



**Webinar**

**Brief 61:2021**



# SIALKOT'S SPORTS AND ALLIED INDUSTRY

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**Issues and Prospects for Growth**

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PAKISTAN INSTITUTE OF DEVELOPMENT  
ECONOMICS, ISLAMABAD

## Sialkot's Sports and Allied Industry: Issues & Prospects for Growth

### SPEAKERS

**Sohail Saeed Barlas**  
Vital Private Limited

**Belal Jahangir**  
Silver Star Group

**Mobeen Razzaque**  
Barna Sports Limited

**Mian Atiq ur Rehman**  
Ennoble International

**Kashif Raheem**  
Mecca Tanneries

 **LIVE  
WEBINAR**

**MODERATOR THURSDAY**

**Dr. Nadeem Ul Haque**  
Vice Chancellor,  
Pakistan Institute of  
Development Economics

**August 12, 2021**  
Start at 2:00 PM (PST)



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### Preamble

The webinar aims to highlight and rediscover the importance of the long-forgotten sports industry of Sialkot. Moderator of the discussion Dr. Nadeem ul Haque showed his interest in digging deep into the causes that have shackled growth in this industry. He started by asking the panelist why Sialkot's sports industry could not develop into a wealthy conglomerate despite being the hub of manufacturing sports goods and related items in the last seven decades. All of the speakers were industrialists based in Sialkot

### Key Messages

- **Mr. Kashif Raheem** highlighted the underlying issues that impede the process of growth. Accordingly, the main cause of lag is the unavailability of sufficient physical infrastructure, energy infrastructure, energy crisis, and lack of human resource development. These deprivations force the existing firms to devote their resources towards meeting infrastructural and energy needs instead of developing their product and investing in innovation.
- **Mr. Belal Jahangir** lamented that the lack of trained staff for the labor force is another constraint. There is an utter lack of training institutes for technical training of labor. The ones already present and run by the government have compromised quality training which doesn't produce efficient labor. Neglect of government in the provision of enough resources for the development of the industry is the main hurdle in the development path. The government bodies are reported to have been involved in harassing the businesses through discriminatory regulations and hefty taxation.

- **Mr. Sohail Saeed Barlas** demanded that the government needs to provide a level playing field to industrialists of Pakistan across the board without any regional discrimination. Currently, there is much regional discrimination as the industrialists of big cities like Karachi, Lahore and even Faisalabad receive special incentives and grants from the government. But, Sialkot has not been privileged enough to seek the government's attention in this regard. The industry based in Sialkot is the cottage industry. The government needs to provide incentives for small entrepreneurs to grow.
- **Mr. Kashif** highlighted the issues of allied industries, for example, the issue of relocation of tanneries to safe industrial zones owing to environmental considerations was raised. He explained that relocation of the industry is a complex process. It may take 2-3 years to relocate heavy machinery and establish the industrial unit yet again in the new place. During the process, if there is not due assistance from the government the process may become painful for the industrialists, and eventually does harm the balance of payments of Pakistan. He regretted the callousness of the government for the relocation of the industrial base as it did incur huge losses to the already established industrial units.
- The speakers highlighted that there is no domestic market for sports in Pakistan as apart from cricket there is no thriving sport in Pakistan. Therefore the sports goods manufacturers don't have any option other than to mass produce for foreign importers. On the question of R&D, one of the speakers responded that presently the sports equipment of Sialkot caters to the needs of foreign clients only. Therefore, there is no R&D happening for innovation in the designs of the products. The products are designed by international Giants like Adidas, Nike, and Puma, and industrialists of Sialkot are contract manufacturers. However, they were of the view that there is no need to invest in R&D. The focus should be on capacity building and expansion of the industrial base. That is possible only if we focus on making our products competitive in the international market just like Chinese and Bangladeshi products. They demanded that the government should facilitate them in ease of doing business and also the banking operations should be smooth and fast-paced for industrialists.
- **Dr. Nadeem** concluded the session by asserting that it takes two to tango. Government is responsible for the weak growth due to its neglect. But there is a lot that can be done by the private sector. Identifying the potential and its way should be the way forward. However further investigation into the issues and potential of Sialkot's industry is needed to better understand the status quo.





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