

PAAPAM Managing Committee Meeting

Meeting # 7

Committee Name : PAAPAM Central Managing Committee Meeting
Meeting Venue : PAAPAM HO & PAAPAM ZO via Zoom Link
Meeting Date : 3rd January 2024
Meeting Time : 03:00PM – 04:30PM

Participants:

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| 1. Mr. Abdul Rehman Aizaz | Chairman PAAPAM |
| 2. Mr. Mumshad Ali | SVC PAAPAM |
| 3. Mr. Taufiq A. Sherwani | VC PAAPAM |
| 4. Mr. Muhammad Nasim | MC Member |
| 5. Mr. Abdul Hamid | MC Member |
| 6. Mr. Rehan Riaz | MC Member |
| 7. Mr. Zain Ul Adbidin Shariq | MC Member |
| 8. Mr. Saad Sherani | MC Member |
| 9. Mr. Muhammad Anas Khan | MC Member |
| 10. Mr. Munir K. Bana | Former Chairman |
| 11. Mr. Shariq Sohail | Former Chairman |
| 12. Mr. Ghulam Murtaza | Secretary General |
| 13. Mr. Umair Nisar Malik | Coordinator |
| 14. Mr. Anas Haroon | Manager Events/ Manager CMS |



S #	Agenda Points	Decision / Discussion	Responsibility	Target Date	Status
1	Talawat	Mr. Umair Nisar Malik started the meeting with the Tilawat – e – Quran – e - Pak. Mr. Abdul Rehman Aizaz, Chairman of PAAPAM, welcomed the meeting participants.			
2	Confirmation of the last EC Meeting minutes.	The Minutes of the 6th EC meeting were already circulated and approved unanimously by the House. Mr. Abdul Rehman Aizaz proposed confirming the minutes, while Mr. Rehan Riaz Seconded it.			
3	To discuss the Commercialization of the head office	Mr. Taufiq Ahmed Sherwani briefed the House on the Commercialization process of the head office. He said that NOC from Westwood Colony had been applied while DG LDA had also been contacted and advised to submit 25% of the total amount of Rs. 7,000,000/- immediately to avoid any botheration. Now, we need to submit a Pay Order to LDA. Chairman Abdul Rehman Aizaz said that it was also approved in the past MC Meeting, so why had it been delayed? Mr. Taufiq Ahmed Sherwani said that we had booked our bank balance in mutual funds for three months, delaying the submission. But now the amount has been credited to our Account. The House felt, by Commercialization, that the value of our land would be appreciated. The bifurcation of plots will be done soon where PAAPAM HO and the side plot are located, and in total, it's 2 Canals. Mr. Azhar Ali, the owner of the second plot and himself, is also taken into			



		confidence for the Commercialization and bifurcation of these plots. Mr. Taufiq A. Sherwani proposed the Commercialization of the head office, while Chairman Abdul Rehman Aizaz seconded it.			
4	To approve the revised financial Policy of PAAPAM	Mr. Ghulam Murtaza, SG, displayed PAAPAM's revised financial Policy and highlighted that as per the DGTO's order, we need to create a central account for PAAPAM and park all the funds in the centralized Account. After some deliberations the matter was deferred to next meeting so that seniors from the both zones could detail out the natty grities.			
5	To discuss the CGO draft from EDB	Mr. Abdul Rehman Aizaz briefed us on the CGO update. The update had not been done for the past ten years. Eventually, SRO 693 and the CGO were opened to update. Two dimensions of the CGO List: - Any product being produced locally is not given concession to protect and promote localization. - The second is that PAAPAM Members receive concessions on importing raw materials and subcomponents. Any product added to CGO, removes all concessions superceeding any SRO involved. The Chairman cited the example of importing one adhesive from Europe for brake lining. One Manufacturer from Paint Adhesive was added in CGO, so our Auto grade adhesive was			



		hurt, and they were paying extra duty on the import of this part. - Mr. Abdul Rehman Aizaz said that PAAPAM would submit a comprehensive response to EDB by tomorrow. We also invited our members to submit their responses by tomorrow. Mr. Abdul Rehman Aizaz gave Mr. Muhammad Nasim time to clarify his parts at the 11 AM meeting tomorrow.			
6	To discuss the minutes of the meeting of AIDEC	Mr. Abdul Rehman Aizaz said that the minutes of the AIDEC meeting had already been circulated to all members. The Chairman PAAPAM furthered that these minutes should be circulated to all MC Members and senior members of both sides. He furthered the inside story of the meeting as: - The hot topic of this was that SRO 656 of OEMs was not revised as the target of EDB was exports. - Plants of different OEMs were shut down. - OEMs were asked to submit Export Plans to EDB as per the auto policy. - By 2026, every OEM has to Export 10% of their concessional imports. - AHL and MTL, due to high localization, didn't face any issues, and it's a topic of IORC revision. - CKD import will stop if this plan is submitted by the end of December 2023. Lucky Motors said that no such clause applies to us. EDB CEO said that we have a Policy and will apply it to you. EDB shall work according to the Policy.			



		- PAAPAM's Point of view was that the Policy should be applicable to everyone.			
7	To discuss the SRO 693's status	- Lucky Motors said that 50% localization is a must to qualify for SRO 693. Mr. Babar said that SRO 693 should be abolished if we want to promote exports. - Chairman Abdul Rehman Aizaz cross-opined that Exports was in front of you. Meanwhile, SRO 693 cannot be abolished in this meeting. Adopt the right procedure, and don't mix SRO 693 with Exports. Mr. Abdul Rehman Aizaz said that in my tenure 2.5 years ago, the Policy came in 2021, and 30% Local Value addition should be there to justify the SRO 693. They demolished the 30% formula, and 30% of FOB Value was taken. The Policy was effective, but OEMs and EDB ended it. He also said that in AIDEC, 30% of Formula had been demolished. The radiator of Thal Engg and the light from Auvitronics were proposed in the last SRO 693 meeting that should be included. But it wasn't included. This time, they proposed SRO 693 inclusion but said Volumes and Quality are not there. Chairman Abdul Rehman Aizaz said that we should follow SRO 693, 2-3 requirements for inclusion in SRO 693. - One OEM should be taking this part - 30% Localization content be there			



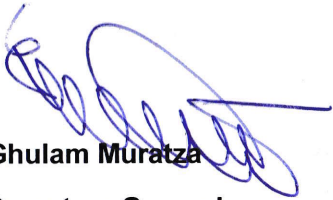
		- And the third requirement I don't remember now. Mr. Shafiq Ahmed Shaikh from PSMC also attended this meeting, and I said those were Non-Tariff Barriers and should not be stopped from inclusion in SRO 693. OEMS Policy is model-based localization, and it's a Non-Tariff Barrier. The suggestion was given to them by Chairman PAAPAM that localization could overcome pricing and volumes provided they worked together as an industry. If a part is being localized, all OEMs should work together to localize it. IF AHL takes its volumes, then it won't work. But all OEMs should work together. To localize any part included in SRO 693, all the volumes will be combined, and localization will be achieved. Mr. Shariq Sohail added that OEMs are pressing APMS. If we look at the minutes of AIDEC, Agneda item # 3, and the discussion on the proposed list of parts to be added in SRO 693, it is very alarming, and PAAPAM needs to take a very aggressive stance on this. He said that all MC members should study these minutes and prepare a solid response.			
8	To discuss the preparation and budget for PAPS 2024	Mr. Anas Haroon said that the dates for PAPS 2024 had been locked in the International Expo Center Lahore, i.e., 25-26-27 October 2024. While , the proposed budget is for holding the exhibition in two halls of Expo Center Lahore only. i.e. PKR. 59,511,600/- . In March 2024, the PAAPAM would be better positioned to go for			

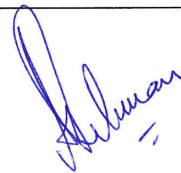


		three Halls of the Expo Center or not. So, this budget shall be revised accordingly. Three quotations, via Tender of PAPS 2024, in the newspaper were received, and PAPS OC would finalize one EMC in the next meeting. Mr. Rehan Riaz, Convener PAPS 2024 OC, invited Mr. Zain Shariq and other MC Members to attend the PAPS Launching Ceremony in the first week of March 2024. The House unanimously approved the above.			
9	To discuss the renovation and extension of the PAAPAM Zonal Office	The House unanimously accorded the Chairman PAAPAM proposed renovating and extending the PAAPAM Zonal Office while also enhancing the staff here. Mr. Mumshad Ali Seconded it. The house authorized the Chairman Mr. Abdul Rehman Aizaz to what is the necessary to purchase the space. To meet the regulatory requirements, the house unanimously adopted the below resolution: RESOLUTION "WHEREAS it is deemed necessary to undertake the acquisition of office premises for the Pakistan Association of Automotive Parts and Accessories Manufacturers (PAAPAM), located at Office No. 201, encompassing a total area of 1107 square feet, situated on the 2nd floor of Suleman Center, Brooks Chorangi, Sector 15, Korangi Industrial Area, Karachi; NOW, THEREFORE, BE IT RESOLVED that the Chairman, Mr. Abdul Rehman Aizaz, is hereby duly authorized by the Executive Committee to negotiate, make payments, effect the purchase, and oversee the			



		transfer of the aforementioned office premises in the name of PAAPAM."			
10	Any other point with the permission of the chair.	The meeting concluded with a vote of thanks to the Chair.			


Ghulam Muratza
Secretary General


Abdul Rehman Aizaz
Chairman