

District Profile

BANNU



Prepared By
SMEDA, NWFP



Small & Medium Enterprises Development Authority
Ministry of Industries & Production
Government of Pakistan

February 2009

S. NO	Table of Contents	Page No.
1.	Introduction.....	.....1
2.	History.....	.....2
3.	Economic Scenario of the District.....	.....3
4.	Economic Potential.....	.....4
4.1	. Agriculture.....	.....4
4.2	. Horticulture.....	.....4
4.3	. Livestock and Fisheries.....	.....4
4.4	. Industries .....	.....5
4.5	. Cluster .....	.....6
	(a) Foot Wears & Leather cluster.....	.....6
	(b) Spices cluster.....	.....6
	(c) Furniture cluster.....	.....6
5.	Small Investment Projects for the District.....	.....7
5.1	. Spices Processing Unit.....	..... 8
5.2	. Sheep & Goat Farming.....	.....9
5.3	. Honey Bee Keeping.....	.....10
5.4	. Leather Product Processing Unit.....	.....12
5.5	. Tunnel Farming.....	.....13

1. INTRODUCTION

The district Bannu is approximately 192 kilometers to the south of Peshawar and lies in a sedimentary basin. It is flanked and guarded on all sides by the hard and dried mountain ranges of Koh-e-Safed and Koh-e-Suleiman. It is a scenic part of the southern region, due to the Kurram river and its tributaries. They have made it a land of meadows, crops and orchards. Every kind of crop and fruit can be grown in it, but the banana, dates, figs and rice are unique in their taste, smell and shape. Geographically, the modern day Bannu is located in the heart of the southern region with its boundaries touching the districts of Karak, Lakki Marwat and the North, South Waziristan Agencies. Total population of the district is estimated 677350 (1998 Census) with annual growth rate of 2.81 %. The total area of the district is 1,227 square kilometers with total Number of Union Councils 49 with 2 Tehsils. Its literacy Rate is 32.11%. Main clans are Banizeei, Niazi, Wazer, Marwats and Abbasies. Other tribes include Bhattaan, Syeds and Awan. Most of the population are Muslims 99.5%, Ahmadis 0.3%, Christian 0.19% and Hindus 0.03%. The Main Languages are Pashto 98.3%; Urdu and Punjabi 1.03%. The literacy rate is 32.11%. The economically active population is 18.97% of the total population. The main occupations are Professionals 5.7%; Agriculture workers 39%, elementary occupations 23.7%, Service and shop workers 9.23%, Craft and related trade workers 6% others 16.2%. The District forms a basin drained by two rivers from the hills of Waziristan, the Kurram and the Gambila or Tochi. The valley of Bannu properly stretching to the foot of the frontier hills, forms an irregular oval, measuring 60 miles (100 km) from north to south and about 40 miles (60 km) from east to west.

1. HISTORY

The history of Bannu goes back many years, due to its strategic location there are many historical relics dating back to the 2nd Century BC. The Akra mounds are one of the relics from the ancient Indus Valley Civilization. There are also relics left behind by Central Asian Invaders in route to the sub-continent. Many theories have been proposed about the origin of the word “Bannu”. But the most widely recognized view is that the word “Bannu” is derived from “Bano.” Bano was the wife of Shah Farid alias the founder of the present day Bannu and the founder of Banouchi Tribes. Bano was the sister of Rustum and the daughter of Zalizar and when she was married to Shah Farid, Rustum conferred upon her as dowry. After the annexation of the Punjab, which then included the NWFP, the valley was administered by Herbert Edwardes so thoroughly that it became a source of strength instead of weakness during the Indian Rebellion of 1857. The modern district of Bannu was originally a tehsil of the old Bannu district of British India, in the Derajat Division of the North-West Frontier Province. The capital Bannu in the north-west corner of the district was the base for expeditions by troops of the British empire to the Tochi Valley and the Waziristan frontier, a military road led from Bannu town towards Dera Ismail Khan. The district of Bannu equivalent to the now defunct Bannu Division, upon the creation of the North-West Frontier Province in 1901, contained an area of 1,680 mi² (4,350 km²) lying north of the Indus, the cis-Indus portions of Bannu was ceded to Mianwali District of the Punjab. In 1901 the population was 231,485, of whom the great majority were Muslims. The current district of Bannu was created in 1990, when Bannu Division was separated from Dera Ismail Khan Division.

3. Economic Scenario of the District

Bannu has huge economic importance as it is the central market of the whole “Southern Region”, and furthermore it provides a safe and short route to the “Central Asian Markets”. Baran Dam is a unique source of irrigation it is the only dam in Pakistan, situated in a natural low basin area and has never needed reconstruction since its initiation .The Baran Dam play a major role in irrigation of the district. Bannu has pure drinking water provided to all the segments of society. About the 45% of the land are irrigated through canal which grows Sugarcanes, Maize and Wheat . Mango ,Guava and Date of district Banno are vary famous and supply to different cities of the country. Another famous icon of district Bannu is Spices which is supply to different areas of the NWFP. Bannu is a central place for trade with districts of Karak and Lakki Marwat, North Waziristan agency and frontier region of Bannu. It lies on Indus highway. All the essential commodities/goods are first marketed in Bannu and then dispatched to the above mentioned district, agency and frontier region. The Main markets are Tanchi Bazaar, Chock Bazaar, Kam Bazaar ,Lucky Gate, Kasaban Gate, Kachary Gate . Pori Gate, Hinjal Gate, Patati Gate, Mandan Gate etc..

4. Economic Potential

4.1 Agriculture

About 45 percent area of the district is irrigated mostly through canals and the rest is dependent upon rains. In the canal irrigated area where the soil is loamy, deep ploughing and regular maturing is carried out and cash crops are widely grown. Sugarcane, wheat, maize are the usual crops. Fruits and vegetables are also grown. Main crops of the district are wheat, maize, barley, sugarcane, jawar and bajra. The major of the above crops are wheat in “Rabi” and maize in “Kharif”.

4.2 Horticulture

Major fruit in district Bannu are Banana, Date, Fig, Guava, Mango, Plum, Citrus (lemon). Among these Banana Date and Guava are sold in deferent cities of the NWFP due its good taste and Quality

4.3 Livestock and Fisheries

Cattle, buffalo, Cows, sheep are common livestock in the district. Other livestock are camel, horse and poultry. For the health of the livestock a number of veterinary hospitals, dispensaries and centre are functioning in the district.

Number of dairy and Livestock Population of District Bannu (1998)

Lives stock	Numbers
Buffaloes	6,181
Cows	22,164
Sheeps	92,146
Goats	221,922
Camels	803
Horses	1,771

Poultry:	1,437,036
----------	-----------

4.4 Types of Industries

Detail of industries and factories established in Bannu district is given below;

1. Bannu Woolen Mills
2. Bannu Sugar Mills, Sarai Naurang
3. Bannu Flour Mills
4. C & W Workshop near general bus stand
5. Bannu Ice Factory, Bannu
6. Akhwat Ice Factory, Bannu
7. Dharma Ice Factory

Small Industrial Estate Bannu

S. No.	Name	Status
1	Total Area	59.3 Acres
2	Total No. of Plots	242
3	Size of Plots	A/10000, B/3000, C/2500 Sq: Ft
4	Price of Plots	Rs. 10/- per Sq: Ft.
5	Total No. of Plots allotted	84
6	No. of Units in operation	8
7	No. of units closed	13
8	Total No. of units under construction	4
9	Infrastructure Facilities	Available

4.5 Clusters

(a) Foot Wears Cluster

Bannu Leather Cluster is concern in making traditional leather Chapel and other footwear also known for its traditional shoes as Kairai in Pashto. It is vary famous due to its special embryonic designing . People of the district are seen as wearing these traditional slippers. Many hundreds of people are involve in foot wears manufacturing.. The Bannu Chappal Makers Association is the largest representative body of this cluster. The cluster has also started making hand made shoes, bags, belts, cases and other small leather accessories. These leather products are supply to deferent cities of the NWFP.

(b) Spices Cluster

Spices cluster is situated in main business area of Bannu commonly known as Masala Mandi (Spices Market). Initially spices production and distribution was limited to Bannu city and the adjoined areas of the district. But due to its quality and use in traditional foods of southern districts its now distributed in almost all major parts of NWFP and in few areas of Balochistan. Currently spices produced in Bannu and other concerned areas are sold in almost all major cities of NWFP and in some parts of Balochistan and Sindh. It has become a source of income for more than 200 families and 10,000 individuals in the area and providing direct and indirect employment to over 300 families in the process of production, distribution and sale.

(c) Furniture Cluster

The furniture of district Bannu is vary famous due to its quality and designs. Many hundreds of people are involve in furniture manufacturing . It is sold in all over the district of Bannu. Bannu Furniture Cluster Association is its representative. This furniture cluster gives direct and indirect employments to hundreds of peoples of the district .

5. Small Investment Projects for the District

1. Spices Processing Unit
2. Sheep & Goat Farming
3. Honey Bee Keeping
4. Leather Product Processing Unit
5. Tunnel Farming

5.1 Spices Processing Unit

Spices are one of the important elements of daily food and are used to add taste and color to food. Spices produced in Bannu are gaining immense recognition at local due to the traditional value attached to it and as well as on domestic level due to its quality and ingredients used in it. That is one of the reasons that its demand has been increased and is now exported to Afghanistan and some of the Arab countries. The raw material for Spices are abundantly available in the district Bannu. Spices cluster has a tremendous potential and can generate much export earnings if guided on modern business lines and has been given the needed resources for their expansion and meeting standards required at international level. The production capacity of the following Processing Unit are 450 Kg to 500 Kg per eight hours.



Name	Qty	Prices
Grinding machine	1	45,000
Packaging machine	1	410,000
Land and Building		450,000
Furniture and fixtures		20,000
Utilities		70,000
Miscellaneous		12,000
Total		10,07,000

Human Resource

Name	Number	Per Month	Salary per year
Grinders Operator	1	6,000	72,000
Packing Mashin Operator	1	6,000	72,000
Accountant	1	8,000	96,000
Helpers	2	4,000/helper	96,000
Total	5		3,36,000

Total cost of the Project for the 1rst Year	13,43,000
---	------------------

5.2 Sheep & Goat Farming

The farm will serve the purpose of fattening of sheep.

The project can be established in parts of the country where sheep farming is already taking place. The district Bannu has the ideal land for Sheep and Goat Farming. Livestock producers can obtain three to four flocks in one year depending upon their production



and management techniques. The maximum capacity of the farm is taken as 250 animals in one production cycle. The animals can be marketed in the local Piri as well as sold directly to the meat shops. The total project investment is Rs.1.6 Million which includes working capital of Rs.04 Million and Capital Cost of Rs.1.15 Million. The Project Internal Rate of Return (IRR) is 18%.

Project Investment

Name	UNIT	Price/unit	Cost in Rs
Mangers 0.5 feet / sheep	100	50/ft	5000
Hay Racks	100ft	60/ft	6000
Chaff Cutter	1	10000	10000
Tube Well	1	300000	300000
Tubs	6	500	3000
Wheel Barrow	1	4000	4000
Weight Scale	1	6000	6000
Total			334000

Human Resource Management

Name	Number	Monthly Salary
Farm Attendants	2	3000
Farm Supervisor	1	4000
Total		120000

Project Economics

Description			
Land			100000
Building			1000000
Office Equipment			50000
Total			1150000

Total Project Cost

Description	Amount in (Rs.)
Total Capital Costs	1150000

Total Working Capital	454000
Total Investment	1604000

5.3 Honey Bee Keeping

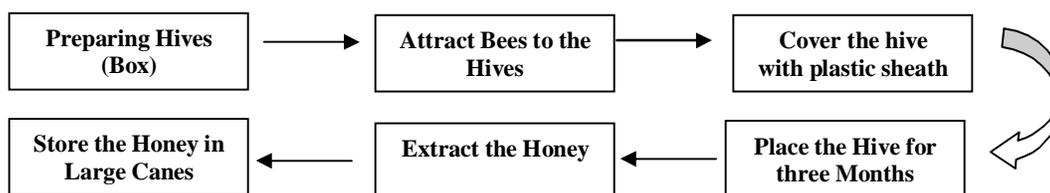
Introduction

Honey is a sweet substance produced by honey bees from the nectar of blossoms. Honey consists essentially of different sugars, predominantly glucose and fructose etc. Honey, a pure, natural sweetener prepared by bees from nectar collected from wild and cultivated flowers, was the first sweetener known to man. Honey Cluster



of NWFP is spread over in different districts of the province. The belts of Swat, Naran, Kaghan and southern districts like Peshawar, Mardan, Karak, Bannu, Kohat, Haripur, FATA and other adjoining areas have tremendous potential for fostering the honey-industry. The total numbers of the bee keepers entrepreneurs (farm) in NWFP is about 3500 and with direct employment of 17500 people.

Business Process Flow:



Tools & Machinery

No.	Equipment	Quantity	Price
1.	Honey Extractor Machine	1	3,500
2.	Monkey Cap	3	450
3.	Smoker	1	150
4.	Queen catcher	2	160
5.	Swarming catch basket	2	300
6.	Spray Bottle Plastic	3	210
7.	Gloves	3	210
8.	Fork	4	320
	Total	19	5,300

Cost of Project: per annum

No.	Particulars	Price
1.	Colonies of bees @ Rs.5000 - 10 frames	250,000
2.	Wooden Box with frame @ Rs.550 each	27,500
3.	Human Resource (3 personnel)	240,000
4.	Foundation sheet @ Rs.25 each	12,500
5.	Tools & Machinery (as per list above)	5,300
6.	Feeding of Bees	60,000
7.	Transportation Cost	10,000
8.	Total Investment	605,300
9.	Return on capital Employed (after 1 st year)	445,100
10.	Profit	135,100
11.	Rate of Return	23%

5.4 Leather Products Processing Unite

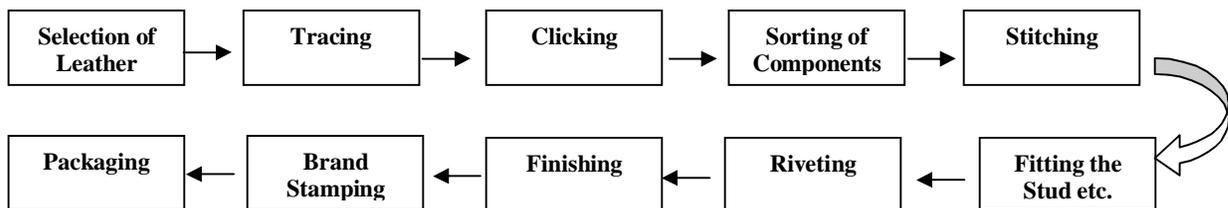
Introduction

It is well known fact that leather has been serving a multitude of human needs, and the modern man uses it for various purposes, personnel, industrial and defiance etc. In almost all electronic Industries leather plays a very important role. With the rapid development of mobile phones and other devices, the demands for such covers is also increasing day by day and have occupied fairly good position in market.



Manufacturing Process

It is generally manufactured by hand process with the help of knives, punches and other hand tools etc. sewing is also done by hand. The sequence of operations is as follows;



Plants & Machinery:

S. No	Name of Machinery/Plant	Qty. No.
1	Ball press No. 10 with accessories	1
2	Sole splitting m/c hand/power operated working width 23 cm	1
3	Strap cutting m/c hand operated	1
4	Trade Mark Embossing m/c	1
5	Weighing scale 50 kegs capacity	1
6	Other office equipment	1

Cost Analysis:

Basis: 30,000 pcs of leather cases/Annum

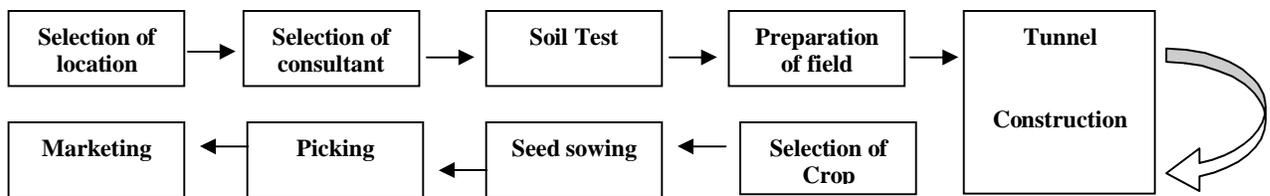
1	Covered Area Required	200 sq. m
2	No. of Employees	14
3	Land & Building	Rs. 115,000
4	Plants & Machinery	Rs. 25,000
5	Fixed Capital	Rs. 140,000
6	Working Capital for one month	Rs. 46,000
7	Working Capital for 3 months	Rs. 138,000
8	Total Investment	Rs. 278,000
9	Cost of Production Per Annum	Rs. 601,200
10	Receipt per Annum	Rs. 690,000
11	Profit Per Annum	Rs. 88,800
12	Rate of Return	31.90%

5.5 Tunnel Farming

The artificial method of plastic tunnels, specifically **walk-in Tunnel** farming, are lower than the high tunnels but they are gaining popularity as they provide high yield compared to low tunnels. The tunnel is suitable for growing tomatoes, cucumbers, sweet pepper and hot pepper. These tunnels will be 190 feet long, 6 – 8 feet high and 12 feet wide. The tunnel is built by pipe material of 20-mm diameter 18 feet length, and round shaped mild steel iron rods of 12-mm diameter and 2 feet length. This tunnel structure will then be covered by 0.06-mm thick and 20 feet wide plastic sheet. A total of around **13** tunnels can be constructed on one acre of land.



Process Flow:



Financials:

Total cost of the Project is estimated to be Rs. 200,000 for one model farm and the total cost for 5 farms would be around 1 Million excluding the cost of land/rentals, expenses of land preparation, hybrid seeds and insecticides, which will be born by the private sector partner.

S.No.	Description	Cost/farm (Rs.)	Total (Rs.)
1.	Structure	100,000	500,000
2.	Consultancy and Training program	50,000	250,000
3.	Equipment/ Machinery rentals	25,000	125,000
4.	Labor charges	25,000	125,000
	Total	200,000	1,000,000