

CLUSTER PROFILE

POTTERY CLUSTER, TAXILA



Turn Potential into Profit

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TABLE OF CONTENTS

1	INTRODUCTION – TAXILA	1
2	DESCRIPTION OF CLUSTER	1
2.1	HISTORY & BACKGROUND OF CLUSTER.....	1
2.1.1	<i>Employment Generation</i>	<i>1</i>
	DESCRIPTION /	2
2.2	DEFINING THE PRODUCTS	2
2.3	CORE CLUSTER ACTORS	2
2.3.1	<i>Manufacturers/ Total Number of Manufacturing Units.....</i>	<i>2</i>
2.3.2	<i>Raw Material Suppliers.....</i>	<i>2</i>
	<i>Machinery Suppliers.....</i>	<i>2</i>
2.3.3	2
2.4	RAW MATERIAL USED	2
2.5	GEOGRAPHICAL LOCATION	3
2.5.1	<i>Area and Population.....</i>	<i>3</i>
2.6	CURRENT CLUSTER SCENARIO	3
3	ANALYSIS OF BUSINESS OPERATIONS	3
3.1	VALUE CHAIN	3
3.2	RAW MATERIAL AVAILABILITY	3
3.3	QUALITY ASSURANCE	4
3.4	TECHNOLOGY STATUS	4
3.5	MARKET MECHANISM.....	4
3.6	FINANCING/ BANKS AND FINANCIAL INSTITUTIONS	4
3.7	HUMAN RESOURCES.....	4
3.7.1	<i>Shortage of Skilled Manpower.....</i>	<i>5</i>
4	INSTITUTIONAL SETUP.....	5
4.1	GOVERNMENT/SEMI GOVT. SUPPORT / EDUCATIONAL INSTITUTIONS.....	5
4.2	LOCAL BODIES/ CHAMBERS/ ASSOCIATION	5
4.3	PRIVATE BDS PROVIDERS/ VOCATIONAL TRAINING INSTITUTES/ OTHER SUPPORT INSTITUTES .	5
5	SWOT ANALYSIS	5
5.1	STRENGTHS	5
5.2	WEAKNESSES	5
5.3	OPPORTUNITIES.....	6
5.4	THREATS	6
6	INVESTMENT OPPORTUNITIES.....	6
7	INDUSTRY OVERVIEW (ANNEXURE).....	7

1 Introduction – Taxila

Taxila is one of the seven Tehsils (sub-district) of Rawalpindi District. It is spread over an undulating land in the periphery of the Pothohar Plateau of the Punjab. Situated just outside the capital Islamabad's territory and communicating with it through Tarnol pass of Margalla Hills.

The industries include heavy machine factories and industrial complex, ordnance factories of Wah Cantt and cement factory. Small, cottage and household industries include stoneware, pottery and footwear.

Taxila dates back to the Gandhara period and contains the ruins of the Gandhāran city of Takṣaśilā which was an important Hindu and Buddhist centre. People try to relate the present day stoneware craft to the tradition of sculpture making that existed here in that period, before the advent of Islam. In addition to the ruins of Gandhara civilization and ancient Buddhist/Hindu culture, relics of Mughals gardens and vestiges of historical Grand Trunk Road, which was built by Emperor Sher Shah Suri in 15th-16th centuries, are also found in Taxila region. Taxila also has many educational institutes including University of Engineering and Technology (UET).

2 Description of Cluster

2.1 History & Background of Cluster

Taxila Ceramic cluster is located across the Taxila Mountains near famous Taxila Museum. The town is known as Dibyan and the population's major income come from manufacturing and selling products of black stone and Ceramic Handicrafts. The use of glaze on pottery made from matti or Fuller's earth is an imported technique, first developed by Mongol artisans who combined Chinese glazing technology with Persian decorative arts. This technique travelled south to India with early Muslim potentates in the 14th century. During its infar it was used to make tiles to decorate mosques, tombs and palaces in Central Asia. Later, the Mughals began using them in India to mimic their structures from beyond the mountains in S rkand.

Kashi work, glazing and hand painting of ceramic products is an important art for which Taxila is famous the world over. The use of foliage branches and leaves of trees and superb richness of colors in Kashi work is an evidence of Persian influence. As Persian arts themselves have been under Chinese (Mongol) influence, therefore some historians are of the view that Kashi work had originally come from Kashghar, China. Over a period of centuries Kashi work has matured and developed a unique and distinctive style of its own.

2.1.1 Employment Generation

The industry is supporting almost 150 individuals ranging from 5-10 workers in small and micro size units. However there is no specialized training institute for artisans/workers in the area.

2.2 Description / Defining the Products

The process of manufacturing the ceramic handicrafts like ashtrays, guldans, flower vases and other decoration pieces is a delicate process which starts with developing ceramic pots made from plaster of Paris and clay.

The major and unique products manufactured and/or crafted by the locals are:

- Guldans/ Vases
- Fawara / Fountains
- Flower Pots
- Ashtrays
- Decoration Pieces



2.3 Core Cluster Actors

2.3.1 Manufacturers/ Total Number of Manufacturing Units

According to the estimates provided by industry sources, Ceramic Handicrafts cluster is comprised of about 10 small units which produce raw ceramic pots and there are 40-60 artisans working in the cluster. These units can be categorized into micro and small sized units.

Following table indicates the industry size in various categories:

Table 1: Cluster Structure

Small	Micro (Artisan)
10	40-60

2.3.2 Raw Material Suppliers

In Taxila, Ceramic Handicrafts are manufactured and designed which are at very common through out the country. It involves very basic kinds of raw materials which are easily available in the market. There are no such raw material suppliers who are only supplying raw materials to this cluster. .

2.3.3 Machinery Suppliers

Taxila Ceramic handicrafts involve basic machinery like dies and molds. These small dyes and molds can be made from different materials like iron, plastics, plaster of Paris etc. These kinds of dyes and molds are available from Rawalpindi, Peshawar and from Taxila.

2.4 Raw Material Used

Main raw materials used for the production of ceramic products include:

- Plaster of Paris
- Paints/Chemicals
- Glass

2.5 Geographical Location

In Taxila, Ceramic Handicrafts are manufactured and designed. The main location of the cluster is about 10 KM from Taxila City.

2.5.1 Area and Population

Taxila is small town of Rawalpindi District. According to 1998 Population and Housing Census, total population of Rawalpindi district is 3,039,550 persons, whereas approximately 90,520 people are residing in Taxila.

2.6 Current Cluster Scenario

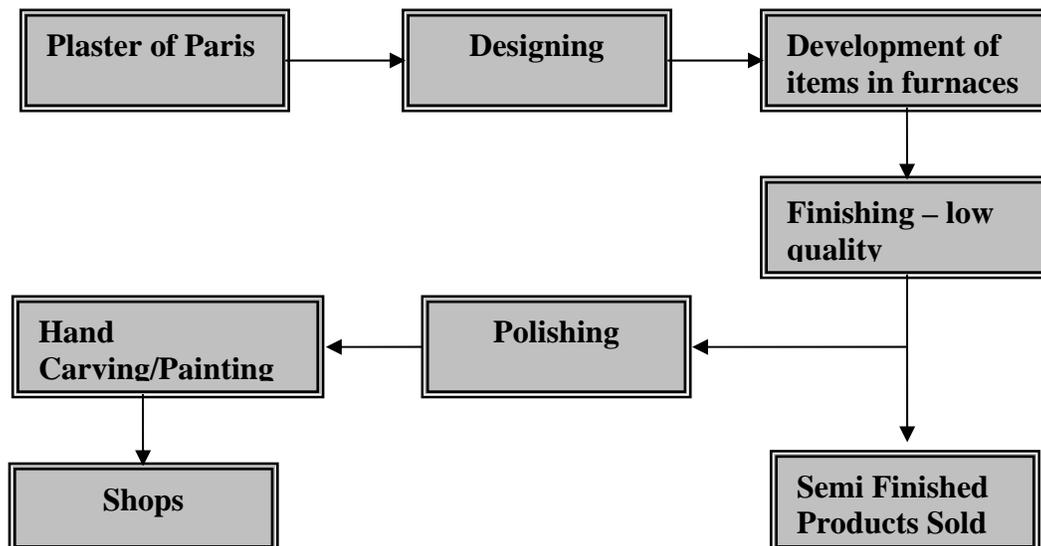
The overall sale from cluster is very low. Most of the handicrafts are sold from the shops within the cluster. However artisans also sell their products in Lok Virsa, Islamabad during exhibitions. The technology, designing and painting techniques used in the cluster are out of date.

3 Analysis of Business Operations

The artisans of the cluster are making all kind of ceramic handicrafts including flower vases, ash trays and decoration pieces. The artisans purchase raw pots from the markets and paint different designs on the ceramic pots and sell the finished product at their shops.

3.1 Value Chain

Value chain includes all the value addition steps involved in the manufacturing of handicrafts from raw material to the end user. The steps are given below:



3.2 Raw Material Availability

The details of raw materials used in manufacturing pottery are given in the following table:

Table 2: Raw Material

Material	% use	Used in	Availability
Plaster of Paris	80%	All handicrafts	Local Merchants
Paints/Chemicals	15%	All handicrafts	Local Merchants
Glass	4%	Items like decoration Pieces	Local Merchants
Metal	1%	Items like decoration Pieces	Local Merchants

The raw material required for pottery manufacturing is locally available. The small units purchase Plaster of Paris from Peshawar and NWFP. These units produce pots according to the requirements and samples which are sold in raw shape to local artisans. Some of the units have in house facilities such as designing and carving. Paints/Chemicals used in the production process are locally available from the markets.

3.3 Quality Assurance

Majority of the products manufactured are of standard quality. As majority of the produce is supplied to the local market there is no sense of quality standardization among the manufacturers.

3.4 Technology Status

In most of the units, technical standard application is at a very low level. The manufacturers are using basic machines including dyes and molds.

3.5 Market Mechanism

Ceramic Handicrafts is sold to the domestic consumers at the showrooms of either manufacturers or the traders. The manufacturing concerns have their own showrooms and shops at the main road. The shopkeepers usually sell these products along with other decoration items. Some of the manufacturers/ traders are also exporting their products on basis of personal contacts.

3.6 Financing/ Banks and Financial Institutions

At present, none of the financial institution has developed/offered any lending scheme for the development of this Sector. The financial products currently available in the market are not geared to cater the requirements of this sector. Access to equity and finance is the most malicious constraint to cluster growth and development. Commercial banks apply conservative policies while lending. Also this cluster is very small and need micro loans, so most of the financial institutions are not willing to invest in micro lending.

3.7 Human Resources

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. There is currently no training institute for the skill development of the workforce.

3.7.1 Shortage of Skilled Manpower

The workforce employed in Ceramic Cluster is either un-skilled or semi-skilled. Most of the workers acquire on-job training that result in manufacturing of low quality products and increasing of the lead time. Consequently the units have to outsource their production to other craftsmen thereby increasing the production cost and delay in fulfillment of order.

4 Institutional Setup

4.1 Government/Semi Govt. Support / Educational Institutions

There are a number of the Government, Semi Government and NGOs working for the uplift of artisans. Lok Virsa in Islamabad and few other NGOs are actively promoting art work of this cluster. Despite support from the government/ NGOs etc there is no educational institute working of the skill development of the local workforce. However there is no formal association of these small industrial units to coordinate with these institutes.

4.2 Local Bodies/ Chambers/ Association

There is no specific association for the cluster members and none of these manufacturers is a member of any Chamber in the area.

4.3 Private BDS Providers/ Vocational Training Institutes/ Other Support Institutes

Innovative and good design can make a significant contribution towards improving productivity and competitiveness. Ceramic Cluster lacks design innovation due to unavailability of latest information on new designs and absence of skill among the workforce to copy such designs. However there is currently no vocational training institute for the skill development of the workforce.

5 SWOT Analysis

5.1 Strengths

- 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.
- Artisans are working in close collaboration with each other by distribution of work.

5.2 Weaknesses

- Limited range of products that are mostly traditional and in low quality.
- Prices of raw material are increasing.
- No proper processing of clay & slow production process.
- Profit margin is very low.
- No 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 institutes.
- Skilled workforce is declining.

5.3 Opportunities

- New technology, methods and designs can be introduced for large production.
- Decoration pieces can be marketed all over the Pakistan which is currently sold in local city markets and visitors to the area.
- Exhibitions and workshops can be arranged for promotion.

5.4 Threats

- Availability of good quality substitutes in the market from India and China at lower price.
- Non-existence of research and development.

6 Investment Opportunities

There can be investment opportunities in setting up units with state of the art technology for the production of handicrafts and utilizing human resource locally available. These handicrafts have huge potential in national and international markets.

7 Industry Overview (Annexure)

Handicrafts are manufactured in Pakistan by a large number of cottage industries, spread over rural areas, small towns and cities. Pakistan's tradition of art work has been considerably enriched by the continuing addition of new designs in vogue overseas.

The value of ceramic handicrafts export is very nominal, but a beginning has been made and with aggressive marketing strategy, the value of exports can further be increased in a short span. Pakistan's share in the total world market is quite negligible, and there are bright prospects for increasing this share. While talking about Taxila Ceramic Handicrafts, no one is exporting the products from this cluster. However there is huge potential for such handicrafts. Major buyers for Pakistani handicrafts are UAE,, USA, UK, France, Canada, Italy, Germany, Kuwait, etc. There is a need to further explore the international market for boosting exports, as there is a lot of potential for increasing the market for the Pakistani Handicrafts

Table: Export of Ceramic Products from Pakistan

Year	Value in USD
2004	\$12,895,307
2005	\$16,025,305
2006	\$12,220,782
2007	\$12,186,029
2008	\$14,411,391



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