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**PAKISTAN'S PATH
TO STABILITY
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REVIVING KARACHI'S INDUSTRIAL POWERHOUSES: URGENT GOVERNMENT ACTION NEEDED

hosts a network of industrial zones that contribute significantly to national and provincial revenue. Despite their immense economic potential, these industrial zones face neglect and mismanagement, hindering their ability to drive growth and attract global investment. The government must focus on revitalizing existing industrial zones rather than diverting attention to establishing new ones.

THE STRATEGIC IMPORTANCE OF KARACHI'S INDUSTRIAL ZONES

Karachi is home to several key industrial hubs, including:

- Sindh Industrial Trading Estate (SITE): The largest industrial zone in Pakistan.
- Korangi Industrial Area
- Landhi Industrial Area
- Port Qasim Industrial Zone
- Federal B Industrial Area
- Karachi Export Processing Zone
- North Karachi Industrial Area

These zones house diverse industries, such as textiles, auto parts, software development, and heavy manufacturing.

Together, they account for a significant share of Pakistan's GDP and export revenue. Moreover, Karachi's industrial zones generate thousands of jobs, contribute to technological advancement, and support regional trade.

Yet, despite their critical role, these zones are crumbling due to poor infrastructure, insufficient utilities, and a lack of government oversight.

CHALLENGES PLAGUING KARACHI'S INDUSTRIAL ZONES

1. Inadequate Infrastructure

Roads in major industrial areas like SITE and Korangi are riddled with potholes, making transporting goods difficult. Broken roads not only increase transportation costs but also reduce productivity. Additionally, basic amenities like streetlights and proper signage are glaringly absent in many areas.

2. Sewerage and Waste Management Issues

Overflowing sewers and a dysfunctional drainage system have become a hallmark of Karachi's industrial zones. These problems not only create environmental hazards but also damage infrastructure, leading to higher maintenance costs for businesses.

3. Utility Shortages

Industries face frequent power outages and inconsistent water supply, disrupting production schedules. The lack of reliable utilities forces companies to invest in costly alternatives, diminishing profitability and competitiveness.

4. Security Concerns

Crime, including extortion and theft, is rampant in many industrial areas. Businesses are forced to allocate substantial resources to private security, further increasing operational costs.

5. Bureaucratic Inefficiency

Obtaining necessary permits, renewing licenses, and resolving regulatory issues are often delayed due to inefficiency and corruption within government departments. These bottlenecks discourage both local entrepreneurs and foreign investors.

6. Lack of Modernization

While global competitors embrace automation and digital tools, Karachi's industrial zones remain rooted in outdated practices. Limited access to modern technology and training prevents industries from achieving optimal productivity.

GOVERNMENT NEGLECT AND UNREALIZED POTENTIAL

In January 2024, a former Federal Minister for Commerce and Industries emphasized that properly managed industrial zones could generate 3 million jobs and \$100 billion in exports within five years. However, these projections remain unachieved due to the government's lack of action and the mismanagement of resources.

The focus on announcing new Special Economic Zones (SEZs) further highlights the misplaced priorities. While SEZs are undoubtedly valuable, the neglect of established industrial areas with existing infrastructure is a missed opportunity. Revitalizing these zones would yield quicker and more substantial returns on investment.

THE PATH FORWARD: PRIORITIZING EXISTING ZONES

1. Infrastructure Rehabilitation

The government must allocate funds to repair roads, upgrade drainage systems, and provide consistent utilities. Modernizing infrastructure will enhance productivity and attract investment.

2. Streamlined Processes

Simplifying bureaucratic procedures for permits, licenses, and trade facilitation will reduce delays and encourage new industrial ventures.

3. Security Enhancements

Establishing a robust security framework, including surveillance systems and well-trained personnel, will create a safer environment for businesses to thrive.

4. Technology Upgradation

Offering incentives for technological



upgrades and skills training will help industries compete globally. Collaborations with universities and research institutions can drive innovation in manufacturing and services.

5. Public-Private Partnerships

Engaging the private sector in infrastructure development and zone management can improve efficiency and accountability.

6. Promotion of Export-Oriented Industries

Targeted policies to promote export-oriented manufacturing will help Karachi's industrial zones regain their competitive edge in international markets.

WHY KARACHI'S INDUSTRIAL ZONES DESERVE IMMEDIATE ATTENTION

Karachi contributes over 65% of Pakistan's revenue and serves as a gateway for international trade. Yet, the city's industrial zones are deteriorating, which undermines their economic contribution. Neglecting these zones will not only harm the city's economy but also affect the national economic outlook.

The government must recognize the urgency of the situation and take decisive action to revitalize Karachi's industrial zones. This effort should include substantial investments in infrastructure, governance reforms, and strategic planning to unlock the full potential of these industrial hubs.

CONCLUSION

Karachi's industrial zones represent untapped potential that could catapult Pakistan into a new era of industrial growth and global competitiveness. However, the challenges they face require immediate and sustained government intervention. By prioritizing the development of these zones, Pakistan can create jobs, boost exports, and solidify its reputation as a regional economic leader.

The time to act is now. A concerted effort to revitalize Karachi's industrial zones will not only benefit the city but also lay the foundation for a stronger, more prosperous Pakistan. **PTBP**



Mashood Khan

Director - Mehran Commercial Enterprises Expert Auto Sector / Former Chairman PAAPAM