

District Profile

KARAK



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Government of Pakistan

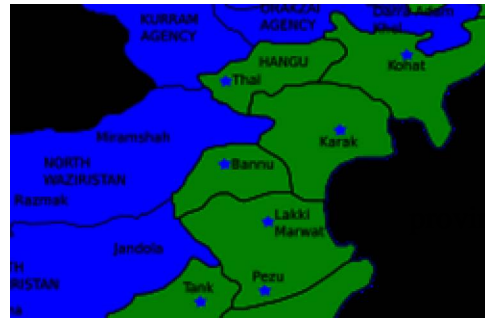
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1. Introduction:

Karak is a district of the North-West Frontier Province, Pakistan. It is situated to the south of Kohat District and on the north side of Bannu and Lakki Marwat districts on the main Indus Highway between Peshawar and Karachi. It is 123 km from the capital Peshawar.



Khattak tribe predominantly populates the district;

one of the famous tribes of Pashtuns. Karak has one of the largest uranium mines in Pakistan under supervision of Pakistan Atomic Energy Commission. Gas has been recently discovered in Shakardara, Gurguri and Makori areas. Agriculture is the main source of living of people.

The district of Karak is administratively subdivided into three tehsils which are Banda Daud Shah, Karak and Takht-e-Nasrati.

Honey production is widespread in Karak. The most important indigenous flora for honey production includes Ber and Phulai (Acacia). Ber honey is very popular. Due to the fine quality of honey, it is exported to markets at provincial and national level. Most of the honey entrepreneurs producing Ber honey were outsiders. Looking into the potential of the Karak area, FFSP and partner organizations motivated local communities for production of Ber honey. It was identified under the Non Timber Forest Produce, which has high income potential for the poor and landless. The local people started taking interest in the enterprise due to its high profitability potential and increasing demand. Hafiz Masood of village Takht-e-Nasrati was one of them. He was interested in taking up honey production as a business with the support of the local partner NGO 'YARAAN' (the friends). Hafiz Masood is a small farmer, with a little piece of land. He had prior knowledge of honey production and trade at local level.

District Karak has the highest literacy rate after Islamabad and Wah. Since both Islamabad and Wah are mainly composed of temporarily migrated people, therefore Karak is ranked as the highest educated district.

Karak is very hot in summer, during the summer temperature touching 45-50°C and sand storms are common. However, Lakkara regions are the coolest part in summer where people use blankets at night. The best time to visit is between Nov-April with lush green fields of wheat and grams. The people of karak are very hardworking in both public and private sector, but there is lack of job accuracy. They try to achieve meaningful growth for their areas.

2. History:

Until 1940, this whole area was ruled by the [Teri](#) Nawab. Teri was the capital and the only [Tehsil](#). It had tappas ([satrapies](#)): Teri, Seni, Khurram and Barak. Between 1940 and [1982](#) it was a part of Kohat, after [July 1, 1982](#), it has been an independent district with [Karak](#) as its capital.

3. Economic Scenario of the district:

One of the most famous products of this district is “Honey” which is exported to Middle East, United States, and Europe. Honey production is widespread in Karak. The most important indigenous flora for honey production includes Ber and Phulai (Acacia). Ber honey is very popular. Due to the fine quality of honey, it is exported to markets at provincial and national level. Most of the honey entrepreneurs producing Ber honey were outsiders. Beside honey karak is well know for vinegar production that is been transferred to all over NWFP. Hand made mazari products are also a good product of this area and exported to Middle East, United States and Europe. Gypsum of high quailty is found in karak which is used in manufacturing of urea. Small units of Salt manufacturing are also present in the area, which full fills the needs of all surrounding areas of NWFP.

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4. Economic Scenario of the District

4.1 Agriculture:

Owing to its semi-arid characteristic with an average rainfall of 330 millimeter, Karak is a barani area. Cereal crops like Wheat, Bajra, Maiz, and pulses like Lentil, Chicken peas, Oil seed and Groundnuts are grown in this district. About 18.8 percent of the total area is cultivated, out of which only 2 percent is irrigated.

The major crops of Kharif are maize, jowar, bajra and groundnuts; while the major crops of Rabi are wheat, gram, barley, rape and mustard.

4.2 Horticulture:

In Karak district scarcity of drinking water is the major problem faced by the inhabitants of the area. Therefore the entire district lacks horticulture. Nevertheless, horticulture can be developed in an area having water resources for irrigation purposes.

4.3 Forestry:

Forests cover only 2.1 percent area of the Karak district, which is the lowest figure in the province. However, the forest Department has carried out mass forestation throughout the district especially along roads, which will achieve better results in future.

4.4 Livestock:

People in Karak like to keep livestock of the following kinds:
Cow, Buffalo, Camel, Goat, Horse, Mule, Poultry and Sheep.

4.5 Mining:

Economically workable minerals deposits of the mapped area include rock salt, gypsum, limestone and shale/clay. All these are present in abundance and except for shale/clay, being mined on minor scale. In case of new or increased demand their production can be quickly raised manifold without any heavy capital investment or encountering major mining problems. Beside these, the area also hosts some occurrences of calcium bentonite and secondary uranium minerals but their evaluation has not yet yielded commercially exploitable reserves. Oil seeps and gas shows have also been reported indicating geological environment conducive for the generation of hydrocarbons. This aspect coupled with favorable structural set up of the region warrant concerted exploration efforts for oil and gas.

4.6 Industry:

There is enormous potential for industries and industrial production in Karak yet this area has been kept neglected. Currently very few industries are in operation in the district and most of the units are very small without modern machinery and other technical infrastructure. Industrial estate Karak has been recently established which is under process.

PROFILE **of SMALL INDUSTRIAL ESTATE KARAK**

1. Name : S.I.E Karak
2. Total Area : 30 Acres
3. Total No. of Plots : 144
4. Size of Plots : 12000-6000 Sq: Ft.
5. Total No. of Plots allotted : Under process
6. Infrastructure Facilities : Under process

All activities of industrial estate is under process and will be completed till July 2009.

Currently working Industries in Karak:

<u>S.No</u>	<u>Type of Industry</u>	<u>Number of Units</u>
1	Flour Mills	4
2	Ice	1
3	Steel (Engineering)	1
4	Dall	1
	Total	7

Besides the industrial units established at Karak, there also exist some potential clusters, which can be developed into proper industries. These include;

4.7 Cluster

Honey cluster in district karak:

Karak is an arid region of Southern NWFP and is famous for its Zizyphus trees (Ber), which is a unique feature of dry lands in Pakistan.

People of the area are generally poor and are involved in different income generating activities.

Forestry Support Project (FFSP) took the initiative to support community based initiatives

interventions on non-subsidized basis which sometimes poses a challenge in an area heavily loaded with subsidized packages provided by various development agencies.



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5. Small Investment Projects for the District:

- Honey Bee Keeping
- Leather Cases and Covers of All Types
- Stitching Unit
- Salt Processing Unit

5.1 Honey Bee Keeping

Introduction

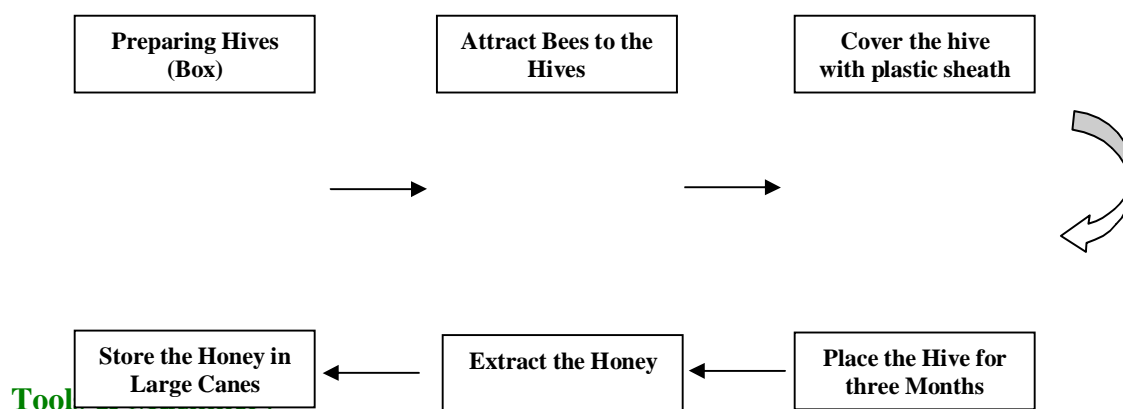
Honey is a sweet substance produced by honey bees from the nectar of blossoms. Honey consists essentially of different sugars, predominantly glucose and fructose etc. Honey, a pure, natural sweetener prepared by bees from nectar collected from wild and cultivated flowers, was the first sweetener known to man.



wild

Honey Cluster of NWFP is spread over in different districts of the province. The belts of Swat, Naran, Kaghan, central districts like Peshawar, Mardan, and also Karak, Kohat, Haripur, FATA and other adjoining areas have tremendous potential for fostering the honey-industry. The total numbers of the bee keepers entrepreneurs (farm) in NWFP is about 3500 and the direct employment in these farms are 17500 people.

Business Process Flow:



Tool

No.	Equipment	Quantity	Price
1.	Honey Extractor Machine	1	3,500
2.	Monkey Cap	3	450
3.	Smoker	1	150
4.	Queen catcher	2	160
5.	Swarming catch basket	2	300
6.	Spray Bottle Plastic	3	210
7.	Gloves	3	210
8.	Fork	4	320
	Total	19	5,300

Cost of Project: per annum

No.	Particulars	Price
1.	Colonies of bees @ Rs.5000 - 10 frames	250,000
2.	Wooden Box with frame @ Rs.550 each	27,500
3.	Human Resource (3 personnel)	240,000
4.	Foundation sheet @ Rs.25 each	12,500
5.	Tools & Machinery (as per list above)	5,300
6.	Feeding of Bees	60,000
7.	Transportation Cost	10,000
8.	Total Investment	605,300
9.	Return on capital Employed (after 1 st year)	445,100

10.	Profit	135,100
11.	Rate of Return	23%

5.2 Leather Cases and Covers of All Types

Introduction

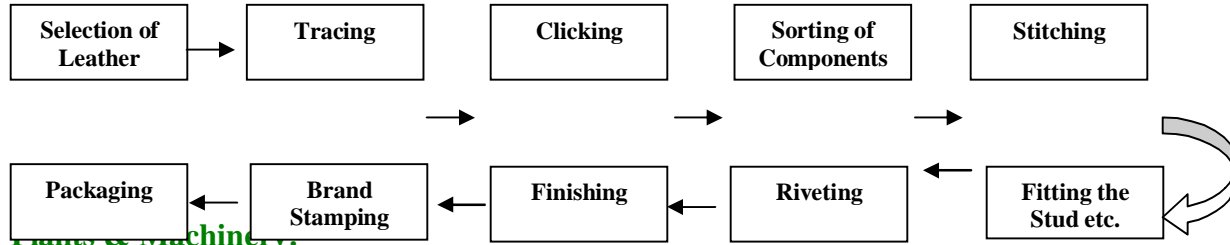
It is well known fact that leather has been serving a multitude human needs, and the modern man uses it for various purposes, personnel, industrial and defiance etc. In almost all electronic Industries leather plays a very important role. With the rapid development of mobile phones and other devices, the demands such covers is also increasing day by day and have occupied good position in market.



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Manufacturing Process

It is generally manufactured by hand process with the help of knives, punches and other hand tools etc. sewing is also done by hand. The sequence of operations is as follows;



S. No	Name of Machinery/Plant	Qty. No.
1	Ball press No. 10 with accessories	1
2	Sole splitting m/c hand/power operated working width 23 cm	1
3	Strap cutting m/c hand operated	1
4	Trade Mark Embossing m/c	1
5	Weighing scale 50 kegs capacity	1
6	Other office equipment	1

Cost Analysis:

Basis: 30,000 pcs of leather cases/Annum

1	Covered Area Required	200 sq. m
2	No. of Employees	14
3	Land & Building	Rs. 115,000
4	Plants & Machinery	Rs.25,000
5	Fixed Capital	Rs.140,000
6	Working Capital for one month	Rs. 46,000
7	Working Capital for 3 months	Rs. 138,000
8	Total Investment	Rs. 278,000
9	Cost of Production Per Annum	Rs. 601,200
10	Receipt per Annum	Rs. 690,000
11	Profit Per Annum	Rs. 88,800
12	Rate of Return	31.90%

5.3 Stitching Unit

Clothing is the visual demonstration of social needs of people wearing it. As an enterprise it has huge potential on small and medium levels. It is a desirable business needed in rural as well urban areas. It is a feasible low investment opportunity with returns.



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Production Capacity

Daily 8 suits will be stitched, but the production will be increased with the passage of time, annual production will be of 2496 suits.

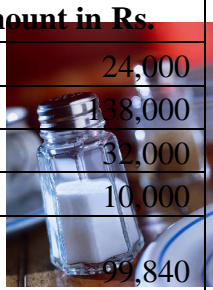
Production Process:

Designing		Pattern Making/Cutting		Stitching		Finishing		Furniture & Machinery:	
S. No	Name of Item	Qty. No.	Price per unit	Cost in Rs.					
1	Single Needle Stitching Machine	3	5,000	15,000					
2	Over lock Machine	1	7,000	7,000					
3	Accessories (Scissors, iron, measuring tap etc.)			10,000					
4	Fixture and furniture			10,000					
	Total			42,000					

Manpower Requirement:

Title	Salary per year in Rs.
Master tailor @Rs. 4000 per month	36,000
Tailors @Rs. 4000x2 per month	72,000
Helper @Rs. 2500 per month	30,000
Total	138,000

Cost Analysis: Basis: 2496 suits per annum:

S. No	Description	Amount in Rs.	Salt
1	Rental Building @ Rs. 2000 per month	24,000	
2	Salaries (shown from above graph)	138,000	
3	Machinery and equipment	32,000	
4	Fixture and furniture	10,000	
5	Raw Material (Tags, buttons, thread, plastic bags etc.)@ Rs. 40 per suit	99,840	
6	Utilities expense @ 1500 per month	18,000	
7	Working capital	279,840	
8	Total Investment	321,840	
9	Revenues @ Rs.150 x 2496	374,400	
10	Profit Per Annum	52,560	
11	Rate of Return	14%	

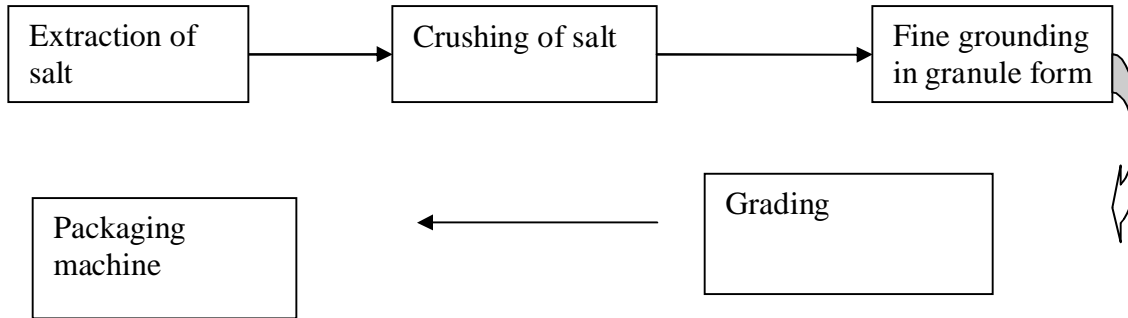
Processing Plant:

As we know salt is an essential part of every household. Almost one kilogram of salt is consumed by household in a month. It gives taste to the food as well as good for health. It is found at many places in Pakistan and has a salt range at karak also.

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Karak's salt is of very fine quality and if marketed properly can be sold on large scale in different parts of world. There are many method used for its processing, but the traditional method is a cost effective one.

Processing Process:



Capital inputs:

Land and Building:

A plot of land around 1500 sq.ft with fully built up area would be sufficient. Land may cost 50,000; where as cost of construction could be Rs 2 lakh.

Manpower Requirements

Particulars	Nos.	Monthly Salary (Rs.)	Total Monthly Salary (Rs.)
Machine Operator	1	12,000	1,20,000
Semi-skilled Workers	3	6,000	18,000
Helpers	2	4,000	48,000
Total	6	22,000	186000

Machinery & Equipments:

Item	Qty.	Price (Rs.)
Generator	1	80000
Crushing machine	1	450,000
Packaging machine	1	400,000

Cost of Project: Per annum

No.	Particulars	Price
12.	Land	1,20,000
13.	Building Construction	3,50,000
14.	Machinery	9,30,000
15.	Furniture and Fixture	20,000
16.	HR	186000
	Total	16,06,000