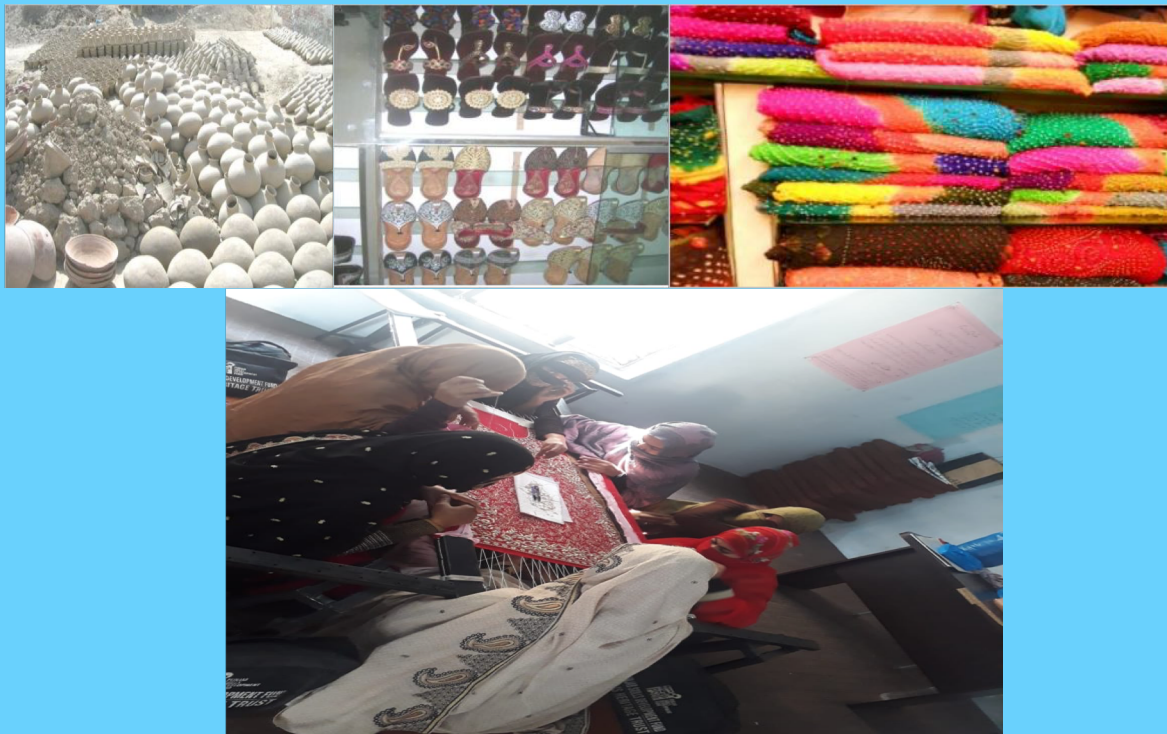


2021

## Cluster Profile

### Handicrafts Cluster, Bahawalpur



#### ***Turn Potential Into Profit***

Small and Medium Enterprises Development Authority (SMEDA)  
Ministry of Industries and Production (MoI&P)  
Government of Pakistan

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## Table of Contents

<b><u>1</u></b>	<b><u>Description of Cluster</u></b>	<b><u>2</u></b>
1.1	Introduction – Handicrafts & Embroidery Products Bahawalpur	2
1.2	Defining the Products	2
1.3	Core Cluster Actors	4
1.4	Other Cluster Actors	5
1.5	Geographical Location	6
1.6	Current Cluster Scenario	6
<b><u>2</u></b>	<b><u>Analysis of Business Operations</u></b>	<b><u>6</u></b>
2.1	Production Operations	6
2.2	Raw Materials	9
2.3	Technology Status	9
2.4	Marketing & Sales	9
2.5	Financing	9
2.6	Human Resource Management	11
2.7	SWOT Analysis	11
<b><u>3</u></b>	<b><u>Institutional Setup</u></b>	<b><u>12</u></b>
3.1	Entrepreneurs' Associations	12
3.2	Support Institutions	12
<b><u>4</u></b>	<b><u>Major Issues and Problems</u></b>	<b><u>14</u></b>
<b><u>5</u></b>	<b><u>Investment Opportunities</u></b>	<b><u>14</u></b>

## 1 Description of Cluster

### 1.1 Introduction – History Background of Cluster

In Pakistan, handicrafts are rich and diverse. Every city/village has its own handicrafts specialty ranging from fabric, material, embroidery, to jewelry, carving, mirror work and other handicraft items. Each color, style, design and motif carries with it a unique symbol portraying the culture of that particular area and builds on people's indigenous skills.

Bahawalpur being an old city holds a significant cultural and traditional values, which are truly manifested in the handicraft items produced in the area. The city is quite famous for its handicraft products, especially embroidery items, Chunri, date palm leaf products (Chhabbi, peerhay) cloth made with patches (gindi), silver Faber (mukesh), traditional footwear (khussa), jewelry, clay products and home decor items. The Handicrafts Cluster Bahawalpur is primarily a home-based cottage industry.

The craftsmen of this region mainly perform their work at home instead of factories and almost the entire family is involved in a particular task. The women of the family do more work at home. The males of the family supply the material as much as possible or market finished products. This Cluster is also used to decorate and fulfil an artistic desire. Their choice of colors and designs are found as a veteran artist. When we look at artisans with concentration, it is revealed that their color schemes and designs are not less than any expert. The main reason for this factor is that successive generations are involved in this activity of preserving this particular art. The product of this cottage industry has not only nationwide but worldwide importance because this cottage industry represents the cultural or traditional products of the country. The colors of Cholistan are the thing that attracts the buyers the most.

Presently, Bahawalpur handicrafts cluster is comprising of around 78 registered cottage industry manufacturing units and approximately 30 micro / cottage units. Predominantly, it is an artisan-based cluster. Around 2,500 people are directly or indirectly employed by the cluster, as workers, learning artisans or traders. The cluster is primarily catering for the local market needs. However, very few manufacturers have been able to establish sales networks across the country and exporting as well.

### 1.2 Defining the Products

The product range of the cluster mainly entails a variety of handicraft and decorative items made of embroidery items, Chunri, date palm leaf products (Chhabbi, peerhay) cloth made with patches (gindi), silver Faber (mukesh), traditional footwear (khussa), jewelry, clay products. Though, the cluster is traditionally famous for manufacturing of different types and designs of handicrafts, the

traditional colors of cholistan is a prominent feature of these handicrafts.

There is a variety of products that can be included in the product range of Handicrafts. The products manufactured in the Bahawalpur cluster mainly include the following;

**Table 1: Handicrafts Cluster, Bahawalpur**

Sr. No.	Description of Product	Product Range
1.	Embroidery Products	Dresses, Scarf & Dupatta, Lehnga, Sari, bags and decorative items.
2.	Date Palm products	This product range includes sitting stools, tables, chairs, mats or curtains tray (Chabi) handy fans, bags etc.
3.	Gindi	Traditional comforter made of clothes patches, filled with cotton fibres.
4.	Traditional Foot Wears	Khusa, kolhapuri, sleeper with golden/silver tilla embroidery and plain sandals
5.	Jewellery	Traditional Silver Jewellery
6.	Clay Pottery	Pitcher and Long-necked pitcher, tumbler, bowl, cooking vessel and jars
7.	Home Decoration Products	Bed sofa covers and other related decoration products such as flower jars and baskets etc.

### 1.3 Core Cluster Actors

The manufacturers of the above products are the main actors of the Cluster. According to industry sources, Bahawalpur Handicrafts Cluster consists of around 108 production units, with the majority of units small and cottage sized, except for a few medium and large units. The Cluster is primarily a handicraft community and is focused on local clusters. In most cases, the core producers and unit owners are craftsmen.

The most important industry statistics are as follows:

<sup>1</sup> Source: Handicrafts & Embroidery cluster Manufacturer

**Table 2: Handicrafts Cluster, Bahawalpur**

<b>Number of Units</b>	There are almost 78 registered cottage industry with the women Chamber of commerce (WCCIB) & handicraft Association of Pakistan (HAP)  Furthermore, as per Industry Sources, micro/cottage scale also exists Units functioning as home-based units operated by artisan's family members. The estimated number of these units is approximately 30.
<b>Employment Generated</b>	About 2,500 people are directly or indirectly involved—estimated job growth involving permanent and temporary labour or indirect labour.
<b>Revenue Generation</b>	Approximately Rs. 700 million
<b>Capacity Utilization</b>	About 30% to 40%

Source: Handicraft Association of Pakistan (HAP)

## 1.4 Other Cluster Actors

The key cluster support actors who provide support services to core cluster in the area are including but not limited to raw material suppliers, finishing and packaging service providers, etc.

**Table 3: Other Support actors, Handicrafts Cluster, Bahawalpur**

Descriptions	Details
<b>Raw Material Suppliers</b>	Raw material includes the following products: Die Colors and polishing materials Glitters lases etc. other embroidery products Lather and tilla for traditional wears Sea sands for clay pottery Silk cotton for embroidery All materials are available in the region but refine leather and polishing products have suppliers from Sialkot and Multan.
<b>Finishing or Packaging Service Providers</b>	There are many service providers locally which provide services of Packaging/printing of products. These service provider uses the machinery of packing and printing.
<b>Display Centers</b>	There are a few central display units or stores available in the city. However, approximately 12 display centers with an average investment of Rs. 1 Million are available. The role of these display centers is to purchase the Product from Production units and market them as their brand, through market distributors.

## 1.5 Geographical Location

The Cluster is primarily located in Bahawalpur's rural areas and the Cholistan, which is 30 km away from central Bahawalpur City.

## 1.6 Current Cluster Scenario

The total cluster sales are abysmal. Most crafts and decorative products are created in micro cottage units and are sold in shops. Besides that the craftsmen sell their goods in exhibitions in Mina Bazar, Bahawalpur. In technology, architecture, and techniques of painting, the Cluster is exceptionally traditional and obsolete. The Cluster needs substantial investment in transforming artisans to embrace modern designs and technology to manufacture quality goods according to modern demand lifestyles and living standards.

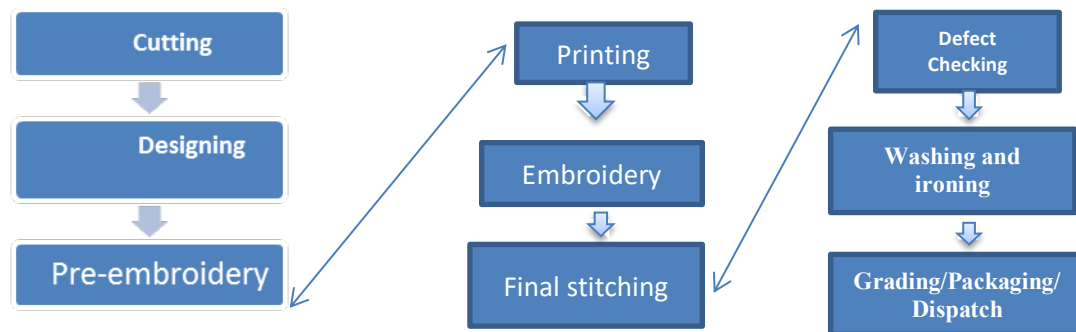
# 2 Analysis of Business Operations

## 2.1 Production Operations

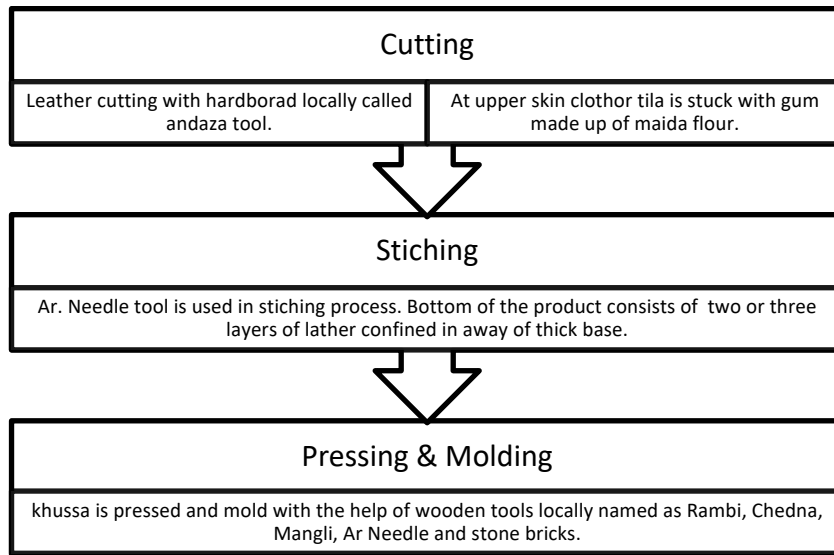
Majority of the items produced in the cluster are hand made without use of technology.

The different type of products involves different steps and activities. A brief overview of key steps involved in manufacturing of different items is provided below.

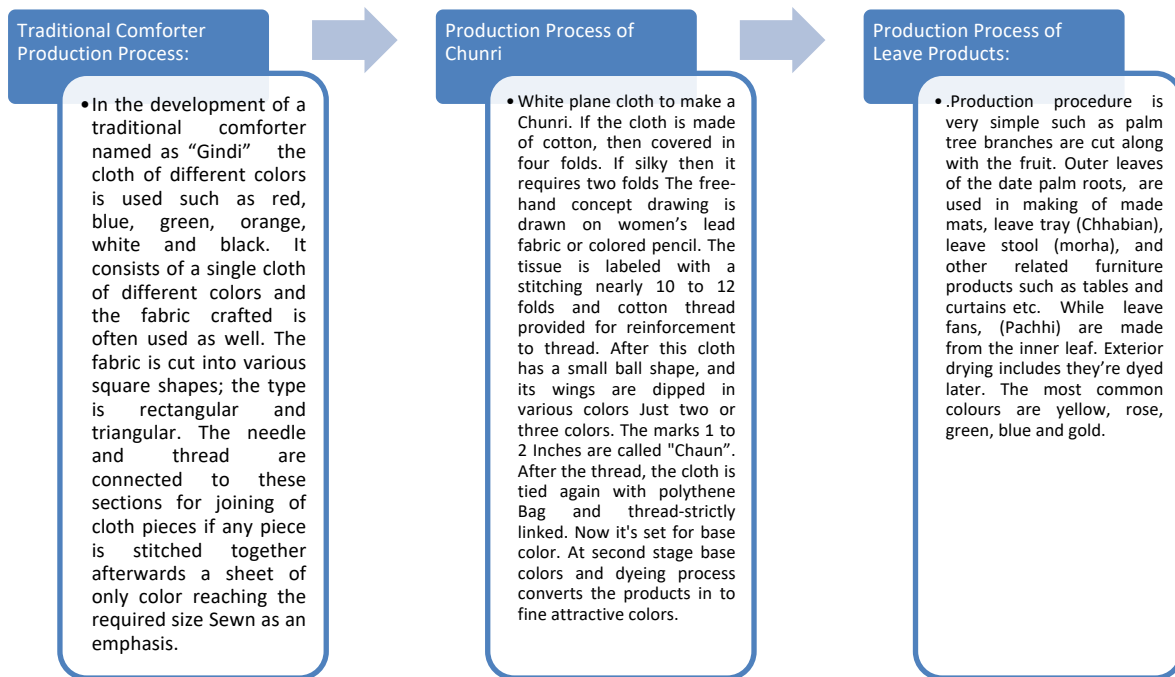
### Embroidery & Traditional Wears Production Process



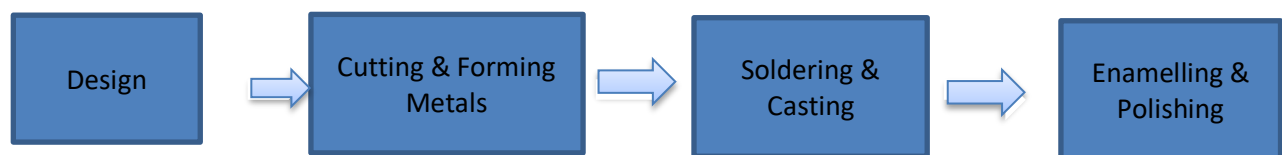
### Traditional Footweares Production Process

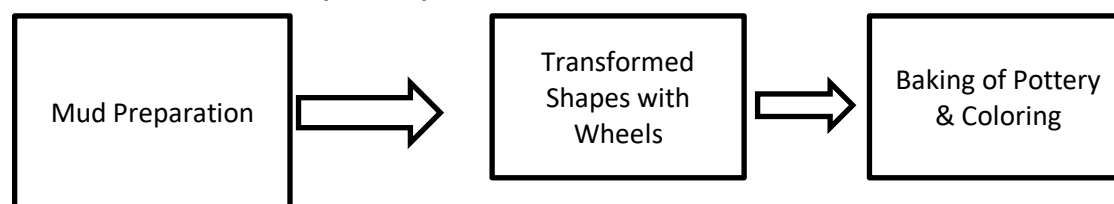


### Other Crafts



### Jewelry Production Process:



**Production Process of Clay Pottery:****2.2 Raw Materials**

The primary raw materials or inputs used in handicrafts and embroidery production follow. All raw materials are readily available on the local market

**Table 3: Major Raw Materials**

Material	%age Use	Used in	Availability
Leather	80%	Khussa Production	Local Merchants
Cotton Products	85%	Gindi and Chonri Production	Local Merchants
Date Leave & Clay	90%	Decoration Pieces & Furniture	Local Merchants
Glitter, Tilla, Moti Sitara Mukesh Products	10%	Clothes and Decoration Pieces	Local Merchants
Metals or Silver	60%	Jewellery	Local Merchants
Polishing & Coloring Material	5%	All Handicrafts	Local Merchants

**2.3 Technology Status**

There is lack of use of modern manufacturing machines and techniques. Currently, very basic level local made machines are being used in the cluster. Majority of the units in the cluster use conventional manufacturing techniques, so it is becoming difficult for these units to achieve the desired production and quality standards. Furthermore, the cost of energy has major share in total cost of production. There is lack of energy saving and efficient machinery and equipment in the cluster. As majority of the produce is supplied to the local market. There is lack of quality standardization among the manufacturers.

**2.4 Marketing & Sales**

Bahawalpur Handicrafts & Embroidery Cluster mainly targets the local market. Handicraft and decorative items produced in the Cluster are sold in regions such as Lahore, Islamabad and Balochistan etc. At the same time, other products are distributed to other cities across Pakistan. Products are mainly sold to domestic consumers by manufacturers, showrooms or retail stores. Fabrication concerns have their showrooms and leading road shops.



Shopkeepers usually sell these products with other decorative items. Some manufacturers/traders also export their products on personal contact basis.

## 2.5 Financing

The financial products currently available / offered by the Financial Institutions are not geared to specifically cater the requirements of this Cluster. Access to equity and finance is the most malicious constraint for cluster growth and development. Commercial banks apply conservative policies while lending. Also, this cluster is very small and needs micro loans, so most of the financial institutions are not willing to provide loaning for such a small segment. The loaning from micro finance institutions is also not much progressed in the cluster.

## 2.6 Human Resource Management

The education level of workers / labor working in this cluster is very low, which is a major hindrance in learning and accepting new tools and techniques. The cluster artisans are forced to work on conventional lines. There are no specific vocational training facilities for the training of workers of this cluster. Most of the labor is semi-skilled and is trained on the job.

## 2.7 SWOT Analysis

### Strengths

- Easy availability of cheap labor
- Raw material is easily available.
- The artisans can easily develop the products according to required designs and specifications.
- There is very low ratio of wastages and damages during the entire process of production.
- Working on orders by taking 50 % advance payment.
- Rich cultural and historical nature of the products.
- Close collaboration and good networking among the artisans.
- Location is a competitive strength, as cluster is geographically linked-up with major cities.

### Weaknesses

- The industry is unorganized and comprises of artisan based micro enterprises.
- Technological obsolescence and lack of availability of modern technology
- Professional management is not perceptible in the cluster.
- Limited range of products that are mostly traditional and in low quality.
- Prices of raw materials are increasing.
- No proper processing of clay and slow production process.
- Profit margin is very low.
- Lack of proper packing of the products.

- Poor marketing of the products leading to lower demand.
- Poor self-financing capacity to meet orders and no trend of getting loans from formal financial institutions.
- Skilled workforce is declining.
- Limited product innovation
- High power prices

### **Opportunities**

- Adaptation of emerging technology approaches and prototypes for the large scale can improve the performance.
- Decoration parts and traditional wears and furniture that are currently sold locally can be marketed throughout Pakistan and promoted internationally via tourism.
- The promotion can be planned for exhibits and seminars.
- Future exports to Europe, Middle East, Africa, and Central Asia can be possible.

### **Threats**

- Professional workers shortage
- High cost of raw materials and inputs
- Market accessibility from China at lower prices for high-quality substitutes.
- Research and development virtually non-existence.

## **3 Institutional Setup**

### **3.1 Entrepreneurs' Associations**

#### **Bahawalpur Chamber of Commerce & Industries**

Address: Karachi Bypass, National Highway, Basti Muradshah,  
Bahawalpur

Tel: (+92 301) 6672323

Web: <http://www.wccibwp.org.pk/index.php>

Email: [info@bccci.com.pk](mailto:info@bccci.com.pk)

#### **Women Chamber of Commerce & Industries**

Address: House # 42 A-3, Street # 10, Model-Town A, Bahawalpur

Tel: (+92 62) 2886620

Web: <http://www.wccibwp.org.pk/index.php>

Email: [wccibwp@gmail.com](mailto:wccibwp@gmail.com)



### 3.2 Support Institutions

#### Regional Office Punjab Small Industries Corporation (PSIC)

Address: Multan Road, SIE Bahawalpur

Web: [www.psic.gov](http://www.psic.gov)

Tel: (+92) 629239353

#### Sanatzar Bahawalpur

Address: Circular Road, Farid Gate, Habibabad, Bahawalpur, Punjab

Web: <http://www.sanatzar.com.pk/>

Tel: (+92) 629250299

## 4 Major Issues and Problems

- Majority of units require new upgraded designs, methods, and techniques of manufacturing.
- A financing scheme for local artisans is essential to update technology and production standards. Financing options a loan for machinery upgrading to local artisans at subsidized rates.
- Low skilled and untrained labor force.
- Lack of modern business practices
- High utility cost and non-availability of uninterrupted supplies.
- High bargaining power of middle man.

## 5 Investment Opportunities

- Digital Handicrafts design and texture units
- Leave shopping bags units (environment friendly)
- Furniture display centers
- Polishing and coloring manufacturing units
- Traditional wears display centers
- Traditional lases manufacturing units
- Mirror manufacturing units
- Service sector such as trading companies and digital marketing Companies for handicrafts.

Moreover, pre-feasibilities on various potential projects are available on the SMEDA website and can be consulted for further information. The said documents can be downloaded from [www.smeda.org.PK](http://www.smeda.org.PK)