



SME Business Facilitation Center (SMEBFC), Multan



District Economic Profile and Investment Opportunities (Khaneval)

(March, 2021)



SMEBFC-Multan Office

Room No. 09, 1st Floor, Trust Plaza, LMQ Road,
Multan

Tel: (92 61) 6800822

www.smebfcmultan.com

SMEDA, Head Office

4th Floor, Building No. 3, Aiwane-Iqbal Complex,
Egerton Road,

Lahore

Tel: (92 42) 111 111 456, Fax: (92 42) 36304926-7

helpdesk@smeda.org.pk

www.smeda.org.pk

Table of Contents:

1. Introduction:	3
2. Geographic and Demographic Situation:	4
2.1. Geographical Situation:	4
2.1.1. Total Area:.....	4
2.1.2. Area under Cultivation:.....	4
2.2. Demographic Situation:.....	4
2.2.1. Urban Population:.....	4
2.2.2. Rural Population:	4
2.2.3. Total Households:	4
3. Human Resource Availability:	4
3.1. Total Labour Force:.....	4
3.2. Skilled Labour:	4
3.3. Semi-Skilled Labour:	5
3.4. Unskilled Labour:.....	5
4. Infrastructural Facilities:	5
4.1. Communication System:.....	5
4.1.1. Telecommunication Service:.....	5
4.1.2. Post Office Service:	5
4.2. Road and Rail Network:.....	5
4.2.1. Road Network	5
4.2.2. Rail Network:	6
4.3. Utilities:	6
4.3.1. Electricity Supply:.....	6
4.3.2. Natural Gas:	6
4.4. Social Infrastructure Availability:.....	6
4.4.1. Educational Institutions:	6
4.4.2. Health Institutions:	6
4.4.3. Police Stations and Banks:	7
4.5. Industrial Estate:.....	7
5. Agriculture and Livestock:	7
5.1. Agriculture Sector:.....	7
5.1.1. Main Crops:.....	7
5.1.2. Main Fruits:	7
5.1.3. Main Vegetables:	8
5.2. Livestock:	8
5.2.1. Poultry Farms:.....	8
6. Industry Sector:	8
6.1 Small and Medium Enterprises:	9
6.2. Cotton Ginning and Pressing Factories:	9
6.3. Rice Husking/Processing Mills:	9
6.4. Flour Mills:	9
6.5. Seed Processing Units:	9
6.6. Textile mills:.....	9
6.7. Sugar Mill:.....	9
6.8. Brick Kiln Industry:.....	10
6.9. Poultry Feed manufacturing unit:	10
7. Services Sector:	10
8. Potential Sectors for Investment:	10
9. Business Support Institutions:	11
10. Useful Web Links:	11

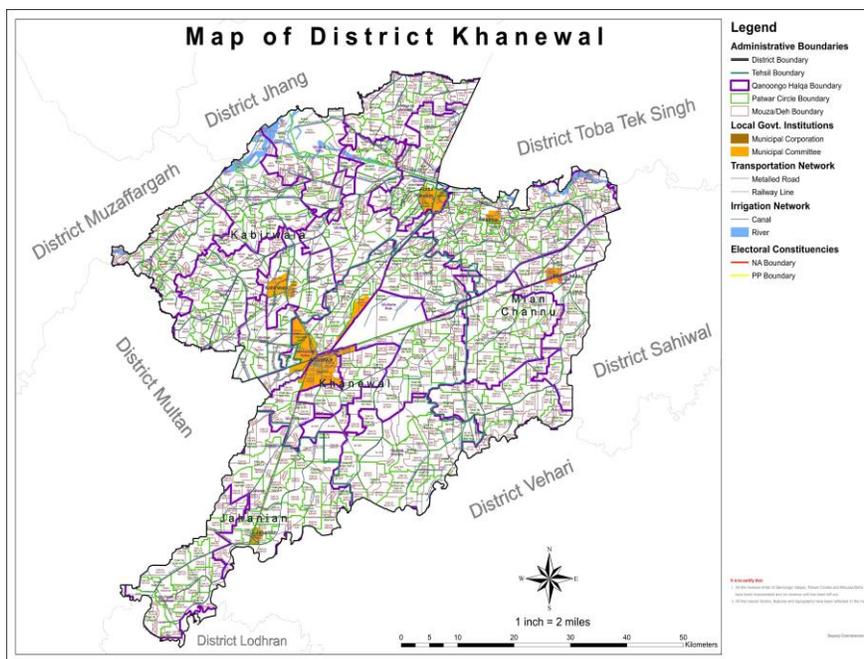
1. Introduction¹:

Khanewal has a history which can be traced back to the early 1900s. Khanewal is an old city having its earliest foundations laid by the British Empire owing to its importance as a railway junction. The city was a junction of the Wazirabad-Khanewal railway line and provided a connection to the city of Karachi via Lahore. Its straight roads show that it is a well-planned town by the British people. Khanewal city was little more than a village up to 1919 in which year it was given the status of an area committee, later upgraded to Municipal Committee in 1933 and then to a district in 1985.² The district contains four tehsils which are as following:

- Khanewal
- Mian Channu
- Kabir Wala
- Jahanian

The district is bordered with district Jhang and district Toba Tek Singh on the north, district Vehari on the south, district Sahiwal on east and district Multan on the west. The climate/atmosphere of the district is hot and dry. The summer season starts from April and continues till October. May, June and July are the hottest months. The maximum temperatures for these months are about 42 and 48 degree centigrade respectively. The winter season lasts from November to March. December and January are the coldest months, the maximum and minimum temperatures during this period is about 22 and 8 degree centigrade respectively. Dry, hot and dusty winds are common during summers³.

This document provides information about district Khanewal in respect of area, population, workforce, production of agriculture crops, fruits, vegetables, livestock, and infrastructural facilities such as communication network, power/gas supply, telecommunication, industrial estates, and major industries. It also identifies various potential investment opportunities in the district and lists out various institutes / organization working in this region for business support.



¹ <https://www.punjab.gov.pk/khanewal>

² <https://en.wikipedia.org/wiki/Khanewal>

³ <https://khanewal.punjab.gov.pk/climate>

2. Geographic and Demographic Situation:

2.1. Geographical Situation:

2.1.1. Total Area⁴:

District Khanewal covers an area of 4,349 Square Kilometers and makes 2.1% area of Punjab and 0.4% area of Pakistan.

2.1.2. Area under Cultivation⁵:

The total cultivated area of district Khanewal is 359,000 Hectare and makes 2.85% cultivated area of Punjab. This includes the land under crops, orchards as well as current fallow.

2.2. Demographic Situation:

2.2.1. Urban Population⁶:

Total estimated urban population of Khanewal district is 564,076 with 286,384 males and 277,625 females. The average annual growth rate of population is 1.98%.

2.2.2. Rural Population⁷:

Total estimated rural population of Khanewal district is 2,357,910 with 1,198,308 males and 1,159,546 females. The average annual population growth rate is 1.80%.

2.2.3. Total Households⁸:

Total estimated households' units of Khanewal district are 466,390 out of which 91,041 units exist in urban areas and 375,349 units in rural areas with the average household's size of 6.1 persons.

3. Human Resource Availability:

This section discusses the statistics related to total labour force, skilled labour, semi-skilled labour and unskilled labour.

3.1. Total Labour Force⁹:

The labour force comprises all those who work for gain, whether as employees, employers, or as self-employed, and it includes the unemployed who are seeking work. The total estimated working age population¹⁰ of District Khanewal is 1,753,200 out of which total estimated labour force is 876,600.

3.2. Skilled Labour¹¹:

⁴ Punjab Land Records Authority, Punjab Development Statistics, 2019

⁵ Punjab Development Statistics, 2019

⁶ Pakistan Bureau of statistics

⁷ Pakistan Bureau of statistics

⁸ Pakistan Bureau of statistics

⁹ Pakistan Bureau of Statistics

¹⁰ The working age population refers to people aged 15 to 64.

¹¹ <http://www.tevta.gop.pk/>



The literacy rate of the district is 51%.¹² As regards availability of skilled human resource, there are 10 technical / commercial / vocational institutions (5 for men, 5 for women) imparting training in various trades e.g. web designing, commerce, computer operators , plumber & sanitary installer, tailoring, machine embroidery, steel fixer, electrician, auto & farm machinery, driving, heating ventilation, , carpenter, beautician, motor winding, air conditioning & refrigeration, , welding, electrical, chemical, mechanical, civil, electronics, auto mechanic etc. Total 8,569 technicians/artisans/workers are graduated during 2009 to 2016 from technical / commercial / vocational institutions of district Khanewal. Beside these, large number of people of Khanewal district got technical, commercial and vocational education from big cities of Pakistan; these people are also included in the skilled human resource of the district.

3.3. Semi-Skilled Labour¹³:

Only 48% of the total population of the district completed the primary education. Therefore, most of the labour force in the district is unskilled or semi-skilled. The estimated semi-skilled labour in the district is around 350,640.

3.4. Unskilled Labour¹⁴:

The total population of the district that has ever attended school is 59%. So, remaining 41% population not attended school ever. Therefore, the ratio of unskilled labour is more than skilled and semi-skilled labour in the district. The estimated unskilled labour in the district is round about 438,300.

4. Infrastructural Facilities:

4.1. Communication System:

The communication network detail is as following:

4.1.1. Telecommunication Service:

There are 26 telephone exchanges operating in the district with ranging capacity from 200 lines to 7200 lines.¹⁵ There are also a several numbers of Cellular companies operating in the district including Mobilink, Zong, U phone, Telenor and Warid.

4.1.2. Post Office Service:

There are 24 post offices operating in the district¹⁶. Beside these many private national and international courier services are also providing their services in the district.

4.2. Road and Rail Network:

4.2.1. Road Network

The total metalled road length of the district is 2,750 Kilometers. The district is linked with Multan, Sahiwal, Vehari, Jhang and Toba Tek Singh through metalled road. The details are given below in the table.

¹² Bureau of Statistics, Punjab

¹³ Pakistan Bureau of statistics

¹⁴ Pakistan Bureau of statistics

¹⁵ <https://ptcl.com.pk/>

¹⁶ <http://www.pakpost.gov.pk>



Table 1: Metalled Roads Length¹⁷*(Kilometers)*

National Highways	Sugar Cess Roads	Provincial Highways	Total
112	41	2,597	2,750

4.2.2. Rail Network¹⁸:

District Khanewal has the oldest, largest and most important railway junction of the country. All the major trains moving towards north and south or towards other directions of the country change their course from this point onward. At this junction point, all kinds of trains i.e. electric engine trains or trains with manual engines are running. Khanewal Junction Railway Station is a major stopover for all fast and slow moving trains. In the nutshell, Khanewal is a lifeline for the trains of the country. The routes are Khanewal from linked to Karachi, Lahore, Rawalpindi, Peshawar, Quetta, Multan, Faisalabad, Sargodha, Jhang, Hyderabad, Sibi, Sukkur, Attock, Rahim Yar Khan, Bahawalpur, Gujrat, Gujranwala, Rohri, Jacobabad, Nawabshah and Nowshera.

4.3. Utilities:**4.3.1. Electricity Supply¹⁹:**

MEPCO is the only supplier of electricity in the district. There are 8 grid stations and it covers 97.43% area of the district.

4.3.2. Natural Gas:

Natural gas is available almost 60% area of the district.

4.4. Social Infrastructure Availability:**4.4.1. Educational Institutions:**

The details of the education institutes are as following:

Table 2: Education Institutions (2018-19)²⁰*(Numbers)*

Primary & Middle Schools	High Schools	Higher Secondary Schools	No of Colleges	Technical Institutes	Universities
1,096	183	41	27	10	1

4.4.2. Health Institutions:

The information of the health institutes is given in the table below:

Table 3: Health Institutions²¹*(Numbers)*

¹⁷ National Highways Authority, Lahore

¹⁸ <https://khanewal.punjab.gov.pk/transportation>

¹⁹ <http://www.mepco.com.pk>

²⁰ Punjab Education Statistics, 2019

²¹ Health Department, Government of the Punjab



Hospitals		Dispensaries		R.H. Cs Total		B.H. Cs Total		S.H. Centers		M.C.H Centers	
No.	Beds	No	Beds	No.	Beds	No.	Beds	No.	Beds	No.	Beds
9	457	19	0	7	140	83	166	0	0	4	0

4.4.3. Police Stations and Banks²²:

There are 18 police stations and 119 bank branches in the district.

4.5. Industrial Estate:

The Industrial Estate, Khanewal is a semi-urban estate and latest one, established by Punjab Small Industry Corporation (PSIC) in 1999 and is located at Lodharan National Highway Road Khanewal. The factory plots are independent with open space around. The improvement of the internal road and further expansion of the town towards the estate will enhance the importance of this estate. From locational view point Khanewal has good prospects for diversified industrial growth.²³

5. Agriculture and Livestock:

5.1. Agriculture Sector:

The subsoil water of the district is suitable for agriculture. A sizeable portion of population is engaged in agriculture sector. The details of the major crops, fruits and vegetables grown in this region are as following:

5.1.1. Main Crops:

Wheat, Cotton and Rice are the main crops grown in the district.²⁴ Area and production of these crops during the period 2019-20 are given below:

Table 4: Main Crops²⁵

(Numbers)

Wheat		Cotton		Rice	
Area (Hectares)	Production (Tones)	Area (Hectares)	Production (Bales)	Area (Hectares)	Production (Tones)
195,000	597,780	180,000	622,850	32,000	68,240

Besides, Sugarcane, Gram, Jawar, Maize etc. are also grown in minor quantities in the district.

5.1.2 Main Fruits:

Mango, Citrus and Guava are the main fruits grown in the district.²⁶ Area and production of these fruits during the period 2019-20 are depicted in the table below:

Table 5: Main Fruits²⁷

(Numbers)

²² Bureau of Statistics, Punjab

²³ <http://www.sci-int.com/pdf/636911963847043498.pdf>

²⁴ https://khanewal.punjab.gov.pk/natural_recources

²⁵ Directorate of Agriculture, Crop Reporting Service, Punjab

²⁶ https://khanewal.punjab.gov.pk/natural_recources

²⁷ Directorate of Agriculture, Crop Reporting Service, Punjab



Mango		Citrus		Guava	
Area (Hectares)	Production (Tones)	Area (Hectares)	Production (Tones)	Area (Hectares)	Production (Tones)
14,123	185,610	7,176	100,490	1,323	9,520

Besides, Jaman, watermelon, Dates, Pomegranates etc. are also grown in minor quantity in the district

5.1.3. Main Vegetables:

Onion, Potatoes and Tinda are main vegetables grown in the district.²⁸ The Area and production of these vegetables during the period of 2019-20 are given below in table:

Table 6: Main Vegetables²⁹

(Numbers)

Onion		Potato		Tinda	
Area (Acres)	Production (Tones)	Area (Acres)	Production (Tones)	Area (Acres)	Production (Tones)
16,000	50,134	17,015	156,776	2,600	10,675

Besides, chilies, Bitter gourd, Cucumber, Ladyfinger, Carrot, Turnip, Garlic, Tomato etc. are also grown in the district in minor quantities.

5.2. Livestock:

Livestock is the second important economic activity in the district and an important source of livelihood for the majority of the rural population. The available livestock of Khanewal district is 2,100,000. The summary of the livestock statistics of district is given below in the table:

Table 7: Livestock Statistics³⁰

(Numbers)

Cattle	Buffaloes	Sheep	Bullocks	Goats	Camels	Horses	Asses	Mules
378,000	463,000	89,000	13,876	548,000	171	2,383	16,115	290

5.2.1. Poultry Farms³¹:

There are total 218 poultry farms in the district out of which 190 broiler and 25 layer poultry farms having rearing capacity of 24,850 and 60 thousand birds respectively. There are also 3 breeding farms having rearing capacity of 200,000 birds.

6. Industry Sector:

District Khanewal comprises the industries of ginning mills, rice mills, sugar mill, textile mills, flour mills, agro based industries, vegetable ghee mills, milk processing unit, shoe industry, pesticides, brick kilns, cold storage, warehouse, etc. These units consist of small industries mostly labor intensive in nature.

Table 8: Number of Registered Factories and Employment Level³²

²⁸ https://khanewal.punjab.gov.pk/natural_recources

²⁹ Directorate of Agriculture, Crop Reporting Service, Punjab

³⁰ Punjab Development Statistics, 2019

³¹ Directorate of Poultry Research Institute, Punjab, Rawalpindi



No. of Factories		Estimated Employment	
2017	2018	2017	2018
179	213	14,618	15,227

6.1 Small and Medium Enterprises:

The small and medium enterprises comprise of agriculture, livestock, manufacturing units, whole sellers, auto & electric, bakeries, merchants, furniture makers, repair, shoes makers, tailors, hotel & restaurants, and other shops. Khanewal city is the main hub of trading in the district and major market for daily used items whether locally produced or coming from other parts of the country. These items are supplied to the rest of the district from here.

6.2. Cotton Ginning and Pressing Factories:

Cotton is the major crop of Khanewal district with the production of 622.85 thousand bales during 2019-20 which makes 9.12% of the Punjab. There are 59 cotton factories in the district³³ that produce cottonseed, a by-product for oil mills. This is further processed into edible oil and cotton seed cake (used as animal feed).

6.3. Rice Husking/Processing Mills:

Pakistan is the world's 10th largest producer of rice. Exports make up more than 8% of world's total rice trade. Rice is the major crop of Khanewal district with the production of 68.24 thousand tonnes during 2019-20 which makes 2% of the Punjab. There are 6 rice mills operating in the district that fulfill the demand of local consumers.³⁴

6.4. Flour Mills:

Pakistan is the largest country where wheat is the staple food of nearly entire population. Wheat is the major crop of Khanewal district with the production of 597.78 thousand tonnes during the period of 2019-20 which makes 3.25% of the Punjab. There are 13 flour mills functional in the district.³⁵

6.5. Seed Processing Units:

There are 3 seed processing units operating in the district.³⁶

6.6. Textile mills:

There are 7 textile mills operating in the district.³⁷

6.7. Sugar Mill:

Sugarcane is the major crop of the district with the production of 373.25 thousand tonnes during the period of 2019-20. There is one sugar mill in the district³⁸.

³² Punjab Development Statistics, 2019

³³ https://khanewal.punjab.gov.pk/district_profile

³⁴ https://khanewal.punjab.gov.pk/district_profile

³⁵ https://khanewal.punjab.gov.pk/district_profile

³⁶ https://khanewal.punjab.gov.pk/district_profile

³⁷ <http://khanewal.dc.lhc.gov.pk/PublicPages/HistoryOfDistrict.aspx>

³⁸ https://khanewal.punjab.gov.pk/district_profile



6.8. Brick Kiln Industry:

There are total 339 Brick Kiln units operating in the district out of which 64 units are in Tehsil Jahania, 75 units in Tehsil Khanewal, 88 units in Tehsil Mian Channu and 112 units in Tehsil Kabirwala.³⁹

6.9. Poultry Feed manufacturing unit:

There are 2 poultry feed manufacturing units operating in the district which fulfil the local demand.⁴⁰

7. Services Sector:

Due to the dominance of agriculture sector, the most of the services are allied to this sector, like, the fertilizer and pesticides supply, and farm machinery rental services. There are fruits and vegetables markets in the urban areas and small shops in rural areas, retails stores, shops, transportation, auto allied repair and maintenance, telecom & IT, mini markets for grocery. Other services include health, education, banking, grain trading, real estate, tourism, construction, warehouses & cold storages, hotels and restaurants.

8. Potential Sectors for Investment:

Keeping in view of the economic potential, available resources and demand of local/national & international markets, the following are the suggested potential sectors for investment:

- Aluminum Utensils
- Biscuits
- Cast iron Pipes
- Cattle/Sheep/Goats Fattening Farms
- Dairy Farms
- Die-Casting
- Dairy Products (Cheese, Butter, Yoghurt)
- Foundry
- Fruit Juice/Squashes/Jams/Jellies/Pickles
- Hosiery
- Household/Hospital Bed Sheets
- Insecticides/Pesticides
- PVC Shoes
- Packing Boxes
- Paper Cones for Textile Mills
- Surgical Cotton
- Surgical Bandages
- Steel Doors/Windows
- Tannery
- Terry Towel
- Tins-Making for Vegetable Ghee
- Textile Spinning, Weaving and Processing
- Vermicelli's
- Water Pumps

³⁹ http://dashboards.urbanunit.gov.pk/brick_kiln_dashboard/

⁴⁰ https://khanewal.punjab.gov.pk/district_profile



- Welding Electrodes
- Wrenches/Spanners/other Hand Tools
- Milk Pasteurizing Unit

The above referred economic investment prospects are indicative; therefore, it is advised that detailed feasibility of industrial projects must be carried out before making final decision for investment.

9. Business Support Institutions:

There are many Public and Private Business support institutions in the district which are as following:

- Khanewal Chamber of Commerce and Industries, Khanewal
- Regional Business Center Multan-SMEDA
- Financial Institutions
- Educational Institutions
- Punjab Food Authority (PFA) District Office, Khanewal
- Livestock and Dairy Development Department, District Office, Khanewal
- Population Welfare Department, District Office, Khanewal
- National Database Registration Authority (NADRA), Khanewal
- Punjab Small Industries Corporation (PSIC) Regional Office, Multan
- Training Technical and Vocational Education Training Authority (TEVTA), Khanewal Training Institutes
- National Productivity Organization (NPO) Sub Office, Multan
- Securities and Exchange Commission of Pakistan- Company Registration Office-Multan
- e-Rozgar PITB, Khanewal
- e-Khidmat Markaz, Government of Punjab, Multan
- Multan Electric Power Company (MEPCO), Circle Khanewal
- National Industrial Relations Commission, Multan
- Environment Protection Department, District Office, Khanewal

10. Useful Web Links:

- <https://www.sbp.org.pk/>
- <http://www.pbs.gov.pk/>
- <http://www.smeda.org.pk>
- <http://www.ppma.org.pk>
- <http://www.tevta.gop.pk/>
- <https://food.punjab.gov.pk>
- <http://www.livestockpunjab.gov.pk>
- <https://punjab.gov.pk/>
- http://dashboards.urbanunit.gov.pk/brick_kiln_dashboard/
- https://www.punjab.gov.pk/khanewal_industry
- <https://khanewal.punjab.gov.pk/>
- <http://khanewal.dc.lhc.gov.pk/PublicPages/HistoryOfDistrict.aspx>
- <http://www.crs.agripunjab.gov.pk>
- <https://poultry.punjab.gov.pk/>
- <http://www.bos.gop.pk/developmentstat>
- <http://bos.gop.pk/EducationStatistics>
- <https://www.ecp.gov.pk/>



- <http://www.pbs.gov.pk/content/population-census>
- <http://nha.gov.pk/en/>
- <http://www.pbs.gov.pk/content/labour-force-survey-2014-15-annual-report>



SME Business Facilitation Center (SMEBFC) - Multan

A PSDP Project of SMEDA, MoIP, Government of Pakistan

**For Growth and Development of SMEs
of
South Punjab Region**

*SMEBFC Multan, a PSDP Project of SMEDA, MoIP, Government of Pakistan,
is a One-stop Facility for the development of SMEs of South Punjab Region.*

The Center offers following services to the existing SMEs and potential Entrepreneurs:

- ➔ Identification of Region specific potential projects for investment.
- ➔ Information related to business registrations, marketing, technology & production and HR.
- ➔ Advice regarding Taxation, Regulatory Procedures and Compliance Requirements.
- ➔ Support in Market linkages and Business match-making.
- ➔ Information and Guidance in obtaining finance from banks and available financing opportunities.
- ➔ Customized Training Programs for Improved Business Efficiencies.
- ➔ Support and market access to private sector Business Development Service Providers (BDSPs) for service delivery to SMEs.

If you wish to expand or start your own Business,

Please visit or contact below for more information:

SME - Business Facilitation Center (SMEBFC) Multan

Room no. 9, 1st Floor, Trust Plaza, LMQ Road, Multan

+92 61 6800822

www.smebfcmultan.com

