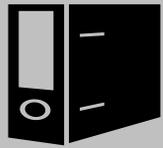




Sector Profile
Automotive and Auto-parts
manufacturing

Sector Brief



- ▶ Pakistan is home to the world's sixth largest population with a growing middle class. There are approximately 17 million middle class households and 102 million middle class individuals as of 2018.
- ▶ Pakistan's Automobile industry contributes 2.8% to its GDP and Rs. 30 billion to the national exchequer in terms of taxes and duties.
- ▶ There are 13 listed automobile companies on the PSX (Pakistan Stock Exchange) which include Al-Ghazi Tractors, Atlas Honda Ltd, Dewan Motors, Ghani Automobile, Ghandhara Ind., Ghandhara Nissan, Ghandhara Diesel, Honda Atlas Cars XD, Hinopak Motor, Indus Motor Co, Millat Tractors, Pak Suzuki and Sazgar Eng.
- ▶ Pakistan's automobile industry is one of the fastest growing in Asia owing to growing domestic demand. The production and sales have grown by 171% and 172.5% respectively between 2014 and 2018, much of which has been fueled by the Automotive Development Policy introduced in 2016.
- ▶ On 19 March 2016, Pakistan introduced the Automotive Development Policy 2016-21, which offers tax incentives to new automakers to establish assembling plants in Pakistan. In response, various car manufacturers/ assemblers have expressed their interest in entering the market including, but not limited to, Renault, Nissan, Kia, SsangYong, Volkswagen and Hyundai.
- ▶ Keeping in view the strong domestic demand and an attractive incentive policy, Renault and Hyundai have started setting up plants in Faisalabad and KIA has selected Karachi to set up its facility. Nissan is also planning its comeback with newer vehicle range.
- ▶ The average annual FDI received in the automotive sector between 2008 and 2018 has been \$50m.

2.8%

Automobile
Contribution to
GDP

6th largest population in the
world

207.8m

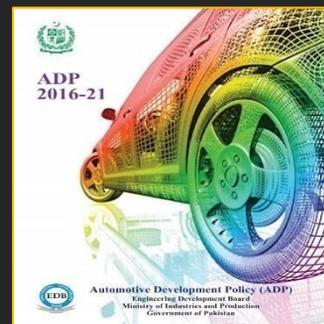


**Multinational
Automobile
Companies**

13 listed automobile
companies on the
Pakistan Stock
Exchange

+170%

Production and
sales between 2014
and 2018 grew by
171% and 172.5%
respectively



ADP

2016-2021



Major
Automobile
brands setting up
their Assembling
Plants in Pakistan

**KIA
Renault
Nissan**

\$49.2m

Foreign Direct
investment in
2018



Market Structure and Dynamics



Broad level Structure:

1. Automobile Companies
2. Assembling and Manufacturing Units
3. Automotive Parts Manufacturing
4. Passenger Car market



Automobile Companies

There are 13 listed companies on PSX. These are Indus Motor Co (Toyota), Atlas Honda Ltd (Honda), Pak Suzuki Motors (Suzuki), Dewan Motors, Millat Tractors (Massey Ferguson), Ghani Automobile, Ghandhara Ind., Ghandhara Nissan, Al-Ghazi Tractors, Ghandhara Diesel, Honda Atlas Cars XD, Hinopak Motor, Sazgar Eng

Assembling and Manufacturing Units



The Automobile industry comprises of assembly and manufacturing units for production of cars (3 units; 1 in Lahore, 2 in Karachi), tractors (8 units), trucks/buses (10 units), jeeps (2 units), LCV's/pickups/vans (8 units), two/three wheelers (113 units).



Auto Parts Manufacturing

The downstream vending industry comprises of around 2,200 part manufacturers out of which 400-500 are in the organized sector. There are two segments in the auto parts sector: Sales to OEM's for the assembly of new cars, and the replacement market. The OEM's provide a blueprint that is manufactured to exact specifications required by the local firms.

Passenger Car Market

In the Passenger Car section, 1300 cc and above cars occupy the largest share (52%) followed by 800cc cars with (36%) and 1000cc cars with (10%)

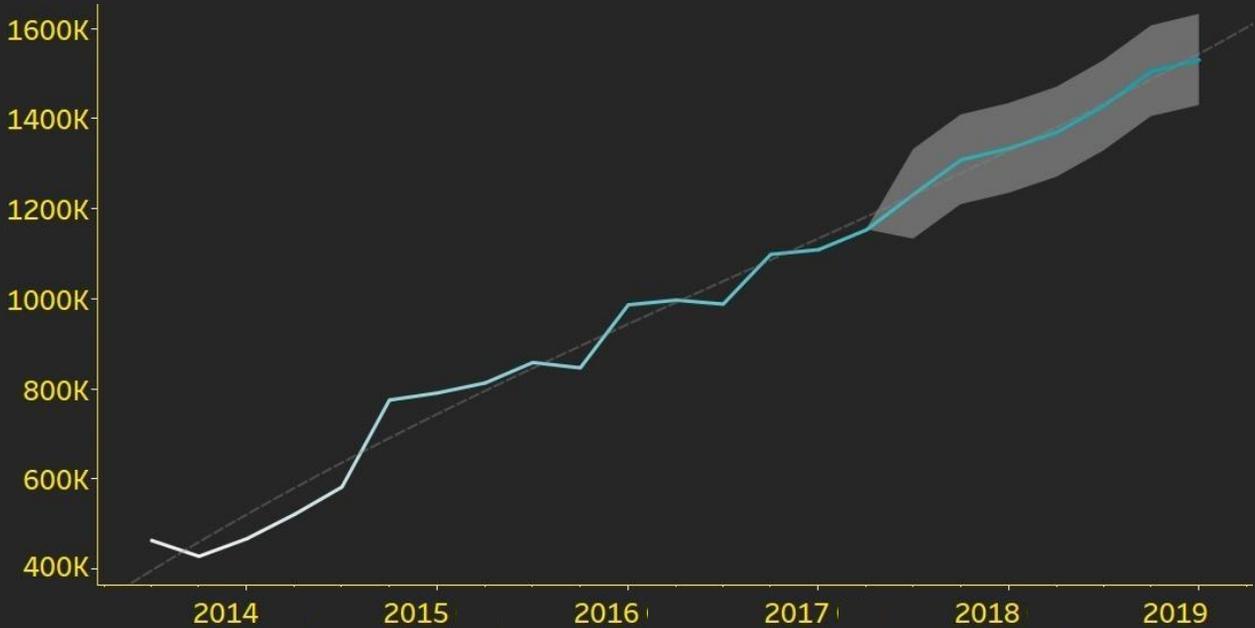


There are several instances of technical collaboration of local parts manufacturers with foreign firms . These collaborations result in knowledge spill-overs in the production process and the certainty of orders that allows the part manufacturers to undertake investments. There is immense potential to invest in spare parts for the automotive industry to serve the growing production need of locally assembled automobiles.

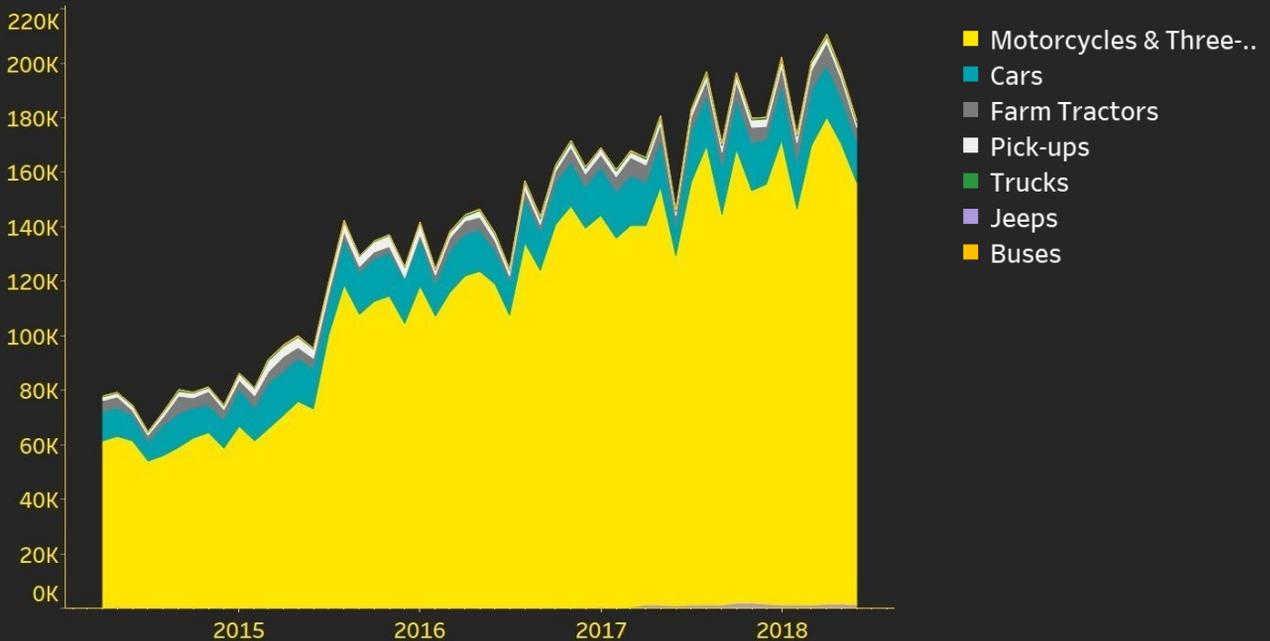
Trend analysis



Vehicle Sales Trend from 2014 to 2018 (with forecast) - Rapid Growth in Vehicle Sales



Vehicle Sales Trend from 2014 to 2018 by Vehicle Type – No. of Units



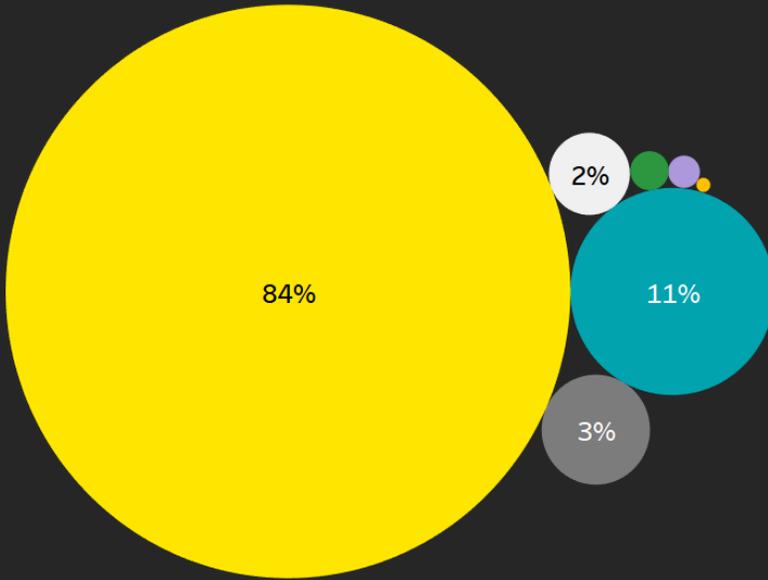
.....consistent growth in vehicle sales
with 2-3 wheelers leading the trend

Trend analysis



Breakdown of Vehicle Sales (%) by Vehicle Type (2014-2018) – No. of Units

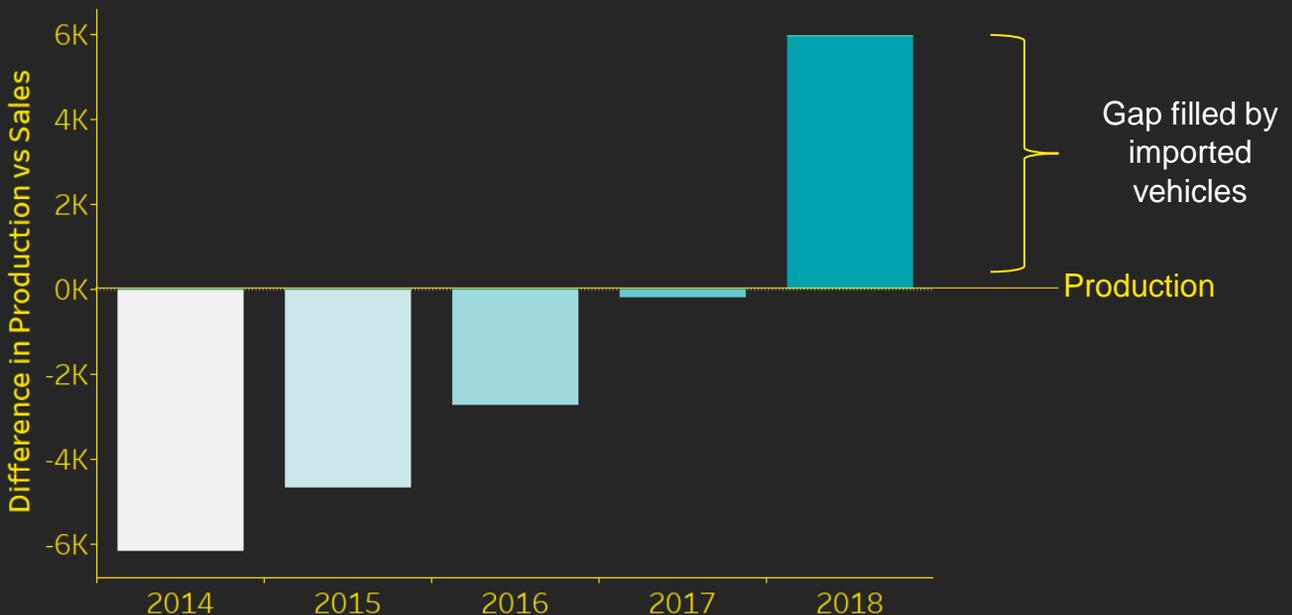
- Motorcycles & Three-Wheel..
- Farm Tractors
- Trucks
- Buses
- Cars
- Pick-ups
- Jeeps



Exact Sales by Vehicle Type

| | |
|-----------------|-----------|
| Motorcycles &.. | 5,870,924 |
| Cars | 766,553 |
| Farm Tractors | 216,071 |
| Pick-ups | 120,776 |
| Trucks | 27,403 |
| Jeeps | 18,722 |
| Buses | 3,622 |

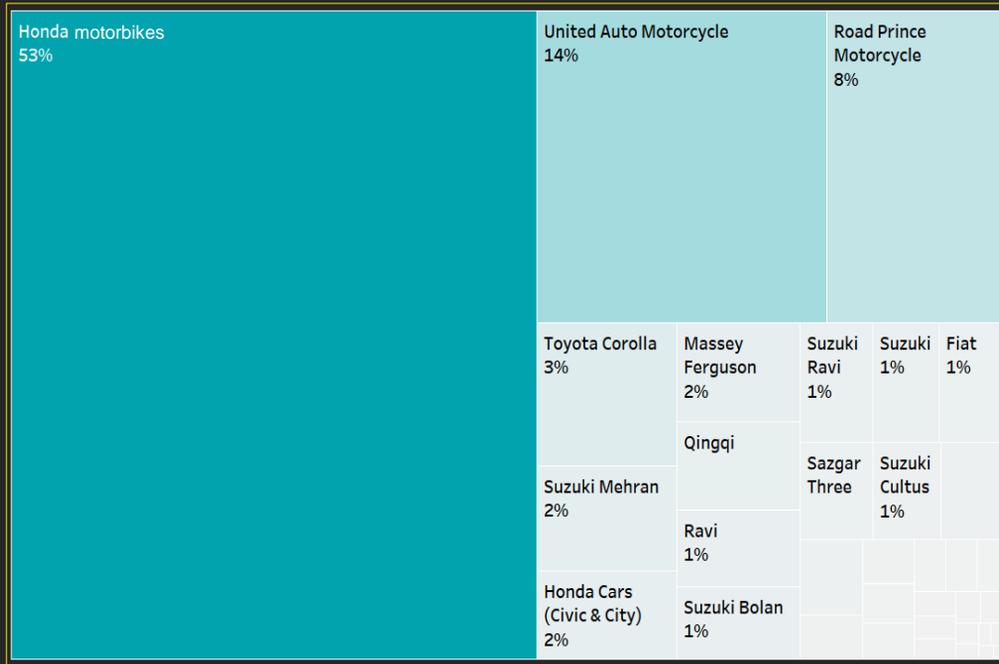
Difference Between Production and Sales Quantity (2014-2018) - No. of Units



Trend analysis

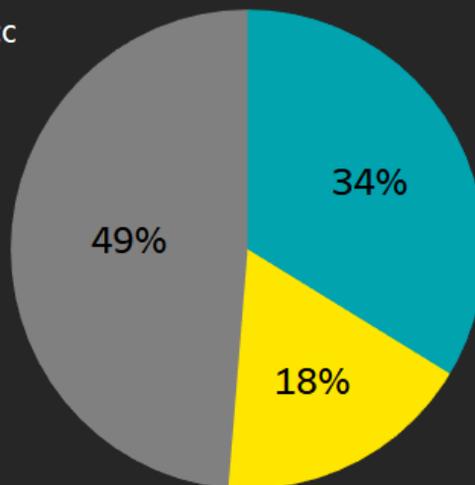


The Market Share in % by Vehicle Make – No. of Units



Vehicle Sales Breakdown by CC Class – No. of Units

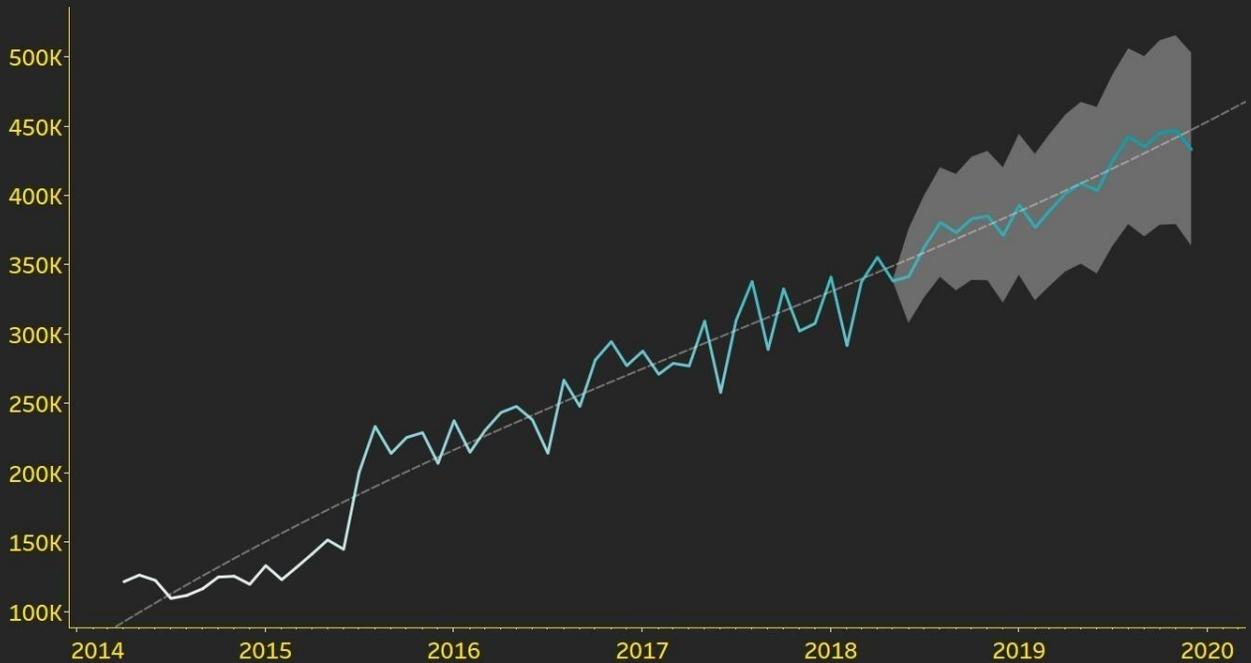
- 800 cc & Below 1000cc
- 1000 cc
- 1300 and Above



Trend analysis – Motorcycles & Three-Wheelers

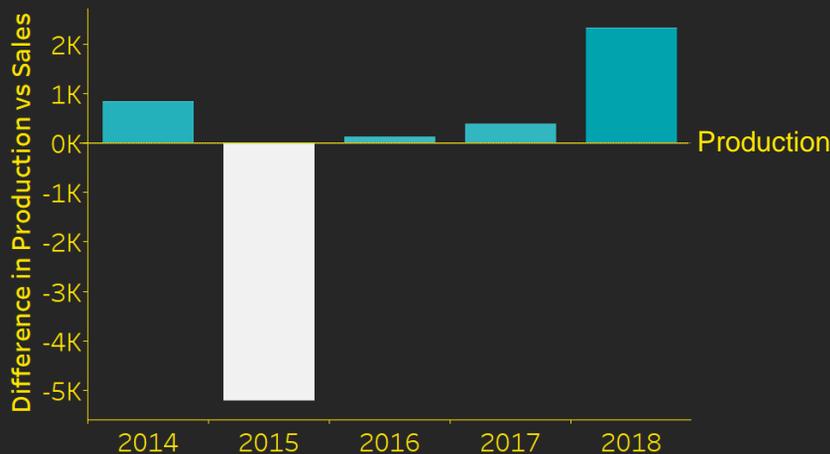


Motorcycles & Three-Wheelers - Sales Trend & Forecast (2014 to 2018) – No. of Units



Difference Between Production and Sales Quantity of Motorcycles & Three-Wheelers (2014-2018) – No. of Units

Motorcycles & Three-Wheelers Sales by Vehicle Make – No. of Units

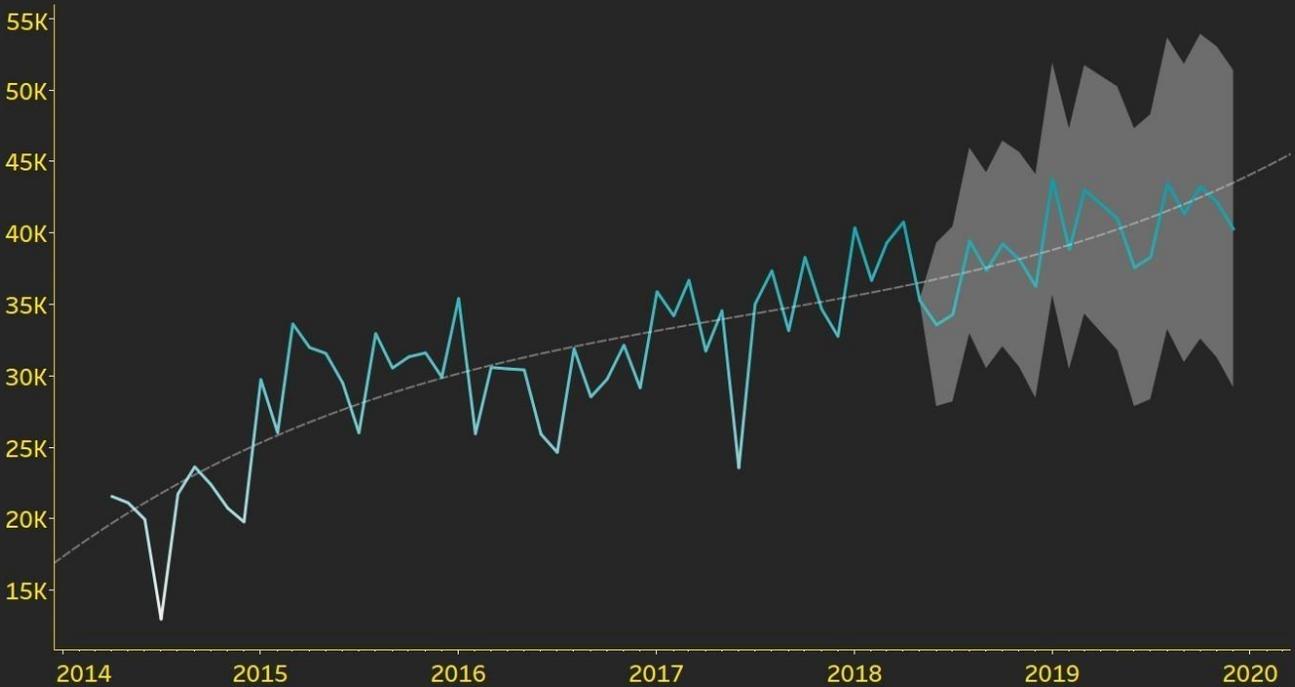


| | |
|----------------------------------|------------------|
| Honda | 7,460,663 |
| United Auto Motorcycle | 1,990,207 |
| Road Prince Motorcycle | 1,187,668 |
| Qingqi Three-Wheeler | 237,288 |
| Ravi | 206,572 |
| Suzuki | 172,572 |
| Sazgar Three Wheeler | 154,946 |
| Yamaha | 103,121 |
| DYL Motorcycles | 60,791 |
| Road Prince ThreeWheeler | 44,576 |
| United Auto Three Wheeler | 40,625 |
| Hero | 35,987 |
| Sohrab | 18,972 |
| Sohrab Three-Wheeler | 17,045 |
| Qingqi | 7,835 |
| Habib | 4,509 |

Trend analysis - Cars

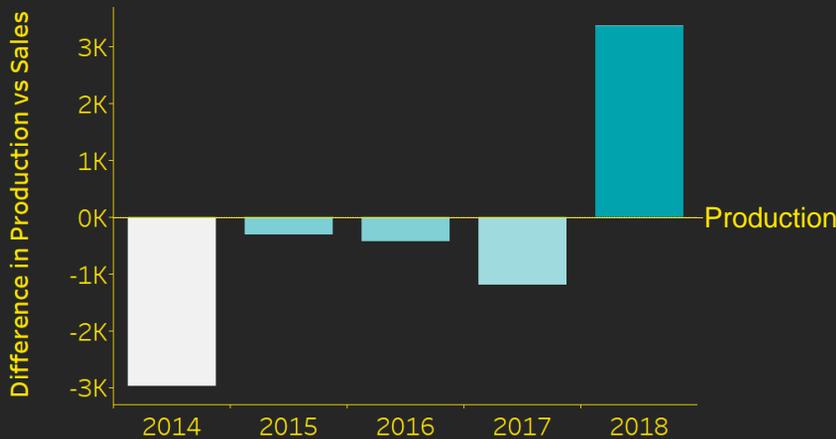


Cars Sales - Trend & Forecast (2014 to 2018) – No. of Units



Difference Between Production and Sales Quantity of Cars (2014-2018) – No. of Units

Car Sales by Vehicle Make – No. of Units

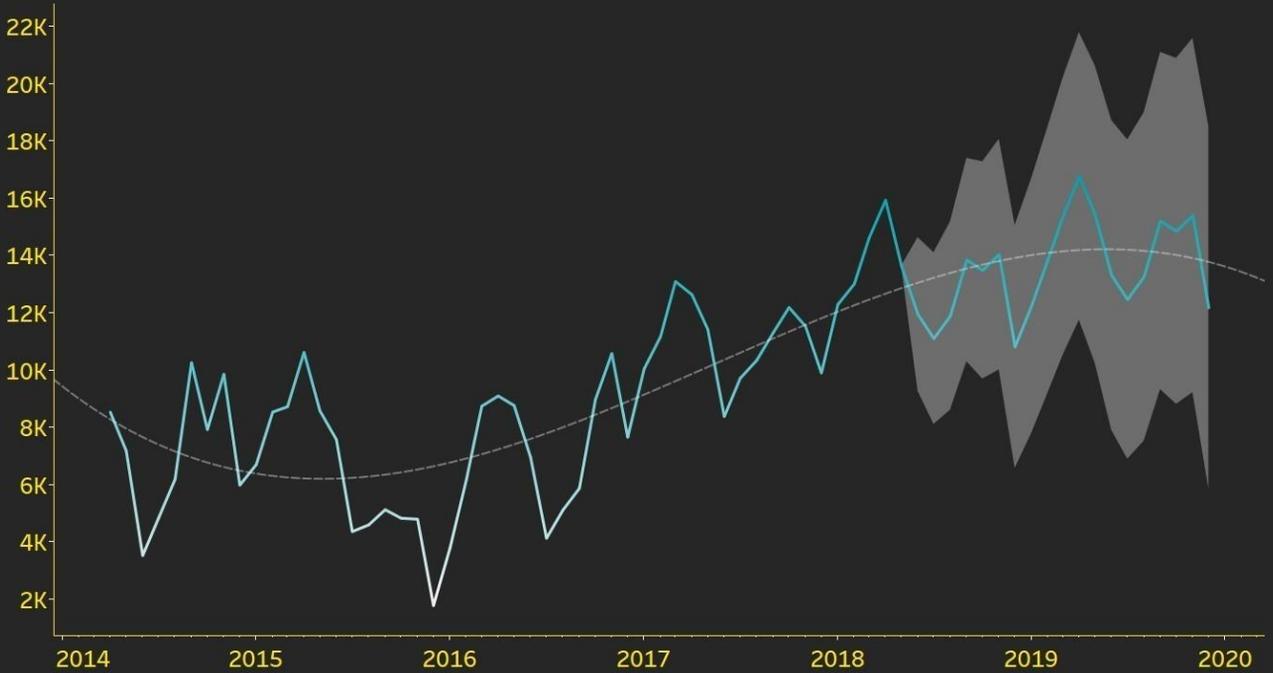


| | |
|---------------------------|---------|
| Toyota Corolla | 437,613 |
| Suzuki Mehran | 320,600 |
| Honda Cars (Civic & City) | 271,532 |
| Suzuki Bolan | 197,516 |
| Suzuki Cultus | 143,165 |
| Suzuki WagonR | 127,702 |
| Suzuki Swift | 36,355 |
| Hyundai Santro | 111 |
| Suzuki Liana | 61 |

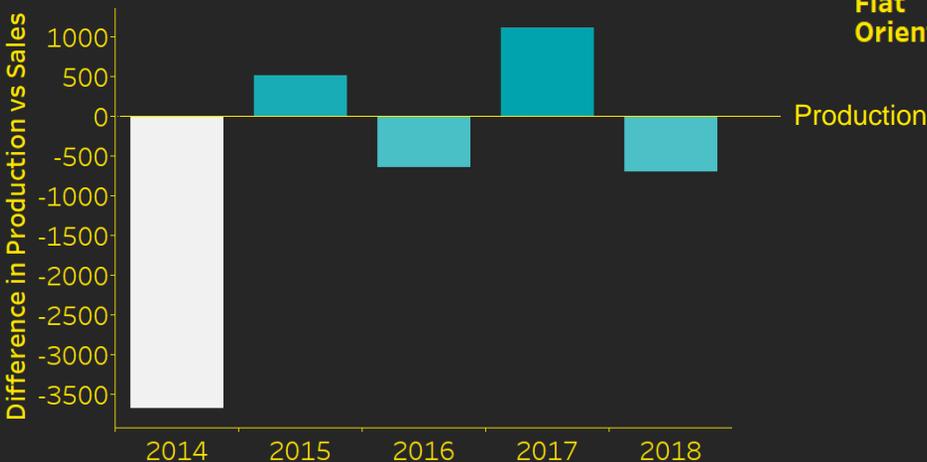
Trend analysis – Farm Tractors



Farm Tractors – Sales Trend & Forecast (2014 to 2018) – No. of Units



Difference Between Production and Sales Quantity of Farm Tractors (2014-2018) – No. of Units



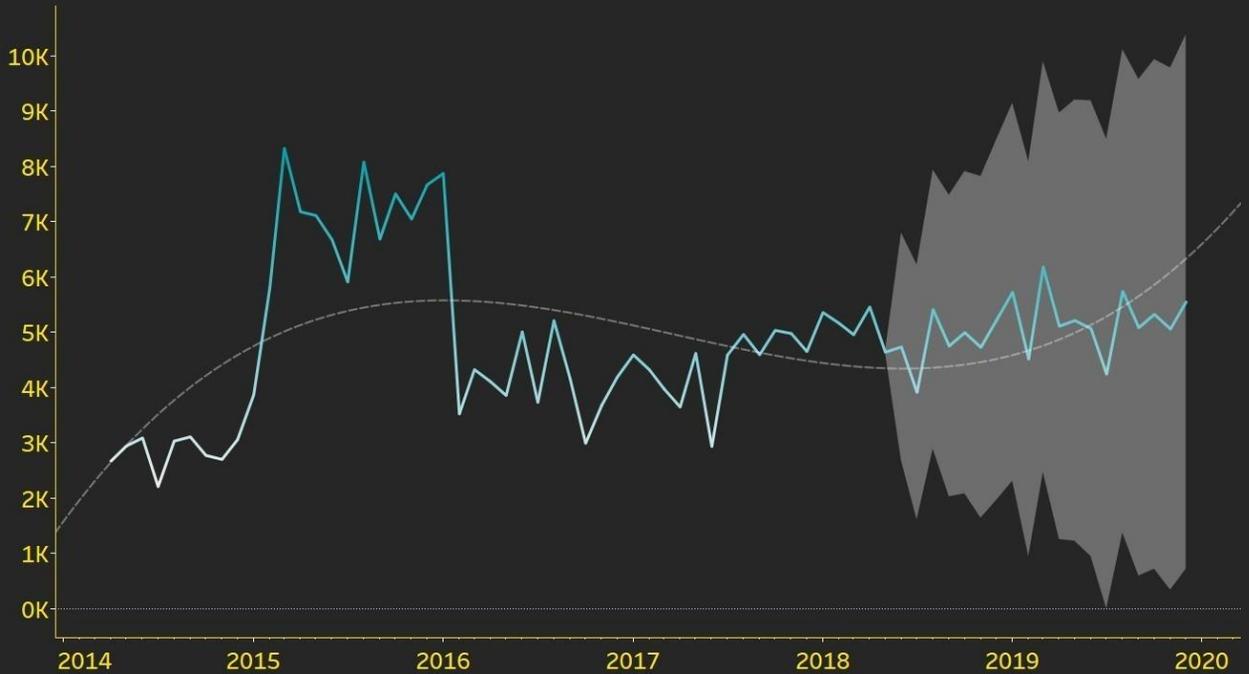
Farm Tractors Sales by Vehicle Make – No. of Units

| | |
|---------------------------|---------|
| Massey Ferguson | 267,985 |
| Fiat | 161,277 |
| Orient IMT Tractor | 6,282 |

Trend analysis – Pick-ups

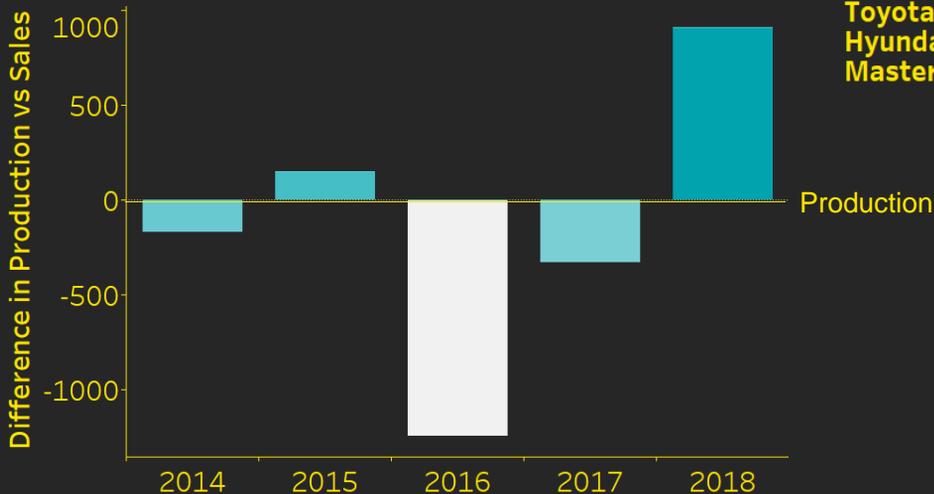


Pick-ups – Sales Trend & Forecast (2014 to 2018) – No. of Units



Difference Between Production and Sales Quantity of Pick-ups (2014-2018) – No. of Units

Pick-ups Sales by Vehicle Make – No. of Units



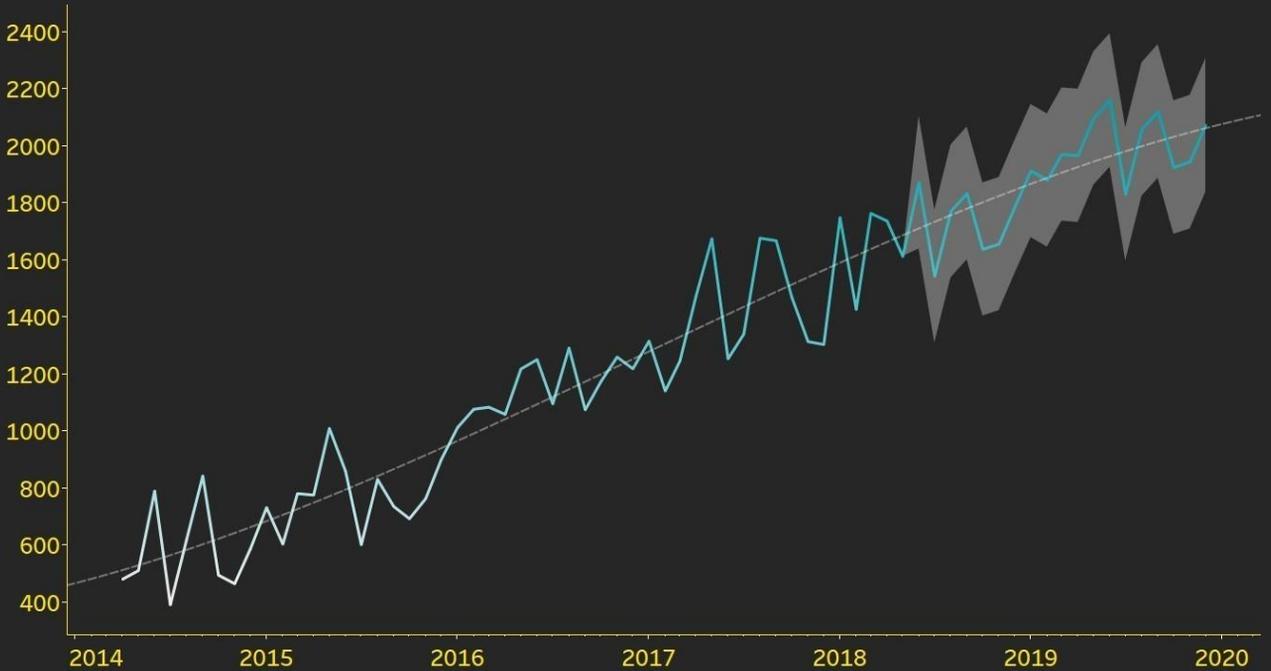
Suzuki Ravi
Toyota Hilux
Hyundai Shehzore
Master

| |
|---------|
| 191,746 |
| 50,410 |
| 68 |
| 19 |

Trend analysis - Trucks

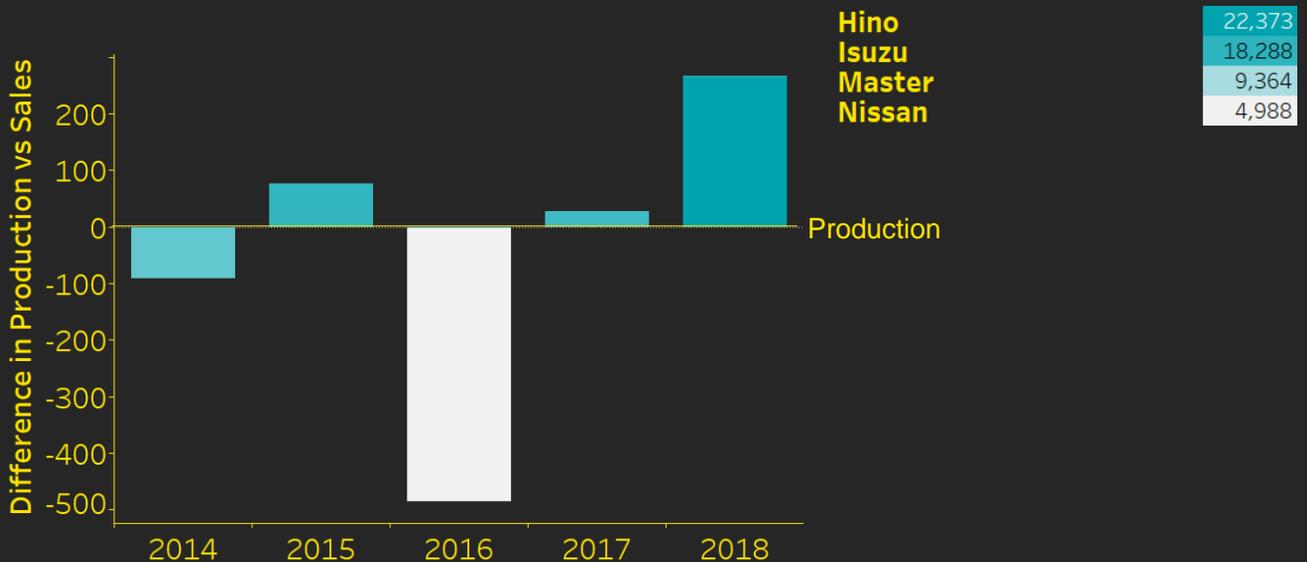


Truck - Sales Trend & Forecast (2014 to 2018) – No. of Units



Difference Between Production and Sales Quantity of Truck (2014-2018) – No. of Units

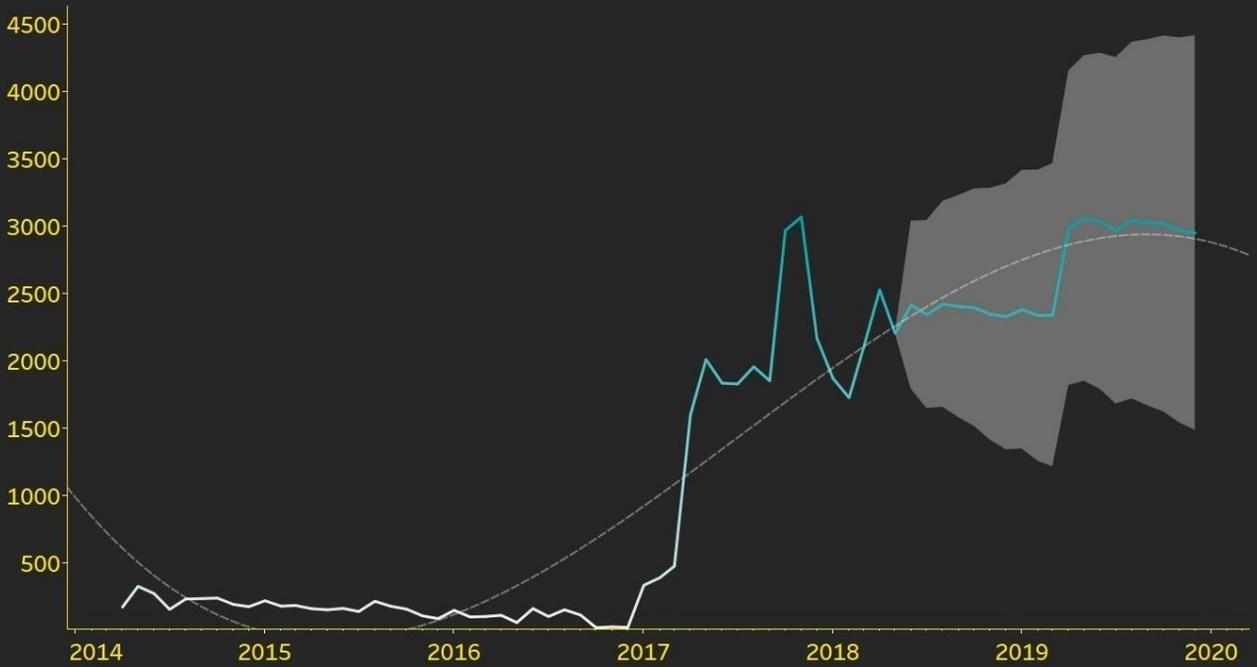
Truck Sales by Vehicle Make – No. of Units



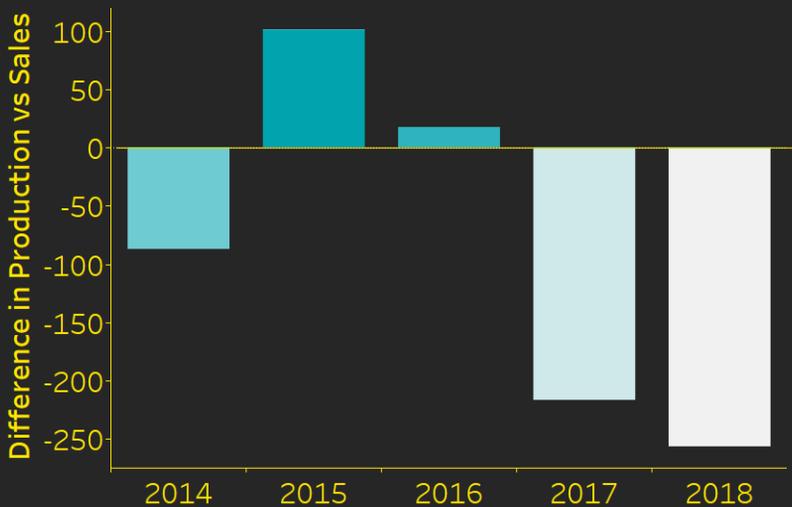
Trend analysis - Jeeps



Jeeps - Sales Trend & Forecast (2014 to 2018) – No. of Units



Difference Between Production and Sales Quantity of Jeeps (2014-2018) – No. of Units



Jeeps Sales by Vehicle Make – No. of Units

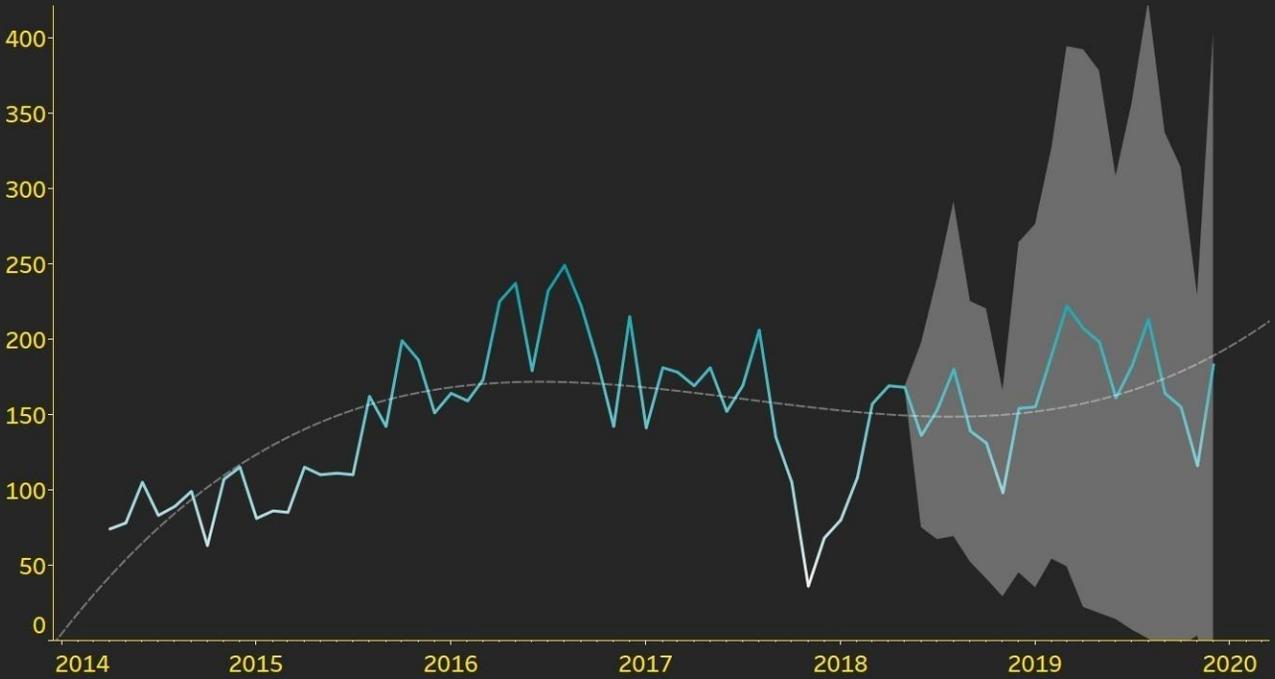
| | |
|------------------------|--------|
| HONDA BR-V | 22,181 |
| Toyota Fortuner | 13,866 |
| Sigma Defender | 1,838 |

Production

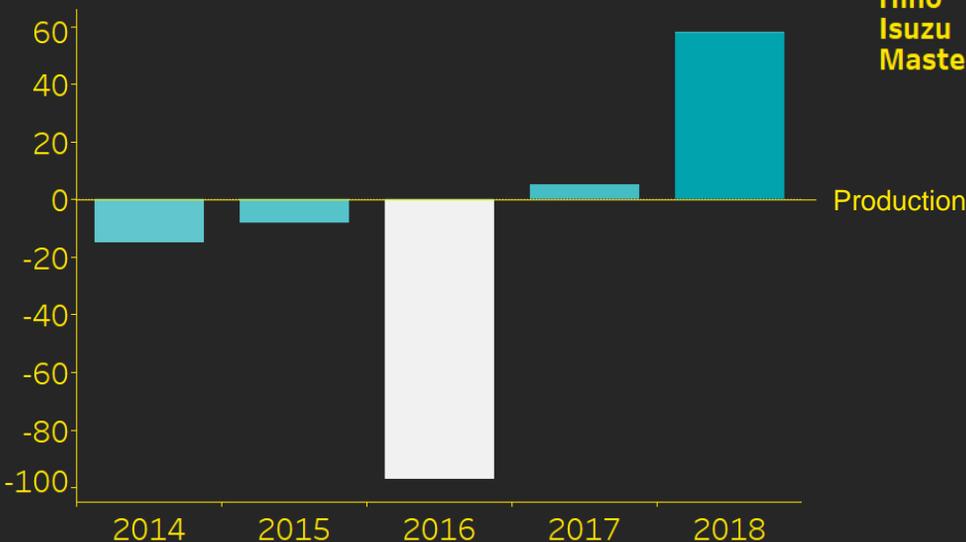
Trend analysis - Buses



Buses - Sales Trend & Forecast (2014 to 2018) – No. of Units



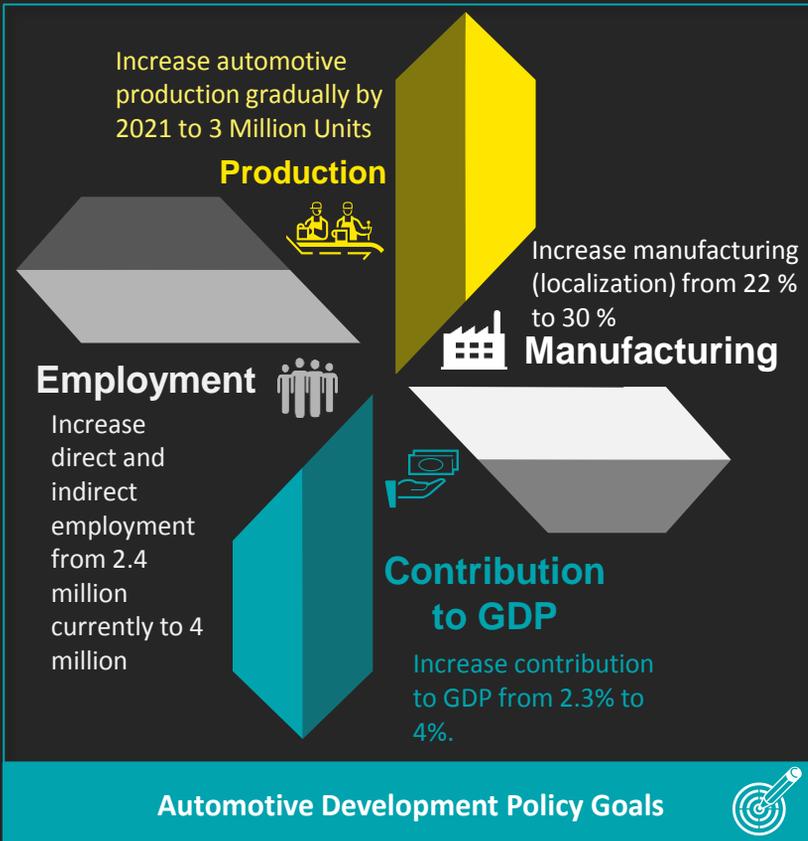
Difference Between Production and Sales Quantity of Buses (2014-2018) – No. of Units



Buses Sales by Vehicle Make – No. of Units

| | |
|--------|-------|
| Hino | 4,896 |
| Isuzu | 1,374 |
| Master | 1,031 |

Opportunities & Reasons to Invest



Key highlight ☆
The demand, i.e. sales has outgrown the production in the first half of 2018.

Automotive development policy production goals

- Increase automotive production by 2021 to:
- **Cars/Vans/Jeeps:** 350,000
 - **LCVs:** 79,000 units
 - **Trucks:** 12,000 units
 - **Buses:** 2,200 units
 - **Tractors:** 88,000 units
 - **Motorcycles:** 2,500,000 units

- ▶ Pakistan has 17 million middle class households and 102 million middle class individuals which represents a huge market that is yet to be tapped completely.
- ▶ There is a consistent increase in disposable incomes in the rural-urban sectors.
- ▶ Auto financing has increased substantially, doubling from Rs.20 billion in 2014 to over Rs.40 billion year-to-date in 2018.
- ▶ The Pakistani Auto industry has recorded a 171% growth rate in production and a 172.5% growth rate in Sales between 2014 and 2018 which depicts the booming demand for automobiles in the country.
- ▶ The Automotive Development Policy (2016-21) has provided the much awaited fuel to the foreign automobile companies to establish their plants in Pakistan. Market expansion is to be achieved by lowering entry thresholds creating an investment conducive environment for foreign firms to enter the market and compete.
- ▶ Interventions under the China Pakistan Economic Corridor (CPEC) and other mega projects e.g. the Karachi – Lahore Motorway provide a huge opportunity for the corporatization of the trucking sector by incentivizing fleet operation schemes. The State Bank of Pakistan will dedicate funding at reduced interest rates to enhance volumes of the industry.
- ▶ The entrance of transportation network companies Uber and Careem into the local market has spurred vehicle purchases particularly for the 1000cc (and lower capacity) passenger cars.



Automotive Development Policy (2016-2021)

The salient features of this policy are:

- Lowered entry threshold for new investment
- Creation of an enabling tariff structure, reduction of import duty on localized and non-localized components
- Rationalized automobile import policy;
- Establishment of Pakistan Automotive Institute (PAI) for research on quality improvement, safety inspection and environmental preservation as well as the development of a technical database.
- Truck financing by commercial banks and incentivized fleet operations



A Bright Future Ahead for Pakistan's Automotive Industry



Categories of New Investment



Greenfield Investment



Greenfield Investment is defined as the installation of new and independent automotive assembly and manufacturing facilities by an investor for the production/ assembly of vehicles of a make not already being assembled/ manufactured in Pakistan. [Note: "Make" is defined as any vehicle of whatever variant produced by the same manufacturer.]

Brownfield Investment



Brownfield Investment is defined as revival of an existing assembly and/ or manufacturing facility that is non-operational or closed on or before July 01, 2013 and the make is not in production in Pakistan since that date. The revival is undertaken either independently by original owners or new investors or under joint venture agreement with foreign principal or by foreign principal independently through purchase of plant.

Duty-free import of plant and machinery for setting up the assembly and / or manufacturing facility on a one-time basis;

Import of 100 vehicle of the same variant in CBU form at 50% of the prevailing duty for market testing after ground breaking

Concessional rate of custom duty at 10% on non-localized parts for a period of five years for the manufacturing of Cars and LCVs;

Concessional rate of custom duty at 25% on localized parts for a period of five years for the manufacturing of Cars and LCVs;

Import of all parts (both localized and non-localized) at prevailing customs duty applicable to non-localized parts for manufacturing of trucks, buses and prime-movers for a period of three years;

The existing policy for Motorcycle industry as approved by the government and notified by FBR vide SRO 939(I)/2013 and SRO 940(I)/2013 shall continue;



Incentives



Import of non-localized parts at 10% rate of customs duty for a period of three years for the manufacturing of Cars and LCV's;

Import of localized parts at 25% duty for a period of three years for the manufacturing of Cars and LCVs;

Import of localized parts at prevailing customs duty applicable to non-localized parts for manufacturing of trucks, buses and prime-movers for a period of three years;

Import of non-localized parts at prevailing customs duty applicable to non-localized parts for manufacturing of trucks, buses and prime-movers for a period of three years.

Greenfield

Brownfield

Areas to Invest



The following vehicle types provide huge opportunities owing to the booming demand for automobiles across the country.

Jeeps (4x4)



- ▶ As of April 2018 there has been a **499%** increase in sales of Jeeps (4x4) when compared to sales in April 2014.
- ▶ One standout feature has been the sales of Toyota Fortuner which stand at an increment in sales by **1,666%** as of April 2018 when compared to sales in April 2014.

Trucks



- ▶ As of April 2018 there has been a **262%** increase in sales of trucks when compared to sales in April 2014.
- ▶ One Standout feature has been the sales of Hino trucks which stand at an increment in sales by **262%** as of April 2018 when compared to sales in April 2014.

Motorcycles



- ▶ As of April 2018 there has been a **193%** increase in sales of motorcycles when compared to the amount of sales in April 2014.
- ▶ One standout feature has been the sales of Honda Motorcycles which stand at an increment in sales by **124%** as of April 2018 when compared to the amount of sales in April 2014.

Pick-ups



- ▶ As of April 2018 there has been a **104%** increase in sales of pickups when compared to the amount of sales in April 2014.
- ▶ One standout feature has been the sales of Suzuki Ravi pickup vans which stand at an increment in sales by **83%** as of April 2018 when compared to the amount of sales in April 2014.

Cars



- ▶ As of April 2018 there has been a **89%** increase in sales of passenger cars when compared to sales in April 2014.
- ▶ One standout feature has been the sales of Toyota Corolla which stand at an increment in sales by **96%** as of April 2018 when compared to sales in April 2014.

Tractors



- ▶ As of April 2018 there has been a **87%** increase in sales of tractors when compared to sales in April 2014.
- ▶ One standout feature has been the sales of Millat tractors (Massey Ferguson) which stand at an increment in sales by **78%** as of April 2018 when compared sales in April 2014.

Impact of CPEC



Trade route build under CPEC will have a significant impact on Pakistan's automotive sector.



Incentives to Chinese companies to start operations in Pakistan

1

Long-term tax concessions for Chinese companies operating at the port of Gwadar on the Arabian Sea. Chinese companies will be exempt from customs duty for 40 years for the importing of equipment and materials used for the development of the port and free zone.

Cheaper imports from China

2

After the development and initiation of the One-Belt, One Road initiative, Pakistan can import automotive parts and CKD kits from China at a cheaper cost, reducing the cost of production and increasing competitiveness.

Greater need for transportation vehicles

3

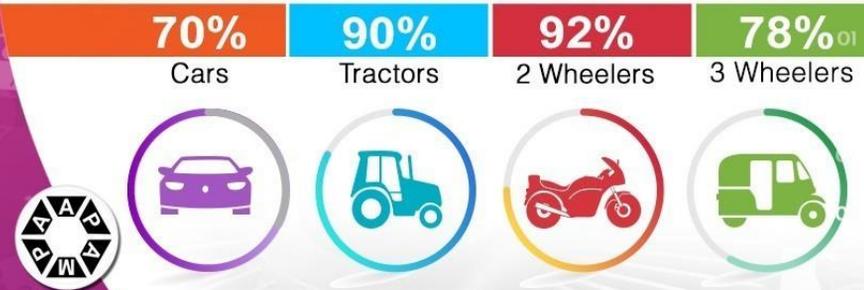
Pakistan will become a trade hub that is located strategically in the crossroads of Asia. With Pakistan emerging as a possible transit trade hub there will be a greater need for transportation vehicles, especially trucks and lorries

Auto parts



- ▶ The auto part industry supports the supply chain of the rapidly growing automobile assembly industry in Pakistan.
- ▶ There is a significant diversity in the type of auto parts demanded and hence immense opportunity and incentive to produce such parts in Pakistan. This is especially true because of heavy tariff structure on imports of spare parts, consequently incentivizing localization of parts.
- ▶ To support the auto parts industry, Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM) was formed in 1988 to represent the industry and to provide technical & management support to its members.

Percentage of
Parts
Manufactured
locally



Exports by PAAPAM Members

Current Exports
US\$ 175 Million
Exported to 57 Countries



Investments by PAAPAM Members

Current Investments
Rs. 200 billion



Auto parts statistics and trends



Currently, only 4% of the auto-parts manufactured in Pakistan are exported, whereby the major export market is Europe and Asia.

Due to the lower cost of production, Pakistan has a competitive advantage in the manufacturing or assembly of auto parts.

There is a significant incentive to invest in the ancillary services for the automotive industry and develop the end to end supply chain. Honda, Toyota and Suzuki are already localizing a number of spare parts used in the assembly of their vehicles.

The influx of new automotive companies to Pakistan will lead to a higher demand for auto parts as there are significant incentives for localizing parts.

The auto policy provides tax and duty incentives for 5 years to the new entrants. During these 5 years, these new entrants will need to establish their supply chains to compete with the existing players in the market. Therefore, there are immense opportunities for auto part manufacturers to partner with these new entrants to establish their supply chains.

2,283 spare part units in the country, 83 assemblers and 2,200 manufacturers.

As per PAAPAM, 450 parts manufacturers are Tier 1, 425 are Tier 2 and there are 1,325 replacement market suppliers.

Auto parts manufacturing was confirmed as a growing sector in a study conducted by the Punjab Skills Development Program. In their survey, they found that 85% of the sector experts project the growth rate to be positive.

During recent years, the technology in this sector has developed significantly which has led to an increased growth rate.

In a survey of auto part manufacturers in Pakistan, 81% of the metal part manufacturers quoted **industrial automation** as being the most significant technological innovation that had an impact on them.

Other emerging technologies were as follows:

- Pressure die casting
- CO² and spot welding
- Use of power hydraulic press
- Iron casting



Success Stories



RENAULT

Groupe Renault and Al-Futtaim Group



Pakistan is set to see the entry of another major auto player with the announcement by Groupe Renault and Al-Futtaim that they have signed definitive agreements for the exclusive assembly and distribution of Renault vehicles in Pakistan.

- ▶ By partnering with Al-Futtaim, Groupe Renault aims to become a major player in Pakistan. They aim to bring their latest products and cutting-edge technology and set new benchmarks of safety and quality in the Pakistani market.
- ▶ The agreements will see Groupe Renault bring its latest products and technological know-how, while Al-Futtaim, through its new subsidiary Al-Futtaim Automotive Pakistan (Private) Limited is establishing a new manufacturing and assembly plant, and will be exclusively distributing Renault cars.
- ▶ The design and pre-engineering work of the project is well underway, and on-site activities will commence shortly. The formal launch of the facility's construction will be in the fourth quarter of 2018.
- ▶ Once construction work is completed, the assembly plant will have a total installed capacity of over 50,000 units per annum. Al-Futtaim and Renault expect that the factory will commence production in 2020.

Facility location

M-3 Industrial City in Special Economic Zone Faisalabad. Expected to commence production in 2020

"Renault is renowned for the safety and quality of its cars. We will bring cutting-edge and leading European technology to the Pakistani consumer through a modern distribution and dealership network,"

Yasser Alvi, CEO of the Al-Futtaim Renault Pakistan project.

"Al-Futtaim is fully committed to the Pakistani market and to this project,"

Colin Cordery, Senior Managing Director of Al-Futtaim Automotive International



Potential Vehicle Types that will be offered

| | | | | |
|--------|--------|-------|-------|------|
| Duster | Captur | Lodgy | Pulse | Kwid |
|--------|--------|-------|-------|------|

Capacity

50,000 units per annum



1 >

Automotive Development Policy (2016-2021)



2 >

Greenfield Investment



3 >

Renault

Success Stories



Nissan



- ▶ The Company was incorporated in 1981 as a Private Limited Company having the sale license for the distribution of Nissan vehicles in CBU condition in Pakistan, later in 1992 it was converted in to a Public Company listed in Karachi Stock Exchange.
- ▶ Nissan Motor Company Ltd, a Japanese multinational carmaker headquartered in Nishi-ku, Yokohama, struck a manufacturing and licensing agreement in March, 2018, with Ghandhara Nissan Ltd, its automotive partner in Pakistan, for local production of Datsun models. Now, both companies plan to work together to develop Ghandhara's facilities in Karachi's Port Qasim in to a world-class manufacturing plant.
- ▶ Ghandhara Nissan plans to launch production of Datsun model cars in Pakistan with an investment of Rs 4.5 billion over the next four years, while sales of the first locally built vehicles were expected to begin within the fiscal year 2019 -20.
- ▶ Ahmed Kuli Khan Khattak, CEO Ghandhara Nissan, said that this agreement would introduce world-class facilities and the best of Japanese engineering technologies.
- ▶ "Company's share price has already increased close to 40% on the news that it would launch Datsun vehicles," said Faisal Jawed, head of sales at IGI Securities.

Facility location

M-3 Industrial City in Special Economic Zone Faisalabad.

"We are confident that, with the close collaboration and support of the Pakistani government, this will deliver sustainable benefits for the national economy, customers, partners and Nissan."

Peyman Kargar, Senior Vice President Nissan

Capacity

30,000 units per annum



1 >

Automotive Development Policy (2016-2021)



2 >

Brownfield Investment



3 >

Nissan

Success Stories



Millat Tractors Ltd.

- ▶ Millat Tractors Ltd. is a Pakistani tractor manufacturer based in Lahore, Punjab, Pakistan since 1965. It is the authorized assembler and manufacturer of **Massey Ferguson** tractors in Pakistan.
- ▶ Millat Tractors was initially incorporated as **Rana Tractors and Equipment Limited** to import and market Massey Ferguson Tractors. In 1965, facilities were created in Karachi to assemble tractors from semi knocked down kits. In 1967, operations were shifted from Karachi to Lahore.
- ▶ In 1982 the company took a giant step towards self-sufficiency by setting up the first engine assembly plant in Pakistan. In 1984, sophisticated manufacturing facilities for the machining of intricate components were set up. These were previously not available in Pakistan.
- ▶ Currently, critical components like the engine block, sump, transmission case, axle housing, hydraulic lift cover, front axle support and center housing are all being machined successfully in-house at Millat Tractors from locally sourced castings.
- ▶ In 1992 Millat Tractors plant started its in-house production. The establishment of this modern plant not only increased production capacity to 16,000 tractors per year on a single-shift basis. In the 2009-2010 financial year, production shot up to 42,000 tractors, the highest sales of tractors ever in Pakistan for any company at the time.

Facility location

Millat Tractors Limited
Sheikhupura Road,
Shahdara Lahore.

“it is an outcome of the company’s commitment to support the farmers and accelerate the pace of farm mechanization in the country”

Sikandar Mustafa Khan,
Chairman Millat Tractors Ltd.

“the achievement of the production and sales record was a result of excellent team work within the company as well as all stakeholders,”

Irfan Aqueel, CEO Millat Tractors Ltd.

Product Offerings

| Tractors | Industrial & Commercial products | Agricultural Implements | Spare Parts |
|--------------|----------------------------------|-------------------------|-------------|
| MF 240 | Forklift Truck | Tine Tillers | All |
| MF 260 | Millat Generating Sets | Agricultural Loader | |
| MF 350 Plus | Prime Movers | Tipping Trailer | |
| MF 360 Turbo | | Offset Disc harrow | |
| MF 375 | | Post Hole Digger | |
| MF 385 | | Rice Puddler | |
| MF 385 FWD | | JF 1300 Grass head | |
| MF 455 | | Jib Crane/Front Blade | |

Capacity

40,000 tractors per annum



Success Stories



TOYOTA

Indus Motors Company Ltd.



- ▶ Indus Motor Company Limited (IMC) was incorporated in 1989 as a result of a joint venture agreement among some companies of House of Habib of Pakistan, Toyota Motor Corporation and Toyota Tsusho Corporation of Japan.
- ▶ The Company assembles and markets Toyota brand vehicles in Pakistan. The main product offerings include several variants of the flagship 'Corolla' in the passenger cars category, 'Hilux' in the light commercial vehicles segment and the 'Fortuner' Sports Utility Vehicle.
- ▶ The manufacturing facility and offices are located at a 105 acre site in Port Qasim Karachi, while the product is delivered to end customers nationwide through a strong network of 45 independent 3S Dealerships
- ▶ In its 29 years history since inception, IMC has sold more than 760,000 CBU/CKD vehicles and has demonstrated impressive growth, in terms of volumetric increase from a modest beginning of 20 vehicles per day production in 1993 to 240 units daily at present through the development of human talent embracing the 'Toyota Way' of quality and lean manufacturing.
- ▶ Over the years, IMC has made large scale investments in enhancing its own capacity and in meeting customer requirements for new products. Today, Corolla is the largest selling automotive Passenger car brand model in Pakistan and it also has the distinction.
- ▶ The Company has played a major role in the development of the entire value chain of the local auto industry and is proud to have contributed in poverty alleviation at the grass root level by nurturing localization that, in turn, has directly created thousands of job opportunities and transferred technology to over 60 vendors supplying parts.

Facility location

Port Qasim, Karachi.

"We don't make cars, we make people. Competition is always good. Today our products and services are compared with those that are not available till yet. This will give us a chance for further improvement"

Ali Asghar Jamali, CEO IMC Ltd.

"Start your own impossible. Toyota doesn't want to remain a car company but to emerge as a mobility company, one that embraces innovation and challenges"

Susumu Matsuda, President Toyota Motor Asia Pacific, DCEO China and Asia Region

Capacity

54,800 units per annum

Vehicle Types Offered

| Cars & MPV's | SUV's & Pickups | Buses & Vans |
|-------------------|---------------------------------|--------------|
| Corolla | Rush | Hiace |
| Prius | Fortuner | Coaster |
| Camry Hybrid 2018 | Revo | |
| Avanza | Hilux E/Hilux Single Cabin | |
| | Landcruiser/Landcruiser (Prado) | |
| | Landcruiser (Prado) | |



Key information



Companies operating in Pakistan

- ▶ Al-Ghazi Tractors
- ▶ Atlas Honda Ltd
- ▶ Dewan Motors
- ▶ Ghani Automobile
- ▶ Ghandhara Ind.
- ▶ Ghand Nissan
- ▶ Ghandhara Diesel
- ▶ Honda Atlas Cars XD
- ▶ Hinopak Motor
- ▶ Indus Motor Co
- ▶ Millat Tractors
- ▶ Pak Suzuki
- ▶ Sazgar Eng.



Companies starting their operations in Pakistan

- ▶ Renault
- ▶ Nissan
- ▶ Hyundai



Important websites

- ▶ <http://www.sbp.org.pk/>
- ▶ www.cpec.gov.pk
- ▶ <http://www.paapam.com/>
- ▶ www.pama.org.pk
- ▶ <https://www.atlashonda.com.pk/>
- ▶ www.toyota-indus.com/?lang=en
- ▶ <https://www.paksuzuki.com.pk/>



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Limitations



The information taken to prepare graphs and other statistics for analysis has been taken from credible websites such as Automotive associations, State Bank of Pakistan and World Bank. Although we have made all efforts to ensure that data is taken from credible sources, we have not tested the data for reliability, accuracy or completeness.

The analysis was performed describing the strengths of the sector from investor perspective. As such, improvement opportunities and matters for the attention of policy makers have not been highlighted as such in this document.

The trend analysis conducted in this sector profile is based on data from April 2014 to June 2018, from the Pakistan Automotive Manufacturers Association. The graphs have been prepared on a software platform (Tableau). This software was used to conduct forecasts for the next 2 years as well, based on the historical data. The graphs have been included as screenshots in this profile .

From an investor's point of view, the information in this sector profile is incomplete in order to convince someone to invest in Pakistan. Further sections need to be added to the actual website where these value propositions will be uploaded, which shows all steps that need to be taken to invest, starting from getting a visa, registering and starting a business, operating a business in Pakistan and other legal and regulatory requirements.