

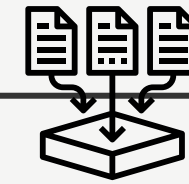
*Rawalpindi
Regional Plan*

Trade & Commerce and Industrial Development Plan

Approach & Methodology



Pre-Visit
Desk Review



Primary Data
Collection



Situational Analysis



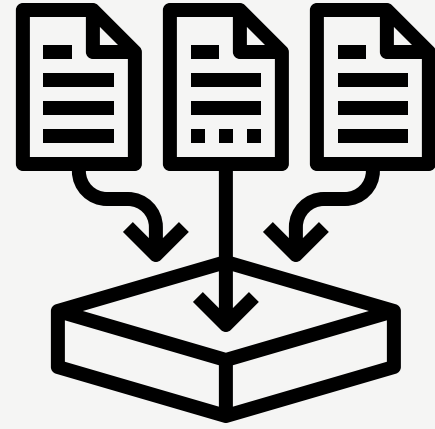
Trade & Commerce and
Industrial Development Plan



Submission of Draft
Presentation & Plan



Final Plan



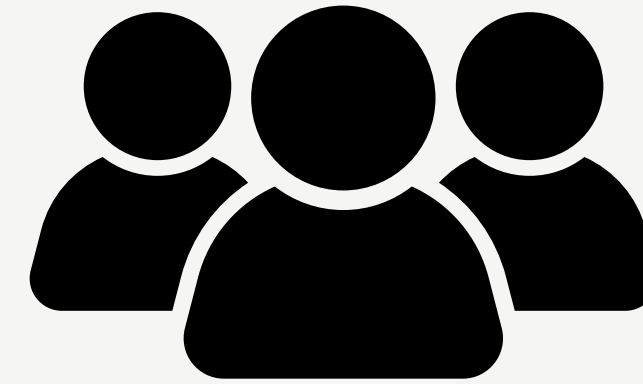
Primary Data Collection

Inception Visit

17th-19th July

Field Visit

31st July-7th August



Project Team

Specialist Economics

Khurram Afzal Malik

Program Manager

**Industries and
Trade & Commerce**

Misha Babur

Stakeholder consultations & Field Visits

Ghandara Art Village, Marble



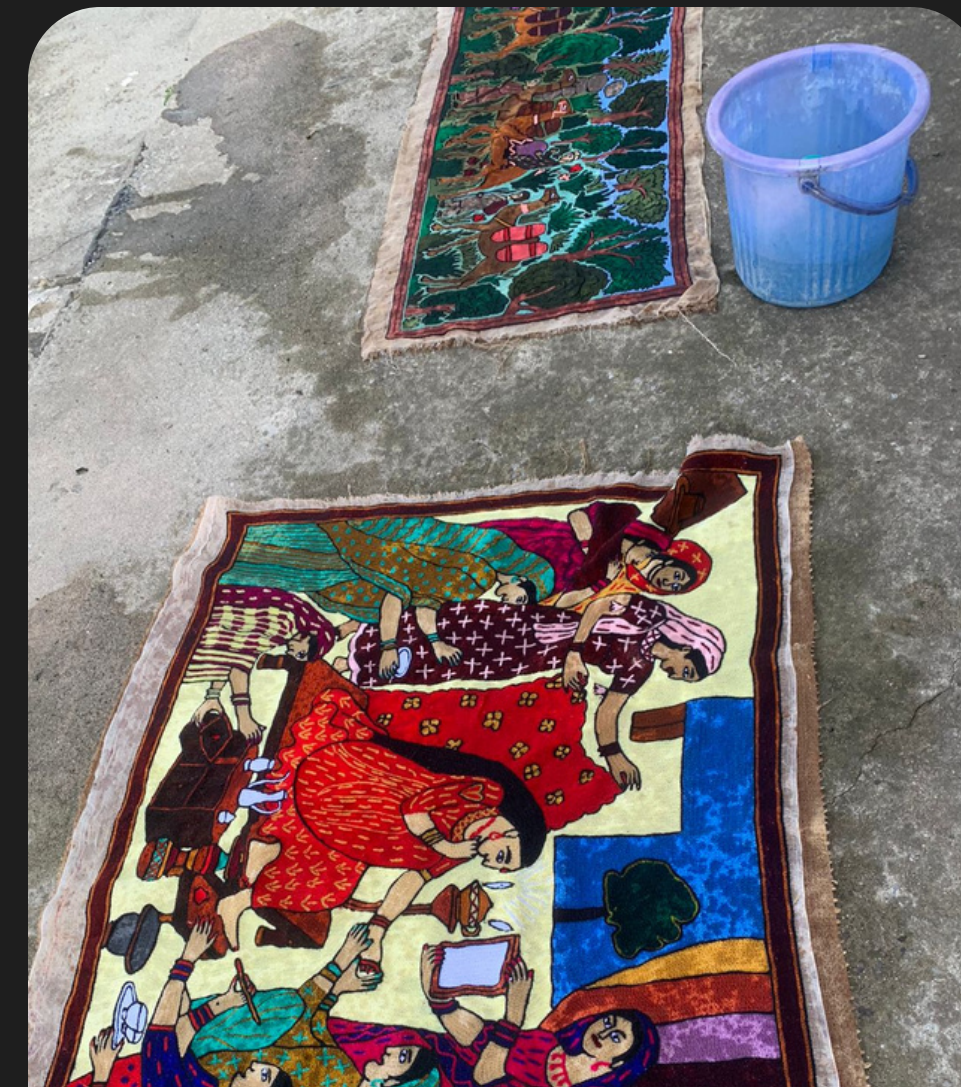
Industrial Estate, Chakwal

Meeting with Gems & Jewellery Sector



Meeting with Rawalpindi Chamber of Commerce & Industry

PSIC, Murree



Small Industrial Estate, Jhelum

Meeting with Director Development, Rawalpindi



Findings From the Stakeholder Meetings & Market Visits

Accessibility Gaps

Assessment and visits to market have revealed that the commercial areas in Rawalpindi face serious infrastructural gaps. The infrastructure currently lacks streetlights, quality pedestrian network, common areas for women/children, proper arcades for shopping in Rawalpindi's hot weather during summertime, gendered restrooms in any demand-based markets. Customers in all markets expressed the need for increased regulation of timings for motor vehicles' entrance into markets. Major markets in Rawalpindi like Raja Bazaar and Jamia Masjid Road have lack of signage in and wayfinding, making it difficult for new customers to find their way around and locate products.

Governance and Security Lapse

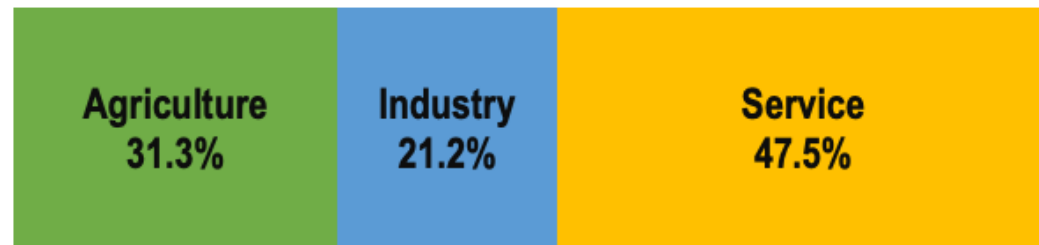
Main markets like Raja Bazaar and allied markets like Murree Road remain some of the most visited markets, however, there is no zoning in main markets of majority of the division. Increasingly, shopkeepers have filed complains of thefts/fraud in the market, however there is no public security cameras in the markets nor any financial training for retailers to avoid getting being ripped off from ever-revolutionizing scammers. 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 Raja Bazaar, Purana Qila, 6th Road and Murree Road to name a few. Situation is worse in local markets in other districts. Parking is a major issue in Androon markets, with people parking on streets and cars/bikes causing trouble to pedestrians looking to shop in the areas.

Rawalpindi Division

Labor force distribution



10

POPULATION (MIL)

28

URBAN AREAS

3.1

URBAN POPULATION (MIL)

Labor force male/ female ratio

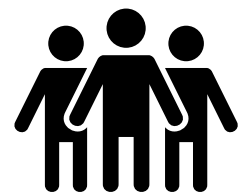


77%



23%

Working age population



78%

Agricultural clusters

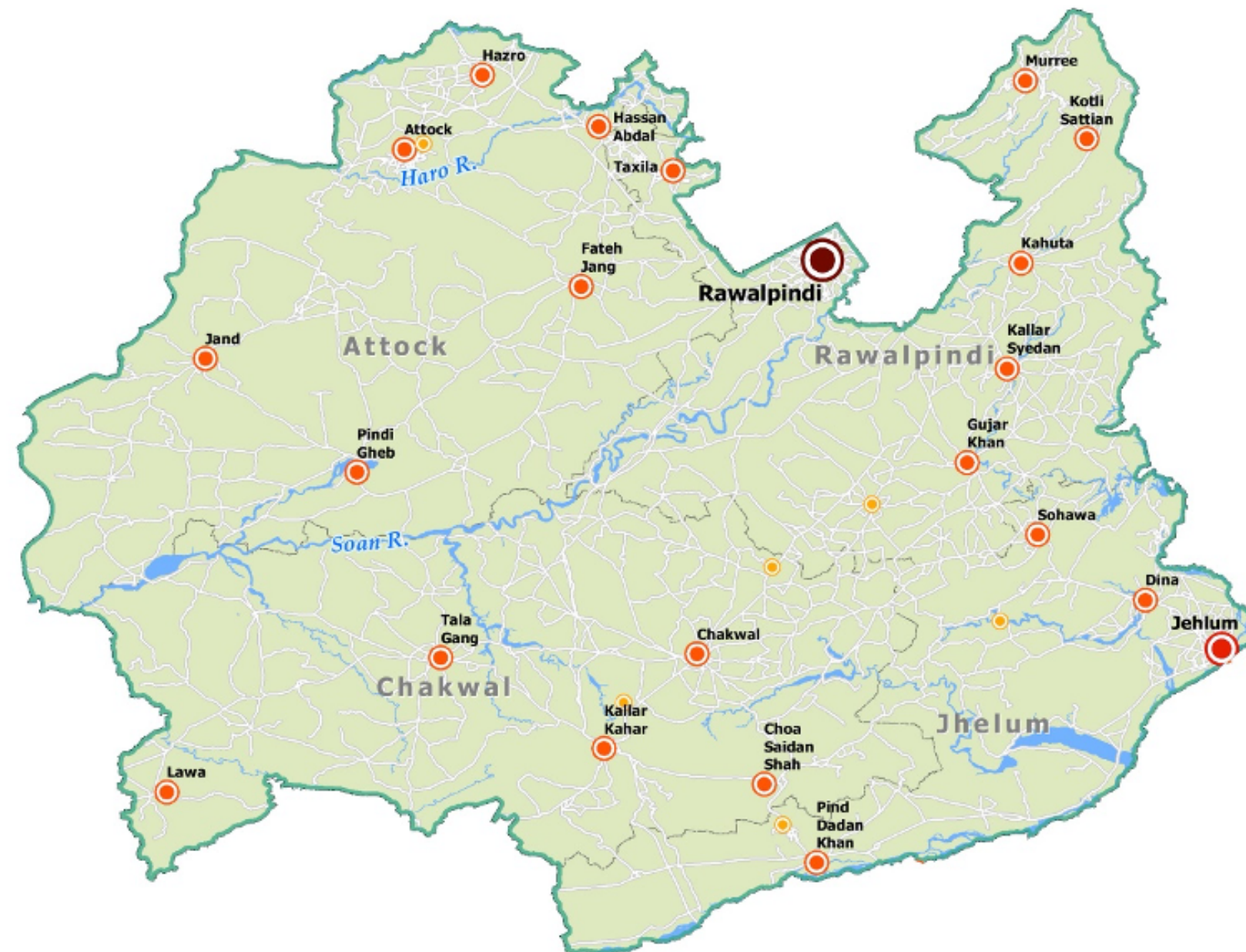
Olive & grapes valley, pulses & groundnut

Industrial clusters

LSM & heavy industries, hi-tech, chemicals, mines & minerals processing

Services clusters

Government Services, transport & logistics, retail & wholesale, financial services, hotels & resorts, restaurants, real estate, media, telecom, education, healthcare, community services, IT, tourism, electricity, water & sanitation

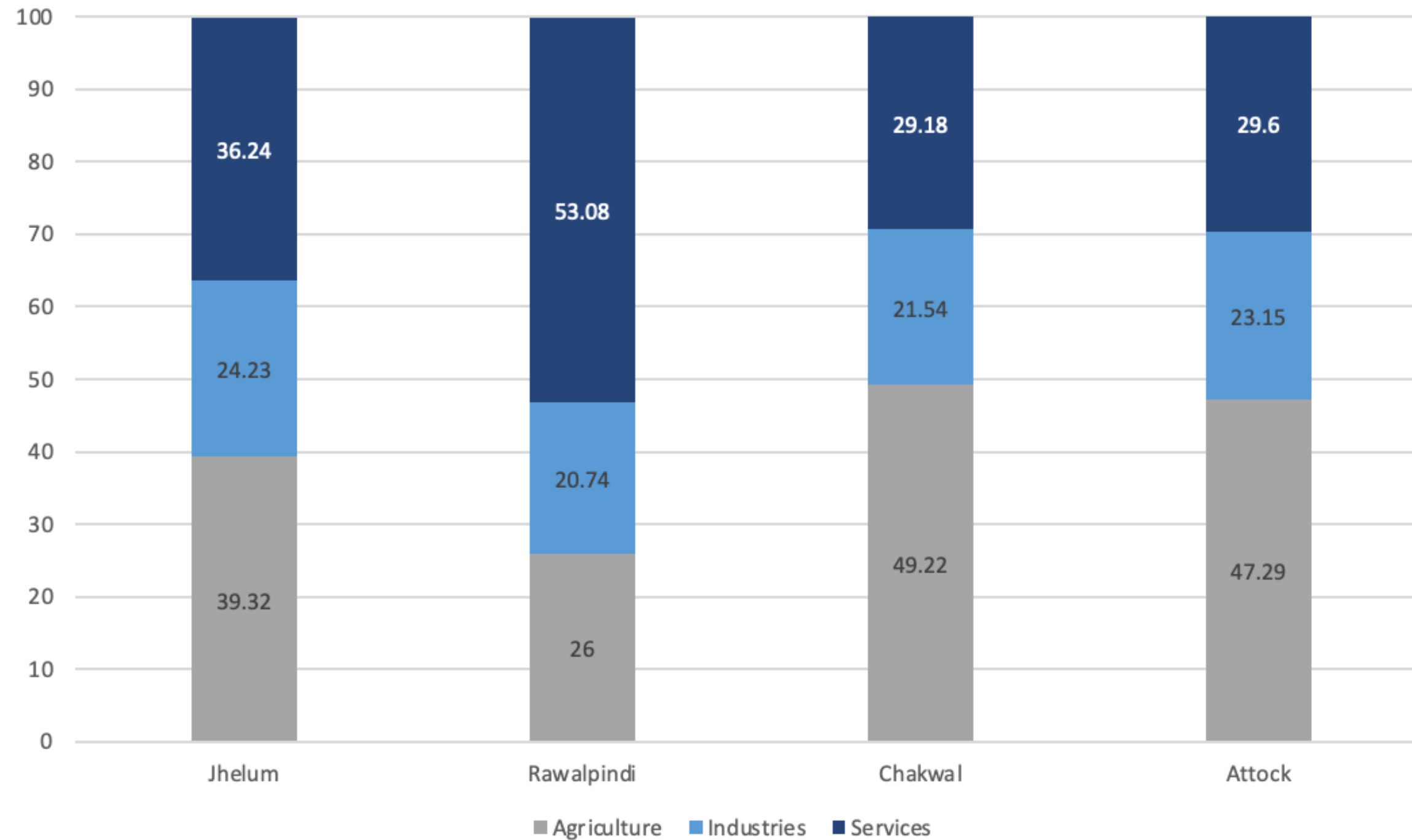


Legend

- Metropolitan Corporation
- Municipal Corporation
- Municipal Committee
- Town Committee
- Road Network
- River
- District Boundary
- Division Boundary

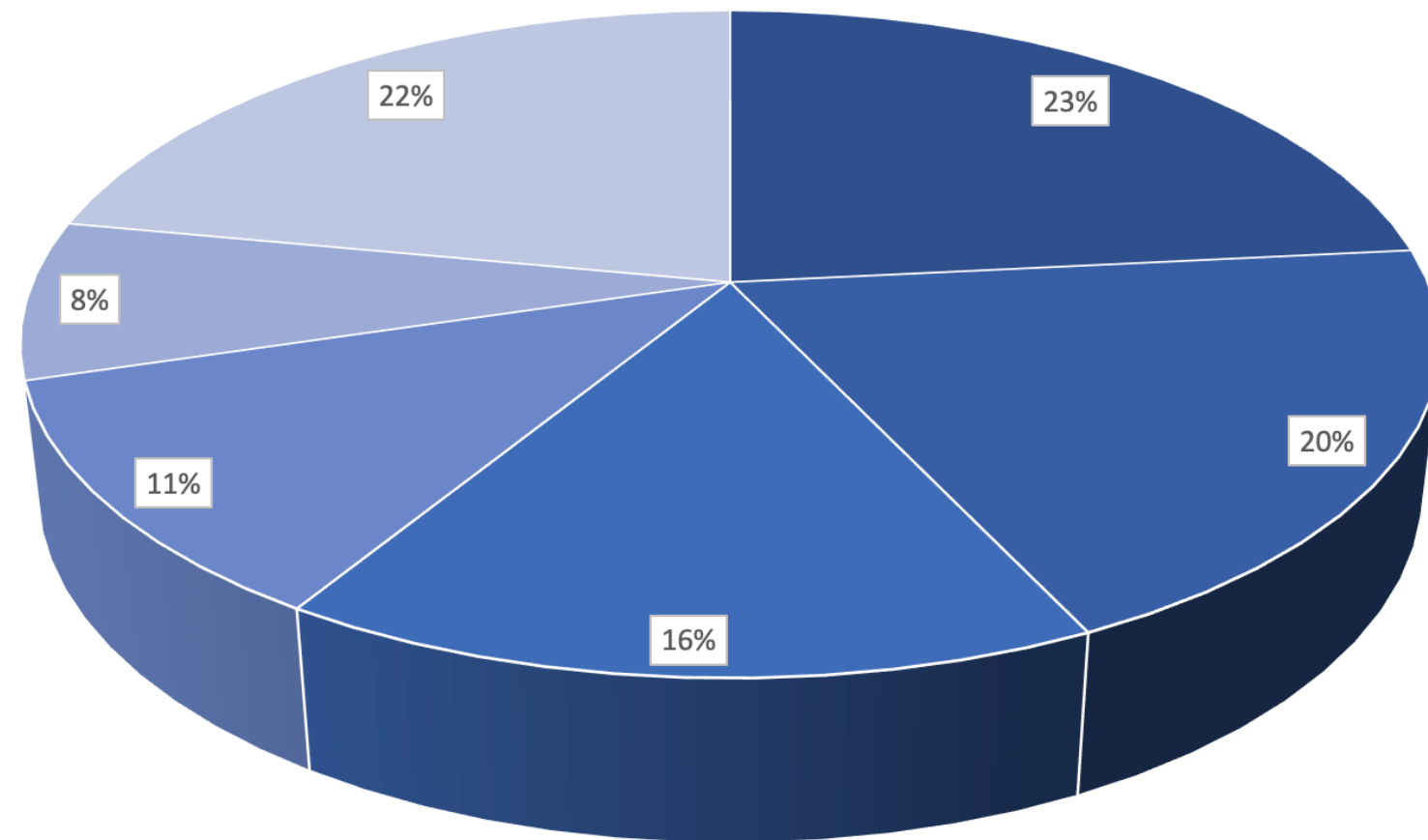
Labor Force Survey

District-Wise Sectoral Employment Rawalpindi



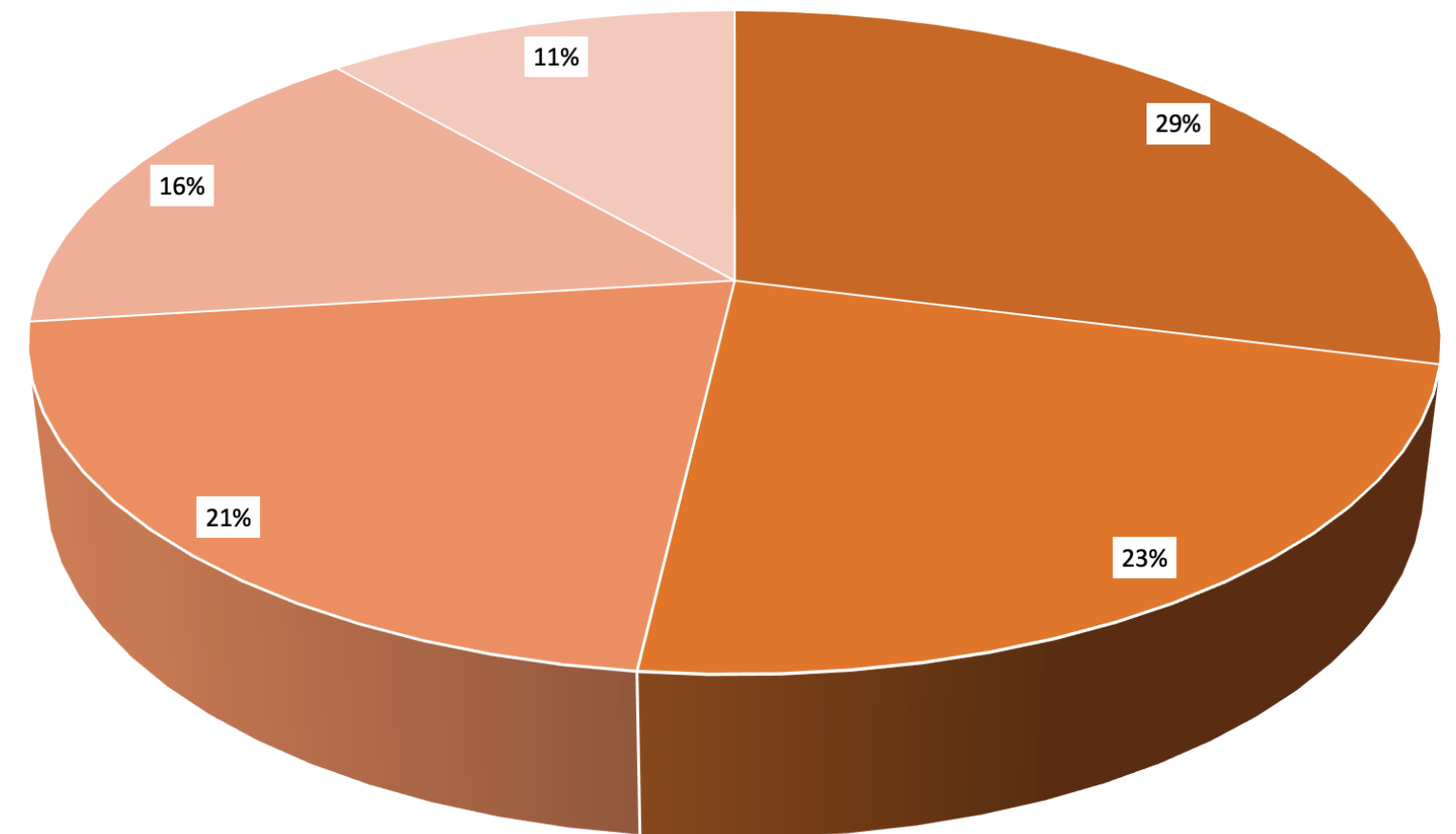
Labor Force Survey

Jhelum District Sub- Sectoral Employment



- Construction
- Wholesale & Retail Trade
- Manufacturing
- Transportation and Storage
- Education
- Others

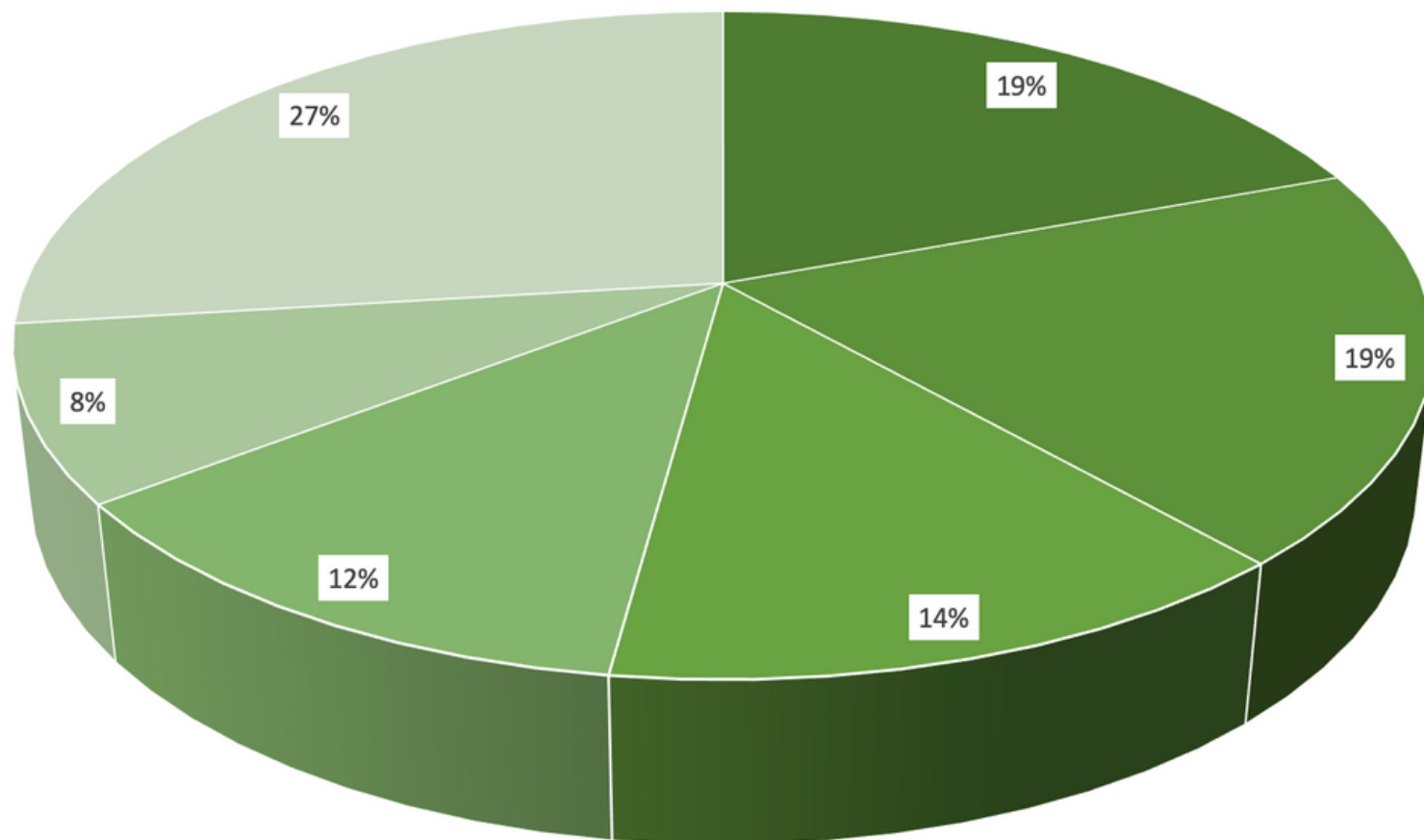
Rawalpindi District Sub- Sectoral Employment



- Wholesale & Retail Trade
- Construction
- Manufacturing
- Transportation and Storage
- Others

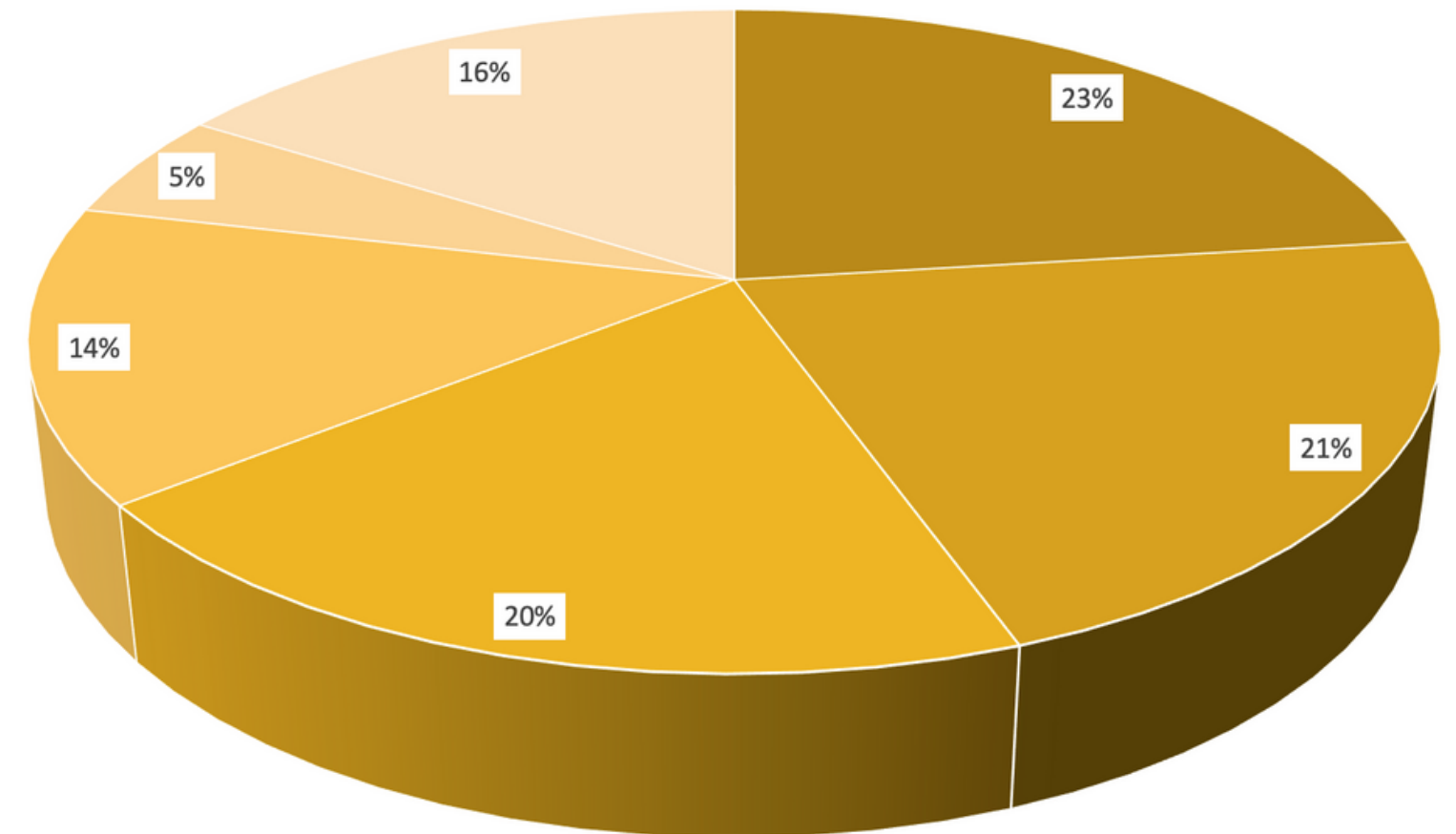
Labor Force Survey

Chakwal District Sub- Sectoral Employment



- Construction
- Wholesale & Retail Trade
- Mining and quarrying
- Transportation and Storage
- Manufacturing
- Others

Attock District Sub- Sectoral Employment



- Construction
- Wholesale & Retail Trade
- Manufacturing
- Transportation and Storage
- Education
- Others

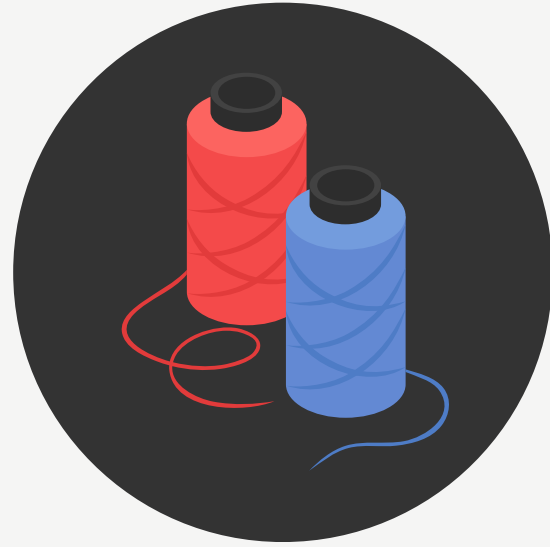
Trading/ Manufacturing Clusters in Rawalpindi

- Trading and manufacturing clusters, which encompass various business and workshops
- Manufacturing & local trading

which include textiles, handicrafts, shoe manufacturing, marble, leather goods, gems & jewellery and more

- Contributes to local employment and preserves traditional skills in handicrafts and local products

Trading/ Manufacturing Clusters in Rawalpindi



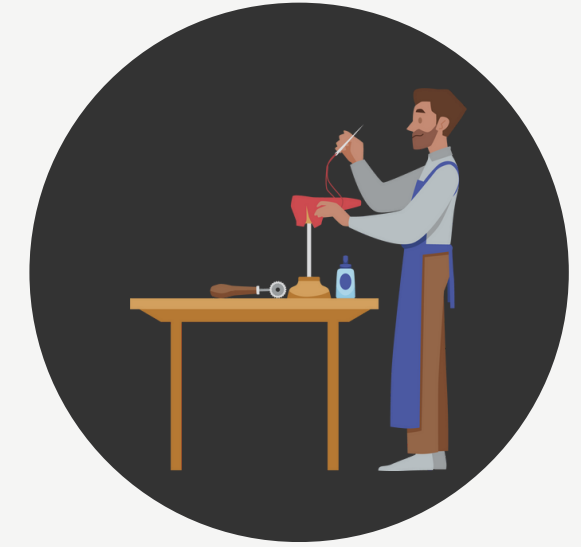
Textiles

Rawalpindi and its surroundings have small-scale textile manufacturers, workshops and markets that produce & also sell many textile products like clothing, fabric and other accessories. Rawalpindi's small textile sector helps contribute to the local economy as well as trade.



Handicrafts (Ghandara Art Village)

Rawalpindi is known for its rich heritage of handicrafts including woodwork, marble work, textiles, embroidered fabrics, rugs carpets, & more. The products include intricate designs that showcase the talents of local artisans & reflect the culture and history of the region.



Shoe Manufacturing

Rawalpindi has a significant shoe manufacturing industry which contributes to the city's economy & local trade. Shoe manufacturers produce a variety of footwear, including formal and casual shoes, sandals & more. These manufacturers supply to both local and regional markets.

Trading/ Manufacturing Clusters in Rawalpindi



Marble

The Rawalpindi region has a significant marble industry, specifically in Taxila. The marble industry in this region involves the extraction, processing and trading of marble and related products. It's known for its quality and is used for not only construction and interior decor but also for sculptures.



Leather Goods

There are small businesses that produce leather products such as shoes, bags belts & accessories. Just like other small-scale businesses these cater to both local and regional markets. These are easily available in the markets and shops within Rawalpindi region.



Gems & Jewellery

Rawalpindi is known for its gem stones and jewellery-making. Markets and bazaars in Rawalpindi have a significant cluster of jewellery stores offering both traditional and modern designs. Gemstones & jewellery hold cultural and traditional significance in Pakistan.

Industrial Profile Rawalpindi Division

Industrialization Status

Rawalpindi has experienced significant industrial development and has different ranges of industries from textile to food & beverage. The industrial sector has witnessed substantial investment, leading to the establishment of factories and production facilities.

Diversification

Rawalpindi region's export profile is extremely limited. It is either non-existent or is concentrated markets or countries. This lack of market diversification limits the regions ability to leverage opportunities and adapt to changing global trade dynamics.

Export Potential Assessment

Despite its industrial status, the district's export potential remains largely underutilized. The findings indicate that the districts' fall short in terms of tapping into international markets, product innovation, market access and maximizing its export capabilities. Specially the food processing industry and home textile industry needs to grow to the next levels of the value chain.

Collaboration & Networking

Rawalpindi region's industrial sector could benefit from increased collaboration and networking among local businesses, industry associations, and relevant government agencies. Establishing platforms for information exchange, sharing best practices, and fostering collaboration can stimulate innovation, enhance competitiveness, and unlock untapped export potential.

Industrial Presence in Rawalpindi Division

District	Small	Medium	Large	Total Units	Employment
Attock	131	10	2	143	4,110
Chakwal	289	6	6	301	8,542
Jhelum	371	9	2	382	5,824
Rawalpindi	958	35	7	1,000	19,626
Total	1,749	60	17	1,826	38,102

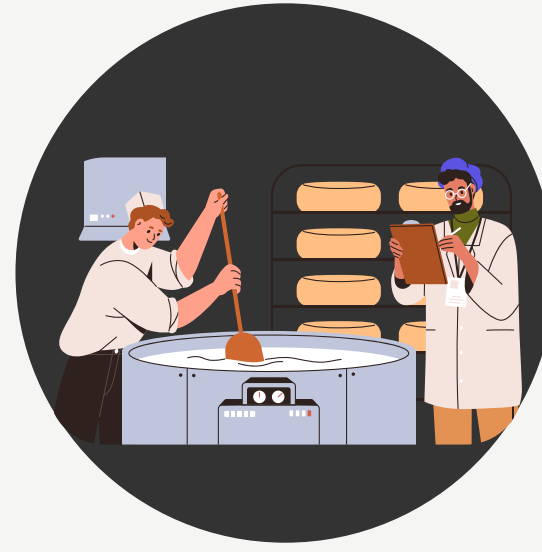
11%

of non-metallic mineral production
employment in Punjab is from
Rawalpindi Division

Industries Sector Overview: Rawalpindi Division



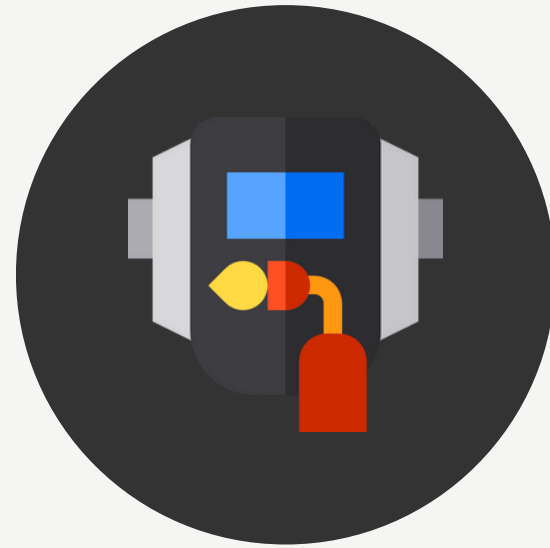
***Other Non-Metallic
Mineral Products***
Employment: 11,412
Units: 497
% of Punjab: 11%



Food Products
Employment: 7,128
Units: 421
% of Punjab: 8%



Furniture Industry
Employment: 2,280
Units: 302
% of Punjab: 11%



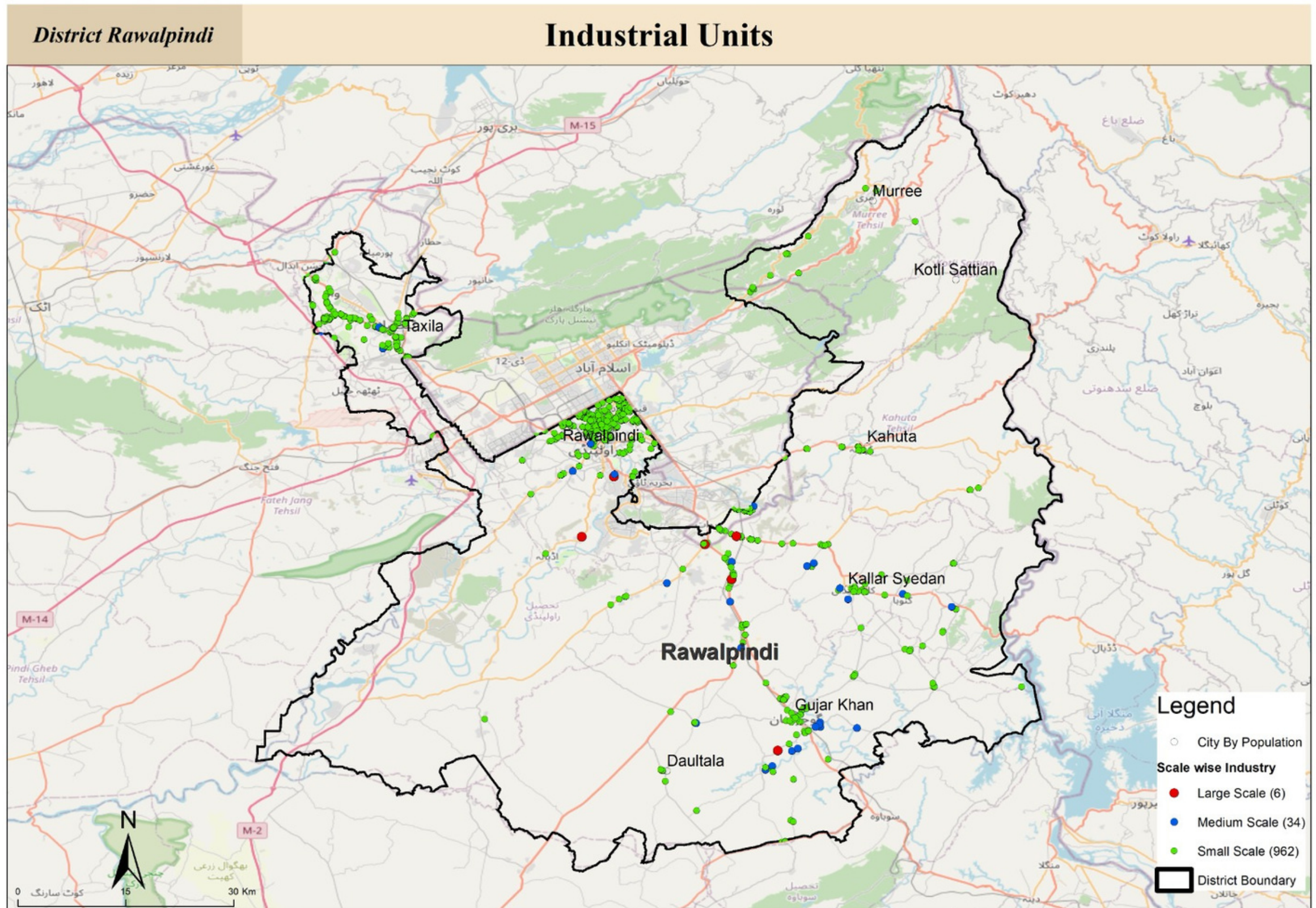
Fabricated Metal Products
Employment: 907
Units: 118
% of Punjab: 3%



Others
Employment: 16,375
Units: 488
% of Punjab: 2%

Industrial Presence of Rawalpindi

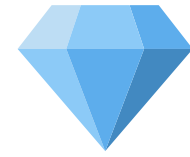
- The industries are mostly spread out within the district
- Food production is a major sector with export potential
- Establish dedicated weaving, spinning and stitching zones in identified industrial zones and corridors
- Create and establish training units for the gems & jewellery sector
- Food production industry makes up for 15% of total industries, while furniture is 12% and other non-metallic mineral products are 10%



Handicrafts in Taxila

- Taxila, located in Pakistan, has a **rich history** dating back to ancient times. It was an important center for trade and craftsmanship, which laid the foundation for its handicraft cluster.
- Taxila's handicraft cluster is known for producing **a wide range of crafts**, including pottery, ceramics, jewellery, marble, textiles, and metalwork.
- The region is home to **skilled artisans** who have inherited their craft techniques from generations, preserving traditional methods and designs.
- Taxila is particularly famous for its **pottery and ceramic** production. Artisans create designs on various types of pottery and ceramic items.
- The production of handmade **jewellery** is another significant aspect of the handicraft cluster. Artisans craft beautiful pieces using semi-precious stones, metals, and traditional techniques.
- **Textile** weaving and embroidery are also prevalent in Taxila. The region produces high-quality fabrics with traditional patterns and motifs.
- **Metalwork & marble work**, including brass and copper items, is a thriving craft in Taxila. Artisans create exquisite utensils, decorative pieces, and religious artifacts.
- Visitors can explore local marketplaces in Taxila to purchase these handmade crafts, making it a significant source of income for the artisans and boosting the **local economy**.

Rawalpindi as the “Gem City”



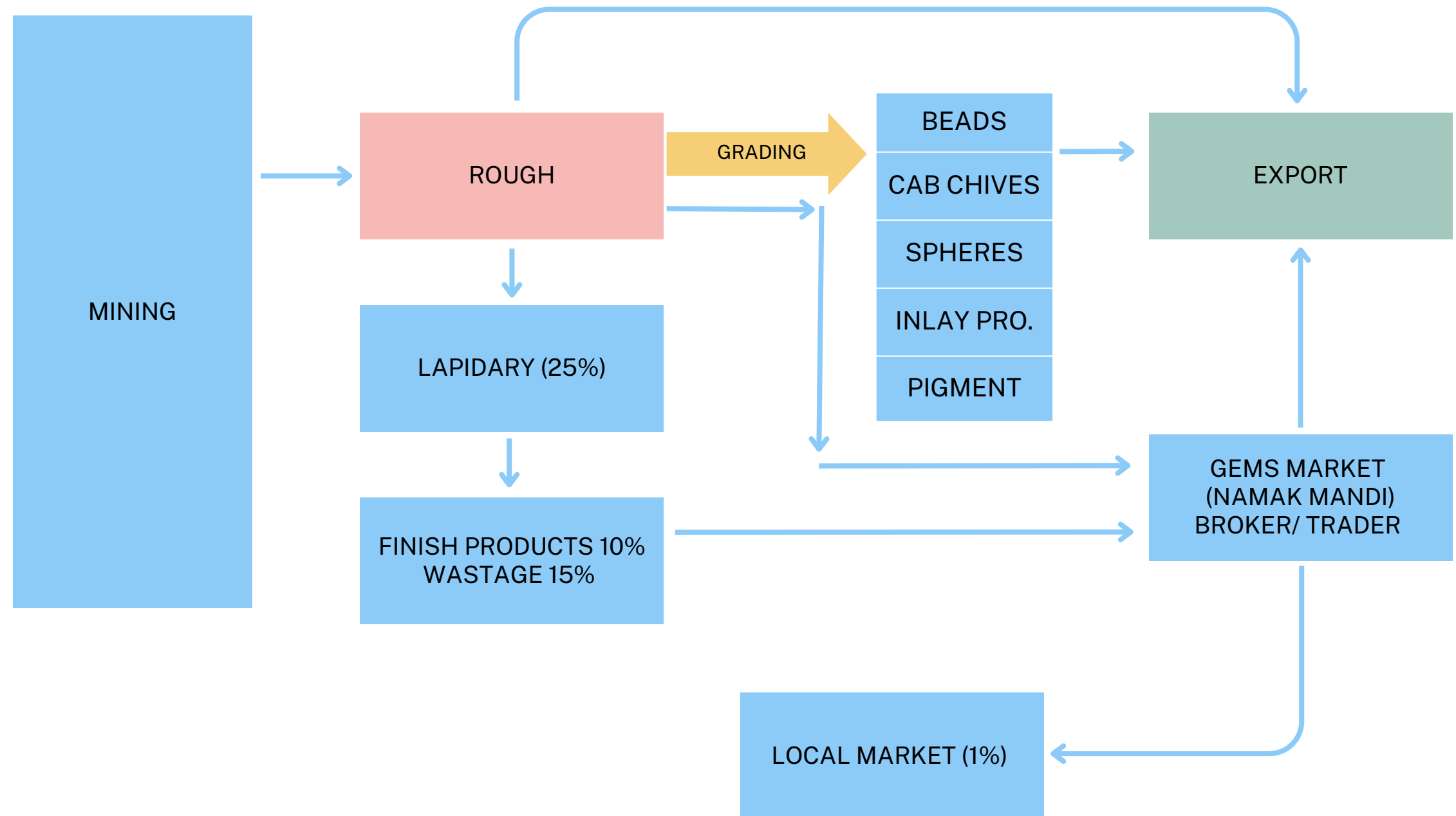
Pakistan's gems and jewellery industry in Rawalpindi plays a significant role in the country's economy, providing employment opportunities and contributing to exports while showcasing the nation's rich cultural heritage and craftsmanship.

- **Trade Hub:** Establish a specialized gemstone market and/or district within Rawalpindi, where local and international gem traders can showcase & trade
- **Gemstone Museum:** Create a Gemstone Museum showcasing the history, artistry, and cultural significance of gemstones.
- **Gemstone Workshops:** Offer training programs and workshops in gemstone cutting, polishing, and jewelry making to develop local craftsmanship. This will enhance the skillset of the local workforce and promote entrepreneurship.
- **Supportive Policies:** Collaborate with government bodies to create favorable tax policies and regulations for the gem and jewellery industry. This will encourage investment and growth in the sector
- **International Trade Partnerships:** Forge partnerships with international gem markets and associations to facilitate global trade connections and promote Rawalpindi as a reliable source of quality gemstones.
- **Infrastructure Development:** Invest in modern infrastructure, including secure transportation and storage facilities for gemstones, to ensure the safety and integrity of the industry.

Gem & Jewellery Value Chain

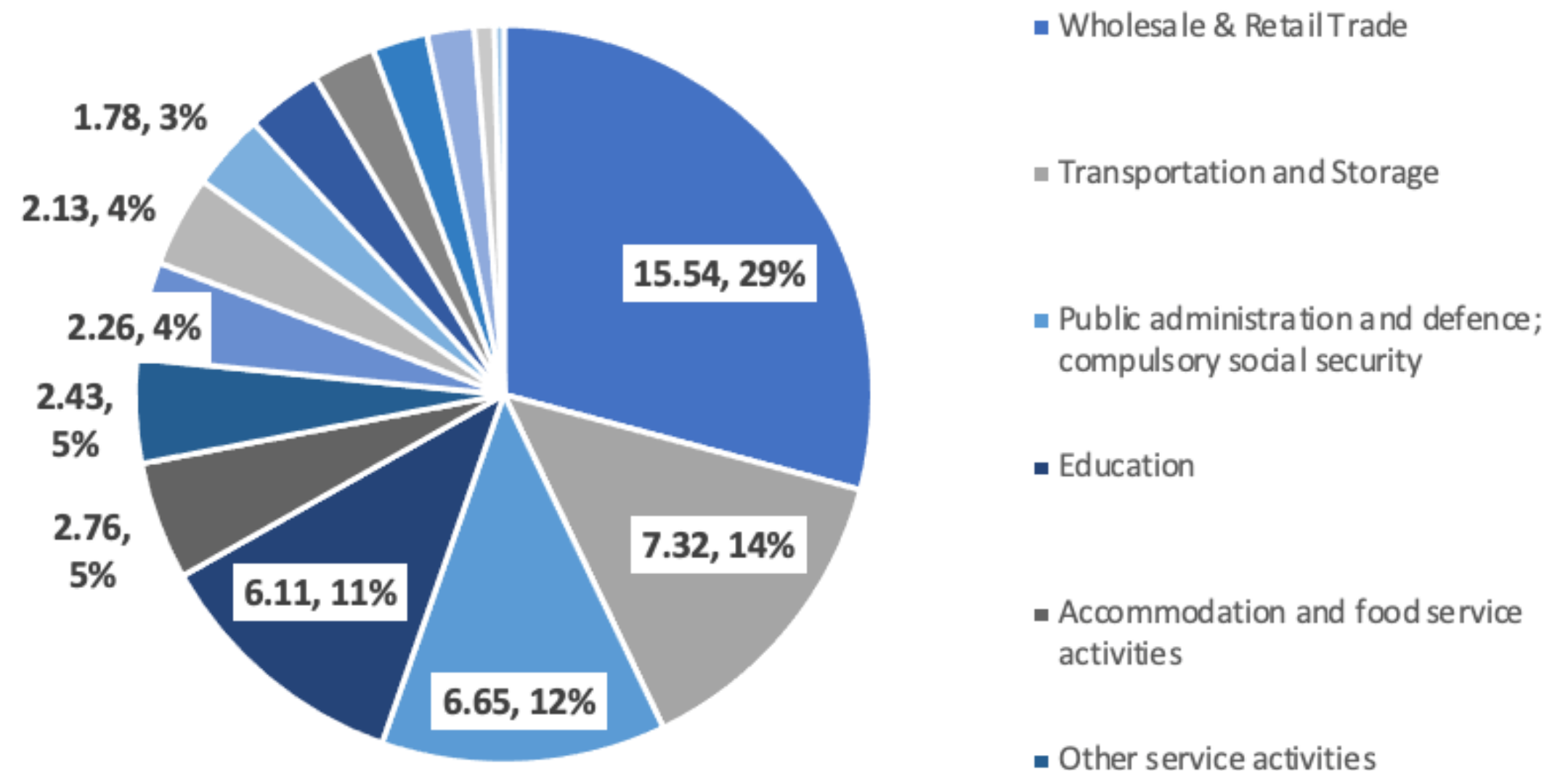
The gems and jewellery value chain in Pakistan encompasses several key stages;

- Extraction of gemstones from various mines across the country, including regions like Gilgit-Baltistan and Balochistan, which are known for their rich mineral deposits.
- These raw gemstones are then sorted, cut, and polished by skilled craftsmen and artisans.
- They are then often set into intricate jewellery designs, with areas in Punjab serving as major hubs for jewellery manufacturing.
- Finished products are then distributed through a network of wholesalers and retailers, both domestically and internationally.



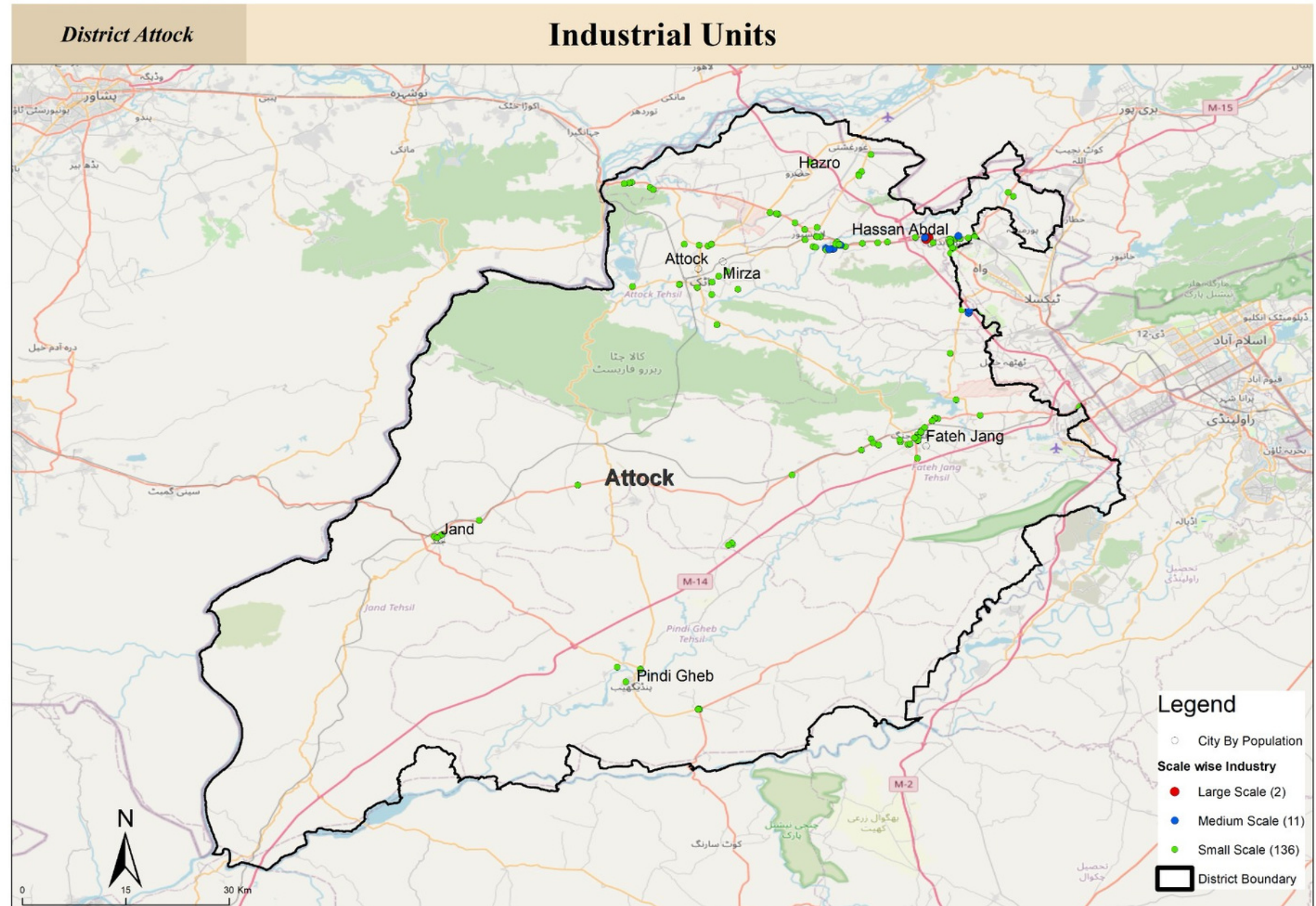
Rawalpindi District Sub-Sectoral Employment: Trade & Commerce

- Rawalpindi has highest percentage(15.54%) of Labor force working for the Wholesale and Retail Trade Sector (LFS-2020)
- Within Trade and Commerce Sector, Wholesale and retail remained the biggest sector followed by Transport and Storage

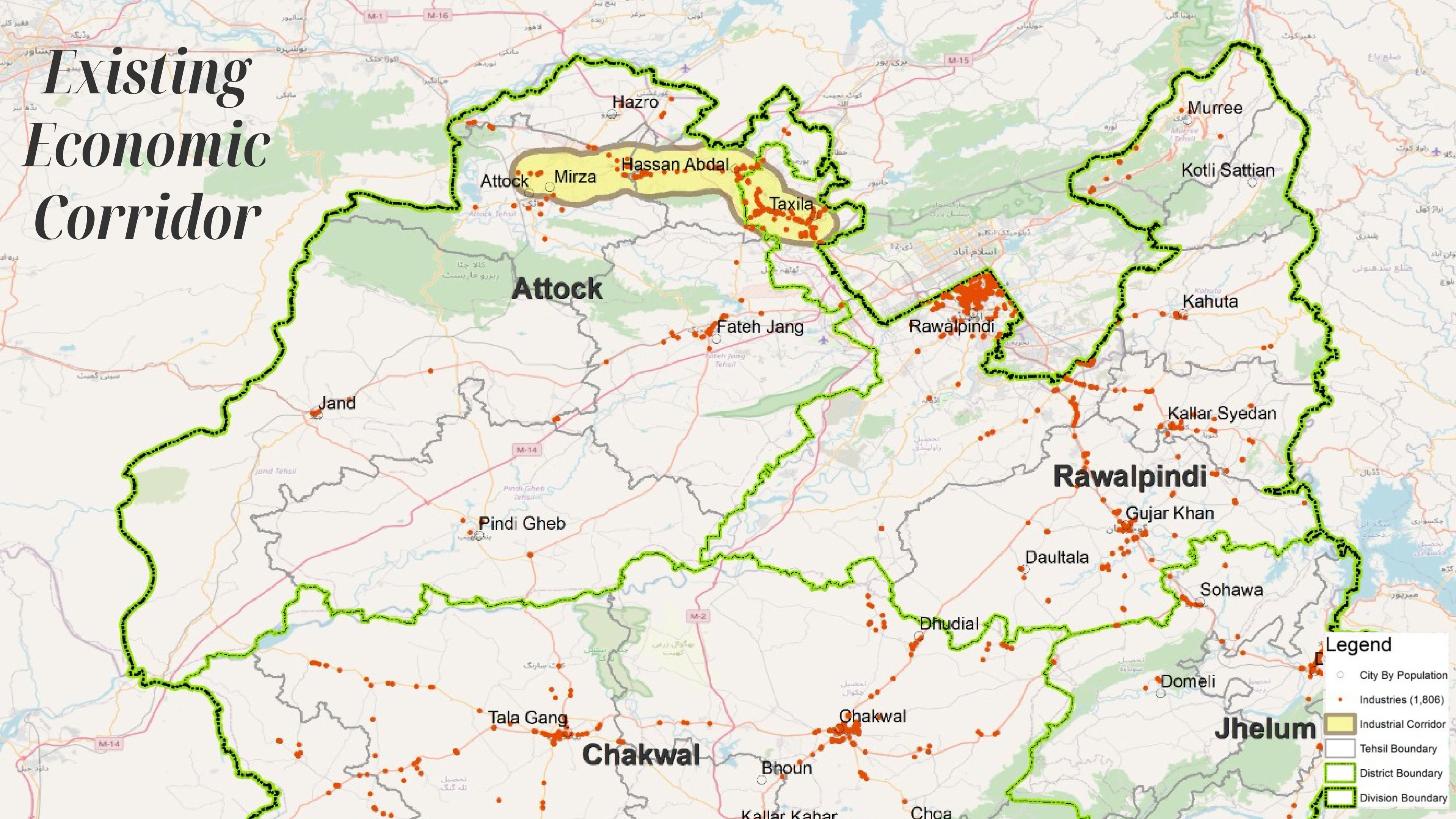


Industrial Presence of Attock

- Food production makes up for 22% of total industries, followed by 16% for non-metallic mineral products and then furniture as 7%.
- Industries in Attock are mostly clustered in one area.
- Attock is one of the least industrialized district
- Textile, mineral, food processing, chemical, pharmaceutical, construction materials and consumer electronics can be the emerging clusters.



Existing Economic Corridor



Legend

- City By Population
- Industries (1,806)
- Industrial Corridor
- Tehsil Boundary
- District Boundary
- Division Boundary

Economic Corridor Development

- Aim is to marshal and systematize the regional spatial development for maximizing socio-economic gains
- Using existing network of economic activities and improving their competitiveness and productivity for value addition
- Objectives of Corridor Development
 - Utilize spaces in efficient manner
 - Link economic activities
 - Provide enabling infrastructure
 - Leverage existing land for revenue generation
 - Improve firm-level linkages



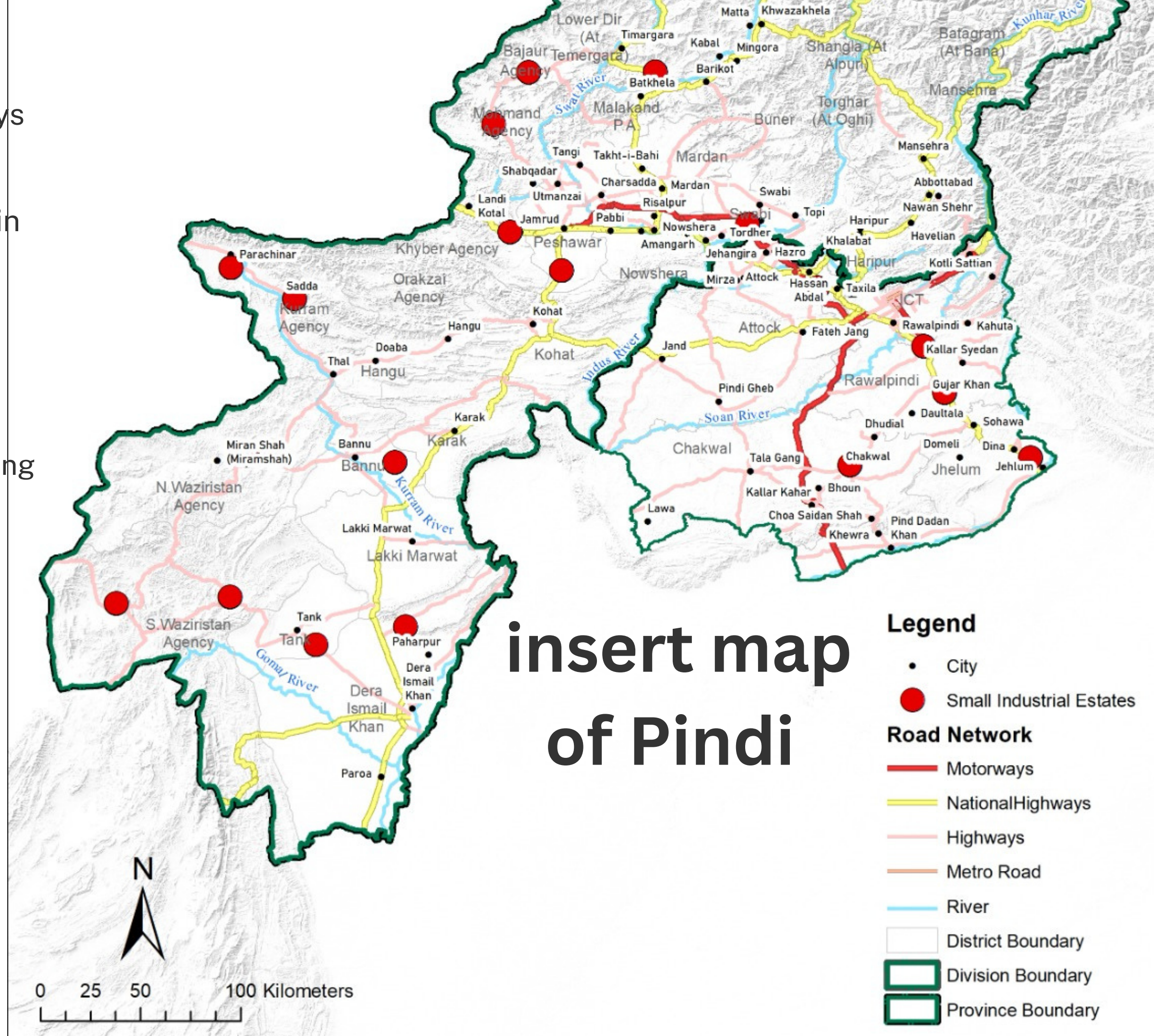
The impact of the quality of life from KPK on Rawalpindi can be influenced in potential ways below:

People may migrate from KPK to Rawalpindi in search of better quality of life, which could impact **population growth and demographic dynamics** in Rawalpindi

If KPK experiences **economic growth and development**, it can create opportunities for businesses and employment, indirectly benefiting Rawalpindi through trade and labor market interactions.

Infrastructure Development: Investments in **infrastructure** in KPK, such as roads and transportation networks, can enhance connectivity between KPK and Rawalpindi, facilitating more trade and travel.

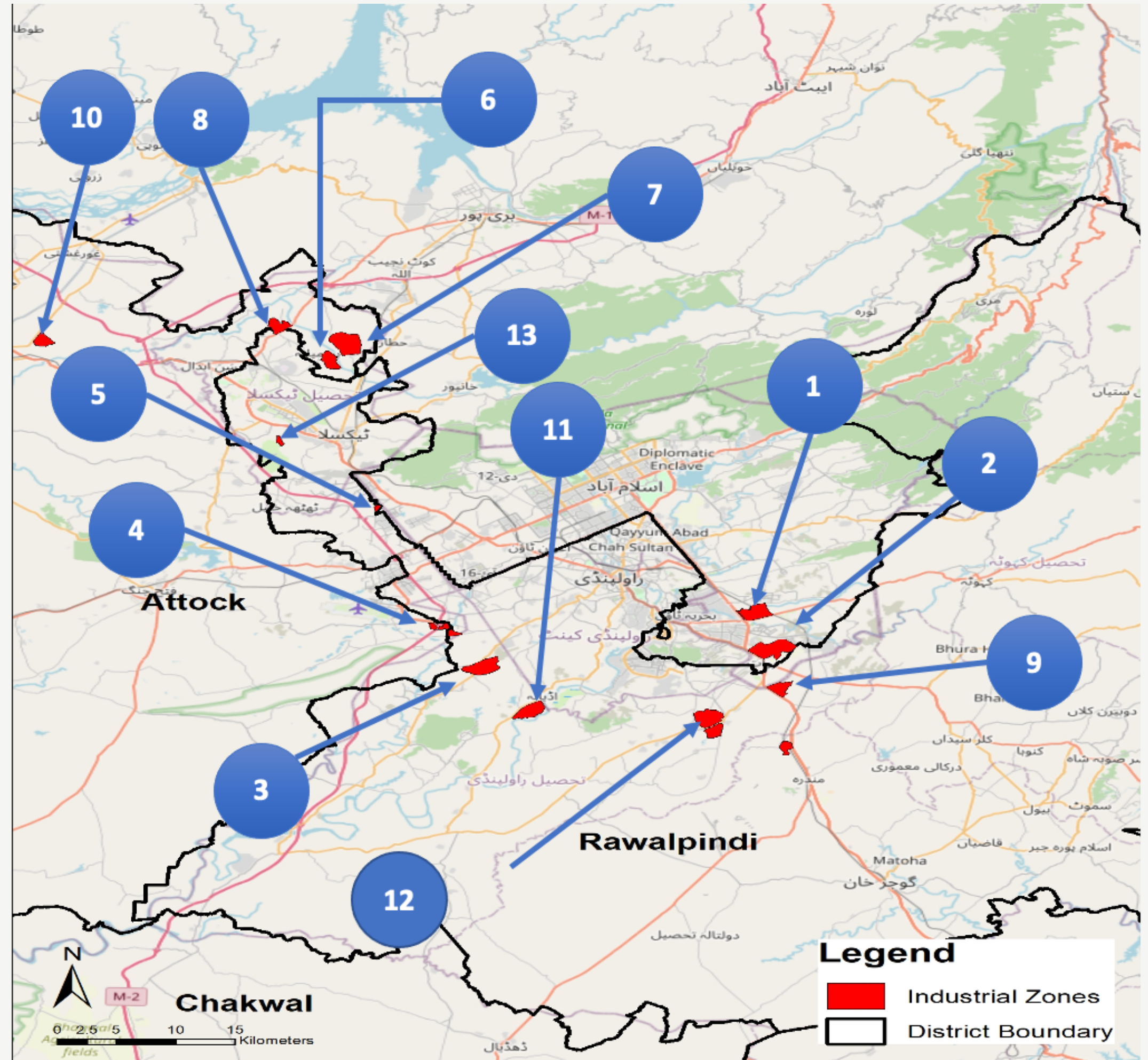
If KPK improves its education and healthcare systems, it can affect the quality of human capital that moves to Rawalpindi, potentially contributing to a more **skilled and healthy workforce**.



Potential Sites

13 potential sites identified for the industrial estate in Rawalpindi Division. The extent and boundary of the sites is considered grey/blended. These sites were selected for further screening and assessment

1	Gagri
2	Mohri
3	Int. Thallian -SE Site
4	Int.Thallian -NW Site
5	Pasuwal
6	Dhok Noor Khan
7	Jahan Abad -Attack
8	Adjacent to N35
9	Pak Broadcasting
10	Int. Burhan
11	Adyala Interchange
12	Rawat Chekbeli Road
13	Thatta Khalil Road

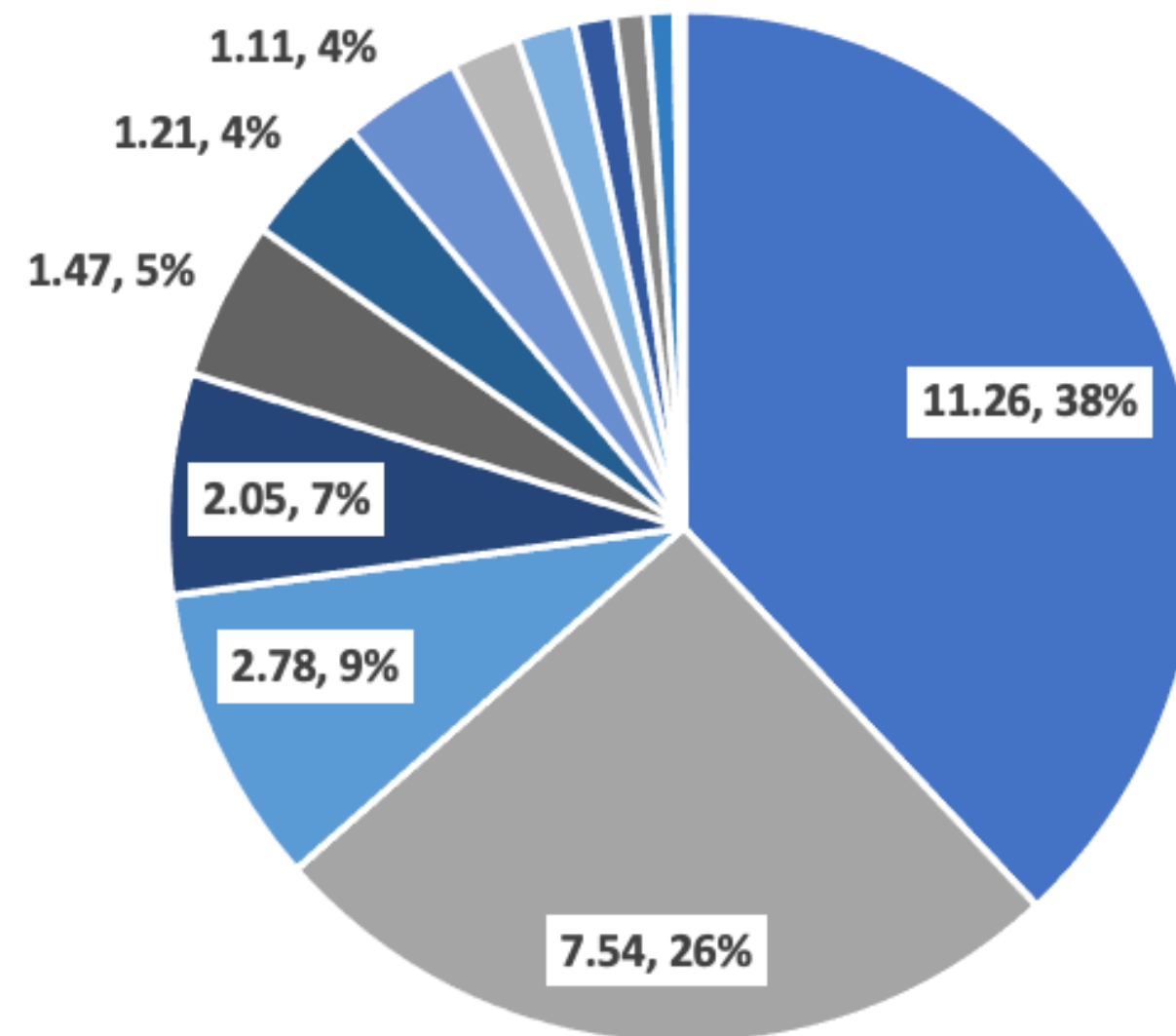


Recommendations

Sr. No	Site Name	Physical Feature	Industrial Presence	Connectivity	Infrastructure	Environment
1	Adjacent to N35	●	●	●	●	●
2	Pasuwal	●	●	●	●	●
3	Dhok Noor Khan	●	●	●	●	●
4	Interchange Thallian - SE	●	●	●	●	●
5	Interchange Thallian - NW	●	●	●	●	●
6	Interchange Burhan	●	●	●	●	●
7	Jahan Abad -Attock	●	●	●	●	●
8	Mohri	●	●	●	●	●
9	Near Sarai Shah Wala	●	●	●	●	●
10	Gagri	●	●	●	●	●
11	Pak Broadcasting	●	●	●	●	●
12	Rawat Chekbeli Road	●	●	●	●	●
13	Adyala Interchange	●	●	●	●	●

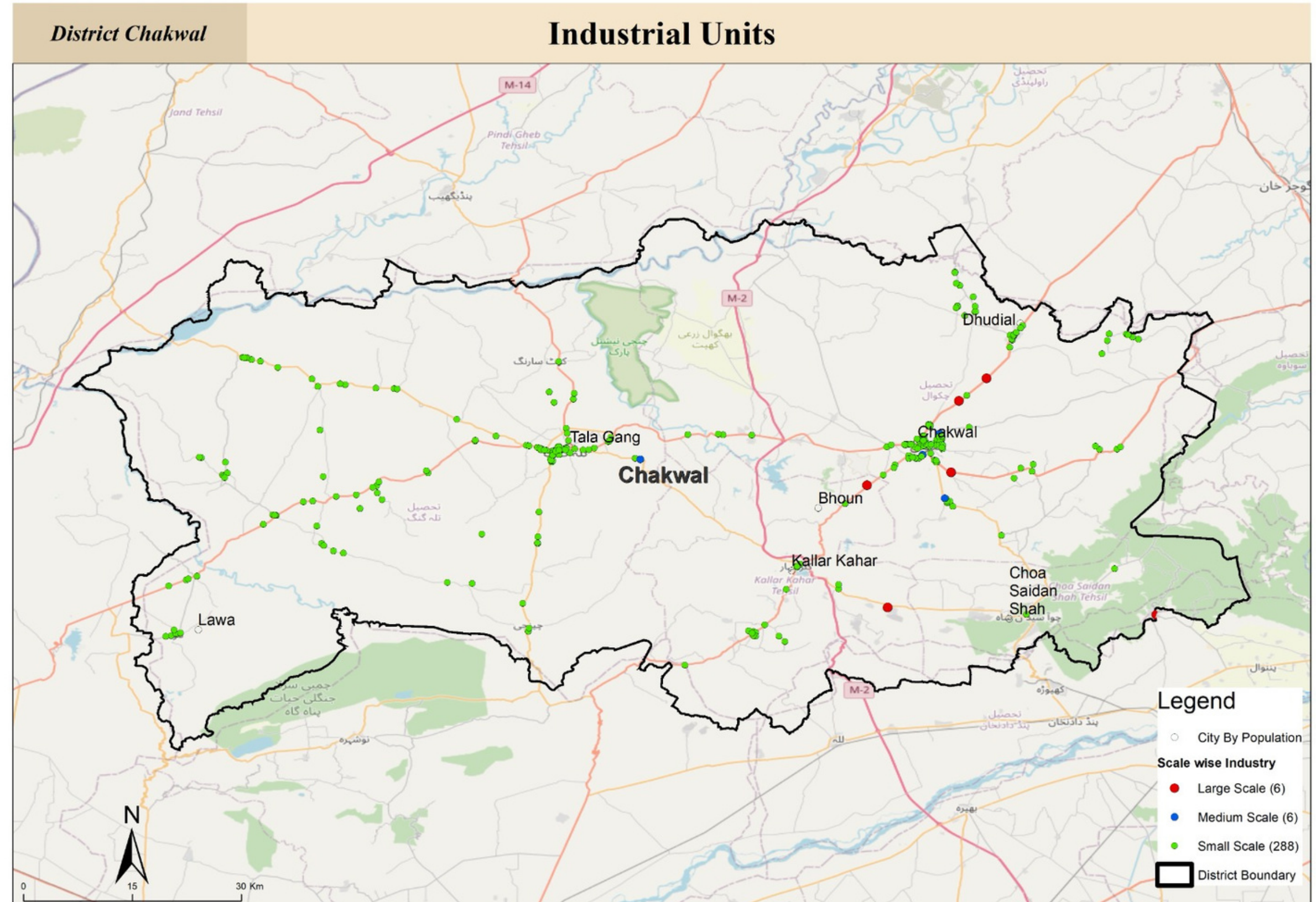
Attock District Sub-Sectoral Employment: Trade and Commerce

- People employed in Education remained at the third highest percentage
- highest percentage of wholesale & retail trade employment was in Attock from Rawalpindi division.



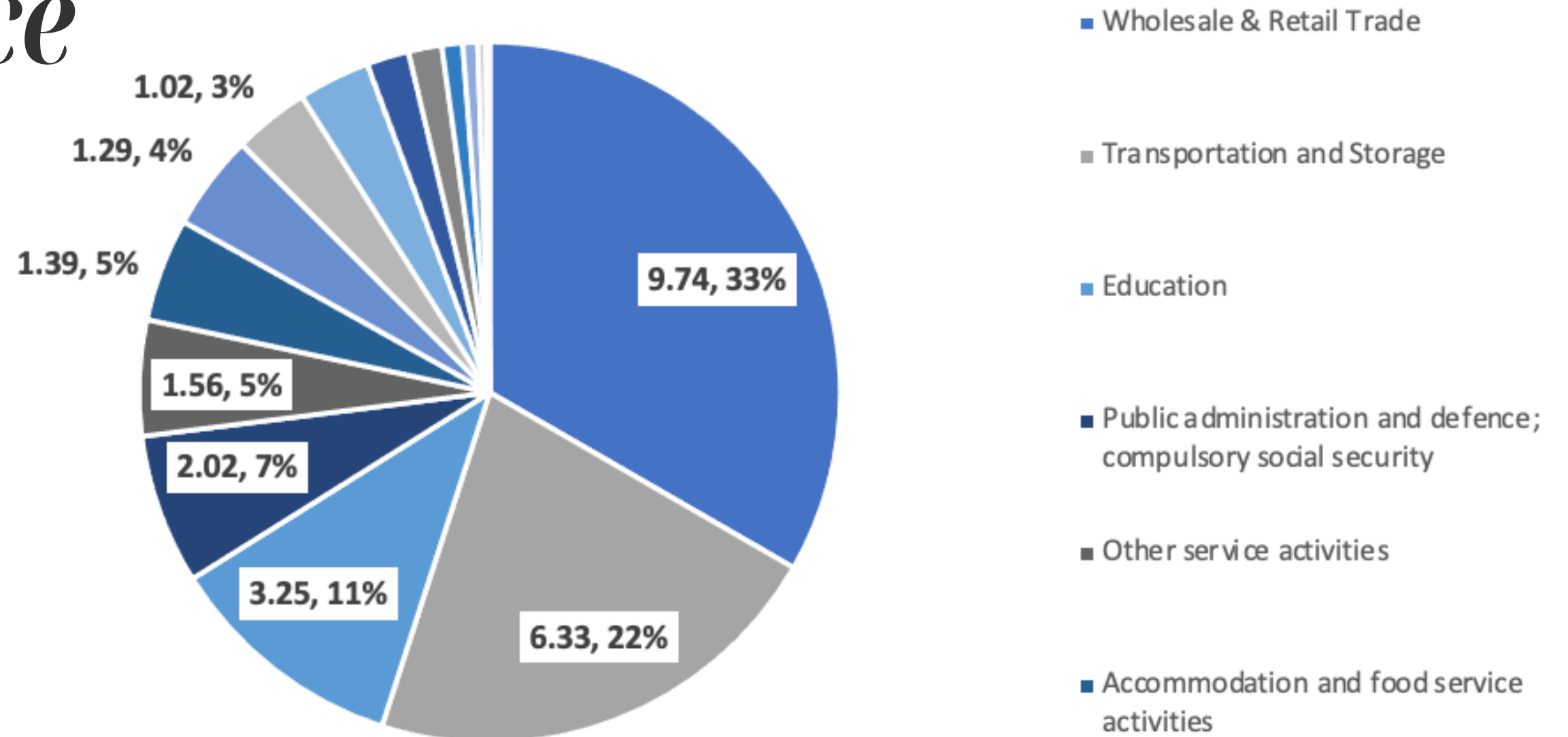
Industrial Presence of Chakwal

- The non metallic mineral products is the leading sector in Chakwal at 33% of total industries. Followed by food production at 20%.
- Furniture only makes up 4% of total industries.
- Majority of the industries in Chakwal are small
- Chakwal has a small industrial estate with a lot of growing potential



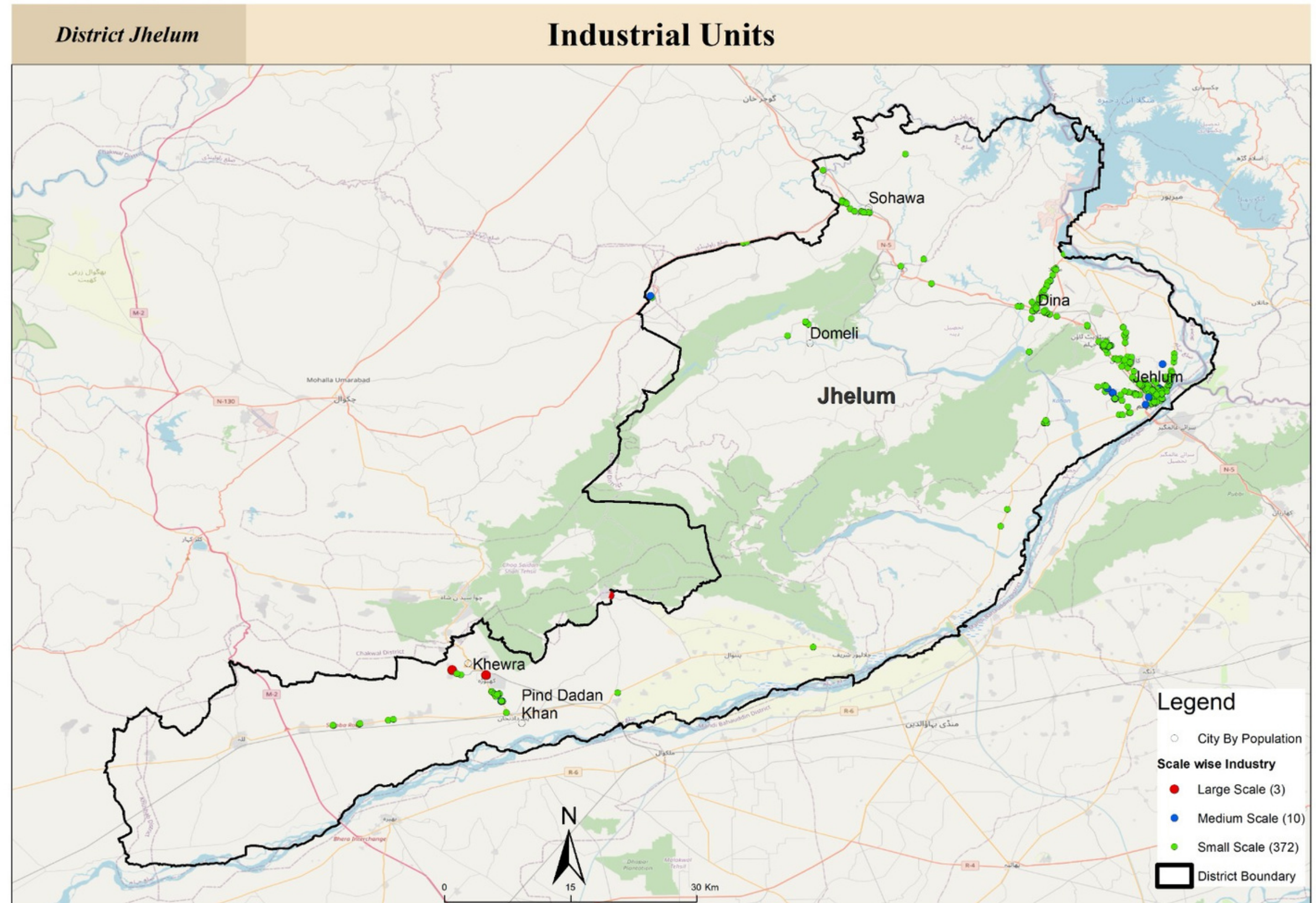
Chakwal District Sub-Sectoral Employment: Trade & Commerce

- People employed in Education remained at the third highest percentage
- Chakwal has the lowest labor force working for the wholesale and retail sector from RWP division (LFS-2020)
- Wholesale and retail remained the biggest sector, followed by transportation & storage.



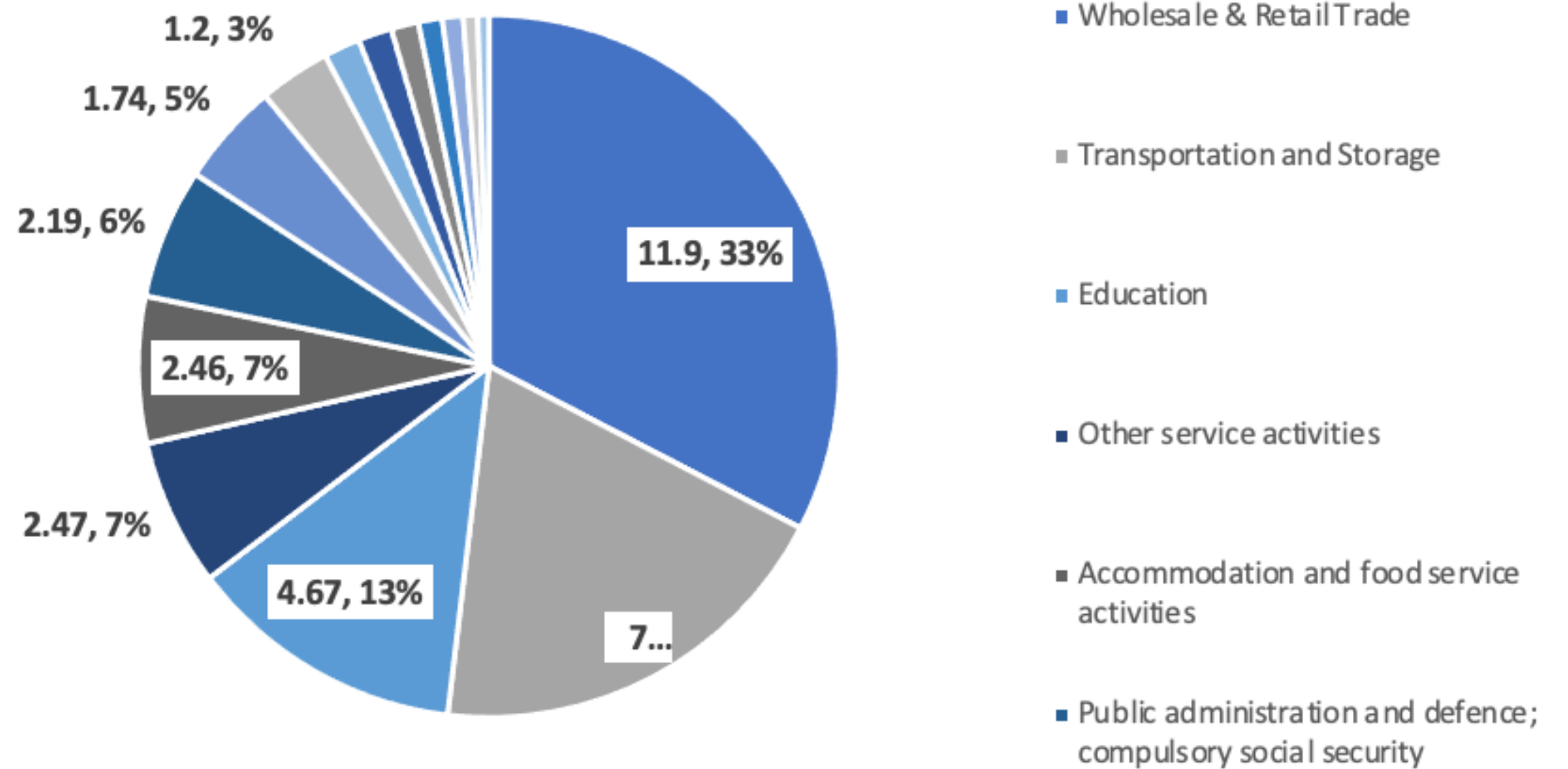
Industrial Presence of Jhelum

- The non-metallic mineral products is the leading sector in Jhelum with a total of 18% of total industries, followed by fabricated metal products at 11%.
- furniture industry also stands at 11%
- Majority of the industries are small



Jhelum District Sub-Sectoral Employment: Trade & Commerce

- People employed in Education remained at the third highest percentage
- Within Trade and Commerce Sector, Wholesale and retail remained the biggest sector followed by Transport and Storage



Rawalpindi Division's Trade Footprint

- Rawalpindi division has a natural locational advantage in its position connecting North of Pakistan to the rest of the country, which leads to a lot of heavy goods traffic within the districts
- Rawalpindi district serves as a wholesale market for the Northern Pakistan
- Rawalpindi's Chakbeli Road connects the region to CPEC Route, meaning access to international trade and easier access to infrastructure meant for trading
- Commercial sector of Rawalpindi division in a disarray due to haphazard development within the cities, however clusters have come to exist where naturally possible
- Major commercial clusters include furniture, plastic shoes & marble
- Taxila, Gujjar Khan, and Chakwal are hubs of marble processing and selling
- Suraj Singh, Rohtas Fort, Taxila, and Kartas Raj all can lead to the area becoming a hub of religious tourism and hence market development
- Main industrial/commercial mix areas like Raja Bazaar, Sarafa Bazaar serve regional/provincial demand for various areas
- Murree Mall road serves as a major demand market for tourists in the area
- No business resource centre in the area, and handicraft development centers are in disarray

Findings

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, and shops are located in high population areas.

Lack of standardization/quality assurance measures bars businessmen from expanding beyond regional/national trade. 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 Rawalpindi, except for shopping malls.

Linkages

Sectors like furniture/machinery find that being in narrow streets deters consumers from coming to the markets, and affects linkages.

Demand for Economic Zoning was prevalent among major stakeholders. The survey data shows that majority of the markets in Rawalpindi have local forward linkages, with only a few in Gems and Jewellery, and Attock's dry-fruit that sell Nationally. On the other hand, many bazaars/establishments are buying from international markets like China and Iran. Import-based bazaars are selling high-valued products, however there isn't a big cluster of this in the markets.

Main Issues Faced in Commercial Areas



1

LACK OF
PARKING
FACILITIES



2

LACK OF
FINANCIAL
LITERACY



3

LACK OF PROPER
SIGNAGE AND
ZONING



4

MARKETS
NOT PEDESTRIAN
FRIENDLY



5

LACK OF
REPRESENTATION
SUCH AS MARKET
COMMITTEE



6

NO COMMON
SERVICE AREAS
FOR WOMEN AND
CHILDREN IN PUBLIC
SPACES



7

LACK OF
WATER AND
SANITATION
INFRASTRUCTURE



8

LACK OF LIGHTING
IN THE
COMMERCIAL AREA



9

HORIZONTAL
EXPANSION OF
MARKET



10

ELECTRICITY
INFRASTRUCTURE
TOO OLD



11

LACK OF SAFETY
RULES ENFORCEMENT

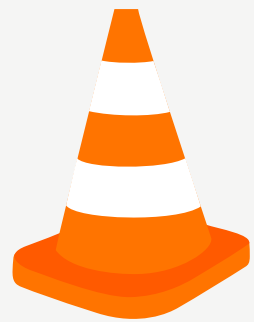
Main Issues Faced in Commercial Areas

HIGH INTENSITY

MODERATE TO HIGH INTENSITY

MODERATE INTENSITY

VARIABLE INTENSITY



Traffic Congestion High intensity: Many commercial areas face traffic congestion due to a high volume of vehicles, inadequate infrastructure, and poor traffic management.



Property Prices and Rent High intensity: Fluctuations in property prices and high rents can be a significant concern for businesses.



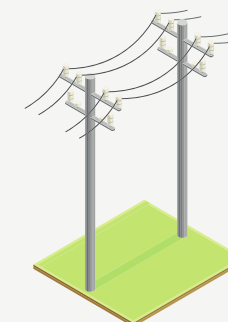
Parking Problems Moderate to high intensity: Limited parking space often leads to illegal parking and traffic disruptions.



Trash and Waste Management Moderate to high intensity: Improper waste disposal can lead to sanitation issues, which can affect the quality of life and business operations.



Zoning and Land Use Regulations Moderate intensity: Compliance with zoning and land use regulations can be a challenge for some businesses.



Utilities and Power Supply Variable intensity: The reliability of utilities like electricity and water supply can vary, affecting businesses differently.



Pedestrian Friendly Markets aren't pedestrian friendly. The condition of roads, sidewalks, and other infrastructure can vary, affecting businesses and the overall appearance of the area.



Safety & Security Variable intensity: Lack of safety rules enforced is a concern. The security situation also can vary from one commercial area to another, with some facing higher crime rates than others.



Market Observations & Conditions

- Old Electricity Infrastructure, prone to accidents in wholesale markets
New footpaths in Raja Bazaar compromising drainage system in the Bazaar
- No common areas for women/children, and traffic inflows in small streets causing problems for shoppers and shopkeepers
- Summer leads to a fall in sales due to lack of heat mitigating infrastructure like arcades
- Lack of proper signage decreases accessibility, especially in bazaars like Raja Bazaar that attract people from across different cities

Interventions by time-period & type of project

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

Short-Term

Projects Requiring Infrastructure Changes

Medium to Long-Term

Projects Requiring Policy Interventions & big infrastructure



Short-Term
Parking Plazas(Jamia Masjid/Raja Bazar)
Gendered Restrooms to be made available in all markets
Improving the HDCs infrastructure and presence in Murree
Set up e-commerce and e-marketing trainings for local traders
Relocation of wholesale businesses from city to new proposed economic zone
Incentivize setting up CA-Stores and Cold Storages in Attock/Chakwal for food-related forward linkages

Medium to Long-Term
Opening Expo Centre and Business Centers in Rawalpindi
space to Handicraft Sector (PSIC) in every business center/exhibition event
Pedestrianization of Androon Bazaars
Testing/Certification lab for Gems and Jewellery sector set at local University Campus
Revitalization of Murree's Bazaars to provide facilities to traders and safe space for tourists
Conduct a Feasibility Study for Marble City in Taxila
Relocation of Heavy traffic reliant Cottage Industry which are outside the city to new proposed economic zone

Medium to Long-Term
Mobilization of local business community for self-improvement of markets where possible
Dry Fruit Processing and Storage near Aerotropolis
Mixed-use vertical development to be focused in new commercial areas of Rawalpindi
Moving Tarnol Heavy Machinery Warehouses to new Economic Zone near Chakbeli

Duration Category	Intervention	Cost (Million PKR)
Short Term	Parking Plazas(Jamia Masjid/Raja Bazar) 2000	2000
Short Term	Gendered Restrooms to be made available in all markets 100	100
Short Term	Improving the HDCs infrastructure and presence in Murree 150	150
Short Term	Set up e-commerce and e-marketing trainings for local traders 200	200
Short Term	Relocation of wholesale businesses from city to new proposed economic zone 1000	1000
Short Term	Incentivize setting up CA-Stores and Cold Storages in Attock/Chakwal for food-related forward linkages 200	200
Mediium Term	Opening Expo Centre and Business Centers in Rawalpindi 500	500
Mediium Term	Space to Handicraft Sector (PSIC) in every business center/exhibition event 50	50
Mediium Term	Pedestrianization of Androon Bazaars 500	500
Mediium Term	Testing/Certification lab for Gems and Jewellery sector set at local University Campus 200	200
Mediium Term	Revitalization of Murree's Bazaars to provide facilities to traders and safe space for tourists 500	500
Mediium Term	Conduct a Feasibility Study for Marble City in Taxila 50	50
Mediium Term	Relocation of Heavy traffic reliant Cottage Industry which are outside the city to new proposed economic zone 750	750
Long Term	Mobilization of local business community for self-improvement of markets where possible 20	20
Long Term	Dry Fruit Processing and Storage near Aerotropolis 300	300
Long Term	Mixed-use vertical development to be focused in new commercial areas of Rawalpindi 750	750
Long Term	Moving Tarnol Heavy Machinery Warehouses to new Economic Zone near Chakbeli 800	800

Tentative costing (Million PKR): 8,070