

# CLUSTER DEVELOPMENT INITIATIVE

*A way forward for Economic Growth*



## Report

on

### **Launching of 1<sup>st</sup> Pilot Competitive Reinforcement Initiative (CRI) for Surgical Cluster – Sialkot**

*“Market driven development of surgical cluster – Sialkot”*

*July, 2018*

*The CDI is jointly implemented by PSIC and UNIDO*

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## 1. Market Driven Development of Surgical Cluster-Sialkot

The surgical cluster team of Cluster Development Initiative (CDI) project carried out Diagnostic Study (DS) of surgical cluster, Sialkot with technical assistance of United Nations Industrial Development Organization (UNIDO). In light of the findings of the DS, 1<sup>st</sup> pilot Competitive Reinforcement Initiative (CRI) on “Market Driven Development of Surgical Cluster-Sialkot” was identified in consultation with Surgical Instruments Manufacturers Association of Pakistan (SIMAP). The project was approved by Cluster Project Selection Committee of the CDI Project in its meeting held on June 21, 2017 with total cost of PKR. 16.130 million and gestation period of 18 months.



### **Secretary Industries presiding the Meeting of Cluster Project Selection Committee**

The objective of the CRI is to provide surgical cluster companies with technical assistance in developing their capacities on market intelligence, export marketing & branding strategies and capacity building of marketing related business development services providers etc.

To achieve the ambitious results in a sustainable way, an integrated approach consist of the following will be adopted:-

- ✓ Assessment of training needs for surgical cluster companies and Business Development Service Providers (BDSPs) will be identified focusing their willingness to participate in the programme.
- ✓ An export marketing and branding strategy with priority target markets & prioritized marketing interventions will be developed together with the key stakeholders.
- ✓ Capacity building of participating companies and BDSPs in different areas of marketing and branding.
- ✓ An access of surgical cluster of Sialkot to international market will be optimized by launching online surgical cluster portal and participation in trade fairs.

About 35 nos. companies will be engaged through a selection criterion to work under the CRI and about 5 nos. BDSPs will be engaged to sustain the intervention in the cluster.

## **2. Engagement of International Experts**

UNIDO have engaged following international experts to provide cluster companies with world class export marketing related services for a period of more than one year:



Mr. Peter Hurst



Mr. Warner Uiterwijk

## **3. Prior Mission Activities**

To initiate the activities concerning implementation of 1<sup>st</sup> pilot CRI in surgical cluster, Sialkot, kick off mission of aforesaid international experts to Pakistan was planned from 1<sup>st</sup> July, 2018 to 7<sup>th</sup> July, 2018.

Before arrival of the mission, surgical cluster team of CDI visited Sialkot on 26<sup>th</sup> June, 2018 to 29<sup>th</sup> June, 2018. The objective of the visit was to sensitize surgical cluster companies on initiation of activities concerning implementation of 1<sup>st</sup> CRI, visit of international experts, participation in awareness workshop and company visit of international experts. Existing BDSPs working in Sialkot were also identified and their meetings with the experts were also fixed. More than ten (10) companies were taken on board for interview and company visit by international experts. Ten (10) BDSPs were identified among them five (05) BDSPs were taken on board for discussion with the experts.

Cluster companies, BDSPs, academia, government institutions were invited through e-mails / personal visits to participate in an Awareness Workshop. Banners were also displayed outside the venue and in different sites of the city providing information about the workshop.



Banner is displayed outside SIMAP office

#### 4. Kick Off Mission of International Experts

Kick off mission of international experts visited Pakistan from 1<sup>st</sup> July, 2018 to 7<sup>th</sup> July, 2018 to start the activities of the 1<sup>st</sup> CRI. National Project Coordinator, UNIDO and National Technical Expert, UNIDO also accompanied the experts during their mission.

The objective of the mission was to identify need assessment of surgical cluster companies & Business Development Service Providers (BDSPs) and organizing an Awareness Workshop to apprise the cluster companies on the project activities including, selection criteria to participate in the project, overall approach of the project, benefits to the participating companies as well as sensitizing the cluster companies on different perspectives related to export marketing.

## 5. Meeting at SIMAP

The activities of kick off mission was started from opening meeting of CDI, UNIDO's local and international experts with Chairman, SIMAP and Executive Committee Members of the Association. During the meeting, the roadmap of the CRI "Market Driven Development of Surgical Cluster-Sialkot" was shared. SIMAP members expressed their satisfaction on the road map and assured full cooperation in implementing the CRI in the cluster.



Opening Meeting at SIMAP

## 6. Visit of Companies

The international experts along with UNIDO and CDI team visited following nine (09) companies operating in surgical cluster of Sialkot:

- i. M/S Pak Martin International
- ii. M/S Ekal Surgical Works

- iii. M/S Rhein
- iv. M/S T.A Walthem & Company
- v. M/S Dental Devices
- vi. M/S Tinopal Surgical Corporation Pvt. Ltd
- vii. M/S Accuray Surgicals Limited
- viii. M/S A & Z CNC International
- ix. M/S Bay City Instruments

The visited companies were large, medium and small in nature. The objective of the visit was to assess the capacity building needs and to gather necessary information by interviewing the owners to develop selection criteria depending upon the present scenario of the cluster and taking all segments of the companies into consideration. The experts conducted the interviews and gathered necessary information based on the ground realities such as product range, price range, existing marketing strategies, gaps, etc. They have also witnessed the business operation of the companies. All the companies appreciated the CRI and expressed their willingness to participate in the activities.

## **7. Visit of BDSPs**

The international experts conducted meetings with following two (02) potential BDSPs presently working in Sialkot:

- i. M/S MED EXPERT
- ii. M/S QA Technic

The objective of the meeting was to assess the availability, accessibility, quality marketing related services of the BDSPs and assessment of capacity building needs. During the meetings, information such as existing structure, existing service portfolio and availability of human resource, etc. was gathered. More importantly, their willingness to enhance service portfolio in marketing was analyzed. All the BDSPs showed their willingness to participate in the programme.

## **8. Organizing Awareness Workshop**

An awareness workshop was organized in collaboration with SIMAP on 4<sup>th</sup> July, 2018 at Hotel The Jeeven's Sialkot. The objective of the workshop was to apprise the cluster companies on the project activities including, selection criteria to participate in the

project, overall approach of the project, benefits to the participating companies as well as sensitizing the cluster companies on different perspectives related to export marketing.

Additional Project Director, CDI, representing the Project Director, CDI highlighted the importance of the programme and shared that Punjab Small Industries Corporation (PSIC) is implementing CDI project in collaboration with United Nations Industrial Development Organization (UNIDO). The project was conceived under World Bank's "Jobs & Competitiveness Program for Results" (J&C P for R) in order to support the implementation of key components of the Industrial Development Plan of Punjab Growth Strategy 2015-18. The project has been envisioned to create linkages of high growth clusters of Punjab with global value chain by bridging up the gaps in terms of productivity, good manufacturing practices (lean manufacturing, green manufacturing, etc.), skills development, and integration with international compliance regime. The objective is to create impact in terms of value addition, export integration, job creation and inclusive growth with the active cooperation of relevant associations of the clusters.

The international experts imparted knowledge to more than one hundred and twenty (120) surgical manufacturers and Business Development Service Providers present in the seminar on importance of marketing and branding in the contemporary world export markets vis-à-vis apprised participating companies on scope of the intervention, participation criteria for the companies and potential benefits for the participating companies. The speakers collectively emphasized the cluster companies to gain maximum knowledge and benefit from the international experts to develop their export market related capabilities during the project period to better compete in the global market. The participants of the workshop gave full participation and acknowledged the efforts of the government for uplifting of surgical cluster Sialkot. Furthermore, companies expressed their willingness to participate in the programme.

## **9. Way Forward**

Based upon the findings of the mission identified by the international experts, the selection criteria to involve the SMEs in the programme will be developed by the international experts which will be shared with SIMAP for necessary input. After finalization of the selection criteria, Expression of Interest (EOI) will be floated inviting

interested surgical cluster companies and BDSPs to participate in the programme by providing requisite information required to evaluate them based upon the criteria developed by the international experts. The mechanism / strategy to disseminate the information about the EOI will be devised in consultation with the SIMAP. The circulation of the EOI throughout the cluster will be ensured so that maximum participation can be made. After receiving the EOIs from the contesting firms / BDSPs, Surgical Cluster team of CDI along with UNIDO's local experts will evaluate the contesting companies and BDSPs in light of the criteria. Lastly, companies and BDSPs will be finalized in consultation with UNIDO's local and international experts to be engaged for capacity building during rest of the project period.

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## Pictures Gallery



International Experts are discussing the issues with Pak Martin International Company Owner



International Experts are discussing the issues with EKAL Surgical Works Company Owner



International Experts are discussing the issues with Rhein Company Owner and Manager



International Experts are discussing the issues with T.A Walthem & Company and Dental Devices company Owners



International Experts are discussing the issues with Accuray Surgicals Limited Company Managers



International Experts are discussing the issues with A & Z CNC International Company Owner



International Experts are discussing the issues with Bay City Instruments Company Owner



International Experts are witnessing business operation



Meeting with MED EXPERT (BDSP)



Meeting with QA Technic (BDSP)



Awareness Workshop



Participants of the Workshop



International Expert is imparting knowledge to the participants



Group Photo with the participants