It is my pleasure and honor to announce the Industrial Policy of Khyber Pakhtunkhwa 2016. We believe that there is a lot of untapped industrial potential in the province that can be utilized effectively through our intervention and timely initiatives.

The Industrial Policy of Khyber Pakhtunkhwa 2016 is based on the Policy Framework of Pakistan Tehreek e Insaf’s Manifesto, and a profound understanding of the industrial sector of Khyber Pakhtunkhwa. Our vision embodies the aspirations and guidelines for building a prosperous Khyber Pakhtunkhwa through sustainable industrial development resulting in large employment opportunities and mobilization of local resources.

Our Province is blessed with immense natural resources including hydro power generation inputs, rich mineral deposits and tremendous ecological tourism attractions. The Industrial Policy is stands on utilization of these resources for a sustainable and balanced industrial growth in the Province. The Industrial Policy 2016 also provides for monitoring and evaluating the implementation of various aspects of the policy at regular intervals in order to invoke timely measures where needed. We plan to fully harness and exploit the available opportunities to accelerate industrial development, private sector investment, and trade and exports through Khyber Pakhtunkhwa Economic Zones Development & Management Company.

I am confident that through the Industrial Policy 2016 we will be able to bring about the desired change in the industrial sector which will ultimately lead to economic sustainability and prosperity of Khyber Pakhtunkhwa.

Wishing all the best

Pervez Khattak

Message From the CHIEF MINISTER

It is a matter of pride that the Industries Department, Government of Khyber Pakhtunkhwa has transformed the vision of Khyber Pakhtunkhwa Government into reality by formulating the Khyber Pakhtunkhwa Industrial Policy, 2016. Some of the major objectives of the policy are to develop, revamp, and facilitate the industrial sector, and develop special economic zones to benefit from the opportunities provided by the China Pakistan economic corridor (CPEC). The Government of Khyber Pakhtunkhwa has undertaken the mission of stabilizing the economy of the province and ameliorating its impaired conditions. Khyber Pakhtunkhwa has the third largest provincial economy in Pakistan and it is crucial that we lead this region to stability and utilize all means for attracting local and foreign investments.

Previously development of industrial estates suffered major setbacks due to lack of facilitation, absence of a healthy industrial environment, and a focused industrial policy. Furthermore, lack of appropriate guidelines, infrastructure, and information made matters worse. However, the Government of Khyber Pakhtunkhwa has realized the need of a renewed workforce with a set of professionally catered lines of policies for all the stakeholders. Therefore, KPEZDMC establishment was created with the core purpose to ensure the implementation of policies, facilitation of development of the overall industrial sector, development of new modern industrial estates, Special Economic Zones and to provide a framework for one window facilitation centers to resolve the problems and challenges currently faced by the industrialists.

The Government of Khyber Pakhtunkhwa has undertaken the task of arranging financing for land acquisition and development of infrastructure for the industrial estates. Also, additional incentives to new industries are currently being reviewed to accelerate the process of industrialization in the province, leading to mass job creation. I consider this policy to be the first step in the direction of sustainable progress and towards a new age of industrialization in Khyber Pakhtunkhwa.

AMIAD ALIKHAN

Message From the CHIEF SECRETARY

Wishing all the best

Message From the CHIEF SECRETARY
Being a representative of Government of Khyber Pakhtunkhwa, I am pleased to announce that a significant milestone has been achieved in the shape of Industrial Policy 2016 complemented by an implementation plan, as a progressive way forward.

To increase the pace of mitigating financial and social disparity, there is an ever increasing and imperative need to create more job opportunities to cater to the requirements of our burgeoning population, especially our substantial youth bulge. The challenges are immense, however, the Government of Khyber Pakhtunkhwa is not only fully cognizant of them, but also has a coherent strategy to tackle them.

The Industrial Policy 2016 will provide the necessary impetus for a conducive and enabling environment to attract Foreign Direct Investment, encourage prospective investors. Furthermore, the way forward shall enable us to fully harness the competitive advantages of the province to become the sinews of rapid industrialization, skill development of our youth, job creation on a mass scale, and socio-economic uplift.

Abdul Karim

Message From the Special Assistant to CHIEF MINISTER FOR INDUSTRY

The industrial policy 2016 is a monumental achievement to instigate an industrial revolution in KPK. With this revolution, there will come another revolution in the form of increased demand for skilled and unskilled work force. We have already taken concrete steps to remain competitive in an increasingly interconnected world to ensure that our curriculum equips students for the jobs of tomorrow. We are anticipating where future employment demands will come from and are equipping our students to compete in a world that has been transformed by rapid industrialization.

With the ready availability of technology and information, I believe that upper-tail knowledge and on-hands skills will empower the average human capital to drive industrialization. I believe so because the skills held by engineers and entrepreneurs are the forces that enable a society to innovate and foster the type of rapid technological progress that characterizes an industrial revolution.

Arshad Ali Umerzai

Message From the Special Assistant to CHIEF MINISTER FOR TECHNICAL EDUCATION

The announcement of Industrial Policy 2016 is a significant milestone in the development of this province. The Policy essentially aims to bring about a dynamic structural change in industrial sector around which the economic development of the Province hovers.

This Policy targets those industries that are compatible with Province’s latent comparative advantage and lays emphasis on striving for social development and economic prosperity of the people through investments, in industries based on local raw materials and skilled labor in order to achieve comparable cost advantage leading to economic prosperity.

This Policy has been prepared after a comprehensive survey of Province’s industrial sector, which has identified the challenges being faced by the industrialists. Furthermore, detail consultations were held with all the stakeholders in and outside the Province while framing this Policy.

I am confident that this Industrial Policy will achieve the goals mapped out, with the cooperation and collective efforts of all stakeholders.

Dr. Afzal Akbar Durrani

Message From the SECRETARY INDUSTRIES

It is with profound gratification, being Chairman KPEZDMC, I am pleased to declare that the implementation plan of Industrial Policy (IP) 2016 has been redefined on the norms of promoting economy, embedded with key emphasis on advancement of skills, innovation, supporting institutions, and ecologically activating social policy. KP Industrial Policy has tending focus on capitalizing the untapped potential of industrialization in the region; cultivation of modern business culture and job creation for both high and low-end skill sets. This policy addresses key issues of structural rigidity of industry and factors impeding productivity, and value addition in manufacturing & exports, to eventually improve the investment climate in the region.

We are at the cross roads of stepping in a new age of an Economically Progressive Revolution; strategically serving as the bridging region at stretch for the markets and trade-route for China, and Central Asia all the way to Russian Federation. Exploitation of industrialization; Special Economic Zones; Entrepreneurship and SMEs is the foundation key for prosperity of this region.

Ghulam Dastagir

Message From the CHAIRMAN KPEZDMC
Message From the VICE CHAIRMAN KPBOIT

On behalf of myself and the board, I congratulate and appreciate the efforts of the provincial government in formulating the industrial policy, which will determine the future course of investment, especially in the industrial sector.

KP-BOIT in contrary to the routine stereotype practice has focused on specific projects with investment potential. The concept of specific projects conceived by KP-BOIT was greatly appreciated by both local and foreign investors in the first-ever Investment Road Show (IRS) of Khyber Pakhtunkhwa in Dubai, in February 2015, and thereafter in Pakistan Investment Conference and Pakistan Belarus Business Forum held in November 2015.

KP-BOIT has initiated investment strategy in collaboration with ERKF project. Investment strategy includes cornerstones, facilitation, goals of investment, competitive and comparative advantages and implementation plans.

KP-BOIT is determined to facilitate investors by playing a dynamic role in opening up Khyber Pakhtunkhwa and by welcoming investors from within Pakistan and all over the world to benefit from the hidden treasures and potentials of Khyber Pakhtunkhwa.

Senator Mohsin Aziz

Message From the VICE CHAIRMAN KPTEVTA

As an industrialist since the last three decades; me and my industrial colleagues always harped on the locational disadvantage in KPK. I am extremely pleased to see the present Government approving and notifying all the demands of the Industrial community which is a game changer in industrialization in Pakistan.

As Vice Chairman KP-TEVTA to meet the existing and the future demands of skilled work force we have diametrically changed our approach towards technical education in KPK. Demand based training initiated with extreme emphasis on practical training. Funds for Training material increased from 15 million to 900 million. 110 skilled technicians have been employed to impart practical training. Teachers and students are encouraged to manufacture products and sell in the local market. Hydropower is the strength of KPK; unfortunately no training was being provided on it. Along with GIZ/GFA the first Hydropower training institute has been setup in Mingora with faculty trained from Indonesia and Nepal. This institute would start functioning from March 2016.

We are certain that with these steps, unemployment and radicalism in KPK would be eliminated forever.

Senator Nauman Wazir Khattak
With realization of the long awaited desire for peace in crisis prone Khyber Pakhtunkhwa; the environment for investing in the sustainable development of the society at large and bringing economic enhancement to the region can now finally be turned into a reality. Khyber Pakhtunkhwa’s share in Pakistan’s Gross Domestic Product (GDP) has been historically around 10.5%, amounting to over US$ 30 billion making it the third largest provincial economy in Pakistan. The Province accounts for 11.9% of Pakistan’s total population. The major economy of Khyber Pakhtunkhwa constitutes of mining & forestry. Furthermore, almost 78% of Pakistan’s marble production also comes from Khyber Pakhtunkhwa.

In the pursuit towards economic prosperity, one cannot overlook the importance of industrialization. Not only does industrialization spur economic activity commensurate with its scale, but also generates employment and skilled labor.

The geo-political landscape has recently witnessed some positive signs of stability and recuperation in terms of attracting foreign investments due to China Pak Economic Corridor (CPEC). Therefore, the need for rapid industrialization has gained even more importance to uplift the province of Khyber Pakhtunkhwa.

In the past, one of the reasons behind the sluggish pace of development of industrial estates has been the lack of facilitating industrial environment and focused industrial policy with clear guidelines that are in adherence with the ground realities of the Province and its functioning establishment and infrastructure.

The Government of Khyber Pakhtunkhwa considers that more detailed and tangible measures are required to galvanize development of the overall industrial sector, develop new modern industrial estates, establish Special Economic Zones (SEZs), and provide a framework for one window facilitation centers to resolve the problems and challenges currently faced by the industrialists.

This policy document proposes certain key steps of paramount importance for revival of the industrial sector and attracting local/foreign investments for a prosperous Khyber Pakhtunkhwa.

**EXECUTIVE SUMMARY**

With realization of the long awaited desire for peace in crisis prone Khyber Pakhtunkhwa; the environment for investing in the sustainable development of the society at large and bringing economic enhancement to the region can now finally be turned into a reality.

**CURRENT STATUS OF INDUSTRY & CHALLENGES**

**INTRODUCTION**

Khyber Pakhtunkhwa is the third largest province of Pakistan in terms of population which is around 27.50 million. The total land area is approximately 74,521 sq. km. Khyber Pakhtunkhwa is bequeathed with natural resources which have resulted in many investment opportunities. Despite the fact that the population of Khyber Pakhtunkhwa is generally known as hardworking, the industrialization in the province has no significant role in its overall socio-economic development.

As per available data, there are approximately 12000 small, medium and large units in Khyber Pakhtunkhwa out of which, 2299 are registered with the Directorate of Industries, Khyber Pakhtunkhwa. Among the 2299 units, 478 registered units are closed.

Industrial Sector is of great importance for economic development of a country. It is a historical fact that countries with strong industrial sector have exhibited better economic and development indicators. The industrial sector contributes 20.8 percent to the GDP of Pakistan; it is a major source of tax revenues and also contributes significantly to the provision of job opportunities for the labour force. Industrial development is a pre-requisite for uplift of the economy and improvement of socio-economic condition of the citizens due to its multi-dimensional forward and backward linkages, with spillover benefits to agriculture and services sector of the economy.

Industrial Sector in Khyber Pakhtunkhwa comprises of the following sub-sectors:

- Manufacturing
- Mining and Quarrying
- Electricity & Gas generation
- Construction

1Khyber Pakhtunkhwa Bureau of Statistics (http://kpbs.gov.pk/prd_images/1399372174.pdf)
2Small & Medium Enterprise Development Authority (http://www.smeda.org/)
MANUFACTURING SECTOR

The Manufacturing Sector is further divided into the following two types.

Large Scale Manufacturing (LSM)
Small Scale Manufacturing (SSM)

Large Scale Manufacturing

This manufacturing sector in Khyber Pakhtunkhwa includes beverages, cement, ceramics producing sanitary ware and wall tiles, cigarettes, cotton and woolen textiles producing both cloth and yarn, electric bulbs, fertilizer (GSSP), pharmaceuticals, jute textile (producing, hessian, sacking and twine), matches, paper & paper board, sheet glass, paints and varnish, sugar, vegetable ghee and cooking oil, blankets and fabrics, and starch & its production, including corn oil, and glucose.

Khyber Pakhtunkhwa produces almost 85% of tobacco and maize, 30% of cigarettes, and vegetable ghee, and 27% of cement production nationwide.
Small Scale Manufacturing

The number of SMEs in Pakistan is estimated to be 3.2 million in which the share of Khyber Pakhtunkhwa is 14.3% which is the second lowest after Balochistan. The SMEs in Khyber Pakhtunkhwa contribute approximately 40% to the national gross domestic product (GDP) and has a share of 30% in Pakistan’s total exports.1

MINING AND QUARRYING

The Province of Khyber Pakhtunkhwa is blessed with a lot of natural resources. The mineral resources of Khyber Pakhtunkhwa may be classified into four categories, metallic minerals (Lead, Antimony, Copper, Chromite, Manganese and Iron ore), industrial minerals (Quartz, Soapstone, Potash, Mica, Feldspar, Phosphates, Coal, Rock Salt, Fire Clay), construction minerals (Marble, Granite, Sandstone, Limestone), and gems and precious stones (emerald, rubies, turquoise). Mining and Quarrying contributes 14.45% to the industrial sector and 3% towards GDP of the country. According to one estimate Khyber Pakhtunkhwa’s marble deposits stand around 3 billion tons.

ELECTRICITY & GAS GENERATION

Electricity

Pakistan has an estimated Hydro Power potential of approximately 60,000 MW out of which approximately 50% is in Khyber Pakhtunkhwa. Currently the installed capacity of hydro power projects is 3849 MW in the province. The identified hydro power sites are currently 142 with the total capacity of 24,736 MW.

The province has the singular distinction of having the Country’s largest hydropower station – Tarbela, of 3,478MW installed capacity. It also houses Pakistan’s first major hydropower station, Warsak of 243MW capacity, which was constructed in the 1950s.

Gas

Khyber Pakhtunkhwa has recoverable reserves of Natural Gas that amount to 9 Trillion Cubic ft 2 the industrial sector and 3% towards GDP of the country. According to one estimate Khyber Pakhtunkhwa’s oil and gas reserves are located. This has created an atmosphere of competition for fresh leases yet the presence of the OGDCL, MOL, Hycarbex and PPL shows promising prospects of oil and gas in the area.

The OGDCL has the largest stake in the exploration activities in the Potohar Region, while Chanda oil field (Kohat) – which was discovered in 1999 – was the first major discovery in Khyber Pakhtunkhwa. Hungarian Refiner MOL has the second largest stake in oil and gas in the province and it discovered the Manzalai and Makori oil fields in the Tal block in 2002 and 2005 respectively.

CONSTRUCTION

Construction industry in Khyber Pakhtunkhwa, which had developed very fast in the wake of 2005 earthquake, and floods of 2009 & 2012, is showing downward trends now. Some of the reasons for this slowdown may be attributed to weak institutions, inadequate contract management and administration, inefficient procurement policies, and lack of standardization of contracts.
The Khyber Pakhtunkhwa government is devising its strategy to drive the economic growth of the province. Industry is one of those sectors in the province that ranks high on the priority list of the government, due to its wide ranging economic impact, source of inclusive poverty reduction, and employment generation.

Furthermore, the Province of Khyber Pakhtunkhwa has huge untapped potential, which if unlocked, can result in tremendous benefits for the province. Khyber Pakhtunkhwa is blessed with immense minerals and other raw materials for promotion of Industries. A targeted investment strategy, coupled with a coherent industrial policy of Khyber Pakhtunkhwa would greatly assist the prospective investors.

Last but not the least, industrial development would support local enterprises and entrepreneurs in developing new products and exports through creating adequate market incentives, providing opportunities for pre-testing for other national and international markets; and facilitating skills upgradation to meet the ever rising demand for quality products and services.

WHY INVEST IN KHYBER PAKHTUNKHWAI

The Khyber Pakhtunkhwa government is devising its strategy to drive the economic growth of the province. Industry is one of those sectors in the province that ranks high on the priority list of the government, due to its wide ranging economic impact, source of inclusive poverty reduction, and employment generation.

Furthermore, the Province of Khyber Pakhtunkhwa has huge untapped potential, which if unlocked, can result in tremendous benefits for the province. Khyber Pakhtunkhwa is blessed with immense minerals and other raw materials for promotion of Industries. A targeted investment strategy, coupled with a coherent industrial policy of Khyber Pakhtunkhwa would greatly assist the prospective investors.

Apart from the dismal scene prevailing in closed industrial units, even the functional units in Khyber Pakhtunkhwa have been facing the following threats which if not met effectively and timely, may eventually become insurmountable. Some of these adverse factors are:

- Unfavorable and Inconsistent Government Policies.
- Absence of a comprehensive and effective Industrial Policy
- Insufficient Infrastructure
- Unreliable Power & Gas Supply
- Poor Law and Order
- Inability of Public Sector to create an enabling environment.
- Unavailability of Skilled Manpower
- Locational Disadvantages - which include longer distance from the port, high transportation costs, unavailability of raw material
- Low Productivity / Obsolesce
- Lack of skills related training
- Legal disputes.
- Industrial relations.
- Quality related perception about the products manufactured in Khyber Pakhtunkhwa / Pakistan
- Unrealistic Government Industrial Policies.
- Access to finance from banks and market.
- Technological obsolescence.
- Lack of marketing channels.
- High Cost of unreliable power supplies.
- Widespread smuggling.
- Deteriorating law and order conditions.
- Difficulty in procuring raw materials.
- Difficulty in getting skilled manpower.

Notwithstanding the above impediments afflicting the industrial sector of Khyber Pakhtunkhwa, the industrial potential of the Province is such that it can be the engine of growth for the economy if measures are taken in right direction.

As a first step to achieve the prime objective of rapid industrialization and to mitigate the problems faced by the existing industrial sector, industrial policy 2016 is presented, complemented by a pragmatic & progressive implementation plan as a way forward (Annexure I-IV).
INDUSTRIAL POLICY 2016

RATIONALE

The Government of Khyber Pakhtunkhwa does not have a clearly articulated formal industrial policy. However, considering that the industrial sector requires coordinated efforts by a number of departments and agencies, the need for having such a policy is critical. Moreover, a well laid out industrial policy would demonstrate the government’s long-term commitment in the sector and would form the basis for shared understanding of, and synergized actions and coordinated planning by different stakeholders. Furthermore, such a policy framework would ensure sustainable development of industry.

OBJECTIVE

The objective of the Industrial Policy of Khyber Pakhtunkhwa 2016 is essentially to develop the economy of Khyber Pakhtunkhwa by taking the following steps:

- To rehabilitate the sick industrial units by taking necessary remedial measures.
- To encourage setting up those industries which have comparative cost advantage and market, such industries based on local raw material, skilled labor, local and export markets.
- To create more jobs by facilitating Small and Medium Enterprises (SMEs) to grow and flourish by providing Business Support Services (BSS) including necessary finances.
- To create more Special Economic Zones (SEZs) to attract local and foreign investors to set up industries.
- To improve infrastructural facilities in the existing industrial estates.
- To make available cheaper energy through available resources.

SHAPING ECONOMIC GROWTH

The reshaping of Khyber Pakhtunkhwa’s economic growth will be based on the natural resource endowment of the Province, essentially targeting sectors with comparative advantages of indigenous raw materials, natural resources cheap labour and both local and export markets.

The investment will be focused on, productive sectors such as industry, mines and minerals, oil and gas, tourism, logistics and transportation. The growth of Industry will necessarily depend on successful Public Private Partnership (PPP) mode and stress on those industries which use indigenous raw materials.

Fundamentally, the growth in the above mentioned sectors will be futile without the development of efficient infrastructure facilities such as Transport, Energy and Power, Roads, Communication and other support facilities.

The backbone of economy i.e. Industry and Agriculture will only be developed in real terms on account of high value addition. This can be achieved through provision of incentives to investors, and development of educated and skilled labour. The economic growth will also rely on sector specific investments which will result in employment generation.

It is expected that the above measures, if taken immediately, will bring about the reshaping of economic growth of Khyber Pakhtunkhwa, as after their implementation, Khyber Pakhtunkhwa will be able to achieve poverty reduction, employment generation and efficient social service delivery.
To build prosperous a Khyber Pakhtunkhwa through sustainable and balanced industrial development there by creating large employment opportunities and fiscal space in human development and infrastructure, and to mobilize resources to surmount low investment, poor productivity, and degrading physical and social infrastructure.

**VISION**

To strive for social development and economic prosperity of people, especially the poor and under privileged masses.

To provide opportunities for large scale employment through private sector.

To develop human capital to meet the needs of industry.

To utilize natural resources for sustainable industrial development.

To set up industries based on local raw material and skilled labour to achieve comparable cost advantage and attract investment.

**MISSION**

- To strive for social development and economic prosperity of people, especially the poor and under privileged masses.
- To provide opportunities for large scale employment through private sector.
- To develop human capital to meet the needs of industry.
- To utilize natural resources for sustainable industrial development.
- To set up industries based on local raw material and skilled labour to achieve comparable cost advantage and attract investment.
DEVELOPING INFRASTRUCTURE

Infrastructure of the existing industrial estates will be strengthened to support existing and new establishments, and it would be ensured that the Industrial Estates have all required utilities available and a proper waste management system is in place.

For balanced industrial development, industrial estates will be developed for micro and small industries in various districts. Special Industrial Areas/Parks shall be made for development of cluster based industries.

The Government of Khyber Pakhtunkhwa will strive to follow the Public Private Partnership (PPP) mode in the development of integrated infrastructure in the Province e.g. roads connectivity, water supply and sanitation, solid waste management, and social infrastructure e.g. hospitals, clinics, houses, schools and colleges, transport etc.

Access roads to industrial estates, inter provincial transport systems, railways and airport facilities will be streamlined and strengthened.

STRATEGY FOR INDUSTRIAL GROWTH

DEVELOPING INFRASTRUCTURE

Infrastructure of the existing industrial estates will be strengthened to support existing and new establishments, and it would be ensured that the Industrial Estates have all required utilities available and a proper waste management system is in place.

For balanced industrial development, industrial estates will be developed for micro and small industries in various districts. Special Industrial Areas/Parks shall be made for development of cluster based industries.

The Government of Khyber Pakhtunkhwa will strive to follow the Public Private Partnership (PPP) mode in the development of integrated infrastructure in the Province e.g. roads connectivity, water supply and sanitation, solid waste management, and social infrastructure e.g. hospitals, clinics, houses, schools and colleges, transport etc.

Access roads to industrial estates, inter provincial transport systems, railways and airport facilities will be streamlined and strengthened.

PROMOTING LABOUR INTENSIVE INDUSTRY

Government of Khyber Pakhtunkhwa will promote setting up industry which is labour intensive e.g. food processing and agro based, garment and apparel made-ups, in order to generate maximum employment. Investment in such labour intensive industry will bring about and create vast opportunities for ancillary and downstream industries in the micro, small and medium enterprises (MSMEs) in Khyber Pakhtunkhwa. The objective of Government of Khyber Pakhtunkhwa will be to provide specific packages catalytic to its industrial development which are labour intensive.

DEVELOPING LESS DEVELOPED AREAS

Government of Khyber Pakhtunkhwa will focus on setting up industry in less developed areas as in order to alleviate poverty. Besides, providing infrastructure in these areas such as power, water, roads etc. government of Khyber Pakhtunkhwa will also provide incentives, necessary subsidies and soft loans to attract investment in these areas.

SKILL DEVELOPMENT

Polytechnic/Vocational Institutes will be strengthened in collaboration with the private sector and world class training institutions such as City & Guild, UK, etc. and apprenticeships in the field that are relevant to the existing industrial sectors will be provided. The provincial government will also establish the first ever University of Technology in Khyber Pakhtunkhwa which will have world class training programs.

Government of Khyber Pakhtunkhwa will ensure that all the above institutes and other training centres focus on sector specific training skills development through industry participation. Besides, Government of Khyber Pakhtunkhwa will create a model for enhancing employability.
DEVELOP SPECIFIC SECTORS

Manufacturing sector in Khyber Pakhtunkhwa suffers from locational disadvantages made worse by infrastructural inadequacies. There is tremendous scope for development of many industries in Khyber Pakhtunkhwa. Government of Khyber Pakhtunkhwa will encourage setting up of industries in the province based on its rich natural resource endowment and traditional industries, most notably construction, tobacco and farming industries. The construction sector providing employment opportunities to the industrious labour of the Province requires steps to improve productivity of labour and capital. Cigarettes and Cement have historically formed the manufacturing base of Khyber Pakhtunkhwa and they need further promotion.

To exploit the resource wealth of the Province whether be in minerals like metallic minerals (Lead, Antimony, Copper, Chromite, Manganese and Iron ore), industrial minerals (Quartz, Soapstone, Potash, Mica, Feldspar, Phosphates, Coal, Rock Salt, Fire Clay) construction minerals (Marble, Granite, Sandstone, Limestone) or gems (precious and semi-precious stones), or hydropower, the Government of Khyber Pakhtunkhwa should move significantly in these directions. This will bring about healthy industrial growth in Khyber Pakhtunkhwa effecting low input cost, cheap labour and thereby having comparative cost advantage.

TRADE PROMOTION

Government of Khyber Pakhtunkhwa will ensure promotion of its products both locally and regionally for boosting both domestic commerce and exports of Khyber Pakhtunkhwa products, and will set up its trade promotion institution with budget and targets.

Since Khyber Pakhtunkhwa has great potential for conventional and non-conventional exports, Government of Khyber Pakhtunkhwa will, therefore, in association with TDAP, take export promotional measures by setting up Foreign Trade Facilitation Centres in selected Countries. These will act as investment facilitation centres. In collaboration with TDAP, Government of Khyber Pakhtunkhwa will also hold trade fairs, product exhibition and trade tours to selected Foreign Countries.

Government of Khyber Pakhtunkhwa will set up “One window” operation to attract investment. The incentives already existing with KP-BOIT will strictly be implemented. Incentives that are more specific to promote rapid industrialization in the province will be proposed by KPEZDMC, and implemented after approval by the Government of Khyber Pakhtunkhwa.

Efficient e-governance system will be implemented for effective delivery of services by various regulatory agencies involved in foreign trade.
DEVELOPMENT OF DRY PORTS & BORDER TERMINALS

In modern industrial development practices and trade development, Dry Ports and Border Terminals (DPs & BTs) with client-friendly facilities and state-of-the-art infrastructure play a pivotal role. National Logistics Cell (NLC) has already set up a Border Terminal at Torkham (Khyber Agency FATA) to boost trade with neighboring Afghanistan. A similar terminal is being established at Sust (Gilgit) to act as a multimodal transit hub in boosting trade with China.

Government of Khyber Pakhtunkhwa will review the existing DPs & BTs and set up additional terminals in the Province where business men and traders are afforded facilities like customs clearance, comprehensive handling services, safe and accessible warehousing, and inland movement of goods to any location within Pakistan. It is to be ensured that DPs & BTs are adequately equipped with latest scanners, weighbridges, cranes, fork lifters, firefighting equipment, generator, tractors etc.

PROMOTE CHINA PAK ECONOMIC CORRIDOR (CPEC)

The CPEC is important to the economic growth of Pakistan as it aims to connect Gwadar Port to Xinjiang. When the project is completed, it will expand the number of trade routes to other countries as well.

Khyber Pakhtunkhwa will directly benefit from the CPEC and will, therefore, vigorously pursue implementation of infrastructural projects and projects in other socio-economic sectors e.g.:

- Private Hydro Power Projects
- Havelian Dry Port
- Hazara Motorway
- Havelian to Khunjerab Rail Track
- Up-gradation of Karachi Peshawar mainline

Khyber Pakhtunkhwa will also use CPEC as a platform for export promotion and industrial development as the route is meant to pass through Kohistan, Shangla, Battagram, Mansehra, Abbottabad, Haripur, Dera Ismail Khan etc. in Khyber Pakhtunkhwa.
DEVELOPMENT OF RENEWABLE ENERGY

Government of Khyber Pakhtunkhwa will consider alternate energy sources such as solar, wind, biomass for industrial establishments and for electrification of remote villages.

The development of renewable energy projects will support rural areas which are not connected to national grid by using innovative renewable energy technologies and off grid systems. Government of Khyber Pakhtunkhwa will vigorously pursue the following projects which are already under planning stage to be implemented on PPP mode.

- 100 community based solar lighting system in Swabi, Lakimarwat, Karak.
- 07 micro/mini hydro power plants at Chitral, Upper Dir, Swat, and Buner.

Government of Khyber Pakhtunkhwa will explore maximizing the use of renewable energy (RE) potential in different areas of Khyber Pakhtunkhwa. Besides other resources, small scale wind turbine, biomass for electricity generation, and use of municipal solid waste for power generation projects will also be implemented.

Micro Hydro Power (MHP) is one of the earliest renewable energy technology existing since the beginning of 20th century. Government of Khyber Pakhtunkhwa, is already considering to construct 356 MHPs on priority basis in northern districts to provide cheap electricity to 123,000 households.

Government of Khyber Pakhtunkhwa will also associate local partners, and organizations for implementation of these projects so as to develop SMEs in such areas in order to generate employment and bring about a change in the lives of marginalized communities.

DEVELOPMENT OF COAL AND HYDRO CARBONS

Coal is extensively available in Khyber Pakhtunkhwa over an area of 1600 acres in Karak, Hangu, Dara Adam khel and Cherat etc with deposits of over 120 million tons. Similarly, Khyber Pakhtunkhwa is now contributing significant amount of Hydrocarbons (18% oil and 2% gas) in primary energy supply of Pakistan.

Government of Khyber Pakhtunkhwa will explore the possibility of setting up Coal based power plants to reduce the demand of imported oil on one hand and ease energy crisis in Khyber Pakhtunkhwa / Pakistan on the other.

In order to develop hydrocarbon sector in Khyber Pakhtunkhwa, Government of Khyber Pakhtunkhwa will take the following steps:

- Explore potential sites for oil and Gas recovery.
- Set up oil refinery, saving cost in transportation.
- Set up a Blending Unit to cater to the growing lubricant market and save by reducing import of lubricants.

DEVELOPMENT OF HYDRO POWER PROJECTS

Government of Khyber Pakhtunkhwa will put development of Hydel Power projects on priority in order to solve the existing power crisis.

Khyber Pakhtunkhwa is blessed with immense hydropower potential. Pakistan’s recoverable hydel power generation potential is assumed at 60,000MW of which Khyber Pakhtunkhwa’s share is about 24,736MW as mentioned below:

In order to avert the energy crisis, Government of Khyber Pakhtunkhwa/ Pakhtunkhwa Energy Development Organization (PEDO) will facilitate private sector investors to participate in tapping the above potential.

Industrial Policy 2016
ESTABLISHMENT OF SPECIAL ECONOMIC ZONES (SEZs)

A number of small and large industrial estates in Khyber Pakhtunkhwa have been established with proximity to major markets. The major Industrial Estates are at Peshawar, Hattar, and Gadoon besides an export processing zone in Risalpur. However, for rapid industrial development in the province, Government of Khyber Pakhtunkhwa will pursue creation of Special Economic Zones (SEZs) in Khyber Pakhtunkhwa.

These will encourage formation of industrial clusters, which in turn will reduce the cost of doing business, enhance productivity, help economic development and poverty reduction.

All new industrial estates shall be declared as Special Economic Zones (SEZs) under SEZA Act which shall entitle them to tax, custom and excise incentives as follows;

i. Exemption from custom duties and taxes on import of capital goods/plant and machinery to Special Economic Zone for installation therein.

ii. Exemption from all taxes on income for a period of 10 years from the date the enterprise starts commercial operations.

INCENTIVES BY THE GOVERNMENT OF KHYBER PAKHTUNKHWA

The location disadvantages of Khyber Pakhtunkhwa industries shall be compensated by the following incentives by the provincial government;

i. Government shall bear 5% mark up on financing for five years for new / expansion projects availed up to June 2017.

ii. Government shall finance 25% of the cost of property (plots) acquired for setting up industrial units up to December 2017 viz Early Bird Investments to expedite the industrialization process.

iii. To address the issue of high transportation cost in setting up industrial units, Government of Khyber Pakhtunkhwa shall subsidize 25% of the transport cost from Karachi Port to industrial site against import of plant and machinery for setting up new units. This subsidy shall be available for all new capital goods/plant and machinery reached into SEZ for installation.

iv. In order to attract innovative and newer technology and to promote labor intensive industry, Government of Khyber Pakhtunkhwa shall bear 25% of the electricity bill maximum up to 3 years from the start of commercial production for all new units, which are unique in nature and 1st of its kind in Khyber Pakhtunkhwa.

v. Government of Khyber Pakhtunkhwa shall finance 25% of the equity investments for female entrepreneurs subject to maximum of PKR 3.0 million per investor. Government of Khyber Pakhtunkhwa shall create initial reserve of PKR 500 million for such financing. Government of Khyber Pakhtunkhwa shall help in micro-financing, conduction of training, business and technical education, providing access to market and supporting talent for enterprises with majority female ownership and female employees.

The following are some of the industrial segments where women entrepreneur can play their active roles to contribute to economic growth and women prosperity:

- Cottage Industries; utilizing local skills (such as knitting, tapestry) with blend in of skilled designers in clothing, bags, household items for local market and exports.

- Carpet weaving industry; promoting local attractions and culture and shall help in increasing carpet exports.

- Gems, Jewelry, and Dress Designing; Huge potential in gems and jewelry and its access to the metropolitan as well as the Middle East market.

- Furniture Industry; The un-tapped wing; female designers can explore it to its full capacity utilizing stone craft on the international patterns.

- Trading business; 18% of the GDP is contributed by wholesale and retail business. Women entrepreneur can be skilled in trading including exports/imports/general supplies etc.
REHABILITATION OF CLOSED/SICK UNITS

Rehabilitation Scheme will be framed for economically viable but closed/sick industrial units. Serious efforts shall be made towards revival of closed/sick industrial units by providing assistance to the owners to restart the unit, sale to an interested party, or handover the unit to an experienced contractor.

Government of Khyber Pakhtunkhwa will also negotiate a subsidy package with the Bank of Khyber (BoK) for revival of closed/sick units.

Government of Khyber Pakhtunkhwa will constitute a high powered ‘Sick/Closed Units Revival Committee’. This committee shall be required to analyze the sick/closed industrial units and determine the following:

- Present state of the building/civil works of the factory
- Present state of the plant and machinery
- Actual reason for closure
- Chances of revival by the same party
- Possibilities of ‘change of management’ may be on contract basis
- Prospects of selling the unit to some other party
- Disputes among the management/owners
- Labor disputes
- Position of bank loans and their repayment
- Position of other liabilities including payables to labour
- Investment required for restarting the unit by the same/new party
- Government dues
- Legal cases and their settlement

During the process of the above analysis, it would be necessary to have a detailed discussion with the existing owners of the factory and to convince them and make them agreeable with the Committee’s point of view.

The Committees shall forward its recommendations to the Provincial Government of Khyber Pakhtunkhwa for further necessary action.

IMPROVING ENVIRONMENTAL COMPLIANCE – Towards A Greener Khyber Pakhtunkhwa

According to recent figures released by World Health Organization (WHO), some cities of Khyber Pakhtunkhwa e.g. Peshawar, are among the top 20 most polluted cities in the world. Since a substantial share of pollution is added by the industrial sector, it becomes imperative to enforce environmental policies and ensure their compliance across the board. Furthermore, emphasis should be laid on the use of latest technology in the industrial estates (existing and new) to reduce the overall carbon emissions. An autonomous monitoring system shall be put in place in the industrial estates to generate reports regarding the environmental impact of the industries.

Environmental Protection Act 2014 was passed by Khyber Pakhtunkhwa Assembly with the provision for the protection, conversation, rehabilitation, and improvement of the environment, monitoring, prevention and control of pollution. However, the compliance of Environment Impact Assessment (EIA) and Initial Environment Examination (IEE) particularly in industrial sector of Khyber Pakhtunkhwa has been far from satisfactory with the result that the adverse and harmful effects are not mitigated and Khyber Pakhtunkhwa’s industrial sector, without EIAs/IEEs, is not assisted in efficient use of resources, optimizing capital cost in longer term and balanced decision making process that may result in sustainable development.

Government of Khyber Pakhtunkhwa, through EPA (Khyber Pakhtunkhwa) will oversee that EIA and IEE are being complied to, in order to ensure that the requirements of Pakistan Environmental Legislation and National Environmental Quality Standards (NEQS) are being strictly followed in the industrial sector (including industrial estates), especially in:

- Power Projects
- Chemical and Manufacturing Plants
- Waste Disposal
- Industrial Estates Development
- Oil and Gas installation
- Major Roads
- Water Supply Projects
- Sewerage Schemes
PROVIDE LOGISTICS PARKS

Government of Khyber Pakhtunkhwa will facilitate investors in establishing logistics parks for the industrial sector by providing security management and reliability in logistics by product movement facilities:

- Material handling / loading / unloading,
- Transportation
- Warehouse, cold storages
- Container and freight station
- Silos for grain storage

During transportation, packaging will need to be carefully arranged.

AVAILABILITY OF FUNDS/CREDIT

Government of Khyber Pakhtunkhwa will ensure access to finance for the industrial sector, even if it has to subsidize it.

The Bank of Khyber (BoK) was established by the Government of Khyber Pakhtunkhwa a few decades ago with a clear mandate to support local trade and industry. This is being done by the Bank of Punjab and the Sindh Bank in their respective provinces, therefore, BoK will do the same. The Government of Khyber Pakhtunkhwa will even arrange subsidized financing for new projects and for revival of sick units. This may be done through establishment of separate industry support fund through the Public Sector Development Program (PSDP).

Further, the Government of Khyber Pakhtunkhwa will enter into dialogue with all local and foreign banks operating in Khyber Pakhtunkhwa to allocate funds for industrial and commercial development of Khyber Pakhtunkhwa. The Government of Khyber Pakhtunkhwa will closely monitor the BoK and all other banks to ensure that they do provide project finance and working capital for industrial projects in Khyber Pakhtunkhwa.

Implementation & Monitoring

The following entities shall implement the policy framework as per their designated mandate:

**Directorate of Industries & Commerce**
- To formulate rules and regulation and enforce their compliance.

**Khyber Pakhtunkhwa Economic Zones Development & Management Company – KPEZDMC**
- To develop state of the art new Industrial Estates.
- Revive and rehabilitate the existing Industrial Estates.
- To provide one window facilitation to prospective industrialists.

**Small Industries Development Board – SIDB**
- To develop Small Industrial Estates in the Province.
- To rehabilitate the existing Small Industrial Estates.

**Khyber Pakhtunkhwa Technical Education and Vocational Training Authority – KP TEVTA**
- Assess the labour market requirement for skilled workforce.
- To rehabilitate the existing Training Institutes as per market requirement.
- Capacity building of Teaching Staff.
- Expansion of training programs.
- Establishment of new Technical Institutes on need basis.

**MONITORING & EVALUATION**

All public sectors in Khyber Pakhtunkhwa will follow the Industrial Policy 2016. This policy will be implemented at all levels and in totality. The necessary changes, if needed, shall be made in the Policy consistent with economic development of the Province.

Government of Khyber Pakhtunkhwa will constitute a Monitoring Committee to oversee progress of Policy Implementation and will be responsible to include/amend and delete the provisions of the Policy from time to time after reviewing the same in view of industrial development of the Province.
## ANNEXURE-I

INCENTIVES FOR SETTING-UP NEW INDUSTRIES IN KHYBER PAKHTUNKHWA

<table>
<thead>
<tr>
<th>S #</th>
<th>Proposed incentive</th>
<th>Rate</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Government shall bear 5% mark up on financing for five years for new/ expansion projects availed up to June 2017</td>
<td>5%</td>
<td>500</td>
<td>1600</td>
<td>2500</td>
</tr>
<tr>
<td>2</td>
<td>Government shall finance 25% of the cost of property (plots) acquired for setting up industrial units up to December 2017 viz Early Bird Investments to expedite the industrialization process.</td>
<td>25%</td>
<td>To be borne by KP-EZDMC from its own resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Government of Khyber Pakhtunkhwa shall bear 25% of the electricity bill maximum up to 3 years from the start of commercial production for all new units, which are unique in nature and 1st of its kind in Khyber Pakhtunkhwa.</td>
<td>25%</td>
<td>360</td>
<td>550</td>
<td>750</td>
</tr>
<tr>
<td>4</td>
<td>Government of Khyber Pakhtunkhwa shall subsidize 25% of the transport cost from Karachi Port to industrial site against import of plant and machinery for setting up new units. This subsidy shall be available for all new capital goods/plant and machinery reached into SEZ for installation.</td>
<td>25%</td>
<td>330</td>
<td>550</td>
<td>750</td>
</tr>
<tr>
<td>5</td>
<td>For women entrepreneurs, the Government of Khyber Pakhtunkhwa shall finance 25% of the equity investments subject to maximum of PKR 3.0 million per investor.</td>
<td>25%</td>
<td>500</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td>1690</td>
<td>3200</td>
<td>4500</td>
</tr>
</tbody>
</table>
## ANNEXURE-II
**KP-EZDMC IMPLEMENTATION PLAN FOR ESTABLISHMENT OF NEW INDUSTRIAL ESTATES**

<table>
<thead>
<tr>
<th>Hattar Industrial Estate</th>
<th>Ghazi Industrial Estate</th>
<th>Jalozai Industrial Estate</th>
<th>Rashakai – M1 Industrial Estate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Area</strong></td>
<td></td>
<td></td>
<td><strong>1000 Acre</strong></td>
</tr>
<tr>
<td>424 Acre</td>
<td>89 Acre</td>
<td>257 Acre</td>
<td></td>
</tr>
<tr>
<td><strong>Acquisition of Land</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Already Acquired</td>
<td>Q2 2015-16</td>
<td>Q3 2015-16</td>
<td>Q3 2015-16 to Q4 2015-16</td>
</tr>
<tr>
<td><strong>Development</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 2015-16 to Q2 2016-17</td>
<td>Q3 2015-16 to Q4 2015-16</td>
<td>Q3 2015-16 to Q4 2016-17</td>
<td>Q1 2016-17 to Q4 2017-18</td>
</tr>
<tr>
<td><strong>Sale and Allotment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 2015-16 to Q2 2016-17</td>
<td>Q3 2015-16 to Q2 2016-17</td>
<td>Q1 2016-17 to Q2 2016-17</td>
<td>Q1 2016-17 to Q3 2016-17</td>
</tr>
<tr>
<td><strong>Construction/Establishment of Industrial Units</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 2015-16 to Q2 2016-17</td>
<td>Q1 2016-17 to Q2 2016-17</td>
<td>Q1 2016-17 to Q2 2016-17</td>
<td>Q4 2016-17 to Q2 2018-19</td>
</tr>
<tr>
<td><strong>Start of Commercial Operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 2016-17 to Q4 2016-17</td>
<td>Q2 2016-17 to Q2 2017-18</td>
<td>Q3 2016-17 to Q3 2017-18</td>
<td>Q1 2017-18 to Q4 2018-19</td>
</tr>
<tr>
<td><strong>Total Cost (PKR In million)</strong></td>
<td></td>
<td></td>
<td>7020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Special Economic Zones (Kohat–Karak)</th>
<th>D.I. Khan Industrial Estate</th>
<th>Risalpur EPZ</th>
<th>Industrial Estate Noshera (new)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Area</strong></td>
<td>1,000 Acre</td>
<td>189 Acre</td>
<td>92 Acre</td>
</tr>
<tr>
<td>100 Acre</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Acquisition of Land</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 2016-17</td>
<td>Already acquired</td>
<td>Already Acquired</td>
<td>Q3 2015-16</td>
</tr>
<tr>
<td><strong>Development</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 2016-17 to Q4 2018-19</td>
<td>Q3 2015-16 to Q1 2016-17</td>
<td>Q3 2015-16 to Q4 2015-16</td>
<td></td>
</tr>
<tr>
<td><strong>Sale and Allotment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 2016-17</td>
<td>Q4 2015-16 to Q2 2016-17</td>
<td>Q4 2015-16 to Q1 2016-17</td>
<td></td>
</tr>
<tr>
<td><strong>Construction/Establishment of Industrial Units</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 2018-19 to Q4 2019-20</td>
<td>Q2 2016-17 to Q2 2017-18</td>
<td>Q2 2016-17 to Q2 2017-18</td>
<td></td>
</tr>
<tr>
<td><strong>Start of Commercial Operations</strong></td>
<td></td>
<td></td>
<td>Q1 2017-18 to Q2 2018-19</td>
</tr>
<tr>
<td>Q1 2019-20</td>
<td>Q2 2016-17 to Q4 2017-18</td>
<td>Q4 2017-18</td>
<td></td>
</tr>
<tr>
<td><strong>Total Cost (PKR In million)</strong></td>
<td>7000</td>
<td>500</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>790</td>
</tr>
</tbody>
</table>
### Industrial Estate

<table>
<thead>
<tr>
<th>Estate</th>
<th>Total Area</th>
<th>Acquisition of Land</th>
<th>Development</th>
<th>Sale and Allotment</th>
<th>Construction/Establishment of Industrial Units</th>
<th>Start of Commercial Operations</th>
<th>Total Cost (PKR In million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buner</td>
<td>200 Acre</td>
<td>Q3 2016-17</td>
<td>Q1 2017-18 to Q4 2018-19</td>
<td>Q2 2018-19 to Q4 2018-19</td>
<td>Q3 2018-19 to Q4 2019-20</td>
<td>Q4 2019-20 to Q2 2020-21</td>
<td>1,580</td>
</tr>
<tr>
<td>Gadoon Amazai</td>
<td>200 Acre</td>
<td>Q4 2016-17</td>
<td>Q1 2017-18 to Q4 2018-19</td>
<td>Q2 2018-19 to Q4 2018-19</td>
<td>Q3 2018-19 to Q4 2019-20</td>
<td>Q4 2019-20 to Q2 2020-21</td>
<td>1,580</td>
</tr>
<tr>
<td>Mansehra Industrial</td>
<td>108 Acre</td>
<td>Already acquired</td>
<td>Q1 2015-16 to Q1 2017-18</td>
<td>Q2 2016-17 to Q3 2016-17</td>
<td>Q3 2018-19 to Q3 2018-19</td>
<td>Q4 2018-19 to Q2 2020-21</td>
<td>1360</td>
</tr>
</tbody>
</table>

### Hayatabad Industrial Estate

<table>
<thead>
<tr>
<th>Estate</th>
<th>Total Area</th>
<th>Expected date of take over</th>
<th>Finalization of consultants and contractors</th>
<th>Start of rehabilitation work</th>
<th>Rehabilitation work duration/completion</th>
<th>Total Cost (PKR In million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hayatabad Industrial</td>
<td>868 Acre</td>
<td>Q2 2015-16</td>
<td>Q2 2015-16</td>
<td>Q3 2015-16</td>
<td>Q3 2015-16 to Q3 2016-17</td>
<td>789</td>
</tr>
<tr>
<td>Gadoon Industrial</td>
<td>1116 Acre</td>
<td>Q2 2015-16</td>
<td>Q3 2015-16</td>
<td>Q3 2015-16</td>
<td>Q3 2015-16 to Q3 2016-17</td>
<td>300</td>
</tr>
<tr>
<td>Hattar Industrial</td>
<td>1063 Acre</td>
<td>Q2 2015-16</td>
<td>Q2 2015-16</td>
<td>Q3 2015-16</td>
<td>Q3 2015-16 to Q3 2016-17</td>
<td>558</td>
</tr>
<tr>
<td>Nowshera Industrial</td>
<td>108 Acre</td>
<td>Q2 2015-16</td>
<td>Q3 2015-16</td>
<td>Q3 2015-16</td>
<td>Q3 2015-16 to Q3 2016-17</td>
<td>58</td>
</tr>
</tbody>
</table>
## ANNEXURE-III
### SIDB – IMPLEMENTATION PLAN FOR ESTABLISHMENT OF NEW INDUSTRIAL ESTATES

<table>
<thead>
<tr>
<th></th>
<th>Small Industrial Estate Dargai Malakand</th>
<th>Small Industrial Estate Abbottabad-II</th>
<th>Small Industrial Estate Hattar</th>
<th>Small Industrial Estate Swat</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Area (Kanal)</strong></td>
<td>245</td>
<td>372</td>
<td>500</td>
<td>240</td>
</tr>
<tr>
<td><strong>Acquisition of Land</strong></td>
<td>2014</td>
<td>Acquired in 2014 but possession not yet taken</td>
<td>Q2 2016-17</td>
<td>Q2 2016-17</td>
</tr>
<tr>
<td><strong>Development</strong></td>
<td>Q3 2015-16 to Q3 2018-19</td>
<td>Q3 2015-16 to Q1 2018-19</td>
<td>Q4 2016-17 to Q2 2019-20</td>
<td>Q4 2016-17 to Q4 2018-19</td>
</tr>
<tr>
<td><strong>Start of Commercial Operations</strong></td>
<td>Q4 2018-19</td>
<td>Q3 2019-20</td>
<td>Q3 2020-21</td>
<td>Q1 2020-21</td>
</tr>
<tr>
<td><strong>Total Cost (In millions)</strong></td>
<td>452</td>
<td>453</td>
<td>470</td>
<td>388</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Small Industrial Estate at Swabi</th>
<th>Small Industrial Estate at Mardan(Phase IV)</th>
<th>Small Industrial Estate Peshawar-II</th>
<th>Small Industrial Estate Mansehra</th>
<th>Small Industrial Estate Dir Lower</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Area (Kanal)</strong></td>
<td>300</td>
<td>300</td>
<td>600</td>
<td>500</td>
<td>240</td>
</tr>
<tr>
<td><strong>Acquisition of Land</strong></td>
<td>Q4 2016-17</td>
<td>Q4 2017-18</td>
<td>Q4 2016-17</td>
<td>Q4 2016-17</td>
<td>Q4 2016-17</td>
</tr>
<tr>
<td><strong>Development</strong></td>
<td>Q3 2017-18 to Q3 2019-20</td>
<td>Q2 2018-19</td>
<td>Q3 2017-18 to Q1 2020-21</td>
<td>Q3 2017-18 to Q3 2019-20</td>
<td>Q3 2017-18 to Q3 2019-20</td>
</tr>
<tr>
<td><strong>Start of Commercial Operations</strong></td>
<td>Q4 2021-22</td>
<td>Q4 2022-23</td>
<td>Q4 2021-22</td>
<td>Q4 2021-22</td>
<td>Q4 2021-22</td>
</tr>
<tr>
<td><strong>Total Cost (In million)</strong></td>
<td>450</td>
<td>450</td>
<td>1020</td>
<td>750</td>
<td>312</td>
</tr>
</tbody>
</table>
### ANNEXURE-IV
WORK/IMPLEMENTATION PLAN FOR
SKILL DEVELOPMENT BY KP-TEVTA

<table>
<thead>
<tr>
<th>Activity</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement of Old &amp; Obsolete Machinery/Equipment and Tools</td>
<td>Survey/Analysis</td>
<td>10%</td>
<td>25%</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>Curriculum Development</td>
<td>Analysis</td>
<td>1st Year Course</td>
<td>2nd Year Course</td>
<td>3rd Year Course</td>
<td>Revision</td>
</tr>
<tr>
<td>Teachers Training</td>
<td>10%</td>
<td>20%</td>
<td>30%</td>
<td>40%</td>
<td>Refresher Courses</td>
</tr>
<tr>
<td>Expansion of Training Institutes</td>
<td>10 Institutes</td>
<td>Continue</td>
<td>15 Institutes</td>
<td>Continue</td>
<td>Continue</td>
</tr>
<tr>
<td>Skilled Labour Produced</td>
<td>20,000</td>
<td>25,000</td>
<td>30,000</td>
<td>35,000</td>
<td>40,000</td>
</tr>
</tbody>
</table>