

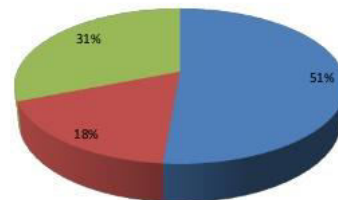
# UNIT 9

## SECONDARY AND TERTIARY INDUSTRIES:

Pakistan ranks as number 43-44 among the countries of the world in GDP, and number 55 in the world in factory output. Pakistan's industrial sector accounts for about 24% of GDP. Cotton textile production and apparel manufacturing are Pakistan's largest industries, accounting for about 66% of the merchandise exports and almost 40% of the employed labor force. Cotton and cotton-based products account for 61% of export earnings of Pakistan. Other major industries include cement, fertilizer, sugar, steel, tobacco, chemicals, machinery and food processing. The government is privatizing large-scale units, and the public sector accounts for a shrinking proportion of industrial output, while growth in overall industrial output (including the private sector) has accelerated.

### Types of Industries in Pakistan

- **Agriculture**
    - 17,518,204 labor force employed
  - **Manufacturing**
    - 6,005,487 workers
  - **Service**
    - 10,586,309 working
- Statistics as of year 2011



### Secondary Industries:

- SI is concerned with changing raw material from the primary sector or secondary products, to form a semi- finished or finished product.
- It is regarded as a system with **inputs**, **process** (smelting, weaving, spinning, dyeing, printing, knitting ,molding) and **outputs** ( cement, cotton yarn, ghee, lime , sugar, wheat flour, soft drinks, packets often, tinned fruit, bottles, cotton cloth, nuts and bolts, steel sheets, wire , electric motors, wheel hubs, drugs, fans, garments, motor cycles, factories, office blocks, hospitals and school etc).
- The inputs can be grouped into:

- (i) **Capital:** the finance to establish and manage the factories.
- (ii) **Enterprise:** business skills needed to develop ideas for products to manufacture and market them in a successful way.
- (iii) **Land:** the actual place where the industry is located.
- (iv) **Raw material:** every industry uses power. Some like smelting have high power consumption whilst others, like stitching, have much less.
- (v) **Labor:** the number, skills and other characteristics of the work force.

### **Factors for industrial Location:**

- **Physical:** Natural routes, Site requirements
- **Human:** raw material, access to market, capital, government policies, skilled labor, industrial linkages, power supply.

### **Principal factory industries in Pakistan:**

#### **(i) Cotton textile industrial:**

**The Textile industry in Pakistan** is the largest manufacturing industry in Pakistan. It has traditionally, after agriculture, been the only industry that has generated huge employment for both skilled and unskilled labor. The textile industry continues to be the second largest employment generating sector in Pakistan. Pakistan is the 8th largest exporter of textile products in Asia. The Textile Industry is dominated by Punjab. 3% of United States imports regarding clothing and other form of textiles is covered by Pakistan. Textile exports share in total export of Pakistan has declined from 67% to 55% , as exports of other textile sectors grew. The major reason of decline of textile export of Pakistan is the Govt. unhealthy policies. Sui Northern Gas Pipelines Ltd. (SNGPL) notified the textile mills to reduce the supply of gas. The demand for textile products is growing, and if we are not able to fulfil our current orders, we will lose international buyers.

### **KEY POINTS:**

- CTI is the largest industry in Pakistan.
- It provides employment to 50 % of the industrial labor force.
- Karachi, Hyderabad and Faisalabad are the main centers of the CTI.
- Raw cotton, cotton yarn, cotton cloth, ready made garments are all exported to many countries as well as being consumed domestically

### **Importance of cotton textiles for Pakistan:**

- The textile industry is the largest and the most important sector of the economy.

- It comprises cotton yarn, cotton fabrics and finished goods like towels, hosiery, knitwear and ready made garments.
- It possesses nearly 60 % of total export.
- It contributes 7 % of the GDP.



(ii) **Sugar industry:**

- Sugar is mainly made from sugar cane.
- Sugar mills are located in Punjab, NWFP, and Sindh. Baluchistan does not have any sugar mills.
- Sugar mills have to be located near the sugar cane fields because
  - (a) Sugar cane starts losing its sugar content as soon as it is harvested. It needs to be crushed immediately.
  - (b) Sugar cane is bulky and heavy and so it is expensive to transport.
- Uses of the **by products** of the sugar industry:
  - (a) **Bagasse:** can be used as fuel in sugar mills. Used to make chipboard, paper and animal feed.
  - (b) **Molasses:** used to manufacture various types of acids in the chemical industry.



**(iii) Fertilizer industry:**

- Chemical fertilizers have considerably increased since the green revolution in the 1960s.
- Fertilizers are very important for increasing agricultural production.
- Various raw materials e.g sulphur, phosphate, gypsum are used to make different types of fertilizers.
- Natural gas has become the main raw material.
- Faisalabad and Daud Khel in Punjab, Haripur in KPK and Dharki in Upper Sindh are the main locations.
- Nitrogenous fertilizer is most commonly used (92%) because the soils are deficient in inorganic matter.
- The Pak Arab Fertilizer Factory at Multan started production in 1979.

#### **(iv) Cement Industry:**

- There are many favorable factors for the development of cement industries locally.
- (i) availability of raw material (limestone and gypsum)
- (ii) Good domestic market with high demand from the construction industry.
- (iii) Natural gas is used as a cheap fuel.

**All Pakistan cement making association**(APCMA) is the apex body of the cement manufacturers of Pakistan. It is registered body under section 3 of the Trade Organization Ordinance 2007 wide license no 14, dated April 26, 2008 issued by Ministry of Commence. It was incorporated on 14th of September 1992 under section 32 of the Companies Ordinance 1984.

#### **(v) Steel Industry:**

- The establishment of steel industry is considered to be a milestone on the road to industrialization.
- **Pakistan steel mill corporation** with technical and financial assistance from USSR was established on December 30, 1973 at Pipri (40km east Karachi on Ghara creek near port Qasim)
- Pakistan steel provides raw materials to the engineering and construction industries.
- These industries depend on Pakistan steel's products (coke, pig iron/hot metal, rolled and cast billets, galvanized products and raw steel) and by products as inputs.
  
- The **Heavy Mechanical Complex Ltd (HMC)** was established at Taxila in 1979 with Chinese assistance.
- HMC is helpful in manufacturing of industrial plants and machinery.
- The Heavy Forge Factory (HFF) at this complex has also provided crucial for Pakistan's defense production needs.
- HMC is also manufacturing equipment for hydro electric power plants, thermal power plants, oil and gas processing plants and chemical plants.
- Boilers, cranes, construction machinery, material handling equipment, steel structures and railway equipment are some of the other products besides sugar mill machinery.

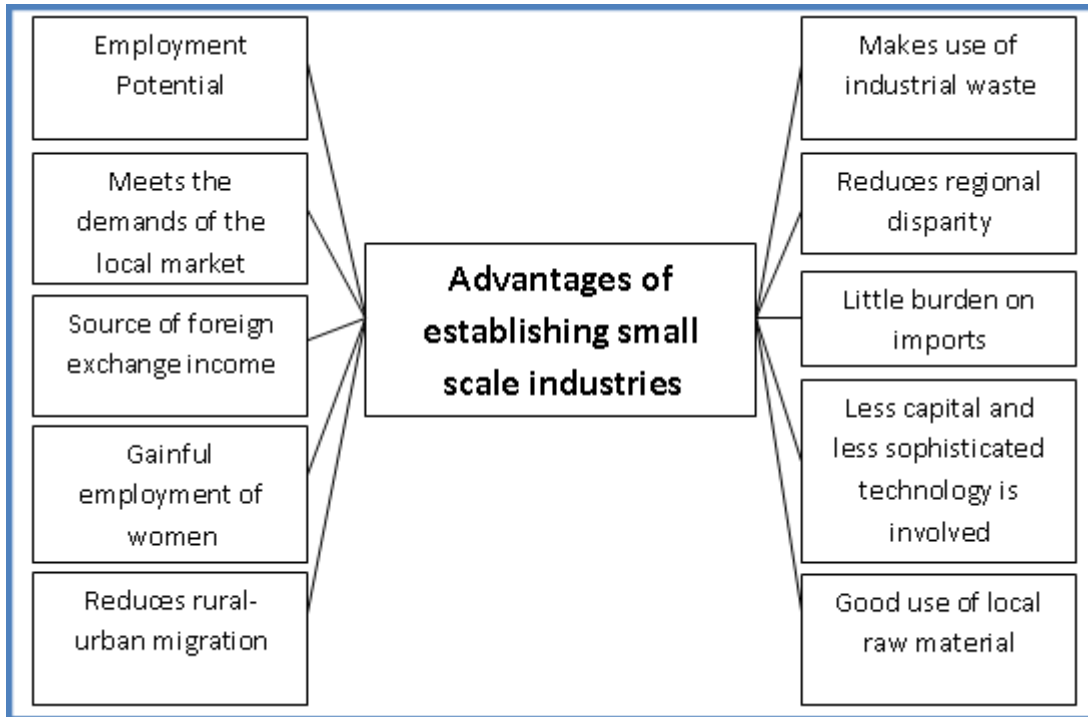


### **Industrialization and the private sector in the early years:**

- After 1947 the private sector was reluctant to invest in capital intensive industries.
- The Pakistan Industrial Development Corporation (PIDC) established to invest in industries (fertilizers, textiles, cement, chemicals, sugar, paperboard) in which the private sector was reluctant.
- Later PIDC transferred some of their projects to the private sector when the risk was reduced.
- This encouraged the private sector and stimulated industrial activity during the 1960s.
- During 60s, the country become self sufficient in most of the agro-based industries. This period is known as the Era of Industrialization”.

### **Cottage / Craft small – scale industries in Pakistan:**

- Cottage or household industries hold an important position in the rural set up.
- Most villages are self sufficient in the basic necessities of life.
- They have their own carpenters, blacksmiths, potters, craftsmen and cotton weavers.
- Many families depend on cottage industries for their income.
- CI has also gained immense importance in cities and towns.
- There is great demand for hand woven carpets, embroidered work, brassware, rugs and traditional bangles.
- These are also considered important export items and are in good demand in international markets.









### **Government policy towards small scale and cottage industries:**

- Pakistan's small scale corporation
- Punjab small industries corporation
- Sindh small industries corporations
- The small industries development board KPK
- The directorate of small industries Baluchistan

### **How does industrial pollution affect people?**

- Serious health hazardous in the form of various diseases
- Containment of sub soil water affects food crop and supplies of drinking water from wells
- Dumping of industrial waste causes land pollution
- Industrial wastewater is harmful for the irrigation of crops including food crops
- Threat to marine life
- Threat to mangroves –reduction in fish production
- Seaport pollution due to nearby industries
- Creating noise pollution

### **TERTIARY INDUSTRY:**

- TI is concerned with providing a service and is sometime known as a service industry.
- It can be divided into a number of different groups such as public administration, transport, defense and tourism.

### **Tourism:**

- Tourism means the whole business of providing accommodations and recreation facilities for those people who are traveling and visiting or staying in a place for a relatively limited period of time.
- The purpose for the visit or stay is primarily for pleasure.
- Recently tourism has the world's fastest growing industry.
- It has become an important factor in the economy of most developed countries as one of the possible ways to obtain income and create jobs.
- In Pakistan domestic and foreign tourism is small scale at present.
- Except for a small group of dedicated mountaineers, mainly foreigners, very few people visit Pakistan.

#### **International visitors to Pakistan:**

- There are three main groups
  - (a) visitors on business
  - (b) people visiting families
  - (c) tourists

#### **The natural attractions of Pakistan:**

- Northern areas
- Kaghan valley
- Swat valley
- Gilgit valley
- Skardu
- Hunza valley
- Chitral

#### **Cultural attractions in Pakistan;**

- Archaeological sites (moen-jo-daro, harappa, taxila)
- Historic sites (Khyber pass, badshahi mosque, muhabat khan in Peshawar, Shalimar gardens Lahore, allama iqbal's tomb)
- Modern buildings (faisal mosque, parliament building and presidential palace mausoleum of quaid, minaret pakistandams and barrages)
- Salt mines
- Traditional bazaars

## Main Industries by Region

