**Promoting traditional SME clusters**

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February 21, 2021

Recently, the Italy-Pakistan Footwear Technological Centre (IPFTC), claimed to be the first of its kind by the Pakistan Footwear manufacturing association (PFMA), has been commissioned to collaborate with the Italian government. IPFTC is equipped with a CAD-CAM pattern grading/cutting and a mechanical physical test laboratory for footwear. All the machinery and technical assistance for the project is claimed to have been provided by the Italian government, while PFMA provided fiscal and logistical support necessary for the operationalisation of the initiative.

The IPFTC will enable PFMA to enhance their productivity through the adoption of new technologies to bring it at par with international standards, thus boosting their exports. There would be spillover effects as well, as the local footwear industry will also benefit from the expertise developed at IPFTC which would result in better footwear for the local market. The aforementioned initiative shows that traditional industrial clusters such as footwear manufacturing are looking to international collaboration to adopt the latest technologies to increase their productivity and meet international standards to help increase their exports.

[WHO official says pandemic to end at beginning of 2022](https://nation.com.pk/22-Feb-2021/who-official-says-pandemic-to-end-at-beginning-of-2022)

There are several government development agencies with the mandate to help SME clusters integrate the latest technologies for increased productivity and enhanced exports. However, there looks to be minimum involvement by these development agencies in this latest IPFTC initiative. TUSDEC is responsible for upgrading technology and skills of key and strategic industrial clusters; but TUSDEC’s role in the IPFTC initiative appears to be wanting. TEVTA is meant to provide qualified manpower tailored to the needs of various industries especially SME clusters. However, the PFMA initiative shows that they would be training their employees according to their own needs. Similarly, SMEDA is meant to facilitate SME clusters, and help the Government of Pakistan devise policies for clusters to improve their productivity and tap foreign markets. However, in the PFMA initiative, the Government of Italy seems to be the facilitator in acquiring new technologies and expertise. Thus, there seems to be a disconnection between government development agencies’ activities and industrial clusters’ needs.

[321 officials sacked for corruption in Afghanistan](https://nation.com.pk/22-Feb-2021/321-officials-sacked-for-corruption-in-afghanistan)

Recently, the government has initiated an ambitious ‘Knowledge Economy’ programme with the Prime Minister as the head, and billions of rupees have been earmarked. Sectors such as IT, Artificial Intelligence, machine learning, robotics, big data, and the internet of things are being focused on. Accordingly, various factors—such as necessary manpower, technical institutes, research centres, which could be required to progress in selected sectors, are being given attention and resources. The aim is to increase our exports in these sectors to a healthy $300 billion/annum over the next ten years. However, the question of how are we going to fare against existing giants such as China and India in selected competitive sectors needs pondering.

Furthermore, while new sectors have been identified and huge sums have been allocated in times of fiscal constraints, but this should not come at the cost of our traditional sectors such as surgical instruments, sports goods, leather goods, electrical fans, which if promoted, could generate greater employment and achieve higher exports with minimum executive patronage and investment.

[India stalling non-proliferation efforts in South Asia](https://nation.com.pk/22-Feb-2021/india-stalling-non-proliferation-efforts-in-south-asia)

Thus, while the importance of exploring and developing expertise in new sectors is indeed a welcome step and would help to diversify our export base, the significance of traditional, established sectors in generating employment and earning foreign exchange should not be overlooked. Therefore, our traditional SME clusters should be promoted through executive patronage and favourable government policies. The government’s various development agencies such as TUSDEC, TEVTA, SMEDA should be structured to be performance based, with greater public-private partnership and budget accountability so that these organisations could be weaned away from holding seminars and presentations to more measurable, market-oriented performance indicators—achieved with maximum efficiency and frugality.