



**Analysis by Projects & Policy Research Department | PBIT | Jan 2018**

# **AUTOMOTIVE SECTOR REPORT**

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D e p a r t m e n t**

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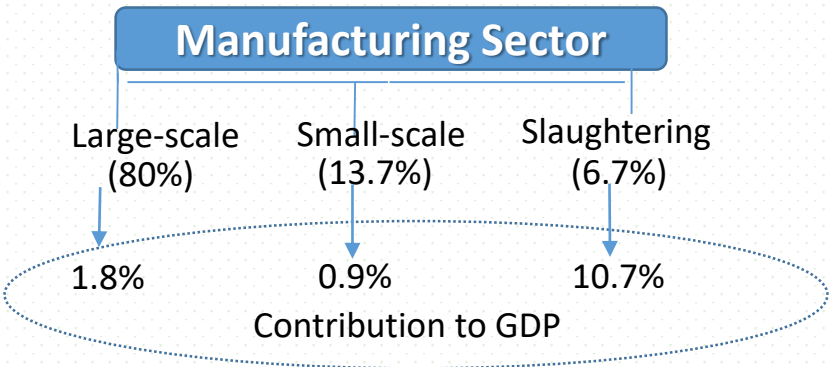
# MANUFACTURING INDUSTRY AT A GLANCE



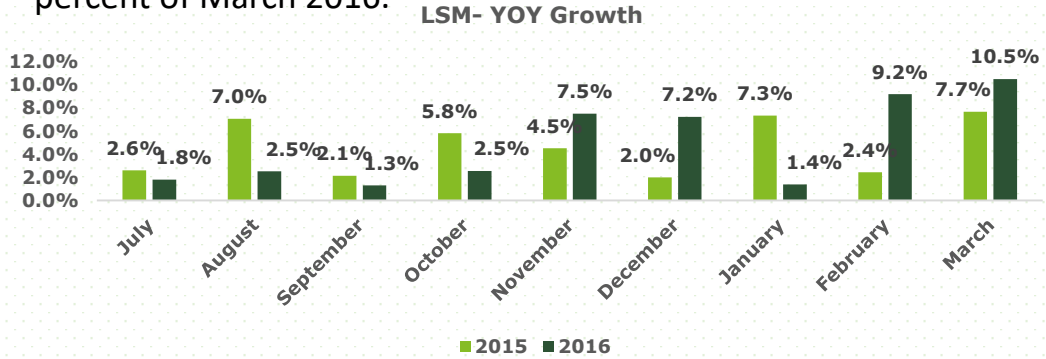


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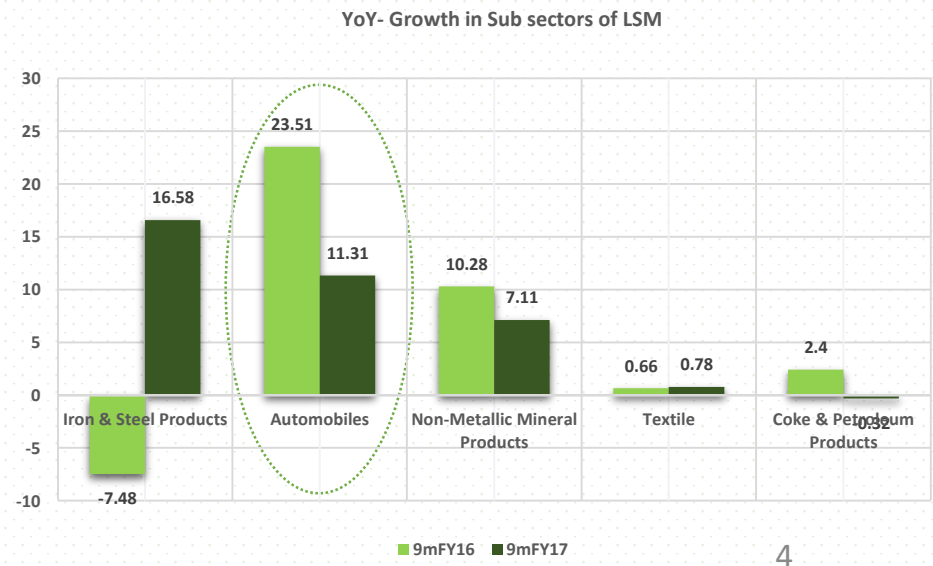
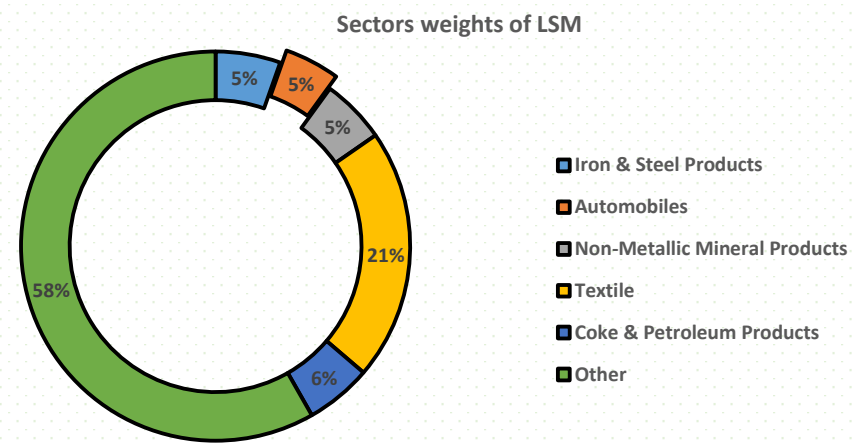
Manufacturing sector is the backbone of Pakistan's economy and constitutes the second largest sector of economy contributing 13.5 percent to Gross Domestic Product (GDP). It comprises mainly of Large Scale Manufacturing (LSM) with 80 percent share in Manufacturing and 10.7 percent in GDP, whereas small scale manufacturing accounts for 1.8 percent in total GDP and 13.7 percent share in manufacturing.



During FY 2017, Manufacturing sector recorded an impressive growth of 5.3 percent against 3.7 percent of last year which helped overall industrial sector to improve by 5.0 percent against 5.8 percent last year. The Year on Year (YoY), LSM recorded significant growth of 10.5 percent in March 2017 compared to 7.6 percent of March 2016.



Growth in Sub sectors and sectors weights in LSM for the period of July-March FY 2016 versus July-March FY 2017 are below.





## Members of Pakistan Automotive Manufacturers Association (PAMA)

MAJOR AUTOMAKERS



HinoPak Motors Ltd.



Ghandhara industries



Ghandhara Nissan Ltd



Master Motor Corp. Ltd



Pak Suzuki Motors Ltd.



Indus Motor Co. Ltd



Honda Atlas Cars Ltd



Dewan Farooque Ltd



Sigma Motors Ltd

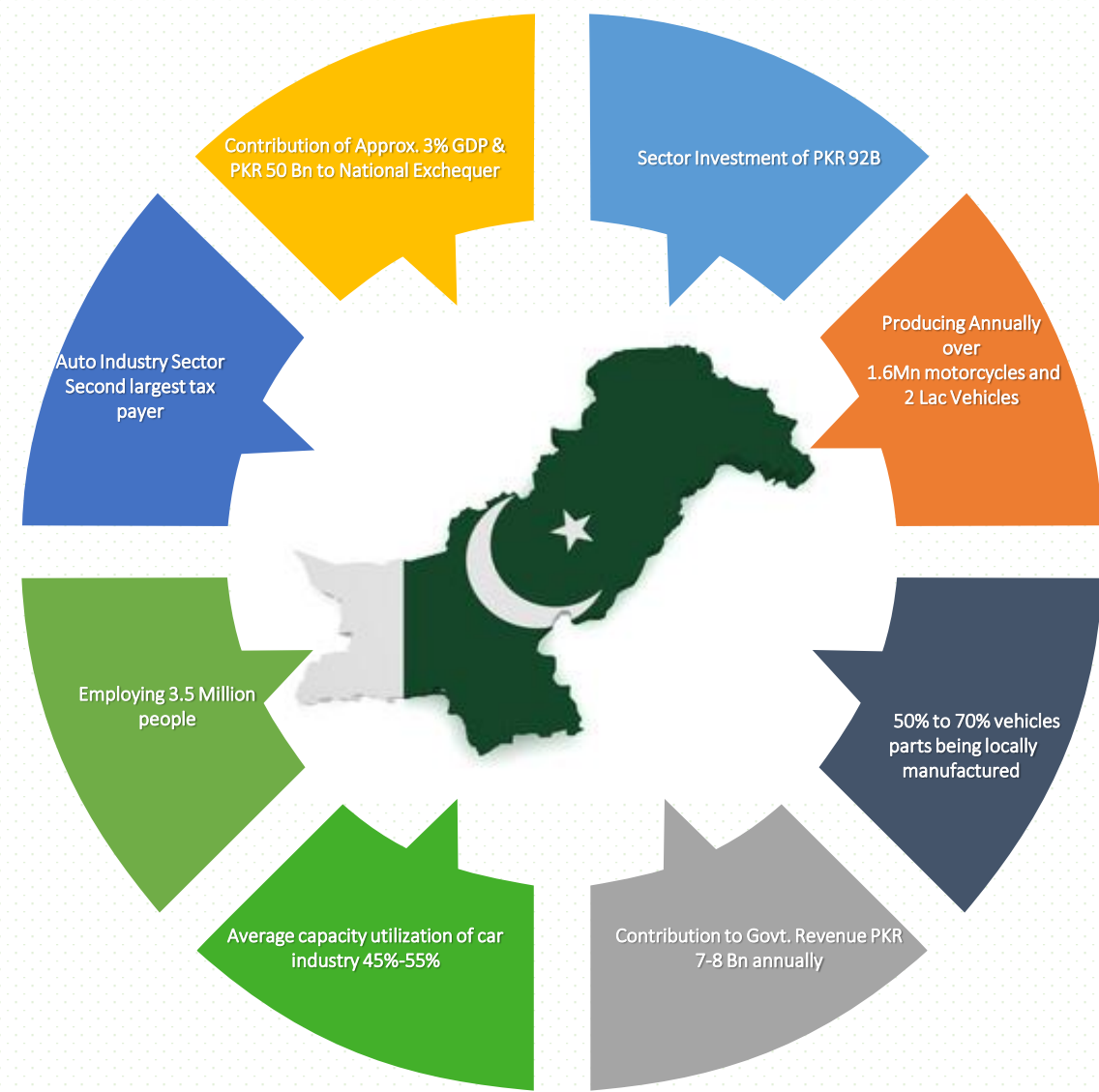
The biggest manufacturing associations in the sector are PAMA (Pakistan Automotive Manufacturers Association), PAAPAM (Pakistan Association of Automotive Parts and Accessories Manufacturers) and APMA (Association of Pakistan Motorcycle Assemblers). All of the associations provide basic and useful information to their members. Furthermore, the Engineering Development Board (EDB) maintains data about the automotive industry.

### Auto-Sector

- The automobile industry in Pakistan includes companies involved in the production/assembling of passenger cars, light commercial vehicles, trucks, buses, tractors and motorcycles.
- The current market structure of the industry is concentrated. It is largely dominated by Japanese players: Toyota, Suzuki and Honda. The three players have deep rooted presence in Pakistan. FAW is a new addition to the sector.
- The strength of truck & Bus segment is the availability of trained manpower for fabrication of bus bodies and chassis. There is unutilized surplus production capacity available for manufacture of buses for export. In the view of CPEC initiatives, it is expected that demand will increase manifolds.
- The growth in sales of Trucks is due to the economic growth, increase in infrastructural activities and boom in the housing industry.



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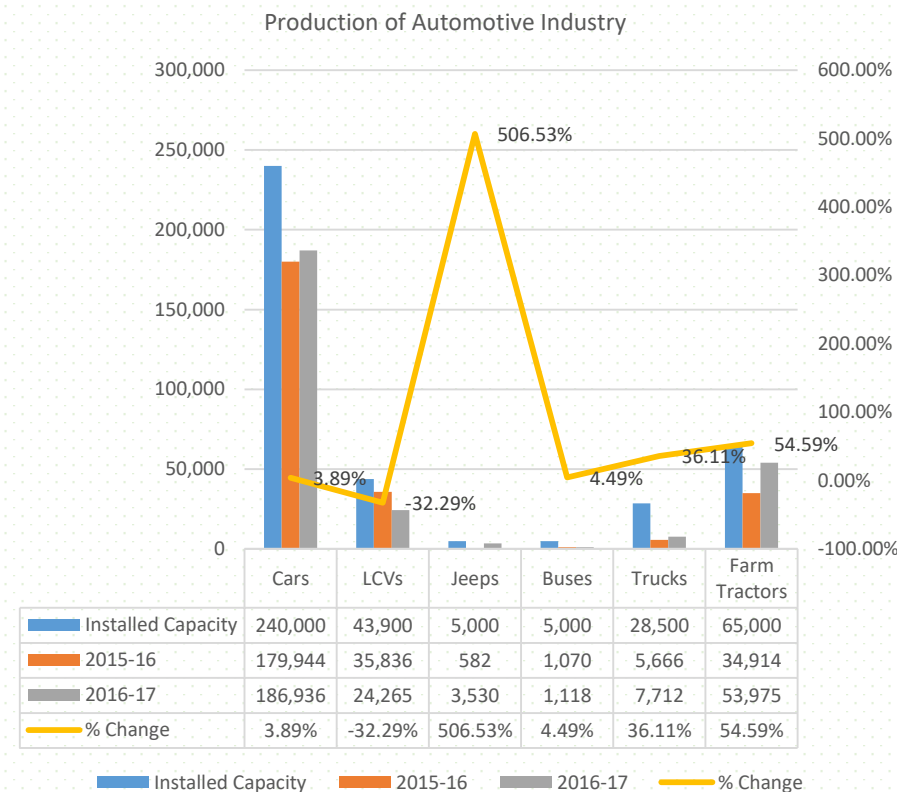




EXECUTIVE SUMMARY

- In automobile sector, there has been a surge in productions of all its sub sectors. Remarkable growth has been witnessed in Farm tractors which is recorded at 54.5 percent, Trucks 36.1 percent, Jeeps more than 100% percent, two/three wheelers 19.8 percent, Buses 4.49 percent and Cars 3.8 percent during FY 2017 as compared to corresponding period last year, whereas LCVs production declined by 32.29 percent.
- Automobile sector is among the top growth sectors in the large scale manufacturing in Pakistan. As stated earlier, the negative growth in case of Light Commercial Vehicles (LCVs) resulted from the discontinuation of Apna Rozgar Scheme but was compensated by increased production of other models and growth in tractors and trucks.
- The trucks production has risen due to economic activity in the country to meet CPEC related material and freight transport needs. There is still enormous potential of growth in buses, given an opportunity to local manufactures by the government in formulating and implementing urban transport schemes
- The cars growth during the period was not up to the mark despite impressive sale of some new models. The factual position is that used cars still hold about 20 percent of the market share. However, Honda atlas car decided to introduce new car BR-V to customers and assembled 2,157 units in 2017.

- The two/three-wheeler sector offers most preferred and economical means of transport and best alternative in the absence of public transport and thus holds considerable opportunity of growth.



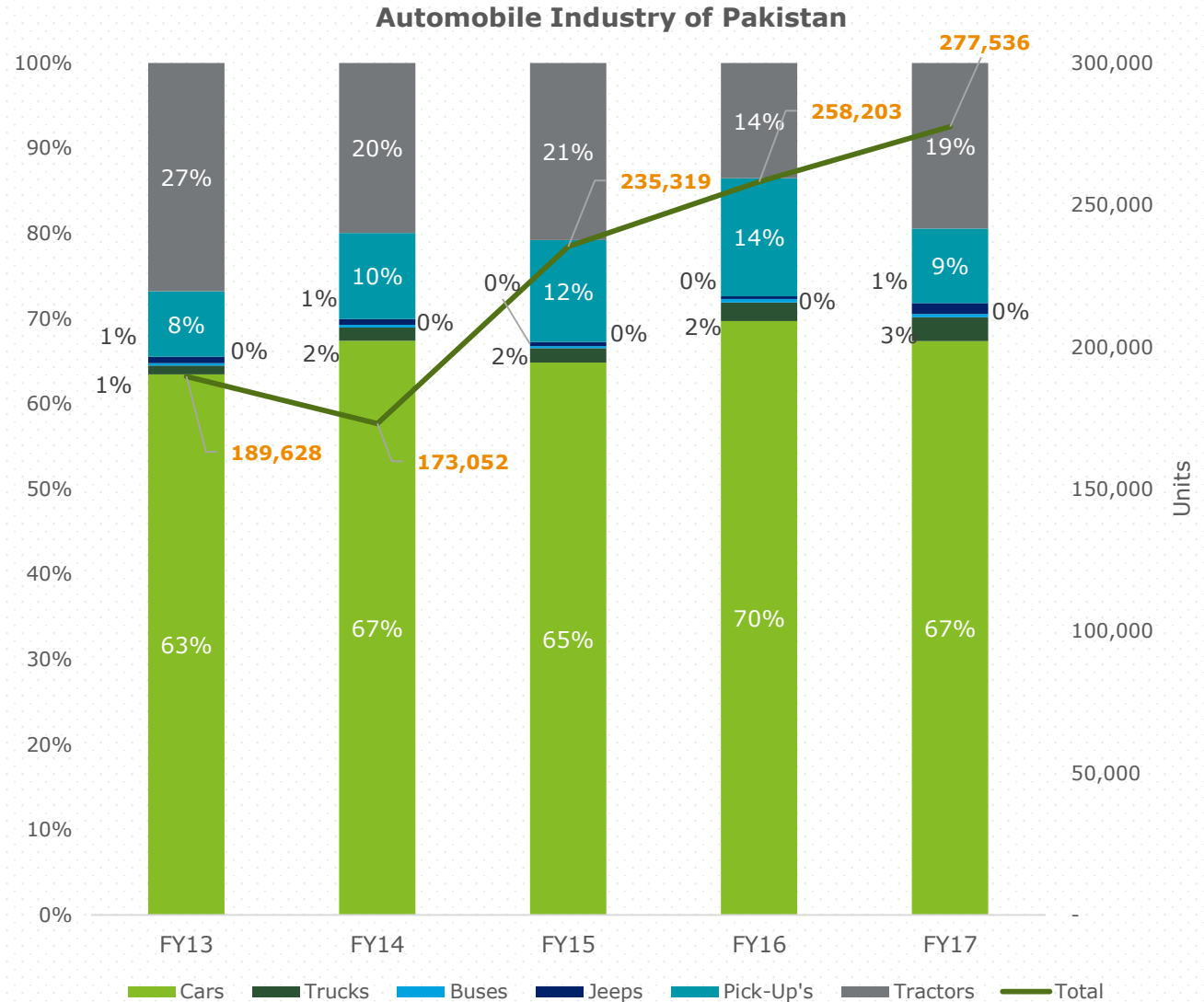


## INDUSTRY ANALYSIS





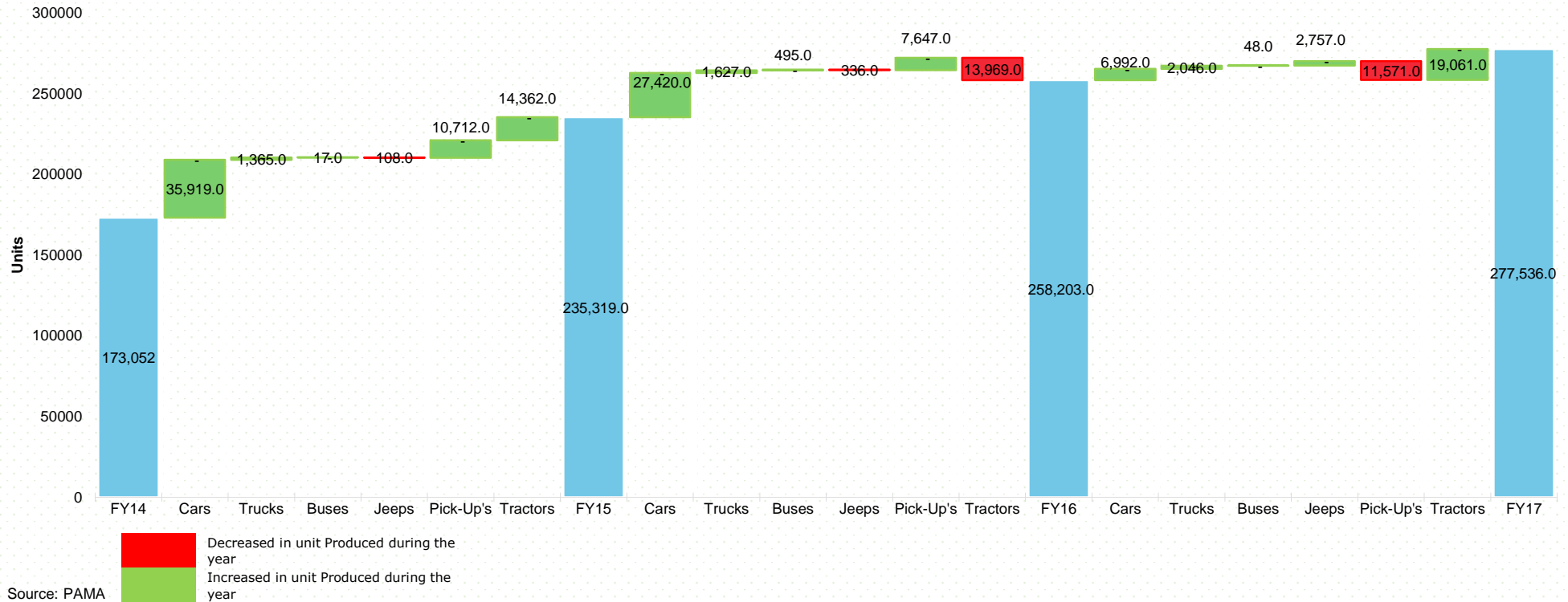
- Automobile industry of Pakistan increased at a compound growth rate of 10% over the period of 5 years (2013-17) and produced 277,537 units in FY 17 as compare to 189,628 units in FY 13.
- The total production of automobile is dominated by car productions which represents 67% in FY17 followed by tractors 19%, Pickups & Jeeps 10%, Trucks and buses 3.2%.
- Cars, trucks and buses production over the period has show an increasing trend from (2013-17).



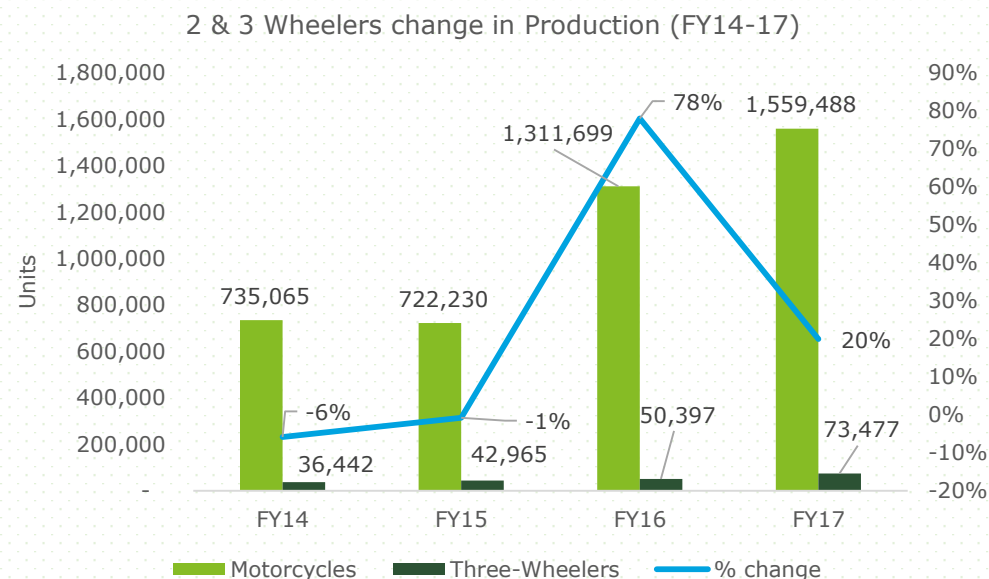
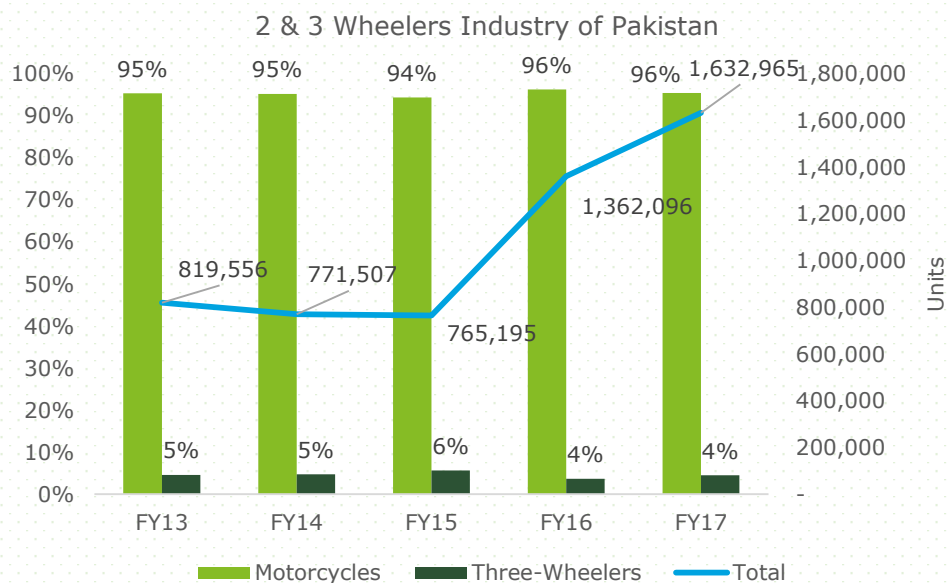
Source: PAMA



**Automobiles- Change in Production- FY(14- 17)**



- Cars, Trucks and Buses production over the period (FY14-FY17) has shown an increasing trend where as jeeps , pickups and tractors production is volatile.
- In FY17 the car production has increase by 6992 units as compare to 359,191 units in FY14 mainly because of GOP Rozgaar scheme in FY16. However, trucks production has shown an increasing trend and increase by 2046 units in FY17 compare to 1,365 units in FY14.



- Two and Three wheelers industry of Pakistan increased considerably by CAGR of 19% and produced 1,632,965 units in FY17 as compare to 819,556 units in FY13.
- Motor cycle production dominates the industry production and represents more than 90% of the total production over the period under review (FY 2013-17).

- Two and three wheeler industry flourished during the period FY16 and onwards and recorded 78% and 20% growth in FY 16 and FY17 respectively
- Moreover 589,469 and 247,789 more units of motorcycles were manufactured in FY16 and FY17 respectively . Similarly for three wheelers, production increase by 7,432 and 23,080 units in FY16 and FY17 respectively

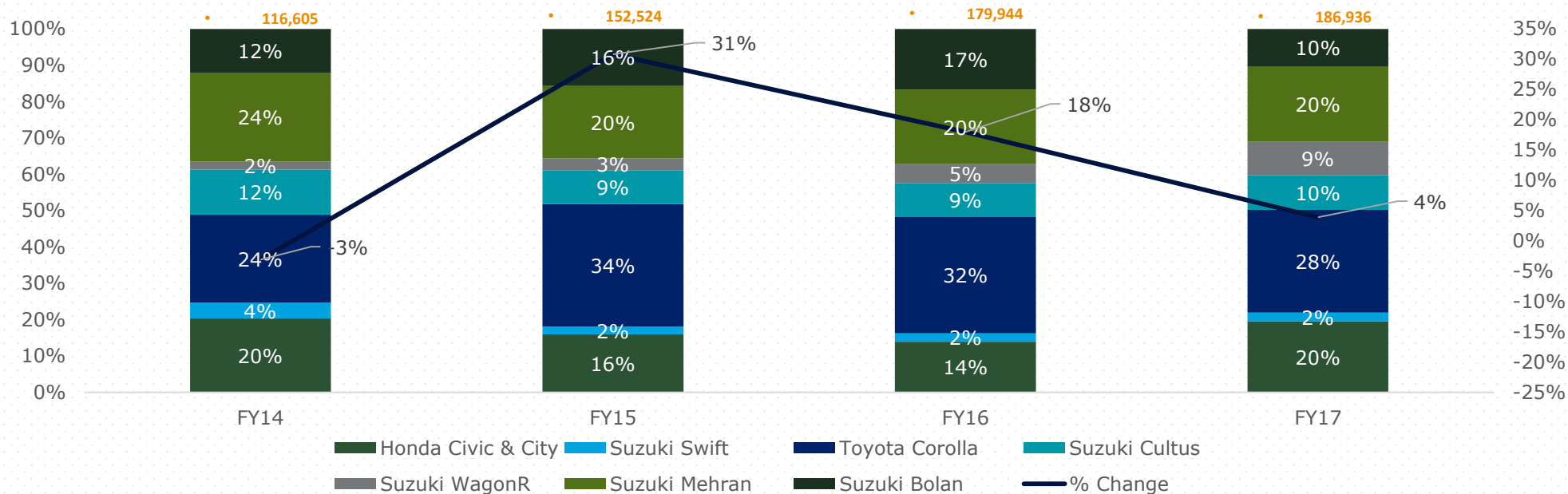


## CATEGORY WISE ANALYSIS



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**Total Cars Produced- YOY (FY14-17)**

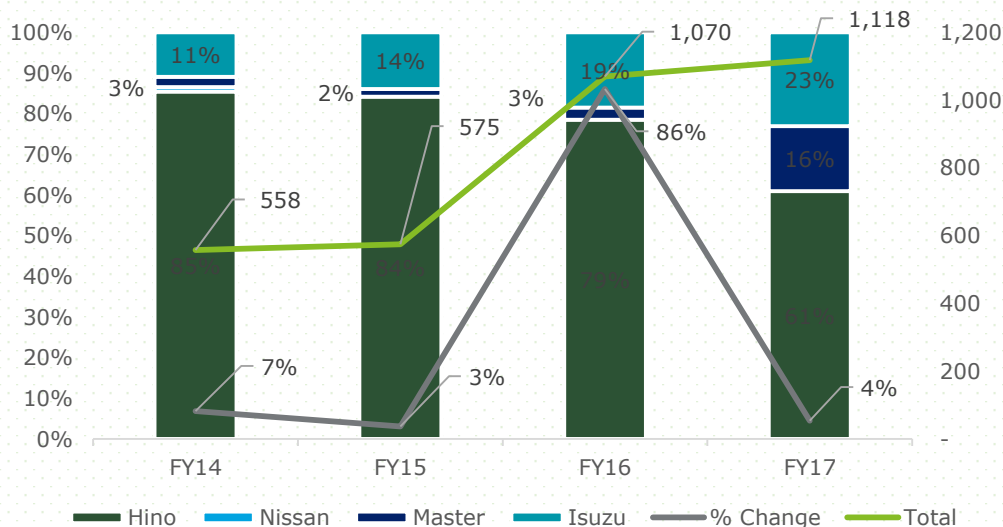


- Total cars produced over the period FY14 -17 has increased at a growth rate of 17% and approached 186,936 units in FY 17 as compare to 116,605 units in FY14.
- Out of total car production, in FY17 Toyota corolla represents 28%, followed by Suzuki Mehran and Honda Civic & City 20% each and Suzuki Cultus and Bolan 10% each respectively.
- FY15 recorded the highest growth in car production and depict 31% growth and produce 35,919 more units of cars as compare to previous year.



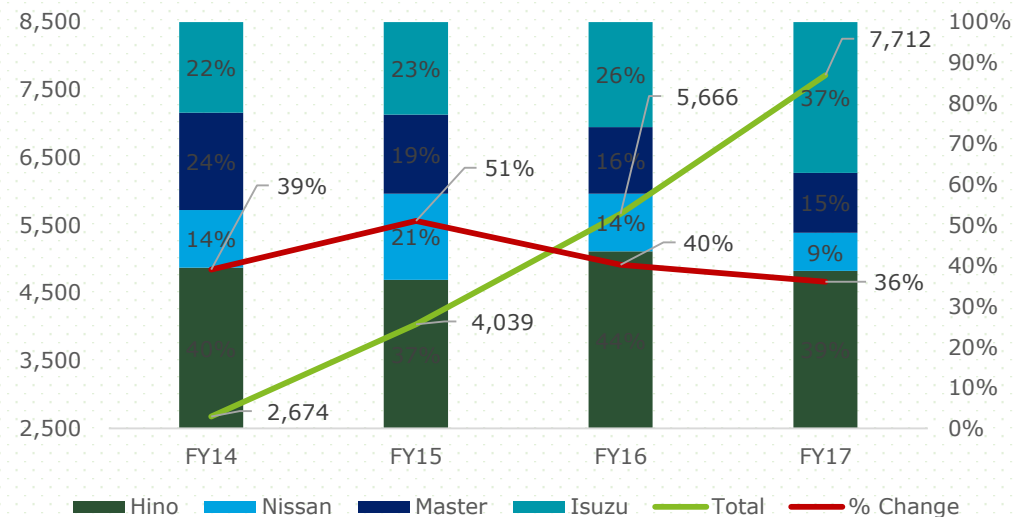
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**Total Buses Produced- YOY (FY14-17)**



- Total buses produced have increased to 1,118 units in FY17 and shown a growth of 4%, 86%, 3%, and 7% respectively as compare to previous years (FY 13-16).
- Over the period in FY 14-17 production of Isuzu buses increased positively and represent 23% of total buses produced in FY17.
- Production of Hino buses has increased in FY 16 by 356 units and later reduced in FY 17 by 158 units.
- Moreover master buses have considerably increased production in FY17 and produced 146 more units as compare to previous year and represents 16% market share of buses.

**Total Trucks Produced- YOY (FY14-17)**



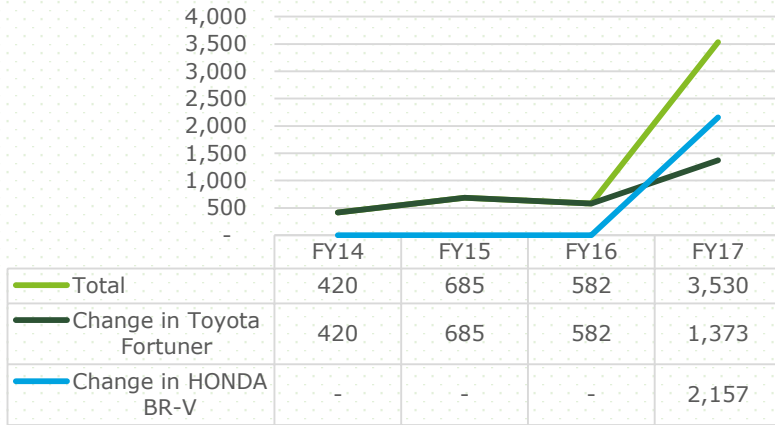
- Truck production have increased positively through out period under review (FY14-17) and increase to 7,712 units compare to 5,666 units in FY16, 4039 units in FY15 and 2,674 units produced in FY14 .
- Trucks production of Isuzu have increased at a faster growth rate as compare to Hino trucks and represents 37% market share in FY 17.
- Isuzu produced 1,397 more units in FY17 as compare to 520 additional units produced by Hino relative to FY16 production.



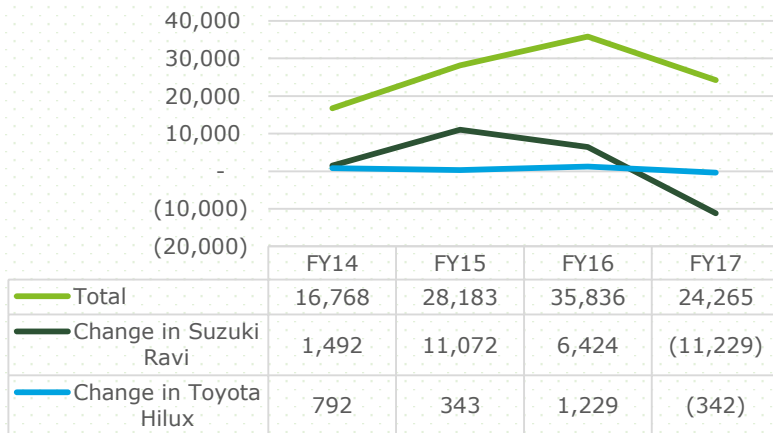


PICKUPS & JEeps

Total Jeeps Produces YOY (FY14-17)

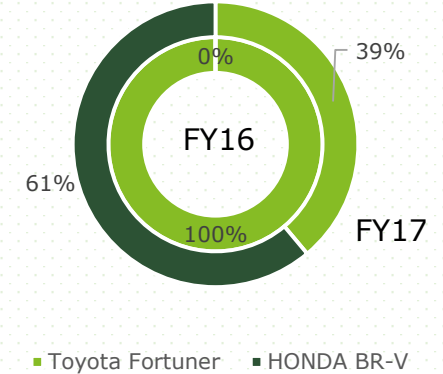


Total Pickup's Produces YOY (FY14-17)



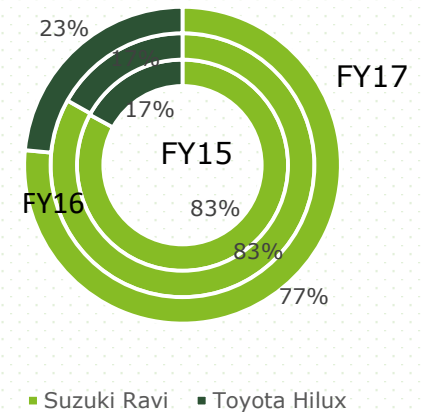
- Production of Jeeps have increased considerably in FY 17 as production of Honda BR-V produced 2157 units as it was launched in 2017. Moreover Toyota Fortuner also produced 791 more units in FY 17.
- Market share of Honda in BR-V in jeep category is 61% in FY17.

Total Jeeps (FY14-17)



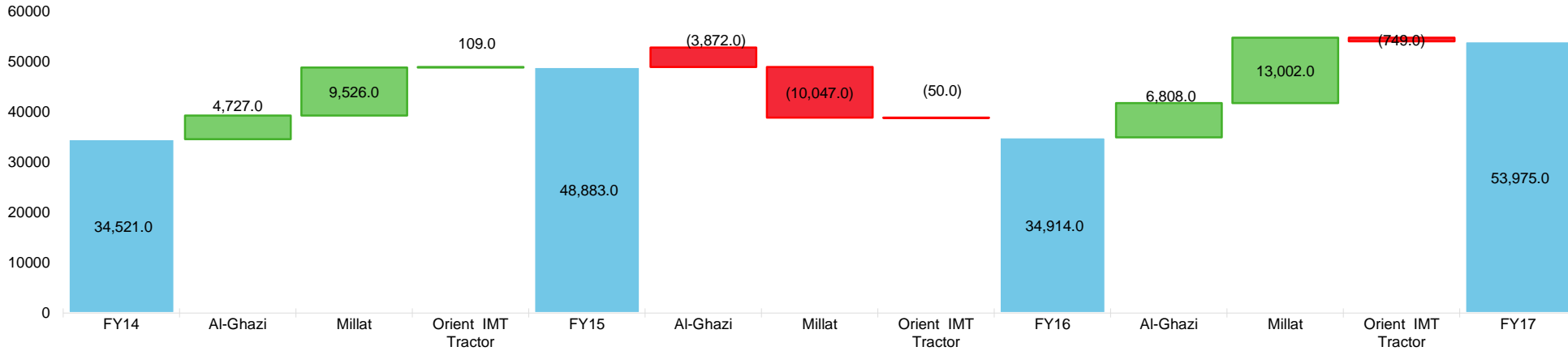
- Production of Suzuki Ravi increased the most in FY 15 by 11,072 units followed by 6,424 in FY16, However in FY 17 the production of Suzuki Ravi decline by more than 11 thousand units due to closure of green cabs scheme by GOP.
- Toyota Hilux has shown an increase production in FY 16 followed by a decline of 342 units.
- Suzuki ravi represents the majority shares in pickup category and depict 77% in FY 17.

Total Pickup's (FY15-17)





**Tractors- Unit Production Bridge**

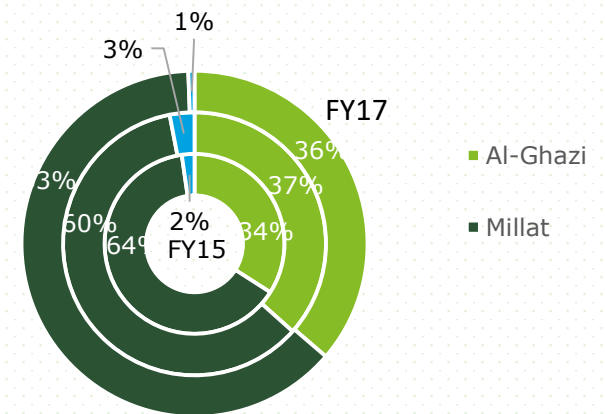


Source: PAMA

TRACTORS

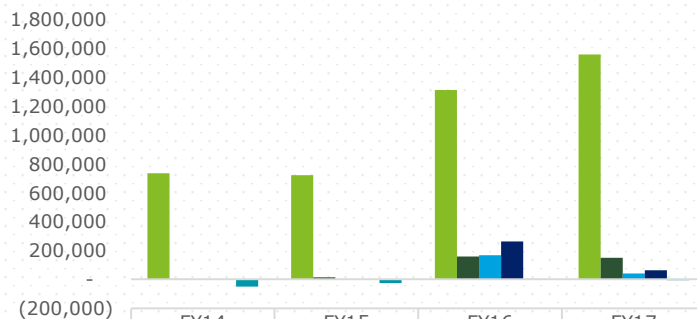
- Production of tractors increased in FY 15 and FY17 where 53,975 units were produced in FY17.
- Al ghazi and Millat both shown an upsurge in production in FY17 and increased production by 6,808 and 13,002 units respectively as compare to previous year.
- Over the period under review Millat tractors dominate the market and represents 63% market share in FY17 followed by al ghazi (34%) and orient (1%).

**Total Tractors (FY15-17)**



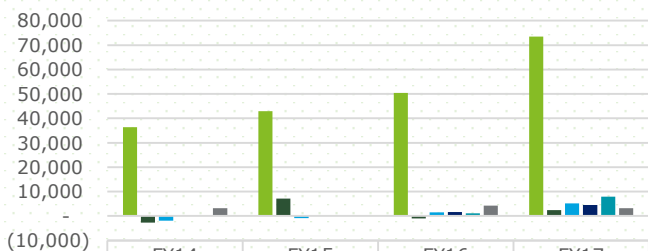
**MOTORCYCLES & 3 WHEELERS**

Motorcycles Production (FY14-17)



	FY14	FY15	FY16	FY17
Total	735,065	722,230	1,311,699	1,559,488
Change in Honda	2,646	13,527	157,946	150,101
Change in Road Prince	-	-	167,241	40,003
Change in United	-	-	262,773	63,958
Change in Others	(49,327)	(26,362)	1,509	(6,273)

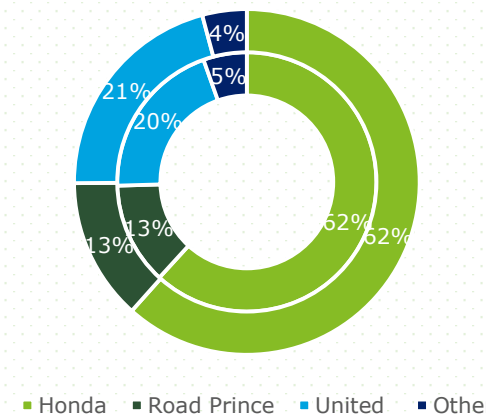
3 Wheelers Production (FY14-17)



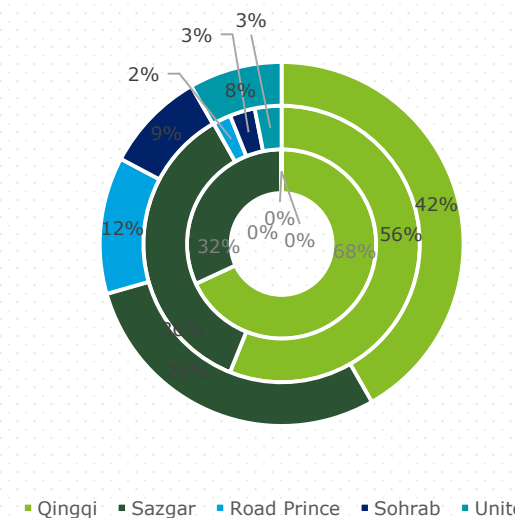
	FY14	FY15	FY16	FY17
Total	36,442	42,965	50,397	73,477
Change in Qingqi	(2,657)	7,124	(984)	2,399
Change in Sohrab	(1,881)	(900)	1,484	5,116
Change in United	-	-	1,576	4,503
Change in Road Prince	-	-	1,059	7,879
Change in Sazgar	3,170	299	4,297	3,183

- Motor cycle production in Pakistan have been increased significantly at a compound growth rate of 28% from (FY14-17).
- Three major players dominate the motorcycle industry and capture more than 90% of market share (Honda 62%, Road prince 21%, United 13%) In FY 17.
- In FY17 150,101 more units of Honda were produced followed by United (63,958) and Road Prince (40,003) .
- Three wheeler industry of Pakistan has also shown considerable growth of 18% over the review period FY14-17
- Sazghaar and qingqi were the 2 players dominating the market till 2015, which later changed after the entrance of new players in 3 wheelers (United, Road prince).
- In FY17, the industry shown an exceptional growth of 25%, where each player shown considerable increase in units produced .

Total Motorcycles (FY14-17)



Total 3- wheelers (FY14-17)

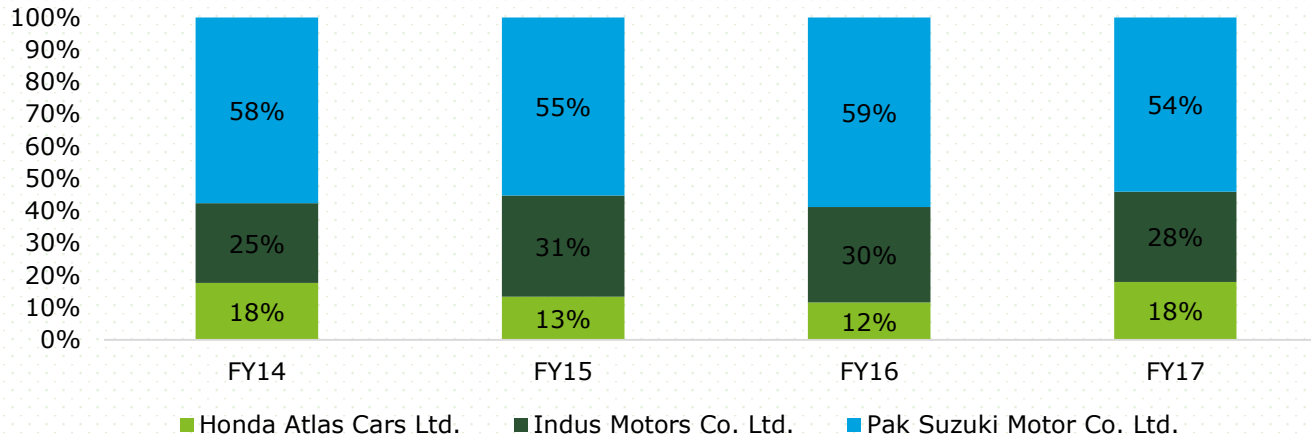






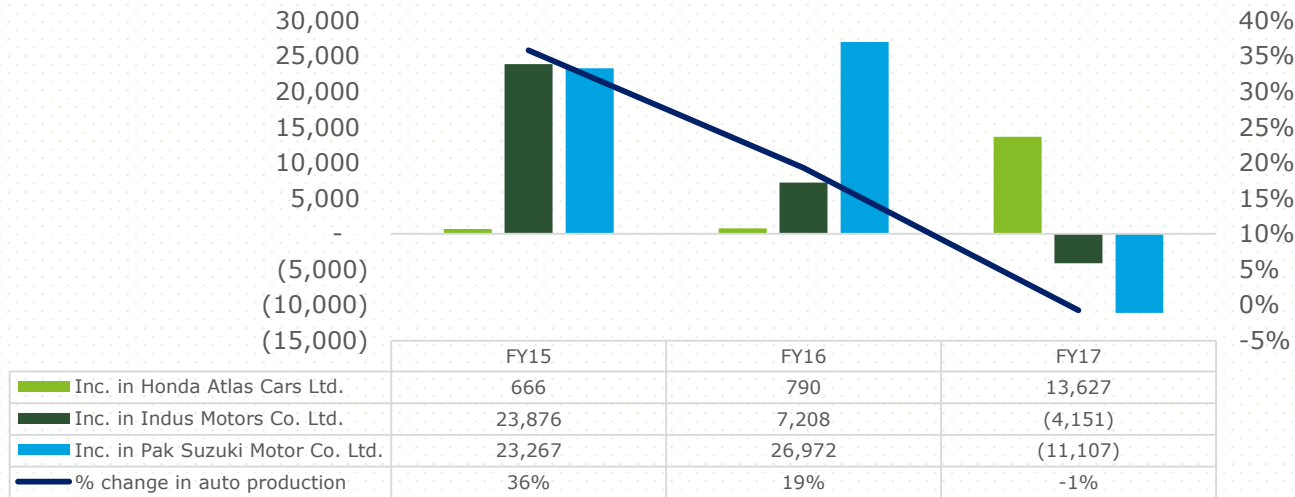
## COMPANY ANALYSIS

### Automobiles



- Pak Suzuki motors represents 54% of market share of all automobiles manufacturing including cars, jeeps and pickups in FY17.
- Honda market share increase in FY15 and FY16, however there is an decrease in market share in current year.

### AutoMobile Companies (FY15-17)

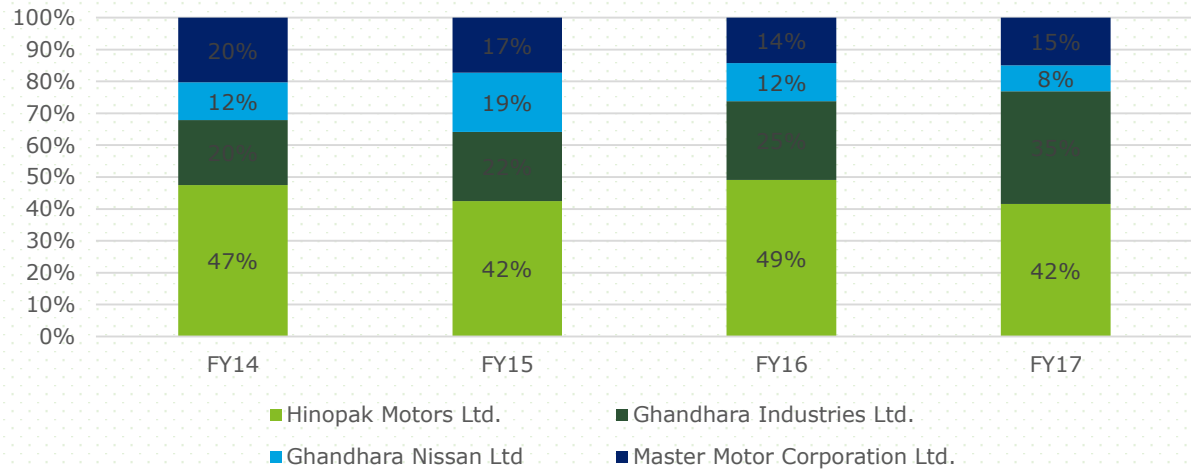


- Overall market of car, jeeps and pickup has shown an increase of 36% and 19% in FY15 and FY16.
- Later In FY17 there was negative growth of 1% observed due to 4,600, 10,557 and 11,229 less units produced by Toyota Corolla, Suzuki Bolan and Suzuki Ravi respectively.
- However, Suzuki WR, Cultus, Toyota Fortuner, and Honda BR-V has shown a positive growth.



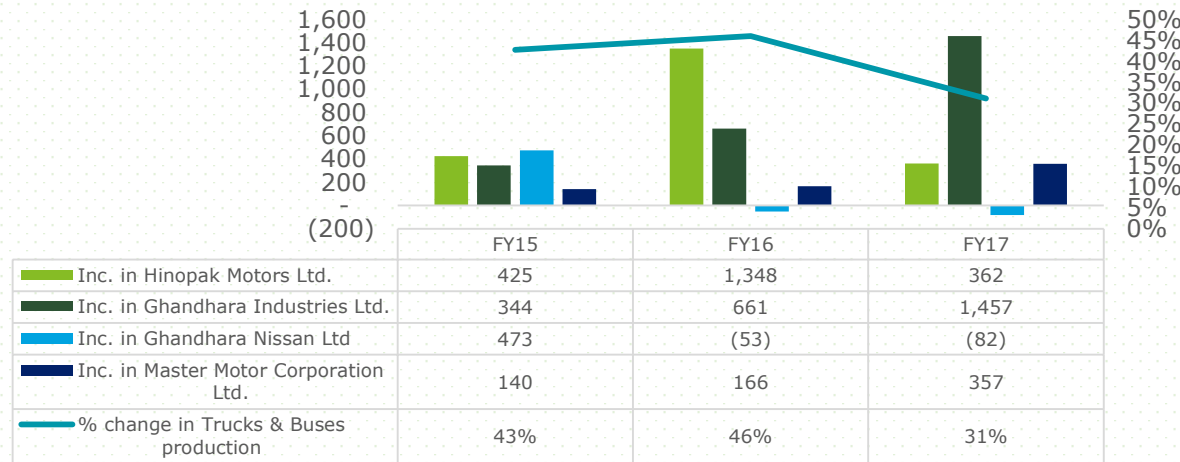
COMPANY ANALYSIS TRUCKS

Trucks & Buses



- Hino Pak and Gandhara industries are the major producers of trucks and buses.
- Gandhara industry has shown more positive growth in production as compare to Hino Pak in FY17 and represents improved 35% market share as compare to 25% in previous years.

Trucks & Buses Companies (FY15-17)



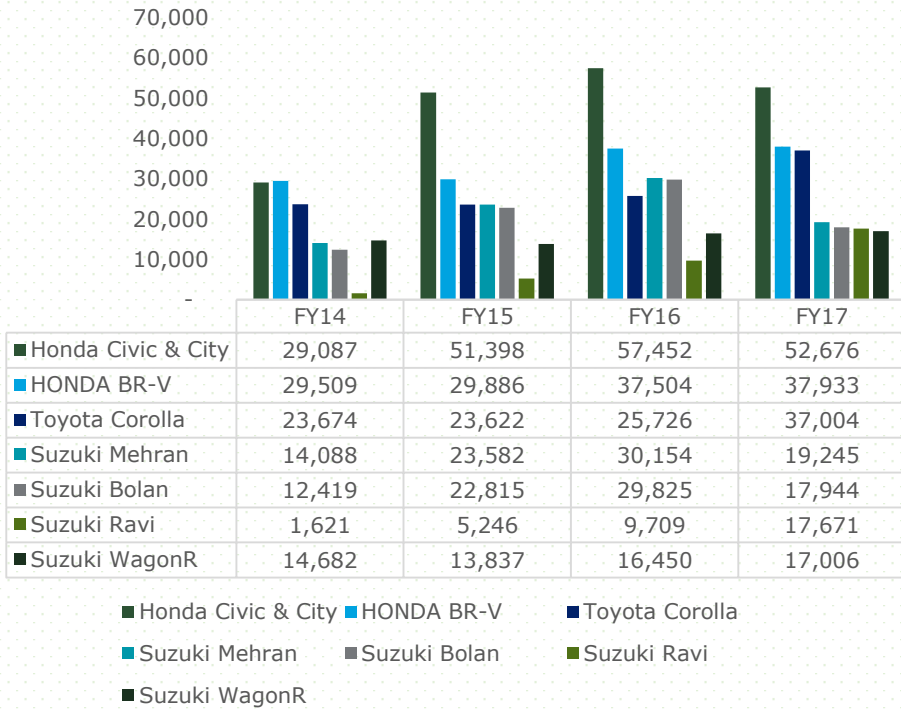
- Overall production of trucks and buses increases by 31% in FY17 Mainly due to 1,457 increased unit of trucks and buses produced by gandhara industries.
- Similarly in FY16 ,the growth (46%) in production is dominated by 1348 units of increased buses and trucks produced by Hino Pak Motors.



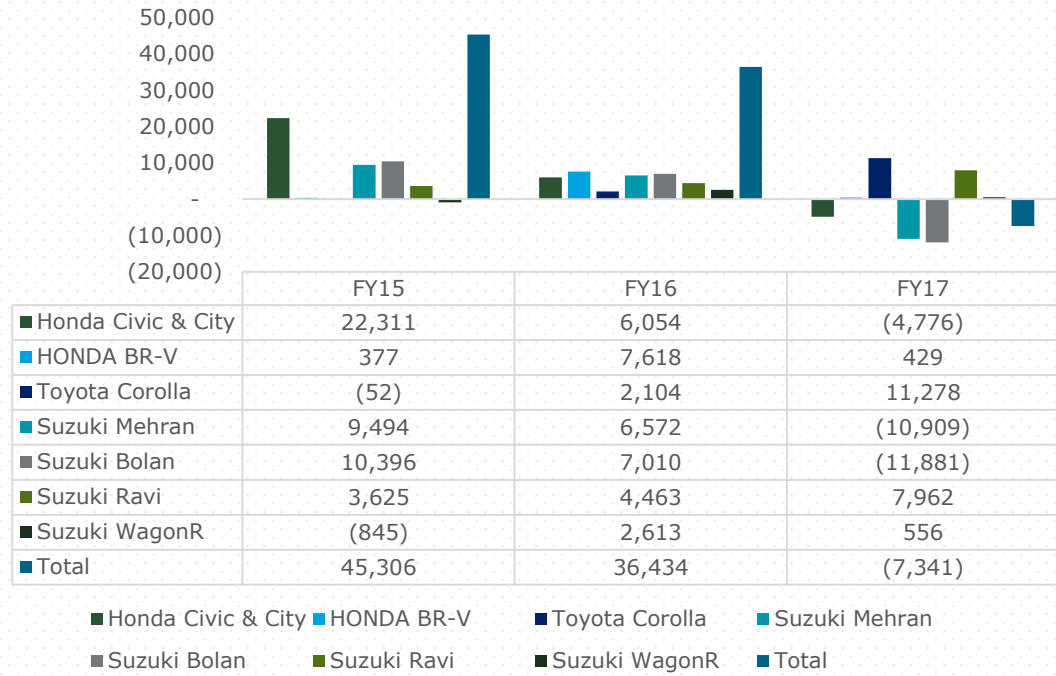


TOP SELLING CARS

Top Selling Cars- (FY14-17)



Growth in Units Sold- Top Selling Cars (FY14-16)

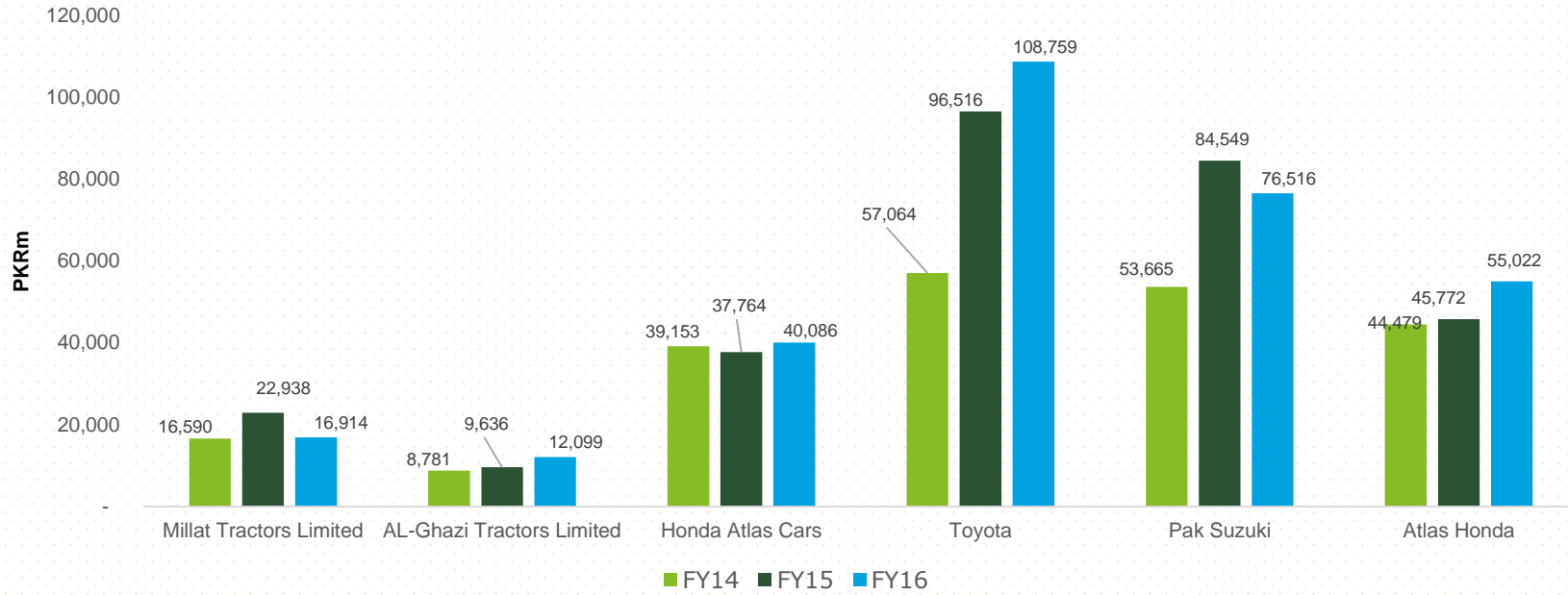


- Honda gaining momentum with the launch of new Civic model and introduction of new crossover SUV – BRV which makes it the top selling car in recent year.
- Suzuki maintains its position through market penetration and diversity of models through out the review period.
- Strong demand for Toyota corolla makes it into top 3 of the best selling car in FY17.

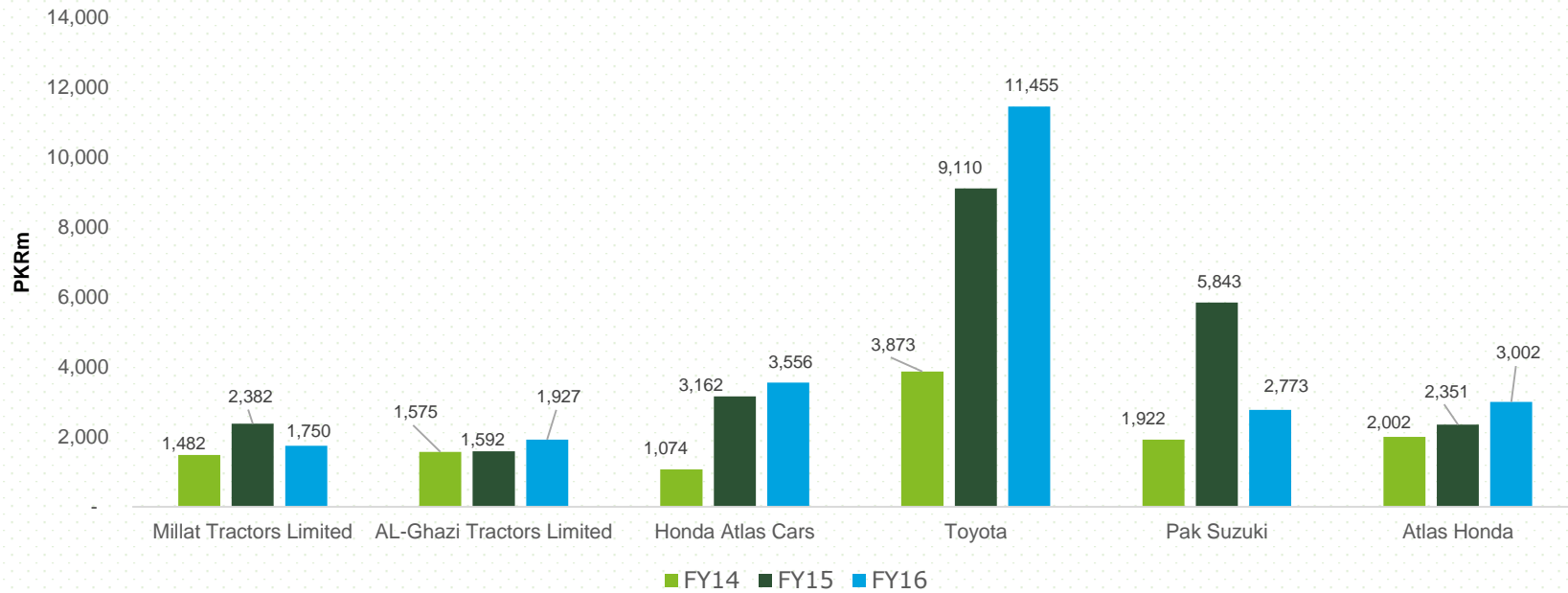
- Undoubtedly Toyota corolla has been the best selling car in Pakistan in FY17 with increase of 11,278 units sold as compare to previous year.
- Suzuki is consistent in selling units of Mehran and bolan Ravi with the exception in FY17 when their sales goes down after the complication of Rozgar scheme.
- Suzuki wagon R and Ravi is also top selling brands in recent years.

NET SALES & PROFIT

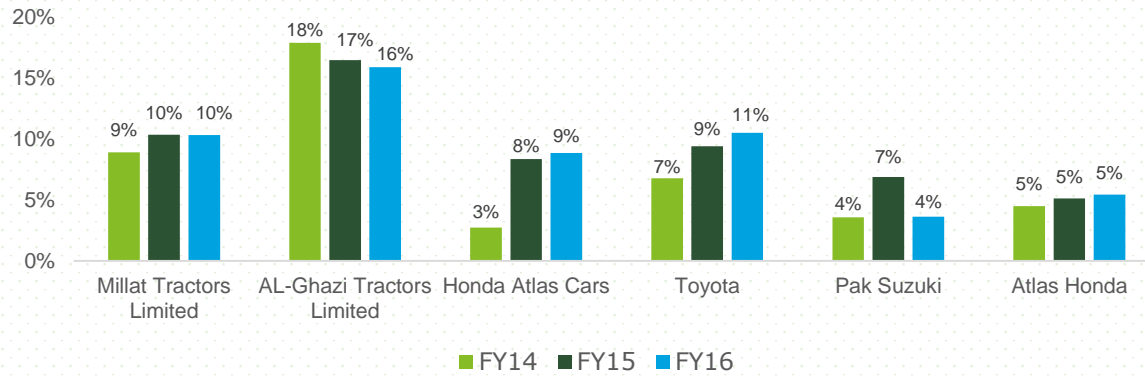
### Net Sales



### Profit after tax

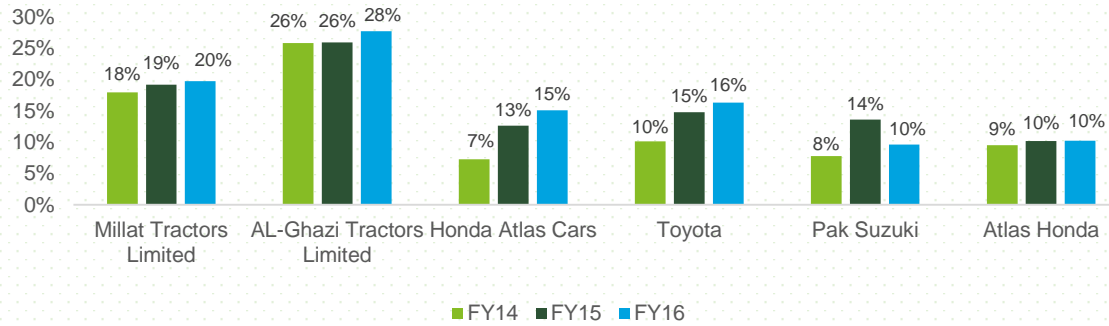


**Net Profit Margin**



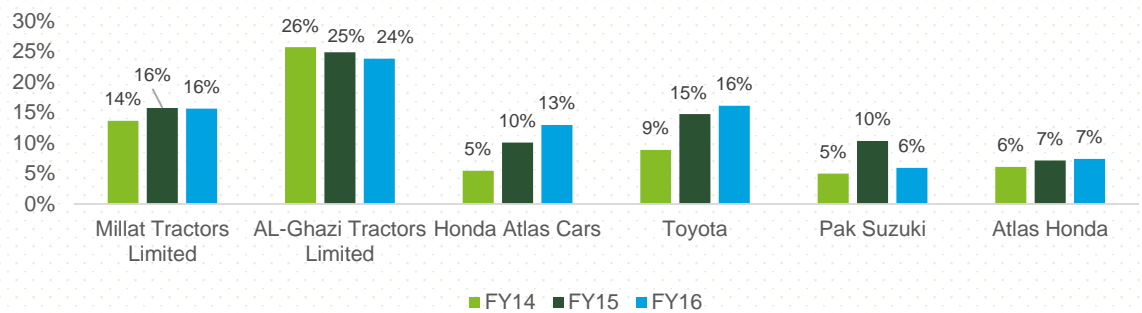
- Net profit margin is a measure of the proportion of revenue that is left after all expenses have been paid.

**Gross Profit Margin**



- Gross Profit Margin is a measure of the proportion of revenue that is left after deducting all costs directly related to the sales.

**Operating Profit Margin**



- Operating profit margin is a measure of the proportion of revenue that is left after deducting all operating expenses. This reveals the operating efficiency of the business.





## TRADE STATISTICS



# IMPORT EXPORT

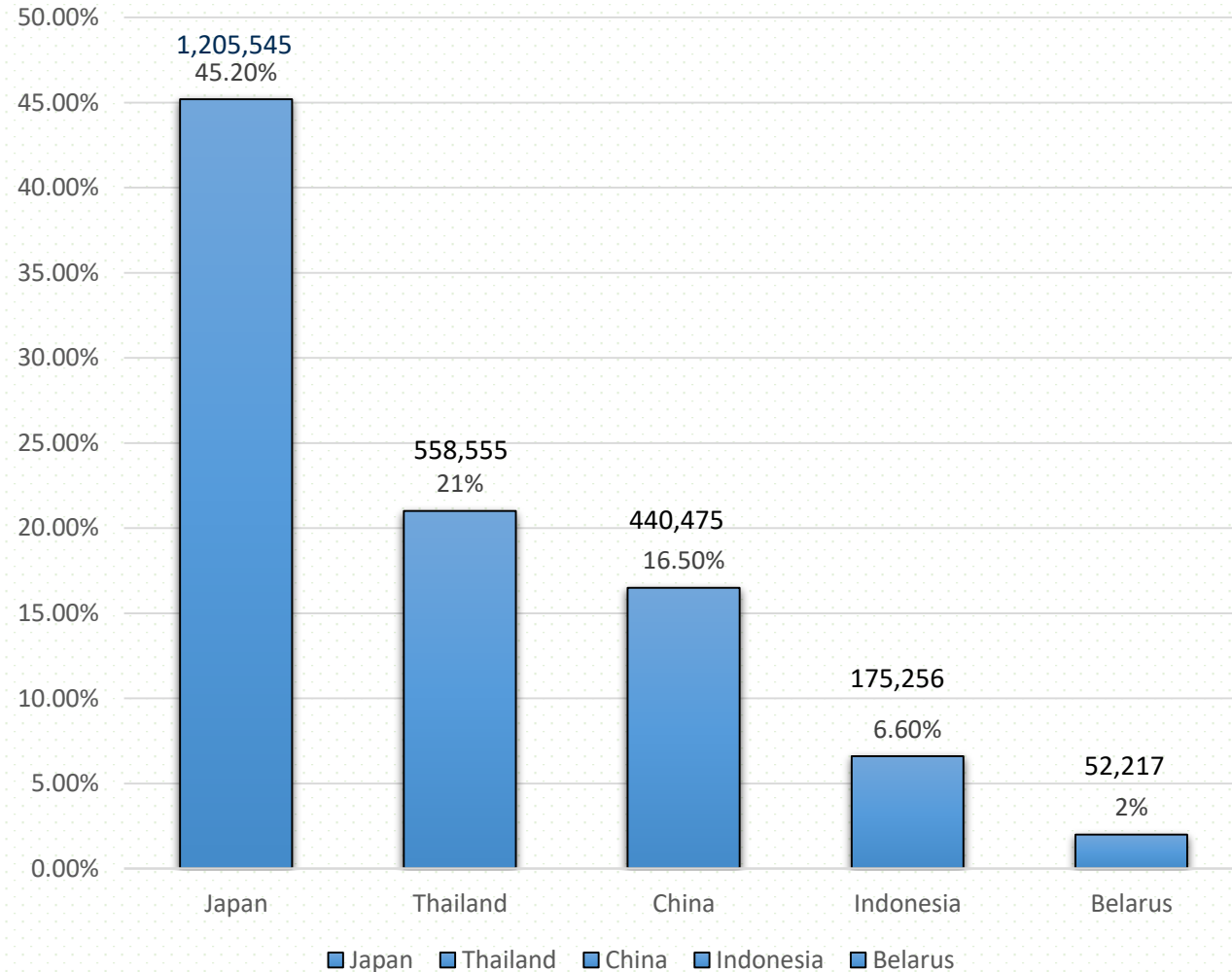


- Pakistan imports vehicles and parts mainly from Japan followed by Thailand, Japan, China and Indonesia



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Share in value (USD 000) vehicles and parts (HS 87) in Pakistan's imports, % in 2017



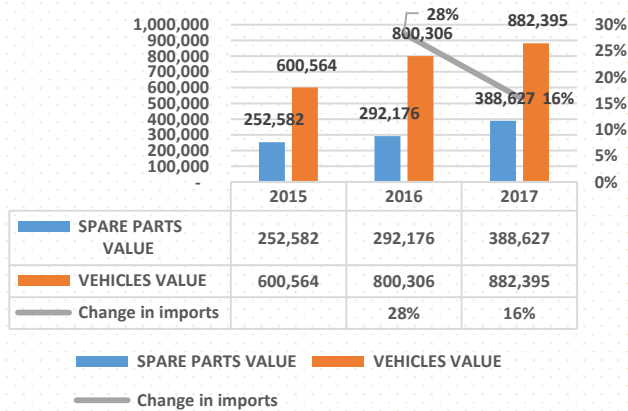


# IMPORT EXPORT

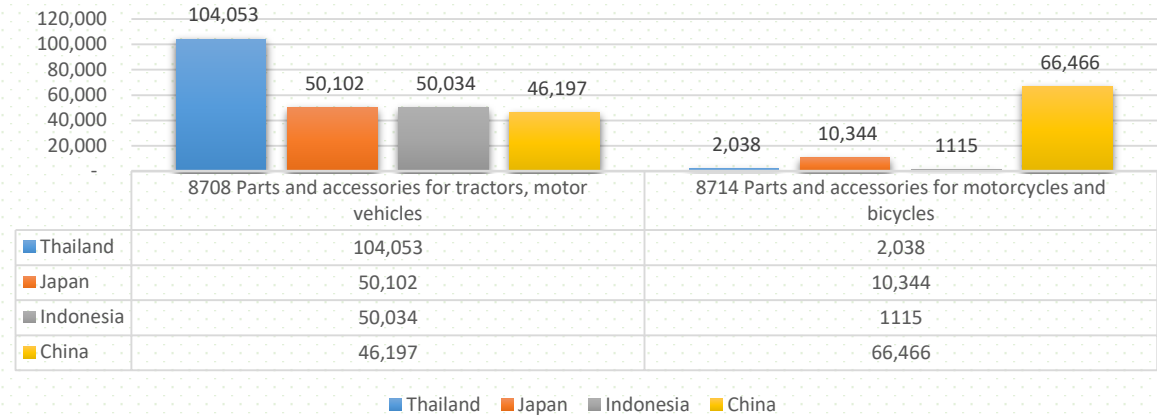


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Value in USD 000

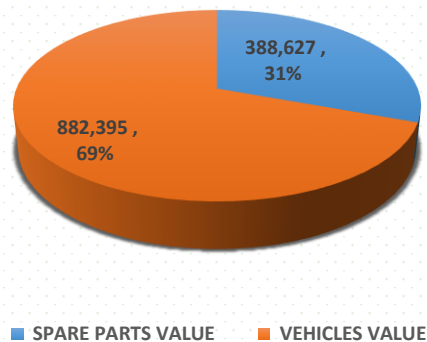


Import of parts Value in USD 000

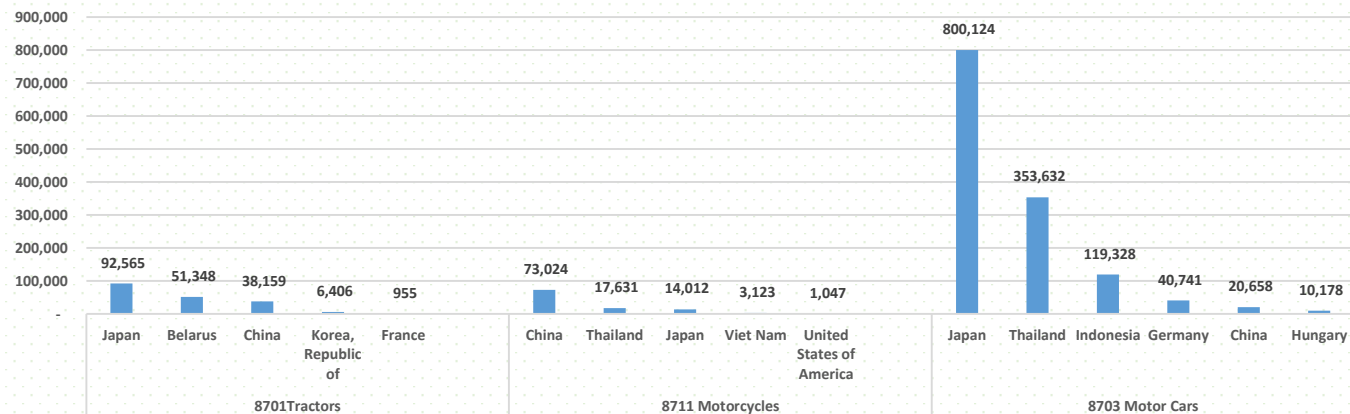


- Pakistan import of vehicles and spare parts has shown an increasing trend, an increase by 16% in 2017 as compared to previous year.
- Pakistan import only 2 categories of spare parts 8708, 8714 whose more than 80% of total imports are dominated by 4 countries. (Thailand, Japan, Indonesia and China)
- Moreover three categories (8701, 8003, 8711) represent more than 75% import value of vehicles built in units.

2017 Import Value in USD 000



import value in USD 000







# IMPORT EXPORT

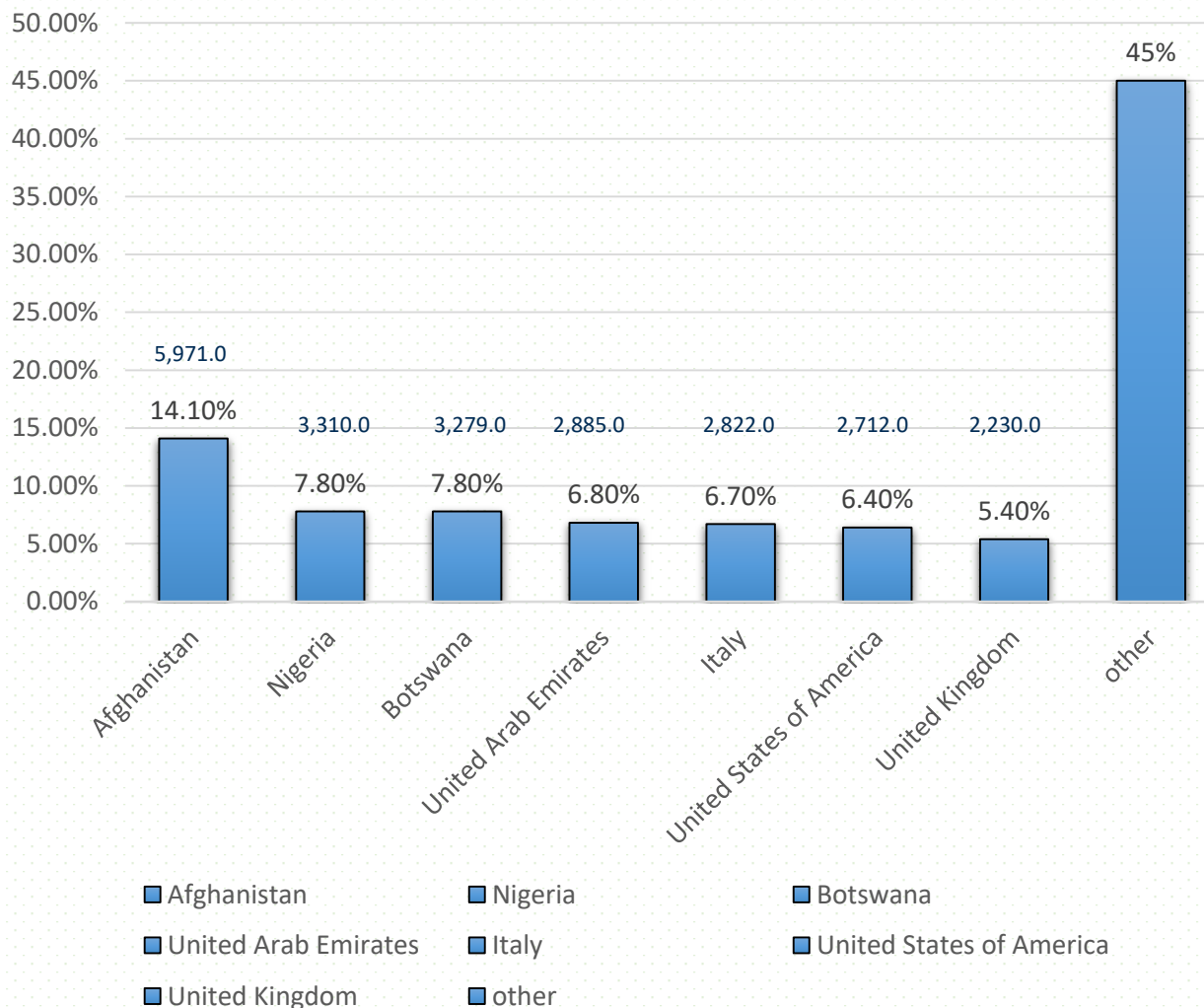


EXPORTS

- Afghanistan, Nigeria, Botswana ,UAE and Italy are the top countries which imports vehicles and parts (Hs 87) from Pakistan.



Share in value( In USD 000) in Pakistan's exports, % in 2017



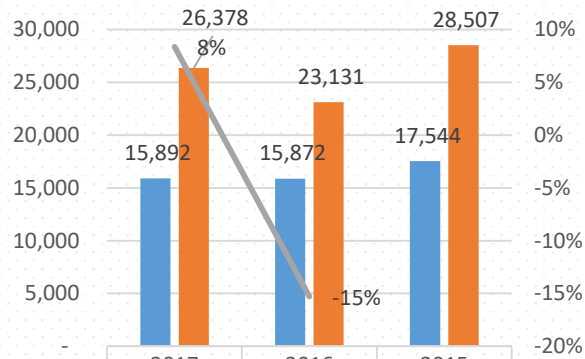


# IMPORT EXPORT



EXPORTS

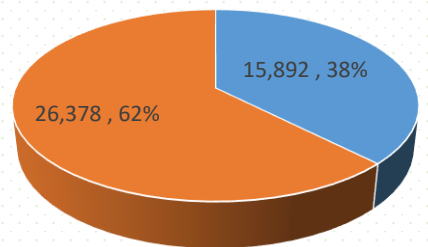
Value in USD 000



	2017	2016	2015
SPARE PARTS VALUE	15,892	15,872	17,544
VEHICLES BUILT IN	26,378	23,131	28,507
CHANGE	8%	-15%	

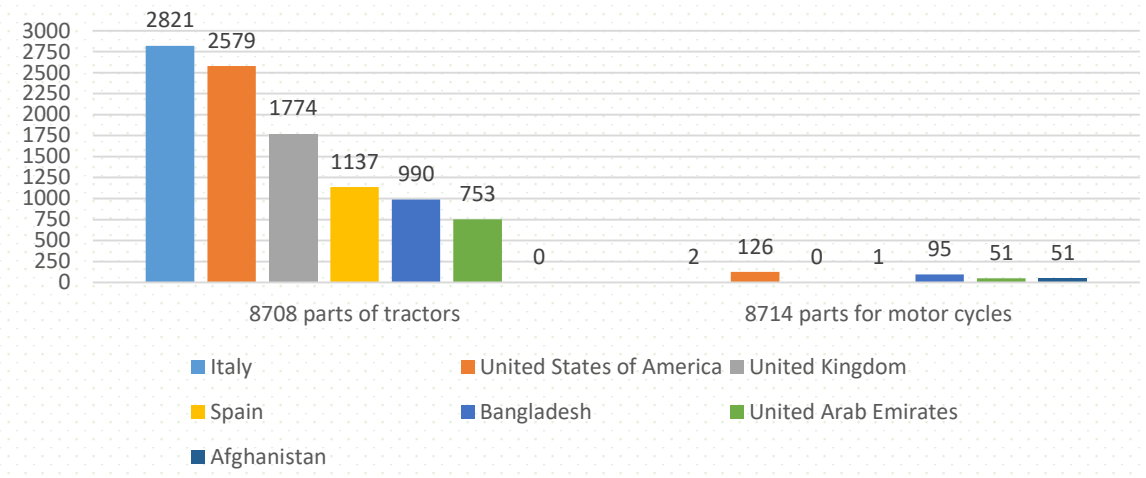
SPARE PARTS VALUE    VEHICLES BUILT IN    CHANGE

2017 export value in USD 000

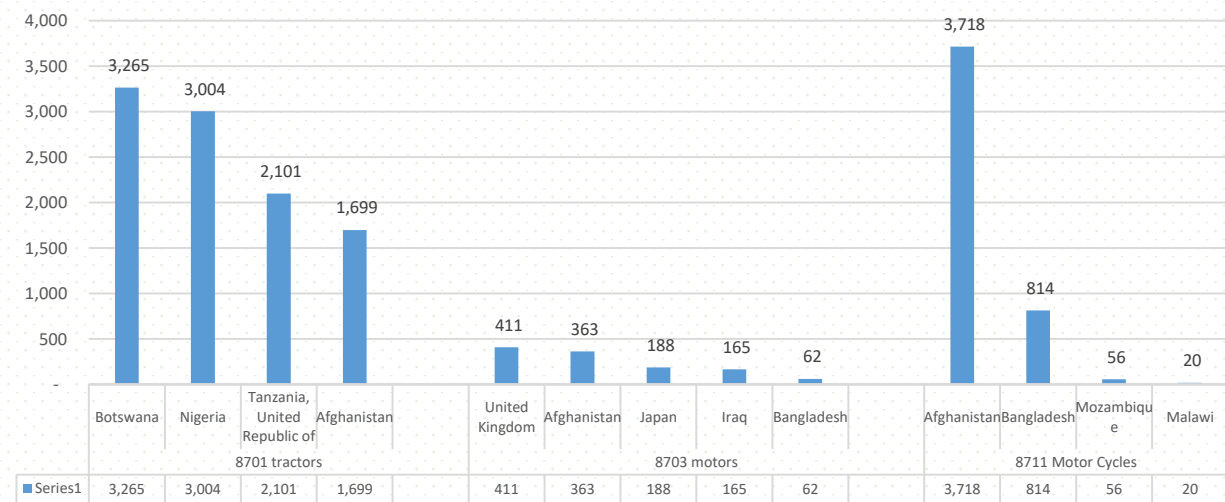


SPARE PARTS VALUE    VEHICLES BUILT IN

Exports of value in USD 000



Export Value in USD 000





## Overview

- Around 1,700 automotive parts manufacturers are present in the Automotive Industry of Pakistan. The parts manufacturers are mainly local capital companies whereas the OEM assemblers are led by Japanese companies
- A large number of these are involved in the production of repair parts. 200-240 companies supply parts for OEM (original equipment manufacturer) production.
- In Pakistan, most of these are directly supplied to automakers, hence these are considered to be first tier suppliers and it can be concluded that the auto parts industry does not consist of clear multiple tiers, which may be seen in other various countries.
- After privatization the auto motive parts industry expanded strongly later, with its growth accelerating in the 1990s, when localization of automotive parts became pervasive.

## Technical support to auto parts manufacturing industry

- In order to broaden the scope of productivity and improvement activities across the value chain of auto sector and subsequently improving the share of localization of auto parts, SMEDA in collaboration with JICA has initiated a technical support program of Japanese for improving the productivity and quality.
- The program was launched in collaboration with JICA in FY 2014-15. During this 4 years program, technical support will be extended to 50 auto parts manufacturing units of Pakistan through five (05) JICA technical experts.
- During Jul-March 2016-17, technical support to 29 auto parts manufacturing units has been provided under the project.





The Government of Pakistan has announced Automotive Development Policy (ADP) 2016-21 in March 2016.

Highlighting the main features:

- ❖ From the financial year 2017-18, duties on locally finished vehicles would be reduced by 10%
- ❖ Duties for imported parts, not made in Pakistan reduced from 32.5% to 30% and made in Pakistan cut from 50% to 45% from next financial year (July 1, 2016).
- ❖ Tax incentive for new investments in Pakistan defined under two categories :

**Category A** - Greenfield Investment-(i) One-off duty-free import of plant and machinery for setting up an assembly and manufacturing facility has been allowed.

(ii) The government has allowed the import of 100 vehicles of the same variants in the form of completely built units (CBUs) at 50% of the prevailing duty for test marketing after the ground-breaking of the project.

(iii). Concessional rate of custom duty @ 10 % on non- localized parts and @ 25% on localized parts for a period of five years for the manufacturing of Cars and LCVs For existing players, the duty on import of localized parts has been reduced to 45% from the current fiscal year.

**Category B** - Brownfield Investment-(i) Imports of non-localized parts at 10 % rate of customs duty and localized parts at 25% duty for a period of three years for the manufacturing of Cars

- ❖ In the current policy, the existing three car makers will not be entitled to the benefits that are being offered to the new investors provided the policy was aimed at enhancing consumer welfare and boosting competition in the country besides attracting new automotive players.
- ❖ The greater localization of the auto parts had been ensured in the new policy and if the new entrants fail to do achieving targets, they would be penalized.



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**MILLAT TRACTORS**

The success of Millat is to convert their vintage engine into Euro II and would facilitate the export of tractors immensely

**HINO PAK MOTORS**

HINO has exported a few buses to UAE and Saudi Arabia. There is also a huge freight advantage for export to Afghanistan, Middle East and Africa from Pakistan as compared to competitors in East Asia

**UNITED MOTORS LTD**

Number one bike assembler of Chinese bikes, has entered into local assembly of vehicles. The plant of United in Lahore will be ready to produce Mehran and Ravi lookalikes in first half of 2018

**Hyundai Nishaat Motors**

It signed an investment agreement. To set up a Greenfield project to undertake assembly and sale of passenger and one-tone commercial vehicles . Expected initial Productions of 7,000 vehicles in 2020.

**Kia Motors**

It will start assembling cars in a joint venture with Lucky Cement and are in process of establishing the assembly plant.

**Renault & Al-Futtaim**

Renault and Al-Futtaim have signed definitive agreements to assemble vehicles in a new plant in Faisalabad. The plant will be built starting the first quarter of 2018. Car sales will begin in 2019 and be ramped up in 2020.



**VOLVO**

The success of Millat is to convert their vintage engine into Euro II and would facilitate the export of tractors immensely

**SCANIA**

It is interested in entering the Pakistani market. Yousaf Dewan Companies have struck a deal with European truck manufacturer for exclusive distribution rights

**LIFAN & BAW**

BAW has signed a vehicle assembly joint venture agreement with Cavalier Autos to bring its light commercial vehicles, double cabin pickups and SUVs to Pakistan.

**OPPURTUNITIES**

Increasing buying capacity, rapid urbanization and a growing economy offers an enormous opportunity to carmakers

- Car penetration as low as 13 vehicles per 1,000 persons, offers a huge potential for growth to global carmakers.
- Low interest rate and Bank's car financing has left the automobile industry booming.
- Government discourages the unnecessary imports of used cars to curtail the growing trade deficit by imposing new import policy SRO rules.
- The tariff incentives offered to the new comers are unprecedented which indeed is aimed to develop the industry
- Low entry threshold along with fast growing auto sector and growing economy of Pakistan encourage new players.





## ANNEXTURE

# 14 car companies control a combined 62 brands



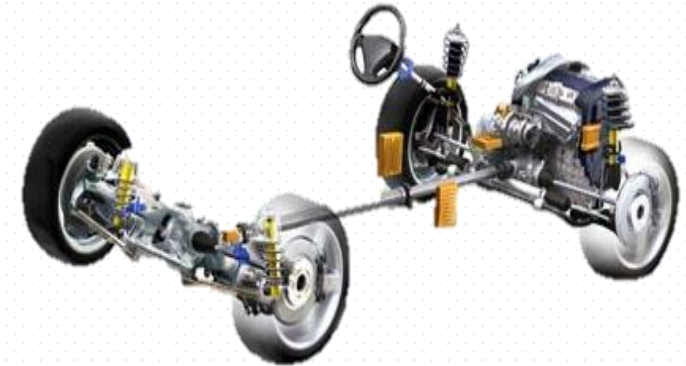
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The global auto industry comprises of numerous mushroom car manufacturers but the giants of this industry are 21 players. Top 5 companies by Market size have a 50% market capitalization of the total market. Currently the market has 5 top players includes 2 Japanese and 3 German car manufacturers. The market value of these companies are \$ 1051B.



Japanese car manufacturer, Toyota held the highest market capitalization of **\$ 191.25B**. Second, third and Fourth spot held by German car manufacturers Volkswagen (**\$ 108.9B**) and Daimler (**\$ 86.43B**) and BMW group(**\$ 74.64B**) and the 5<sup>th</sup> player is Honda (**\$ 64.6B**) respectively in FY 18.

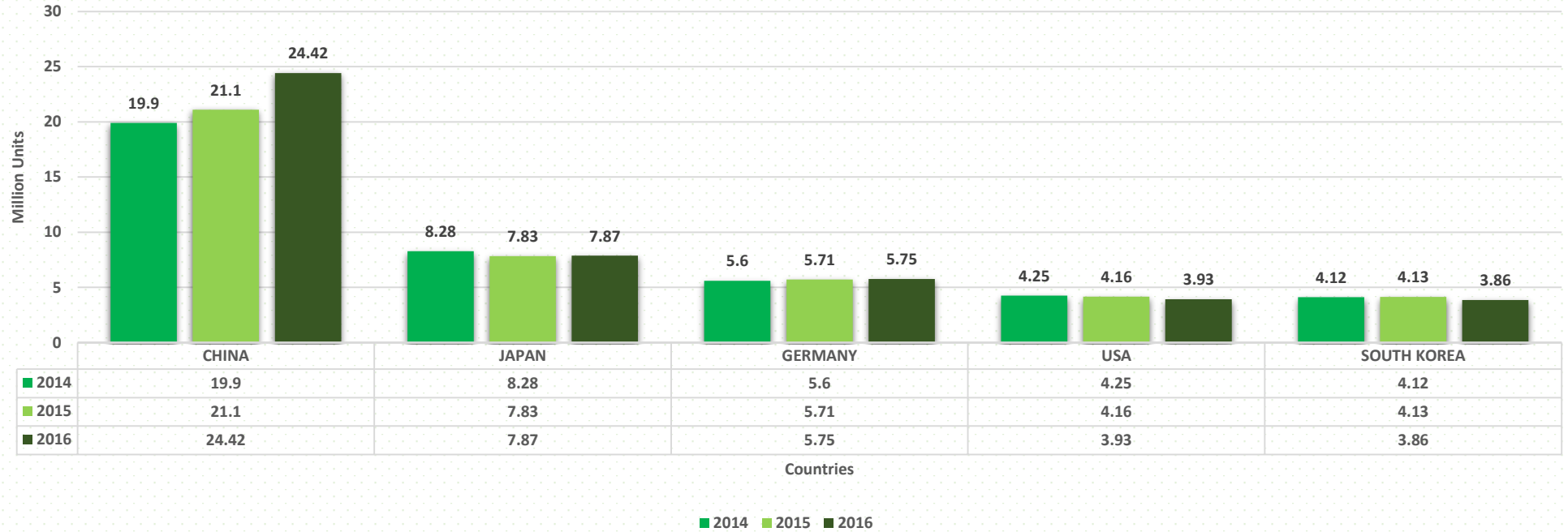
In Terms of \$ value Tesla has the highest value per share of **\$ 294**. Second highest valued share is of Volkswagen at **\$ 216.27**.





GLOBAL PRODUCTION

Global Productions



- China, Japan, Germany, US and South Korea are the TOP five car producers during last 3 years.
- During past 3 to 4 years, global passenger car production demonstrated strong growth.
- The leading car manufacturers worldwide include US-based General Motors and Ford, Germany’s Volkswagen Group, as well as the Japanese automakers Toyota Motor Corporation and Nissan.

# Timeline

Auto Industry In Pakistan

- Vauxhall Cars introduced by General Motors & Sales. Bedford Trucks introduced by General Motors & Sales. Ford Trucks introduced by Ali Automobiles
- Exide battery started production



1949-1953

- Dodge Cars introduced by Haroon Industries
- Ford Angela Cars introduced by Ali Automobiles
- Ford Pickups introduced by Ali Automobiles
- Ford Combi introduced by Ali Automobiles



1956-1960

- Precision auto parts manufacturing started at Allwin Engineering
- Lamberate Scooter introduced by Wazir Ali Engineering. Jeep CJ 5, 6, & 7 introduced by Kandawala Industries. Bedford Truck assembling started at Ghandara Motors.
- Mack Trucks introduced by Hye Sons. General Tyres & Rubber Company started production in Karachi



1961-1964



1965-1970

- Specialized Vehicles Production at Jaffer Industries.
- Toyota vehicles introduced by Monnoo Motors

- Nationalization, Pakistan Automobile Corporation (PACO) formed. Ali Autos renamed Awami Autos, Wazir Ali Engineering renamed Sindh Engineering, Haroon Industries Renamed Republic Motors, Ghandara Motors renamed National Motors, Kandawala Industries renamed NayaDaur Motors, Hye Sons renamed Mack Trucks, Jaffer Industries renamed Trailer Development Corporation, Rana Tractors renamed Millat Tractors, Tractor Corporation of Pakistan formed.
- Yamaha Motor Cycle launched by Dawood Yamaha, Diesel Engines manufacturing started at Bela Engineering

1971-1975



- Suzuki Motor Cycle introduced by Sindh Engineering.
- Kawasaki Motor Cycle introduced by Saif Nadeem Kawasaki. Suzuki Jeep introduced by Naya Daur Motors.
- Plastic parts manufacturing at SPEL.
- Suzuki Pickups introduced by Awami Autos, Mazda Truck introduced by Sindh Engineering, Project approved for production of wheel Rims at Balochistan Wheels under TAA with GKNSankey.



1976-1980

1981-1985



1986-1990



- Hinopak Motors Limited formed as joint venture company between PACO, Al-Futtaim, Hino Motors & TTC.
- Production of Nissan Diesel Trucks by Ghandara Nissan.
- Pakistan Association of Auto Parts and Accessories Manufacturers (PAAPAM) formed.
- Second car plant sanctioned by the GoP (Indus Motor Company).

- Wire Harness production at Ayenbee, Production of Specialized Auto Parts at Agri auto Industries.
- Suzuki Cars production started by Pak Suzuki. Bolan Castings started production, Belarus Tractors introduced by Fecto Tractors.
- Fiat Tractors introduced by Al-Ghazi Tractors, Vendor Development & Technical Cell (VDTC) formed



- Privatization of Pak Suzuki Motor Co.
- Production of Toyota Corolla by Indus Motor Company Limited First export of Buses and Trailers by Hinopak Motors Limited.
- 1994 Production of Honda Civic by Honda Atlas Cars Pak Ltd. Import of Vehicles under Yellow Cab Scheme. Pakistan Automotive Manufacturers Association (PAMA) formed.
- Engineering Development Board (EDB) formed First PAP Show in Islamabad.

**1991-1995**



**1996-2000**



- First Industry Specific Deletion Programme (ISSDP) printed for the period up to 2001.
- VDTC renamed AT & TC. Second PAP Show held in Lahore. Aircon Systems production starts at San pak Lahore. Production of Sohrab Motorcycle.
- Export of Light Commercial Vehicles by Pak Suzuki Motor Company. Saigol Quingqi starts production of motorcycles with Chinese collaboration.
- Dewan Farooque Motors starts production of Korean Pickup named Shahzore. Hinopak Motors Ltd. taken over by Hino Motors and TTC of Japan.

**GDP :** Gross Domestic Product

**YOY:** Year On Year

**LSM:** Large Scale Manufacturing

**PAMA :** Pakistan Automotive Manufactures Association

**PAAPAM:** Pakistan Association Of Automotive Parts And Accessories Manufacturers

**APMA:** Association Of Pakistan Motor Cycle Assemblers

**EDB:** Engineering Development Board

**CPEC:** China Pakistan Economic Corridor

**LCV:** Light Commercial Vehicles

**CAGR:** Compound Annual Growth Rate

**FY:** Financial Year

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# ABOUT US

Punjab board of investment & trade is a provincial trade and investment promotion agency established by the Government of Punjab in 2009. In today's global economy, trade and investment play an increasingly important role in generating means for transformative change. At PBIT, we strive to ensure that this transformative change is sustainable and more impactful. PBIT is committed to enhancing the global competitiveness of Punjab and its business. To this end, we work to attract new investments in the region and strengthen the existing ones by promoting local investment opportunities, facilitating businesses and highlighting the distinct advantages of Punjab as a business location.

Incorporated under Section 42 under the Companies Ordinance of 1984, Punjab Board of Investments & Trade (PBIT) assists companies which intend to invest in the manufacturing and services sectors of Punjab. The wide range of services provided by PBIT include providing information on the opportunities for investments, as well as facilitating companies which are looking for joint venture partners. PBIT acts as Punjab's marketing arm and actively promotes the province worldwide as one of the best investment hubs in Asia. PBIT as Special Economic Zone Authority Punjab also evaluates the applications/proposals from Developers to declare their Industrial Parks as Special Economic Zones. For granting one time import duty exemption on machinery, equipment, spare parts, consumables in Special Economic Zones, PBIT is responsible to issue a confirmation Letter on the status of the applicant prior to seeking the permission from the relevant department/agencies to claim for the exemption. Investors are always encouraged to discuss their project interests with PBIT officers, wherein Information can be obtained on major public/private projects, prevailing sectoral policy framework, existing incentive regime, financing options, trade statistics etc. Punjab Board of Investment & Trade is a Steering Committee Member and the Director of South Asia at the World Association of Investment Promotion Agencies (WAIPA) - a prestigious world association of organizations similar to PBIT created by UNCTAD.

# Projects and Policy Research Department

Punjab Board of Investment and Trade targets a socio-economic growth through its P&PR. The department plans to fortify its deep roots, both locally and internationally, by reaching out to leading businesses for discussing the panoramic commercial opportunities. As per the initiative of inventiveness, the department plans to provide a transaction advisory as defined in its role to bring-in the investments and establish new businesses. For this purpose, Pitch books of different identified sectors are a new resourcefulness of this department which would target to develop the in-house capacity of production by connecting the local and international market players. This would not only ensure the technology transfer but also create several jobs in the province. The department plans to connect through the regional IPAs, financial institutions, the embassies in different countries and local chambers as well so as to fast-track the process of economic growth and industrialization in Punjab in regard to its recognition as 'The Land of Opportunities

Punjab Board of Investment & Trade  
23 – Aikman Road, GOR 1, Lahore. Pakistan  
PABX: +92 (042) 9920 5201-06  
Fax: +92 (0) 42 9920 5171  
Web: <https://www.pbit.gop.pk>



BUILDING PARTNERSHIPS