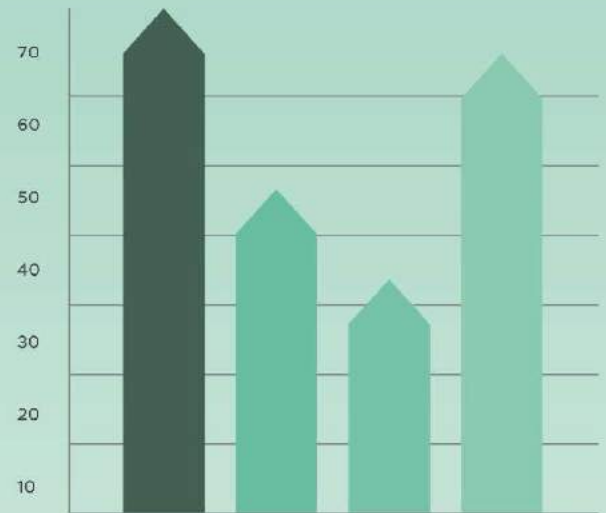




## Barriers to Start, Formalize and Grow a Business in Peshawar & Measures to Remove Barriers





# **Barriers to Starts, Formalize and Grow a Business in Peshawar & Measures to Remove Barriers**

**Centre For Governance and Public Accountability**

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## Acronyms

CGPA	Centre for Governance and Public Accountability
CIPE	Centre for International Private Enterprise
EDU	Economic Development Unit
HAP	Handi Craft Association of Pakistan
FGDs	Focus Group Discussions
GDP	Gross Domestic Product
GIA	Gemological Institute of America
KII	Key Informant Interview
KP	Khyber Pakhtunkhwa
KPBOIT	Khyber Pakhtunkhwa Board of Investment & Trade
KPEZDMC	Khyber Pakhtunkhwa Economic Zone Development Management Company
KPRA	Khyber Pakhtunkhwa Revenue Authority
MSMEs	Micro, Small and Medium Enterprises
PM	Prime Minister
PPD	Public Private Dialogue
SCC&I	Sarhad Chamber of Commerce & Industries
SMEs	Small and Medium Enterprises
SMEDA	Small & Medium Enterprise Development Authority
TVET	Technical Vocational Education and Training

## Executive Summary

The role of Micro, Small and Medium Enterprises (MSME) in Pakistan's economy in terms of its contribution to GDP, employment creation, and overall business growth cannot be over emphasized. All available research literature, policy reports and socio-economic surveys in Pakistan term the MSME sector as the backbone of business activity in the country. The MSME sector has the potential to give a big push to Pakistan's economy by triggering an inclusive private sector led growth. As opposed to Large Scale Enterprises (LSEs), MSMEs has the advantage of generating a growth which can be geographically and socially inclusive by generating employment and businesses opportunities across marginalized regions and sections of society for both women and men. However, the MSME sector cannot achieve its full potential due to barriers it faces. Furthermore, businesses owned by marginalized communities and women in Pakistan face peculiar challenges of its own which adds extra layers of challenges to do businesses. Governments at federal, provincial and local levels have to come forward to remove these barriers through policy, legal and institutional reforms and to materialize a conducive environment for the MSME sector.

Current study is in attempt to identify those barriers to the MSME sector in Peshawar and Khyber Pakhtunkhwa province through engaging stakeholders from industry, civil society, government, and academia. The research team made special efforts to reach out to the businesses owned by marginalized communities and women. The mode of engagement adopted for the current study is through Public Private Dialogues (PPDs) on some mutually agreed key thematic areas. In its final analysis, the study has identified key barriers to businesses in Peshawar and has come up with key policy, legal and institutional recommendations to be carried out by various levels of governments.

The research study identified key themes for the proposed PPDs through review of research literature and policy documents which were then validated through series of PPDs conducted in Peshawar with key stakeholders from industry, academia and concerned government departments. Entrepreneurs and champions from women-owned businesses were specially reached out and included in the consultation processes through PPDs. Key themes identified and validated in these PPDs were; legal (registration, taxes), access to finance, challenges to women entrepreneurship, infrastructure and trade/exports-imports. Two rounds of PPDs on each thematic area were organized where the first round of PPD mainly engaged industry representatives to solicit their views on the barriers to start, formalize/stabilize and grow business in Peshawar. In the second round, representatives from academia and concerned government departments were invited to give feedback on the barriers identified with policy, legal and institutional solutions for removal of barriers to business.

The industry and businesses' representatives from Peshawar gave their candid feedback on the barriers to their business with specific examples from their respective cluster of businesses. Women representatives of women-owned businesses too identified extra barriers to doing business in Peshawar faced by women entrepreneurs. These barriers can broadly be classified into infrastructure bottlenecks, lack of entrepreneurship skills, lack of complete information on laws, rules and regulations, issues in taxation, unfavorable economic conditions, marketing barriers and

capacity issues, low access to finance and lack of cheap credit availability, peculiar issues with startup businesses, institutional bottlenecks in licensing, registration and documentation of MSMEs, lack of modern technology and slow digitization, non-tariff trade barriers to exporters and importers, lack of IT based solutions, lack of coordination among academia, industry and government. Besides, cluster specific issues faced by various business clusters in Peshawar were highlighted by various representatives of the clusters. Representatives of women-owned businesses & women chambers identified extra barriers of harassment, low access to business space and credit, unskilled female workforce, transportation to women businesses in Peshawar.

Officials of federal, provincial and local government departments do recognize the barriers to do business in Peshawar as identified by stakeholders of various business representatives during PPDs. The officials informed the participants of the PPDs of various policy and implementation level interventions by various government departments for removing barriers to business. Representatives of the MSME sector appraised the government officials that despite such promises in the past, the environment for doing business in Peshawar has not improved much. The current report identifies concrete recommendations for removing barriers to start, stabilize and grow a business in Peshawar through consensus and inclusive process of PPDs. These recommendations, however, can be implemented only by concerned government departments through a coordinated effort by continuous engagement of stakeholders from the MSME sector and academia. Government officials agreed to carry forward the agenda of reforms by initiating a series of dialogue and constant engagement with the MSME sector on each specific recommendation. CGPA's advocacy campaigns on each thematic area with active support from the SMEDA and local government will be a key to work on refining the key reform areas for further consultations and concrete policy actions. Engagement of business representatives from the marginalized section of business community and women-owned businesses need to be made part of the inclusive process of reforms and program intervention for effective implementation.

## Chapter 1. Introduction & Context to the Study

Importance of Micro, Small & Medium Enterprises (MSMEs) in any economy, across the globe, is well documented. Numerous research studies and policy reports suggest that MSMEs play vital role in building & strengthening the country's economy. The economic growth in many Asian countries such as Korea, Taiwan and Japan is the result of respective government's invested efforts to grow and support the private sector and the small and medium sector enterprises. The recent example of rapid industrialization and economic development is China where private sector has the stake of 99% in the total business ventures is a manifestation of importance of the MSME sector. Chinese SMEs together produce around 60% of the total industrial output and approximately 40% of the total profits and taxes<sup>1</sup>. Similarly, a 2019 Small Business Association (SBA) report found that small businesses accounted for 44% of economic activity in the United States<sup>2</sup>.

According to the latest SME Policy 2021, SME sector is playing a crucial role in the overall development of Pakistan's economy<sup>3</sup>. The SME policy recognizes the fact that the majority of manufacturing and business activity in Pakistan takes place in SMEs and more so for the women-owned businesses. Growth in SME sector is thus vital for the overall growth of economic activity in Pakistan. According to the latest Labour Force Survey conducted by Pakistan Bureau of Statistics (PBS)<sup>4</sup>, 72.5% of total labour force is employed in the informal sector in 2020-21 which is mainly attributed to the SME sector. As per the SME Policy 2021, there are a total of 5.2 million SMEs in Pakistan which contributes to 40% of Pakistan GDP and 25% of country's total export earnings.

Given the contribution of SME sector to Pakistan's economy, its revitalization is a must to boost further its role in generating economic activity and employment creation. The current study is an attempt to revitalize the SME sector in Peshawar by identifying barriers to SMEs in Peshawar and measures to propose for removal of the barriers. Over the last two decades, Peshawar's economy was devastated by the terrorist incidents as the city was a front-line city in the War on Terror. The city has witnessed a flight of both financial and human capital due to terrorism related incidents like bomb blasts, target killings & extortion from business community. The overall precarious law and order situation has impeded business activities in the city which used to be a hub of economic activity for the whole province and trade with Afghanistan.

Current study is an attempt to identify the barriers to start, consolidate and grow business in Peshawar by engaging stakeholders from industry, academia, and government departments. The study also aims to solicit views from all key stakeholders regarding measures to remove those barriers. An important instrument to solicit and consolidate views of different stakeholders was to engage them in Public Private Dialogues (PPDs) regarding barriers and measures to improve the

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<sup>1</sup> <https://www.igualifyuk.com/library/business-management-section/the-impact-of-smes-in-the-global-economy/>

<sup>2</sup> <https://www.forbes.com/sites/forbesbusinesscouncil/2022/03/25/how-small-businesses-drive-the-american-economy/?sh=2e33ff3a4169>

<sup>3</sup> <https://moip.gov.pk/userfiles1/file/SME%20Policy%20-%202021.pdf>

<sup>4</sup>

[https://www.pbs.gov.pk/sites/default/files/labour\\_force/publications/lfs2020\\_21/Key\\_Findings\\_of\\_Labour\\_Force\\_Survey\\_2020-21.pdf](https://www.pbs.gov.pk/sites/default/files/labour_force/publications/lfs2020_21/Key_Findings_of_Labour_Force_Survey_2020-21.pdf)

overall business environment in Peshawar city. After finalizing main barriers to businesses and the recommendations, CGPA research team is to engage key stakeholders through publication of policy briefs and run advocacy campaigns for friendly businesses ecosystem in Peshawar and Khyber Pakhtunkhwa.

### 1.1 Scope of the Study

For the conduct of this study, the research team engaged key stakeholders from different clusters of businesses operating in Peshawar city to solicit their views on barriers to start, grow and stabilize business in Peshawar city. Stakeholders from academia and concerned government departments were brought on the same table with representatives from the industry and a dialogue was facilitated by CGPA and SMEDA to come up with concrete policy and implementation action points. The team also conducted a brief literature and policy documents review to identify key themes for the proposed PPDs. A review of the latest SME Policy, published by federal government in 2021, was also carried out for this research. Data and information from the PPDs were consolidated and discussed in detailed in 4 FGDs and in Key Information Interviews (KIIs) with key stakeholders both at the government and private levels.

### 1.2 Key Objectives of the Study

- To identify key barriers to start, formalize and grow business, falling into MSME category, specifically in the city of Peshawar.
- To augment and validate the existing literature review with inputs gathered during the PPDs, KIIs and FGDs in Peshawar.
- To consolidate barriers to businesses in Peshawar with recommendations in a policy paper with a policy brief containing key recommendations for policy actions.
- To organize a research based advocacy campaign based on the study after validating the findings and recommendations of the study.

### 1.3 Research Methodology

#### **PPDs as a Participatory Information Gathering Tool:**

Public Private Dialogues (PPDs) is a structured & consultative endeavor to bring private business community and policy makers from government sector on the same table to discuss the policy matters pertaining to business ecosystem in order to mend and improve.

PPD is inclusive and participatory policy making approach which enables policy makers to not only develop most suitable policies that are aligned to the interests of business community but also to improve trust between government and business community through the very process of PPDs. Besides the above stated benefits, PPDs provides government to better govern while ensuring transparency as well by recognizing the primacy of inputs from the key stakeholders.

For the above-mentioned purpose, business community falling into MSME category has been invited along with the concerned government officials to discuss and formulate regulatory solutions. This series of PPDs has been conducted under the five thematic areas, namely legal, access to finance, entrepreneurship, infrastructure and trade & exports with special invitation of women-owned businesses. CGPA also ensures participation of the academia to share their latest insights from the research with the PPDs participants so that a link between academia and industry



is being established and formalized. It was also ensured that representatives from the women-owned businesses were invited for their specific issues and solutions to remove their issues.

Each PPD has thoroughly documented all the discussions which took place during each PPD session. Issues and probable solutions/recommendations to remove barriers to businesses were separately mentioned.

### **Structure of the PPDs**

In the first PPD, facilitated jointly by SMEDA and CGPA teams, the participants finalized the themes for upcoming PPDs. A list of themes based on the literature review on barriers to ease of doing business in Peshawar and KP were shared with the PPD participants. The participants agreed with the broader themes identified from the literature review and also added another theme on barriers faced by traders, exporters and importers.

For a specific theme, there were two rounds of PPDs which were jointly facilitated by SMEDA and CGPA representatives. In the first round, mainly stakeholders from various clusters of industry and businesses operating in Peshawar were invited and asked to bring key challenges and barriers to the table on ease of doing business for their respective clusters. Specific examples were shared which highlight the practical issues faced by each cluster of industry while operating their business. In the second round of PPD on the same theme, key stakeholders from the concerned government departments were also invited to discuss those barriers and highlight the actions taken already. The second round of PPD on the same theme brought out a consensus on the recommendations to be put in the final report to be submitted to the concerned government departments. An advocacy campaign will be also launched by CGPA where the findings of the study/PPDs will be shared with key stakeholders.

### **1.4 Review of National SME Policy 2021 & Other Literature**

Before consulting key stakeholders through PPDs, the research team reviewed the National SME Policy 2021 which was published in 2020 by the Small and Medium Enterprises Development Authority (SMEDA) of the federal ministry of Industries and Production. SMEDA is the institutional organ which operates at the federal and provincial level for promotion and facilitation of SMEs in the country. The purpose of reviewing the policy document on SME was to identify the common thematic areas which were then brought under discussion in our PPDs.

National SME Policy 2021 did a very extensive situation analysis by surveying over 200 SMEs across four provinces of Pakistan coupled with Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) with key stakeholders. The policy framework as described in the policy document is based on the following two key pillars;

Pillar 1: Reforming the Policy and Regulatory Environment on SMEs

Pillar 2: Addressing Demand and Supply Side Market Constraints faced by SMEs

As per the situation analysis conducted for the National SME Policy, key barriers for SMEs in general and women-owned SMEs in particular were identified for the SME sector in Pakistan;

- Access to finance issues, especially for women-owned SMEs

- Issues related to unavailability of skilled Labor, especially for women-owned SMEs
- Unavailability of industrial space
- Access issues to modern machinery & technology
- Issues in R&D and product development issues
- Insignificant linkages of SME sector with universities TVETA institutions
- Disproportionally higher costs of regulatory and tax compliance
- Predatory attitude of government departments
- Lack of diversification in manufacturing related SMEs
- Inadequate infrastructure facilities for the S|ME sector (Industrial Estates, Roads, Electricity, Gas etc) are limited for the SME sector
- SMEs operate in congested residential places without suitable infrastructure thus limiting the growth of the SMEs

Other independent research outputs reviewed for the current study also indicate most of the above as key constraints. Given the above situation analysis, the national SME policy document then propose the following broad contours of the policy framework as policy prescriptions;

1. Improving Macro Policy and Regulatory Environment
2. Supply Side Challenges
3. Demand Side Challenges
4. Institutional Mechanism for Implementation

Based on the above four broad categories, the SME policy present recommendations on the following key policy areas;

- SME definition and application
- Regulatory & tax environment around SMEs
- Addressing SME Supply Side Challenges
  - SMEs Access to Finance; Access for finance for women-owned SMEs
  - Skills, HR and Technology
  - Infrastructure
  - Entrepreneurship, Innovation and Incubation
  - Business Development Services
  - Women Entrepreneurship Development
- Addressing SME Demand Side Challenges
  - Market Access
  - Public Procurement
- Institutional Framework
  - National Coordination Committee on SMEs Development
  - SMEDA Institutional Strengthening, Capacity Enhancement and Reforms

Most of the barriers and policy prescription identified in the National SME Policy came under discussion in our PPDs in Peshawar.

Chapter 2. Barriers to SMEs in Peshawar & Measures to Remove Barriers  
 During November 2021 and November 2022, CGPA held a total of 11 Public Private Dialogues (PPDs) with stakeholders from both the public sector and private business community to solicit their views on barriers to starting, running/stabilizing and growing business in Peshawar city and propose measures (policy, legal and administrative) to remove those barriers to enable ease of doing business. These PPDs were done on the following themes where views from different stakeholders from Academia, Industry, and concerned government departments were solicited to pin point the barriers and proposed recommendations to remove those barriers for improving business environment in Peshawar and in KP.

*Public Private Dialogues*

S.No.	PPD Theme	Date
1.	Business Challenges for Startup Entrepreneurs in Peshawar and KP Province	18 <sup>th</sup> Nov, 2021
2.	Identification of Thematic Areas for PPDs and Reforms	17 <sup>th</sup> Feb, 2022
3.	Legal Barriers & Implementation Issues	31 <sup>st</sup> Mar, 2022
4.	SME Financing from Banks and SMEs Access to Finance Issues	18 <sup>th</sup> May, 2022
5.	Barriers to Conducive Business Environment & Remedial Measures	30 <sup>th</sup> Jun, 2022
6.	Infrastructure Bottlenecks and Recommendations to Remove those Bottlenecks	27 <sup>th</sup> Jul, 2022
7.	Issues to Business community in Trade & Export Sectors in Peshawar	24 <sup>th</sup> Aug, 2022
8.	Economic Challenges and Reforms regarding Conducive Business Environment in Peshawar	22 <sup>nd</sup> Sep, 2022
9.	Access to Finance and Conducive Business Environment in Peshawar	20 <sup>th</sup> Oct, 2022
10.	Governance and Local Economic Development, Entrepreneurship and Infrastructure	22 <sup>th</sup> Nov. 2022
11.	Governance and Local Development in Peshawar, Trade and Export.	30 <sup>th</sup> Nov. 2022

**Barriers & Challenges to Startup Entrepreneurs in Peshawar & KP**

2.1 Infrastructure Barriers

a) Low number of Industrial Plots:

*Issue/Barrier:*

Unavailability of industrial plots: The entrepreneurs described the difficulties to acquire land for a new business in the industrial estates in Peshawar city. They highlighted that

the problem stems with low number of available plots in the existing industrial states. As no new industrial estates were opened in the last few decades, the existing space is now insufficient. The representatives of the industry further explained that even if one finds some industrial space, the rents are too high which hits the profitability of the business, especially of the new businesses. Work on new industrial zone in nearby district (district Nowshera) is too slow while plans of establishing new industrial estates in Peshawar city are nowhere.

Delays in establishment of “Furniture City”: Stakeholders from the furniture industry cited unavailability of industrial plots as main barriers in expanding their furniture business in Peshawar. The government announced establishment of furniture city few years ago but the project is still not complete. Due to unavailability of space in the industrial zones, many industrial units of furniture cluster are operating in the residential areas. Due to narrow roads, energy fluctuation, complaints from residents about noise pollution and congestion; the industrial units of the furniture cluster have to be closed down.

*Recommendations:*

Work on the Special Economic Zone (SEZ) in Rashakai (Nowshera District) should be expedited by the government which can provide relief to the business community in acquisition of industrial plots.

New industrial estates, built on modern lines with availability of small plots, around Peshawar city should be planned by the provincial government.

In short run for the interim period, acquisition of land in city’s commercial areas should be facilitated by government. However, electricity and other utilities in commercial areas are expensive as compared to industrial zones. The government should offer similar tariffs as offered in industrial estates instead of commercial tariff which are way higher and thus affects the profitability.

The approval of establishment of “Furniture City” in Jalozi Industrial State was welcomed by the furniture business owners of Peshawar city but the project is not yet materialized. The government need to expedite the process and remove the hurdles.

A special quote for women-owned businesses be earmarked in each new and old industrial estates.

b) Revamping Old Industrial Zones:

*Issue/Barrier:*

The current industrial zones are old, established in 1960s, which cannot accommodate current infrastructure needs, both in terms of space and allied facilities. Adequate upgradation as per requirements was not carried out and only recently roads were improved in Hayatabad Industrial State.

*Recommendation:*

For development of any future industrial state, the KP government should follow the model of Sundar Industrial State of Punjab which is developed as per international standards.

The old industrial estates need to be revamped by improving infrastructure like roads, electricity, water availability and telecommunication facilities.

c) Phenomenon of holding Industrial Plots by Real Estate Hoarders:

*Issue/Barrier:*

The phenomenon of real estate investors holding industrial plots for investment purpose is very common in industrial zones of Peshawar and KP. The unproductive holding of such industrial plots have reduced the availability of plots for genuine investors.

*Recommendation:*

Members from the government departments accepted that this had been the case in the past but now government departments was actively taking care of such investors. Now the plot owners have to establish industrial unit within 6 months of buying the plot. Also, the government departments are now carefully scrutinizing the applicants for new industrial plots. A recommendation to free plots from such real estate hoarders strongly came out during the PPDs.

d) Non-Availability of Small Industrial Plots:

*Issue/Barrier:*

Stakeholders from the business community informed the participants of the PPDs that most of the industrial plots are of size 1 kanal or larger which discourages MSME sector investors.

*Recommendation:*

The government should offer small plots (5, 10, 15 marla plots) in order to facilitate SME sector.

New industrial zones should be designed for both the SME sector investors and the large-scale investors.

e) Issues in Energy Connections & Availability

*Issue/Barrier:*

Business community highlighted that new energy connections (electricity and gas) are difficult to obtain for new businesses and if obtained the costs are exorbitantly high.

In commercial areas, electricity connection is provided on the commercial tariff. Normally, for manufacturing facility, electricity connection is provided on industrial tariff

which is lower than the commercial tariff. This increases the cost of doing businesses to a significant level.

Besides higher prices for electricity, the interruption/loadshedding in electricity is causing as a major barrier to the industry.

*Recommendation:*

Department of commerce and industry and the management of industrial zones/estates need to prioritize the provision of electricity and gas connection to the industrial estates for facilitating SME sector investors.

The industrial zones should be exempted from the loadshedding and shortages of electricity and gas.

f) Waste Disposal Management Outside Industrial Units:

*Issue/Barrier:*

Stakeholders from the business community highlighted that waste disposal arrangements was below the standards which need to be improved. It can improve the working environment in the neighborhoods of business centers.

*Recommendation:*

The management of industrial zones in coordination with the representative body of the industrialists should devise a mutually agreed mechanism/SOP for keeping the industrial zones clean and green for efficient work environment.

g) Single Road to Jalojai Industrial State:

*Issue/Barrier:*

The road to Jalojai Industrial State is single and is a barrier for smooth transport of goods into and from the industrial estate. In near future, this will cause a lot of congestion. It needs to be upgraded.

*Recommendation:*

All stakeholders agree with the suggestion of the representatives of the industrialists and the government officials to incorporate this in the upcoming budget.

h) Lack of Slaughtering Houses, Trainings for promotion of Meat & Dairy Industry:

*Issue/Barrier:*

Businesses from the meat industry were complaining about lack of modern slaughter houses in Peshawar. The stakeholders argued that there exists no government support to improve the conditions of businesses engaged in meat production.

Besides non-availability of slaughter houses, there is lack of training of farmers/businesses in meat industry. There exists no training center in Peshawar to prepare trained workers for the meat industry.

Personal hygiene of workers and working spaces, efficient transportation of meat and dairy products should be supported by government investment.

*Recommendation:*

Stakeholders from Dairy and Livestock Association recommended to construct a model slaughter house in Peshawar and replicate the same in different zones in Peshawar.

Trainings for efficient management, transportation of meat should be arranged by SMEDA, department of industries with the help of donor organizations.

Hygiene management to prepare export quality meat production should be encouraged by government organizations.

i) Establishment of R&D Cell/Incubation Centre in Industrial Units:

*Issue/Barrier:*

Lack of R&D and business incubation center at the level of industrial estates.

*Recommendation:*

Members from the academia recommended that for an active engagement of academia with industry, a cell should be established in the industrial zone which will serve as R&D and business incubation center with active engagement from the very start of launching of an industrial estate/zone.

j) Engage Academia in developing Industrial estates in KP:

*Issue/challenge:*

The industrial estates/zones in Peshawar and KP lack modern facilities as the designs did not involve people from the academia and engineering universities.

*Recommendations:*

Stakeholders from both academia and industry informed the PPD participants to engage engineering universities and business management schools of Peshawar in designing future industrial states. For specialized trades like medicines and agriculture, the concerned departments of universities may be engaged for their feedback.

k. Restrictions by Peshawar Development Authority:

*Issue/Barrier:*

Peshawar Development Authority (PDA) and other alike authorities have imposed tough regulations on the movement of goods which are not supportive for smooth industrial activities in the city.

*Recommendations:*

PDA and representatives of the industrial estates should set together to devise an SOP with mutual consultations so that both economic activity and city traffic can go hand-in-hand in the city.

## 2.2 Challenges & Issues to Entrepreneurship in Peshawar

### a) Government and Industry Collaboration:

*Issue/Barrier:*

Lack of collaboration between industry and government departments is being cited as the main reason during PPDs which hinders development of entrepreneurship in Peshawar.

*Recommendation:*

Stakeholders from the academia & industry emphasized the role of collaboration between government and private sector for entrepreneurship grooming in Peshawar and in the province. Government should provide platform to the new entrepreneurs and train them to take new roles. Boot camps for entrepreneurs should be arranged by relevant government departments and link them investors for seed funding.

Most of the stakeholders stated that while rigorous trainings are being imparted to aspiring entrepreneurs but they are not provided with a strategy to utilize that training. An access to finance coupled with conducive environment should be provided after each training.

### b) A repository of Investors & Entrepreneurs:

*Issue/Barrier:*

There is a disconnect between investors and entrepreneurs in the city. There is a need to connect the two for the aspiring entrepreneurs are in need of funds while the investors need ideas to invest their surplus savings in the productive entrepreneurships.

*Recommendation:*

Government (SMEDA and provincial department of commerce and industry) should create an online repository with the help of academia of aspiring entrepreneurs and investors so that they can be connected with one another for collaboration. The platform can serve as a learning center for students from where they can develop and workout their projects. This will fill the trust gap between academia, entrepreneurs and industrialists/investors. Students/aspiring entrepreneurs can help the industry in various stages through their projects.

Women entrepreneurs should be specially encouraged to be part of the repository so that government can reach out to them through various grants and training opportunities for grooming new women entrepreneurs.



c) Research Focus in Academia:

*Issue/Barrier:*

Representatives from the industry complained that the academia has a disconnect with the industry and its current/future requirements. The research work in academia does not address the present-day issues of the industry.

*Recommendations:*

Stakeholders from the both the academia and industry highlighted the need for academic research which help improve the actual performance of industry and various products developed by the industry. Academia should undertake Demand-Driven research while the demand should emanate from the practical issues faced by the industry.

d) Consistent Handholding of Aspiring Entrepreneurs:

*Issue/Barrier:*

PPD participants agreed that trainings alone will not suffice and consistent handholding of entrepreneurs, especially female entrepreneurs, is needed.

*Recommendations:*

Participants of the PPD were of the opinion both government and experienced entrepreneurs should not only train the aspiring entrepreneurs but also need to handhold them in starting a new business. Opening of bank accounts, converting offline businesses to online ones, providing seed capital and other such affirmative actions should be initiated by government departments in close collaboration with local chambers of commerce. Female aspiring entrepreneurs should be specially encouraged.

e) Lack of Coordination among Industry, Government & Academia:

*Issue/Barrier:*

There was a consensus among stakeholders regarding lack of coordination between industry, government and academia to promote entrepreneurship in Peshawar.

*Recommendation:*

All stakeholders recommended to the concerned government departments (SMEDA & Department of Industry and Commerce) to create an active platform for coordination by establishing an advisory cell by government to take all key stakeholders on board regarding various reform interventions. There is a platform available at federal level which needs to be activated as currently it stands dormant.

f) Showcasing Model Entrepreneurs:

*Issue/Barrier:*

New aspiring entrepreneurs lack vision which can be lured through showcasing model entrepreneurs by the government departments, SMEDA and various chamber of commerce.

*Recommendation:*

Ms Maali Kumari, a vibrant entrepreneur from Kurram District told her story how she became an entrepreneur with the help of a training offered by Sarhad Rural Support Programme (SRSP) and now she is training other aspiring women entrepreneurs. She stressed for homebased trainings and access to finance for encouraging women entrepreneurs to start and grow their business. A consistent handholding with quality sourcing can help women entrepreneurs to emerge. She focused on the need of showcasing model entrepreneurs in KP province which will encourage new aspiring entrepreneur to venture into businesses.

## 2.3 Unawareness/Low Awareness of Laws, Rules, Regulations

### a) Unawareness regarding Entrepreneurship Laws:

*Issue/Barrier:*

An advocate of Peshawar High Court appraises the dialogue participants that neither people nor business community are aware of these entrepreneurship laws. Most of the businesses face lots of issue at startup stage due to lack of awareness regarding laws and procedures.

*Recommendation:*

Step by step organized curriculum needs to be introduced for the new entrants in the business community.

CEO of Honey Academy said all business owners were not legal experts on partnerships and similar businesses. Awareness is required on laws and regulations since none is trained on business laws. Tax limitations and boundaries to be explained. SMEDA and department of industries and commerce should publish small pamphlets explaining laws, procedure and regulations in simple terms.

### b) Lack of Information Leads to Double Taxation:

*Issue/Barrier:*

A charter accountant highlighted in the PPDs that most of her complainants come up with the issue of double taxation of their businesses. This is mainly due to lack of information regarding the tax procedures.

*Recommendation:*

Major issues being faced required awareness of the business community. Federal and provincial tax bureaus need to conduct awareness sessions with chambers, entrepreneurs and businesses. Depending upon the need and size, SMEs must think and act on implementing Enterprise Resource Planning (ERP) systems which is easily available in the market and can be improved with collaboration of academia.

### c) Training and Awareness Programs:

*Issue/Barrier:*

Lack of training and lack of awareness sessions cited by businesses as main impediment to understand laws, rules, regulations, taxation, registration, incentives etc.

*Recommendation:*

Govt should create training & awareness programs regarding international best practices. Laws & policies are made but there is low awareness on such legal framework. Not only the private sector but also the government officials should be trained. Tribunal persons of the court may be trained so that they are able to deal with cases based on the knowledge and logic according to the prevailing laws.

Participants of industry proposed a joint working group of industry & Government to coordinate on issues faced by businesses due to lack of awareness. Stakeholders from the business community proposed formation of a joint working group consists both of the business community and government officials to discuss and resolve issues regarding various government procedures and policies. The group should hold regular meetings with a clear agenda to resolve the issues in a given time-frame.

## 2.4 Issues in Taxation

a) Issues in Taxation regarding non-filer enterprises:

*Issue/Barrier:*

As per law, the registered business has to deduct 20% of the applied tax amount from both the vendor and customer. The supplier of raw materials, especially in businesses like recycling, construction material etc, are not tax registered which creates difficulties for the registered business as these non-filer vendors don't agree for the deduction of tax from the amount that has to be paid for buying raw materials from them. Same goes to the customers as they don't agree with any increase in price due to the addition of applied tax amount. In such situation, a registered enterprise has to pay the whole of the applied tax amount on behalf of its vendors and customers. This obviously increase the cost of doing business and ultimately the sales price of products which may lead to the closing down of the business.

*Recommendation:*

The government officials recognized the problem and assured the business community that more and more businesses are now becoming fillers as government is incentivizing business to be registered filers.

There should be some relaxing for the firms who are filers so that double taxation can be avoided

b) Lack of Taxation Knowledge and Filing of Taxation:

*Issue/Barrier:*

Start-up entrepreneurs highlighted in the discussion during PPDs that lack of taxation knowledge & complicated filing procedure makes it difficult for businesses which often lead to paying double taxation.

*Recommendation:*

Representatives of the business community requested a training/trainings on the subject for start-ups which CGPA assured that a training session will soon be conducted.

c) KP to be declared as Tax Free Zone:

*Issue/Barrier:*

Stakeholders from the business community requested the government stakeholders to declare Peshawar and the whole province as Tax Free Zone due to destruction of businesses in Peshawar and the province due to decades of terrorism.

*Recommendations:*

While the government officials were reluctant in declaring the province as tax free zone due to the reason that the province is already facing a resource crunch. They however promised to incentivize businesses by provision of basic infrastructure facilities.

d) 17% Tax on Peshawar Shopkeepers:

*Issue/Barrier:*

The business owners in Peshawar markets with 2,000 sq feet covered areas are charged with 17% tax which hurt the profits of the businesses in Peshawar. This needs to be revised downward.

*Recommendation:*

Business community/shopkeepers suggested to introduce a progressive tax on all shops so that the whole burden does not falls on furniture shokeepers. Furniture shopkeepers has to acquire larger space for display as compared to other shops.

e) 30% Tax on “Business Name Boards”:

*Issue/Barrier:*

A very high rate of 30% tax is imposed on Business Name Boards.

*Recommendation:*

This tax needs to be rationalized and reduced.

f) Additional 18% Tax on Rent of Property:

*Issue/Barrier:*

In addition to Withholding Tax on Income, the government has imposed an additional 18% tax on rent-out property.

*Recommendation:*

The tax disincentivize business and thus needs to be rationalized and reduced.

g) Issues with IRIS system of FBR:

*Issue/Barrier:*

Stakeholders from the business community complained about the difficulties faced during using the Inland Revenue Information System (IRIS) of Federal Bureau of Revenue.

*Recommendation:*

Industry stakeholders asked government representees from the FBR to simplify the procedure so that self-filing can be promoted without the help of financial consultants who charge heavy fee which cannot be afforded by the MSME sector businesses.

h) Multiple Taxation and Issues with KPRA:

*Issue/Barrier:*

Multiple Taxation hampering business profits and growth

*Recommendation:*

Khyber Pakhtunkhwa Revenue Authority (KPRA) taxes on service and sales should also be rationalized since such enforcement of multiple taxes from various department makes business difficult and non-profitable. Also due to multiple taxation, business firms employ different means to avoid taxes thus not adding to government resources.

i) Issues with KP Excise and Taxation Department:

*Issue/Barrier:*

KP Excise and Taxation department using undue harassing measures through random raids which discourages business eco system in the city of Peshawar. KP's Excise & Taxation department's behavior is too hostile towards businesses which discourages investment. Neither they are supportive nor they try to understand problems faced by businesses.

*Recommendation:*

The aggressive/harassing environment should be stopped by educating and training them about dealing business & trade issues. An induction level training for their officials and staff is needed so that businesses don't feel threatened.

j) Provincial Taxation Issues & Chamber of Commerce:

*Issue/Barriers:*

Government should take local chambers of commerce and industry in confidence while announcing tax measures under new taxation policy as the prevalent practice ignores the feedback from the local business community.

*Recommendation:*

Representatives of the Peshawar Small Industries Chamber and SMEDA urged provincial taxation authorities to take the chamber on board while devising different policy measures on taxation.

k) Online Submission of Property Tax:

*Issue/Barrier:*

Manual submission of property taxes and the discretion with KP's Excise and Taxation department officials regarding property tax calculations is a major pain-point for the MSME sector in Peshawar.

*Recommendation:*

Stakeholders from the SME sector proposed that the submission of property tax should be made online so that involvement of personal contact is being minimized.

l) Tax Exemption for Start-Ups and Women Businesses:

*Issue/Barrier:*

Start-ups and Women-owned businesses are very prone to closure due to high taxes at the very start of their businesses. This is a major barrier to entry for start-ups and women-owned businesses.

*Recommendation:*

The government should provide tax exemption to the new start-ups and women-owned businesses for initial periods of their businesses. This will encourage new businesses to start and will pave the way for more tax collection in future.

## 2.5 Overall Unfavorable Economic Conditions

a) Rising Inflation:

*Issue/Barrier:*

Start-up entrepreneurs highlight the issue of persistently high Inflation rate which has increased the cost of input material while the increased sales prices are not easily accepted by customer. Resultantly pace of business has slowed down as profits have reduced. The pandemic has also played a vital role in this situation. Inflation adds to uncertainty and businesses afraid of investment in uncertain situations.

*Recommendation:*

The government is trying its best to reduce inflation. It has raised the key policy interest rates through an active monetary policy but the inflation is due to structural factors and imported inflation. Measures to improve overall economy need to be taken by the government to stabilize the economy.

## 2.6 Marketing Barriers and Capacity Issues

### a) Capacity Building of SMEs in Marketing:

#### *Issues/Barriers:*

PPD participants overwhelmingly pointed out lack of marketing strategies for trade and businesses-oriented SMEs in Peshawar. While their products are of good quality, lack of marketing strategies have hindered the export of their goods to international market and to the larger markets of Lahore and Karachi.

#### *Recommendations:*

Stakeholders from both the business community and government (SMEDA) emphasized the need for the capacity building of trade and business-oriented SMEs in marketing of products. A close coordination between government departments, SMEDA, training institutes and businesses need to be institutionalized so that these gaps can be filled.

Government of KP in consultation with SMEDA and relevant businesses should develop Business Market Development Unit in the relevant departments which may encourage product promotion and resolve issues faced by product developers and traders. Barriers to new franchise system should be removed.

## 2.7 Low Access to Finance and unavailability of Cheap Credit

### a) Access to finance - General

#### *General Issues & Barriers:*

1. The regular banking sector is not offering business loans, though there are a few schemes but the amount offered is not sufficient enough to opt for. The large amounts, if offered, has stringent terms & condition and other documentation requirements which only large business can fulfill.
2. MSME sector is always at a disadvantageous position in terms of access to credit as they lack collaterals and cannot provide documentation requirements.
3. Low reach of commercial banks in advancing credit to the businesses in KP is also be highlighted in our desk review. As per the latest figures of commercial bank advances in Pakistan, the share of banks advances are dismally low at 1.29% in KP of their total advances in Pakistan<sup>5</sup>.
4. Similarly, the PM Interest Free Loan schemes to reach to small and medium businesses has very limited reach in KP as only 8.1% of total loans are being given in KP while the population share of the province in total population is more than 18%<sup>6</sup>. Government officials responded that there are certain business loan schemes offered by First Women Bank, HBL, National Bank, NRSP and Microfinance Bank. They advised the entrepreneurs to look into details of these offers to find the suitable one as per their business scenario.

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<sup>5</sup> <https://www.sbp.org.pk/ecodata/index2.asp>

<sup>6</sup> <https://pmyp.gov.pk/pmyphome/dashboarddetails>

### *General Recommendations:*

1. Stakeholders from the business community requested SBP and government officials to instruct commercial banks in Peshawar and KP to at least offer 25% of deposits collected in the province as advances to the businesses in Peshawar and Khyber Pakhtunkhwa. Currently, deposits collected in KP are given in advances in rest of Pakistan which is hurting the business in KP.
2. Banks should introduce and strengthen the existing loan tracking applications so that the applicants can be regularly updated on their loan status.
3. State Bank of Pakistan should advise commercial banks to hold information sessions with industry and students of university on application for loans from banks and PM Youth Loan Program.
4. The Bank of Khyber (BoK) should give preferences of lending loans to the people of KP domicile to fill the overall gap.
5. As Pakistan is now out of the grey list of Financial Action Task Force (FATF), the verification process of documents by commercial banks should now be simplified and be made less stringent.
6. SME financing requirements are low which should be not a big issue for the commercial banks to lend advances to commercial entities in Peshawar.
7. KP government should raise the issue of low coverage of KP and Peshawar in the PM Youth Programme which gives interest free loans to the youth of Pakistan.
8. KP government, KP chapter of SMEDA, KP BOIT and other concerned KP government departments should facilitate the applicants from Peshawar and KP in their loan applications and project proposals for the PM Youth Loan Program. An awareness campaign is needed as the participation rate is very low in KP. Special workshops should be organized to help prospective loan applicants from Peshawar and KP.
9. Awareness sessions by SMEDA to improve the documentation of MSMEs in Peshawar and KP so that their eligibility for loans and other government supported schemes can be improved.
10. A special desk at SMEDA provincial office in Peshawar should facilitate the applicants for loans in the whole process. A training for this purpose should be conducted at regular intervals on filing application for different loan schemes offered by provincial or federal government.

### b) Access to Finance: Start-up & Women-owned businesses:

#### *Issues & Barriers:*

Commercial Banks don't consider startups for loans and thus startups are being discouraged while they apply for bank loans. Many fresh university graduates would love to start their own business but main barriers to their entry into business is the financial constraints.

#### *Recommendation:*

1. Representative from SBP appraised the PPD participants that startups have no proper justifications as far as the banks criteria and considerations are concerned. Banks are not conducive for startups. In one example of the loan for startups in the past, handholding was



- done by the departments/ organizations whereby federal govt provided the guarantee. Government may be suggested to provide grants or interest free loans to startups rather than loan from banks. This is true for women-owned businesses as well. Provincial Government, SMEDA and Federal Government should design tailored-made grant/loan programs for start-ups and women-owned businesses. Women chamber of commerce should be consulted for the types of different modes through which women entrepreneurs can be supported through handholding and access to cheap credit/grants.
2. All key stakeholders from industry during the PPDs had requested KP Government to increase amount of funding for startups in Peshawar and KP. Special attention should be given to women-initiated start-ups in the city to harness their full potential.
  3. Cluster Based Lending to start-up SMEs should be encouraged. The participants of the PPD agreed that commercial banks should offer cluster-based lending to the SME sector where start-up SMEs and women-owned SMEs will be given proper handholding by concerned government departments.
  4. Improving Communication of Banks with Private Sector: There is a communication gap between banks and private sector. Banks has low outreach to the target audience while SME sector has a low awareness level about bank schemes and most importantly about the procedures. Access to finance is a policy matter and KP government and SBP should set together to make a policy for SME sector with input from the SME sector and implement it in its true letter and spirit.
  5. Expedite Issuing of Passbook by the Revenue Department: For any bank loan application, banks ask the applicant to produce a passbook from KP's revenue department. Revenue department takes quite a long time to make passbook that may cause losing the opportunity for which the loan is being applied. Passbook requirement may be eliminated and another guarantee could be added in the basic requirements replacing the passbook
  6. Loan Applications should be Scrutinized at Local Branch Level: Loans applications are sent to bank head officers for approval. As the head officers are in Karachi and they don't know the local context so most of the applications for loans are being rejected. SBP should advise commercial banks to process the loan application at the local branch or local sub-head office level at Peshawar. There should be a provincial quota for banks to allocated advances to businesses.
  7. Special Session by SMEDA on Loan Documentation Requirements: SMEDA need to organize special training sessions for SMEs and women-owned businesses to train them on loan documentation requirements.
  8. Additional finance facility in Integrated Livestock Program: Provincial government has announced a big project where farmers will be provided with livestock while asking the farmers to construct sheds for animals. Farmers who cannot afford to make sheds will be at a disadvantageous position and thus may not get benefited from the scheme. This will be a major barrier. In order to remove this barrier, a small grant for construction of sheds for animals should be also made part of the program so that every eligible farmer can apply for the benefits under the same program. Currently, only large farmers can benefit from the scheme. All PPD participants including the government representatives agreed to the recommendations.
  9. Access to Finance for Female Entrepreneurs: Women participants in the PPD highlighted the low reach of women entrepreneurs to access finance. Government stakeholders and SMEDA officials pointed out special schemes from First Women Bank and other

commercial banks. However, more affirmative actions are needed to ease access of women entrepreneurs to cheap credit.

10. Dissemination of Information regarding Availability of Interest Free Loan Schemes of Governments: Both in desk review and during the conduct of PPDs, it came to the surface that the low access to credit and interest free loans is mainly due to low access to information on the availability of such schemes offered by various levels of governments and commercial banks. Women-owned businesses are specially at a disadvantages position as they face further constraints regarding access to information. The participants highlighted that KP provincial government and SMEDA should held information sessions with local entrepreneurs and women entrepreneurs regarding various government and commercial bank schemes of interest free loans.
  11. Restrictive laws regarding Foreign Direct Investment (FDI): Stakeholders from the business community highlight the rigidness of laws regarding Foreign Direct Investment (FDI) laws in Pakistan which is hindering the businesses in Peshawar in acquiring finances from the foreign investors. A soft policy to attract the foreign investment is required. Support from banks in this regard is negligible and needs intervention from government and State Bank of Pakistan. Transactions and Remittances laws to be made lenient and relaxed especially after the removal of Pakistan from the grey list of FATF.
  12. Lack of Keeping Systemic Accounting Books by SMEs is another hurdle in application for bank loans. The requirement needs to be relaxed by commercial banks and there should be training sessions with SMEs to improve their accounting system.
  13. Opening a Business Account with banks takes 4-6 months. SBP should intervene in this to facilitate the SMEs and women-owned businesses.
  14. Higher Mark-Up on Loans offered by Microfinance Banks: Discouraged by the regular commercial banks lengthy and complicated procedures, most of the SME sector businesses go to the microfinance banks which requires less documentation and the loan processing time is low. However, MFIs charge a very high interest rate to the tune of 20%. Mostly, women-owned entrepreneurs seek loans from MFIs and thus it becomes very difficult for them to repay the loans.
- c). SMEDA's recommendations on improving Access to Finance to SMEs:

In a survey of 200 SMEs, SMEDA has documented the following recommendations to acquire banking loans and proposed solutions for the SME sector.

- i. Offers from banks are there but people and businessmen/ women are not aware. There is need for awareness campaigns.
- ii. Loan processing time is too much. It needs to be expedited. SBP should intervene by advising commercial banks to reduce the process and speed up the process of acquisition of loans.
- iii. Tracking systems should be established to help the applicants. Simplification of processes is required.
- iv. Categorization of financing scheme is needed such as separate financing schemes for Small, Medium, and Micro enterprises. Established financial limits for each category.
- v. Customer care at various banks needs improvement. Front desk officer should be trained in handling customers.

- vi. It has also been noticed that few people are avoiding bank account opening due to the number of online frauds & scams. SBP may develop some counter measures by bringing such crimes to a complete halt.
- vii. Standard products should be developed as well standard forms and procedure. Uniformity is required in the processes.
- viii. Most of the banks have outsourced verification of the applicant to other companies. It has been reported by few that some time the verification staff becomes biased and the loan application is resultantly declined. Third Party verification is not an appropriate process. In the recent day, Kamyab Jawan scheme cases have been reported with the same problem. Mitigation measures are essentially required to address such issues.

## 2.8 Facilitation of Licensing, Registrations, Documentation of SMEs

### a) Licensing Procedures for new businesses:

#### *Issue/Barrier:*

Procedures for issuance of license and documentation requirements for filing of real estates and construction business is cumbersome and lengthy. One has to make numerous documents despite completing all the documents, preference is given to the influential people.

#### *Recommendation:*

Such process needs to be simplified. There is a need for provincial government to form a committee with stakeholders from industry to simplify the procedure for licensing.

### b) One Window Operations for Female Start-Up Entrepreneurs:

#### *Issue/Barrier:*

Female start-up entrepreneurs faced specific barriers regarding registering a new business. Women entrepreneurs in the PPDs highlighted that low female participation in registering a formal business need to specifically targeted by government departments so that female participation can be improved.

#### *Recommendation:*

Female business representatives complained that there is no separate “One Window Operation Services” for female start up entrepreneurs. A dedicated facilitation window for female will greatly help many young female entrepreneurs. Government officials responded that for this purpose a government-owned company in Hayatabad Industrial Estate Peshawar, Khyber Pakhtunkhwa Economic Zone Development Management Company (KPEZDMC) is mandated to help out entrepreneurs to set up business/manufacturing facility and women entrepreneurs are specially encouraged and facilitated.

### c) Procedures for Registering a Business:

#### *Issue/Barrier:*

The participants from the business community complained about lengthy registration procedures for businesses. Government stakeholders responded that registration time depends mainly on the type of business to be registered. Registering a manufacturing unit takes more time as multiple government departments are involved while registering a shop etc takes less time.

*Recommendation:*

Simplification of procedure of registering businesses by taking the business chambers on board.

a) Harassment from Government Departments:

*Issue/Barrier:*

Due to lack of documentation and cumbersome mechanisms for registration, government departments often harass small businesses. Businesses are reluctant to register as then government departments harass them on one pretext or the other.

*Recommendation:*

To reduce the harassments, following measures were proposed by business community representatives;

- Registration with Labour Department needs to be made computerized
- All payments of fees etc to the government departments should be made online
- Confirmation of genuineness of registration certificates should be made and shall be available with all departments
- Physical interaction with government official staff should be minimized
- Payments of social security contribution by businesses should be converted from the manual to the online
- Rules regarding social security payments should be made simplified so that a common business owner understand if he/she falls in the ambit or not
- Single challan for various departments may be introduced so that all the mandatory levies shall be paid in one go without disturbing the business community on daily basis

d) Discouragement from Local Authorities:

*Issue/Barrier:*

Local authorities clamp down of the sign boards of businesses on main roads is a main hurdle to shops, especially the furniture shops in Peshawar. Due to congestions on roads as a result of BRT line, traffic police clamp down on cars parking in front of our shops.

*Recommendation:*

There is a need that Local Government authorities construct multi-story parking plazas to facilitate customers.

## 2.9 Modern Technology, Technical and Vocational Skill trainings & Lack of Info on Marketing:

### *Issue/Barrier:*

The SME sector in Peshawar needs modernization, skilled labour force, trainings for vocational skills so that it can compete with SME sector of the rest of the country and becomes viable. Lack of Information regarding Technical and Vocational Education and Training Authority (TVETA) Trainings is a major issue. Most of the participants of the PPDs were not aware about the current diploma and training programs offered by the TVETA Peshawar.

### *Recommendation:*

TVETA needs to be revitalize with aggressive marketing and information campaign to enlist workforce for aspiring businesses. New modern trades should be introduced in its various programs and should be properly advertised on mainstream and social media.

## 2.10 Digitization and Introduction of IT based solutions for different Processes

### *Issue/Barrier:*

Many businesses registration, fee and other processes are still manually managed by various government departments thus making room for discretion of the concerned officials. This made the whole processes slow and manipulative.

### *Recommendations:*

The government should digitize various process regarding registration, self-evaluation, self-assessment, payments of fee and taxes so that physical interaction with officials of various departments is minimized and venues for corruption can be closed.

## 2.11 Improving Coordination

### *Issue/Barriers:*

Various business operators in Peshawar complained during the PPDs that due to lack of coordination among various government departments, the ease of doing businesses in Peshawar is badly affected.

### *Recommendations:*

Representatives of SMEs appreciated the conduct of PPDs which includes stakeholders from academia, industry and government departments. Internship programs should be initiated by government where students from different academic institutions can serve as internee in various industries and businesses. Similarly, such PPDs should be organized regularly where students, academia, industry and government officials are part of consultative workshops in knowledge sharing. Public-private collaboration is the only way to enhance business opportunities in Peshawar and the province.

Members from Academia stress the need for involving academia in industry through PhD & Mphil research studies. Students should be trained in evolving industries through internships programmes. They can be equipped with regulatory, evaluation skills and technical knowledge.

## Chapter 3. Sector/Cluster Specific Barriers & Recommendations to Remove Barriers

### 3.1 Improving Business Ecosystem for Women Entrepreneurs

#### *Issues/Barriers:*

Representative of women-owned businesses in the PPDs highlighted barriers specifically faced by women entrepreneurs.

- Separate help desks are there for women entrepreneurs but this needs to be backed up with a backup support system by various concerned departments.
- Women faced barriers to access industrial plots in Industrial Estates.
- Women quota should be ensured as an affirmative action to boost women entry into the industry
- SMEDA should provide technical support to women entrepreneurs at the industrial estates.
- TEVTA should design specific trainings for women entrepreneurs
- There exists a Skills Training Institute for Women which needs to be strengthen.
- Loans, interest free loans and grants for women entrepreneurs should be increased to encourage female participation. The terms for loans should be relaxed for female entrepreneurs.
- Work environment at the commercial places for women is not conducive and women face harassment. Strict implementation of harassment laws should be ensured for female safety at work places.

Representatives of Peshawar Women Chamber of Commerce has identified the following women-specific barriers to business;

- Skilled female human resource shortages.
- Lack of basic knowledge and awareness regarding starting and running a business
- Lack of using IT and Social Media in developing handicrafts and other home-based businesses
- Women Chamber of commerce is failing in training businesswomen
- Access to finance is further complicated for women as banks are shy of lending credit to women entrepreneurs
- For women, middlemen is a major drain on income of the small businesses operated by women as they cannot develop marketing linkages by themselves
- Lack of business promotion events for small scale women-run businesses
- Low visibility of women entrepreneurs and low level of advertisement of women entrepreneurs
- KPRA treat both home-based small businesses run by women and the regular business having separate premises as same. are charged with the same tax regime
- Harassment from tax and other regulatory authorities.

- Women businesses don't register themselves with KPRA because after registration they are being harassed by the KPRA officials.
- Women Quota of 25% share in industrial plots is not being operationalized despite repeated requests from the women chamber of commerce.

*Recommendations:*

- Awareness and handholding of Women Entrepreneurs: With the help of SMEDA, TDAP and KP Department of Industries and Commerce, women entrepreneurs should be encouraged by handholding them through various procedures. Quoting a real-life experience by representative of women chamber of commerce, a woman used to make handmade bags is now exporting her handmade bags with the help of Chamber of commerce & SEMDA.
- Display Centers for Products made by Women: SMEDA, Woman Chamber, TDAP and other government organizations need to provide display centers/show rooms/ shops for female entrepreneurs where women can do business. Peshawar-based women businesses need to be given exposure in Islamabad, Lahore and Karachi and should be given the stage in expos across the world.
- Women Only bazaars should be facilitated in Peshawar and across KP.
- Access to finance for women entrepreneurs should be ensured through moral suasion of commercial banks by State Bank of Pakistan, PM Youth Loan Program, Khyber Bank.
- International donor organizations should be engaged by the provincial government to facilitate provision of small grants for women entrepreneurs.
- Technical training of women entrepreneurs and skill development for women in handicraft and other home-based businesses should be prioritized. UNDP is currently engaging women-owned businesses in the merged districts to attain self-sufficiency which can be extended to the rest of the province.

### 3.2 Facilitation of Exporters, Importers and Traders in Peshawar

#### a) Non-Tariff Restrictions on Import at Pak-Afghan Border:

*Issue/Barriers:*

Due to non-tariff trade restrictions at the Pak-Afghan border by Pakistani custom authorities, smuggling of precious gemstone, dry fruits and other commodities from Afghanistan to Pakistan is being carried out which is affecting the businesses of legal importers/exporters who consists mainly of small traders in Peshawar and Khyber Pakhtunkhwa. Local police raid local gem traders who legally import gemstone from Afghanistan as custom officials are unable to stop smuggling at the border. Similarly, prevalence of bribes at the border check posts allows smuggling of dry fruits which small traders cannot afford as it adds to the cost.

*Recommendation:*

Government interventions are needed to stop these non-tariff barriers and harassment from officials.

b) Training in E-Commerce:

*Issue/Barrier:*

Lack of trainings

*Recommendation:*

Stakeholders from the trading community suggested e-commerce trainings for traders and businesses in Peshawar as the sector has huge potential of capturing online business volume. Successful e-commerce traders from Karachi and Lahore should be asked/supported by KP government to conduct trainings in Peshawar as these traders are earning good profits from trading on facebook and other online portals. As per key stakeholders from the traders' community in Peshawar, around 2,500 individuals/businesses are currently involved in online business in Peshawar which can be increased by manyfold through workshops and trainings.

c) Organization of Goods Exhibition:

*Issue/Barriers:*

Lack of marketing skills is one major impediment for the exporters.

*Recommendation:*

Stakeholders were of the view to organize effective exhibition so that traders/exporters can showcase their products in front of prospective buyers.

d) Barriers to Afghan Traders (Exporters/Importers):

*Issues/Barriers:*

Afghan Businessmen complain that despite them being active taxpayers in Pakistan, they have no access to facilities and opportunities offered by various Pakistani government departments. They highlighted difficulties in obtaining business visas and custom payments.

*Recommendation:*

Afghan traders, exporters and importers need to be facilitated with Visa, licenses. Their trade activities through Pakistan can greatly enhance Pakistan's overall export and tax earnings.

e) Imports of Gemstone & handmade carpets from Afghanistan:

*Issues/Barriers:*

- i. Pakistani importers of gemstone and handmade carpets from Afghanistan faced harassment and raids from various government officials. Importers import gemstone and handmade carpets from Afghanistan and then export it to the rest of world after value addition. These raids discourage their working and profits.
- ii. Importers also faced harassment from government officials on hand-woven carpets made by Afghan refugees in Peshawar and rest of the province.



- iii. Gemstone and Handwoven carpet manufacturers in Peshawar complain that while they can export their goods from Islamabad and Lahore airports, they cannot export the same from Peshawar airport.

*Recommendations:*

- i. There should be a standard SOP at the border to control smuggling. Customs officials should restrict the smuggling and businesses in Peshawar should not be harassed by government departments.
- ii. The harassment of carpet-weaving businesses involving Afghan refugees should be stopped as this not only limit the local businesses but also limit the livelihood of poor Afghan refugees who work hard to earn their livelihood.
- iii. Government of KP should raise the issue of using Peshawar airport for export with Civil Aviation Authority (CAA) for smooth exports from Peshawar airport.

f) Code of Conduct for Export-Oriented Industries:

*Issue/Barrier:*

Lack of code of conduct and Standard Operation Procedure for the export-oriented industries.

*Recommendation:*

Government needs to devise a code of conduct for export-oriented industries and a Standard Operating Procedures (SOPs) so that businesses exactly know what the government requires from the industry. Govt department may kindly develop code of conduct policies for their law administrating operations and made these policies available to the concerned business community. A complaint management cell should be made functional where business community can lodge their complaints against unlawful incursion of government officials.

g) Lack of Awareness regarding TDAP:

*Issue/Barrier:*

Most of the PPDs participants were unaware about the facilitation provided by Trade Development Authority of Pakistan whose sole purpose is to promote export-oriented sectors in Pakistan.

*Recommendation:*

Trade Development Authority of Pakistan (TDAP) is activity involved in the trade promotion of Pakistani goods in the international market but most of the participants of the PPDs were unaware of its activities. TDAP needs more focus on awareness campaigns of its roles and programmes.

h) Replication of Successful Model of cluster approach:

*Issue/Barriers:*

Exporters need handholding and successful model to emulate and venture into the export sector.

*Recommendation:*

Pakistan Hunting & Sporting Arms Development Company (PHSADC) is a section 42 company established under the federal ministry for Industries & Production. PHSADC is a successful example of engaging in uplifting of hunting sports product industry. A total of 37 factories engaged in production are provided with skill trainings, product standardizations. This example should be replicated for other industries by the concerned government departments of Khyber Pakhtunkhwa government.

### 3.3 Diary & Livestock Sector

*Issues/Barriers:*

Stakeholders from the Diary sector highlighted that the sector is at loss at various level.

*Recommendations:*

For the revival of the livestock and diary sector, the SME businesses proposed the following *recommendations* for its revival;

- i. Interest Free Loans to the Farmers so that they can invest in new technology and breeds
- ii. Dairy Farming should be included in other loan schemes offered by the Bank of Khyber and other banks.
- iii. Exposure visits for farmers from Peshawar and KP to various Diary and Livestock farms operating in Punjab should be organized.
- iv. Raids/Checking from government officials should be reinforced but with a proper mechanism. In the current scenario, these raids by government officials creating very unconducive environment for the business community.
- v. Facilitation of indigenous cheese makers: Member Diary and Livestock Association briefed the dialogue participants about problems of women who make indigenous Cheese. The woman, belonging to District Dir, explained her small business activity and requested for government support in expanding her business. She said that she faced issues at different levels. For example, she couldn't manage the supply chain and had no mechanism to transport her product even within Pakistan. She also mentioned that no certification mechanism was in place so she cannot project her product. Her product uses no preservatives or chemicals and has only 7 days of shelf life, she needs proper transportation mechanism.

### 3.4 Technical & Vocational Education/Training:

*Recommendation:*

The Vice president of Women Chamber of Commerce Peshawar presented a very critical and bleak picture of the state of technical and vocational training institutes in Peshawar and KP. She mentioned that there is no skilled labor available in handicrafts. Technical Vocational Education Training (TVET) exist but no proper outcome has been achieved yet. Only six

months training program is not enough. The system needs to be updated. Government should review the system and get the new technology industry related courses added to the HR system so that people are trained according to the evolving needs. The new technology and related support will help in skilled labor.

### 3.5 Handicraft & Leather Business:

#### *Issues/Barriers:*

No Handicraft policy exist. Many trades are not included in the handicraft industry which make it difficult for the associated businesses to apply for NOCs, loans etc.

#### *Recommendations:*

Stakeholders from the business community of leather & Handicraft industry suggested inclusion of tourism, gems and handicraft to the existing trades. Currently, there are No Objection Certificate (NOC) issues which needs an immediate attention of the government. While loans are available but access is still difficult due to many criteria and documentation for micro level SMEs. There is also need for government to craft a handicraft policy to promote the handicraft business in the province. SMEDA representatives agreed with the suggestions from the stakeholders of handicraft businesses and are in favor of giving it a status of cottage industry. This way, the businesses involved in it will have access to donor funds and government grant/loan schemes.

### 3.6 E-Commerce:

#### *Recommendations:*

Stakeholders from the e-Commerce industry emphasized the government to divert the attention towards e-commerce industry due to its huge potential. Government should remove the information bottlenecks regarding e-commerce business by organizing seminars, workshops and other information sessions. Stakeholders emphasized that while resources are being concentrated on traditional business while the potential is in e-commerce which can be started with a very low amount such as Rs 5 lakh.

### 3.7 Printing Industry in Peshawar:

#### *Issues/Barriers:*

President of the Printers Association informed the PPD that currently more than 100 printing houses operate in Peshawar but they lack business. To add to their woes, Government of Khyber Pakhtunkhwa and its various text book boards award printing of school/college books to printers outside the province thus depriving the local printing houses of the big business.

#### *Recommendations:*

They urged the KP government to award printing of books to local printers in Peshawar. Moreover, printing industry is seriously being affected by electricity loadshedding in Peshawar. Installation of separate feeders with uninterrupted electricity supply can greatly enhance the efficiency of the printing industry of Peshawar.

In another PPD, the representatives of the printing association informed the participants that 10,000 labor are associated with printing industry in Peshawar and their job depends on government contracts for printing the text books. Since last 3 years, KP text board has outsourced printing to printers in Punjab since last 3 years. Tender procedure should be transparent and companies from KP must be given preference in the tenders rather than awarding work order to firms out of KP. An appropriate policy in this regard must be recommended/suggested to the concerned govt department.

### 3.8 Honey Production & Honey Traders:

#### *Recommendations:*

- i. Representatives from the Honey Bee association suggested that people of KP should be given open space for the business.
- ii. New machinery for export production should be supported by the government which can tremendously increase the production.
- iii. Training centers for beekeepers need to be initiated by government to fill the skill gap of honey beekeepers
- iv. Testing labs (German lab) are required to supported to be installed to produce export quality honey and boost exports
- v. In Pakistan, the royal jelly of very high quality is available, but its production is low and thus government attention is needed
- vi. As the quality of honey is high in Pakistan and with honeybee training for the beekeepers it can further enhance production and export will increase.
- vii. Branding of the product can also increase the production and export to international levels.

### 3.9 Footwear Manufactures and Shoe Business in KP:

#### *Recommendation:*

A specific institute needs to be established by Government where quality trainings and skill development can be incorporated and the industry move from single product (Charassada Chappal) to more varieties. Exhibitions need to be organized to showcase KP shoe products internationally.

### 3.10 FMCGs vehicles and Operators in Peshawar:

#### *Issue/Barrier:*

Representatives from the key stakeholders of the sector pointed out that Fast Moving Consumer Goods (FMCGs) vehicles faced issues regarding access in various areas of Peshawar. They cannot either some location during a specified time which limits their delivery time and thus disrupt the whole supply chain. Similarly, Peshawar Cantt areas charge a specific fee on entrance to the Cantt area in Peshawar. Peshawar chamber of commerce has been active to resolve this issue since long but of no avail.

#### *Recommendation:*

Government of Khyber Pakhtunkhwa need to intervene by consulting the business and trading community of Peshawar to facilitate ease of moving vehicles which transport goods in the city.

### 3.11 Gemstones:

#### *Issues/Barriers:*

- i. Gemstones traders highlighted that cutting and polishing of precious gemstones are conducted on the outdated machines as modern machines doesn't exist and small businesses cannot afford to import modern machines. Use of outdated machines reduces the efficiency of the business and affect the profits.
- ii. GIA Certification for Gemstone: Stakeholders from the gemstone industry highlighted the need for establishing GIA certification in Pakistan as it is already being established in the neighboring countries of Pakistan.
- iii. A number of legal (NOC, Certificate and Registration with various government authorities) hurdles disincentivize foreign investors to come to Pakistan and invest in gemstone industry. Gemstone is an investment heavy sector and only foreign investors can bring heavy investment and modern machinery to revolutionaries the sector.

#### *Recommendation:*

- i. For this purpose, interest free loans for local traders of gemstones polishing/cutting industries are highly recommended so that modern technology can be imported and improve efficiency.
- ii. Government of KP should work for GIA certification in Pakistan with the support of SMEDA and federal departments which will greatly encourage the gemstone industry in Pakistan as it will provide both the certification and required trainings to upgrade.
- iii. A one-window system should be offered to foreign investors to attract them in investing in Pakistan.
- iv. Dialogue Between Gemstone Industry & Government: Business community of the gemstone industry and the relevant government departments need to sit on table to discuss each and every issue of the industry and devise a strategy/policy to facilitate the business so that local economic activity in the gemstone industry can be increased
- v. New Technology & Youngsters: The industry needs both new technology and youngsters to prosper for which government facilitation is a must.
- vi. Board of Expertise on Gemstone: A board of expertise need to be established by government with stakeholders from the private sector. Great quality Emerald and other precious stones are available in our province but they need modern machinery and skilled labour force to make it ready for the exports. KP's share in Pakistan total export is negligible.
- vii. Gemstone Export Processing Zone in Peshawar: To consolidate the above initiatives, the stakeholders propose establishing of an Export Processing Zone for Gemstones in Peshawar to boost exports by brining modern technology and local and foreign investment.
- viii. Start-Ups in Gemstones Industry: The following issues are being faced by start-ups in Gemstone industry in Peshawar/KP;
  - o Issues in Invoicing, Certificate of Origin, Cargo fare
  - o Lack of training in export/import

- Lack of training at local level
- Difficulties in obtaining legal documents
- Absence of Paypal and other online digital payment mechanism
- Homebased Industries: An entrepreneur involved in the homemade industrial cluster appraise the PPD participants about the barriers faced by homebased enterprises such as homemade jewelry and soaps in Peshawar where mostly women are involved. At policy level, these homebased enterprises are being ignored. Manager SMEDA stressed the need for moving these enterprises to the established industrial areas from the residential areas. Energy supplies are uninterrupted in industrial zones as compared to residential areas. Small industrial estates need to be developed to accommodate such units.

### 3.12 Marble and Granite Businesses:

#### *Issues/Barriers:*

Following issues are barriers to growth in the production of marble and granite production:

- Blast as a method of extraction: We use blasting as a main technique to extract marbles. Moreover, the machines for polishing and finalizing the products are old and obsolete and needs to be replaced with modern ones.
- Processing Machines are old & obsolete: Due to lack of government support and lack of investment surplus with the businesses, we use old machines for processing the marble. We cannot prepare export quality products and thus loosing on the international market. Previously SMEDA has facilitated with provision of machinery under the ERKF project. We either need financial support from the government to purchase modern machines or SMEDA assistance to acquire the same machines for our industry.
- Unskilled Labour: The labour in our industry is mostly unskilled and untrained. We need government support to train our workers in modern skills. A certified training program should be organized by government for the workers which can then be employed by the industry on higher pay.
- Access to Finance: The mining industry to need to have access to cheap finance to acquire modern technology for their businesses.
- Low awareness about export marketing: Most of the industrial units operating in our sector do not know marketing techniques for exporting their products. Government needs to devise training and awareness programs so that our products can be exported to the international market.
- Electricity shortages is also the main reason for low productivity. The price hikes in petroleum products is further adding to our cost and thus hurting our incomes and profits as the cost of operation of our business has been increased manyfold.

### 3.13 Furniture Businesses:

#### *Issues/Barriers and Recommendations:*

President of the furniture association of Peshawar highlighted issues faced by furniture businesses in Peshawar.

- Sales Tax based on Covered Area: Furniture shops require bigger covering areas as per the demand of the nature of products in the shop. Shops with covered area of 2,000 sq feet or above are charged very high while below 2,000 sq feet there are no charges. The tax charges are too high and affective our business. Government need to levy a progressive tax as per shop sizes incrementally. This way all shops will be paying taxes and the burden will not solely fall on the big shops.
- Standing Committee Chairman of Furniture Business Association that letters were written from Chamber of Commerce to Chief Commissioner, IGP, SP regarding resolving the issues. Section 43 A of the 1990 Sales Tax Act need amendment. To bypass the Law and avoid this tax, furniture shops divide their shops into two thus avoid the entire tax which is also a loss to KP government.
- Unavailability of Shops of Big Sizes: Multinational brands and Banks pay higher rents so SME furniture shops has difficulty in obtaining shops on reasonable prices. Stakeholders from the furniture industry emphasized the government to provide an alternative to the furniture industry so that they can expand their businesses and create more jobs.
- Marketing Awareness: Exporter sales & marketing awareness is also required to most of cluster. They have no online business experience and so nothing is being done via online sales.
- Furniture City: The proposal of Establishment of Furniture City should be worked out in consultation with the representatives from the furniture city. Small Industries Development Board (SIDB) should come forward and implement the idea. It will create an ease of doing businesses environment for the furniture industry and will help in employment creation.
- Wood Seasoning Facility: The stakeholders from the furniture industry highlighted the need for Wood Seasoning Facility in the furniture city.
- Online Business Portal: The government should make an online business portal for the furniture industry where different furniture outlets can showcase their products and sell the products to final consumers.
- Digitization of Procedure & policies: Government should digitize the procedure and policies pertaining to business and which should made available online.
- Trainings: Trainings on HR system, HR Development, legal issues may be provided to our industry.
- Issues of unavailability of skilled workforce: In Peshawar there are number of businesses related to wood furniture making industry which has a great potential. However, there is not a single government institution for capacity building of technical labor to equip them with new skills and modern technology. Wood furniture making industry is facing shortage of skilled human resource. It has become difficult to find and hire the suitable skilled human resource.
- Lack of Information about Marketing & Export Prospects: Furthermore, Lack of knowledge about international marketing and exports procedures make it difficult for wood furniture makers to showcase their products to the customers abroad as well as networking in the industry. There are public sector departments responsible for this, but they need to be pushed for performing their role. There should be liaison and proper coordination mechanism between the furniture industry and relevant public sector authorities to boost this industry.

## Chapter 4: Other Specific Measures Needed to be Taken

1. Access to Finance: SMEDA is continuously in consultation with stakeholders from the financial and banking sector including State Bank of Pakistan, JS Bank, Bank of Khyber, Bank Alfalah and National Bank of Pakistan to support the business communities' access to finance. Due to these efforts, Bank of Khyber SME loan scheme has been revamped and is now offering loans at 9% to the SME sector. The only condition is that the SMEs should have been registered with tax department and having an active National Tax Number (NTN). Such registration process and allotting NTN needs to be expedited.
2. Access to Information by KP's Labour Department: KP's labour department has developed a dashboard where all information are made available. Scheduled official visits by officials from the Labour Department are posted on the official website/web portal informing when the business/industry will be visited. The officials will also post the feedback on the same website.
3. NOCs regarding Registration of Businesses: Non-issuance of NOCs to the businesses being taken up at the highest level and the process will be simplified as currently 28 different types of NOCs for starting a business is needed.
4. Introduction of SME Cards: SMEDA has started issuing SMEDA card where the holder of the card can avail government facilities. The only condition is that the business should be legal and register with government. Various government schemes will be offered to the holder of SME cards.
5. Grants for Stitching Units of Handicrafts: Currently the government has announced the Stitching Unit Grant for the third time and businesses need to apply to avail the opportunity.
6. E-Commerce: Training in e-commerce and other information about e-commerce are available at SMEDA's facebook page while more information are available at KP IFC webpage portal including trainings in e-commerce.
7. Establishment of Gemstone Centre: Small Industrial Development Board (SIDB) of the government of Khyber Pakhtunkhwa has already established a gemstone centre in Peshawar. The centre is provided with modern cutting machines, a display hall, offices for the businesses, and food courts etc. This was a mega project by SIDB. However, this further need strengthening.
8. Foreign Investment: To bring foreign investment to the province, especially in gemstone sector, the government of KP and SMEDA need to involve foreign office.
9. Furniture City: A large portion is being earmarked for the furniture industry in Zangali Small Industrial Estate on Kohat Road Peshawar. The total area of the allocated area is 100,000 sq ft which will be provided to the furniture industry. However, currently the prices are too high which needs to be rationalized.
10. Electricity Issues: There is continuous breakdown of power supply. The federal government has imposed a 17% tax on the import of solar systems/panels which makes its installation unfeasible.
11. SOPs for Inspection by Govt Regulatory Authorities: Standard Operating Procedure (SOP) manual needs to be designed with mutual consultation of businesses on the frequency, timing, and structure of inspection as these sporadic inspections paint a picture of a 'raid'. These SOPs should be shared with concerned authorities and be notified by the government.
12. Provision of Industrial Plots: KPEZMDC has managed some of the space issues for new entrants to the industry. Rules regarding acquisition of industrial plots has been changed to



- facilitated new entrants. Business community is provided with relevant NOCs and other documents under one roof. The company actively locate abandoned or non-functional units and allocate it to the new aspirants. It also made it compulsory for the space buyers to install the unit and start operation within 06 months of buying the industrial plot.
13. **Energy Issues at Hyatabad Industrial State:** KPEZMDC has been trying to resolve that electric and gas supply issues for the Hyatabad Industrial State. Four additional feeders were added at a cost of Rs 4.0 million to ensure uninterrupted supply of electricity.
  14. **New Industrial Zone:** KPEZMDC is actively working on the 1,000 hectares industrial zone in Shahkas under Khyber Pass Economic Corridor (KPEC). The Khyber Pass Economic Corridor (KPEC) connects Pakistan and Afghanistan with Central Asia through the Khyber Pass.
  15. **Industrial Estate by Small Industries Development Board:** Small Industrial Development Board (SIDB) has allocated 900 canals of land for industrial zone in Mattani, Peshawar.
  16. **Women Applicants for interest free loans:** Women application rate to avail different interest free loan schemes offered by various government departments is very low. Government needs to focus more on encouraging women to apply for interest free loans.
  17. **Lack of Interest in trainings from Peshawar Chambers:** As per the representative of Pakistan Academy for Rural Development, the participation of women from Women Chamber of Commerce of Peshawar in their trainings is negligible. The academia representatives added that to account for this, there is a need to provide a platform within the chamber to coordinate between the industry, chamber, students and representatives of the government.
  18. **Actions from KPRA:** Representative from KPRA offered his organization services in the following areas with immediate effect
    - i. Facilitation in registration of unregistered businesses
    - ii. Services tax and adjustments
    - iii. Arranging tax awareness sessions for SME sectors
  19. **Low participation in TDAP organized trainings:** TDAP has organized 27 free one day training programs for women all over Pakistan. We received the poorest response from KP. Sarhad Chamber totally refused to cooperate and to disseminate information of our trainings. Even none not come to attend from nearby districts of Peshawar like Nowshera and Mardan etc.

# Public Private Dialogues on the "Key Barriers to Start, Formalize and Grow a Business in Peshawar"



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**CGPA**

GENTRE FOR GOVERNANCE  
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