

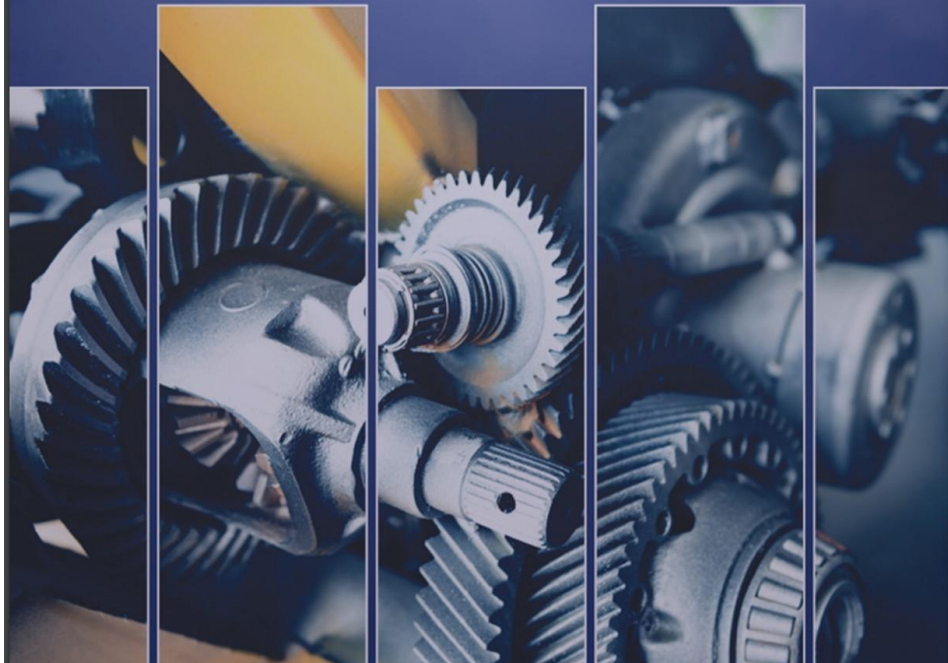
MEDIA COVERAGE

Engineering Horizons: Unraveling the State of Industry in Pakistan



September 2023, Islamabad

Engineering Horizons: **Unraveling the State of Industry** in Pakistan



Web Coverage

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The News International

<https://www.thenews.com.pk/print/1107199-political-instability-unfavourable-policies-create-lack-of-trust-in-business>

Tribune Express

<https://tribune.com.pk/story/2433994/firms-miss-targets-due-to-outages-survey>

The Nation

<https://www.nation.com.pk/04-Sep-2023/pide-releases-report-on-unravelling-state-of-industry-in-country>

<https://www.nation.com.pk/02-Sep-2023/impeding-expansion>

Daily Times

<https://dailytimes.com.pk/1129073/pide-releases-report-on-unraveling-state-of-industry-in-country/>

Pakistan Today

<https://www.pakistantoday.com.pk/2023/09/03/pide-releases-report-on-unraveling-state-of-industry-in-country/>

Islamabad Post

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WE NEWS

<https://en.wenews.pk/pides-report-highlights-unraveling-state-of-engineering-industry-in-pakistan/>

Thugmaza

<https://www.thugmaza.com/pide-releases-report-on-unraveling-state-of-industry-in-country/>

Firms miss targets due to outages: survey

PIDE survey on engineering industry highlights key issues, concerns

OUR CORRESPONDENT
ISLAMABAD

The unavailability of electricity is having a devastating impact on the engineering industry's ability to meet production targets, with a staggering 83 per cent of companies that took part in a survey raising the issue.

The Pakistan Institute of Development Economics (PIDE) on Sunday released a report on the challenges faced by engineering firms and provides insights into the state of the industry. The research team was led by Dr Nadeemul Haque and included Dr Usman Qadir, Dr Abid Rehman, and Mohammad Armughan, according to PIDE press release.

The report is based on a survey of 328 engineering firms from across Lahore, Gujrat, and Gujranwala – with the area often referred to as the 'golden triangle' of engineering firms. The report reveals statistics that underscore the critical concerns affecting the industry's growth and productivity.

One of the foremost issues outlined in the report is the severe impact of electricity unavailability on daily production targets, it said.

"A staggering 83 per cent of surveyed firms expressed that the unavailability of electricity creates hurdles in achieving their production goals, resulting in a detrimental gap between demand and supply for the industry," it said.

Moreover, 78 per cent of these firms reported that electricity scarcity hinders their operational efficiency, a crucial factor where econ-

omies of scale need to be achieved.

Scheduled and unscheduled power outages and voltage fluctuations further exacerbate the challenges by increasing the risk of machinery malfunctions and damage, affecting 68 per cent of the firms.

The financial strain of arranging alternate supply adds to the burden on firms' operations, impacting 72 per cent of the surveyed companies.

It recommended that engineering firms adopt international and national quality standard certifications to maintain quality standards, a move endorsed by 89 per cent of the surveyed firms.

Moreover, the government is urged to focus on enhancing the electricity supply in industrial areas, with smaller firms exploring backup power options to ensure uninterrupted

'GOLDEN TRIANGLE'

328

engineering firms from Lahore, Gujrat, and Gujranwala took part in the PIDE survey

operations, a sentiment echoed by 76 per cent of the respondents.

An interesting finding of the report was the lack of an online presence among Pakistani engineering enterprises.

With a surprising 63 per cent of surveyed firms lacking any online presence, there is an urgent need for businesses to establish themselves online to reach a wider customer base and enhance engagement.

The study revealed that

while a significant portion of firms (63 per cent) showed no intent to expand in the coming years, a minority was planning to invest in advanced technology, machinery, land, and skilled labor to boost their business prospects.

Another critical issue highlighted in the report was the lack of access to credit for the majority of firms.

The majority of firms lacked adequate collateral to secure loans due to their small size. This reduces their marketability to commercial lenders and has resulted in only five per cent of surveyed companies having loans or lines of credit. Limited access to finance hampers the industry's growth potential, it noted.

To address this, the report suggests that financial institutions introduce special credit schemes for small and medium-sized enterprises to

encourage business expansion and development.

The research also explored the complex landscape of international trade for Pakistani engineering firms, revealing obstacles related to tax implications, product quality, branding, and pricing.

Most notably, a substantial 84 per cent of firms source their raw materials domestically, emphasising a need to diversify suppliers and engage with international markets.

The report emphasizes the importance of a thriving relationship between businesses and the government for economic prosperity. However, political instability and unfavorable economic policies have led to a lack of trust and dissatisfaction among business owners, impacting productivity and profit margins.

WITH ADDITIONAL INPUT FROM APP

Majority of industrial units have no plan to expand in near future: report

By Kalbe Ali

ISLAMABAD: A majority of the industrial units in the country have no plan to expand in the coming years mainly due to non-availability of electricity, reveals a report released by Pakistan Institute of Development Economics (PIDE) on Thursday.

"A staggering 83 per cent of the surveyed firms expressed that the unavailability of electricity created hurdles in achieving their production goals, resulting in a detrimental gap between demand and supply for the industry," says the report issued by the think-tank working under the Planning Commission.

The report titled "Challenges faced by the engineering industry in Pakistan" highlights that electricity was a major issue faced by the manufacturing units in the country and that around 63 per cent firms showed no intent to expand in the coming years. However a small number of entrepreneurs planned to invest in advanced technology, machinery, land and skilled labour to boost their business prospects.

Based on an extensive survey of 328 engineering firms in Lahore, Gujrat and Gujranwala, the report revealed compelling statistics that underscored the critical concerns affecting the industry's growth and productivity.

One of the major issues outlined in the report was the severe impact of the unavailability of electricity on daily production targets.

The report highlighted that 78 per cent of these firms reported that electricity scarcity hindered their operational efficiency, a crucial factor to achieve economies of scale. It also mentioned that load-shedding and voltage fluctuations further exacerbate challenges by increasing the risk of machinery malfunctions and damage, affecting 68 percent of the firms.

The financial strain of arranging alternate supply, impacted 72 per cent of the surveyed companies, amounting to around Rs71,000 per unit annually. The report underscored the significance of addressing these challenges. It recommended that engineering firms adopted international and national quality standard certifications to maintain quality standards, a move endorsed by 89 per cent of the surveyed firms.

Moreover, the government was urged to focus on enhancing the electricity supply in industrial areas with smaller firms exploring backup power options to ensure uninterrupted operations, a sentiment echoed by 76 per cent of the respondents.

An interesting finding of the report was the lack of online presence among Pakistani engineering enterprises. With a surprising 63 per cent of the surveyed firms lacking any online presence, there was an urgent need for businesses to establish themselves online to reach a wider customer base and enhance engagement.

Another critical issue highlighted in the report was the lack of access to credit for the majority of firms as majority of them lacked adequate collateral to secure loans due to their small size which reduced their marketability to commercial lenders and has resulted in only five per cent of surveyed companies having loans or lines of credit.

A limited access to finance hampered the industry's growth potential. To address this, the report suggested that financial institutions should introduce special credit schemes for small and medium-sized enterprises to encourage business expansion and development.

The research also explored the complex landscape of international trade for Pakistani engineering firms, revealing obstacles related to tax implications, product quality, branding and pricing. Most notably, a substantial 84 per cent firms sourced their raw materials domestically which emphasised on a need to diversify suppliers and engage with international markets.

The report emphasised the importance of a thriving relationship between businesses and the government for economic prosperity. However, political instability and unfavourable economic policies have led to a lack of trust and dissatisfaction among business owners, impacting productivity and profit margins.

The study that delved into the realities faced by the engineering firms was led by Dr Nadeemul Haque who was assisted by Dr Usman Qadir, Dr Abid Rehman and Mohammad Armughan.

The release of this comprehensive report is a significant contribution to the understanding of Pakistan's engineering industry. The recommendations provided serve as a roadmap for policymakers, industry stakeholders, and businesses to collaborate and drive positive change in the sector. By addressing the identified challenges, Pakistan can position itself for a brighter

September 04, 2023
DAWN

Rasheed Khalid

Islamabad

Pakistan Institute of Development Economics (PIDE) has unveiled a ground-breaking report shedding light on the challenges faced by the engineering industry in Pakistan.

The study conducted by Dr Nadeem ul Haque, Dr Usman Qadir, Dr Abid Rehman and Mohammad Armughan delves into the realities faced by engineering firms and provides insights into the state of the industry. The report is based on an extensive survey of 328 engineering firms from Lahore, Gujrat and Gujranwala.

One of the foremost issues outlined in the report is the severe impact of electricity unavailability on daily production targets. A staggering 83% of surveyed firms expressed that the unavailability of electricity creates hurdles in achieving their production goals, resulting in a detrimental gap between demand and supply for the industry. Moreover, 78 per cent of these firms reported that electricity scarcity hinders their operational efficiency, a crucial factor where

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PIDE releases report on unravelling state of industry in country

APP
PESHAWAR

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PIDE RELEASES REPORT ON UNRAVELING STATE OF INDUSTRY IN COUNTRY

PESHAWAR
STAFF REPORT

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ECONOMY WATCH

Report on unraveling state of industry in country released

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 **City Desk**

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PIDE releases report on unraveling the state of industry in country

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PIDE report unravels state of engineering industry

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issued from the PIDE, one of the foremost issues outlined in the report is the severe impact of electricity unavailability on daily production targets. A staggering 83% of surveyed firms expressed that the unavailability of electricity creates hurdles in achieving their production goals, resulting in a detrimental gap between demand and supply for the industry. Moreover, 78% of these firms reported that electricity scarcity hinders their operational efficiency, a crucial factor where economies of scale need to be achieved. Load-shedding and voltage fluctuations further exacerbate the challenges by increasing the risk of machinery malfunctions and damage, affecting 68% of the firms. The financial strain of arranging alternate supply, amounting to PKR 71,000 per unit annually, adds to the burden on firms' operations, impacting 72% of the surveyed companies. The report

underscores the significance of addressing these challenges. It recommends that engineering firms adopt international and national quality standard certifications to maintain quality standards, a move endorsed by 89% of the surveyed firms. Moreover, the government is urged to focus on enhancing the electricity supply in industrial areas, with smaller firms exploring backup power options to ensure uninterrupted operations, a sentiment echoed by 76% of the respondents. An interesting finding of the report is the lack of an online presence among Pakistani engineering enterprises. With a surprising 63% of surveyed firms lacking any online presence, there is an urgent need for businesses to establish themselves online to reach a wider customer base and enhance engagement. The study also reveals that while a significant portion of firms (63%) show no intent to

expand in the coming years, a proactive minority plans to invest in advanced technology, machinery, land, and skilled labor to boost their business prospects. Another critical issue highlighted in the report is the lack of access to credit for the majority of firms. The majority of firms lack adequate collateral to secure loans due to their small size. This reduces their marketability to commercial lenders and has resulted in only 5% of surveyed companies having loans or lines of credit. Limited access to finance this hampers the industry's growth potential. To address this, the report suggests that financial institutions introduce special credit schemes for small and medium-sized enterprises to encourage business expansion and development. The research also explores the complex landscape of international trade for Pakistani engineering firms, revealing obstacles related to tax implications, product

quality, branding, and pricing. Most notably, a substantial 84% of firms source their raw materials domestically, emphasizing a need to diversify suppliers and engage with international markets. The report emphasizes the importance of a thriving relationship between businesses and the government for economic prosperity. However, political instability and unfavorable economic policies have led to a lack of trust and dissatisfaction among business owners, impacting productivity and profit margins. The release of this comprehensive report marks a significant contribution to the understanding of Pakistan's engineering industry. The recommendations provided serve as a roadmap for policymakers, industry stakeholders, and businesses to collaborate and drive positive change in the sector. By addressing the identified challenges, Pakistan can position itself for a brighter industrial future.

PIDE releases report on unraveling state of industry in country

E.P. Report

PESHAWAR: The Pakistan Institute of Development Economics (PIDE) has unveiled a groundbreaking report shedding light on the challenges faced by the engineering industry in Pakistan. The comprehensive study, conducted by a team of esteemed researchers led by Dr Nadeem ul Haque, and including Dr Usman Qadir, Dr Abid Rehman, and Mr Mohammad Armughan, delves into the realities faced by engineering firms and provides valuable insights into the state of the industry, according to a press release issued here on Sunday.

The report is based on an extensive survey of 328 engineering firms from across the Golden Triangle of Lahore, Gujrat, and Gujranwala. It reveals compelling statistics that underscore the critical concerns affecting the industry's

growth and productivity.

One of the foremost issues outlined in the report is the severe impact of electricity unavailability on daily production targets.

A staggering 83% of surveyed firms expressed that the unavailability of electricity creates hurdles in achieving their production goals, resulting in a detrimental gap between demand and supply for the industry.

Moreover, 78% of these firms reported that electricity scarcity hinders their operational efficiency, a crucial factor where economies of scale need to be achieved.

Load-shedding and voltage fluctuations further exacerbate the challenges by increasing the risk of machinery malfunctions and damage, affecting 68% of the firms. The financial strain of arranging alternate supply, amounting to PKR 71,000 per unit annually, adds to the burden on

firms' operations, impacting 72% of the surveyed companies.

The report underscores the significance of addressing these challenges. It recommends that engineering firms adopt international and national quality standard certifications to maintain quality standards, a move endorsed by 89% of the surveyed firms.

Moreover, the government is urged to focus on enhancing the electricity supply in industrial areas, with smaller firms exploring backup power options to ensure uninterrupted operations, a sentiment echoed by 76% of the respondents.

An interesting finding of the report is the lack of an online presence among Pakistani engineering enterprises. With a surprising 63% of surveyed firms lacking any online presence, there is an urgent need for businesses to establish

themselves online to reach a wider customer base and enhance engagement.

The study also reveals that while a significant portion of firms (63%) show no intent to expand in the coming years, a proactive minority plans to invest in advanced technology, machinery, land, and skilled labor to boost their business prospects.

Another critical issue highlighted in the report is the lack of access to credit for the majority of firms.

The majority of firms lack adequate collateral to secure loans due to their small size. This reduces their marketability to commercial lenders and has resulted in only 5% of surveyed companies having loans or lines of credit. Limited access to finance hampers the industry's growth potential.

To address this, the report suggests that financial institutions introduce

special credit schemes for small and medium-sized enterprises to encourage business expansion and development.

The research also explores the complex landscape of international trade for Pakistani engineering firms, revealing obstacles related to tax implications, product quality, branding, and pricing.

Most notably, a substantial 84% of firms source their raw materials domestically, emphasizing a need to diversify suppliers and engage with international markets.

The report emphasizes the importance of a thriving relationship between businesses and the government for economic prosperity. However, political instability and unfavorable economic policies have led to a lack of trust and dissatisfaction among business owners, impacting productivity and profit margins.

September 04, 2023

PIDE releases report on unraveling state of industry

T.M. Report

PESHAWAR: The Pakistan Institute of Development Economics (PIDE) has unveiled a groundbreaking report shedding light on the challenges faced by the engineering industry in Pakistan.

The comprehensive study, conducted by a team of esteemed researchers led by Dr Nadeem ul Haque, and including Dr Usman Qadir, Dr Abid Rehman, and Mr Mohammad Armughan, delves into the realities faced by engineering firms and provides valuable insights into the state of the industry, according to a press release issued here on Sunday.

The report is based on an extensive survey of 328 engineering firms from across the Golden Triangle of Lahore, Gujrat, and Gujranwala. It reveals compelling statistics that underscore the critical concerns affecting the industry's growth and productivity.

One of the foremost issues outlined in the report is the severe impact of electricity unavailability on daily production targets. A staggering 83% of surveyed firms expressed that the unavailability of electricity creates hurdles in achieving their production goals, resulting in a detrimental gap between demand and supply for the industry.

Moreover, 78% of these firms reported that electricity scarcity hinders their operational efficiency, a crucial factor where economies of scale need to be achieved. Load-shedding and voltage fluctuations further exacerbate the challenges by increasing the risk of machinery malfunctions and damage, affecting 68% of the firms.

The financial strain of arranging alternate supply, amounting to PKR 71,000 per unit annually, adds to the burden on firms' operations, impacting 72% of the surveyed companies. The report underscores the significance of addressing these challenges. It recommends that engineering firms adopt international and national quality standard certifications to maintain quality standards, a move endorsed by 89% of the surveyed firms.

Moreover, the government is urged

to focus on enhancing the electricity supply in industrial areas, with smaller firms exploring backup power options to ensure uninterrupted operations, a sentiment echoed by 76% of the respondents. An interesting finding of the report is the lack of an online presence among Pakistani engineering enterprises.

With a surprising 63% of surveyed firms lacking any online presence, there is an urgent need for businesses to establish themselves online to reach a wider customer base and enhance engagement. The study also reveals that while a significant portion of firms (63%) show no intent to expand in the coming years, a proactive minority plans to invest in advanced technology, machinery, land, and skilled labor to boost their business prospects.

Another critical issue highlighted in the report is the lack of access to credit for the majority of firms. The majority of firms lack adequate collateral to secure loans due to their small size. This reduces their marketability to commercial lenders and has resulted in only 5% of surveyed companies having loans or lines of credit. Limited access to finance hampers the industry's growth potential.

To address this, the report suggests that financial institutions introduce special credit schemes for small and medium-sized enterprises to encourage business expansion and development. The research also explores the complex landscape of international trade for Pakistani engineering firms, revealing obstacles related to tax implications, product quality, branding, and pricing.

Most notably, a substantial 84% of firms source their raw materials domestically, emphasizing a need to diversify suppliers and engage with international markets. The report emphasizes the importance of a thriving relationship between businesses and the government for economic prosperity. However, political instability and unfavorable economic policies have led to a lack of trust and dissatisfaction among business owners, impacting productivity and profit margins.

September 04, 2023

PIDE releases report on unraveling the state of industry in country

TIMES REPORT

PESHAWAR: The Pakistan Institute of Development Economics (PIDE) has unveiled a groundbreaking report shedding light on the challenges faced by the engineering industry in Pakistan.

The comprehensive study, conducted by a team of esteemed researchers led by Dr Nadeem ul Haque, and including Dr Usman Qadir, Dr Abid Rehman, and Mr Mohammad Armughan, delves into the realities faced by engineering firms and provides valuable insights into the state of the industry, according to a press release issued here on Sunday.

The report is based on an extensive survey of 328 engineering firms from across the Golden Triangle of Lahore, Gujrat, and Gujranwala. It reveals compelling statistics that underscore the critical concerns affecting the industry's growth and productivity.

One of the foremost issues outlined in the report is the severe impact of electricity unavailability on daily production targets.

A staggering 83% of surveyed firms expressed that the unavailability of electricity creates hurdles in achieving their production goals, resulting in a detrimental gap between demand and supply for the industry.

Moreover, 78% of these firms reported that electricity scarcity hinders their operational efficiency, a crucial factor where economies of scale need to be achieved.

Load-shedding and voltage fluctuations further exacerbate the challenges by increasing the risk of machinery malfunctions and damage, affecting 68% of the firms. The financial strain of arranging alternate supply, amounting to PKR 71,000 per unit annually, adds to the burden on firms' operations, impacting 72% of the surveyed companies.

The report underscores the significance of addressing these challenges. It recommends that engineering firms adopt international and national quality standard certifications to maintain quality standards, a move endorsed by 89% of the surveyed firms.

Moreover, the government is urged to focus on enhancing the electricity supply in industrial areas, with smaller firms exploring backup power options to ensure uninterrupted operations, a sentiment echoed by 76% of the respondents.

An interesting finding of the report is the lack of an online presence among Pakistani engineering enterprises.

With a surprising 63% of surveyed firms lacking any online presence, there is an urgent need for businesses to establish themselves online to reach a wider customer base and enhance engagement.

The study also reveals that while a significant portion of firms (63%) show no intent to expand in the coming years, a proactive minority plans to invest in advanced technology, machinery, land, and skilled labor to boost their business prospects.

Another critical issue highlighted in the report is the lack of access to credit for the majority of firms.

The majority of firms lack adequate

collateral to secure loans due to their small size. This reduces their marketability to commercial lenders and has resulted in only 5% of surveyed companies having loans or lines of credit. Limited access to finance hampers the industry's growth potential.

To address this, the report suggests that financial institutions introduce special credit schemes for small and medium-sized enterprises to encourage business expansion and development.

The research also explores the complex landscape of international trade for Pakistani engineering firms, revealing obstacles related to tax implications, product quality, branding, and pricing. Most notably, a substantial 84% of firms source their raw materials domestically, emphasizing a need to diversify suppliers and engage with international markets. The report emphasizes the importance of a thriving relationship between businesses and the government for economic prosperity.

Political instability, economic policies led to lack of trust, dissatisfaction among businessmen

By Staff Reporter

ISLAMABAD: The Pakistan Institute of Development Economics (PIDE) has unveiled a groundbreaking report shedding light on the challenges faced by the engineering industry in Pakistan.

The comprehensive study, conducted by a team of esteemed researchers led by Dr Nadeem ul Haque, and including Dr Usman Qadir, Dr Abid Rehman, and Mr Mohammad Amrath, delves into the realities faced by engineering firms and provides valuable insights into the state of the industry.

The report is based on an extensive survey of 328 engineering firms from across the Golden Triangle of Lahore, Gujrat, and Gajranwala. It reveals competing

statistics that underscore the critical concerns affecting the industry's growth and productivity.

According to the press release issued from the PIDE, one of the foremost issues outlined in the report is the severe impact of electricity unavailability on daily production targets. A staggering 83% of surveyed firms expressed that the unavailability of electricity creates hurdles in achieving their production goals, resulting in a detrimental gap between demand and supply for the industry.

Moreover, 78% of these firms reported that electricity scarcity hinders their operational efficiency, a crucial factor where economies of scale need to be achieved. Loadshedding and voltage fluctuations further exacerbate the challenges by increasing

the risk of machinery malfunctions and damage, affecting 68% of the firms. The financial strain of arranging alternate supply, amounting to PKR 71,000 per unit annually, adds to the burden on firms' operations, impacting 72% of the surveyed companies.

The report underscores the significance of addressing these challenges. It recommends that engineering firms adopt international and national quality standard certifications to maintain quality standards, a move endorsed by 89% of the surveyed firms. Moreover, the government is urged to focus on enhancing the electricity supply in industrial areas, with smaller firms exploring backup power options to ensure uninterrupted operations, a sentiment echoed by 70% of the respondents.

An interesting finding of the report is the lack of an online presence among Pakistani engineering enterprises. With a surprising 63% of surveyed firms lacking any online presence, there is an urgent need for businesses to establish themselves online to reach a wider customer base and enhance engagement.

The study also reveals that while a significant portion of firms (53%) show no intent to expand in the coming years, a proactive minority plans to invest in advanced technology, machinery, land, and skilled labor to boost their business prospects.

Another critical issue highlighted in the report is the lack of access to credit for the majority of firms. The majority of firms lack adequate collateral to secure loans due to their small size. This

reduces their marketability to commercial lenders and has resulted in only 3% of surveyed companies having loans or lines of credit.

Limited access to finance thus hampers the industry's growth potential. To address this, the report suggests that financial institutions introduce special credit schemes for small and medium-sized enterprises to encourage business expansion and development.

The research also explores the complex landscape of international trade for Pakistani engineering firms, revealing obstacles related to tax implications, product quality, branding, and pricing. Most notably, a substantial 58% of firms source their raw materials domestically, emphasizing a need to diversify suppliers and engage

with international markets.

The report emphasizes the importance of a thriving relationship between businesses and the government for economic prosperity. However, political instability and unfavorable economic policies have led to a lack of trust and dissatisfaction among business owners, impacting productivity and profit margins.

The release of this comprehensive report marks a significant contribution to the understanding of Pakistan's engineering industry. The recommendations provided serve as a roadmap for policymakers, industry stakeholders, and businesses to collaborate and drive positive change in the sector. By addressing the identified challenges, Pakistan can position itself for a brighter industrial future.