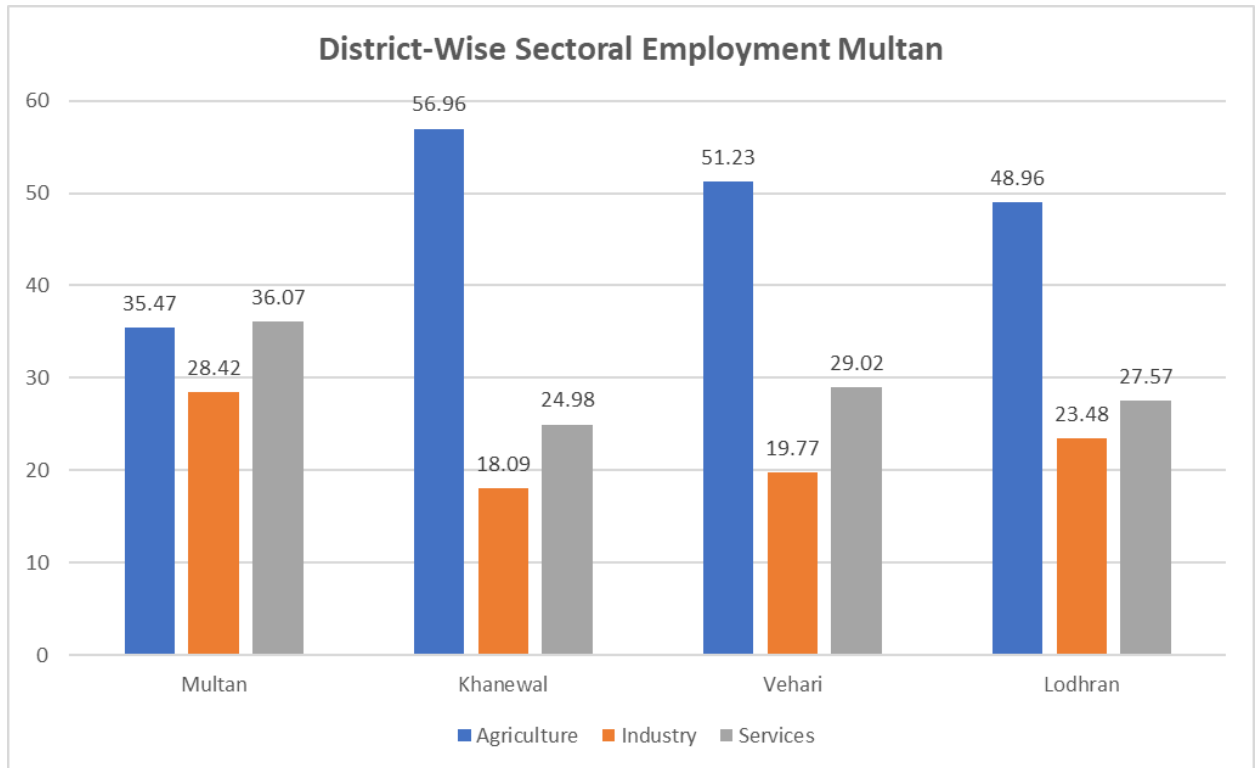
## **Punjab Industrial Estate Development and Management Company (PIEDMC)**

The Punjab Industrial Estates Development & Management Company (PIEDMC) was created with the objective of fostering industrialization and improving the business climate in the Punjab province. PIEDMC operates under a self-sustaining model and aims to establish industrial

estates in every district of Punjab. As a company established under section 42 of the Companies Ordinance, 1984 (now Companies Act, 2017), PIEDMC is an independent, non-profit organization owned by the Government of Punjab. It is governed by a Board of Directors (BOD) consisting of private sector industrialists and ex-officio members. PIEDMC primary mission is to facilitate industrialization in Punjab by providing the necessary infrastructure for establishing factories, businesses, and other facilities for industries interested in investing in the province. Currently, PIEDMC has successfully developed and operates nine fully functional industrial estates throughout Punjab. This accomplishment showcases the effectiveness of the public private partnership (PPP) model implemented by PIEDMC.

### **District-Wise Economic Profile**

To delve into the economic status quo of the Multan division, the consultant conducted a basic analysis of the economic characteristics of various districts in Multan Division with respect to the economic indicators like employment and occupation types in the relevant districts.



*Figure 1 Multan Division's Labor Force Division by Sector*

The district-wise economic breakdown of Multan's employment trend shows that Agriculture is a dominant employer in the region. This is similar for all districts but Multan, where services and industry sectors have displaced agriculture, and now the services sector is the biggest employer, however, by only a small margin.

Further analysis of the economic employment from industries and trade and commerce viewpoint of each district in the division is given below.

### **Multan District**

Multan is the most economically significant district in the Multan division, being the hub of all the major economic activity that is happening in the region. The economy of Multan is majorly agricultural; however, services and industries sector continue to grow in the district. As already discussed above, for the Multan Division, 57 percent of the GSRP comes from the Services Sector, of which trade and commerce is the major sector.

Similarly, for Multan the services sector is the biggest employer, employing 36.07 percent of the district's workforce, followed closely by agriculture, employing 35.47 percent of Multan's labor, and lastly, only 28.42 percent of the workforce in the district works in the industry sector.<sup>1</sup>

To get a further understanding of the trade and commerce sector employment, subsectors of services sectors must be seen for Multan District.

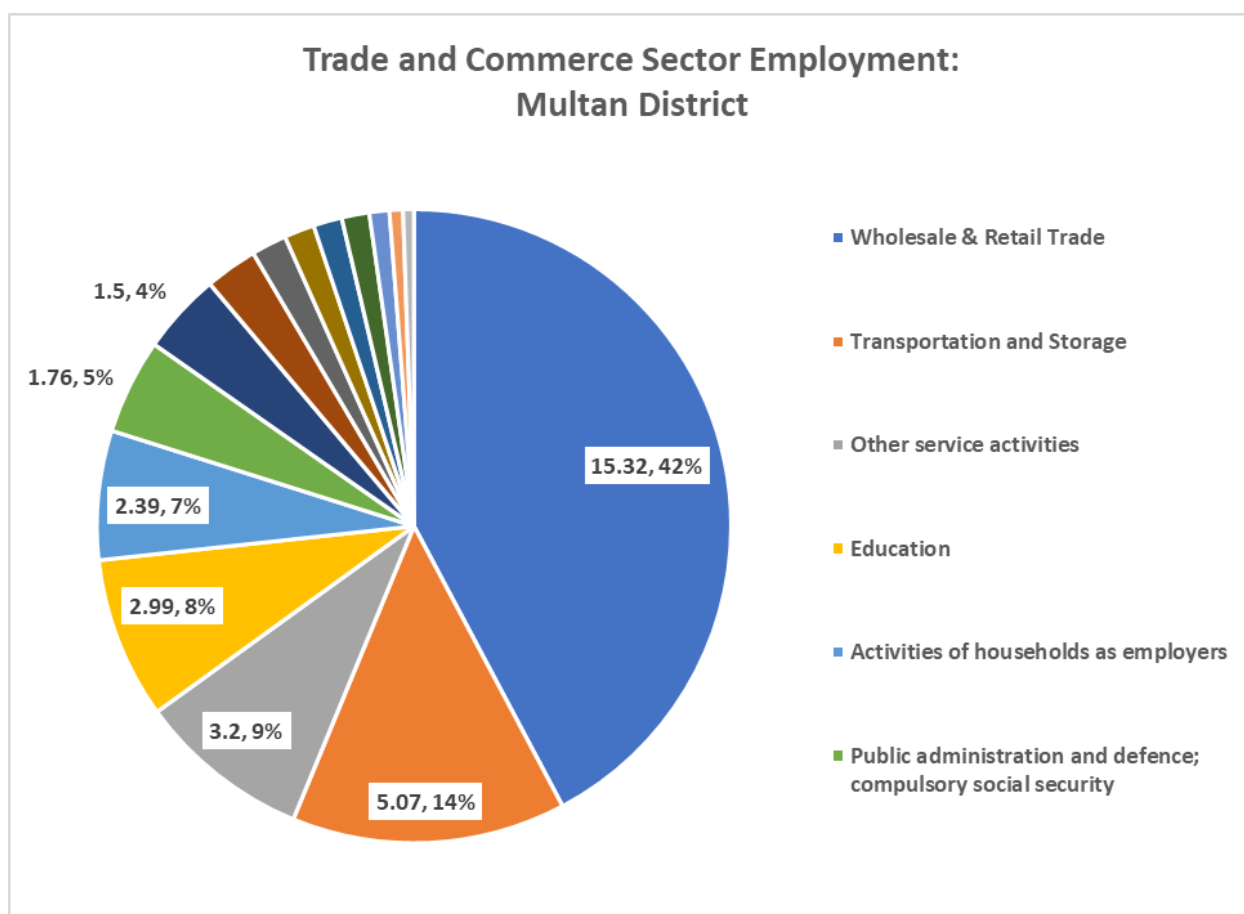


Figure 2: Trade and Commerce Sector Employment: Multan District

Within the Trade and Commerce sector, Wholesale and Retail Trade makes up for the biggest sector, employing 42 percent of the sectoral workforce and 15.3 percent of the district's entire workforce. This is followed by Transportation and Storage, Education, and Activities of

<sup>1</sup> Labor Force Survey 2020-21

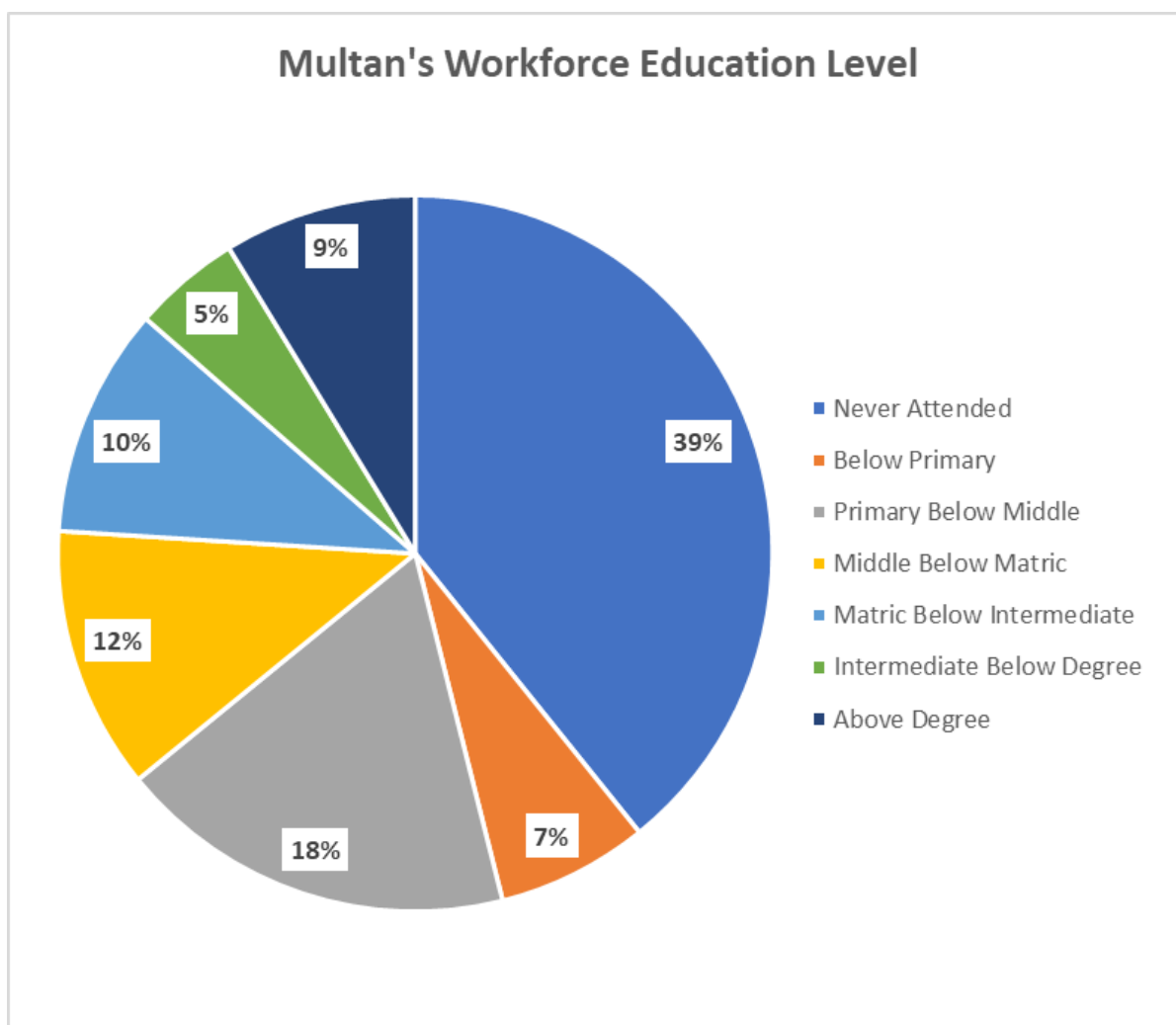


Household as Employers as major employing sub-sectors in Multan District, as shown in figure above.

There is no direct way to see the skill level of Multan's labor force, thus education level in the labor force survey is being used to assess the skill level in Multan. Assessment of the education level of the workforce in Multan reveals that an overwhelming majority, 38 percent, never went to school, while only 9 percent of people have gotten a college degree of any kind (See Figure Below).. It is found that around 64 percent of Multan's workforce hasn't even received formal education till middle school.<sup>2</sup>

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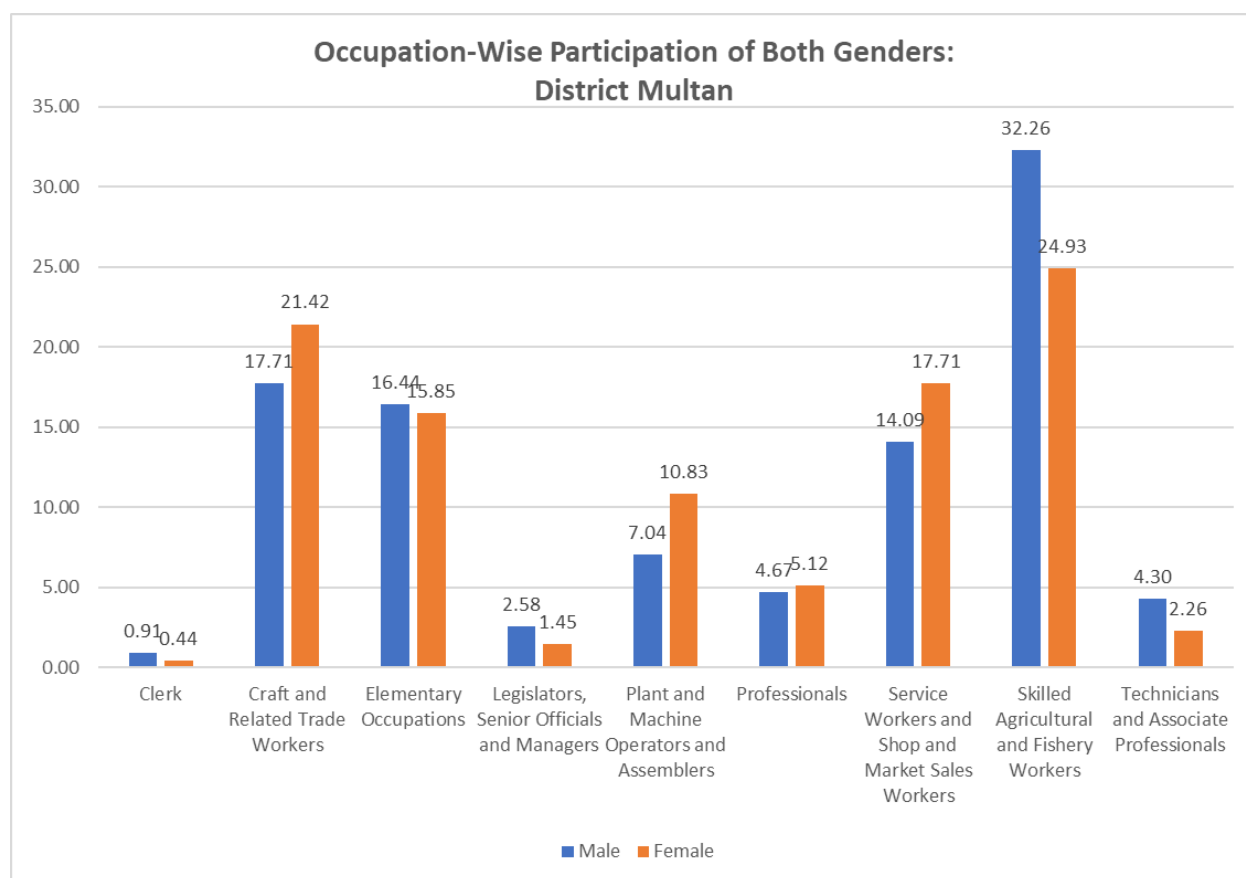
<sup>2</sup> Labor Force Survey 2020-21



Now we must see what occupations is the Mutlan's workforce is employed in, and that can aid in explaining the education level above.

Data from the labor force survey is again used to compare the employment of males and females in Multan for both genders, and what roles do both work in. As seen in the figure below, both males and females majorly work as 'Skilled Agriculture and Fishery Workers'. 32.26 percent of males and 24.93 of female workforce in Multan is engaged in this sector, making for a significant chunk of the total workforce. On the other hand, for both males and females, the least amount of workers are working as clerks, with only 0.91 and 0.44 percent working as clerks in the district, respectively. Second most common activity for both genders is as 'Craft and Trade Workers'.

For Males, the next few significant economic activities include ‘Elementary Occupations’, ‘Service Workers and Shop and Market Sales Workers’, and ‘Plant and Machine Operators and Assemblers’, in that order. For females however, they include ‘Service Workers and Shop and Market Sales Workers’, ‘Elementary Occupations’, and ‘Plant and Machine Operators and Assemblers’, in that order.



*Figure 3: Distribution of Employment of Both Genders according to Occupation*

Comparing the activity according to the region reveals the stratification of labor according to Rural/Urban areas. It tells us about the rural and urban divides quite clearly in terms of economic progression. The only occupation where rural employment triumphs over urban is the elementary occupations, which include sales workers like street vendors, primary agricultural/fishery workers, and low-skilled labor in industrial sector.<sup>3</sup>

<sup>3</sup> Defined Under Pakistan Standard Classification of Occupations, Pakistan Bureau of Statistics

It is same for Clerks as well, as the data shows that the rural area has higher number of clerks in rural areas. Understandably, for other more technical fields, rural area fares behind the urban area where majority of downstream economics activity takes place.

Table 1: Major Occupations in Multan District

Major Occupations Multan District	All Area			Rural			Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Clerk	125 21	10 66	135 87	70 66	0	706 6	54 55	10 66	65 21
Craft and Related Trade Workers	244 815	51 831	296 646	11 4958	13 241	128 199	12 9857	38 590	16 8447
Elementary Occupations	227 318	38 364	265 682	18 0952	24 914	205 866	46 366	13 450	59 816
Legislators, Senior	356 73	35 08	391 81	14 649	0	146 49	21 024	35 08	24 532

<b>Officials and Managers</b>									
<b>Plant and Machine Operators and Assemblers</b>	85 972	207 26	492 123	972 41	47 80	19 500	313 55	160 18	473 73
<b>Professionals</b>	59 645	393 12	52 769	143 30	63 25	06 327	416 34	30 98	246 44
<b>Service Workers and Shop and Market Sales Workers</b>	721 194	851 42	572 237	731 74	02 88	33 835	9990 11	049 34	4039 15
<b>Skilled Agricultural and Fishery Workers</b>	984 445	333 60	317 506	0524 43	230 59	754 489	460 15	03 11	563 16
<b>Technicians and</b>	63 594	64 54	27 649	866 26	46 42	12 311	597 32	18 12	815 33

<b>Associate Professionals</b>									
<b>Total</b>	138	24	162	92	12	104	46	12	58
	2339	2017	4356	1861	1043	2904	0478	0974	1452

Next, thinking about the gender-wise stratification of each profession, we see that female participation is quite less compared to males in the district. However, the figure below shows that the highest female relative participation is when compared to males working as ‘Plants and Machine Operators and Assemblers’, where women make up for 21.22 percent of the total workforce. The lowest participation of women is as ‘Clerks’, where they make up for only 7.85 percent of the total number of clerks in Multan.

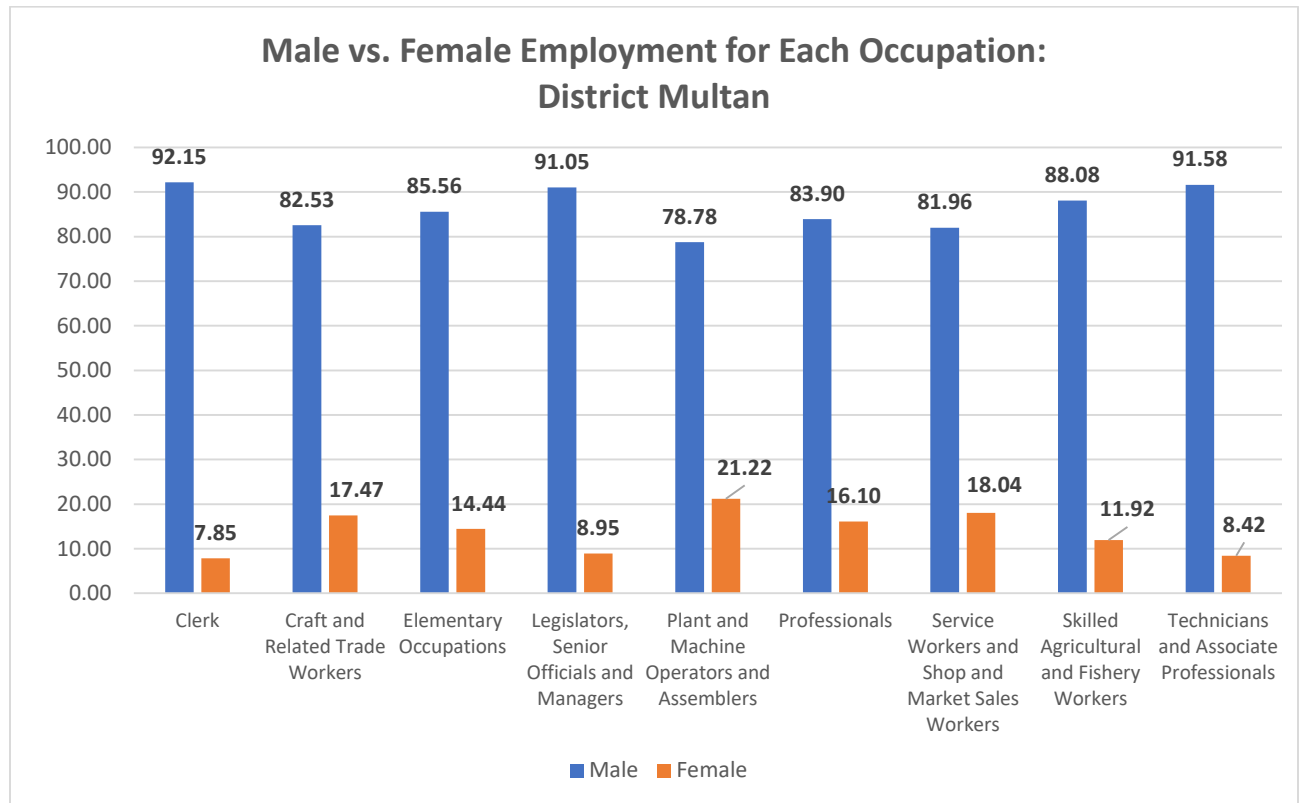


Figure 4: Male vs. Female Employment of Each Occupation in District Multan

## SWOT (strengths, weaknesses, opportunities & threats) of Multan

### Strengths:

- The city's strategic locations helps with connecting the provinces of Punjab, Sindh, & Balochistan, making it a vital commercial & transportation trade hub.
- Strong agricultural sector, with a focus on crops, helps provides a strong foundation in the economy



- Has a well-developed textile sector, which contributes to Pakistan's textile exports & serves as a big source of employment & revenue
- Multan's educational outlets produce a skilled workforce, which helps contribute to the development of various sectors.

#### **Weaknesses:**

- Economy is heavily reliant on the agriculture sector; overdependent on a single sector makes the city vulnerable to fluctuations in agricultural output, weather conditions & the market dynamics.
- Has lack of industrial development & infrastructure constraints- inadequate transportation networks, limited access to basic amenities.
- Lack of proper infrastructure can hinder business growth & discourage investment.
- Multan faces limitations in attracting significant investments & financial resources compared to other metropolitan areas.
- Export base is limited due to the fact that Multan is primarily dominated by agricultural commodities & textile products.

#### **Opportunities:**

- Multan needs to actively promote itself as an investment destination & offer incentives to attract investors & improve access for financing for business, especially SMEs
- Upgrading & expanding infrastructure facilities are necessary to support economic activities & attract investment
- Diversifying the export base by identifying & developing new export products within industries can enhance the city's economic growth & reduce dependence on existing sectors.
- Better utilise transportation & logistics networks, establishing trade linkages, & improving connectivity with airports & major ports can help facilitate access to global markets

#### **Threats**

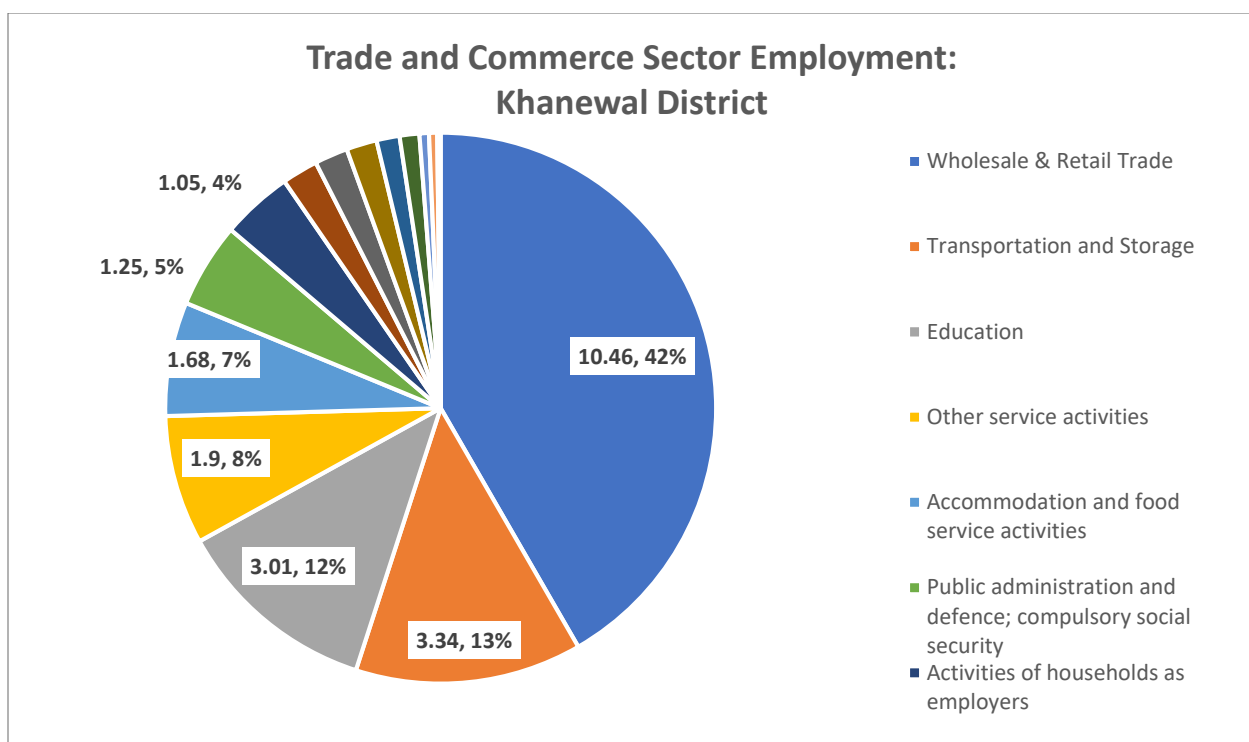
- Economy is susceptible to market fluctuations, changes in global commodity prices & demand for agricultural products & textiles
- The effects of climate change, including water scarcity impacts agricultural productivity (which is a major threat as agriculture is the biggest sector) can hinder economic stability
- Multan faces competition from other cities within Pakistan in sectors like textile & agriculture, requiring continuous innovation & competitiveness.
- Political instability can negatively impact economic growth.

### **District Khanewal**

Khanewal is the closest district in Multan Division to the Multan District and is thus more relatively developed than the other districts in the division. It is bordered with Jhang and Toba Tek Singh on the north, Vehari on the south, Sahiwal on east and Multan on the west, making it a central connectivity hub for divisions across Punjab. It is for this reason that the railway junction of Khanewal is widely considered as the most important one in the entire country.

Khanewal's Labor Force is majorly involved in the agricultural sector (57%), with services sector lagging at 24.9%, and industrial sector only employing 18.1% of the district's workforce.

While comparatively less people are involved in the industrial and services sector, they are majorly working in the agricultural value chain with textile/sugar mills for the industrial sector and the fertilizer and pesticides supply, and farm machinery rental traders in the services sector.



*Figure 5: Trade and Commerce Sector Employment: Khanewal District*

Going into further details of the trade and commerce sector of the district, we can see that the majority of the workforce, 42 percent of the services sector, and 10.46 percent of the district's workforce is working in the Wholesale and Retail Trade. This is followed by Transportation and Storage, Education, Accommodation and Food Service Activities as major sectors as shown in the figure above.

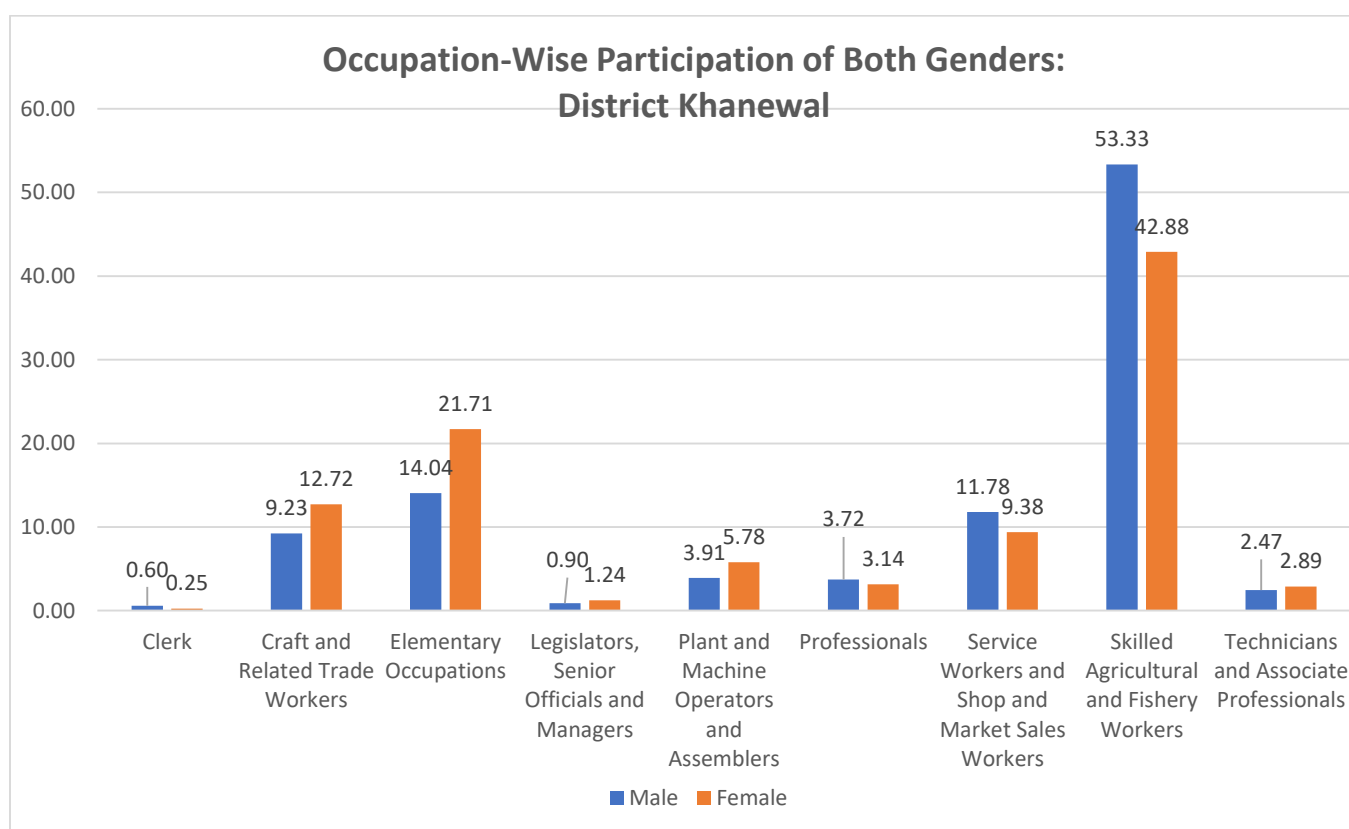
Some of the major occupations in the Khanewal districts according to the LFS 2021-22 are given in the table below. It shows that the majority of the people in Khanewal are working in the rural areas of the district. This is even true for majority of the occupation types. Highest number of workers are 'Skilled Agricultural and Fishery Workers' in the rural area. Only two occupations, namely 'Professionals' and 'Clerks' have higher number of people working in the urban areas compared to the rural areas.

Table 2: Major Occupation Groups in Khanewal District

Major Occupation Groups Khanewal District	All Areas			Rural			Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Clerk	516 2	510	567 2	174 4	0	174 4	341 8	510	392 8
Craft and Related Trade Workers	791 95	262 58	105 453	612 66	167 19	779 85	179 29	953 9	274 68
Elementary Occupations	120 391	447 99	165 190	113 381	352 05	148 586	701 0	959 4	166 04
Legislators, Senior Officials and Managers	771 8	256 2	102 80	516 8	962	613 0	255 0	160 0	415 0
Plant and Machine Operators and Assemblers	335 53	119 32	454 85	271 51	926 5	364 16	640 2	266 7	906 9
Professionals	319 23	648 9	384 12	153 35	104 5	163 80	165 88	544 4	220 32
Service Workers and Shop and Market Sales Workers	101 044	193 60	120 404	607 22	671 1	674 33	403 22	126 49	529 71
Skilled Agricultural and Fishery Workers	457 392	884 92	545 884	443 943	854 74	529 417	134 49	301 8	164 67

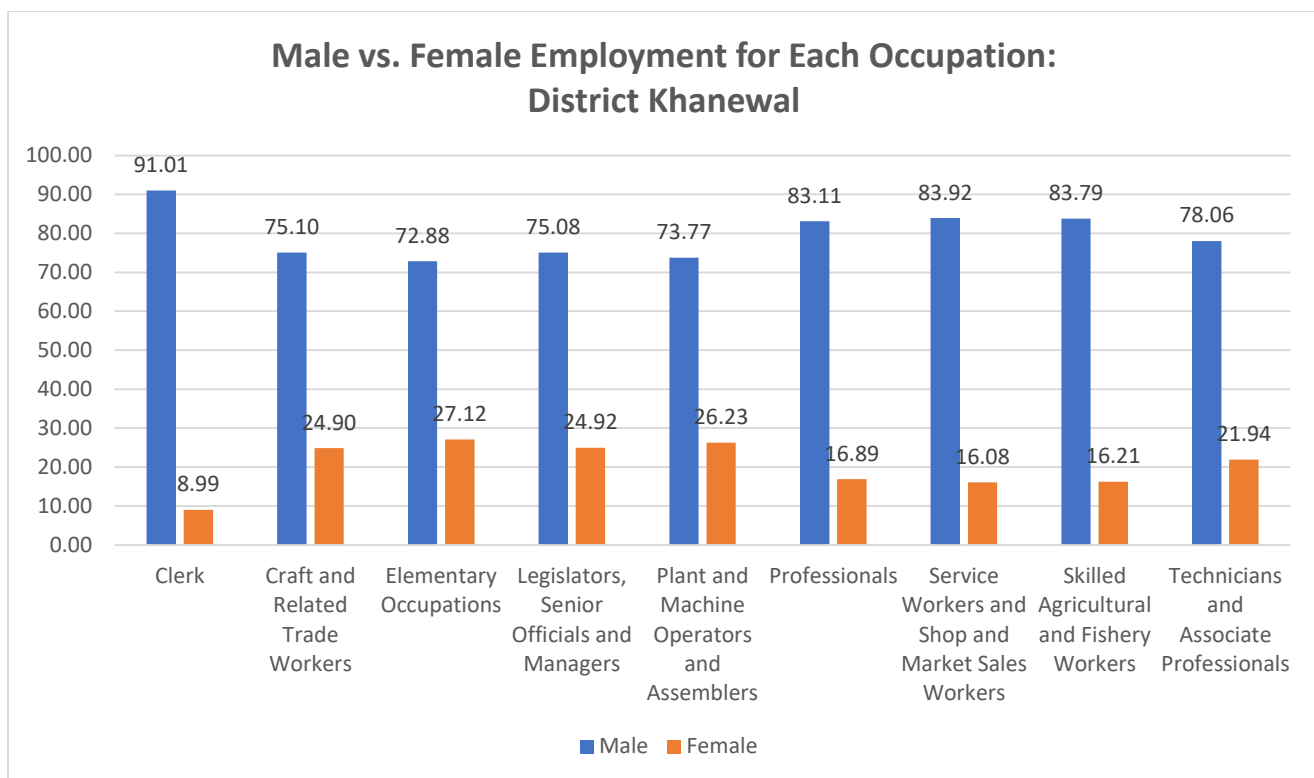
<b>Technicians and Associate Professionals</b>	212 18	596 5	271 83	130 87	344 8	165 35	813 1	251 7	106 48
<b>Total</b>	857 596	206 367	106 3963	741 797	158 829	900 626	115 799	475 38	163 337

The figure below shows the choice of occupation by both male and females in Khanewal district. It shows that majority of males and females in the Khanewal district are ‘Skilled Agricultural and Fishery Workers’, followed by ‘Elementary Occupations’, which has unskilled agriculture sector workers. For females, the third highest sector is ‘Craft and Related Trade Workers’, while for males it was ‘Service Workers and Shop and Market Sales Workers’. Least amount of people in the district worked as clerks, as it made up for only 0.60 and 0.25 percent of the employment of both genders, respectively.



*Figure 6: Occupation-Wise Participation of Both Genders in Khanewal District*

Comparison of male versus female employment in the Khanewal district shows that the highest proportion of female to male population is seen in the ‘Elementary Occupations’, while the lowest relative percentage was for the ‘Clerk’ as occupation group.



Keeping in mind the secondary and primary data available, here are some of the strengths, weaknesses, opportunities and threats for the Khanewal's district economy.

The skill level of the labor force can be judged by the education level of the workforce in Khanewal district, and we can see that 37 percent of the workforce never attended school.

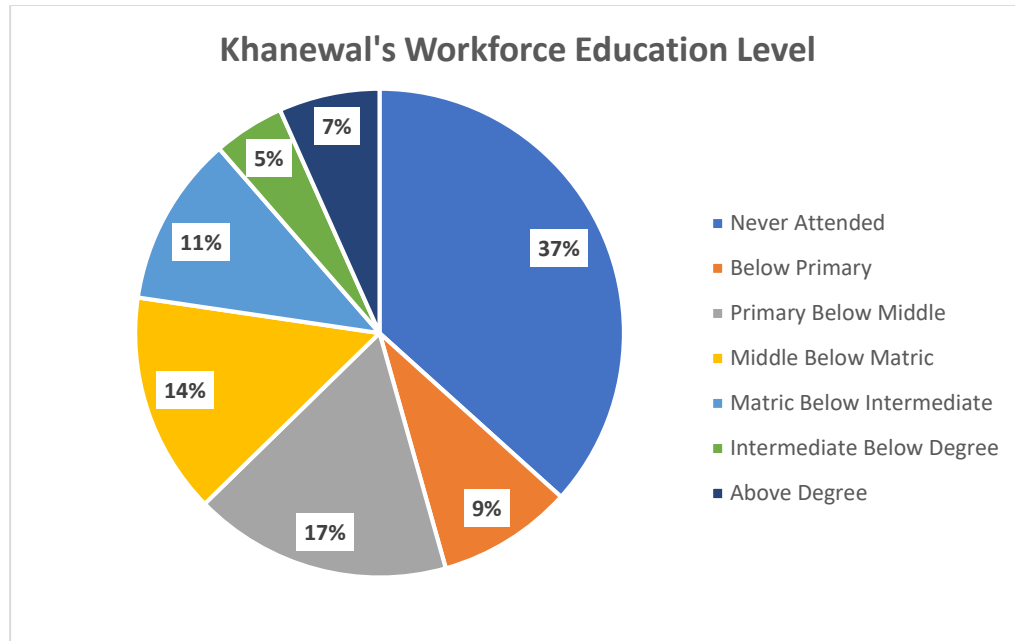


Figure 7 Khanewal's Workforce Education Level

Figure above also shows that only 7 percent of the people have a degree, and only 12 percent have gotten an intermediate level of education or higher.

### SWOT (strengths, weaknesses, opportunities & threats) of Khanewal

#### Strengths:

- Strong agricultural sector, with a focus on crops like cotton, wheat, fruits.
- District has seen growth in small & medium scale such as textiles, garments & food processing.
- Has educational institutions that provide quality education & contribute to the development of a skilled workforce.
- Location is on the national highway & the railway network makes it a transportation hub, that helps facilitate trade & commerce.
- Khanewal's model bazaar can act as a model to be followed around the districts in the division.

#### Weaknesses:

- Primarily dependent on agricultural & related industries, limited diversification makes it vulnerable to fluctuations in crop yields.



- Small businesses & entrepreneurs face challenges in accessing finances & loans for investment
- Need to enhance skill development programs.
- The Khanewal Junction isn't used enough to incentivize trade development in the region

### **Opportunities**

- Can focus on value addition in agriculture by promoting processing, packaging & export of agricultural products, which will help increase revenue
- Attract investment & Foster growth of various industries like textile, food processing, engineering to help create employment opportunities
- Investing in infrastructure projects can improve connectivity & enable an improvement for economic growth
- Khanewal's MC can ensure that all Bazaars in the district follow the standards set by Model Bazaar to ensure inclusivity and increased accessibility
- Colonization of Khanewal industrial estate can help develop markets around products where comparative advantage exists
- Focusing on the revitalization of railway junction to connect different parts of the Punjab province together can lead to trade development in the region, and enhance the district's comparative advantage in trade
- Khanewal is best placed to capitalize on the trade linkages of Multan, which can boost the local economy as well
- Need to capitalize on opportunities to work towards a more robust economy

### **Threats**

- Vulnerable to the impact of climate change; unpredictable weather patterns, water scarcity & natural disasters, which could potentially affect agricultural productivity & livelihoods.
- The economy is subject to market fluctuations, such as changes in commodity prices, demand-supply dynamics, which can impact agricultural & industrial sectors, which makes up more than half of Khanewal.
- Competitions from other neighboring districts in sectors such as agriculture, textiles & industries.

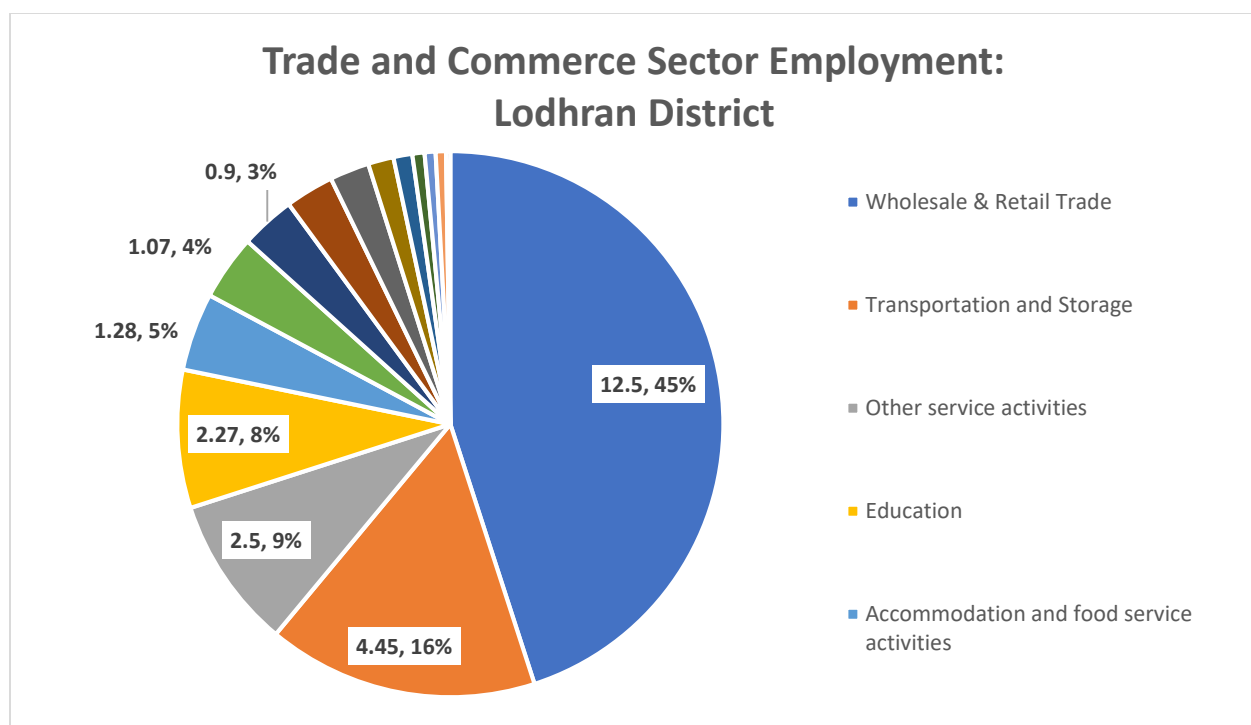
- Political instability & security challenges can disrupt economic activities.

### **Lodhran District**

Lodhran district is bordered with Multan and Khanewal on the north, Vehari on east, and Bahawalpur on its southern side. The main economic hub of the district is Lodhran city, 80 km away in the southern side of Multan and only 18 kilometers driving distance from Bahawalpur. The aforementioned geographical dynamics of Lodhran city play an important part in the socioeconomic development of the district, as will be explained later in this section.

Discussing the economic profile of the district, we can see in the figure 9 above, which shows that the 48.96 percent of the workforce is employed in the agricultural sector, followed by 27.57 percent in services sector, and the least number of people, 23.48 percent of the workforce is employed in industries.

The industries sector in the district is dominated by SMEs and thus the trade and commerce activities in the region serve as forward linkages to the factories that serve mostly local or regional demand. This is majorly wholesalers and retailers, as 45 percent of the people in the trade and commerce sector are working in this sector. (See Figure below). This is followed by Transportation and Storage, Education, and Accommodation & Food Services sectors as major employers in the district.



*Figure 8: Trade and Commerce Sector Employment in Lodhran District*

Stratification of employment over major occupation groups according to gender reveals that for every occupation, males are the majority of the employees, and for all the occupations, the more employees are working in rural areas than urban. This may be because majority of the district is still categorized as rural despite major infrastructure/economic development taking place. Like previous districts, in Lodhran too, majority of the people are working as Service Workers and Shop and Market Sales Workers, in Elementary Occupations, and as Skilled Agricultural and Fishery Workers.

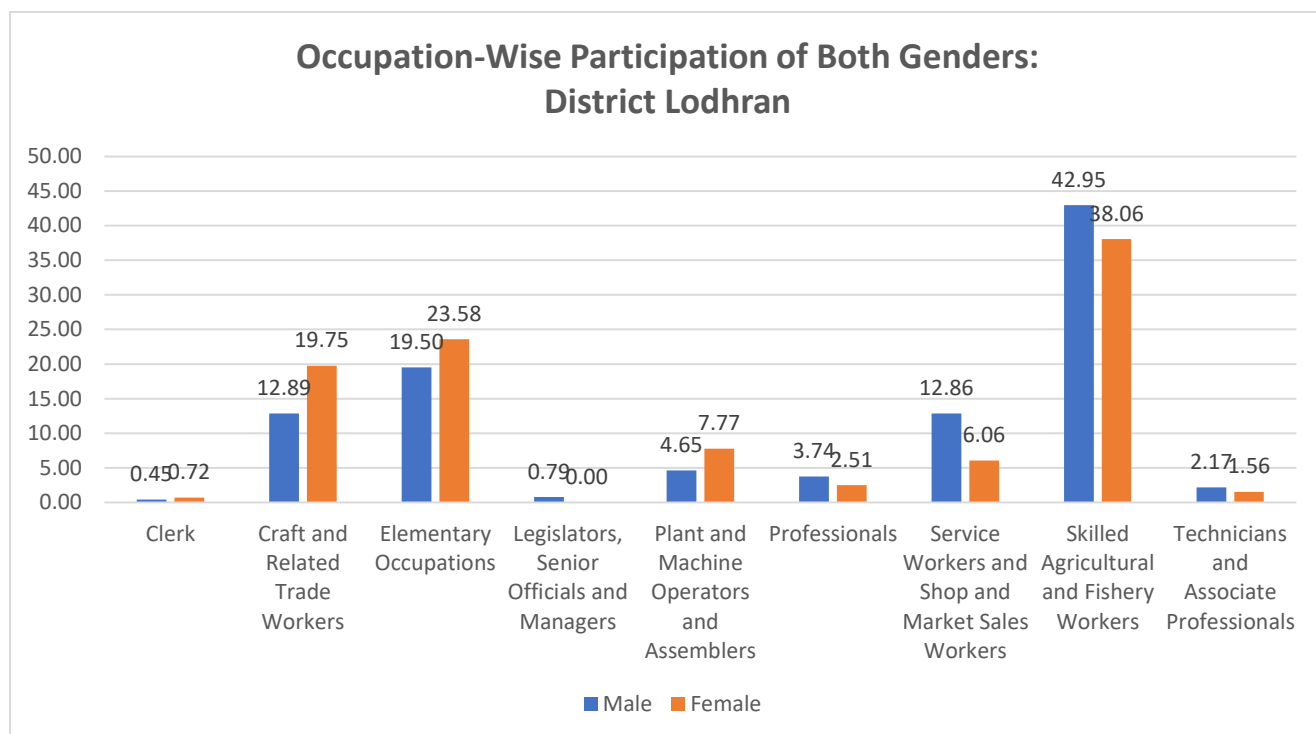
According to the data given in the table below, no females in the district are working as Legislators, Senior Officials and Managers. In urban areas no women are clerks, plant and machinery operators, or technicians and assistant professionals.

Table 3: Major Occupation Groups in Lodhran District

Major Occupation Groups Lodhran	All Areas			Rural			Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Clerk	2323	479	2802	1980	479	2459	343	0	343
Craft and Related Trade Workers	67036	13204	80240	53940	9110	63050	13096	4094	17190
Elementary Occupations	101438	15768	117206	89567	14629	104196	11871	1139	13010
Legislators, Senior Officials and Managers	4134	0	4134	3555	0	3555	579	0	579
Plant and Machine Operators and Assemblers	24182	5195	29377	19712	5195	24907	4470	0	4470
Professionals	19450	1676	21126	15292	1311	16603	4158	365	4523
Service Workers and Shop and Market Sales Workers	66906	4055	70961	48594	2960	51554	18312	1095	19407
Skilled Agricultural and Fishery Workers	223457	25445	248902	217261	24728	241989	6196	717	6913
Technicians and Associate Professionals	11296	1041	12337	9047	1041	10088	2249	0	2249
Total	520222	66863	587085	458948	59453	518401	61274	7410	68684

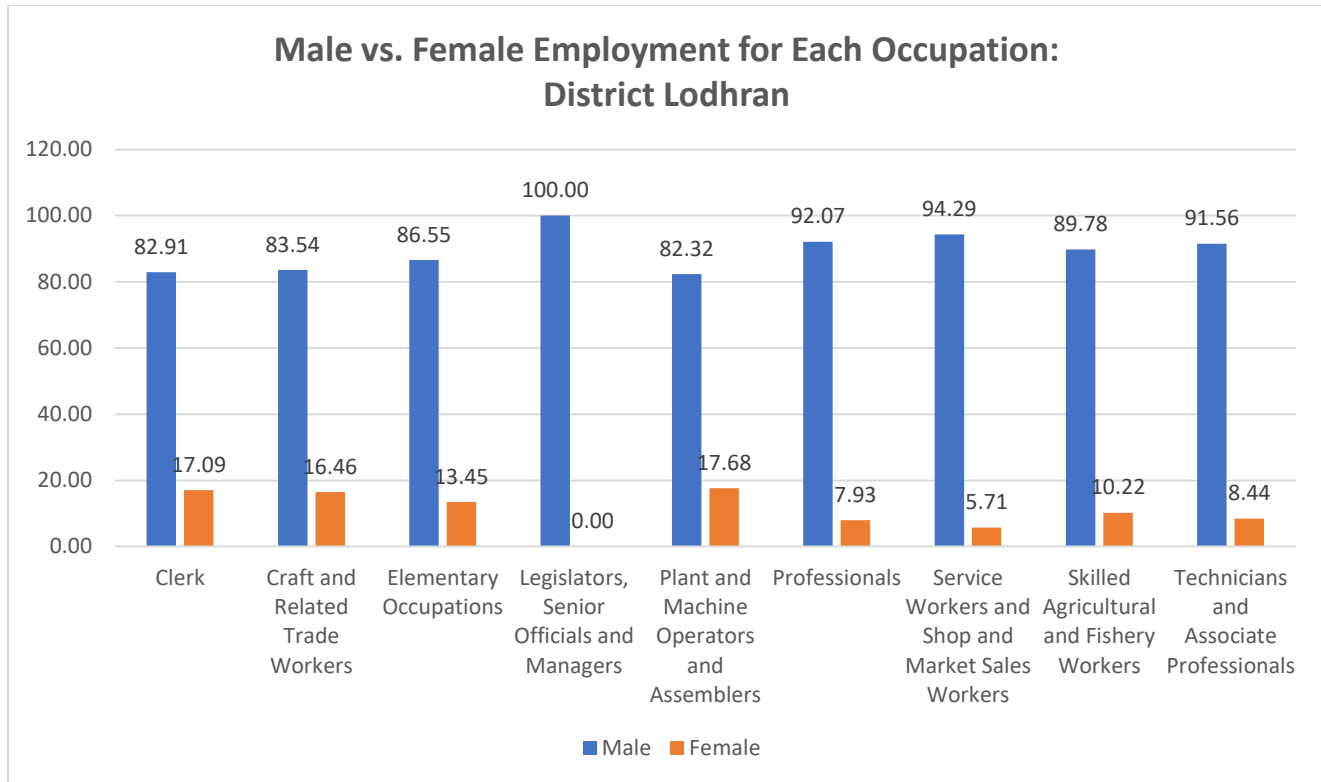


The figure below shows similar occupation trends for women and men in Lodhran district, except for the fact that fourth-most popular occupation for women is Plant and Machine Operators and Assemblers, and for men it is Service Workers and Shop and Market Sale Workers.



*Figure 9: Occupation wise participation of both genders in Lodhran District*

Comparing the women participation for each occupation to men, we see that it is highest where the occupation is ‘Plant and Machine Operators and Assemblers’, while lowest in ‘Legislators, Senior Officials and Managers’, where 100 percent of the employees are men in the district. (See Figure Below). What stands out here is that there is more female participation as clerks compared to men in Lodhran relative to other districts in the division.



*Figure 10: Male vs. Female Employment in District Lodhran*

Concerning the skill level of the district, we can see that Lodhran fares worse than all the other districts of the Multan division, with 45 percent of the labor force haven't attended school and 63 percent hasn't gotten till middle school.

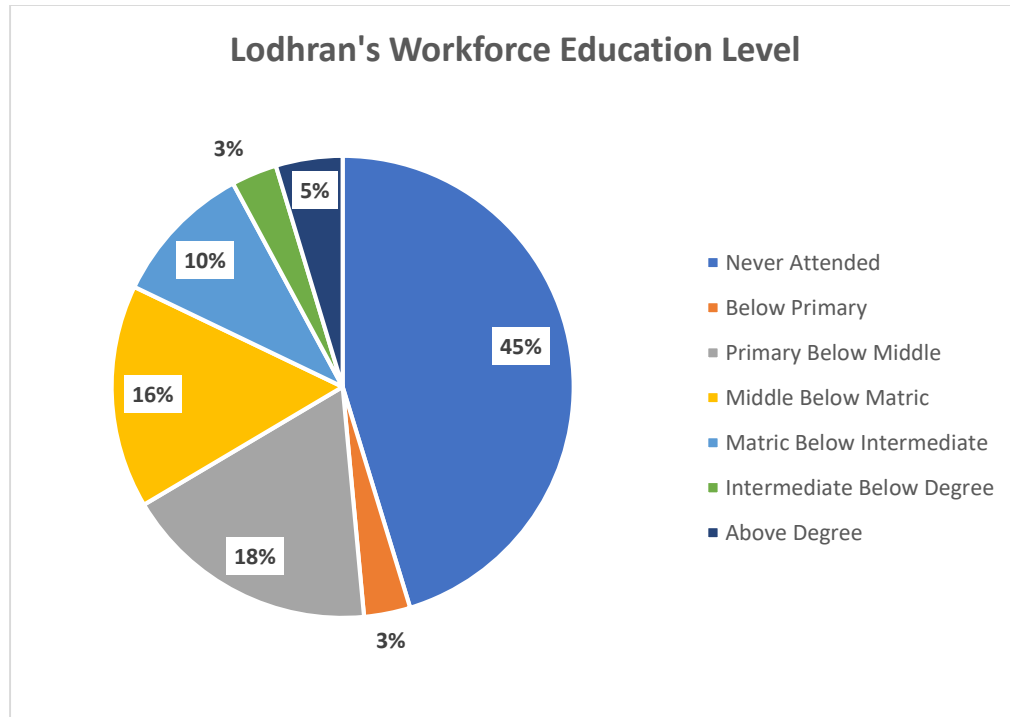


Figure 11: Lodhran's Workforce Education Level

The figure above shows that people with Intermediate or a degree only make up for 8 percent of the workforce, and only 5 percent of the people have a degree, making it to be the worst in the Multan Division.

Some of the Strengths, Weaknesses, Opportunities & Threats of Lodhran district's economy are given below.

### **SWOT (Strengths, Weaknesses, Opportunities & Threats) of Lodhran**

#### **Strengths:**

- Strong agricultural sector, with a focus on crops like cotton, wheat, sugarcane & vegetables
- District is known for its livestock & dairy production, with a significant number of dairy farms & cattle markets
- Has natural resources like coal & clay, which can be utilised for industrial purposes
- Improvements in infrastructure, including road networks, electricity supply & access to basic amenities

#### **Weaknesses:**



- Dependent on agriculture & related industries, limiting diversification & making it vulnerable to fluctuations in crop yields & market conditions
- Its proximity to Bahawalpur means that the demand market of Bahawalpur has greater pull for people of Lodhran than the small markets of Lodhran, disincentivizing commercial development beyond small retail that already exists
- Products indigenous to Lodhran's craftspeople(cottage industry of printed bed sheets and embroidered shoes) are being branded as Bahawalpur's as the artisans have shifted to Bahawalpur for better standard of living
- Limited industrial development, with few large scale industries— absence of diverse industries can hinder job creation & economic growth
- Small businesses & entrepreneurs in Lodhran face challenges in access to financing & loans for investments
- Need to enhance skills development programs & training to meet the demands of changing job markets & addressing skill gaps

### **Opportunities**

- Can focus on value addition in the agricultural sector by promoting processing, packaging & export of agricultural products to increase revenue & market reach
- Potential for renewable energy generation, particularly solar & wind power, investing in energy projects can help provide clean energy & attract investment opportunities
- Attract further investments & foster growth of different industries, such as textiles, food processing & manufacturing to enhance economic diversification
- Development of Handicrafts market/bazaar in the Lodhran City
- Setting up slaughterhouses can increase income and give rise to local cattle farmers rather than the international MNCs that exist and take cattle products outside the district to process/brand and sell

### **Threats**

- Vulnerable to the impact of climate change; unpredictable weather patterns, water scarcity & natural disasters, which could potentially affect agricultural productivity & livelihoods.

- Low supply of electricity and poor SWM and WASH infrastructure disincentivizes investment of the trade and commerce sector in the district
- Subject to market fluctuations, such as commodity prices, demand-supply dynamics, global trade policies, which can impact agricultural & industrial sectors
- Political instability & security challenges can disrupt economic activities & hinder investment opportunities.

### **Vehari District**

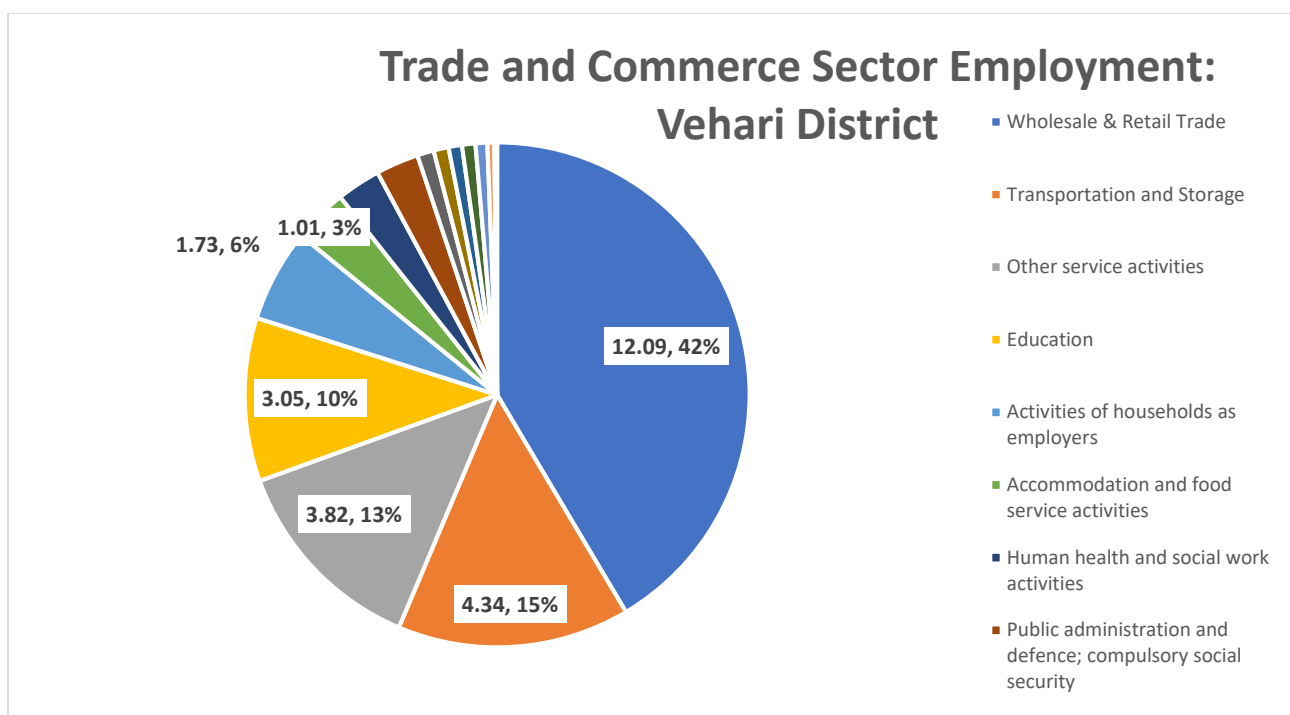
Vehari District borders with Bahawalnagar and Bahawalpur on the southern side, with Pakpattan on the eastern, with Khanewal and Lodhran on Western and with Sahiwal and Khanewal on northern side. Vehari city is the headquarters of Vehari District, while Burewala is the biggest city. It is located at the Multan-Delhi Road constructed by Indian Muslim Emperor Sher Shah Suri.

While largely agrarian, the district economy is growing to industrialize and value addition is happening in the form of development of the agriculture allied industries. Visit and stakeholder consultations led to claims that the district is playing a vital role in the agricultural sector of the Punjab.

The district consists of plain area with fertile land as it is a part of Indus plain. It is acclaimed as the best cultivated land which is suitable for cotton, wheat and other agricultural crops. This is due to the district's geographical location, as it lies in Nili Bar which is between Ravi and Bias and Sutlej rivers.

LFS reveals that 51.23 percent of the labor force in the district is working in the agriculture sector, followed by 29.02 percent in services sector, and lastly, only 19.77 percent of the workforce working in the industrial sector.

Delving further into the trade and commerce sector reveals trends similar to other districts as shown in the figure below. We see that Wholesale and Retail Trade makes up for 42% of the sectoral employment and 12.09% of the district's total employment. This is followed by Transportation & Storage and Education Sectors' employment.



*Figure 12 Trade and Commerce Sector Employment in District Vehari*

Looking into the major occupation groups of the district shows that compared to other districts, women are more actively participating in the economy as no groups has zero women participation. Similar to other districts, Vehari too has Skilled Agriculture and Fishery Workers and Elementary Occupations as top employment groups in the district. (See Table below) Majority of the employment is again seen in the rural area, however, this can be a misrepresentation as it is possible that many developed and economically forward areas be still seen as rural.

Table 4: Major Occupation Groups in District Vehari

Major Occupation Groups Vehari	All Areas			Rural			Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Clerk	3839	1195	5034	1348	583	1931	2491	612	3103
Craft and Related Trade Workers	102231	47222	149453	78690	39578	118268	23541	7644	31185
Elementary Occupations	115666	60466	176132	105147	54610	159757	10519	5856	16375
Legislators, Senior Officials and Managers	9600	2185	11785	5709	1459	7168	3891	726	4617
Plant and Machine Operators and Assemblers	26064	15450	41514	21523	14243	35766	4541	1207	5748
Professionals	28770	6498	35268	17621	3187	20808	11149	3311	14460
Service Workers and Shop and Market Sales Workers	82397	36372	118769	59334	23595	82929	23063	12777	35840
Skilled Agricultural and Fishery Workers	367753	123451	491204	356549	122018	478567	11204	1433	12637
Technicians and Associate Professionals	23131	9001	32132	13231	5251	18482	9900	3750	13650
Total	759451	301840	1061291	659152	264524	923676	100299	37316	137615

Selection of Occupations for both genders in District Vehari reveals that majority, 48.42 percent males and 40.90 percent women, are working as Skilled Agricultural and Fishery Workers. It can be seen in the figure that both genders follow the same trends in terms of choosing occupation groups, and thus the lowest employment chosen by both is as Clerk.

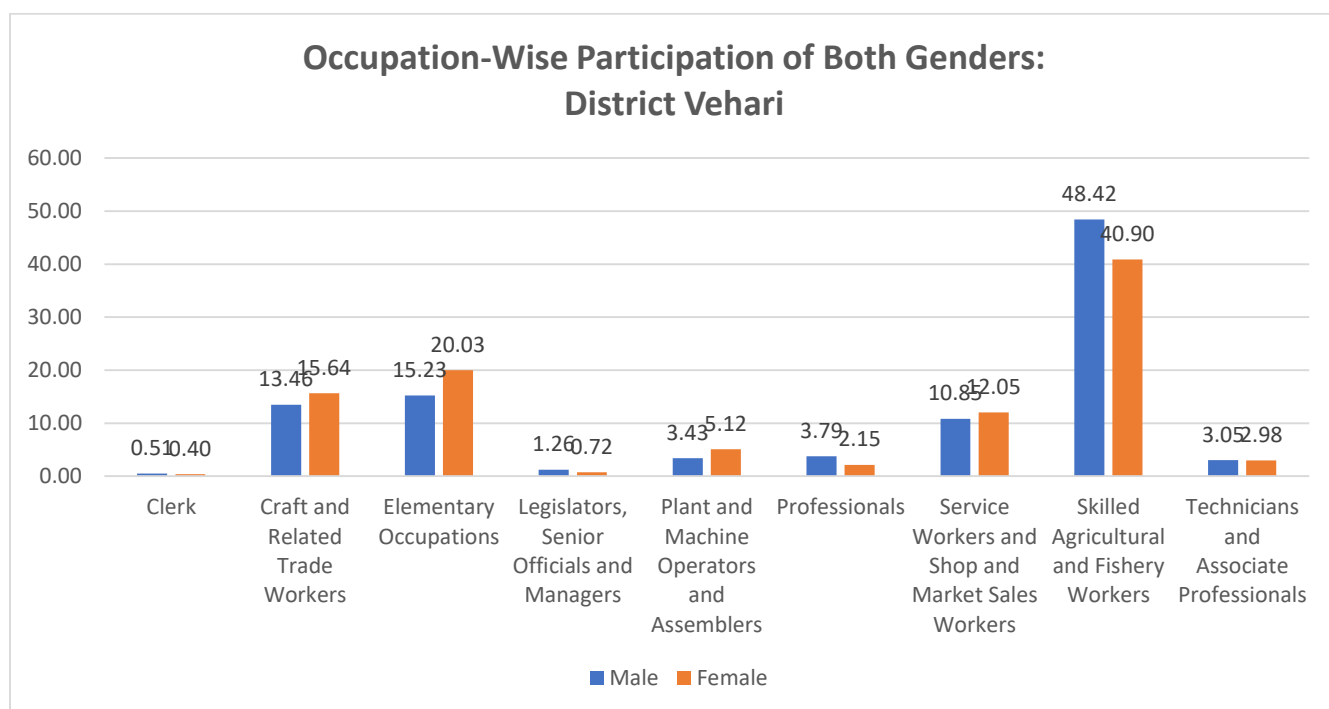


Figure 13: Occupation-Wise Participation of Both Genders in District Vehari

Participation of females compared to males in the district can be seen to be highest where women are working as Plant and Machine Operators and Assemblers (37.72%), as shown in the figure below. On the other hand, the lowest participation is in the occupation group 'Professionals', where women make for 18.42 percent of the total employees working in this group. However, it is quite evident here that women participation is quite high in Vehari compared to other districts.

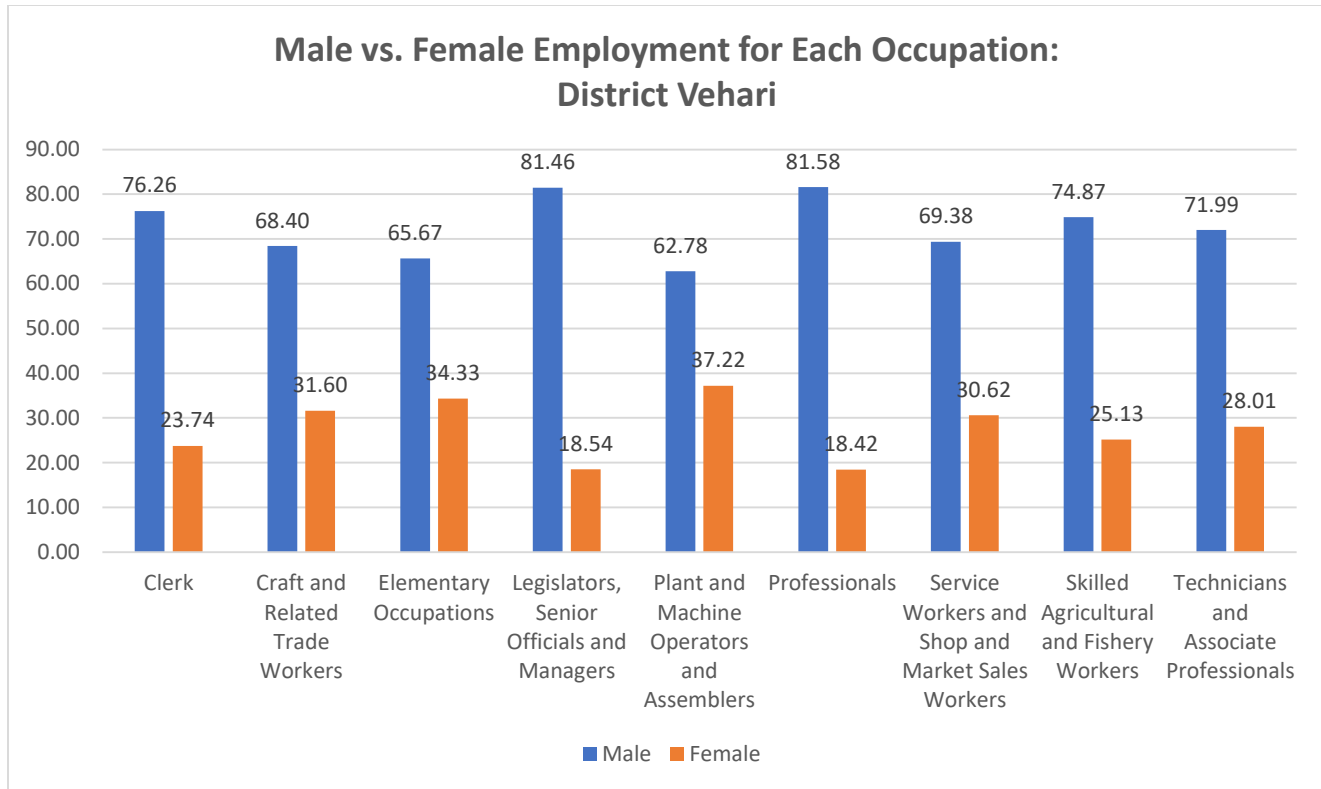
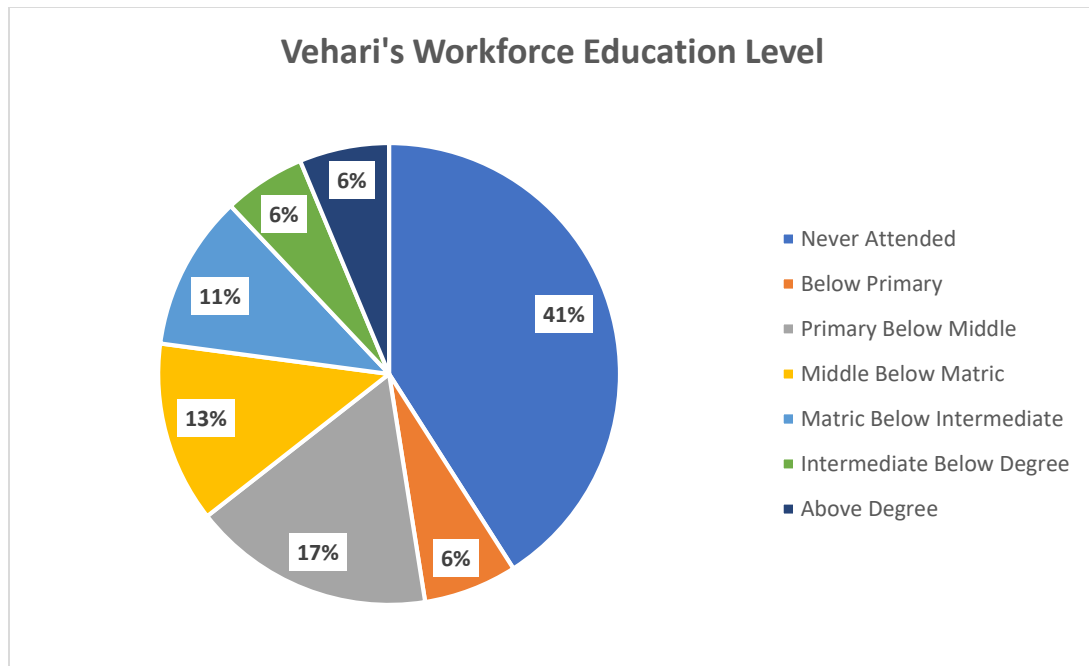


Figure 14: Male vs. Female Employment for Each Occupation in District Vehari

Analyzing Vehari's workforce revealed that 41 percent of the workforce in the Vehari district never attended school and makes up for majority of the workforce in the district, as seen below. Majority of the people in district have studied lower than middle school, and only 12 percent have studied intermediate or higher in the district.



*Figure 15: Vehari's Workforce Education Level*

Here are some Strengths, Weaknesses, Opportunities, and Threats faced by the District Vehari's Economy, that impact its economic potential.

### **SWOT (Strengths, Weaknesses, Opportunities & Threats) of Vehari**

#### **Strengths:**

- One of the most fertile landmass in Punjab District, with cash crops such as Wheat, Cotton, Maize and Sugarcane
- Work going on in infrastructure, including road networks, electricity supply & access to basic amenities, as district gains importance
- Active business community (VCCI) working to improve the ease of doing business in the district
- Projects like Rs.160 billion worth of the Sutlej Indus Economic Network Project (SIEN) and Multan-Vehari dualization to attract investment in coming years

#### **Weaknesses:**

- Due to labor being unskilled majority of the economic activity is limited to traditional, outdated industrial practices
- Low literacy rate of only 36.8 percent despite existence of a vast number of high schools and even university campuses such as COMSATS
- Limited industrial development, with majorly SMEs
- Small businesses & entrepreneurs in Vehari face challenges in access to financing & loans for investments
- Infrastructure linkages are weak in the district, in terms of electricity supply

### **Opportunities**

- Can focus on value addition in the agricultural sector by promoting processing, packaging & export of agricultural products, especially Potato
- Can market the SIEN and Motorway to incentivize colonization of Vehari Industrial Estate
- Attract further investments & foster growth of different industries, such as textiles, food processing & manufacturing to enhance economic diversification
- Can benefit from development of planned Agro-industrial park in Bahawalnagar

### **Threats**

- Vulnerable to the impact of climate change; unpredictable weather patterns, water scarcity & natural disasters, which could potentially affect agricultural productivity & livelihoods.
- Low supply of electricity and poor SWM and WASH infrastructure disincentivizes investment of the trade and commerce sector in the district
- Subject to market fluctuations, such as commodity prices, demand-supply dynamics, global trade policies, which can impact agricultural & industrial sectors
- Political instability & security challenges can disrupt economic activities & hinder investment opportunities.

## **Industries**

Multan, the capital of Multan District in the Punjab Province of Pakistan, is a historic city situated in the southern part of the province. With a population of over 4.7 million (as of the 2017 census), it ranks as the seventh largest city in Pakistan. Geographically located just east of the



Chenab River and approximately 966 km away from Karachi, Multan holds a central position in the country. It is renowned as the "City of Pirs and Shrines," characterized by bustling bazaars, magnificent mosques, and intricately designed tombs. Multan is well-connected through the Multan International Airport, offering flights to major Pakistani cities and destinations in the Persian Gulf. The city's economy thrives on various industries, including metalworking, flour and sugar milling, oil production, textiles manufacturing, fertilizer production, soap making, and glass production. Additionally, Multan is famous for its handicrafts, particularly pottery and enamel work.

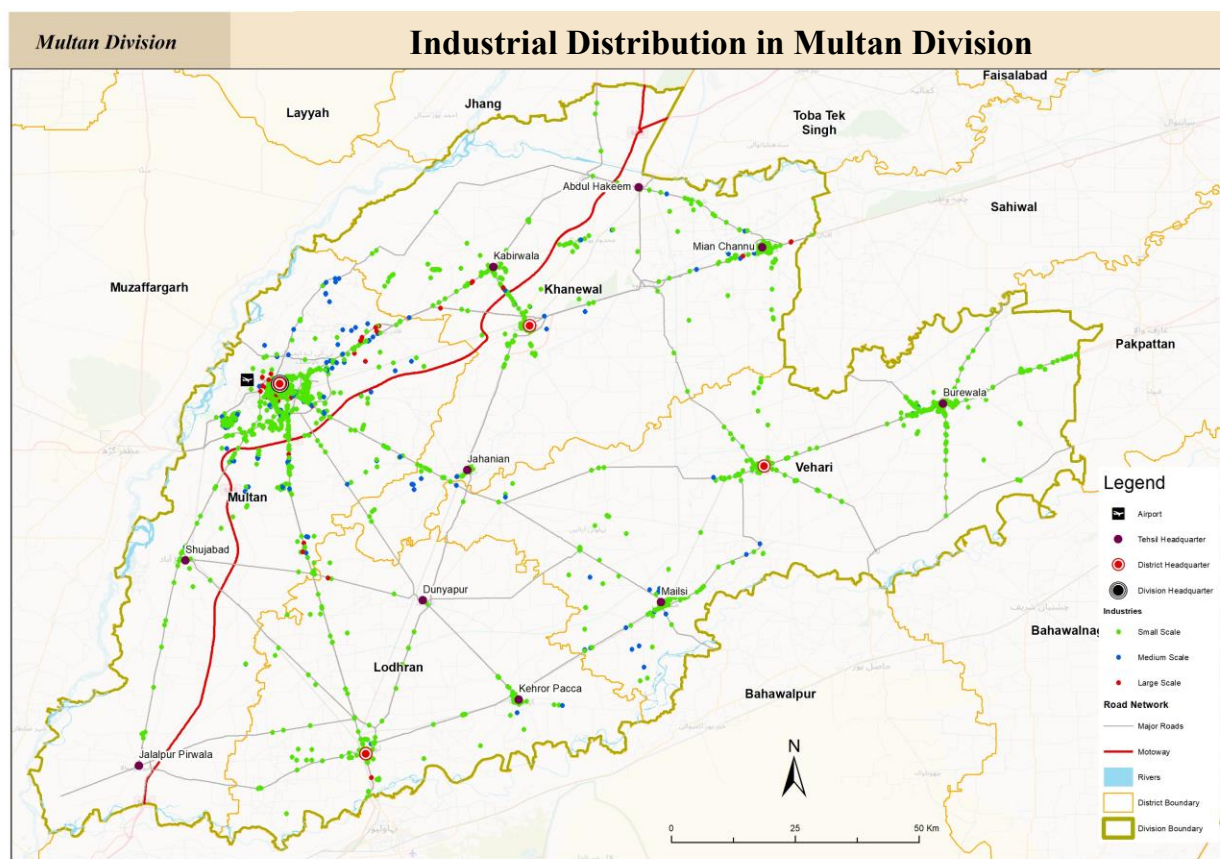


Figure 17: Industrial Distribution in Multan Division

Each dot on the above map represents an industrial establishment and in total the Multan division is house for 3131 industrial units, large, 143 medium and 2949 small manufacturing units. The sectors are defined as per Pakistan Standard Industrial Classification and sectoral analysis shows that 33% of the firms are textile and wearing apparel this shows the strength of the region and the dominance of Multan division in textile sector. Other sector includes 20% are food

products 11 % are non-metallic minerals products 8% are furniture, fabricated metal products, machinery and equipment are 6% and 4% respectively.

Spatial analysis shows that 90% of the industrial units are in Multan district followed by the Khanewal, Lodhran, Vehari. These industrial units accommodate the direct employment of 78016. These numbers of employment and industrial units is 7% of Manufacturing Firms and 7% of Manufacturing Employment of Punjab is in this Division. The following two tables show district and sector-wise breakdowns of industrial units.

*Table 5 District wise number of units*

<b>District</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Total</b>	<b>Employment</b>
Multan	1907	98	30	<b>2035</b>	54529
Lodhran	176	3	2	<b>181</b>	3084
Khanewal	399	22	7	<b>428</b>	13538
Vehari	467	20	0	<b>487</b>	6865
<b>Total</b>	<b>2949</b>	<b>143</b>	<b>39</b>	<b>3131</b>	<b>78016</b>

*Source: Census of Manufacturing Industries 2015-16*

The table offers insights into the distribution of businesses and employment across various districts, highlighting the contribution of medium- and large-scale enterprises in terms of employment opportunities while also highlighting the predominance of small-scale businesses. There are a total of 2035 businesses in the Multan district. 1907 of them are categorised as small-scale businesses, 98 as medium-sized businesses, and 30 as large-scale enterprises. These companies employ 54,529 people in total. The Lodhran district has a total of 181 establishments. There are 176 small-scale businesses among them, 3 medium-sized businesses, and 2 large-scale businesses. There are 3,084 people employed in Lodhran overall. There are 428 businesses in the Khanewal district, including 399 small businesses, 22 medium-sized businesses, and 7 large businesses. Khanewal's total employment 13,538 people. There are 487 businesses in the Vehari district, of which 467 are small-scale and 20 are medium-sized. Large-scale businesses are not known to exist in Vehari. There are 6,865 people working in the district. There are 3,131 businesses in the entire region, which includes all the aforementioned districts. 2,949 of them are small

businesses, 143 are medium-sized businesses, and 39 are large businesses. The total number of employed people in the region is 78,016.

*Table 6 Sector Wise details of Industrial units*

Sectors	Firms	Percent
Textiles	694	22%
Food Products	622	20%
Other Non-Metallic Mineral Products	357	11%
Wearing Apparel	353	11%
Furniture	252	8%
Fabricated Metal Products	190	6%
Machinery and Equipment	131	4%
Others	532	17%

*Source: Census of Manufacturing Industries 2015-16*

The information shows how businesses are distributed among various industries. With 694 firms, or 22% of the total, the textiles sector is in the lead, closely followed by the food products sector, which has 622 firms, or 20% of the total. Other Non-Metallic Mineral Products has 357 companies (11%) and Wearing Apparel has 353 companies (11%), two other noteworthy sectors. Furniture has 252 businesses (8% of the total), Fabricated Metal Products has 190 businesses (6%), and Machinery and Equipment has 131 businesses (4%). The remaining businesses, classified as Others, account for 17% of the total. These percentages demonstrate the sizeable presence of the textiles and food products industries as well as the variety of the corporate landscape across various industries.

With respect to industrial count this division can be categorized as one of the most industrialized divisions of Punjab. This also shows the favorable environment for entrepreneurship, availability of quality labor and raw material and support from the institutions and government policies with the room for development, improvement, and innovation.

## Existing Industrial Infrastructure

Industrialization of Multan has a comparatively old history, as the Multan Industrial Estate (MIE) was first gotten in 1960s, and the provincial government decided to develop it in two phases. The first phase began in 60s and was developed and made functional in the 80s, where the plots were leased to businessmen on the least of 99 years.

Later in 2004, the management of this estate was transferred to PIEDMC, with hopes to revive the industrial sector and economy of the region. Compared to Phase II of the MIE, the Phase I is highly colonized as shown in the figure below. This is still higher than the colonization of other industrial estates in the region.

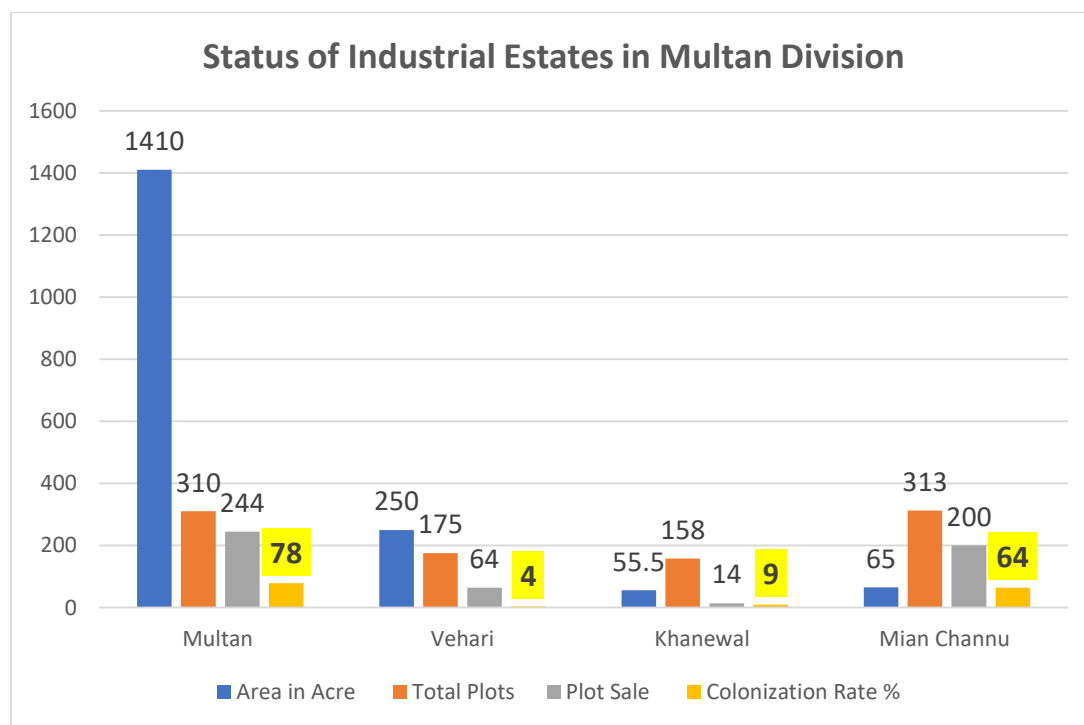
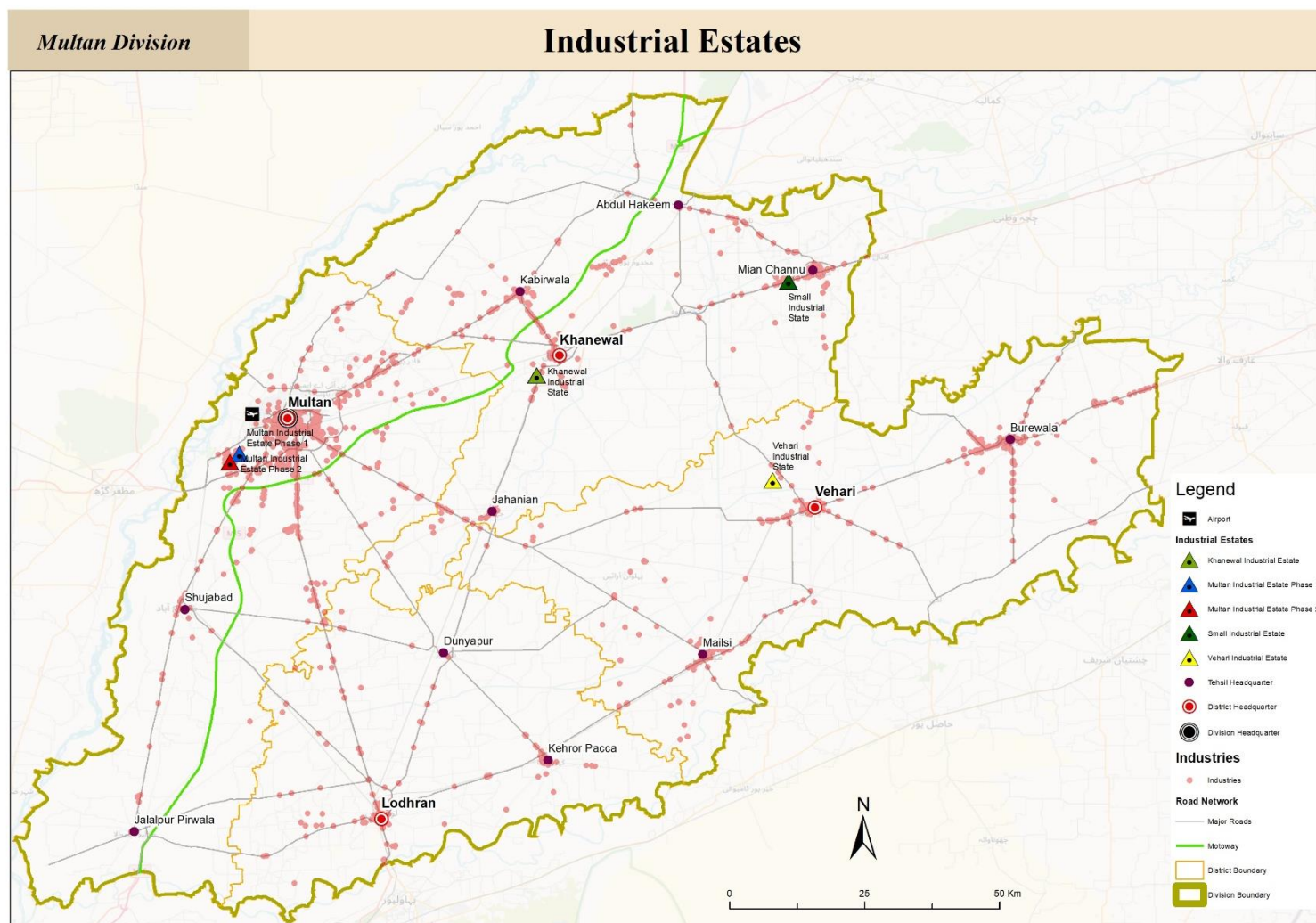


Figure 18: Industrial Estates in Multan Division

The table provides information on the different industrial regions of Pakistan namely Multan, Vehari, Khanewal and Mian Channu. It includes details such as acreage, total number of lots available, number of lots sold, and settlement rate percentage. Multan Industrial Area is spread over an area of 1,410 acres and consists of 310 lots of land. Of these, 244 lots were sold, resulting in a colonization rate of 78%. Vehari covers an area of 277 acres with 175 available parcels. Only 62 lots have been sold, giving a liquidation rate of 35%. The Khanewal Industrial Estate is

relatively smaller, occupying 55.5 acres and offering 158 plots. However, only 14 lots were sold, resulting in a colonization rate of 9%. The Mian Chanu estate covers 65 acres and has 313 plots in total. A large number of 200 lots were sold, resulting in a 64% colonization rate. These figures provide an idea of the level of development and investment in each industrial area, indicating the demand and attractiveness of the respective areas for industrial development.

*In Multan Division there are two big industrial estates, a Multan Industrial Estate and Vehari Industrial Estate, and two small industrial estates, in Khanewal and Mian Channu, as shown in the figure below.*



*Figure 19: Industrial Estates in Multan Division*



## Multan Industrial Estate (MIE)

The Multan industrial estate extends over 1,410 hectares and comprises a total of 310 plots. Of these parcels, 244 have been sold, resulting in a colonization rate of 78%. The high rate of colonization suggests a significant level of industrial development and investment in Multan. The large area available and the significant number of plots sold indicate the attractiveness of the industrial estate for companies and investors. Multan's industrial sector appears to be thriving, with a sizeable portion of the plots already occupied, showing the potential for further growth and economic activity in the region.

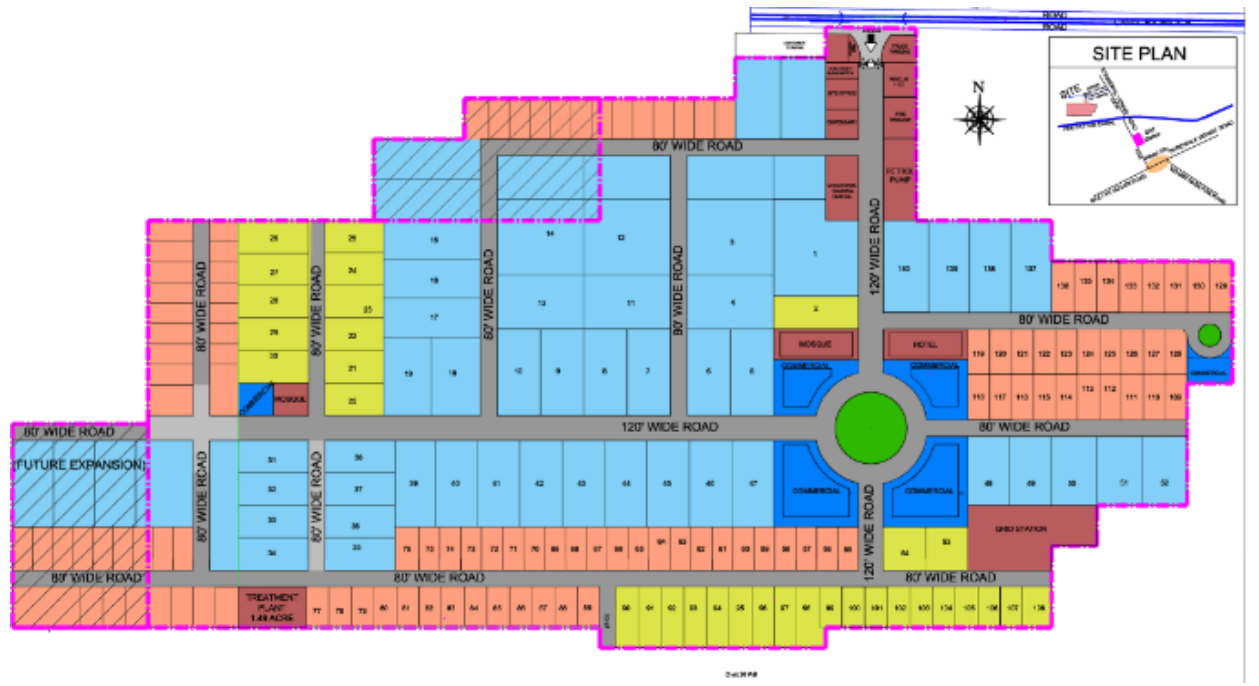
Figure 20 Master plan of Multan Industrial Estate



## Vehari Industrial Estate (VIE)

The industrial estate in Vehari covers an area of 277 acres and consists of 175 plots. However, the number of plots sold is relatively low, with only 62 plots having been purchased so far. This results in a colonization rate of 35%. The lower colonization rate suggests a slower pace of development and investment in Vehari's industrial sector compared to other areas. The estate

still has a significant number of available plots, indicating potential opportunities for businesses and investors. The relatively smaller number of plot sales could be attributed to various factors, such as market conditions, infrastructure development, or location preferences of industries.



The Industrial Estate Khanewal, located along the Lodhran National Highway, was established in 1993. Spanning an area of 64 acres, this industrial zone boasts a total of 313 plots, out of which 200 plots are specifically designated for industrial purposes. The estate accommodates a diverse range of industries, including food processing, cottage industries, handicrafts, and textiles. The strategic location along the highway provides excellent connectivity and easy access to transportation routes for the efficient movement of goods and products. The food processing industry can take advantage of this favorable location to streamline their supply chains and reach markets efficiently. Similarly, cottage industries and handicraft businesses thrive within the estate, creating opportunities for artisans and preserving traditional craftsmanship. The textile sector, a prominent industry in the region, finds a suitable home in the estate, benefiting from the well-developed infrastructure and conducive business environment. The Industrial Estate



Khanewal is an essential hub for industrial growth, fostering economic development, job creation, and contributing to the overall prosperity of the region.

### **Small Industrial Estate Mian Channu**

The Mian Channu Industrial Estate located 8 kilometers from Mian Channu City on the G.T. Road, was established in 1989. Covering an area of 55.5 acres, this industrial zone comprises a total of 158 plots, with 144 plots dedicated specifically for industrial purposes. The estate accommodates a diverse range of industries, including textiles, food processing, and chemicals. The textile industry, being a prominent sector in the region, benefits from the well-developed infrastructure and resources available within the estate. The food processing industry can leverage the strategic location and transportation connectivity provided by the G.T. Road for the efficient distribution of their products. Furthermore, the availability of industrial plots for chemical-based industries enables growth and innovation in this sector. The Industrial Estate Musavark Mian Channu plays a pivotal role in promoting industrial development, employment opportunities, and economic progress in the region.

## **District-wise Analysis**

### **Multan**

Multan is a city with a diverse range of businesses and industries. The distribution of businesses in terms of size reveals an interesting pattern. Approximately 95% of the businesses in Multan can be classified as small enterprises, indicating the prevalence of small-scale ventures in the city. These small businesses contribute significantly to the local economy, offering employment opportunities and catering to the needs of the community.

Around 5% of the businesses fall under the medium-sized category, indicating a moderate presence of mid-sized enterprises. Lastly, large businesses make up only 2% of the total, indicating a smaller number of major corporations in Multan. This distribution highlights the entrepreneurial spirit and the importance of small businesses in driving the economic growth of Multan.

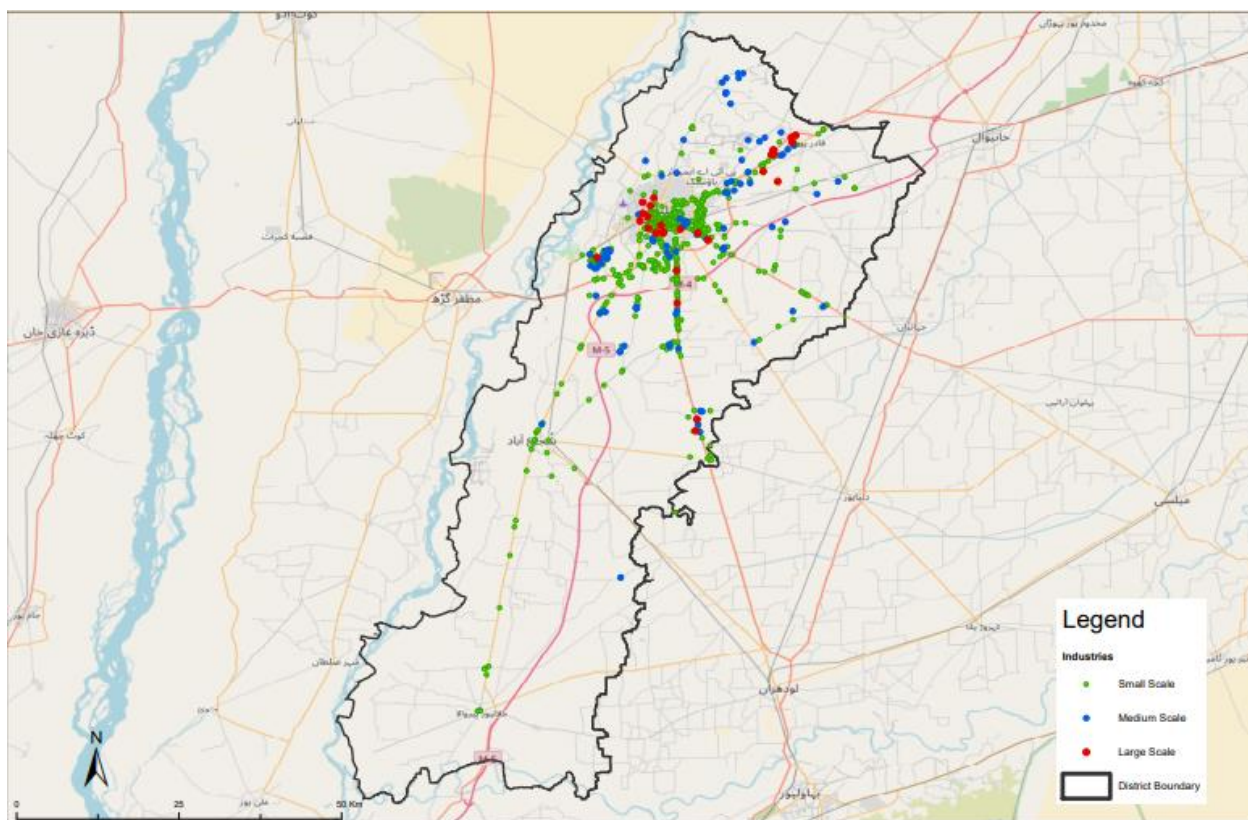


Figure 22: Map of Industrial spread in Multan District

Source: Census of Manufacturing Industries 2015-16

Table 7 Subsectors of Industries in Multan District

Sector		Large	Medium	Small	Total
Textiles		19	14	625	658
Wearing Apparel			2	350	352
Food Products		7	14	214	235
Furniture				168	168
Other	Non-Metallic		57	101	158
Mineral					

Wood And of Products			94	94
Rubber And Plastics Products		1	58	59
Chemicals And Chemical Products		4	51	55
Others	4	6	246	256
<b>Grand Total</b>	<b>30</b>	<b>98</b>	<b>1907</b>	<b>2035</b>

*Source: Census of Manufacturing Industries 2015-16*

There are 658 total firms in the textiles industry, including 19 large, 14 medium, and 625 small businesses. There are 352 firms in the wearing apparel sector, including 2 large and 350 small businesses. There are 7 large firms, 14 medium-sized firms, 214 small-scale firms, and a total of 235 firms in the food products sector. In the furniture industry, there are 168 small businesses. 158 small-scale companies, 101 medium-sized companies, and 57 large-scale companies make up the Other Non-Metallic Mineral industry.

There are 94 small businesses in the Wood and Of Products industry. The Rubber and Plastics Products sector consists of 58 small businesses and 1 large business. 51 small businesses make up the majority of the 4 large businesses in the chemicals and chemical products sector. The remaining 256 firms are divided into 4 large firms, 6 medium-sized firms, and 246 small firms under the others category. These statistics show how businesses are distributed among various industries according to their size, emphasizing the different sizes of businesses within each industry.

## **Vehari**

In Vehari, the industrial landscape is dominated by small-scale units, reflecting the entrepreneurial spirit and the prevalence of local businesses. Approximately 96% of the industrial units in Vehari can be classified as small enterprises. These small businesses play a vital role in the local economy, providing employment opportunities and contributing to the overall development of the region. While the presence of medium-sized units is relatively low, comprising

only 4% of the total, their significance should not be overlooked as they contribute to the diversity and stability of the industrial sector.

Surprisingly, Vehari does not currently have any large-scale industrial units. This distribution indicates a strong focus on small-scale entrepreneurship in the region, fostering grassroots economic growth and fostering a vibrant industrial ecosystem in Vehari.

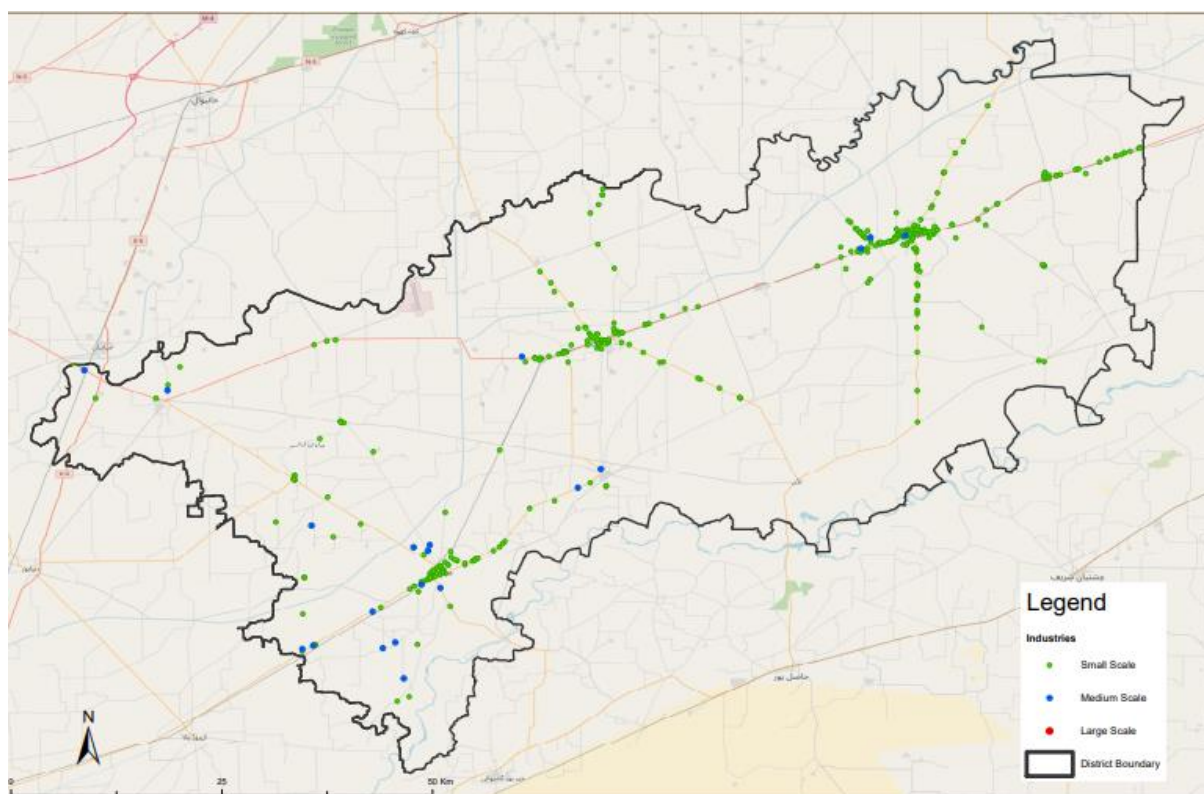


Figure 23: Map of Industrial spread in District Vehari

Source: Census of Manufacturing Industries 2015-16

Table 8 Manufacturing sectors in Vehari

Sector	Large	Medium	Small	Total
Food Products		1	198	199
Other Non-Metallic Mineral Products		17	54	71

Fabricated Metal Products,			69	69
Furniture		1	41	42
Motor Vehicles, Trailers			35	35
Machinery And Equipment N.E.C			34	34
Textiles			14	14
Wood And Of Products Of Wood			6	6
Other Manufacturing		1	4	5
Others			12	12
<b>Grand Total</b>		<b>20</b>	<b>467</b>	<b>487</b>

*Source: Census of Manufacturing Industries 2015-16*

There are 199 firms total in the food products sector, including 1 large-scale company and 198 medium-sized companies. There are 71 companies total in the Other Non-Metallic Mineral Products sector, including 17 large-scale businesses and 54 medium-sized businesses. There are 69 small businesses in the sector of Fabricated Metal Products. There are 42 firms total in the furniture sector, including 1 large company and 41 smaller ones. There are 35 small businesses in the motor vehicles and trailers industry. 34 small businesses make up the Machinery and Equipment N.E.C. sector. 14 small businesses operate in the textiles sector. There are 6 small businesses in the wood and wood-related products sector. One large company and four small companies make up the Other Manufacturing sector. Last but not least, under the others headings. There are a total of 487 businesses across all sectors, 467 medium-sized businesses, and 20 large-scale businesses. These statistics highlight the variety of the manufacturing industry by offering information on the distribution of firms across sectors and their respective sizes.

**Lodhran**

In Lodhran, the distribution of businesses by size reveals a significant prevalence of small enterprises, accounting for 97% of the total. This high percentage indicates a strong presence of local, small-scale businesses in the area, highlighting the entrepreneurial spirit and the vital role they play in the local economy. On the other hand, medium-sized businesses constitute a mere 2% of the total, while large enterprises make up only 1%. This distribution pattern showcases the dominance of small businesses in Lodhran, which are instrumental in driving economic growth, generating employment opportunities, and contributing to the overall development of the region.

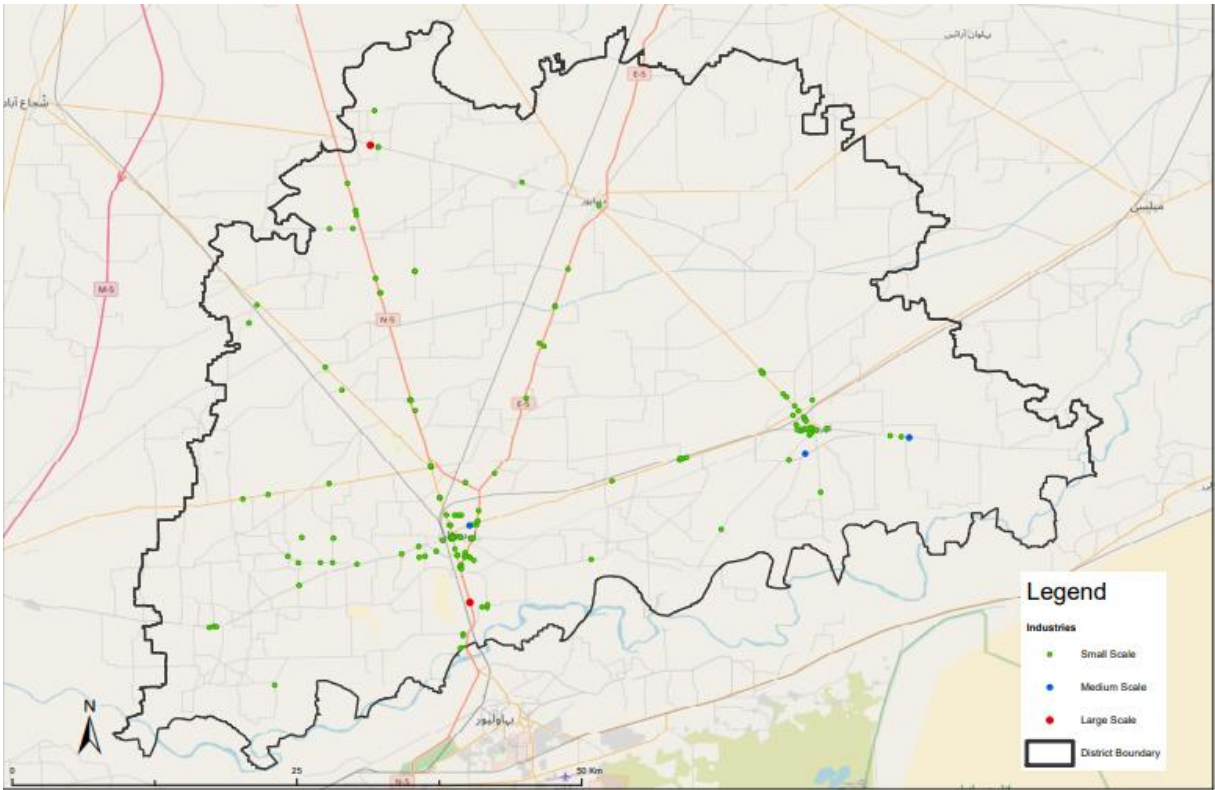


Figure 24: Map of Industrial spread in Lodhran

Source: Census of Manufacturing Industries 2015-16

Table 9: Manufacturing sectors in Lodhran

Sector	Large	Medium	Small	Total
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Fabricated Metal Products,			57	57
Other Non-Metallic Mineral Products		3	40	43
Machinery And Equipment N.E.C			40	40
Food Products			25	25
Furniture			6	6
Motor Vehicles, Trailers			3	3
Coke And Refined Petroleum Products			2	2
Other Manufacturing			1	1
Wood And of Products of Wood			1	1
Textiles	2			2
<b>Grand Total</b>	<b>2</b>	<b>3</b>	<b>176</b>	<b>181</b>

Source: Census of Manufacturing Industries 2015-16

*The given data provides insights into the distribution of industrial units across various sectors, totaling 181 units. The Fabricated Metal Products sector stands out with 57 large and 57 medium-sized units, indicating a significant presence of businesses involved in metal fabrication. The Other Non-Metallic Mineral Products sector showcases 40 medium-sized and 3 large units, along with 43 small units, implying a diverse range of enterprises engaged in the manufacturing of non-metallic mineral products. The Machinery and Equipment N.E.C sector is composed of 40 medium-sized units, highlighting the importance of this sector in providing machinery and equipment for various industries. The Food Products sector contributes 25 small units, while the Furniture sector adds 6 small units, indicating a concentration of businesses specializing in these respective fields. The Motor Vehicles, Trailers sector and Coke and Refined Petroleum Products sector each have 3 medium-sized units, showcasing their presence in the industrial landscape. Additionally, the Other Manufacturing, Wood and Products of Wood, and Textiles sectors each contribute 1 large unit, while the Textiles sector has 2 large units, emphasizing the significance of these industries. Overall, this data highlights the diverse industrial composition of the region, with a mix of large, medium, and small-sized units across various sectors.*

## Khanewal

In Khanewal, the business landscape is primarily characterized by small enterprises, representing 93% of the total. This indicates a strong presence of local, small-scale businesses in the region, highlighting the entrepreneurial spirit and the importance of grassroots entrepreneurship in Khanewal's economy. Additionally, medium-sized businesses constitute 5% of the total, providing a moderate level of diversity and stability to the industrial sector. Furthermore, there are 2% of large enterprises in Khanewal, representing a smaller number of major corporations in the region. This distribution pattern emphasizes the dominance of small businesses, their significant contribution to economic growth, job creation, and the overall prosperity of Khanewal.

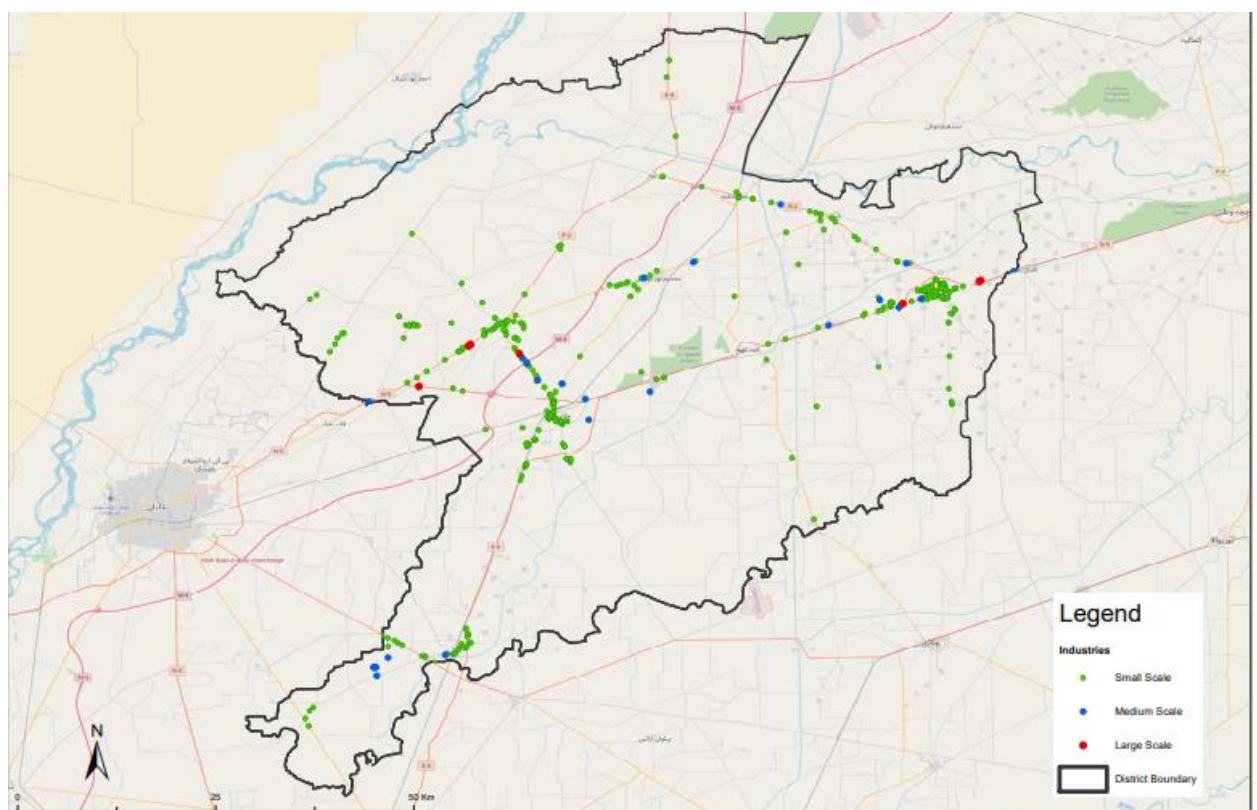


Figure 25: Industrial spread in Khanewal

Table 10: Manufacturing sectors in Khanewal

Sector	Large	Medium	Small	Total
Food Products	1	9	153	163



Other Non-Metallic Mineral		9	76	85
Furniture			36	36
Fabricated Metal Products			32	32
Machinery And Equipment			30	30
Basic Metals			24	24
Leather And Related Products			15	15
Textiles	6	2	12	20
Others		2	21	23
<b>Grand Total</b>	<b>7</b>	<b>22</b>	<b>399</b>	<b>428</b>

The provided data presents the distribution of industrial units across various sectors, totaling 428 units. The Food Products sector comprises 1 large unit, 9 medium-sized units, and the majority with 153 small units, highlighting the significant presence of businesses involved in food production. The Other Non-Metallic Mineral sector shows 9 large units, 76 medium-sized units, and 85 small units, indicating a diverse range of enterprises engaged in the manufacturing of non-metallic mineral products. The Furniture sector contributes solely with 36 small units, reflecting a concentration of businesses specializing in furniture manufacturing. The Fabricated Metal Products and Machinery and Equipment sectors each have 32 small units, highlighting their significance in providing metal fabrication and machinery services. The Basic Metals sector adds 24 small units, while the Leather and Related Products sector includes 15 small units. The Textiles sector encompasses 6 large units, 2 medium-sized units, and 12 small units, emphasizing its presence within the industrial landscape. The remaining sectors classified as "Others" have 2 large units and 21 medium-sized units, indicating a varied range of businesses. Overall, this data highlights the diverse industrial composition of the region, with a mix of large, medium, and small-sized units across multiple sectors.

## Multan (Center of Industrial Activity)

The concentration of industries in one location can lead to economies of scale, increased competitiveness, and improved efficiency. It also often leads to the development of supporting infrastructure, such as transportation and communication systems, as well as a skilled labor force. However, industrial agglomeration can also have negative impacts, such as increased pollution, traffic congestion, and strain on resources. Starting from the cottage stage, Multan-based entrepreneurs have quickly graduated to SME and later large scale just based on their sheer robust entrepreneurship. SMEs are still the industrial mainstay of the city. Local entrepreneurs initiated the power loom wave by setting up looms in sheds and small spaces throughout the city. The yarn market in the city center played a pivotal role in sourcing raw material for the fledgling industry of yesteryears and continuing with the service today. City industrialists have embarked upon the value addition of cotton in yarn and cloth to sell the finished products in both domestic and overseas market.

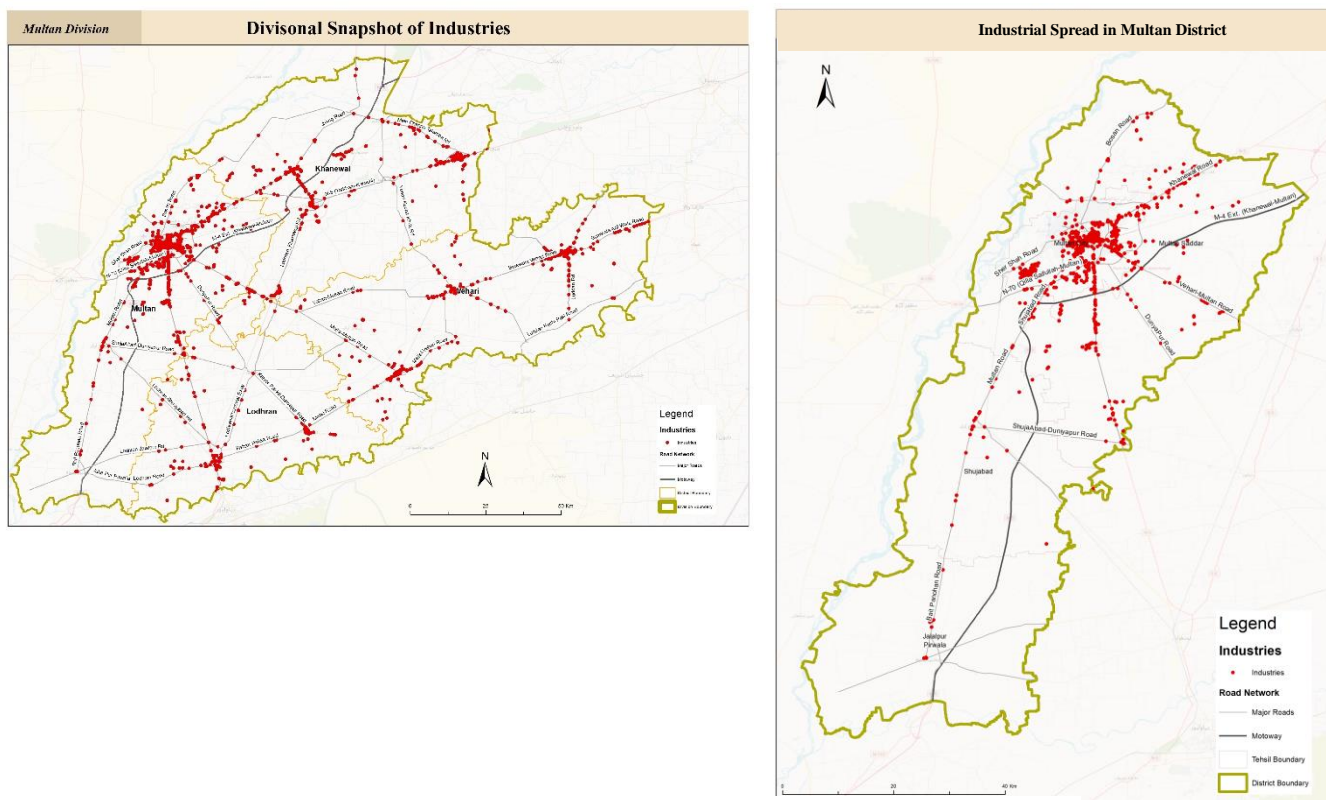


Figure 26: Industrial Concentration in Multan division and District

This entrepreneurial heritage is utterly private sector-driven and remains an asset of Multan. With sheer circumvention of any given zoning regulation or master plan, the city underwent unorganized economic development. It has resulted in the emergence of unauthorized mixed zoning throughout the city. Multan does have a lot of small and medium industries located in and around residential areas of the inner-city areas. It did create its own challenges, which will be discussed in a later chapter. Mapping of the industrial units will highlight the mixed zoning element.

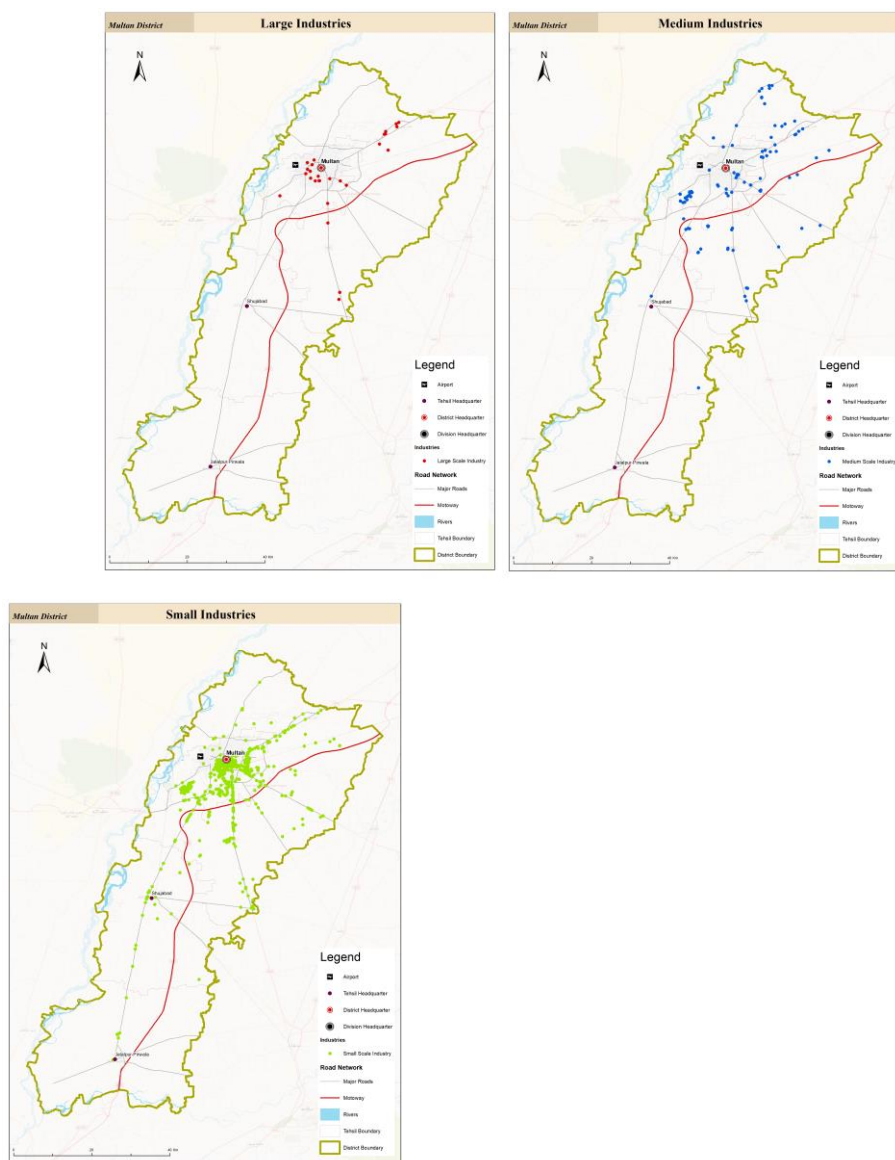


Figure 27: Scale wise industry in Multan District

Table 11: Number and Type of Industries

		Small	Medium	Large
<b>No. of Industries</b>		<b>1907 (95%)</b>	<b>98(5%)</b>	<b>30 (2%)</b>
<b>No. of Employees</b>		<b>21029 (38.5%)</b>	<b>8416 (15.4%)</b>	<b>25084 (46%)</b>

Locational pointers reflect both legacy and business reality. SMEs concentration in the city areas denotes the legacy of past unplanned industrialization in Multan. Whereas the location of many of the large-scale enterprises indicates the lack of space within city limits, hence industrialists have to move out to establish large units. They are the relationships between firms in a supply chain, or between firms producing complementary products. These linkages can lead to positive spillover effects, where the growth and success of one firm or industry can benefit others through increased demand, knowledge transfer, and specialization.

There are several types of industrial linkages, including forward linkages, where the output of one industry is used as inputs for another industry, and backward linkages, where the inputs for one industry are provided by another industry. Upstream linkages refer to the suppliers of raw materials, while downstream linkages refer to the firms that use the output of an industry as inputs for their own production processes. Industrial linkages play a crucial role in promoting economic growth and development, as they create networks of firms and industries that can share resources, knowledge, and expertise.

The textile sector has a complex network of industrial linkages, as it is a multi-stage and multi-faceted industry. The following are some of the key industrial linkages of the textile sector:

1. Raw material suppliers: The textile sector relies on the upstream linkages with suppliers of raw materials such as cotton, wool, silk, and synthetic fibers.
2. Spinning and weaving: The spinning and weaving of raw materials into yarn and fabric is an important stage in the textile industry and creates forward linkages with other sectors.
3. Dyeing and printing: The dyeing and printing of fabric requires specialized inputs and creates backward linkages with chemical and colorant suppliers.
4. Garment production: The final stage of the textile industry is the production of finished garments, which creates forward linkages with retailers and downstream linkages with customers.

5. Machinery and equipment: The textile sector also have linkages with the manufacturers of machinery and equipment used in spinning, weaving, dyeing, printing, and garment production.
6. Services: The textile sector also has linkages with a range of service industries, including transportation, financing, and consulting.

These industrial linkages create a complex network of interconnections and interdependencies that drive the growth and competitiveness of the textile sector.

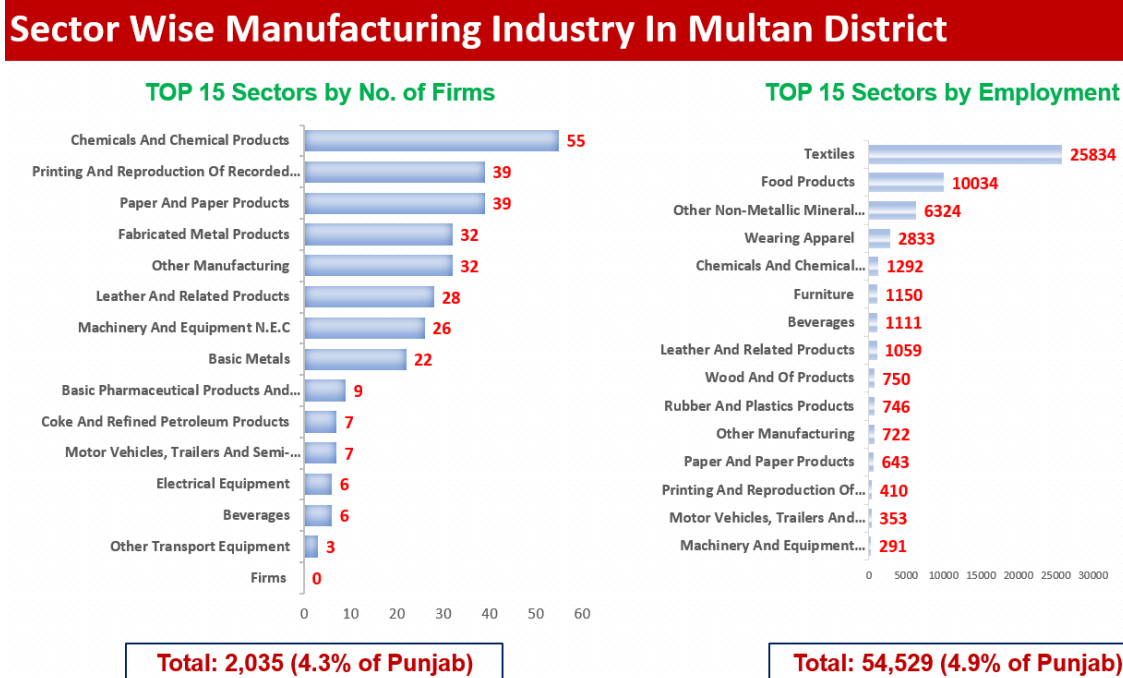


Figure 28: Sector wise firms and employment in Multan

Source: Census of Manufacturing Industries 2015-16

Despite a vibrant entrepreneurial heritage and large pool of university graduates, the city doesn't have technology parks, incubators, accelerators or a startup eco system. The city has expanded concentrically from the city center along with its primary roads. Conventional businesses are not much concerned about the façade. There are individual expressions of state-of-the-art office buildings, but they remain restricted to individual business groups and smaller in scale. Multan

needs to have a higher number of mixed-use constructions with a focus of provision of high quality and affordable retail and office space.

The city also needs to build high standard sports and entertainment facilities to attract businesses from other locations. It will go in line with the addition of space for high-end offices. It becomes all that vital for soliciting Chinese investment in the industrial estates, north of the city.

### **Micro/Cottage Industry Multan's Arts and Crafts Sector**

Multan, with its historical reputation as the city of Artisans, boasts a remarkable heritage of 21 distinct art forms. These art forms encompass a wide range of craftsmanship, including pottery, textiles, woodwork, metalwork, and embroidery, among others camel skin lamps, glass cut work, clay work, chik making, okair sazi, naqashi, handmade darri, handcrafted shoes, leather work, handmade jewelry, handlooms, natural dyes, block printing, crochet work, Multani hand embroidery, apparels, zari/adda work, gotta kinari work, pattoli work, gughu ghoray, and glazed blue tile. The hand-crafted products created through these art forms have the potential to engage a significant number of individuals, not only as artisans but also in various support roles such as marketing, sales, and logistics. This engagement can foster an entrepreneurship culture, encouraging individuals to explore their creative talents and start their own businesses. The support and promotion of these crafts can have a profound impact on the population of lower-income groups. By providing training and resources to aspiring artisans, they can acquire valuable skills and income-generating opportunities. This, in turn, contributes to poverty alleviation by providing a means for sustainable livelihoods. Moreover, as the demand for these unique, hand-crafted products grows, it opens avenues for economic growth and development in the region.

Additionally, the preservation and promotion of these traditional art forms play a crucial role in maintaining the cultural heritage of Multan. These crafts embody centuries-old techniques and designs that are passed down through generations. By supporting these crafts, the city not only preserves its rich history but also promotes cultural diversity and intergenerational knowledge transfer. By recognizing the potential of these artisans and investing in their skills, Multan can create an ecosystem that not only uplifts the lower-income population but also fosters creativity, innovation, and economic empowerment. It becomes a win-win situation, where the craftsmanship of Multan becomes a source of pride, while providing individuals with the means to improve their quality of life.



### **Camel Skin Lamp Naqashi**

The Camel Skin Lamp Naqashi is a captivating art form originating from of Multan. Skilled artisans meticulously hand-paint intricate designs on lampshades made from camel skin. These exquisite creations feature a harmonious blend of traditional motifs and contemporary elements, resulting in stunning and unique pieces. The artistry and attention to detail involved in the Naqashi process make each lamp a true work of art, reflecting the rich cultural heritage of Multan. These lamps not only serve as beautiful decor but also showcase the talent and craftsmanship of the local artisans, preserving a centuries-old tradition for generations to come.



### **Glass Work**

Multan, boasts a long-standing tradition of glasswork that traces its roots back to the 8th century. This ancient art form involves meticulously joining pieces of glass to create intricate designs on various structures, as well as for crafting utensils and pottery. The Multan





Crafts Bazaar is home to Ustad Ajmal Chistti, a renowned master of this craft. With his expertise and skill, Chistti continues to contribute to the

preservation and promotion of this unique glasswork tradition, ensuring that the art form thrives and captivates audiences with its mesmerizing beauty.

### **Kashi Kari/Blue Pottery**

Kashikari, a decorative handcraft with similarities to mosaic art, holds a significant place in Multan's artistic heritage. The word "kashi" refers to ceramics, while "kari" means work, highlighting the intricate craftsmanship involved. Among the various types of Kashkari, Blue Pottery stands out as the most renowned in Multan. Its popularity can be attributed to its historical patronage among the Mughal rulers who greatly appreciated its exquisite beauty. Ustadh M. Alam, a distinguished artisan



in Multan, has made remarkable contributions to the field of Kashkari. His exceptional talent and dedication have earned him the prestigious Pride of Performance award. With years of experience and expertise, Ustadh Alam has become a revered figure in the art community. His contributions go beyond personal achievements, as he has generously shared his knowledge and skills with over 500 students, ensuring the preservation and promotion of this traditional craft. The art of Kashkari, particularly Blue Pottery, not only reflects the rich cultural heritage of Multan but also captivates with its vibrant colors, intricate patterns, and meticulous craftsmanship. It continues to be a cherished art form, celebrated for its beauty and historical significance, while artists like Ustadh Alam play a crucial role in nurturing and passing on this traditional art form to future generations.

## Camel Bone Carving

Camel bone carving is a captivating art form prevalent in Multan. Skilled artisans intricately carve exquisite designs onto camel bones, creating unique and delicate pieces of artwork. The natural beauty of the camel bones combined with the meticulous craftsmanship results in stunning creations that showcase the rich cultural heritage of Multan. These carvings often depict traditional motifs, religious symbols, and intricate patterns, reflecting the artistic traditions of the region.



Camel bone carving is not only visually appealing but also serves as a testament to the skill and creativity of the artisans in Multan, making it a cherished art form in the city.

## Home Textiles

Multan has a long-standing reputation for its flourishing cottage industry, particularly in hosiery, upholstery, and embroidery. These crafts have been deeply ingrained in the region's cultural heritage and continue to thrive today. The skill and expertise in these industries remain widely available, ensuring the preservation and growth of these traditional crafts. Rasheed Begum, a master artisan in Multan Crafts Bazaar, exemplifies the mastery in these crafts. With her exceptional talent and dedication, she upholds the rich traditions of hosiery, upholstery, and embroidery, contributing to the





vibrancy and artistic legacy of Multan's cottage industry. Her work stands as a testament to the craftsmanship and creativity that continues to flourish in the city.

### **Handmade Darri**

Quilt making, known as "darri," is a treasured traditional craft in Multan. Passed down through generations, it has become a vital part of the local cottage industry and a communal activity for women. The quilts created in Multan are renowned for their vibrant colors and intricate designs, often featuring traditional motifs like flowers, birds, and geometric patterns. The skilled artisans use their expertise to meticulously stitch together layers of fabric, resulting in cozy and visually stunning quilts. This craft not only showcases the creativity and artistry of Multan but also preserves cultural heritage while providing a source of income and a sense of community among the women involved.



### **Natural Dyes**

Multani/Siraiki Ajrak, a traditional textile art form, has a rich history of using natural dyes. The dyes are derived from specific sources such as the Lai Tree for obtaining red color, Iron for brown, and Heera Qees for black. These natural dyes are not only used in the creation of Ajrak but also in other crafts like Kashigari and Naqashi, as previously discussed. The



longevity of Multan's natural blue dyes is particularly remarkable, with claims that they can retain their vibrant hue for over a century. This emphasis on natural dyes not only adds to the aesthetic

appeal of these art forms but also reflects a commitment to sustainable practices and the preservation of traditional techniques.

### **Handcrafted Shoes**

Khussa Making is a distinct and celebrated aspect of the Okair Sazi craft for which Multan is renowned. This craft has been practiced since ancient times and involves intricate design work on the traditional footwear known as "Khussa." Multani Khussa, in particular, has gained national

fame for its unique and exquisite craftsmanship. Haq Nawaz, a skilled artisan at the Craft Bazaar in Multan, has dedicated 30 years to perfecting the art of Khussa Making. He learned this craft from the esteemed Ustad Naiz Ahmed Bhatti, honing his skills under his guidance. Haq Nawaz's expertise and mastery in Khussa Making have earned him



numerous awards, a testament to his talent and contribution to the art form. Khussa Making requires meticulous attention to detail and a deep understanding of design aesthetics. Artisans like Haq Nawaz demonstrate their creativity by incorporating traditional motifs, intricate embroidery, and vibrant colors into the Khussa designs, creating footwear that is not only stylish but also showcases the rich cultural heritage of Multan. The popularity of Multani Khussa extends beyond the region, with people from all over the country appreciating its beauty and craftsmanship. The artistry of Khussa Making serves as a link to the city's history and traditions, preserving a cherished craft that has been passed down through generations.

### **Wooden Handicrafts**

Wooden Kashikari is a unique branch of the Kashikari craft, as discussed previously, but with the distinction of being practiced on wood instead of clay. Talented artisans employ chisels and other tools to skillfully carve intricate patterns and designs onto wooden objects. These carved recesses are then filled with colored resin or other materials, resulting in a captivating contrast of



colors and textures. In Multan, wooden handicrafts are highly sought after, particularly furniture pieces like chairs, tables, and chests that showcase the exquisite artistry of Wooden Kashkari. Additionally, Multan is renowned for its wooden



toys, which are beloved for their craftsmanship and playfulness. The Wooden Kashkari tradition not only highlights the artistic talent of the craftsmen but also adds a touch of elegance and charm to the wooden creations that grace the homes and lives of many.

### **Handmade Jewelry**

Multan has gained recognition for its exquisite enamel handmade jewelry, a craft that has been cherished for generations. The jewelry created in Multan predominantly utilizes silver or gold as the base material and showcases intricate designs inspired by Islamic art and culture. This fusion of artistry and craftsmanship results in stunning pieces that captivate both national



and international audiences. Among the renowned jewelry produced in Multan, Kundun Jewelry stands out as one of the most famous types. Kundun Jewelry, known for its intricate enamel work

and fine detailing, has gained popularity not only within Pakistan but also on the global stage. The jewelry artisans in Multan skillfully apply vibrant enamel colors onto the metal surface, creating intricate patterns and motifs that reflect the cultural heritage of the region. The antiquated enamel handmade jewelry from Multan is not just a fashion statement; it represents a tradition of craftsmanship and artistry that has been passed down through generations. These exquisite pieces not only showcase the skill and creativity of the artisans but also serve as a testament to Multan's rich cultural heritage, making them prized possessions for those who appreciate fine jewelry and the artistry behind it.

### **Glazed Blue Tile**

Glazed Blue tiles hold a significant place in the realm of Kashigari art in Multan and its surrounding areas. This form of art involves the creation and installation of intricately designed clay tiles on shrines, mosques, and other religious structures. Notably, these tiles can be prominently observed on renowned shrines such as Bahauddin Zakriyya Multani and Shah Rukne Alam. The tiles are carefully crafted and glazed with a striking blue hue, often adorned with beautiful geometric patterns, floral motifs, and calligraphic inscriptions. This artistic tradition not only



enhances the aesthetic appeal of these sacred places but also reflects the cultural and religious significance of Multan. The glazed blue tiles serve as a visual representation of the devotion and reverence that permeates the region, leaving a lasting impression on visitors and fostering a sense of spirituality and tranquility.

### **Multani Hand Embroidery**

Multani Hand Embroidery is renowned for its distinct techniques, and one of the famous styles is "kacha tanka" embroidery, along with "tarkashi." Kacha Tanka involves passing the needle through the fabric in a diagonal direction, resulting in slanted stitches. This technique is



used to create elaborate and intricate designs, often incorporating floral motifs, geometric patterns, and ornate embellishments. Skilled artisans meticulously work with colorful threads, bringing life and vibrancy to the fabric. The artistry of Kacha Tanka embroidery showcases the rich cultural



heritage of Multan and reflects the craftsmanship and creativity of the local artisans. This traditional embroidery style is not only visually captivating but also carries a sense of tradition and history, making it a cherished form of expression and a source of pride for the community.

### **Zari/Adda Work**

The art of zari embroidery, historically linked with Indian royalty, continues to be a celebrated technique in metal embroidery. Traditionally, it involved the use of fine gold and silver threads, adding a luxurious touch to garments and textiles. However, with the advent of modernization, metallic zari has emerged as a more accessible alternative, replacing the traditional precious metal wires. This evolution has allowed a wider range of people



to appreciate and utilize zari embroidery in their designs. Khalil Ahmed Sayal, a master artisan in Multan Craft Bazaar, demonstrates exceptional skill in the art of zari embroidery. With years of experience and expertise, he expertly incorporates metallic zari into his creations, showcasing his mastery of this craft. Khalil Ahmed Sayal's work not only exemplifies the intricate beauty of zari embroidery but also contributes to the preservation and evolution of this traditional art form, making it accessible and relevant in contemporary times.

## **Gotta Kinari Work**

Gotta Kinari, a renowned art form in Multan, has gained popularity as a traditional fashion embellishment. This

technique involves sewing gotta (silver, gold, or modern metal) onto the edges of fabric, creating a decorative border or edging. The intricate designs and patterns crafted with gotta add a touch of elegance and glamour to garments, making them



visually appealing and culturally significant. Tehmina Rafique, an accomplished artisan in Multan Craft Bazaar, inherited the craft of Gotta Kinari, as did many others in her community. With her expertise and passion for the art, she has not only preserved this traditional technique but also shared her knowledge with over a thousand students. Tehmina Rafique's dedication to teaching and mentoring others ensures the continuation of this art form and its transmission to future generations. The acceptance and popularity of Gotta Kinari as a fashion wear reflect the appreciation for the rich cultural heritage of Multan and the craftsmanship of its artisans. Through their skillful work, artists like Tehmina Rafique contribute to the promotion and preservation of this beautiful tradition.

## **Economy of Handicrafts**

The handicrafts sector in Multan is characterized by being labor-intensive and employing a substantial number of women and children. The intricate nature of the crafts makes them well-suited for skilled artisans, including women and children who contribute their expertise to the industry. This not only provides them with income-generating opportunities but also preserves traditional art forms and cultural heritage. The sector is largely composed of small-scale businesses, often family-owned, operating within the informal sector. These businesses face challenges in accessing credit and financial support, hindering their growth and development. Without adequate financial resources, they may struggle to invest in equipment, expand their operations, or improve their product quality, limiting their ability to compete in the market.



Moreover, the handicrafts sector is vulnerable to external shocks. Changes in the global economy, such as fluctuations in demand or disruptions in supply chains, can significantly impact the sector's viability. Additionally, natural disasters can cause disruptions in production and damage finished products, further jeopardizing the livelihoods of those dependent on the sector.

To support the handicrafts sector, the government has taken some measures, including providing training programs and marketing assistance to artisans. These initiatives aim to enhance their skills, improve product quality, and facilitate access to markets. However, more comprehensive support is needed to ensure the long-term sustainability of the sector. This includes addressing the financial needs of small-scale businesses, establishing supportive policies and regulations, strengthening market linkages, and promoting the sector domestically and internationally. By addressing these challenges and providing necessary support, the handicrafts sector in Multan can thrive, creating sustainable livelihoods, preserving cultural heritage, and contributing to economic development.

### **Issues and Challenges**

- Competition from cheap imports: The handicrafts sector in Multan faces stiff competition from cheap imports, particularly from China. This has made it difficult for local artisans to compete and sell their products at a profit.
- Lack of inter-generation skill transfer: The handicrafts sector in Multan is facing a shortage of skilled artisans. This is due to a lack of training and apprenticeship opportunities.
- Outdated production methods: The handicrafts sector in Multan is still using outdated production methods. This makes it difficult for them to compete with mass-produced goods.
- Limited access to markets: The handicrafts sector in Multan faces limited access to markets. This is due to a lack of marketing and distribution channels.
- Lack of government support: The government has not provided adequate support to the handicrafts sector in Multan. This includes a lack of funding for training, marketing, and infrastructure development.

## **Proposed intervention for Multan**

### **Craft shops**

Due to non-proper working conditions this sector is not exploiting its potential and it becomes necessary to improve working conditions. Subsequently, these shops will be particularly designed to provide craftsmen with a common facility to operate their production activities. And these shops will have standardized architecture and will ensure sustainability in the production process.

### **Seminar Rooms**

Lack of coordination between different stakeholders and production stages leads to inefficiencies. And, these seminar rooms will serve as a common facility and can be used for multiple purposes such as training and other business events and meetings.

### **Exhibition Halls**

Non-representation of products to potential buyers is the main reason for lower sales. The hall will be used to conduct local, national and international level exhibitions and will provide an opportunity to strengthen this sector.

### **Art Gallery**

A common display center that exhibits all sorts of products and depicts the skill of artisan will develop recognition to this sector. Through this platform product differentiation and specialization will be depicted.

### **Design Center**

Upgradation and development of design is an essential demand for sustained growth in this sector. And this center will operate to design new products. By doing this, more customers will be attracted, and higher profits can be attained.

### **Common Studios**

Another constraint faced by this sector in international markets is non-standardized production and packaging facilities. Hence, these centers will have the responsibility to work on packaging, marketing, and branding of products according to international standards. And will assure standardization in all these dimensions.

### Wood Bank

Preservation of seasoned wood is a constraint for manufacturing of several products other than their respective seasons. Therefore, this wood bank will preserve wood and will provide opportunities to utilize it other than its production seasons. Hence, production all around the year will be assured.

### Tools Bank

Due to the non-availability of certain tools, particular products and designs cannot be produced. Therefore, this tool bank will have a job to assure availability of modern equipment that is compatible with international markets so that final goods do not face discrimination.

### E-Commerce trainings

The major constraint faced by this sector is non-familiarity with e-commerce that leads to a lag in sales. This center will provide training to conduct business activities on online forums and prepare labor force for this purpose.

Table 12: Proposed Interventions for Multan.

Module	Description	Cost	Short Term	Medium Term	Long Term
		Rs. Mn	0-3 years	3-5 years	5-10 years
Craft Shops	Shops of craftsmen	25	X		
Seminar Room	Seminar rooms for trainings and community meetings	5		X	
Exhibition Hall	Exhibition hall for yearly exhibitions	20			X

Art Gallery	Gallery for artists to display their work	10	X		
Design Center	Innovation	25	X		
Common Studios	Packaging, Marketing, branding	20		X	
Wood Bank	Storage for seasoned wood	30			X
Tools Bank	Modern tools facility	10		X	
E- Commerce trainings	Business and marketing trainings	10	X		
<b>Total</b>		<b>155</b>			

## Recommendations

### RECOMMENDED INTERVENTIONS FOR HANDICRAFTS SECTOR MULTAN DIVISION

<b>Infrastructural Intervention</b>	Improving Conditions of Craft Bazaar  Design Institute Chiniot  Financial Literacy for traders
<b>Financing</b>	Testing Labs   Accredited Certification Institutes for Exporters
<b>Marketing and e-Commerce</b>	Collaboration with PSL  Access to Business Centers/Incubation/Acceleration Labs
<b>Preservation</b>	Geotagging  Incentivize Skill Transfer  Documentation of Art
<b>Labor Training</b>	Engage TEVTA
<b>Increased Accessibility to Bazaars</b>	Pedestrianization   Directional Maps where necessary  Dedicated timing for On/Off Loading
<b>Structural Reforms</b>	Regional offices of SMEDA/PSW   Free Trade Zones   Ease of Access to Financing

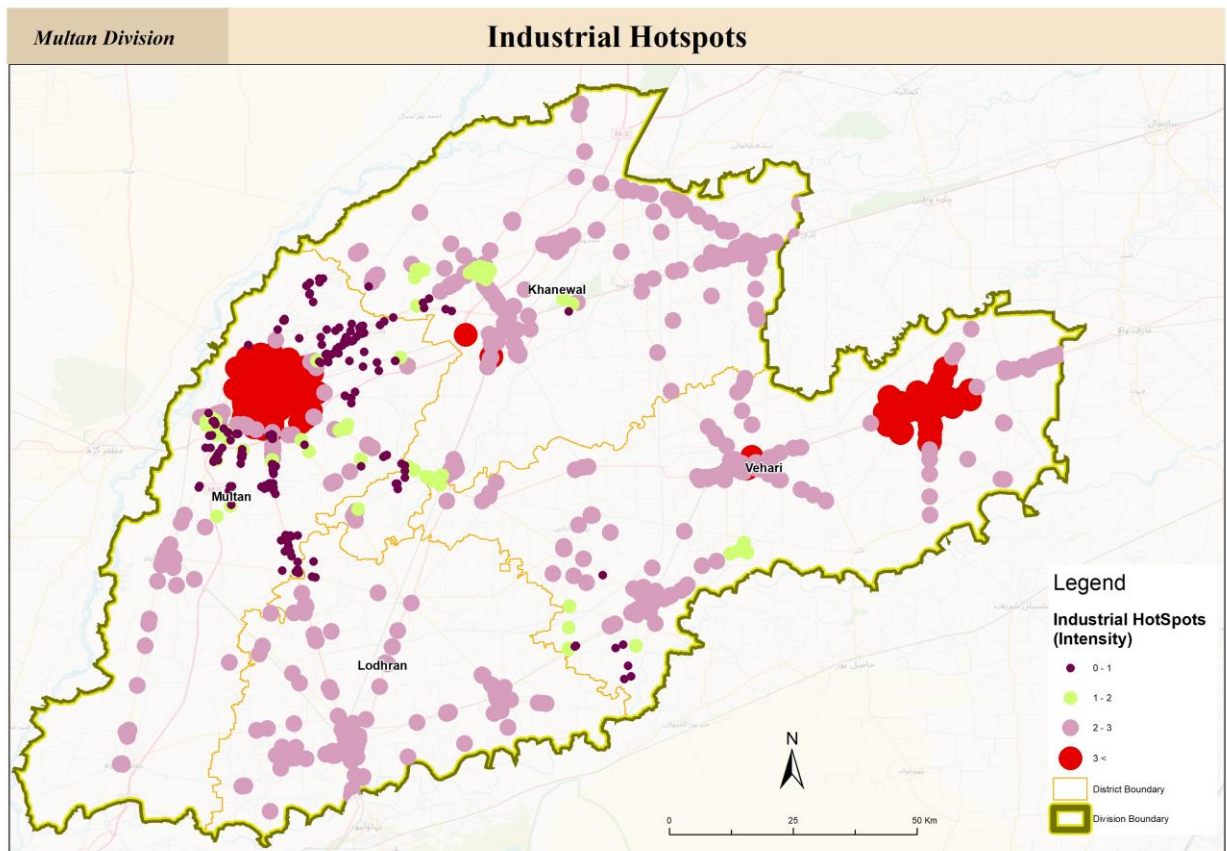


Figure 29 Map of Existing Clusters and Promising Sectors

Source: Census of Manufacturing Industries 2015-16

Promising clusters refer to geographic concentrations of related industries that are competitive, innovative, and growing. These clusters can take the form of cities, regions, or even countries, and are characterized by a high concentration of firms, institutions, and other organizations within a specific industry. Some of the key features of promising clusters include:

1. Strong inter-firm linkages: Promising clusters are characterized by strong linkages and collaborations between firms, which can drive innovation, improve competitiveness, and increase productivity.
2. Access to skilled labor and resources: Promising clusters benefit from a high concentration of skilled labor and resources, which can reduce the cost of doing business and improve the quality of products and services.

3. Favorable business environment: Promising clusters typically have a favorable business environment, with supportive policies, favorable regulations, and access to funding and other resources.
4. Cluster-specific assets: Promising clusters often have specific assets, such as specialized research institutions, supportive suppliers, and access to markets that are not available in other locations.

Promising clusters can play a critical role in economic development, as they can drive innovation, create jobs, and stimulate economic growth. By encouraging the growth and development of promising clusters, policymakers and businesses can create a more favorable environment for economic development and competitiveness.

Industrial development in the city was started over a 100 year ago and this was one of the core strength/forces behind the development and expansion of the city. The relocation of the firms needs a proper plan, financial, institutional, and infrastructural support along with innovative and out of the box ideas. The following are the options that can be explored or modified for successful relocation of the firm.

### **Industrial Estate Model**

PSIC or PIEDMC can develop dedicated facilities close to urban areas or at identified locations. With the development of each facility collaborative efforts of banks, chamber of commerce, associations and PSIC/PIEDMC can help to relocate the firms. With the development of each facility, strict zoning/land use regulations shall be imposed.

### **Site Development Zone**

Local government and Multan Development Authority can develop industrial site development zones along with site development zone structure plans. These newly developed site development zones shall be operated and managed by the Board of Management. With the development of each facility, strict zoning/land use regulations shall be imposed.

### **Plug and Play Facilities**

The Public Private Partnership Authority can develop plug and play model facilities for stitching, power loom and bedsheets sector firms. These facilities can be provided on rent or lease

model to SMEs with the development of each facility, strict zoning/land use regulations shall be imposed.

*Table 13 Stakeholders Matrix for Relocation Model*

	Land Identification	Land Acquisition	Infrastructure Development	Operation and Maintenance
Industrial Estate Model	Chamber and Associations PIEDMC PSIC	PIEDMC PSIC	PIEDMC PSIC	PIEDMC PSIC
Industrial Site Development Zone	Chamber and Associations Local Government Multan Development Authority	Not Applicable	Local Government Multan Development Authority	Autonomous Board of Management
Plug and Play Model	Chamber and Associations Private Developer Public Private Partnership Authority	Public private partnership Authority	Private Developer	Autonomous Board of Management

## Textile and Apparel Value Chains

With 1,047 firms of textile and apparel sectors, Multan contributes to the 30% to 40% of Pakistan's textile Exports. The agglomeration of the textile sector is providing a competitive market to international buyers and brands. Textile production involves the transformation of fibers into yarn, then into fabric, and finally into clothing and other textiles. These products are sold to both domestic and international markets, creating a complex network of global trade.

The textile industry is essential for the global economy, as textiles and clothing account for USD 905 billion in worldwide exports. Countries specializing in textile production often have low labor costs and a large pool of skilled workers, which makes them attractive to international buyers

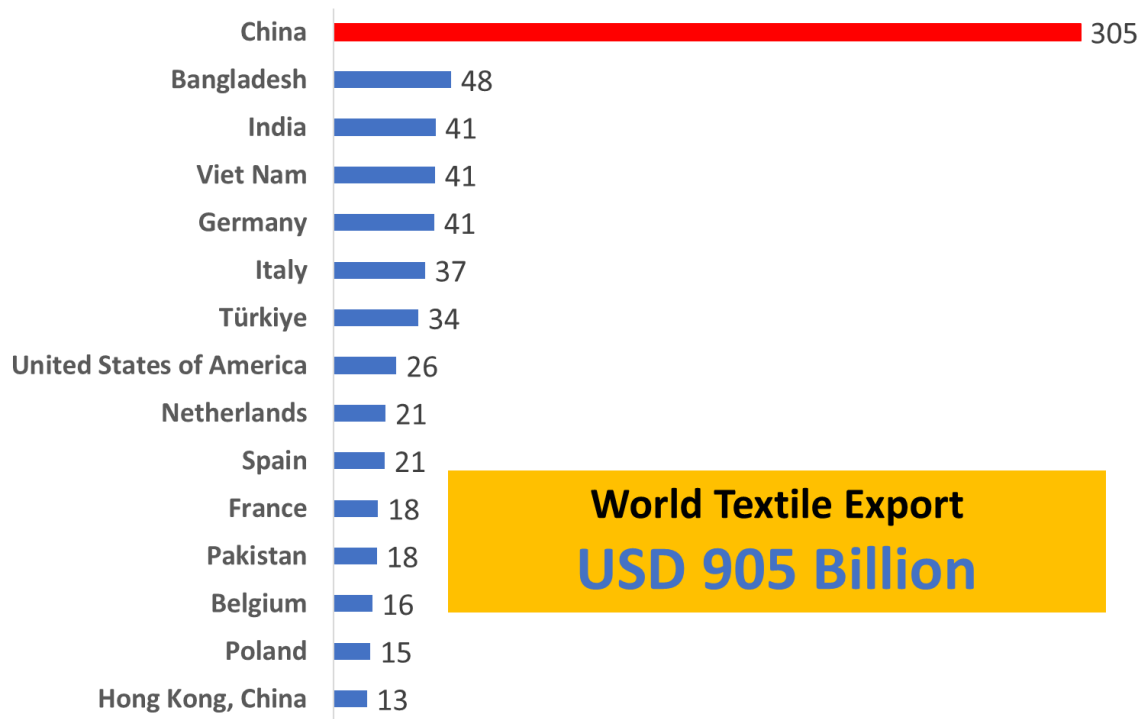


looking for cost-effective production. Additionally, the sector has a significant impact on employment, particularly in developing countries where it is a major source of employment and income. However, the textile industry also faces numerous challenges, including environmental sustainability, labor rights, and competition from low-cost producers. Industry must continue to adapt to changing market conditions and consumer preferences, while also addressing these challenges to maintain its place in the global value chain.

**Export Market**

The textile industry is one of the oldest and most established industries in the world, dating back to the ancient civilizations of Egypt, Greece, and China. In the modern era, the textile industry has transformed into a global market, with textiles being produced, traded, and consumed all over the world. The textile world export market involves the trade of various textile products, such as fabrics, yarns, and clothing items, between different countries. The textile world export market is highly competitive, dynamic, and diverse, with numerous countries and companies vying for a share of this lucrative market. Figure below shows the world export players, the market is led by China, followed by the Bangladesh, India, Vietnam and Germany.

*Figure 30 Textile and Apparel Exporters*



One of the major players in the textile world export market is China. China is the largest exporter of textiles in the world, with an estimated share of around 40% of the global market. The Chinese textile industry is known for its low production costs, vast production capacity, and diverse product range. Chinese textile manufacturers produce a wide range of products, including cotton, silk, wool, and synthetic fibers. The Chinese textile industry is also known for its ability to quickly adapt to changing market conditions and consumer preferences, allowing it to maintain its dominance in the global market.

India is another major player in the textile world export market. India is the second-largest exporter of textiles in the world, with an estimated share of around 5%. The Indian textile industry is known for its traditional textiles, such as cotton and silk, as well as its modern textile products, such as technical textiles and home textiles. The Indian textile industry is also known for its skilled labor force, which allows it to produce high-quality products at competitive prices.

Bangladesh is another country that has emerged as a major player in the textile world export market. Bangladesh is the third-largest exporter of textiles in the world, with an estimated share of around 4%. The Bangladeshi textile industry is known for its low production costs, which are among the lowest in the world. The Bangladeshi textile industry specializes in producing ready-made garments, such as shirts, pants, and jackets, which are exported to various countries around the world.

Vietnam is also a significant player in the textile world export market. Vietnam is the fourth-largest exporter of textiles in the world, with an estimated share of around 3%. The Vietnamese textile industry is known for its high-quality products, such as cotton and silk fabrics, and its ability to produce a wide range of products, from clothing to home textiles. The Vietnamese textile industry is also known for its competitive prices, which have helped it to capture a share of the global market.

Turkey is another country that has a significant presence in the textile world export market. Turkey is the fifth-largest exporter of textiles in the world, with an estimated share of around 3%. The Turkish textile industry is known for its high-quality cotton products, such as towels and bed linens, as well as its ability to produce technical textiles, such as fire-resistant fabrics. The Turkish textile industry is also known for its robust design capabilities, which have helped it to create unique and innovative products that are in high demand in the global market.

The demand for textile products in international markets is influenced by various factors, such as fashion trends, production costs, and quality standards. The textile industry is subject to various trade agreements, tariffs, and regulations, which can affect the competitiveness of different countries and companies. For example, the textile industry is highly regulated in the European Union, which has strict environmental and social standards that must be met by textile manufacturers. The United States also has strict regulations on textile imports, which can affect the competitiveness of different countries in the global market.

The product lines where Pakistan is dominating are low value added, low tech, labor intensive and low in profit margins. Despite the long history in this sector, Pakistan was not able to graduate or diversify in the product lines or in the value chains. Pakistani producer are still dependent on the western corporations for Research, development, designing, innovation, branding, marketing and sales, Majority of Pakistani firms are laying on the bottom of the smile curve as shown below.

Figure 31 Smile Curve

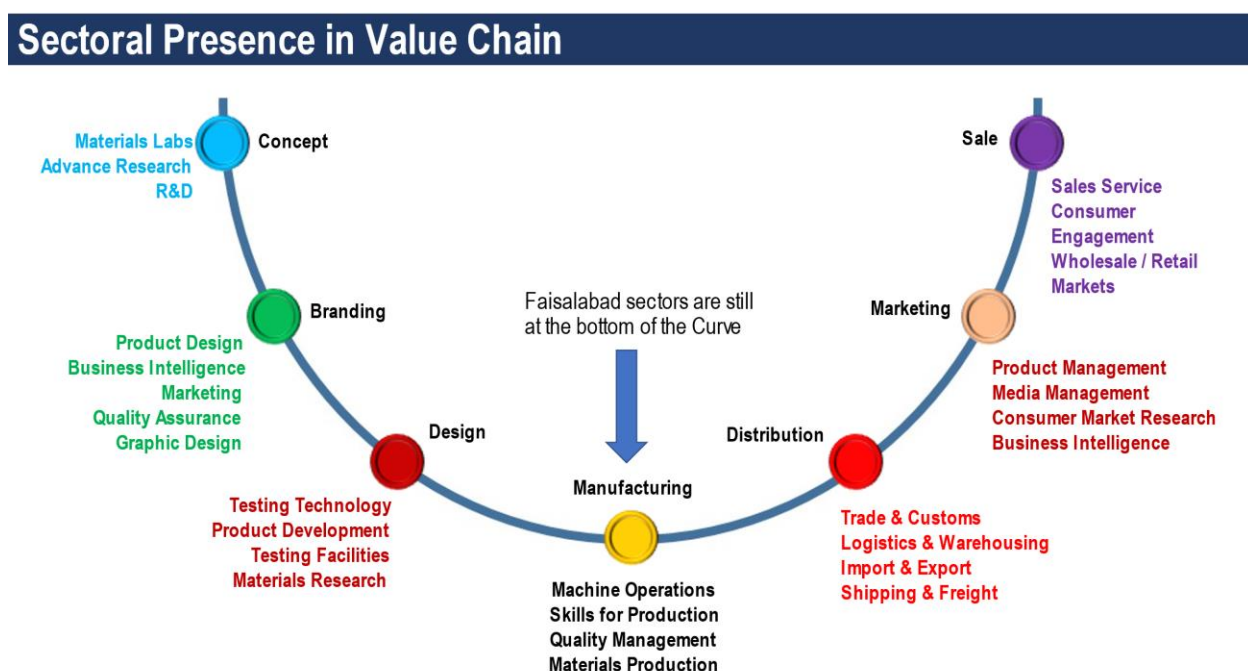
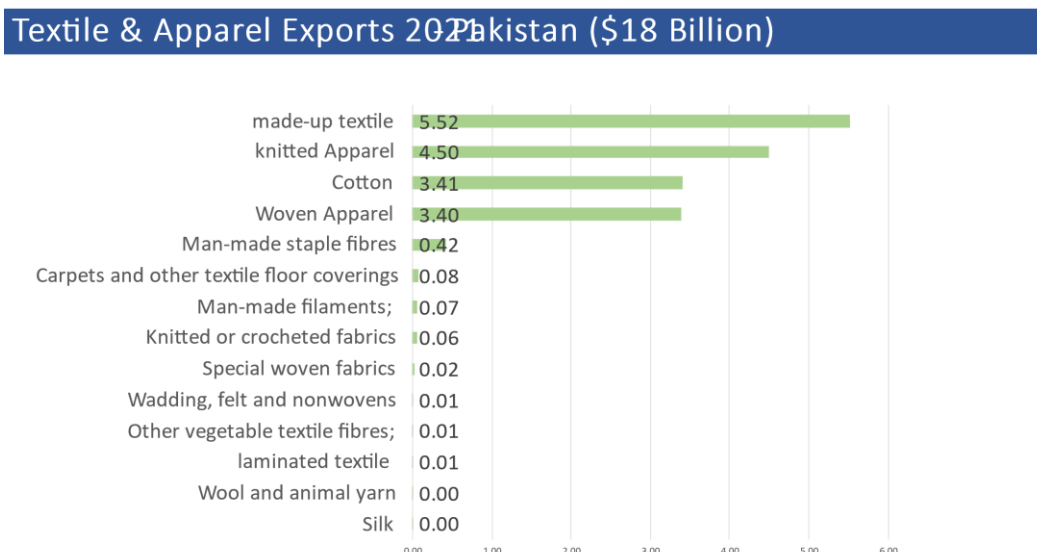


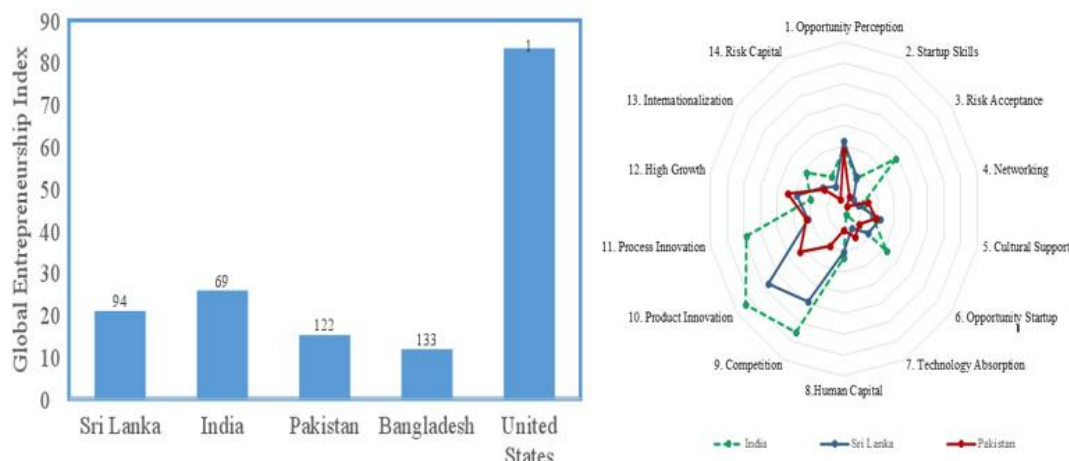
Figure 32 Textile and Apparel Exports of Pakistan



## Growth Opportunities and Impediments

Capacity constraints of firms can further restrict their ability to access finance to make appropriate investments. The Global Entrepreneurship Index (GEI) encapsulates the confluence of factors contributing to an economy's entrepreneurship ecosystem under the broad categories of infrastructure, resources, and attitudes. A 2017 study conducted on the GEI ranks Pakistan 122 out of 137 countries under consideration with an overall score (15.2), significantly lower than regional counterparts Iran (rank: 85, GEI: 22.1), India (rank: 69, GEI: 25.8), China (rank: 48, GEI: 36.3), and Sri Lanka (rank: 89, GEI: 20.9). These differences are illustrated in Figure 13, with the addition of the United States for comparison.

Figure 33 Global Entrepreneurship Index



Source: Global Entrepreneurship and Development Institute (Work Bank Report: Pakistan at 100)

Following are the entrepreneurial constraints faced by firms in Pakistan as per the World Bank Study. These constraints halt the process of growth, development, process innovation, product innovation and productivity growth.

### **Most firms have minimal knowledge of available financing instruments.**

Less than half the firms claimed to agree that they knew which loans were best suited to their business purpose, forming a significant roadblock to credit expansion. In some cases, firms were prepared to disclose their full information but did not have the capacity to comply with the bank's documentation requirements. Such capacity restrictions implied an artificially lower actual demand for investment. Encouraging firms to use independent financial auditors, perhaps provided by the bank as a service, might increase investment, raising the demand for external financing.

**Cumbersome documentation and processing** add to firms' difficulties in obtaining loans. Several studies document the distortions in lending markets, such as those that arise due to preferences to certain firms that are politically connected. Among the main problems firms report in loan approval, the two major and recurring themes involved the allegedly excessive documentation required for the process and the high mark-up charged by banks. Most firm owners expressed a desire for such a process to be streamlined with the use of technology, or for the

process be supplemented with electronic documentation, such that redundancies might be eliminated.

**Businesses that are still run as small family** firms lack modern practices. Only a few firms' owners claimed to have participated in any form of entrepreneurship education. A lack of human capital may be a deterrent to entrepreneurial aspirations, and with the overall lack of investment demand.

**Dynamism in terms of launching** new products is lacking. Only about half of all firms claimed to have launched a new product variety in the past 2 years, and similarly only slightly more than half claim to be familiar with the potential growth trajectory of the fan industry in the coming 6 to 12 months. Larger firms released product varieties more frequently.

**Many of the transactions in the SME sector involve informal**, expensive trade credit (where the goods were bought and paid for at a later stage), which substituted the need for formal credit. In addition, a considerable number of micro and small enterprises rely on informal lending, both within and outside of the entrepreneur's network. Informal financing usually takes place due to obstacles in participating in the formal lending market and hence is not included in official measures, masking the true demand for credit. The survey finds that, while for most firms, owners make financial decisions directly, with a few relying on the existence of a board or a CEO/CFO, the major source of financing for every firm in the survey was identified as 'self', with only nine firms also considering the banks as an additional source of finance. All firms except one identified both banks and cash as the main medium of transaction for their products.

**It was natural that large firms faced almost no difficulties with the high interest rates;** it was the smaller firms that primarily raised this issue repeatedly since it resulted in a reduction in their profit margins. Larger firms had access to foreign markets, thus their sales were almost orthogonal to the market-interest rates. Furthermore, export-oriented firms had access to the State Bank's export finance scheme (EFS), whereby short-term financing facilities were provided to exporters through banks for exports of all manufacturing goods, especially value-added products. Smaller firms not only faced the direct cost of higher interest rates, but also suffered a fall in sales when aggregate demand contracted in the face of rising interest rates.

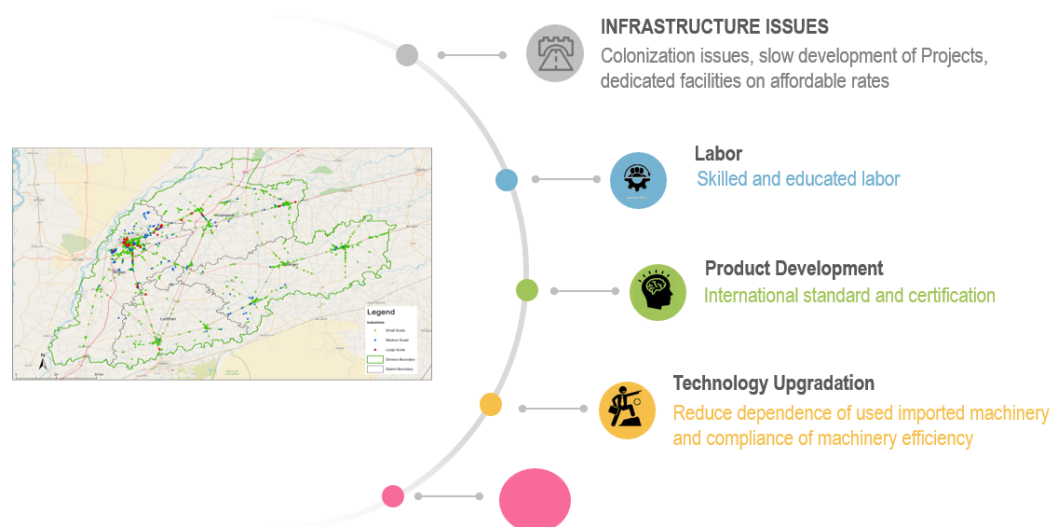
Despite these mentioned shortcomings, there is reason to be optimistic. Firms' owners agreed that they are willing to innovate in the current operational business, identifying their need to expand sales and to engage in more R&D to release better products. Firms identified the quality of products as a major factor in their export sales, commenting on how this was a new trend due to the emergence of power houses such as India and China. What remains concerning is that almost all firms consider self-finance to be the primary source to this end, with only 21 claiming that banks would be a main source of finance for innovation.

## Way Forward for Moving Up the Value Chain

Understanding the regional advantage and providing an enabling environment is the key for transformation, diversification, and graduation in global market and on the smile curve of the value chain. The program and policies should be targeted to a specific sector and objective to increase the share in exporting economy.

The study aims to provide a list of projects and interventions to resolve the regional issues of industrial development and competitiveness. As shown in the figure below the four types of areas are identified for the strategic interventions.

*Figure 34 Areas of Intervention*



The proposed programs and project at the end of the study are targeted to address the issues in the above-mentioned areas.

## Perennial Issues and Recommendations

Below table shows the list of issues that are long standing and require a small policy intervention from the relevant stakeholders. These issues do not require any detailed project or program.

*Table 14 Perennial Issues*

Issue	Recommendation	Responsible
Electricity	Fixed electricity tariff @7.5 cents/KWh and uninterrupted supply	NEPRA
Gas	Consistent RLNG and system gas tariffs	OGRA
Water	Water tariff to be uniform all over the country	WASA
Alternate Energy	Encourage solar integration and extend LTFF for captive alternate energy	NEPRA / SBP / MOC&T
Raw Materials	Liberal imports regime for raw materials (cotton & MMF), export parity support price, enhance cotton yields & PCCC with private sector	MOC&T / Agri Depts
DTRE, Bonds, EOU & Other Export Schemes	Extend to indirect exporter, online processing, enhancement of utilization period, easy certification and resolve procedural issues	FBR / MOC&T



Taxation & Refunds	Simplification of taxation system. Release the outstanding tax refunds (PKR 220 Bn) through cash & promissory notes. Policy for refunds. Rationalization of the 1.25% turnover tax	FBR / MOF
Duty Drawbacks	Continue on value addition as per regional countries & 2% for nontraditional markets (DLTL & DDT)	MOF / FBR
Temporary Importation Schemes	Digitization, ease of approvals, easy regulation, and calculations	FBR / MOC&T
Skills & Training	Subsidy for apprenticeships, dedicated textile trainings, EDF utilization, and funding through government schemes	TEVTA / NAVTTC
Labor Support	ESSI and EOBI rebates, labor law reforms and women hostels near clusters	ESSI / EOBI / Labor Depts
Bank Financing	Mandatory credit disbursements by banks, higher limits (15%), enhance LTFF and expand to building construction, and allow financing of leased machinery	MOC&T / SBP
Technology	Technology Upgradation Fund and markup support	MOC&T / MOST

Trade Policy Rationalization	Improve R&D, encourage backward linkages, rationalization of trade policies and one-window	MOC&T / MOST
Marketing	Warehousing & display centers in PPPs and performance management of trade missions. Easy visa regimes for exporters. Bring buying houses. Liberal utilization of 10% of export proceeds. Incentive for export to side markets.	MOC&T / MOFA / SBP
Market Access	Better trade agreements with China, Canada, and Japan.	MOC&T
Enabling Infrastructure	Plug & play industrial parks (EPZs & SEZs), develop industrial corridors, common facilities, and revival of closed industry	BOI / MOC / Provinces / EPZA

### Proposed Projects for Industrial Development

Sr No	Project	Cost (Million)	Period
1	Revamping Civil Infrastructure of PSIC Mian Chanu	100	Short Term
2	Revamping Civil Infrastructure of PSIC Khanewal	100	Short Term
3	Establishment of PSIC Multan	2,000	Short Term
4	Revamping Civil Infrastructure of PIEDMC I & II	1,000	Short Term

5	Establishment of CETP Plant	10,000	Medium term
6	Establishment of dedicated Craft zone for the Craftsman	1,000	Medium term
7	Establishment of Display Centers along the M4 & M5	5,000	Medium term
8	Establishment of Expo Center	1,000	Long Term
9	Extension of PIEDMC II or Operationalization of Muzafargarh Industrial Estate	Self-Finance	Medium term
10	Business Intelligence unit to promote new businesses in food sector	1,000	Medium Term
11	Chemical Testing Laboratory for Pesticide Industry	500	Short Term
12	Certification support unit for food and cottage industry	1000	Medium Term
13	Geotagging of All Crafts and Artisans in Multan	150	Short Term
14	Training of Artisans to Introduce them to e-commerce platforms	150	Short Term
15	Partnering with PSL to Showcase Multan's Crafts by dedicating a pavilion to these crafts	200	Short Term

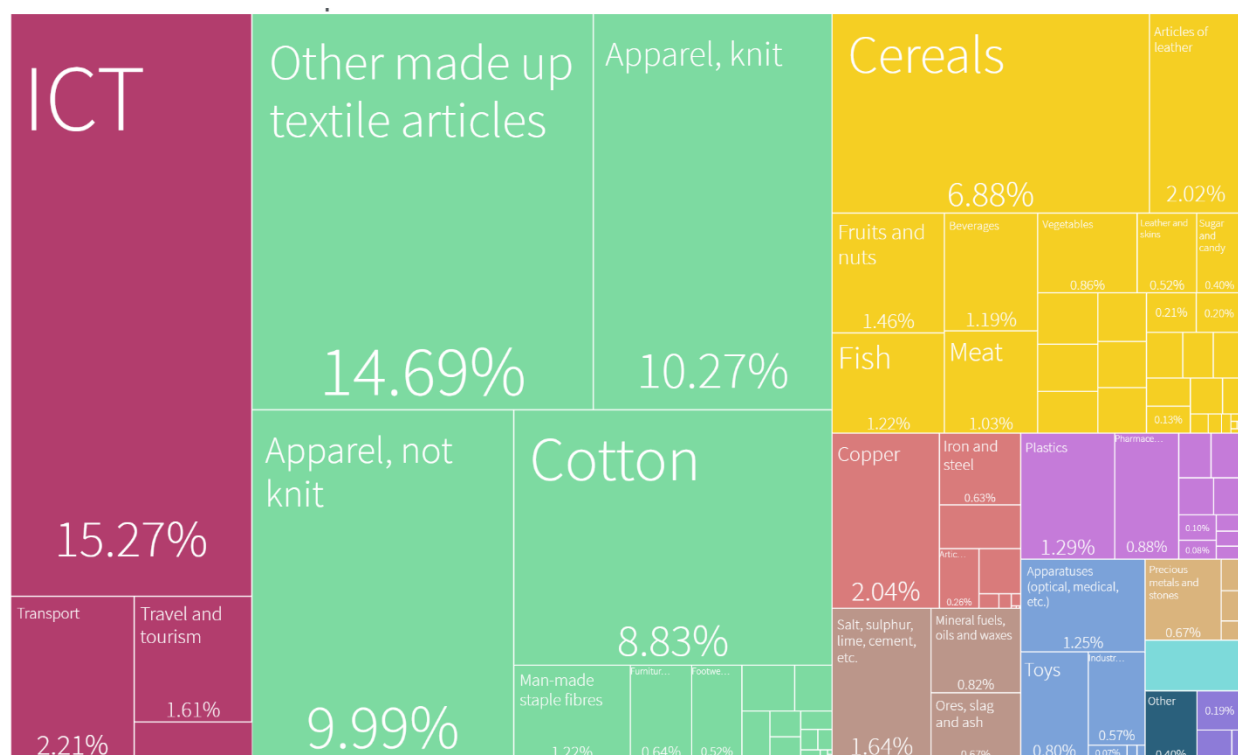
## Trade and Commerce Sector

As times pass, Pakistan's economy is less agricultural, and is shifting more towards urban and service-oriented than before. The export mix is changing, with new sectors like Information and Communication Technology (ICT), while the traditional industries such as textile are modernizing with time. This, however, is much different from the provincial mix, of the Punjab.

Pakistan's trade for the year fiscal year 2022 (FY22) made up of USD 23.7 billion, which grew 26.6 percent year-on-year. On the other hand, the imports from various destinations also grew 49.1 percent to reach USD 58.9 billion for the FY22.

Exports for the services sector, which makes up for the 58 percent of the national economy, grew 17.1 percent in these times. Of this, the wholesale and retail trade comprise 32.4 percent, showing the significance of trade and commerce to Pakistan.

*Figure 35 Major Exports of Pakistan 2020*



*Source: Harvard Atlas of Economic Complexity*

The tree diagram above shows the export mix of Pakistan for the year 2020, highlighting the important sectors of the economy.

It shows that on a national level, the textile sector (green colored) constitutes most of the Pakistan's export, making up for 47.3 percent of the total exports in the year, followed by, services sector making up for 19.6 percent, and agriculture making up for 18.7 percent of the total exports. Among the subsectors mentioned in the tree diagram, notwithstanding the economic sector, the Information and Communication Technology (ICT) made up for the biggest share in exports. Data shows that the export mix of Pakistan has been consistent in recent years, where country's exports remained concentrated on three commodities, cotton manufacturers, leather, and rice. These three represent 69.9 percent of Pakistan's major exports for the year 2021-22.

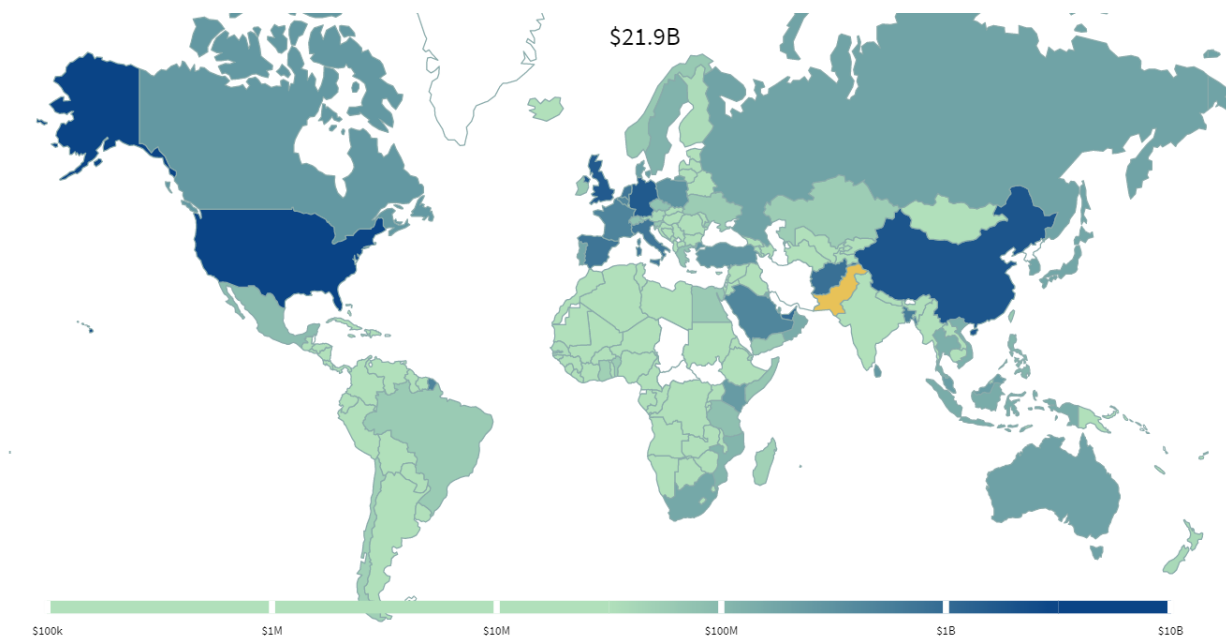
However, on a provincial level, no specific data on the export mix of Punjab is available. Often, called Pakistan's granary for its largely self-sustaining agrarian character, Punjab possesses considerable differential agricultural advantage. Agriculture-based products for export from Pakistan is 60% contributed by Punjab, which makes up the textile sector of Pakistan.

This treemap visualizes the export composition of a country, with the total value represented by the area of the rectangles. The largest category is Mineral fuels, oils and waxes at 13.84%, followed by Industrial Machinery at 8.50% and Cotton at 3.76%. The smallest categories include Insurance and finance at 0.04% and Travel and tourism at 1.53%.

Category	Percentage
Mineral fuels, oils and waxes	13.84%
Industrial Machinery	8.50%
Cotton	3.76%
Iron and steel	5.74%
Electrical machinery and equipment	8.00%
Animal or vegetable fats, oils or waxes	4.19%
Oil seeds and oleaginous fruits	2.26%
Vegetables	1.48%
Cereals	1.37%
Fruits and nuts	0.50%
Wood	0.32%
Coffee, tea and spices	1.43%
Paper and paperboard	0.97%
Plastics	3.71%
Organic chemicals	3.65%
Articles of iron or steel	1.37%
Aluminum	0.65%
Nickel	0.45%
Vehicles	2.58%
Ships	0.92%
Other	1.11%
Plastics	1.42%
Rubber	1.10%
Dyes, paints, inks, etc.	0.93%
Pharmaceutical products	0.82%
Knitted fabrics	0.47%
Other	0.41%
Apparel	0.30%
Furniture	0.44%
Soaps, waxes, and paints	0.34%
Essential oils	0.37%
Travel and tourism	1.53%
Insurance and finance	0.04%

On the imports side too, as shown by figure 2, ICT made up for the biggest import component for Pakistan, making up for 6.45 percent of total imports for the year, followed closely by Refined Petroleum Oil, making up for 5.52% of country's imports.<sup>4</sup> The import mix of the country for the year 2021-22 comprised mainly of petroleum, medicinal products, petroleum crude, LNG, palm oil, plastic materials and iron and steel, leading to a total of \$59.8 billion worth of imports in fiscal year 2022.

<sup>4</sup> Harvard Atlas of Economic Complexity



*Figure 37 Pakistan's top Export Destinations 2020*

*Source: Harvard Economic Complexity Atlas*

Three top export markets for Pakistan have been USA, China, and UK, with USA being the destination of 21 percent of exports, China making up for 11 percent, and the UK comprising of 7 percent of Pakistan's exports in the fiscal year 2021-22. In the Textile Manufactures, the biggest share is of bedwear, with knitwear raking the highest value of USD 3729 million, while Bedwear made up for the highest quantity exported. Figure 3 from 2020 shows Pakistan, some in Europe l like Germany and North America account for the biggest export destinations for Pakistan.

On the other hand, the top three countries Pakistan imports from, include China, UAE, and Indonesia, with 28, 10, and 6 percent share of total imports of the country. Other main sources of import are Saudi Arabia, and USA. The country wherefrom Pakistan imports in the highest value

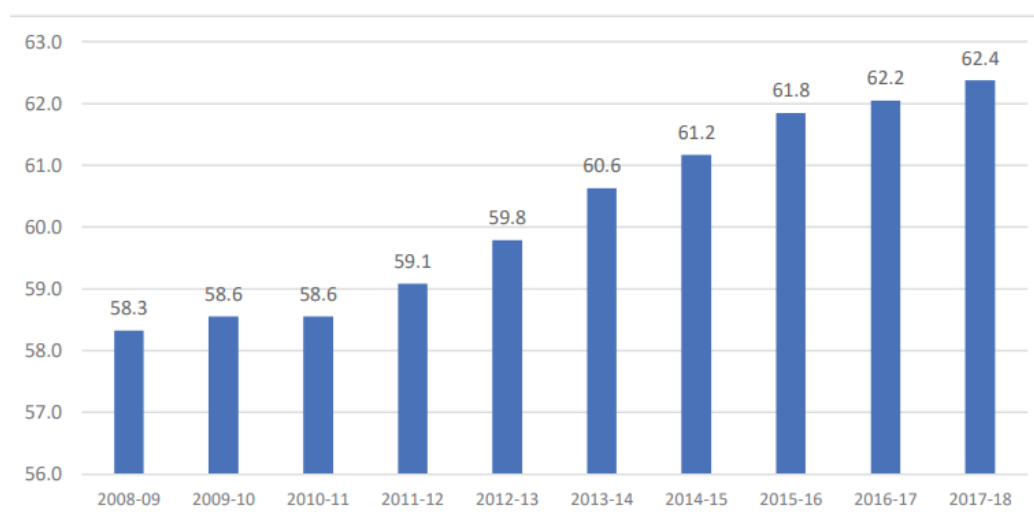
is China, with Rs2.83 trillion in imports from the neighboring country. UAE lags with imports worth Rs983 billion coming reaching Pakistan for the year 2021-22.<sup>5</sup>

<sup>5</sup> Pakistan Economic Survey 2021-22

## Punjab's Economy

As the national GDP's 58% share still comes from the services sector<sup>6</sup>, and of that almost 58 percent is contributed by Punjab. Sectoral Composition of Punjab shows that the services sector makes up for 62.4 percent of the Provincial GDP.<sup>7</sup>

**Services Sector Share in Provincial GDP**



*Source: Punjab Growth Strategy*

In the services sector, trade and commerce sector in Punjab is a major contributor to the province's economy and has been showing steady growth in recent years. According to data from the Federal Bureau of Statistics, the contribution of the wholesale and retail trade sector to the provincial GDP was approximately 15.5% in 2019-2020. In the same year, the agricultural sector, which is closely linked to the trade and commerce sector, contributed around 19% to the provincial GDP. In addition to this, the province is home to over 1.5 million SMEs, which employ around 2.5 million people and contribute around 35% to the provincial GDP. The trade and commerce sector in the province is further supported by a well-developed transport and communication infrastructure, with Lahore, the provincial capital, serving as a major center for trade and

<sup>6</sup> Pakistan Economic Survey 2021-22

<sup>7</sup> Punjab Growth Strategy 2023-Planning and Development Board, Government of Punjab



commerce. Overall, the trade and commerce sector plays a crucial role in the economy of Punjab and is expected to continue its growth trajectory in the coming years.

Using reports and certain assumptions common in literature, the calculated the Gross Regional Product for Punjab, according to the calculations the GRP for Punjab for 2020 in line

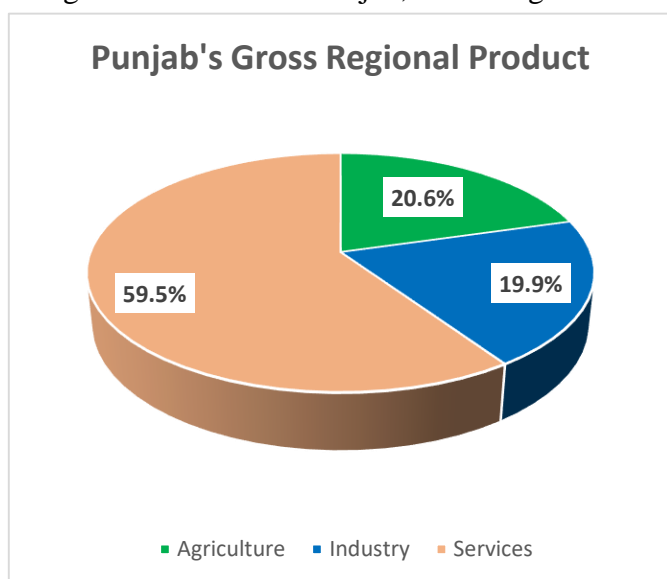


Figure 38. Punjab's

GDP

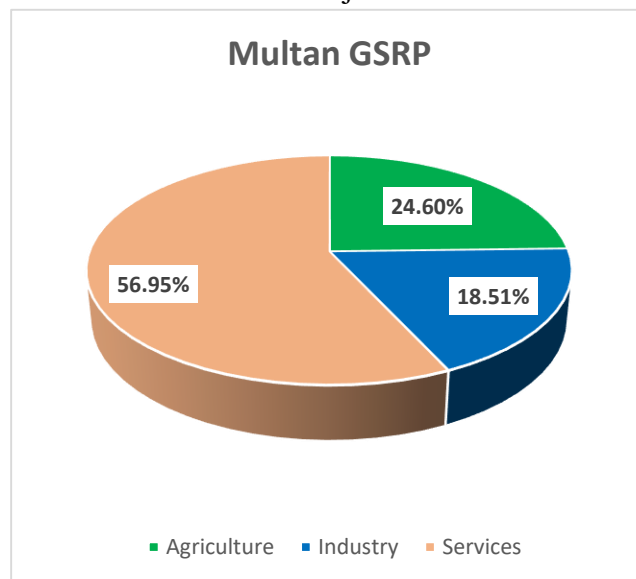


Figure 39 Multan's GSRP

with the provided by the Economic Survey of Pakistan. This revealed Punjab's share of 54 percent of the national GDP, amounting to \$145,800 million. The sectoral breakdown of Punjab's GRP revealed that 59.5 percent of the GRP, \$86,751 million is contributed by the Services sector as shown in figure 4 below.

Following this, the share of labor force of each division in Punjab's total labor force is taken from LFS 2018 and share of each division's Household total Income in Punjab's total household Income is take from PSLM 2018 separately for Rural and Urban areas. Then, the average of LF and HH Income is averaged to determine the approximate share of each division in GRP Punjab separately for Rural & Urban Areas. Using the Urban and rural share of GRP, the sub-regional GRP (GSRP) of each division is calculated and then these rural-urban added up to

get sub-regional GRP of each division. According to the result, the Multan Division shares the third highest percent of the GRP, with the GSRP of 9.7 percent or \$14,124 million.<sup>8</sup>

Sectoral breakdown reveals the services sector to have the biggest share in the division's GSRP. This amounts to 57 percent, or \$6,675.14 million, compared to Agricultural share of 24.6 percent and industry's share of 18.5 percent (See Figure 5 above).

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<sup>8</sup> Approximation of Gross Sub-Regional Product (GSRP) at Division (Sub-region) Level in Punjab Pakistan-  
The Urban Unit

## Approach

Assessment of the trade and commerce sector of Multan required going over both primary and secondary sources of data. The secondary data is available in the form of previous projects and interventions, international best practices that can be implemented to enhance the trade and commerce sector of the region, and the economic profile of the study area that is available online. Firstly, it must be established that primary and secondary data collection took place at different levels of hierarchy as given below.

- Macro and City-wide Assessments
- Assessment of Commercial Activity in Multan

The primary data involves going in the field and meeting different stakeholders including the public to gauge the issues which ensures inclusivity in recommendations made. Thus, to get a holistic picture of the ground realities with respect to the trade and commerce sector, consultants made visits to Multan in May 2023. In the first tour, it included consultations with various stakeholders in the region such as representatives of every district's Industries and Commerce Sector officers. Met with other organizations like Multan Chamber of Small Traders & Small Industry (MCSTSI), and Multan Chamber for Commerce and Industries (MCCI), and Vehari Chamber of Commerce and Industries (VCCI), to name a few.. The team also visited some of the major Trade and Commerce establishments to see the situation at hand and hear from the traders in the area about the issues they face in reaching optimal efficiency needed to conduct operations. This included commercial markets in Multan including Hussain Agahi Bazaar, Gulshan Market, Gulgasht Colony Market, Chowk Ghanta Ghar, Saddar Bazaar Multan Cantt, Haram Gate Motor Market, LMQ Road Khanewal, to name a few.

Data availability from the relevant stakeholders enabled the consultant to quantify some of the findings for the otherwise qualitative understanding of the economic activities in the area, which helped in justifying the existence of economic activities and the approach taken in terms of interventions.



## Primary Data Collection (Field Visits + Stakeholder Consultations)

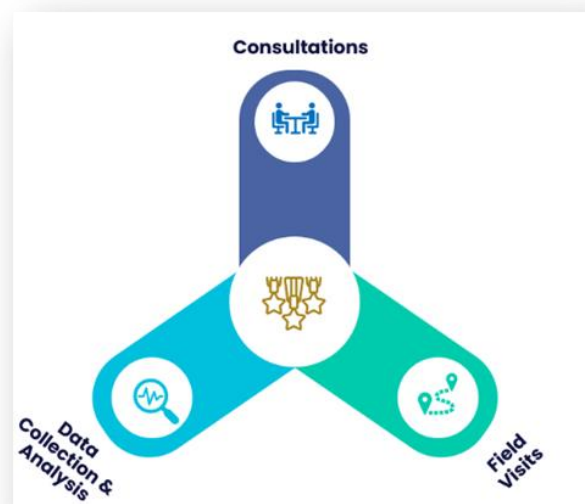
### District-Wide and Macro-level Assessment

As mentioned above, the approach relied both on secondary and primary data collection. The labor force survey gave us an idea of the commercial sector development in the four districts. The occupational divide among the working force gives an idea of the economic division of the district, and its impact on the local and regional economy.

The city level commercial areas assessment involved meeting with different stakeholders on-ground such as district Industries and Commerce officers for each district in the division. Additionally, stakeholders from the private sector such as the chambers of commerce and members of businessmen community and industries to gauge the linkages of the present economic sectors in Multan Division.

### Assessment of Commercial Activity in Multan

To carry out an assessment of commercial activity in Multan District, the consultant conducted primary research of 776 commercial establishments in Multan city to get first-hand information about the impact assessment and infrastructural layout of the district's commercial spread. The questions were divided into majorly six different categories. These six categories are 'Locational Aspects', 'Infrastructure Support', 'Competitiveness



Dynamics’, ‘Governance & Management Status’, ‘Risk & Security Management’, and ‘Linkages Review’.

Details of this assessments are discussed in sections below.

### **Locational Aspects**

Include access to main transport networks and other markets and amenities.

### **Infrastructure Support**

Covers on-site infrastructure available for the market area.

### **Competitiveness Dynamics**

Reviews main indicators that affect businesses' turnover and profitability



### **Governance & Management Status**

Checks governance and management with focus on institutions role.

### **Risks & Security Management**

Assesses key risks and security challenges

### **Linkages Review**

Reviews value chains and supply chains linkages etc

*Figure 40: Different Dynamics Observed under Market Assessment of Multan City*

## **Multan as a Trade & Commerce Hub**

### **History of Trade Route**

Multan, located in the Punjab province of Pakistan, is a city with rich history and is known as a center of trade and commerce. It is situated at the crossroads of major trade routes and has played a pivotal role in regional and international trade for centuries. Multan's historical significance, dynamic markets and growing industrial sector contributes to its economic growth and prominence as a commercial hub. Multan's history as a trade center dates back to ancient times as a part of the Indus Valley Civilization. Multan's location near the Chenab River made it an ideal trading hub for goods, ideas and cultures. Its significance as a trading center continued during the reign of various empires such as the Mauryan Empire, Mughal Empire, Sikh Empire and among many more. These empires recognized Multan's economic potential and also contributed to its growth by developing infrastructure as well as attracting merchants and artisans.

The city was a key stop along the historic Silk Road, which helped facilitate the exchange of goods between China, Central Asia and the Indian subcontinent. It connected regions such as Persia, Arabia and the Mediterranean. This allowed Multan to thrive as a trading hub, with merchants from diverse backgrounds converging in the city to engage in commercial activities. Multan's importance as a trade route remains prominent in the present day.

### **Emerging Industries & Infrastructures**

In developing areas to achieve successful economic growth and job creation, it is extremely important and crucial to expand the industrial scale. Forward linkages refer to a product of a newly evolving industry being supplied as a material to a different industry. The results allow the emergence of other new industries. By considering both forward and backward linkages, it helps to expand industries and its development to other sectors, contributing to economic growth and employment rate. Multan is renowned for its diverse range of trade and commerce sectors. One of its most prominent sectors is textiles. Multan is famous for its high-quality cotton fabrics, embroidery work, and traditional clothing; skilled artisans and weavers produce intricate designs that attract both domestic and international buyers. Additionally, Multan is also known for its agro-based agricultural products such as cotton, fruits, sugar & wheat. The ceramics industry is also significant, producing fine pottery and tiles that are highly sought after. Furthermore, the

pharmaceutical industry has seen substantial growth in recent years, which also helps to contribute to the city's economic abundance.

Infrastructure is an important element; the development of robust infrastructure has been extremely crucial in facilitating Multan's trade and commerce activities. The city is very well-connected by an extensive network of roads, railways and an international airport. The construction of highways as well as motorways, has improved accessibility and reduced transportation costs. Multan's dry port and customs facilities have streamlined imports and export processes, which enable efficient trade operations. Multan also consists of industrial estates and special economic zones that provide modern facilities and incentives for businesses to thrive.

### **Multan's Bazaar's & Markets**

Multan's bazaars and markets have been the lifeblood of the economic sector. It's known for its marketplaces where a wide range of goods, including textiles, handicrafts, spices, agricultural products and traditional pottery are bought as well as sold. Markets such as Ghanta Ghar Chowk, Hussain Agahi Bazaar, Shah Rukn-e-Alam Bazaar and the famous Qasim Bagh Market are among the popular markets where trade activities are more concentrated. These markets are known for Multani shoes (khussas) and traditional Multani pottery. Farmers from nearby areas bring their local produce where local vendors purchase supplies from their businesses; this specific market shows Multan's agricultural abundance. These markets cater to the local population and also attract tourists and buyers from Pakistan and abroad.

### **Multan's Economic Growth**

Multan has expanded its international trade connections, which is further enhancing its position as a center of trade and commerce. The city's proximity to the largest port in Pakistan, Karachi port, provides convenient access to global markets. Multan's dry port and custom facilities ensure efficient export and import processes, facilitating international trade. Moreover, Pakistan's engagement in the China-Pakistan Economic Corridor (CPEC), an important project of China's Belt and Road Initiative (BRI), has brought new opportunities for Multan. The city serves as a crucial transportation and logistics hub for CPEC-related projects, fostering regional trade and connectivity.

Multan's trade and commerce sector continues to evolve and promises prospects for the city's economic growth. The government's focus on industrial development and infrastructure



improvement are expected to attract and pull more business and investors to Multan. The establishment of special economic zones (SEZs) and industrial estates will provide further facilities and incentives for both local and foreign companies. Efforts to enhance training and skill development will help cultivate a skilled workforce, supporting the growth of industries such as textiles, ceramics, agriculture and pharmaceuticals. Additionally, the development of tourism and infrastructure and promotion of cultural heritage can create new avenues for economic growth by attracting both domestic and international visitors.

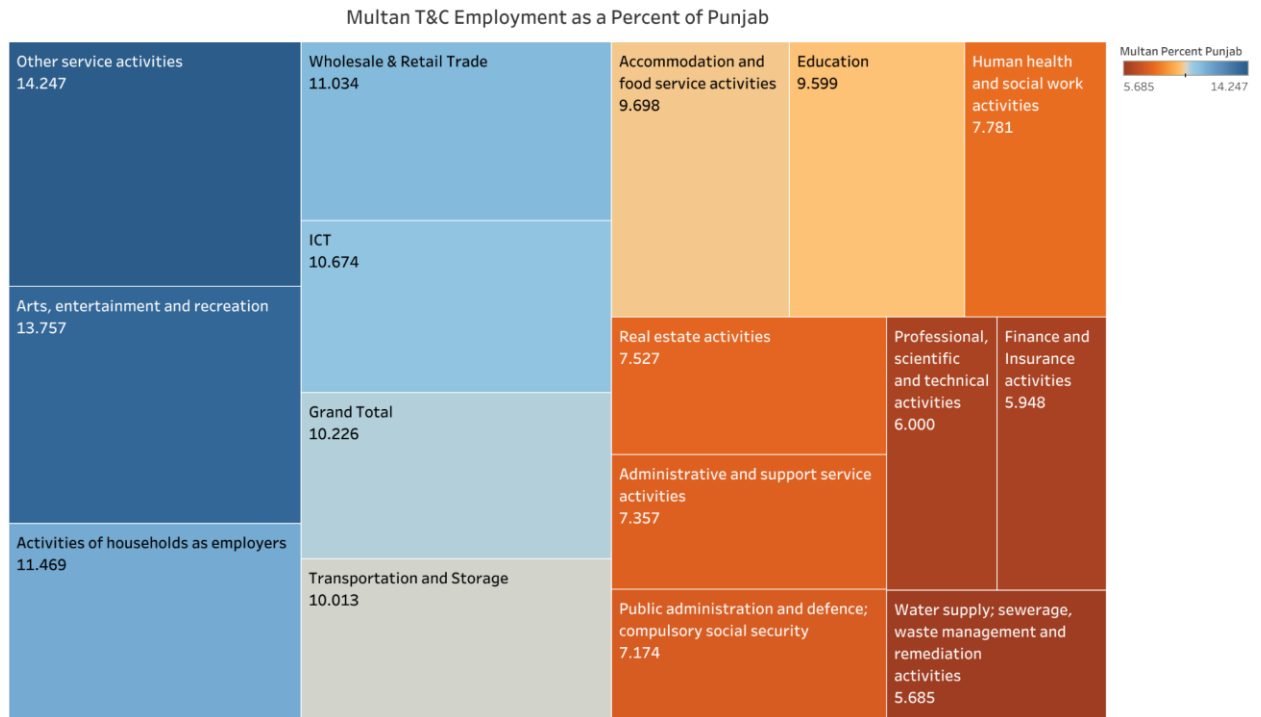
Multan's historical legacy, strategic location, vibrant markets, infrastructure and international trade connections have allowed it to be positioned at the center of trade and commerce. From dating back to ancient origins as a key trading hub on the Silk Road to its current role and importance in the textile sector as well as agriculture, pharmaceuticals etc, Multan has adapted well to changing times and economic demands. With continued government support, investment and focus on development, Multan is assured to further enhance its role as a thriving commercial center, contributing to the economic growth of Pakistan and the region.

### **Present Dynamics of Trade & Commerce Sector in Multan**

Trade & Commerce sector (also phrased as the services sector as a whole) makes up for 50 percent of Punjab's economy, and Wholesale and Retail Trade is the largest subsector of the Services Sector.<sup>9</sup>

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<sup>9</sup> Pakistan Bureau of Statistics



*Figure 41: Multan Trade and Commerce Sector and a Percent of Punjab's*

Multan's Trade and Commerce Sector is a significant proportion of Punjab. This is specially the case as shown in the figure above, which shows that the Arts, Entertainment and Recreation sector in Multan employs a significant proportion of Punjab's labor force employed in this sector, that is, 13.76 percent. Wholesale and Retail Trade in Multan makes up for 11.03 percent of Punjab's sectoral employment. Other significant sectors are Information and Communication Technology (ICT), Transportation and Storage, and Accommodation and Food Service Activities, that employ a significant proportion of Punjab's total labor force employed in the sector.

#### Employment Within Trade and Commerce Sector Multan Division

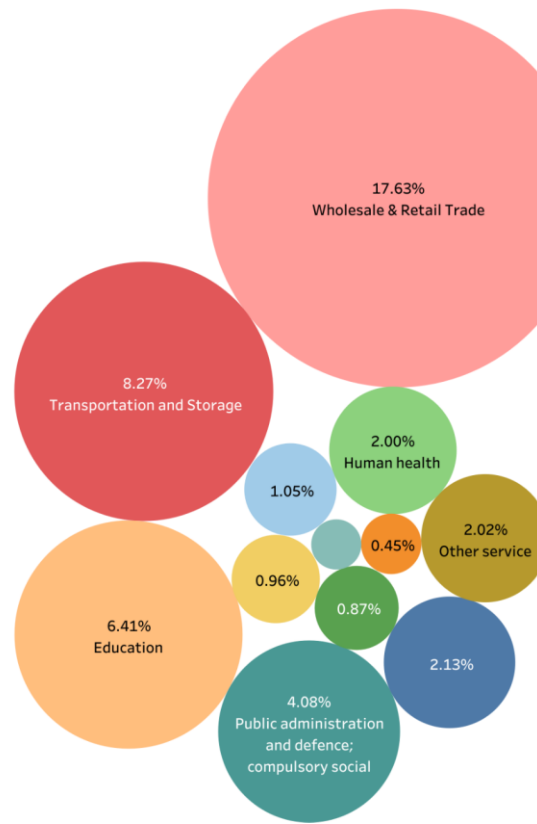


Figure 42: Employment Within Trade and Commerce Sector of Multan Division

As seen in the figure above, within the service sector of Multan, the biggest contribution in terms of employment is by Wholesale and Retail Trade, which contributes 17.63 percent to the overall employment in the area. This is followed by Transportation and Storage, Education, and Public Administration and Defence; compulsory social security, as some of the top employers in the division.

### Key Markets and Commercial Spaces

#### Wholesale, Retail, and Specialized markets

Some of the key wholesale, retail, and specialized markets in Multan City are:

- **Mall Plaza:** This modern shopping mall typically offers a wide range of products, including clothing, footwear, electronics, home appliances, cosmetics, and accessories. It may also have entertainment facilities, restaurants, and a food court.

- Hussain Agahi Road: Known for its bustling market, Hussain Agahi Road features shops selling textiles, garments, shoes, jewelry, handicrafts, household items, and various consumer goods.
- Abdali Road: Abdali Road is known for its automobile showrooms, spare parts shops, and service centers. You can find cars, motorcycles, and related accessories in this area.
- Bosan Road: Bosan Road has a mix of commercial and residential areas. You can find shopping centers, grocery stores, restaurants, and medical facilities along this road.
- Shah Rukn-e-Alam Colony: This residential-cum-commercial area offers various shops and boutiques selling clothing, fabrics, shoes, and accessories. It also has restaurants, bakeries, and grocery stores.
- Craft Bazaar: An Important Bazaar housing maestros of 21 arts and crafts of Multan with linkages nationally or even internationally at times (refer to industries chapter for details on the linkages)
- Gulgasht Colony: Gulgasht Colony is a well-established commercial area with markets offering clothing, footwear, electronics, home decor, and general merchandise. It also houses restaurants, banks, and medical facilities.
- Nishtar Road: Nishtar Road is known for its vibrant marketplaces where you can find textiles, garments, jewelry, footwear, and household items. It is also home to several renowned restaurants and sweet shops.
- Vehari Road: Vehari Road features a mix of commercial establishments, including grocery stores, furniture shops, electronic stores, and small retail businesses catering to daily needs.
- Cantt Area: The Cantt area in Multan has a diverse range of businesses, including clothing stores, boutiques, restaurants, cafes, bookshops, and banks. It is a popular destination for shopping and dining.
- Multan Cantt Railway Station Road: This area offers a variety of shops, small businesses, and eateries catering to the needs of travelers and locals alike. You can find convenience stores, pharmacies, and fast-food outlets here.

These markets play a significant role in the economy of Faisalabad, attracting customers and businesses from across the region and contributing to the city's growth and development.

### **Key Market Areas**

Multan Division is home to several key market areas that are significant to the region's economy. Some of the most important market areas in Multan Division include:

- Rail Bazaar: Known for its variety of shops, Railway Bazaar offers clothing, footwear, accessories, electronics, cosmetics, and household items. It is a bustling market catering to the needs of the local population.
- Androon Markets of Multan: The markets enclosed within the fort of Multan are a big commercial hub in the area.
- Railway Junction Khanewal: Although not a market, it is a very important commercial hub in terms of mobility and geographical location
- Sabzi Mandi Vehari: A vibrant vegetable and fruit market where farmers and vendors sell fresh produce. It's a popular spot for purchasing locally grown fruits, vegetables, and other agricultural products.

- Khanewal Model Bazaar: Model Bazaar Khanewal is important as it sets a benchmark to everything a bazaar must be
- Lodhran Cattle and Bakra Mandi: They are regionally famous as Lodhran is a leading livestock breeding district in the regional economy of Multan

## Rapid Assessment Survey of Multan's Commercial Establishments

On a lower level, the rapid assessment survey was carried out against a set of indicators set in line with the international best practices and literature review of policies and commercial area guidelines around the world. This resulted in many different indicators/variables under six aspects, namely, 'Locational Aspects', 'Infrastructure Support', 'Competitiveness Dynamics', 'Governance & Management Status', 'Risk & Security Management', and 'Linkages Review'.

Using the below mentioned variables/indicators, a survey of 776 commercial establishments of Multan was carried out to gauge the commercial activity in the city.<sup>10</sup>

*Table 15: Variables and the Aspects Assessed in Rapid Assessment Survey*

Variable	Aspect	Variable	Aspect
Locality	Location	Electricity Bill June	Competitiveness
Activity of Establishment	Infrastructure	Electricity Bill Dec.	Competitiveness
Area In marlas	Location	Gas Connection Type	Competitiveness
Premises Type	Location	Gas Bill June	Competitiveness
Value/Rent	Governance	Gas Bill Dec.	Competitiveness
Employee Count	Infrastructure	Average Monthly Sale 2022	Competitiveness
Buying Product/Services Locally	Linkages	Average Monthly Sale 2023	Competitiveness
Buying Product/Services from Punjab	Linkages	Lack of Innovation and RD	Competitiveness
Buying Product/Services	Linkages	Low Quality of Supplier	Competitiveness

<sup>10</sup> The Information gotten here is primary and can be faulty depending on the honesty of the respondents, and hence taking an even bigger sample than 776 would be better for the purposes of the research.

from Other Province			
Buying Product/Services International	Linkages	Low Quality of Buyer	Competitiveness
Selling Product/Services Locally	Linkages	Technology Backwardness	Competitiveness
Selling Product/Services to Punjab	Linkages	Low Financial Support from Banks	Competitiveness
Selling Product/Services to Other Province	Linkages	Labor Quality & Management	Competitiveness
Selling Product/Services Internationally	Linkages	Strict Laws & Regulation	Competitiveness
Economic & Political Instability	Competitiveness	Compliance and Taxation Issues	Competitiveness
Electricity Connection Type	Competitiveness	Other	Competitiveness

For the purposes of the aforementioned survey, 32 markets of Multan city were surveyed with equal representation and random sample of commercial establishments in each area. As such following markets were surveyed by the consultant, to understand the economic situation of the commercial sector in the divisional capital and regional capital of Punjab.

*Table 16: Markets Surveyed in Multan City*

<b>Bazaars Surveyed in Multan City</b>	
<b>Haram Gate Motor Market</b>	<b>LMQ Road Khanewal</b>
<b>Gulshan Market</b>	<b>Haram Gate Furniture Markit</b>
<b>Gulgasht Multan</b>	<b>United Mall</b>

<b>Chowk Ghanta Ghar</b>	<b>Multan Craft Bazar</b>
<b>Sadar Bazar Multan Cantt</b>	<b>Chungi No 6</b>
<b>40 Feet Bazar</b>	<b>Loha Markit, Akbar Road Multan</b>
<b>Bohar Gate</b>	<b>Haram Gate</b>
<b>Sheesha Market</b>	<b>Chase-up Mall</b>
<b>Mall Of Multan</b>	<b>Tehsil Chowk</b>
<b>Hussain Aghai Road</b>	<b>Near Naz Cinema Road</b>
<b>Abdali Road</b>	<b>Jinnah Market</b>
<b>Lohari Gate Bazar</b>	<b>Sabzi Mandi Road</b>
<b>Main Bazar</b>	<b>Suraj Kund</b>
<b>Loha Markit</b>	<b>Bosan Road</b>
<b>Shah Rukn E Alam</b>	<b>Bano Market</b>
<b>Alflah Market</b>	<b>Nawa Shahar</b>

The aforementioned questions from the businessmen from the markets given in the table above yielded some important understandings which were analyzed to understand the commercial presence in the city.

Analysis of the findings of Survey

First and foremost it was really important to see the types of businesses prevalent in the commercial sector of Multan, and turns out that majority of the commercial activity in Multan district is happening in shops, as almost half of the commercial establishments are shops (retail and wholesale shops,

and grocery stores).

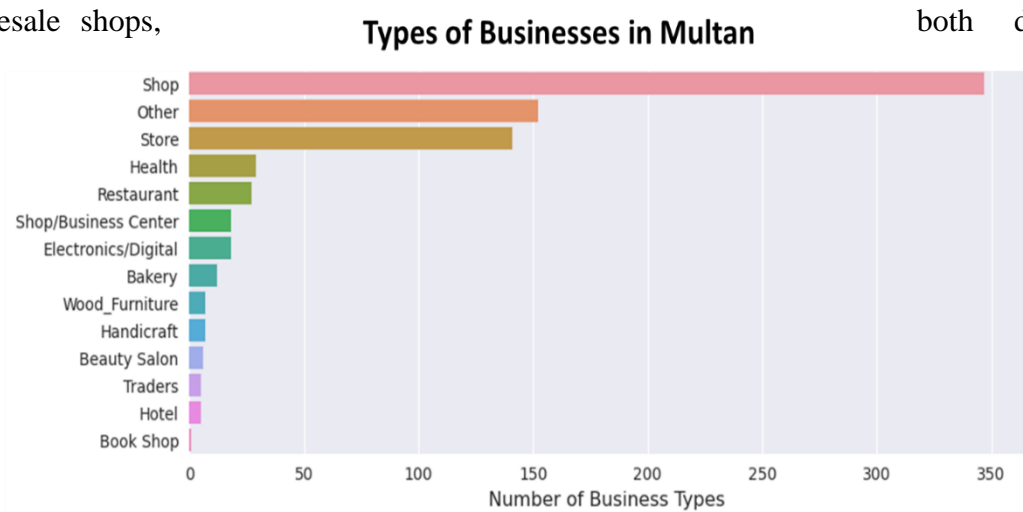


Figure 43: Types of Businesses in Multan

The figure shows that other types of businesses in Multan include Stores (warehouses, specialized stores etc.) These findings are in line with the LFS survey findings discussed for the overall district of Multan.

Then we wanted to find out where majority of these shops were located and hence ran a count of the number of business types across various locations and found that Gulshan Market has the highest incidence of shops in the city. Other locations with high number of shops was Lohari Gate Bazaar, Hussain Agahi Market, and others.



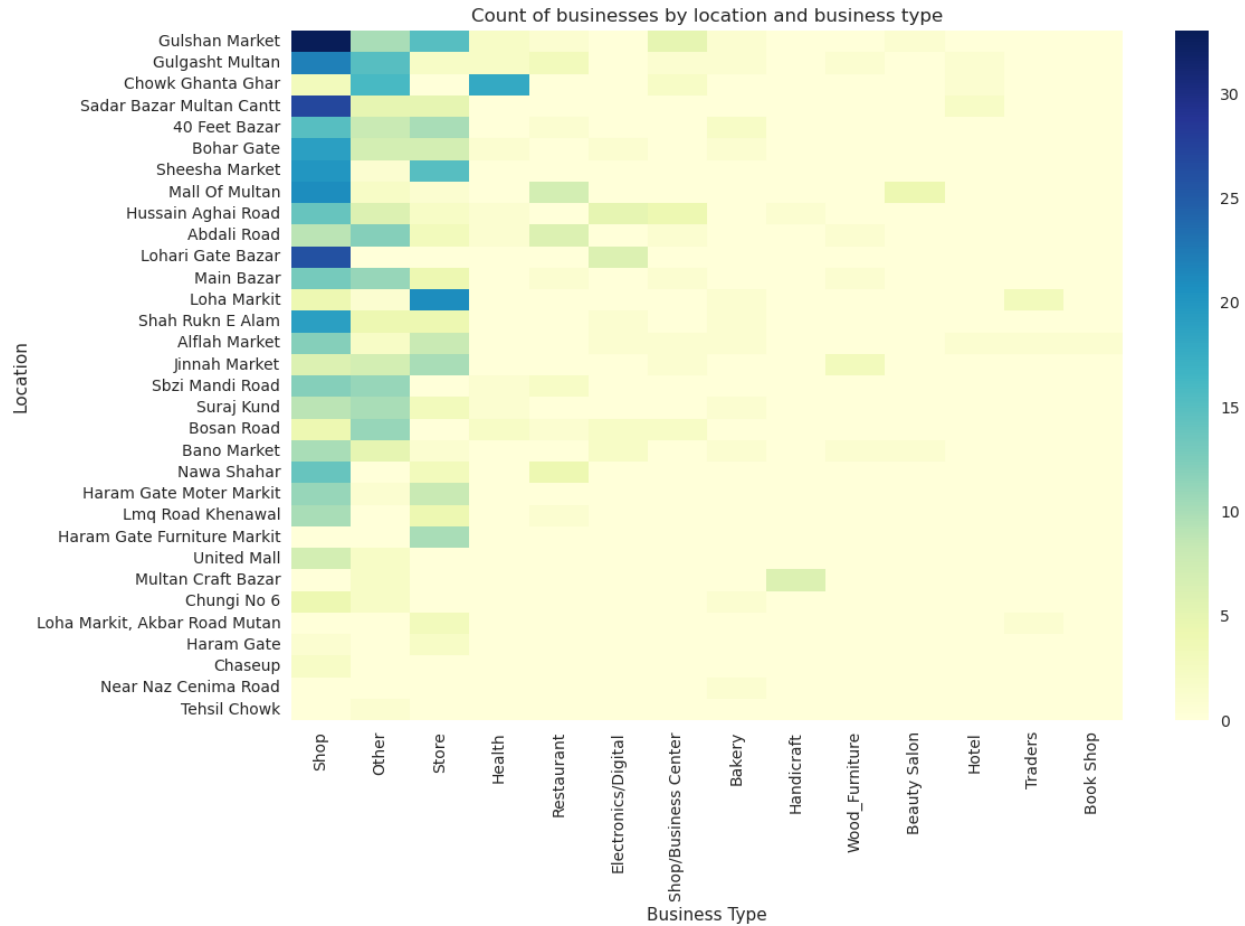


Figure 44: Count of Business Type by their Location

The survey also assessed the backward and forward linkages for the commercial businesses in Multan by asking businessmen to mention the destinations and origin of their products in a table as shown in sample table 7 below which shows the name of cities/country two of the businessmen bought products from. We can see 60 percent of the products were from China, and 20 percent from Multan and Lahore each.

Table 17: Sample Table of Backward Linkages

Buying Product/Services from Area	Local	Punjab	Other Province	International
Multan,Lahore,China	20	20		60
Multan,Faislabad,China	30	30		40

Findings of the survey (See Appendix) show that majority of the people are buying products locally and the sellers in Punjab, mostly Lahore and Faisalabad. Other than that, some of the people are buying from Karachi and Countries abroad like China, Dubai, and other countries with whom Pakistan's trade is rather open.

On the other hand, majority of the businesses said that they sold in Multan, while some other destinations for the products in Multan's markets included Lahore, Khanewal, Muzaffargarh, Karachi, and even Dubai. **(See Table 2 Appendix)**

Then we found, which markets are selling where in figure 23, and found that Bosan Road is famous for selling demand goods in Multan:

- It surrounds some of the most highly valued areas of Multan.
- Naeem Electronics is exporting goods from here to other parts of Punjab and beyond as can be seen
- Chase-up shopping mall, which is seen selling products overseas is also on Bosan Road, and sells a wide variety of products.
- Gulgasht Market, which is also known as high-end market of Multan, sells consumer products.

We can see that famous Bazaars like Hussain Agahi, Haram Gate, and Jinnah Market are mostly selling in Multan.

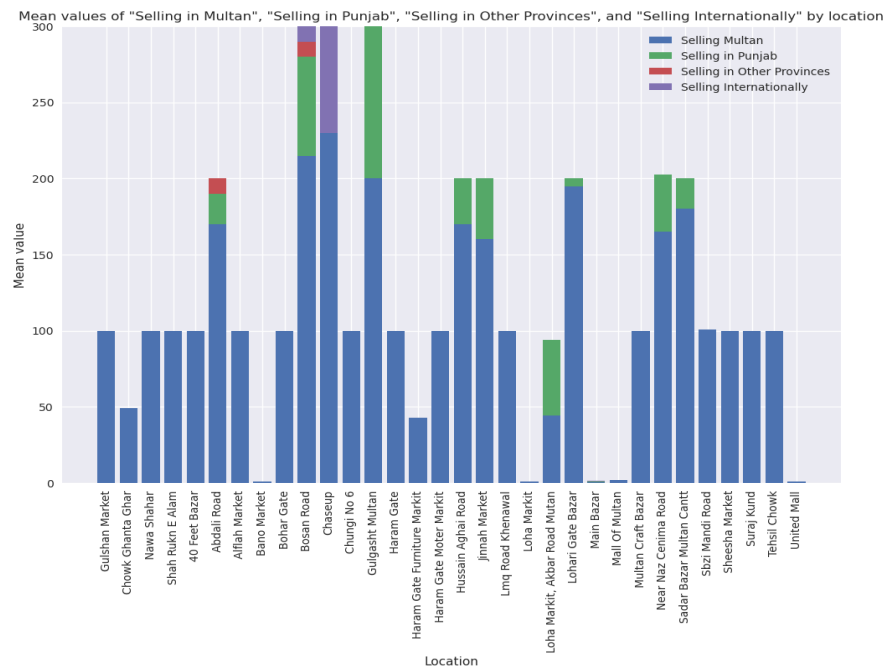


Figure 45: Where is everyone in Multan Selling

To assess the Average yearly sale of the businesses in Multan, we saw the average sale of businesses by business types and location. The highest sales by Business Type were by Hotels, followed by Health businesses, and Specialized Traders. (See Figure 23, left graph) On the other hand, the highest sales in terms of location were in Chowk Ghanta Ghar, followed by Mall of Multan (See figure 23, right graph).<sup>11</sup>

<sup>11</sup> The orange bar on the line represents total of annual sales for areas which are in the bottom 75 percent of the annual

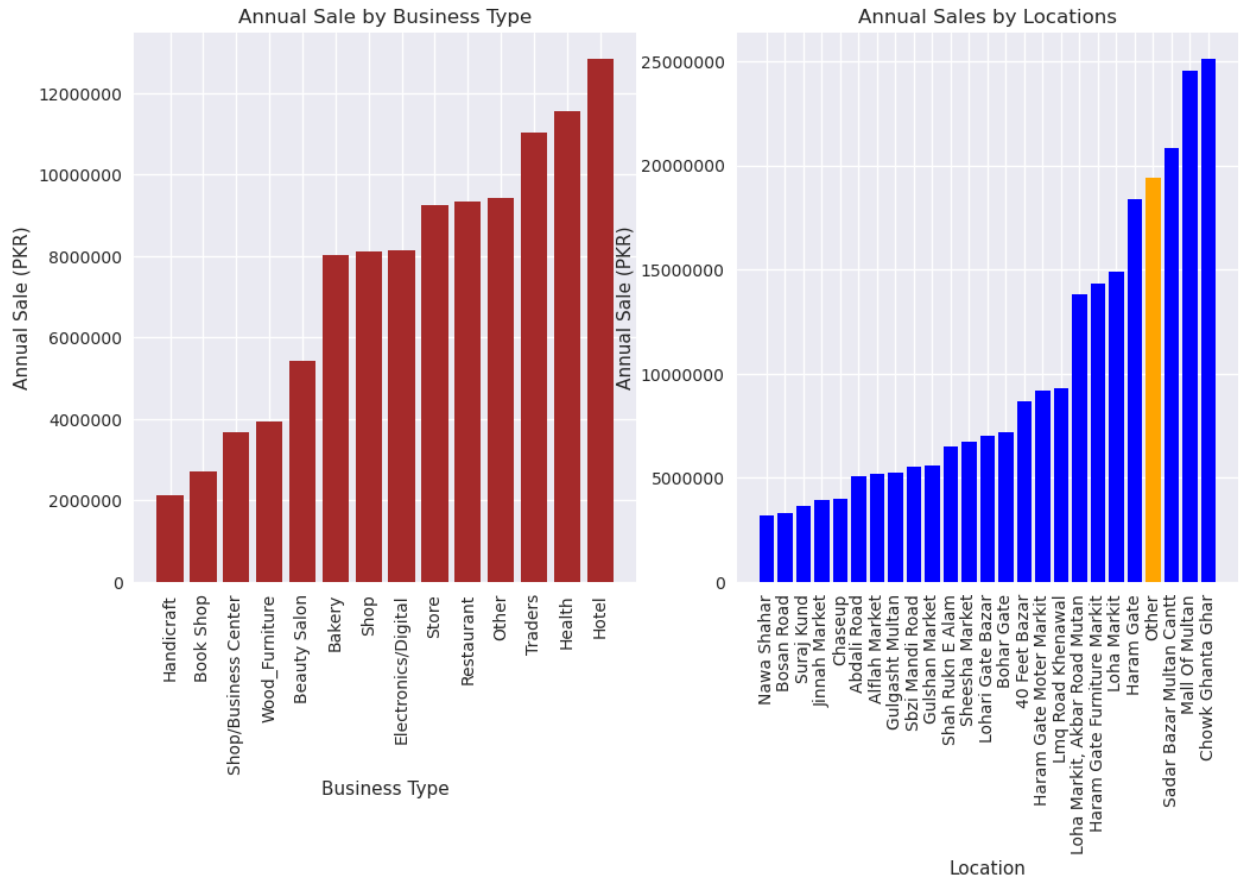


Figure 46: Average Sale in Multan

Other thing which was important to understand was the impact of the rent borne by the businessmen on the average sales. This helped us dispel the common assumption that sales are high in expensive areas due to high-end clientele. We can see in figure 24 below that for Majority of the locations in Multan, the rent borne by shops per month is less than 50,000 with Haram Gate Motor Market reportedly having the lowest, while Shah Rukn e Alam market having the highest, maybe around 60,000 PKR. However, the mean rent born by businesses in Mall of Multan is significantly higher.

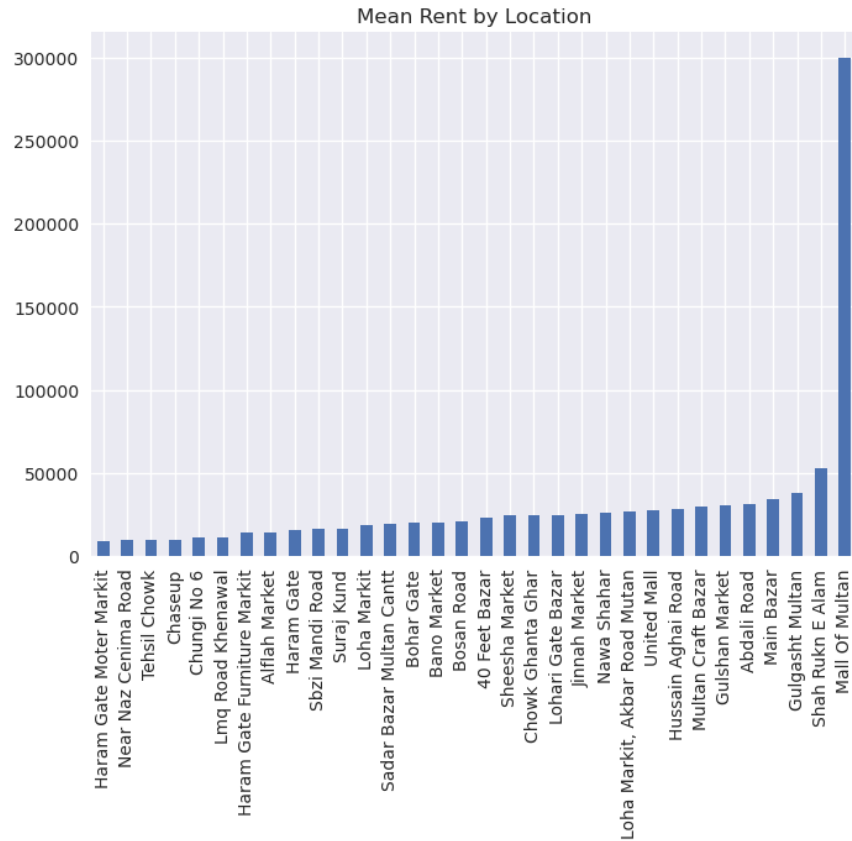


Figure 47: Market Rent by Location

However, this still didn't tell us if the sales were actually high in these areas.

Considering these, we made a scatterplot of value of rent borne by the businesses and average monthly sales made by them in the city and found that there is largely no correlation between the two.

This is shown by the scatterplots large cluster in the bottom, and shops having high monthly sales as their value of rent

remains the same. To be sure we ran the same for rent less than 100,000 and still no correlation was established.

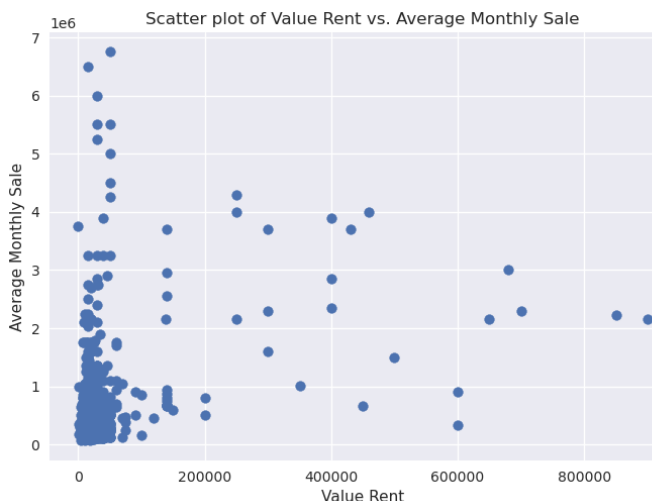


Figure 49 Value of Rent vs. Average Monthly Sales

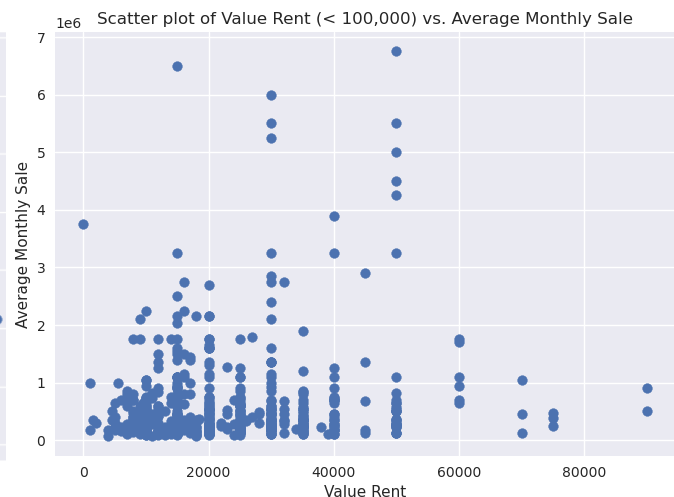


Figure 48: Scatter Plot with Value of Rent less than

Different Exogenous Factors (given in the figures below) were studied for their impact on businesses in Multan. It was color coded for impact, such that whichever choice got the most votes had the darkest colors. Here's what we learned from the survey:

- Taxation and Compliance is something that has a strong impact on majority of the businesses, such as shops, health clinics, and electronics/digital related commercial entities.
- Other factors that have a strong impact on businesses are, economic/political stability and laws and regulation.
- However, respondents believe that labor quality, technology adoption, financial support of banks, and quality of buyers and sellers do not impact their businesses.

Impact of Compliance and Taxation Issues				
Business Type	Low Impact	Moderate Impact	No Impact	Strong Impact
Shop	56	60	87	142
Other	21	25	30	76
Store	49	26	41	24
Health	3	1	2	23
Electronics/Digital	0	0	2	16
Restaurant	4	7	3	13
Shop/Business Center	1	6	4	7
Bakery	1	2	5	4
Hotel	0	0	1	4
Beauty Salon	0	3	0	3
Handicraft	1	2	1	2
Wood_Furniture	1	4	0	2
Book Shop	0	0	0	1
Traders	4	0	0	1

Lack of Innovation and Research and Development				
Business Type	Low Impact	Moderate Impact	No Impact	Strong Impact
Other	33	21	57	40
Shop	89	31	181	40
Health	0	4	3	22
Restaurant	8	4	9	6
Store	17	8	108	6
Bakery	2	1	4	5
Shop/Business Center	1	1	10	5
Electronics/Digital	6	4	4	4
Wood_Furniture	1	0	4	2
Handicraft	2	0	3	1
Hotel	0	0	4	1
Beauty Salon	3	2	1	0
Book Shop	0	0	1	0
Traders	0	0	5	0

Impact of Economic and Political Instability				
Business Type	Low Impact	Moderate Impact	No Impact	Strong Impact
Shop	37	76	74	159
Other	21	29	18	84
Store	21	31	59	29
Health	0	5	2	22
Restaurant	2	3	4	18
Electronics/Digital	0	7	1	10
Shop/Business Center	2	2	4	10
Bakery	3	0	2	7
Handicraft	0	0	0	6
Beauty Salon	0	2	0	4
Wood_Furniture	3	1	0	3
Hotel	1	2	0	2
Book Shop	0	0	0	1
Traders	0	0	4	1

Impact of Low Financial Support from Banks				
Business Type	Low Impact	Moderate Impact	No Impact	Strong Impact
Shop	54	77	152	56
Other	30	35	58	27
Store	13	16	94	16
Electronics/Digital	1	2	7	8
Restaurant	6	8	6	7
Health	7	5	10	6
Shop/Business Center	4	2	8	4
Beauty Salon	0	4	0	2
Handicraft	1	3	0	2
Bakery	1	3	7	1
Hotel	0	0	4	1
Wood_Furniture	1	1	4	1
Book Shop	0	0	1	0
Traders	2	0	3	0

Impact of Low Quality of Buyer				
Business Type	Low Impact	Moderate Impact	No Impact	Strong Impact
Shop	118	63	109	51
Other	47	36	38	28
Store	52	11	65	12
Electronics/Digital	3	5	1	9
Health	10	12	2	5
Restaurant	10	9	4	4
Shop/Business Center	5	3	5	4
Bakery	5	1	4	2
Wood_Furniture	3	0	2	2
Beauty Salon	1	2	2	1
Book Shop	0	0	0	1
Handicraft	4	1	0	1
Traders	3	0	1	1
Hotel	2	1	2	0

Impact of Low Quality of Supplier				
Business Type	Low Impact	Moderate Impact	No Impact	Strong Impact
Shop	117	64	124	39
Other	42	37	42	30
Store	56	6	67	10
Electronics/Digital	4	7	1	6
Bakery	4	0	4	4
Restaurant	11	6	6	4
Health	6	16	5	2
Shop/Business Center	6	4	5	2
Beauty Salon	4	1	0	1
Handicraft	3	1	1	1
Traders	2	0	2	1
Book Shop	1	0	0	0
Hotel	1	1	3	0
Wood_Furniture	5	2	0	0

Impact of Strict Laws & Regulation				
Business Type	Low Impact	Moderate Impact	No Impact	Strong Impact
Shop	47	71	118	109
Other	21	37	41	53
Health	4	5	2	18
Store	23	13	88	15
Electronics/Digital	0	2	2	14
Restaurant	5	7	4	11
Shop/Business Center	2	6	4	6
Bakery	3	4	3	2
Beauty Salon	0	3	1	2
Handicraft	2	2	0	2
Wood_Furniture	3	2	0	2
Book Shop	0	0	0	1
Hotel	0	3	1	1
Traders	0	0	4	1

Impact of Technological Backwardness				
Business Type	Low Impact	Moderate Impact	No Impact	Strong Impact
Shop	102	61	141	35
Other	58	28	45	19
Health	13	1	2	12
Restaurant	8	9	5	4
Electronics/Digital	8	5	2	3
Store	39	13	84	3
Bakery	1	0	9	2
Beauty Salon	1	1	2	2
Hotel	1	0	3	1
Shop/Business Center	8	5	3	1
Wood_Furniture	4	0	2	1
Book Shop	1	0	0	0
Handicraft	3	1	2	0
Traders	1	0	4	0

Impact of Labor Quality & Management				
Business Type	Low Impact	Moderate Impact	No Impact	Strong Impact
Shop	91	61	156	32
Other	48	29	55	19
Store	31	15	89	4
Health	2	17	6	3
Restaurant	9	8	7	3
Electronics/Digital	10	2	4	2
Shop/Business Center	7	3	5	2
Wood_Furniture	0	2	3	2
Bakery	3	3	5	1
Beauty Salon	1	4	0	1
Book Shop	0	0	1	0
Handicraft	2	3	1	0
Hotel	3	0	2	0
Traders	3	0	2	0

## Other Findings from the Markets

Some of the other findings from the markets of Multan city and other commercial areas around the division can be generically described as shown in figure 27 below, and still come under the aspects discussed in the earlier sections of the report.<sup>12</sup>

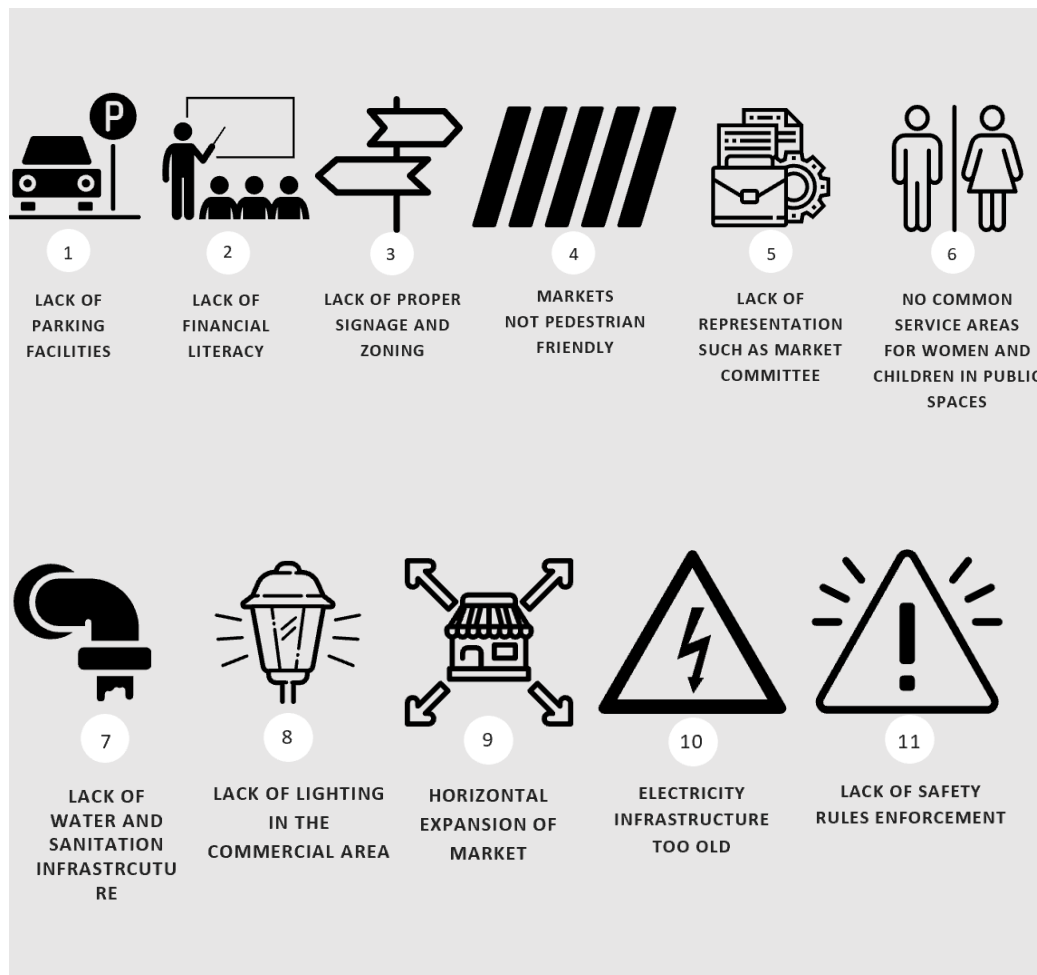


Figure 50: Main Issues in Commercial Areas

## Accessibility Gaps:

Assessment and visits to market have revealed that the commercial areas in Multan face serious infrastructural gaps. The infrastructure currently lacks streetlights, quality pedestrian network, common areas for women/children, proper arcades for shopping in Multan's hot summers, gendered restrooms in any demand-based markets. Customers in all markets felt the need for increased regulation of timings for motor vehicles' entrance into markets. Markets have

<sup>12</sup> Based on observations formed by the visit of the markets



poor signage and wayfinding, making it difficult for new customers to find their way around and locate products.

### **Governance and Security Lapse:**

Markets like Hussain Agahi and Chowk Ghanta Ghar remain some of the most visited markets as seen already, however, there is no zoning in the market. Increasingly, shopkeepers have increased complains of thefts/fraud in the market, however there is no security cameras or financial training to avoid retailers from being ripped off. While there are many market committees (highly politicized), many traders complained of lack of institutional support.

### **Infrastructure Issues:**

The utilities infrastructure is very poor in markets like Hussain Agahi, Chowk Ghanta Ghar bazaars. The poor wiring infrastructure is infamous for causing a big fire incident each year in Hussain Agahi Bazaar, leading to great financial cost. Parking is a major issue in Androon markets, with people parking in narrow streets.

### **Competitiveness Dynamics:**

Talking to traders revealed that the availability of skilled labor in majority of the markets was in line with their demand. This can be attributed to the fact that the majority of the markets are demand-based markets selling low-tech and low-valued products.

This was proven by a lack of relationship between electricity consumption patterns and average sales. Similarly, it was found that standard rental-lease agreements aren't as binding as they're supposed to be. Similarly, there is no standardized brokerage, license and management fees in majority of the commercial establishments in Multan, except for shopping malls.

### **Linkages:**

The survey data shows that majority of the markets in Multan have local forward linkages, with only a few in Gulgashat Colony, and Crafts Bazaar that sell internationally. On the other hand, many bazaars/establishments are buying from international markets like Dubai, and China. Some have backward linkages in the U.S., Iran, and India. Majority of these people are selling relatively high-valued products.

Multan has regional/national linkages too for different products, serving and buying from both Central and North Punjab region.

### **Multan's Future through Trade & Commerce Lens and Beyond**

With the increased industrialization and growth of Multan's agro-based value chain and the betterment of the backward-forward linkages of the division over time due to the increased infrastructural development, the trade and commerce sector is poised to grow over time. The purpose of this exercise, however, is to ensure a sustainable planned growth model prevails, allowing for the existing organic advantages to be augmented.

### **Regional Trade and Commerce**

As the world becomes increasingly interconnected, Multan Division's strategic location is likely to become even more valuable. The division is located at the crossroads of several major transportation routes, including highways, railways, and airways, which provide easy access to markets both within Pakistan and abroad. In addition, the government has invested heavily in improving infrastructure in the region, such as building new highways and airports, which will help facilitate trade and commerce in the future. These developments are likely to attract even more businesses to the area and further boost economic growth. Multan region also acts as a gateway, connecting central/north Punjab to South Punjab, and thus a much bigger market.

For one, the global food processing market is expected to continue growing, and Multan division has natural advantage given the fertile land and infrastructure development compared to

other areas, providing ample opportunities for investment in the region. Furthermore, the government's efforts to attract foreign investment and promote exports like SIEN project, Food Processing Plant in Multan are likely to drive comparative advantage to the region, especially with the establishment of conducive environments for the development of the existing industry and attracting investments into similar areas. Thus, Multan's organically established comparative advantage in the food processing industry and favorable business environment, Multan Division is well-positioned to capitalize on these trends and become a major player in the national/international agro-based economy. However, the Division's potential for growth is not limited to the food processing industry alone. The region has a diverse economy, with strong agricultural and services sectors, and there is ample room for growth in other areas as well.

Already established as a tourist attracting region, the Multan's economy can be catapulted upwards by capitalizing on its 21 artisans and craftsmen to get international fame and develop forward linkages not regionally/nationally as they are now but selling products around the globe. This would not only increase Multan's name in the cultural trade around the world via allowing artisans to attend national/international exhibitions, but also promote their 21 skills as something the next generations of artisans can rely on to sustain themselves in their lives. Establishing a Arts and Crafts village (see industries section) would allow a comfortable place for artisans to showcase and teach their arts, while allowing investors to see and appreciate their art.

However, to ensure the long-term sustainability of these resources, it is crucial to plan for their development in a sustainable manner. This includes supporting and incentivizing businesses to innovate and adopt sustainable practices, as well as providing them with the necessary infrastructure to increase their efficiency. This includes intra and inter-district connectivity, increased governmental support at the source, promotion of indigenous industry, among other interventions. By doing so, not only can we ensure the continued growth of Multan's economy, but also protect the environment and promote the well-being of the local community. A comprehensive approach that balances economic growth with environmental stewardship is necessary for a sustainable future of Multan's organic advantages.

With all these factors in play, under right conditions, Multan Division is well-positioned region of Punjab to become a key player in the national and international economy, especially as a center of trade and commerce in the years to come.

## Interventions

Following are the Proposed Interventions for the Region, and table below gives guidance on the type of project, between being Public Funded, Public Private Partnership (PPP), and Community Led.

Type of Project	Color Code
Public-Funded	
Public-Private-Partnership	
Community-Led	

Table 18: Interventions Proposed for Multan Regional Plan

Area of Intervention	Intervention	Duration Category	Authority	Cost (Million PKR)
	Parking Plazas(Clock Tower/Jhang Road)	Short-Term		
	Gendered Restrooms to be made available in all markets	Short-Term		
	Ensuring Security in Main Hussain Agahi Bazaar	Short-Term		
	Setting up market layout maps outside Multan Craft Market and	Short-Term		

	Providing proper Marketing/Signage for Arts and Craft Bazaar Multan	Short-Term		
	Set up e-commerce and e-marketing trainings for local traders	Short-Term		
	Conduct Feasibility study on Multan's Comparative advantage in Morinaga	Short-Term		
	Opening Expo Centre and Business Centers in Multan and space to Handicraft Sector in every business center/exhibition event	Medium to Long-Term		
	Pedestrianization of Bazaars (Hussain Agahi/Main Bazaar Multan, Khanewal) with proper arcades in all markets to facilitate shoppers in hot summers of Multan	Medium to Long-Term		
	Testing/Certification lab for camel skins	Medium to Long-Term		
	Awareness seminars for business clusters on advantages of inculcating technologies in their business models (Mango Cluster training)	Medium to Long-Term		

	Wood Quality Assurance lab to be set up near Furniture Market	Medium to Long-Term		
	Conduct a Feasibility Study for Fish Processing plants in Multan	Medium to Long-Term		
	Mobilization of local business community for self-improvement of markets where possible	Medium to Long-Term		
	Setting up Art and Craft Training Institute	Medium to Long-Term		
	Revitalize Railway Track that connects Khanewal with rest of Punjab for Cargo Usage	Medium to Long-Term		
	Incentivize setting up CA-Stores and Cold Storages in Multan/Khanewal	Medium to Long-Term		

## Appendix

### 1. Table of Backward Linkages of Multan District

<b>Buying Products for Multan's Markets</b>	<b>Local</b>	<b>Punjab</b>	<b>Other Province</b>	<b>International</b>
China and Pakistani Markets	11.71	26.69	7	16.46
Faisalabad	50.5	0.3	23.2	26.0
Gujranwala	100.0	0.0	0.0	0.0
Hyderabad	30.0	0.0	70.0	0.0
Kala Mandi Lahore	0.5	0.0	0.5	0.0
Karachi	54.2	9.7	16.7	19.4
Lahore	72.9	11.6	15.5	0.0
Medicine Market	1.0	0.0	0.0	0.0
Medicine Market /India	0.6	0.4	0.0	0.0
Multan	38.6	19.6	25.4	16.4
Multan & Faisalabad	30.0	0.0	70.0	0.0
Multan & Gujranwala	30.0	0.0	70.0	0.0
Multan & Lahore	59.0	0.0	41.0	0.0
Multan & Muzaffargarh	60.0	0.0	40.0	0.0
Multan & Sheikhupura	100.0	0.0	0.0	0.0
Multan, Faisalabad	40.0	0.0	60.0	0.0
Multan, Faisalabad Karachi	43.3	11.7	15.0	30.0
Multan, Faisalabad Lahore	56.3	0.0	43.8	0.0
Multan, Faisalabad Lahore Karachi	28.3	30.0	21.7	20.0
Multan, Faisalabad	15.0	0.0	85.0	0.0

Multan, Faisalabad Lahore	30.0	0.0	70.0	0.0
Multan, Faisalabad Lahore	7.5	0.0	92.5	0.0
Multan, Faisalabad Lahore Karachi	5.0	90.0	5.0	0.0
Multan & Lahore	42.3	0.0	57.7	0.0
Multan, Faisalabad & Lahore	25.0	0.0	75.0	0.0
Multan, Faisalabad, China	30.0	40.0	30.0	0.0
Multan, Gujranwala	30.0	0.0	70.0	0.0

## 2. Major Destinations for Multan's Products

Destinations for Multan's Products				
Destinations	International	Local	Punjab	Other Provinces
Multan	0.1	71.3	12.3	0.1
Multan, Jhung	0.0	50.0	50.0	0.0
Multan, Lahore	0.0	72.5	27.5	0.0
Multan, Muzafargarh	0.0	58.0	42.0	0.0
Multan, Dubai, Saudi Arabia	70.0	30.0	0.0	0.0
Multan, Khanewal, Vehari	0.0	65.0	37.5	0.0
Multan, Lahore, Karachi	0.0	70.0	20.0	10.0
Multan, Lahore, Karachi, Dubai	10.0	65.0	15.0	10.0



