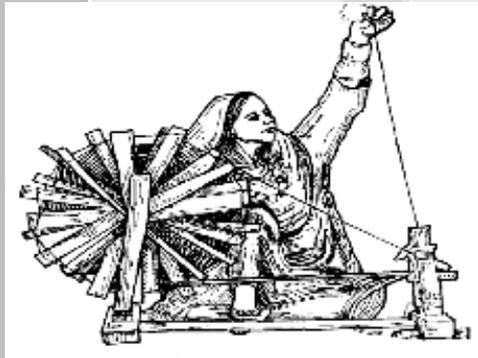


# CLUSTER PROFILE

## DARRI, GAKHAR - GUJRANWALA



### *Turn Potential into Profit*

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## **1 Description of the Cluster**

### **1.1 History & background of cluster**

Gakhar is located between the major cities of Gujranwala and Wazirabad. GAKHAR, one of the key cities of Gujranwala district, is the biggest manufacturer of handmade darri (a kind of a mat) in Pakistan. Half of the city's population is associated with darri-making. Their product speaks for themselves and set higher standards of quality and excellence.

Darri making was started before the partition, after partition the major Darri factories Haji Allah Ditta Butt and Rana Nazir Hussain continued their work and subsequently the nearest areas have contributed to the development of this cluster. That time women made the cotton yarn called "sooter" with spinning wheels but in 1975 Spinning mills come into existence in Faislabad and Gujranwala. Over the years the industry has expanded and resulted in a long chain of Darri factories.

### **1.2 Geographical Location**

Darri products are manufactured in many areas of Gakhar. However the major concentrations of darri products are in Mohallah Peer Abdullah Shah and Village Mitranwalai. Other notable centers of Darri are in villages Nat Kalan and Banday Kot.

Gakhar and its suburbs like Nutt Kallan, Peerkot, Noorakot, Ibenwali, Bhatti Mansoor, Gillwala, Banka Cheema, Mitranwali, Kalair and Adalgarh was the hub of handmade darri till 2002, but now the business has shrunk only to Gakhar, Mitranwali and Banka Cheema. These areas are making darris on handlooms for homes, schools and mosques.

### **1.3 Description of Products**

Darri is a product made with cotton thread and usually processed with hand weaving. In Muslim countries where people sleep or eat on floor it is used a lot. From a long time darri has been used in marriage and death ceremonies for sitting purpose. Presently there are more or less 50 weavers which are manufacturing darri of and manufacture the following products in various designs, sizes and specifications:

- i. Darri for Mosque
- ii. Floor Darri
- iii. Bed Darri
- iv. Tent Darri
- v. Darri for School

Amongst these product lines, tent darri and darri for Mosque are the major products. All these segments have approximately same raw material needs and in fact their suppliers are same too.

#### 1.4 Core Cluster Actors

The total market size of Gujranwala Darri manufacturers are as follows:

S. No.	Description	Figures
1	Status	Unorganized
2	No. of Units	50
3	Total Employment	1000
4	Technology Level	Labor Intensive

Source: Darri Manufacturers Association, Gakhar

##### 1.4.1 Darri Manufacturers:

There are around 7 major players in this sector. They have developed contacts with the wholesalers in all over the Pakistan and market their products through these outlets. Some of the major are Miraj Din Darri Factory, Faisal Majeed Darri Factory, Insaf Darri Factory, Mian Taufail Darri Factory. Butt Darri Industry and Mian Fancy Darri, have closed, while the third, Mian Darri Industry, is on its last breaths.

##### 1.4.2 Raw Material Suppliers:

There are about 8 to 10 wholesalers supplying raw material to darri industry in Gakhar. These suppliers procure yarn from Faislabad, Gujranwala and Lahore for fulfilling the raw material requirement of darri industry. They provide yarn to manufacturers on 1 month credit basis.

#### 1.5 Current Cluster Scenario:

Growth trend of Darri products has been decreasing every year. During 1970-1980 years the export trend was very high and the major export market was Kabul, Afghanistan and Gulf countries. Darri was also re-exported to Russian States from Kabul.

Ever-rising cotton prices and costly labour were behind the shrinking handmade business.

According to the Darri Manufacturers Association, Gakhar there were more than 150 darri-making factories in Gakhar in 2002 that have now reduced to 50, the labour force has reduced from 6,000 to 1,000 and darri shops from 300 to 50. Moreover, the daily income from darri-making in Gakhar and its suburbs has fallen from Rs3 million to Rs600, 000 and the Rs20 million monthly incomes from darri exports has reduced.

Now handmade darris have been replaced by cheap machine-made darris of Jhang and carpets. Handmade darri made for floor costs Rs30 per square foot, while a machine-made darri for floor costs Rs10 per square foot. The high quality carpets are also available for Rs10 to Rs30 per square foot. So this difference in the prices of handmade and machine-made darris had made all government departments including Pakistan Army to buy machine-made darris or carpets.

Machine-made darris, plastic sheets and carpets have replaced them. Two of the three big darri-making factories of Gakhar, Butt Darri Industry and Mian Fancy Darri, have closed, while the third, Mian Darri Industry, is on its last breaths.

Rise in cotton prices and costly labour were behind the shrinking handmade business. Secondly trend also changed the poor people are using darri in villages but in cities people prefer carpet.

## **2 Analysis of Business Operations**

### **2.1 Production Flow**

#### **2.1.1 Raw Material:**

Cotton yarn, acrylic yarn and woolen yarn are the major raw materials used in darri making. Manufacturers procure major portion of yarn from spinning mills. However some of the needs are still fulfilled by yarn made on “Charkha”

#### **2.1.2 Spinning:**

Spinning is the process of creating yarn (or thread, rope, cable) from various raw fiber materials. In spinning, separate fibers are twisted together to bind them into a long, stronger yarn. Characteristics of the yarn vary based on the material used, fiber length and alignment, quantity of fiber used and degree of twist.

Spinning is a process of twisting fibers together to create yarn. The spinning wheel (charkha), a small wheel is used for spinning cotton and other fibers as well. The fiber is held in the left hand and the wheel slowly turned with the right. This wheel is thus good for using the long-draw spinning technique, which requires only on active hand most of the time, thus freeing a hand to turn the wheel.

#### **2.1.3 Weaving:**

The completed yarn then has to be processed and taken to a weaver to be turned into darri lengths.

### **2.2 Raw Materials Availability**

Raw material is almost same for all kind of Darri that include cotton yarn 10/2, cotton yarn 10/4, acrylic yarn and woolen yarn. Imported waste woolen uppers are also one the major source of raw material for woolen darri. But collection of same color is the

main problem in woolen uppers. Manufacturers usually purchase Raw material on one month credit from wholesalers.

### **2.3 Quality Assurance**

No modern type of quality assurance system exists in the cluster, only weight calculations are used to access quality of the raw materials and products.

### **2.4 Technology Status:**

This is totally labour intensive work without using any kind of technology. In early 80s some of the entrepreneurs started to manufacture darri on power looms but it flopped due the large count of yarn and the people failed to get appropriate product quality like hand made darri.

### **2.5 Marketing & Sales**

Manufacturers have developed contacts with the distributors in all over the country and place their product on the market through these outlets. Major distributors of Darri products are in three cities Karachi, Lahore and Rawalpindi. In Balochistan area, dealers are only operating in Quetta. Mostly sales are on credit basis.

The distribution channel moves goods from producer to consumer.



### **2.6 Financing**

Almost all the registered commercial and industrial development banks of Pakistan have their branches in the cluster and providing the financing at competitive rates. But most of stakeholders depend upon their own financial equity based resources. Only few darri makers are running their bank account but most of them are using informal account and don't prefer bank.

### **2.7 Human Resources**

Human resource is one the major problem for this sector, the young people are not continuing this work only 40 + age group is operating this industry. Yong labour prefers nearest industrial cities Wazirabad, Gujrat and Gujranwala. So there is serious labour problem for darri cluster. Owners are paying Rs. 30,000 – 50,000 as advance to every worker, which the worker has to payback at the time termination. Minimum wage of a worker is Rs. 200/- day and their wages are paid on daily or weekly basis. Young labour don't prefer to darri making because this has limited scope, while they get more money in any other technical work and has more opportunities.

### **3 Institutional Setup**

#### **3.1 Local Bodies/Chambers/Association/**

Pakistan Darri Manufacturers Association (PDMA) facilitates the darri manufacturers in WAPDA related issues also providing the tax filling services to its darri stakeholders. Association is also actively involved in few routine issues like increase in wages rates and leaves announcement.

Most of the manufacturers of handmade darri are poor therefore they could not offer workers benefits or register with the Gujranwala Chamber of Commerce and Industry to get help from the government.

### **4 SWOT Analysis**

#### **4.1 Strengths**

- Labor intensive work
- Local base for tools manufacturers
- Extensive supplier industry

#### **4.2 Weaknesses**

- Unorganized existence
- Limited distribution channels and lack of marketing skills
- Limited designs
- No service providers

#### **4.3 Opportunities**

- Cheaper products as compared to the high end carpets.

#### **4.4 Threats**

- Increase in prices of raw materials
- Changing consumer preferences

### **5 Investment Opportunities**

#### **5.1 Business Potential**

- Improvement in living standards is generating the high demand of handicrafts products both at national and international level. The modernization in design and quality along with proper marketing of the product can help create more business opportunities in the area.

- Darri wholesalers are also selling the hand made carpets they buy from Gujranwala market. Carpet has better scope than darri, so shifting to carpet manufacturing or developing a product that can be replace carpet can revive the darri cluster.

## **6 Industry Overview (Annexure)**

### **6.1 National Darri Industry**

Now handmade darris has been replaced by cheap machine-made darris of Jhang and carpets. The cost of handmade darri is about three times higher than machine made darri. The high quality carpets are also available at low rates. So this difference in the prices of handmade and machine-made darri has forced to buy machine-made darris or cheap carpets.

### **6.2 International**

Gakhar used to export its handmade darris to Saudi Arabia, Gulf and Europe, but there were no darri exports to these countries after 2007 because of a lack of variety in darris, high prices of handmade products and availability of their alternatives in the international market. Peshawar and Afghanistan were big markets for Gakhar's handmade darris, but now cheap carpets and machine-made mats had been dumped in these markets.