

DISTRICT ECONOMIC PROFILE KACHHI



Turn Potential into Profit

Small & Medium Enterprise Development Authority

Government of Pakistan

<http://www.smeda.org.pk>

Lahore

Small and Medium Enterprise Development Authority, 4th Floor, Building #3 Aiwan e Iqbal complex
Egerton Road, Lahore 54792, Pakistan Tel: 92-42-111-111-456 Email: helpdesk@smeda.org.pk

Karachi

Small and Medium Enterprise Development Authority, 5th floor, Bahria Complex-II Moulvi Tameezuddin
Khan Road, Karachi

Tel: 92-21-111-111-456, 5610432, 5610536, 5610459, Fax: 92-21-5610572

Email: helpdesk-khi@smeda.org.pk

Peshawar

Small and Medium Enterprise Development Authority, Ground Floor, Statelife Building, The Mall,
Peshawar Cantt. Tel: 92-91-111-111-456, 92-91-9213046-7 Fax: 92-91-286908, Email: helpdesk-pew@smeda.org.pk

helpdesk-pew@smeda.org.pk

Quetta

Small and Medium Enterprise Development Authority, Bunglow No.15-A Chaman Housing Scheme,
Airport Road, Quetta Tel: 92-81-831702, 92-81-831623 Fax: 92-81-831922, Email: helpdesk-qta@smeda.org.pk

helpdesk-qta@smeda.org.pk

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1. INTRODUCTION TO SMEDA

The Small and Medium Enterprises Development Authority (SMEDA) was established in October 1998 with an objective to provide fresh impetus to the economy through development of Small and Medium Enterprises (SMEs).

With a mission "to assist in employment generation and value addition to the national income, through development of the SME sector, by helping increase the number, scale and competitiveness of SMEs", SMEDA has carried out 'sectorial research' to identify policy, access to finance, business development services, strategic initiatives and institutional collaboration and networking initiatives.

Preparation and dissemination of prefeasibility studies in key areas of investment has been a successful hallmark of SME facilitation by SMEDA.

Concurrent to the prefeasibility studies, a broad spectrum of business development services is also offered to the SMEs by SMEDA. These services include identification of experts and consultants and delivery of need based capacity building programs of different types in addition to business guidance through help desk services.

2 DISCLAIMER

This information memorandum is to introduce the subject matter and provide a general idea and information on the said matter. Although, the material included in this document is based on data/information gathered from various reliable sources; however, it is based upon certain assumptions, which may differ from case to case. The information has been provided on as is where is basis without any warranties or assertions as to the correctness or soundness thereof. Although, due care and diligence has been taken to compile this document, the contained information may vary due to any change in any of the concerned factors, and the actual results may differ substantially from the presented information. SMEDA, its employees or agents do not assume any liability for any financial or other loss resulting from this memorandum in consequence of undertaking this activity. The contained information does not preclude any further professional advice. The prospective user of this memorandum is encouraged to carry out additional diligence and gather any information which is necessary for making an informed decision; including taking professional advice from a qualified consultant/technical expert before taking any decision to act upon the information.

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3 PURPOSE OF THE DOCUMENT

The objective of the document is primarily to facilitate potential entrepreneurs in project identification for investment. The project may form the basis of an important investment decision and in order to serve this objective, the document/study covers various aspects of project concept development, start-up, and production, marketing, finance and business management.

The purpose of this document is to facilitate potential investors, by providing them with a general understanding of the business with the intention of supporting potential investors in crucial investment decisions.

The need to come up with reports for undocumented or minimally documented sectors attains greater imminence as the research that precedes such reports reveal certain thumb rules; best practices developed by existing enterprises by trial and error, and certain industrial norms that become a guiding source regarding various aspects of business set-up and its successful management.

Apart from carefully studying the whole document one must consider critical aspects provided later on, which form basis of any Investment Decision.

4. INTRODUCTION

DISTRICT KACHHI

Kachhi district was bifurcated into two districts; Jhall Magsi and Bolan in 1991. The name Bolan originated from Bolan Pass, which has its historical and strategic significance as a main route between Afghanistan to Punjab and Sindh Provinces as well as to the coast of Pakistan. Bolan district was renamed as Kachhi in 2008. Sindhi is the most widely spoken language in the area, followed by Balochi and Brahvi, whereas, Urdu is a medium of education or communication between people with different ethnic backgrounds mostly in the urban areas of district. The major socio-linguistic groups are Baloch and Brauhi (Brahvi). The principal Baloch tribes of the district are Rind, Shawani, Domki, Syed and Kurd who are native residents of the area.

The district is administratively subdivided into the following Tehsils:

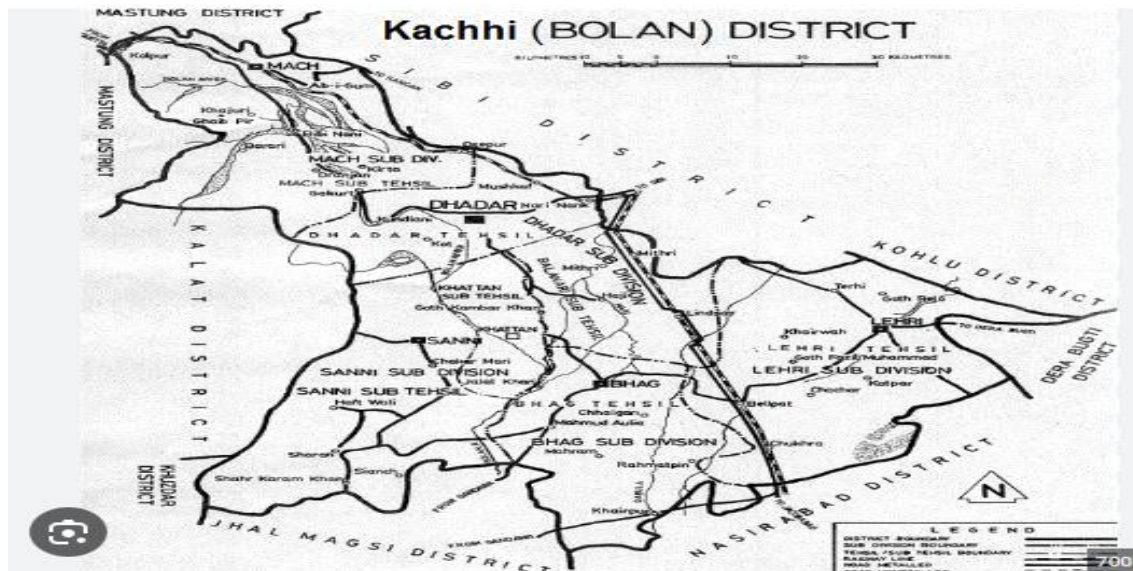
- Bhag
- Dhadar
- Machh
- Sani
- Khattan

The Union councils of Kachhi District are:

- Noushera

- Mehran
- Machh
- Jalal Khan
- Chalgari
- Sanni
- Chander
- Gazai
- Dhadar
- Masso
- Bashkya
- Mithri

4.1 KACHHI DISTRICT MAP



4.2 DISTRICT KACHHI HISTORY

The Kachhi Plains are the home of the archeological site of Mehrgarh. One of the most important Neolithic sites in archaeology lies on what is now the Kachhi Plain of today's Balochistan, Pakistan. It is one of the earliest sites with evidence of farming (wheat and barley) and herding (cattle, sheep and goats) in South Asia. Until the end of the 15th century mehargarh was ruled by meena tribe. Around 1500, it was taken by Shah Beg of the Arghun Dynasty from the Samma Dynasty of the Sultans of Sindh. The territory was conquered by the Kalhora Amirs of Sindh, who were themselves displaced by the Nadir Shah of Persia. Shah gave the territory to the Kalat Khanate in 1740. Kachhi was notified as a district in

February 1965. At that time Naseerabad, Jhal Magsi and Jafarabad districts were included; these were separated in 1987.

5. SOCIO – ECONOMIC FRAMEWORK

5.1 GEOGRAPHY AND CLIMATE

The weather of Kacchi is extreme hot and dry in summer season, whereas it becomes moderate cool and pleasant in the winter season. It receives limited amount of rainfalls in the monsoon period as well as rain in the winter seasons due to western breeze. Here's a general overview of the climate characteristics:

Winter (November to February): Winters are relatively milder, with temperatures ranging from around 5°C (41°F) to 20°C (68°F). Nights can be cooler, and the weather is generally more pleasant compared to the hot summers.

Spring and autumn: Spring and autumn are transitional seasons with moderate temperatures. These seasons might be more comfortable for outdoor activities.

Precipitation: Kachhi District receives limited annual rainfall, often below 200 mm. The scarcity of rainfall contributes to the arid conditions in the area.

Monsoon Influence: The district might experience some influence from the southwest monsoon during the summer months. While the monsoon is not as pronounced in this region as in other parts of Pakistan, it can bring some rainfall and humidity.

5.2 CULTURE

Kachhi District is home to various ethnic groups, including the Baloch and Pashtun communities. Each community contributes to the cultural mosaic of the district, bringing their own traditions, languages, and practices. The dominant languages spoken in Kachhi District are Balochi and Sindhi. These languages play a crucial role in preserving cultural heritage and facilitating communication within the community.

5.3 AREA

The area of KACHHI District in Balochistan, Pakistan, covers an area of approximately 5682 square kilometers.

5.4 POPULATION

Admin unit	Area (SQ. KM)	All sexes(2017)	Male	Female	Population density per SQ. KM.	Average household size	Population 1998	1998-2017 average annual growth
Kachhi district	5682 . km ²	309932	164291	145633	54.55 /km ²	7.47.	255480	1.02 %
Rural		258952	-	-	-	-	-	-
Urban		50980	-	-	-	-	-	-

Source: Pakistan Bureau of Statistics.

5.5 RESOURCE ENDOWMENT

MAIN CROPS

The primary occupation of people is agriculture. High hills and deserts surround the region. Some of the main crops grown in Kachhi District include. Wheat is one of the staple crops grown in Kachhi District and serves as a fundamental food source for the local population. Barley is another important cereal crop that is cultivated in the region. crops like alfalfa and other forage crops are often grown to support livestock farming in the region.

LIVE STOCK

Distri ct	Cattle	Buffalo es	Sheep	Goats	Camel s	Horse s	Mule s	Asses	Total	poultr y
KAC HHI	312588	11697	15153 2	98918 3	40589	7779	454	4725 9	156108 1	46632 6

Source:GOB

5.6 EDUCATION

State of Education in district Kachhi is not very different from education situation in other districts in Balochistan. Access and quality of education in the district are weak. The district suffers from multiple issues in the backdrop of poverty, cultural constraints and extremely low population density. The education sector in the district comprises of public and private schools with varying quality. A total of 423 schools are operated by the public sector which comprise of primary, middle, high and high secondary schools. Ninety percent of these schools are in rural areas and 10% in urban areas.

5.7 INFRASTRUCTURE

5.7.1 ROADS

Indus Highway (N-65) runs through Kachhi District, connecting various regions and cities. Quetta-Karachi Highway, this major road serves as a crucial route for transportation and trade between Quetta and Karachi, passing through Kachhi District. In addition to national highways, there are likely a network of local roads that connect towns, villages, and communities within Kachhi District. Dera Murad Jamali-Kachhi Road is one of the important local routes connecting the district's administrative center, Dera Murad Jamali, with other parts of the district. Bolan Road While not directly within Kachhi District, Bolan Road is a significant route that connects Quetta and other areas to the south with various parts of Balochistan, including areas that are adjacent to Kachhi District.

5.7.2 TRANSPORTATION

Roads and highways are the primary means of transportation in Kachhi District. These include national highways, provincial roads, and local roads that connect towns, villages, and communities within the district. Motor vehicles, including cars, buses, and trucks, use these road networks for transportation. Public buses and vans are commonly used for intercity and intercity transportation. They provide a cost-effective way for residents to travel within the district and to nearby towns or cities. Private cars and motorcycles are a common mode of transportation for individuals and families. They offer flexibility and convenience for travel within the district. Trucks and other commercial vehicles transport goods within the district and to other regions. These vehicles play a vital role in the supply chain and local economy.

5.7.3 COMMUNICATIONS

Telecommunication and postal facilities are available to the major towns of the district while about 60 percent of the population has access to electricity however load-shedding has become major issue in the district therefore residents of Kachhi district have installed solar panels in their residences and shops. The district is linked to all parts of the country through telecommunications services. Telecommunication companies likes PTCL, Mobilink, Telenor, Ufone, Zong are operational in the district and provide with cellular and internet connectivity.

5.7.4 ENERGY

An affordable and regular supply of power is crucial for basic needs such as cooking and heating; essential for adding value to and diversifying livelihoods (mechanization of agriculture, modernization of mining, poultry farming, ecotourism, value addition to agriculture and livestock products); and for the provision of basic social services such as education, health care and piped water. In Kachhi District Quetta Electric supply company (QESCO) supplies electricity to the district.

5.7.5 AIRPORT

The nearest major airport to Kachhi District is likely the Quetta International Airport (IATA: UET). The distance is estimated to be around 250 to 300 kilometers by road.

6. ECONOMIC POTENTIAL

6.1 TRADE (IMPORT/EXPORT)

Given its predominantly rural nature, Kachhi District, engages in agricultural trade. This involves the buying and selling of agricultural products such as crops, fruits, vegetables, and livestock. These products are traded within the district, to nearby regions, or to larger markets. Livestock farming is an important economic activity in Kachhi District. The district engages in the trade of livestock, including cattle, goats, sheep, and camels. Livestock is sold for meat, dairy, and other purposes. Depending on its location and proximity to international borders, Kachhi District engages in cross-border trade with neighboring countries, such as Afghanistan and Iran. This trade involves goods like fruits, textiles, and other products.

6.2 AGRICULTURE/ HORTICULTURE

Due to its arid climate, irrigation is essential for successful crop cultivation in Kachhi District. The district benefits from water sources like rivers and canals, which are used to irrigate agricultural lands. The Bolan River is one of the important water sources in the region. Rabi crops include; Wheat, Barley, Rapeseed/Mustard, vegetables and Fodder. Kharif crops include; Rice, Sorghum (Jowar), Sesame, Mung bean, Moth, fruits, Onion, vegetables, Melons, Chilies, Fodder, Coriander, Guar Seed and Cotton..

6.3 LIVE STOCK

Livestock is an important source of livelihood for a majority of the rural population and a large percentage of the workforce and households in the district are engaged in livestock rearing. Livestock are a major source of nutrition (milk, yogurt, lassi, kurt, meat, beef) and income (sale of animals, wool and hides). These are an important source of transportation

particularly where the area is hilly or the terrain is rugged. Both men and women are involved in the livestock sector. Women are responsible for watering and feeding the animals, cleaning their abodes and making dairy products such as yogurt, butter and ghee. Local livestock markets exist with fluctuating prices that drop during periods of drought and increase at the time of Eid-ul-Azha. Animals are slaughtered generally in the open and there is no meat processing plant in the district. Hides, skins and wool are not processed in the district and are sold raw. There are shops present in the district, selling milk and cream locally.

6.4 POULTRY

There are two government owned poultry farms in the district and small scale private/commercial poultry farms of broiler and layer breeds exist in the district. Enormous potential has been observed in rural poultry where every household has 8 to 10 poultry birds in their homes. The eggs and poultry meat is usually consumed domestically. Rural poultry can be converted into commercial scale by improving the skills of the young rural women. In poultry farming, especially broiler breed is much preferred business over other breeds because it provides maximum return in very short time.

6.5 INDUSTRIES

Not many industries are located in this as of yet. However, factories may exist in the district which is providing employment opportunities to the people in the region. Moreover there is potential for ice-factories in the region.

6.6 MINERAL

The province of Balochistan has been blessed with many natural resources, in addition to natural gas, there are many minerals other than fuel, metal, or gemstones that have their commercial values. But the Kachhi District has many minerals or natural resources as the other parts of Baluchistan have, the natural resources in this very district include Crude oil, Coal, sulphur, gypsum, chromite and Calcite.

6.7 HANDICRAFTS

Balochistan is recognized for its intricate handicraft creation, which includes hand-made Balochi shoes, which are known throughout the country for their durability, distinctiveness, and delicacy, excellent mirror work, embroidery, and marble work and fine quality precious stones. The embroidery of Makran, mirror work of Quetta, Kalat, Khuzdar, Dera Bugti and Panjgor, gold thread embroidery of Zhob and Sibi, leatherwork of Marri area, Lehri, Kalat

and Turbat, Rugs and Namdas of Chaghi, Kalat, Ziarat and Pishin, Saddle bags of Bugti and Marri Tribal areas, Pottery of Dhadar, Bhag and Gulistan, perfume making of Kharan, Makran and Kalat, Wood carving of Kalat, stone carving of Nushki, Dalbandin and Quetta, shoe making of Marri and Bugti areas, woolen products of Makran, Kharan and Chaghi, copper utensils of Loralai, jewellery of Makran, Khuzdar, Pishin, Loralai and Nushki and beadwork of Marri tribal areas. Kachhi is known for its embroidery work especially on shalwar kameez worn by women. Festival dresses are usually made out of silk or velvet in rich colors, especially deep red. Such work is in high demand these days. Handicrafts also include the manufacture of small arms/armaments, and embroidery on textiles, as well as the manufacture of small leather goods like belts and other household items.

6.8 TOURISM

Kachhi has several tourist attractions that showcase the town's unique architecture and culture. The most famous attraction is the Kachi Fort, a 17th-century fort built by Mir Nasir Khan II. The fort has beautiful architecture, including intricate carvings and designs on the walls and ceilings. Another attraction is the Hindu Temple, a 1,000-year-old temple dedicated to Lord Shiva. The temple has beautiful carvings and is a significant religious site for the Hindu community. Kund Malir Beach, located near Kachi, is another famous tourist attraction. The beach has beautiful white sand and crystal clear waters, making it a perfect destination for a day trip.

6.9 SME PRESENCE IN THE DISTRICT

- Meat shops
- Handicrafts
- Filling stations
- Poultry farm
- Bakeries
- Groceries shop
- Tailor shops
- Vegetable shops

7. POTENTIAL SECTORS FOR INVESTMENT

- Flour mills
- Ice factory
- Poultry farms
- Tailor shops
- Fruit Processing
- Cattle farming
- Electric Appliance
- Tunnel farming
- Poultry farms
- Private schools and collages

- Pharmaceutical
- Agriculture machinery

8. MAJOR ISSUES & POLICY RECOMMENDATIONS

AGRICULTURE

Issues

- In the realm of agriculture, a significant factor to take into account is the dearth of proper training for farmers.
- A notable obstacle when it comes to devising plans for agricultural development is the scarcity of reliable data.
- Presently, crop diseases are widespread; however, the limited availability of pesticides poses a formidable challenge for farmers striving to achieve optimal levels of production.
- Tube wells are reliant on power, yet the insufficient electricity supply acts as a deterrent for the expansion of this sector.
- The accessibility to financial resources is a prominent concern.
- Agricultural research is either absent or inadequately disseminated to farmers, leading to a state where the agricultural industry remains underdeveloped.

Recommendations

- Arrangements for field days, seminars, lecture on pest management and demonstration of improved package of technology plots by the concerned department will contribute positively.
- Agricultural loans on easy installments for purchase of farm implements can increase employment.
- Training may be provided to the farmers.
- Electricity demand can be addressed by supplying an adequate amount of electricity.
- Subsidized availability of certified seeds for all major crops can enhance productivity.
- The establishment of a district-level government farm may be considered.
- Farmers may be provided with loans on low markup rates.
- Surveys may be done in the district for agricultural sector

LIVESTOCK

Issues

- The current market premises suffer from inadequate provisions for essential amenities such as stock water points, feed storage, living quarters, veterinary services, weighing scales, and similar necessities.
- Insufficient technology hinders the manufacturing of both traditional and innovative products.
- Difficulty in access to finance
- A lack of awareness regarding the importance of maintaining hygiene throughout various stages of milk production, distribution, and consumption is apparent..
- Scarce source of water for livestock farming.
- Low milk yields per animal.
- Lack of veterinary and laboratory testing facilities for milk and feeds adulteration
- Ticks/Mites
- Worm-infestation

Recommendations

- Quality feed may be provided by the government on subsidized rates.
- Access to finance is yet another hurdle and may be resolved by providing loans on low markup rates
- Veterinary labs may be established by the government
- Training may be provided on how to cope with low milk yields per animal.

MINERAL

Issues

- Lack of exploration and reserve estimates.
- Poor infrastructure
- Lack of modern mining equipment
- Reliance on traditional mining techniques
- Poor Safety measures in the mining sector
- Access to finance
- Scarcity of skilled Labor

Recommendations

- Safety policies may be ensured
- Exploration licenses may be awarded to private companies
- Infrastructure may be provided by the government
- Trainings may be provided by the government to divert from traditional mining technique to modern mining techniques.
- Government may procure latest equipment for mining
- Training programs may be provided for the development of human resource.

Industries

Issues

- Institutional arrangements for the development of micro enterprises are not sufficient. For productive employment it is necessary to train the young people for particular enterprises, such as engineering workshops, carpentry, electronics, automobiles or mechanics.
- Female involvement in the industrial sector, excluding embroidery, is negligible. Most private sector businesses are small enterprises.
- The major issue in the way of industrial development is the non-availability of local entrepreneurs
- Lack of capital is another problem impeding the development of small enterprises.

Recommendations

- Female involvement may be ensured through government intervention
- Entrepreneurial skills may be developed through training programs
- Loans on low markup rates may be provided
- Skilled human resource may be developed through training programs

TOURISM

Issues

- Due to its scenic beauty, holds potential for tourism but it cannot be explored unless federal and provincial governments take keen interest in the promotion of tourism.
- scarcity of infrastructure
- Lack of human resource
- Access to finance
- Law and order situation

Recommendations

- Awareness programs and promotion may be initiated to promote beauty of the district and domestic tourist may be encouraged to travel domestically,
- Infrastructure may be developed and road may constructed to natural sceneries of the district
- Training may be initiated for human resource development
- Law and order situation may be improved through government interventions
- Access to finance may be made possible.

9 BUSINESS SUPPORT INSTITUTIONS.

9.1 LOCAL BODIES/CHAMBERS AND TRADE ASSOCIATIONS

Currently, there is no Chamber of Commerce in Kachhi District.

11 PICTORIAL VIEW OF KACHHI

