

**Engineering Development Board  
Ministry of Industries & Production  
Government of Pakistan**

No. EDB/AIDEC-II/2022  
August 19, 2022

Subject: **2<sup>nd</sup> Meeting of Auto Industry Development and Export Committee (AIDEC)**

Dear Sir,

I am directed to refer to the 2<sup>nd</sup> meeting of the Auto Industry Development and Export Committee held on Tuesday, August 16, 2022 at the Committee Room, Engineering Development Board, Islamabad.

02. The draft minutes of the subject meeting are enclosed for submission of comments before 26-8-2022.

**Best regards,**



**(Usman Ali),**  
Manager (Policy),  
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**Distribution:-**

All AIDEC Members/Special Invitees.

**Copy to:**

1. ES to Secretary, Ministry of Industries and Production.
2. ES to CEO EDB (for information).

**ENGINEERING DEVELOPMENT BOARD**  
**Ministry of Industries & Production**  
**Government of Pakistan**

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**2<sup>nd</sup> Meeting of Auto Industry Development Committee**

**MINUTES OF THE MEETING**

The 2<sup>nd</sup> meeting of the Auto Industry Development and Export Committee (AIDEC) was held on Tuesday, August 16, 2022 at Engineering Development Board (EDB), Islamabad. The meeting was chaired by CEO EDB. Honorable Minister for Industries graced the occasion during the proceedings on agenda items 4 to 6 and subsequently had to leave for his other appointments. List of participants is enclosed at **Annex-A**.

The meeting was started with recitation from the holy Quran. CEO, EDB welcomed the participants and requested all participants for their introduction. After the introduction, following agenda items were presented by the GM (Policy)/Secretary AIDEC with the permission of chair.

S. No.	Agenda
1.	Confirmation of the Minutes of First Meeting of AIDEC held on March 08, 2022.
2.	Change in policy for new entrants under ADP 2016-21 impacting obligation to pay compensation (KIBOR + 2%) in case of late deliveries.
3.	SBP's EPD Circular No. 09 of 2022 and Kibor+3% Payment/ Discussion on request submitted by PAMA and forwarded to EDB by MoIP.
4.	Discussion on mechanism for price increase.
5.	Progress towards export targets, ways and means to earn more dollars and reduce dollar spending.
6.	Localization efforts and update on amendments in S.R.O 693(I)2006.
7.	Update on implementation of WP-29 regulations by OEMs.
8.	Permission to allow shuttle/cargo buses (4-wheeler) under S.R.O 656(I)2006 used mainly for inter-campus as well as intra-campus transportation/tourism sites etc.
9.	Extension to establish manufacturing facility by M/S Premier Motors Limited under ADP 2016-21 (Volkswagen AG).
10.	Additional Agenda: Request for Grant of Manufacturing Certificate to M/s MG JW Auto Park Pvt Ltd

  




**AGENDA ITEM NO. 1**

**CONFIRMATION OF THE MINUTES OF FIRST MEETING OF AIDEC HELD ON MARCH 08, 2022**

Minutes of first meeting of AIDEC were circulated among members of AIDEC. General Manager (Policy) EDB added that M/s Sazgar Engineering Works Pvt Ltd has highlighted registration problems of 3-wheeler EVs. He clarified that EDB has already taken up the matter at the relevant forums and EDB is continuously on the follow-up of the matter.

Sr. GM, M/s Sazgar Engineering Works Pvt Ltd said that their firm is facing production and sales issues due to non-registration of 3-Wheeler EVs. He added that their 3-Wheeler EVs have great potential for export and requested that relevant forums may facilitate in the registration mechanism so that their product can be tested on the roads which is a prerequisite for exports. He also added that due to lack of government support in their potential export markets our neighboring country has managed to influence local standards in favor of their product thus enacting tough non-tariff barriers.

CEO, EDB informed that cross-departmental issues related to EVs are being taken up by inter-Ministerial Committee. The registration of EVs matter falls within the purview of provinces. He assured to coordinate meeting of representatives of M/s Sazgar Engineering with the Minister for Industries and Production so that the matter can be taken up forcefully with Provincial Registration Authorities. Ministry of Climate Change would also be taken on board.

CEO EDB raised the issue of no progress on decision of Agenda Item No. 3 of 1<sup>st</sup> AIDEC meeting, wherein it was decided that "A separate meeting with OEMs be conducted by EDB to device modalities for implementing an online reporting mechanism at EDB". House was of the view that this requires detailed deliberations on technical aspects and may be dealt desperately.

Vice President Honda Atlas Cars Ltd. placed on record appreciation from the industry to EDB for their efforts in ensuring quota allocation to the industry from SBP which ensured that the industry did not have to halt their operations.

With the above assurance, and there being no other observation, the minutes of the 1<sup>st</sup> AIDEC were approved.

**Decision**

**"1. AIDEC approved the Minutes of the 1<sup>st</sup> AIDEC**

**2. A separate meeting with OEMs be conducted by EDB to device modalities for implementing an online reporting mechanism at EDB"**

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**AGENDA ITEM NO. 2**

**CHANGE IN POLICY FOR NEW ENTRANTS UNDER ADP 2016-21 IMPACTING OBLIGATION TO PAY COMPENSATION (KIBOR + 2%) IN CASE OF LATE DELIVERIES.**

Secretary, AIDEC/GM(Policy), EDB informed the house that, in order to ensure consumer welfare, under AIDEP 2021-26 provisions the importer-cum-assembler or OEM is required to pay KIBOR+3% per annum to the customer against late delivery exceeding 60 days of initial booking on the deposited amount. The same has been notified amendment vide SRO 837(I)/2021 dated 30.06.2021 in SRO 656(I)2006. He added that new entrants are of the view that their cases were approved under ADP 2016-21 and as per their signed agreements with MoIP, the approved investors are required to reimburse @ KIBOR+2% per annum which was the prevalent rate in the SROs at that time. He requested the house to provide technical advice on the matter.

President Automotive, Lucky Motor Corporation, said that as per agreement their firm is bound to pay KIBOR+2% as per the SROs prevalent at the time of signing of their Agreement with MoIP. He further highlighted that amendment notified vide SRO 837(I)/2021 dated 30.06.2021 in SRO 656(I)2006 is not applicable on their firm as they are bound to follow SRO 656(I)2006 as of signing the agreement and any amendment in the said S.R.O 656(I)2006 is not applicable on them till June, 2026.

Vice President, Honda Atlas Cars Pakistan was of the view that level playing field should be provided to the entire industry and uniform rate should be applied to the entire industry. CEO EDB highlighted that industry is governed under Policy and SRO 656(I)2006. The policy is approved at the highest level forum i.e. Federal Cabinet. New entrants may seek legal opinion on the matter. As per EDB's view new terms approved under AIDEP and notified under S.R.O 656(I)2006 are applicable across the board.

Senior Vice President, PAAPAM was of the view that booking is being closed by OEMs to avoid late delivery charges. In view of current economic crisis, reimbursement in case of delayed deliveries may be suspended till situation improves. Deputy Chief (LED), MoIP was of the view that cherry-picking cannot be allowed and if new entrants want to reimburse @KIBOR+2% in view of the agreement then all incentives and clauses of S.R.O 656 (I)2006 may be taken as a whole. He advised M/s LMC and other new entrants to consider this while soliciting legal opinion on the matter.

**Decision**

**"It was decided that new entrants may submit the legal opinion they have obtained on the matter to EDB, who in turn will take up the matter with relevant forum for advice."**

 



**AGENDA ITEM NO. 3**

**SBP'S EPD CIRCULAR NO. 09 and 11 OF 2022 AND KIBOR+3% PAYMENT/ DISCUSSION ON REQUEST SUBMITTED BY PAMA AND FORWARDED TO EDB BY MOIP.**

CEO, EDB informed that Government of Pakistan banned the import of unnecessary/luxurious items to curb import and cope up with economic crisis. However, EDB made extensive efforts and managed to secure 50% of the average quota for the industry for the month of July, while efforts are being made to enhance the same. Secretary, AIDEC added that PAMA has requested KIBOR+3% clause suspension in view of current economic crisis and SBP'S EPD CIRCULAR NO. 09 & 11 of 2022.

Chairman PAAPAM informed that vendors are facing production challenges due to the aforementioned policy shift. He said that vendors are producing local parts and their impact on import is very small, therefore S.R.O 655(I)2006 may be exempted from SBP's import ban. He also said that 2/3 wheelers and tractor industries have a little impact on the import bill requiring not more than USD 10 million each per month for the entire sector, while both have a critical role in supporting the poorer segment of society and supporting agricultural growth and food security. Therefore, vendors, 2/3 wheelers and tractor industry may also be exempted from import restrictions.

CEO M/s Indus Motor Company Pvt Ltd said that impact of current financial crisis will continue till June 2023. He said that restrictions by SBP are resulting in further delay in deliveries. He said that industry must not be penalized for economic crisis and government may either suspend KIBOR+3% payment period or reimburse OEMs for it.

President Automotive, M/s Lucky Motor Company proposed that in view of force majeure situation; OEMs may be allowed to only take bookings on full payment where they can deliver within stipulated time of 60 days. CEO, EDB informed that Force Majeure has to be invoked as per contract agreements.

Group Director, Atlas Honda Ltd said that late delivery issue is not specific to Pakistan rather it is a global phenomenon and consumer across the world in Japan, India, USA are facing late delivery issues.

**Decision**

**"It was decided that matter will be taken with MoIP to suspend reimbursement @KIBOR+3% clause of S.R.O 656(I)2006 till restrictions on import by SBP are lifted".**

**AGENDA ITEM NO. 4**

**DISCUSSION ON MECHANISM FOR PRICE INCREASE.**

CEO EDB informed that Government of Pakistan has shown serious concerns due to frequent price increase by various OEMs. He added that recent price increase even for customers

having made full payments have generated a huge number of complaints from consumers who are approaching EDB/MoIP and other entities. He informed that Public Accounts Committee and other forums have also taken notice and have advised EDB to provide proper justification as well as devise mechanism for increase/decrease of prices when underlying factors change upwards or downwards.

Secretary AIDEC informed the house that few companies have recently decreased prices which sent a positive signal and that similar steps are expected from other OEMs. He said prices are governed by market mechanism and government is not regulating or controlling prices. However, reduction in prices due to decrease in input cost is a positive step for customer welfare.

Honorable, Minister of Industries and Production said that Pakistan is passing through challenging times and the government has taken measures to control trade deficit. He added that rupee devaluation was because of economic circumstances, however PKR is appreciating again due to government efforts and industry should accordingly consider decreasing the prices.

President Automotive, M/s Lucky Motor Company mentioned that they kept prices constant from July 2019 to November 2021 and their company absorbed price increase for more than two years. He also highlighted that they have kept price same on some models, however due to various factors they were forced to increase prices on other models. He said that price increase by their firm is justified.

CEO, Indus Motor Company said that industry is operating in very difficult circumstances. Prices have been reduced by M/s Indus Motor Company as PKR appreciated against USD. If rupee further appreciates they will further decrease their prices. However he clarified that there are other factors that contribute to the price increase. He requested that CVT imposed recently should also be removed. He reiterated that current delay in deliveries is due to economic crisis and import ban, so reimbursement at KIBOR+3% should be either suspended or government may help industry in said payments. He said that localization is vital for price stability; but it can be achieved by Government support and high volumes. He said their company is working on export of parts.

Head Corporate Affairs, Pak Suzuki Motor Company agreed that their firm will decrease prices. He requested Government to ensure rupee stability. He said that other factors, Force Majeure, semiconductor issues and overheads have also contributed to the price increase. He said that automotive industry is an established industry of Pakistan. EDB/MoIP or CCoP are regulating organizations. Industry may be dealt by EDB/MoIP only as too much interference by different Government Bodies in affairs of auto industry is causing anxiety in the industry. He said that missing tariff in AIDEP should be included.

#### Decision

“House requested the OEMs to reduce prices in view of Rupee appreciation.”



**AGENDA ITEM NO. 5**

**PROGRESS TOWARDS EXPORT TARGET, WAYS AND MEANS TO EARN MORE DOLLARS AND REDUCE DOLLAR SPENDING.**

Secretary AIDEC informed the house that AIDEP includes export targets and FBR has been requested by MoIP to notify the export targets through an amendment in SRO 656(I)2006, which is under process at FBR.

Honorable Minister of Industries and Production appraised the house that he supports the industry within the government, however when he meets the industry he represents the general public of Pakistan. He added that dependence on import is not in the interest of Pakistan. He said in case of Uzbekistan they have one automotive manufacturer and they are making high value parts like engine, transmission etc.. He said that he witnessed quality parts in the PAPS show but showed concerns that the export for those parts from Pakistan is very low. He said that Pakistan has to focus on import substitution and export enhancement. He said Pakistan should take advantage of low labor cost. He said Government is very concerned about slow shift towards EV. He added that Government believes in long term policies; however tweaks in policies can be made for improvement. He advised EDB, MoIP, and Industry to devise a strategy for localization and export enhancement.

Head Corporate Affairs, Pak Suzuki Motor Company Pvt Ltd appreciated Minister's involvement in addressing issues faced by the industry. He said that export market is challenging. He said that slowly and gradually the export targets can be achieved. He said that in order to achieve localization government should device a long term policy. Localization of high-tech parts requires volumes. He claimed that their firm has achieved localization to a level where it was possible. He informed that SBP import ban resulted in demurrages and production issues for Pak Suzuki Motor Company Pvt Ltd. and other companies.

Chairman PAAPAM said that replacement of deletion programs with TBS slowed down the localization efforts. He requested data from SBP/FBR to analyze localization opportunities. He appreciated that EDB has started regular updation of SRO 693 recently, which will promote localization. He informed there was willingness from OEMs to improve localization. He said that draft of auto parts development policy will be shared with EDB for finalization. He recommended incentives/penalty mechanism may be introduced for improvement of localization.

Senior Vice Chairman, PAAPAM said that import substitution is more important than exports. Chairman PAAPAM has earlier shared a draft Auto Parts Development Policy with EDB, which after their comments has been updated. CEO EDB informed that after internal review by EDB it would be shared with all stakeholders for their feedback.



Director, Ghandhara said addition of parts in DTRE and consistencies of policies is the key for localization and exports. Minister advised that there should be more interaction between PAAPAM, PAMA, and Public sector. The stakeholders should make a long term policy that should include export plan for automotive parts.

**AGENDA ITEM NO. 6**

**LOCALIZATION EFFORTS AND UPDATE ON AMENDMENTS IN S.R.O 693(I)2006.**

Chairman, PAAPAM appreciated the efforts of EDB to achieve higher localization in the automotive segment. He briefed the house that Automotive Industry Monitoring Committee advised to EDB and Industry to prepare Auto Parts Development Policy. He added that localization is the only way forward to handle dollar shortage and import substitution.

Secretary, AIDEC said that inclusion in 693(I)2006 is under process at FBR/MoIP. The new inclusions will be proposed in December, 2022. CEO, EDB said that additionally auto part policy will be prepared in consultation with the industry at a fast pace.

Vice President, Honda Atlas Cars said that Government of Pakistan should give a long term policy. Deputy Technological Advisor, Ministry of Science and Technology said that concept of reverse engineering may be applied to enhance localization. In this regard he requested that Ministry of Science and Technology and Educational Institutes may be involved if any sub-committee on localization is announced.

Senior Vice President, PAAPAM said that localization is evaluated by percentage of parts in a vehicle whereas it should be determined by value of localized parts in a vehicle to depict real localization. He said reverse engineering may infringe on copyrights. He informed the house that when a model is introduced it has low localization which gradually increases. He said that localization was slowed down by replacement of deletion programs with Tariff Based Systems. He showed concern that 50% quota restriction on automotive sector is hurting localization. He proposed formula for localization agreed by PAMA and PAAPAM has improvement potential. The formula may take value of importable components in FoB instead of CiF. CEO, EDB clarified that the formula was devised after detailed deliberations and consensus of all stakeholders. This can be improved as and when required.

Chairman, PAAPAM said they wrote multiple letters to SBP. They also requested from SBP and relevant forums to share data of importable components to analyze localization potential. Director, Ghandhara recommended that localization needs detailed deliberation and in order to develop a white paper for localization, the matter should be deliberated separately. Mr. Wajid Bux, Sr. Manager M/s IMC said that incremental localization can increase localization levels however, the parts which are not being supplied to OEMs and are being produced for after sale only should be

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considered after a grace period of few years as they require approval from the Principals.

Federal Minister desired that PAAPAM and PAMA to brainstorm and deliberate the matter of localization and exports and come up with a proposal for the Ministry of I&P.

Chairman, PAAPAM said that localization will be included in the upcoming auto part manufacturing policy. Secretary AIDEC will coordinate the interactions with PAMA and PAAPAM and EDB will try to submit final draft to MoIP by 31-12-2022.

#### Decision

**"It was decided that after detailed interaction between PAAPAM, PAMA, and Public sector, a long term auto parts development/ manufacturing policy will be finalized till Dec 31, 2022, which will also include export plan for automotive parts."**

#### AGENDA ITEM NO. 7

##### UPDATE ON IMPLEMENTATION OF WP-29 REGULATIONS BY OEMs.

Secretary, AIDEC informed that as per AIDEP 2021-26, the importer-cum-assembler or OEMs are required to comply with short listed WP-29 Regulation as determined by EDB, whereas EDB is required to ensure the compliance. He informed that extension can be granted by EDB in genuine cases. However, if extension is not applied and plan for implementation of WP-29 is not provided by the relevant OEMs, EDB is bound not to revalidate lists of importable components.

CEO, EDB said that EDB govern industry in compliance to law. He advised the OEMs to submit WP-29 compliance or extension request where required before 30-9-2022, otherwise their requests for revalidation shall not be entertained.

Deputy Technological Advisor, Ministry of Science and Technology informed that meetings of technical committee are scheduled to finalize the Standards and laboratory infrastructure for automatic sector will be held soon. Secretary, AIDEC informed that OEMs and vendors have shown concerns on allocation of committee membership. CEO, EDB informed that PSQCA has mandate to formulate standards and requested PAMA and PAAPAM to attend their technical committee meetings.

Mr. Babar Saleem, M/s LMC said that OEMs are not part of technical committees. Implementation mechanism is not clear. Snr. Manager, M/s IMC informed that OEMs do not have trust on the committee due to various shortcomings.

CEO EDB shared the PAC concerns and directions in the matter and stressed on all for an amicable way forward. He requested representative of Ministry of Science and Technology that matter may be deliberated at Ministry of Science and Technology between MoST, PAMA and PAAPAM to finalize TORs and nominations. After finalizations of ToRs and nominations meetings of technical committee may be arranged.



**Decision**

**"1. It was decided that OEMs will submit WP-29 compliance or extension request where required before 30-9-20222, otherwise their cases will not be revalidated.**

**2. MoST would convene a meeting with PAMA and PAAPAM to discuss and finalize way forward to development of National Standards."**

**AGENDA NO. 8**

**PERMISSION TO ALLOW SHUTTLE/CARGO BUSES (4-WHEELER) UNDER S.R.O 656(I)2006 USED MAINLY FOR INTER-CAMPUS AS WELL AS INTRA-CAMPUS TRANSPORTATION/TOURISM SITES ETC.**

Secretary, AIDEC informed that M/s Qaswa Motors Pvt Ltd/ Sigma Motors has approached EDB to allow shuttle/cargo buses (4-wheeler) under S.R.O 656(I)2006 mainly to be used for inter-campus as well as intra-campus transportation and at tourism sites etc.

Manager (Policy), EDB informed that said vehicles are not for on-road transportation. The said vehicles need to be analyzed whether they can be classified as Heavy Commercial Vehicles (HCVs) what compulsory features and compliance to shortlisted WP-29 Regulations will also be required. Furthermore S.R.O 656(I)2006 has requirement of roadworthiness so house may provide technical advice that these vehicles are road worthy or not.

Secretary, AIDEC requested the company representative to brief the house about their request. The firm gave a presentation on the Company Profile. SGM, Sigma Motors also claimed that their vehicles are roadworthy. He informed the House that their two CBUs have been assessed as HCVs under HS-Code 8702.4090. He claimed that their vehicles are environment friendly, economical and have export potential. Secretary, AIDEC said that part lists for EV specific vehicles will be evaluated as per HCV criteria in this case.

**Decision**

**"It was decided that Case of M/s Qaswa Motors Pvt Ltd/Sigma Motors may be considered as per EV Policy under HCV category. The firm will be required to conform to all obligations of the S.R.O 656(I)2006."**

**AGENDA NO. 9**

**EXTENSION TO ESTABLISH MANUFACTURING FACILITY BY M/S PREMIER MOTORS LIMITED UNDER ADP 2016-21 (VOLKSWAGEN AG)**

Secretary AIDEC informed the house that M/s Premier Motors Limited has signed Agreement with Volkswagen, Germany to produce Volkswagen brand automotive vehicles in Pakistan. The firm's CKD manufacturing was delayed primarily due to Covid-19 pandemic and associated

Handwritten signatures in blue ink, including one that appears to be 'A. Khan' and another that is less legible.



lockdowns in various countries and timelines of business plan could not be achieved. M/s Premier Motors has submitted letter through Board of Investment wherein firm highlighted issues and reasons of delay in their project due to Force Majure. He briefed the house on the progress submitted by the firm. He clarified that previously, their two vehicles were approved for local manufacturing. M/s Premier submitted a fresh plan backed by agreement with Volkswagen before June 30, 2021 regarding replacement of previously approved variants with SUVs from Skoda and VW through Board of Investment. He added that request of the company is to allow an extension in their contract until March 2024 i.e. completion date of their plant.

Project Head, M/s Premier Motors informed that two models are being requested as old models have been discontinued. He informed the firm has completed 90% civil works. He added that EDB team witnessed their construction of their site and facilities. He committed that their facilities will be completed by March 2024. He informed that their company has invoked Force Majure clause and described circumstances which caused delays i.e. Covid Lockdown, Travel Restrictions, Economic issues etc.

Secretary, AIDEC informed that German Embassy and Prime Minister's Office has also requested for consideration of request by M/s Premier Automobiles and to support local manufacturing and international investments in Pakistan. Deputy Chief (LED), MoIP said that MoIP can legally consider extension in agreement. He added that Secretary, MoIP has the authority to extend the date of completion of project in case proper justification is provided by the applicant.

Vice President, Honda Atlas Cars said that model replacement may be considered if the category of vehicle is similar. Representative of M/s Lucky Motors stated that the requests for changes in business plan by other OEMs should also be considered / evaluated. Project Head, M/s Premier Motors informed clarified that one model approved before has been discontinued in international market whereas the rights of other model have been sold to another international OEM. M/s Premier has submitted the request for revision to EDB well before the June 30, deadline, which is permitted under Investment Agreement signed between the applicant and MoIP. House endorsed the extension and model replacement request as the models have been discontinued internationally by the principal.

#### Decision

**"House endorsed the request of M/s Premier Motor for extension of deadline to complete their manufacturing facilities by March, 2024 and replacement of previously approved variants with SUVs as approved by the Principal"**



**Additional Agenda Item**

**Request by M/s MG JW Auto Park Limited for**

- i) Issuance of Manufacturing Certificate (Permanent or Provisional)**
- ii) Uploading CKD Quota for release of shipment**

Secretary, AIDEC informed the house that M/s MG JW Auto Park Pvt Ltd was granted Greenfield Status by MoIP under Automotive Development Policy 2016-2021 (ADP) on January 01, 2021 and as per agreement with MoIP, the manufacturing facility is to be completed by 15<sup>th</sup> April 2023 i.e. two years period from the date of signing of agreement. The Company has submitted the request dated 21<sup>st</sup> July 2022 for issuance of manufacturing certificate and uploading CKD quota i.e. lists of importable components prior to completion of manufacturing facilities.

The house was informed that the committee formulated under the chairmanship of Deputy Chairman Planning Commission has quoted various precedents by the Company of relaxation in policy with respect to extension of date of installation of ED Paint facilities. The participants were of the view that those exemptions cannot be considered as precedent as they neither attracted reduced custom duty nor they were categorically restricted by the Policy/SRO. Furthermore there was no precedent of a provisional manufacturing license having been issued.

The progress report of visit to premises of M/s MG JW Auto Park conducted by EDB Team was also shared by Secretary AIDC. The house was informed that significant investment on the paint shop has been carried out and installation of equipment has started. The date of installation of equipment/completion of plant conveyed by M/s MG is 30<sup>th</sup> November 2022, which can be further expedited. It was also highlighted that the company has submitted relevant GD's for review of EDB. The participants appreciated the commitment of M/s MG for investment in Pakistan's auto sector and the progress shown by the company in setting up independent manufacturing facility.

Chairman PAAPAM appreciated the work progress by M/s MG JW Auto Park and advised the company to pursue the localization in true spirit. He further proposed that a sub-committee of AIDEC may be formulated to visit the premises to review the progress at the plant before issue of manufacturing license. Representative of M/s Sazgar Engineering highlighted SRO clause related to "Independent Manufacturing Facility" and advised earlier completion of the project. Vice President Honda Atlas Cars Ltd emphasized that new investors under ADP 2016-21 may be facilitated.

In reply to a question by representatives of M/s MG, Senior Manager, IMC said that CKD ordering can be scheduled by the company without issuance of Manufacturing Certificate. This was endorsed by other participants also. Furthermore, starting the bookings etc is company's commercial decision. It was highlighted by the participants that the recent SRO regarding reimbursement in case of delayed deliveries is applicable to such bookings/deliveries, however, the SRO bounds EDB to issue manufacturing certificate and list of importable components upon completion of manufacturing



facilities only.

It was also highlighted by the participants that as the company is not facing any delay in establishment of independent manufacturing facilities, the final inspection/verification of facilities may be carried out upon completion in November 2022, meanwhile the company may approach EDB for submission of part catalogs and verification of list of importable components, which is a lengthy process for newly established manufacturing plants and can be carried out in parallel.

In reply to a question regarding use of ED Paint Facility of sister concern or the facility under construction, GM, MG JW Auto Park explained that all the manufacturing processes including paint will be carried out at new facilities. M/s MG was asked to specify their request in the light of discussion held in AIDEC, the representative of M/s MG explained that the foreign investors require the manufacturing certificate for their confidence to order CKD kits for future consumption. It was highlighted by participants that valid New Investment Agreement of the Company with MoIP should allay these concerns.

The representative of Chairman PAMA/Director, Ghandhara Industries emphasized that as EDB cannot issue Manufacturing Certificate to an incomplete manufacturing facility, letter of assurance may be issued to the firm to boost investor confidence. As the plant will be established within 2-3 months, the manufacturing certificate may be issued accordingly. The representative of Ministry of Science and Technology endorsed viewpoint of representative of Chairman PAMA.

In general, the house appreciated the commitment of M/s MG JW Auto Park towards Pakistan's automotive market and progress achieved so far by the company in establishing manufacturing facilities. The participants welcomed M/s MG as a new entrant in Pakistan's automotive market.

**Decision**

**“House recommended that issuance of manufacturing certificate may be carried out after completion of manufacturing facilities as per plan. House recommended that Letter of assurance may be issued to the company to boost investor confidence. Furthermore, AIDEC advised the firm to submit part catalogues & list of importable components to EDB for necessary verification and schedule the imports according to completion of manufacturing facility.”**

The meeting ended with the vote of thanks to and from the chair to all the participants. On behalf of the house, CEO EDB thanked the Federal Minister for I&P for taking out time from his busy schedule for gracing the forum on specific agenda items and sharing his thoughts on those matters.

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**Engineering Development Board**  
**(Policy Section)**

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**2<sup>nd</sup> meeting of Auto Industry Development & Export Committee**  
**On Tuesday 16<sup>th</sup> August, 2022, At Committee Room of EDB**  
**Attendance Sheet**

<b>S. No</b>	<b>Name</b>	<b>Designation</b>	<b>Company/Organization</b>	<b>Mobile No.</b>	<b>Email</b>
1.	Syed Murtaza Mahmood	Federal Minister	Ministry of Industries & Production	051-9212164	<a href="mailto:minister@moip.gov.pk">minister@moip.gov.pk</a>
2.	Mr. Raza Abbas Shah	CEO	Engineering Development Board	051-9201892	<a href="mailto:ceo@edb.gov.pk">ceo@edb.gov.pk</a>
3.	Mr. Asim Ayaz	Secretary (AIDEC)GM (Policy)	Engineering Development Board	0300-5322100	<a href="mailto:asim@edb.gov.pk">asim@edb.gov.pk</a>
4.	Mr. Abdus Samad	Dyputy Chief(LED)	Ministry of Industries & Production	0321-5078280	<a href="mailto:abdussamadmoip@gmail.com">abdussamadmoip@gmail.com</a>
5.	Mr. Usman Ali	Manager	Engineering Development Board	051-9210285	<a href="mailto:Usman@edb.gov.pk">Usman@edb.gov.pk</a>
6.	Dr. Saqib Nisar	Deputy Technological Advisor,	Ministry of Science & Technology	0300-2272919	<a href="mailto:saqibnasir@hotmail.com">saqibnasir@hotmail.com</a>
7.	Dr. Amjad Hussain	DG (R&D)	Higher Education Commission	0305-7107991	<a href="mailto:adhussain@hec.gov.pk">adhussain@hec.gov.pk</a>



8.	Mr. Sabir Jamal	Secretary (Tariff)	Federal Board of Revenue	0300-8954540	<a href="mailto:sbjamal@yahoo.com">sbj Jamal@yahoo.com</a>
9.	Mr. Muhammad Yasin Akhtar	Director	PSQA	0300-4348592	<a href="mailto:myasinakhtar@yahoo.com">myasinakhtar@yahoo.com</a>
9.	Mr. Ali Yar Khan	Section Officer (Tariff)	Ministry of Commerce	0519216326	<a href="mailto:Aliyarkhan.mcc@gmail.com">Aliyarkhan.mcc@gmail.com</a>
10.	Mr. Aman ullah Khan	Deputy Chief	Planning Commission	051-9101387	<a href="mailto:Amanmarwat1@gmail.com">Amanmarwat1@gmail.com</a>
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