

GOVERNMENT OF PAKISTAN
MINISTRY OF INDUSTRIES AND PRODUCTION

Islamabad, the 2nd June, 2016

NOTIFICATION

No.2(9)/2013-LED-II In pursuance of the Economic Coordination Committee (ECC) of the Cabinet decision in case No. ECC-33/6/2016 dated 18-03-2016, the Government of Pakistan is pleased to notify the Five Year Tariff Plan of customs duties to be applicable on import of raw materials, sub-components, components and sub-assemblies for the manufacture of components and assemblies for automotive vehicles and components in any kit form for assembly/manufacture of automotive vehicles with a view to provide a predictable and transparent policy environment to encourage and facilitate investments under the Automotive Development Policy (ADP) 2016-21.

2. Accordingly, five year tariff plan is given in table below:-

TABLE

DESCRIPTION		2016-17	2017-18	2018-19	2019-20	2020-21
(A) Prime movers falling under HS Code 87.01						
1	Raw Material	1%	1%	1%	1%	1%
2	Sub Component	1%	1%	1%	1%	1%
3	Component	1%	1%	1%	1%	1%
4	Sub-Assembly	1%	1%	1%	1%	1%
5	CKD (Non-Localized) below 280 HP	5%	5%	5%	5%	5%
6	CKD (Non-Localized) 280 HP & above	5%	5%	5%	5%	5%
7	CKD (Localized) All Categories	35%	35%	35%	35%	35%
8	CBU below 280 HP	20%	20%	20%	20%	20%
9	CBU 280 HP and above	20%	20%	20%	20%	20%
(B) Agriculture Tractors falling under HS Code 87.01						
1	Raw Material	1%	1%	1%	1%	1%
2	Sub Component	1%	1%	1%	1%	1%
3	Component	1%	1%	1%	1%	1%
4	Sub-Assembly	1%	1%	1%	1%	1%
5	CKD (Non-Localized) All Engine Capacities	1%	1%	1%	1%	1%
6	CKD (Localized) All Engine Capacities	35%	35%	35%	35%	35%
7	CBU (Other than listed at S. No. 8 below)	10%	10%	10%	10%	10%
8	CBU (Above 35hp but not exceeding 100 hp)	15%	15%	15%	15%	15%
(C) Buses and other Vehicles falling under HS Code 87.02						
1	Raw Material	1%	1%	1%	1%	1%
2	Sub Component	10%	10%	10%	10%	10%

3	Component	10%	10%	10%	10%	10%
4	Sub-Assembly	15%	15%	15%	15%	15%
5	CKD (Non-Localized other than listed at S. No. 6 below)	5%	5%	5%	5%	5%
6	CKD (Non-Localized) (Dedicated CNG/LPG or LNG Buses)	1%	1%	1%	1%	1%
7	CKD (Localized) All Categories	35%	35%	35%	35%	35%
8	CBU	20%	20%	20%	20%	20%
9	CBU (Dedicated CNG / LPG or LNG Buses)	1%	1%	1%	1%	1%
10	CBU (Hybrid Electric Vehicles (HEVs))	1%	1%	1%	1%	1%

(D) Passenger Cars & other Motor Vehicles falling under HS Code 87.03

1	Raw Material	1%	1%	1%	1%	1%
2	Sub Component	10%	10%	10%	10%	10%
3	Component	10%	10%	10%	10%	10%
4	Sub-Assembly	20%	20%	20%	20%	20%
5	CKD (Non-Localized) all Engine Capacities	30%	30%	30%	30%	30%
6	CKD (Localized) All Engine Capacities	45%	45%	45%	45%	45%
7	CBU up to 800 cc	50%	40%	40%	50%	50%
8	CBU 801 to 1000 cc	55%	45%	45%	55%	55%
9	CBU 1001 to 1500 cc	60%	50%	50%	60%	60%
10	CBU 1501 to 1800 cc	75%	65%	65%	75%	75%
11	CBU exceeding 1800 cc	100% + 50 % RD	100% + 50 % RD	100% + 50 % RD	100% + 50 % RD	100% + 50 % RD
12	CBU Hybrid Electric Vehicles (HEVs)	Up to 1800 cc = 50% exemption	Up to 1800 cc = 50% exemption	Up to 1800 cc = 50% exemption	Up to 1800 cc = 50% exemption	Up to 1800 cc = 50% exemption
13	CBU Hybrid Electric Vehicles (HEVs)	Exceeding 1800 cc = 25% exemption	Exceeding 1800 cc = 25% exemption	Exceeding 1800 cc = 25% exemption	Exceeding 1800 cc = 25% exemption	Exceeding 1800 cc = 25% exemption
14	CBU Plugged-in Electric Vehicles (PEVs)	50%	50%	50%	50%	50%

(E) LCV (up to 5 Ton GVW) falling under HS Code 87.04

1	Raw Material	1%	1%	1%	1%	1%
2	Sub Component	10%	10%	10%	10%	10%
3	Component	10%	10%	10%	10%	10%
4	Sub-Assembly	15%	15%	15%	15%	15%
5	CKD (Non-Localized)	20%	20%	20%	20%	20%
6	CKD (Localized)	45%	45%	45%	45%	45%
7	CBU	60%	60%	60%	60%	60%

(F) HCVs (Rigid Trucks – above 5 Tons (GVW) falling under HS Code 87.04

1	Raw Material	1%	1%	1%	1%	1%
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2	Sub Component	10%	10%	10%	10%	10%
3	Component	10%	10%	10%	10%	10%
4	Sub-Assembly	15%	15%	15%	15%	15%
5	CKD (Non-Localized)	10%	10%	10%	10%	10%
6	CKD (Localized)	35%	35%	35%	35%	35%
7	CBU (above 2 Axles)	20%	20%	20%	20%	20%
8	CBU(2 Axles)	30%	30%	30%	30%	30%
9	CBU (Hybrid Electric Vehicles (HEVs))	1%	1%	1%	1%	1%

(G) Motorcycles, Motorcycle Rickshaw, 4- Stroke Auto – Rickshaws and 3 Wheeler Cargo loader falling under HS Codes 87.03, 87.04 & 87.11.

1	Raw Material	1%	1%	1%	1%	1%
2	Sub Component	10%	10%	10%	10%	10%
3	Component	10%	10%	10%	10%	10%
4	Sub-Assembly	20%	20%	20%	20%	20%
5	CKD (Non-Localized) Motorcycles, Motorcycle Rickshaw(87.11), 4-Stroke Auto-Rickshaws (87.03) and 3 Wheeler Cargo loader (87.04)	15%	15%	15%	15%	15%
6	CKD (Localized)	45%	45%	45%	45%	45%
7	CBU Motorcycle (87.11)	50%	50%	50%	50%	50%
8	CBU Motorcycle Rickshaw (87.11)	50%	50%	50%	50%	50%
9	CBU 4- Stroke Auto Rickshaw (87.03)	50%	50%	50%	50%	50%
10	CBU 3- Wheeler Cargo loader (87.04)	50%	50%	50%	50%	50%

(H) Trailers falling under HS Code 8716

1	CBU	15%	15%	15%	15%	15%
2	CKD (Non-Localized)	5%	5%	5%	5%	5%
3	CKD (Localized)	35%	35%	35%	35%	35%

3. The afore-said Tariff Plan shall come into effect from July 01, 2016.

Note: CKD rate of duty of both localized and non-localised shall be unified into a single rate of duty after five years of policy period and kept as prevailing rate of duty of localized CKD at that time. However, present duty structure shall continue for seven years for new investor.

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Copy for information to: -

- (1) The Principal Secretary to the Prime Minister, Prime Minister's Secretariat (Public), Islamabad
- (2) The Secretary, Cabinet Division, Islamabad
- (3) The Secretary, Ministry of Finance, Islamabad
- (4) The Secretary, Ministry of Commerce, Islamabad
- (5) The Secretary, Ministry of Industries & Production, Islamabad
- (6) The Chairman, Federal Board of Revenue, Islamabad
- (7) The Secretary, Ministry of Planning, Development & Reforms, Islamabad
- (8) The Secretary, Ministry of Privatization & Investment, Islamabad
- (9) The Secretary, Ministry of Climate Change, Islamabad
- (10) The Secretary, Ministry of Science & Technology, Islamabad
- (11) The Chairman, Board of Investment, Islamabad
- (12) The Governor, State Bank of Pakistan, Karachi
- (13) The CEO, Engineering Development Board, Islamabad
- (14) The Director General, Pakistan Standards and Quality Control Authority, Karachi
- (15) The Chairman, Higher Education Commission (HEC), Islamabad
- (16) All Banks / DFI's
- (17) The President, Federation of Pakistan Chamber of Commerce & Industry, Islamabad
- (18) All Chambers of Commerce and Industry
- (19) The Chairman, Pakistan Automotive Manufacturers Association (PAMA)
- (20) The Chairman, Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM)
- (21) Association of Pakistan Motorcycle Assemblers (APMA)