

PAAPAM Managing Committee Meeting

Meeting # 9

Committee Name : PAAPAM Central Managing Committee Meeting

Meeting Venue : PAAPAM HO & PAAPAM ZO via Zoom Link

Meeting Date : 5th May 2024

Meeting Time : 03:00PM – 05:00PM

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. Asad Naqvi | MC Member |
| 8. Syed Misbah Uddin | MC Member |
| 9. Mr. Saad Sherani | MC Member |
| 10. Mr. Muhammad Anas Khan | MC Member |
| 11. Mr. Ghulam Murtaza | Secretary General |
| 12. Mr. Umair Nisar Malik | AM Technical Support |
| 13. Ms. Muskan Asif | AM Marketing |



S #	Agenda Points	Decision / Discussion	Responsibility	Target Date	Status
1	Talawat	The meeting started with Tilawat – e – Quran – e - Pak. Mr. Abdul Rehman Aizaz Chairman PAAPAM welcomed the participants of the meeting.			
2	Discussion on Organizing a Mini Parts exhibition sponsored by OEMs around or on May 20 th , 2024	Mr. Abdul Rehman Aizaz Chairman PAAPAM gave a detailed background on the current scenario of the Automotive sector of Pakistan. informed the house about the current scenario of Automotive industry that sales of Tractors and 2-3 Wheelers are getting stable except for Chinese OEMs. The Car sales are still not getting better in this 2nd year and its vendors are suffering. In this regard, OEMs conducted a meeting 02 weeks ago, and everything was discussed including high interest rates, Increased prices due to dollar-rupee parity, and other phenomena of 30% import of used cars which was previously around 8%, has hurt the local industry badly. The extraordinary RD and ACD stopping this used car import were exhausted. Japanese YEN has also been depreciated. Used car seller are aggressive and personalized. So used car is an area which we can work and try to increase our volume. OEMs have their own initiative to curtail the import of used cars. There has been a negative impression of OEMs on EDB and MOIP.	Committee		



	EDB have already hired 06 consultants to run its operations. But few important positions of GM policy has been changed. As the current image of the automotive industry is that there is only assembling and the used cars sellers are exaggerating an image that is not true. We need to change this image as this hardly affects auto parts industry because we are SMEs. Now, with certain meetings we are successful to realize the government that automotive industry is not only based on assemblers but also auto parts manufacturers' too so any negative policy for automotive industry hits us too. Mr. Mumshad, SVC PAAPAM added that the strategy is good and we need to inform the government that long-term issues cannot be solved by short-term measure; it requires long-terms policy measure to rectify the matters i.e. for controlling prices of OEMs government allows used cars at low taxes and does government took OEMs in confidence before putting IORC in picture but we need to ask OEMs to respect the IORC and spend their resources for increasing the exports. So, we need to be clear on our stance. I want to ask Mr. Rehan, Convener PAPS on the mini show OEMs trying to organize. Chairman PAAPAM added that as far as PAAPAM is concerned we have already submitted the proposal to EDB that if Exports are not possible then equate 10% Exports or 10% Further localization of those parts and this will be called as Import Substitution.			
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	Mr. Usman Malik added that PAMA needs to be proactive to clear the image of Assemblers as per development of the automotive sector e.g. the price reduction of cars is not being highlighted by PAMA in front of government. As per exports, we already suggest PAMA to score through the point regarding development of vendors by Japanese today they are able to export. As per mini exhibition we need to have clear short-term and long-term objectives. Mr. Abdul Rehman Aizaz Chairman PAAPAM clarifies that the price reduction can possibly be done due to the reason that in March 2024 the tax is applied to 1400 CC or on Rs. 4.0 million and above vehicles, so by decreasing prices they saves themselves from that tax. Regarding, too much price decrease on KIA Stonic that may be due to discontinuing the model or getting some cheap CKD. I agree with Mr. Usman Malik regarding the PAMA role absence. Mr. Manan Ahmed added that PAMA should ask Govt. to get in to good books that Govt. can use the price reduction scenario in their political benefit. Mr. Abdul Rehman Aizaz Chairman PAAPAM added regarding Used car issue that there is a need of realizing the government that the import of Used car don't even benefits overseas as in abroad they are using Left hand drive which is not feasibly in Pakistan so the benefit can			
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	better be given on duty and taxes so that local industry can be boosted. Mr. Taufiq Sherwani added that Government should allow the overseas to book car locally with subsidized sales tax. Mr. Abdul Rehman Aizaz Chairman PAAPAM further said that the proposal came from Mr. Nadeem Malik to conduct an Auto Parts show in Islamabad where No OEM shall display their cars and it should be done before budget. I personally suggest that there must be more booths in that show so that there is a notion that this big and important vendor industry is going to be closed due to previous policies of the government and we need support to make it prosperous again. We need to execute it before 20th May because after budget it won't be beneficial anymore. Everything related to the event will be managed by the OEMs through an agency and we only need to provide the names of the vendors and display our parts over there. Mr. Usman Malik suggested that as the objective of the show is to help four-wheelers so we must be careful that only four wheelers vendors must be there and the videos of their facilities in continuously displaying so that the crowd must know the potential. Therefore, we must first decide the Objectives and which group is focused there.			
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	Mr. Abdul Rehman Aizaz Chairman PAAPAM clarifies that the objective is to show that the automotive industry is not only based on assemblers but the vendors too which are manufacturers and employment generator. So, the notion is there that the assemblers help the vendor industry to get that much developed so any policy related to automotive industry help the SMEs too. Mr. Saad Sherani added that we already going for the exhibitions and Auto shows but it didn't create that much impact. Therefore, I agree with Mr. Usman Malik that we must focus on the objectives first. We must focus on the social media for the show so it must cause the real impact. One name on Social Media is Suneel Munj which is informal brand ambassador of Haval Jolion. So, our OEMs must change their strategies of the media to create impact. On Social Media we have a feedback mechanism too through comments. Mr. Abdul Rehman Aizaz Chairman PAAPAM agrees with Mr. Saad point and added that this thing is already conveyed to OEMs and specially mentioned Mr. Suneel Munj for the coverage. Mr. Aizaz endorsed the idea of displaying the videos of vendor factories. The image improvement of auto industry is the basic objective of the show. I want to add that each vendor should display all its export part on one booth and each vendor should display all its part related to any engineering industry. So, that we can give a message that with the closure of auto industry			
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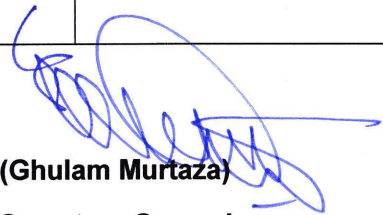
	this all potential for engineering goods shall also be finished. So, I need inputs from EC to go with this show. Mr. Rehan Riaz said that as we first need to see our objective first so that we can identify the conflict of interest with OEMs. In 2015, we already conducted NUST Dice event in Islamabad where President of Pakistan was the Chief Guest ,03 OEMS were there with us Indus, MTL and Suzuki and around 10 Auto Parts manufacturers were there and the objective of that event was to attract the policy makers and cause an impact but unfortunately no such impact was caused. Regarding, this exhibition we need to plan an impact first that either any policy maker will come or not etc. Secondly, as we all know that we already have launched Pakistan Auto Parts Show (PAPS 2024) where only 03 sponsorship out of 10 for the OEMs were booked i.e., Honda Atlas Cars, Atlas Honda and New Asia. Therefore, If we decided to go for the mini exhibition then OEMs must give confirmation for participation in PAPS 2024 too. Mr. Abdul Rehman Aizaz Chairman PAAPAM agrees with the point of Mr. Rehan Riaz and will negotiate with OEMs on that. Secondly, we must agree that the policy against automotive industry directly hits Auto parts industry more. We are bound to act on every such policy so that SMEs can survive except for localization. We need to remove the negativity of Automotive industry. As we are already working on the localization issue with OEMs but all other			
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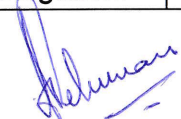
	stakes of vendors and OEMs are combined so we need to work for the automotive sector. We will resist that we will display all parts of vendors so that the policy makers must know the real-time potential of the vendors. Mr. Mumshad Ali said that if PAMA is going to conduct this event then we are with them but 15 days for the event is really short because managing the appointments from Ministries and event management cannot be managed in this short tenure and eventually it can cause a negative impact overall due to mismanagement. Secondly, I agree with Mr. Saad Sherani that there are other ways to project our potential through social media. Therefore, if we show our closed factory it will cause more impact and let them realize that we have potential here so Government needs to ban used cars and focus on local manufactured vehicles. We need to take confirmation from OEMs too regarding participation in PAPS 2024. As per used cars PAAPAM individually can work on social media and create a sense that due to the import of used cars our volumes are not being produced in required numbers so that factories are closing. Secondly, we have an edge that we have good terms with EDB so if we take more side with OEMs then there is a chance that EDB might offend with us so our role is to take EDB and OEMs on one table to remove the confusions. Mr. Abdul Rehman Aizaz Chairman PAAPAM agrees with the point of Mr. Mumshad SVC PAAPAM. I have also said			
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		to OEMs that the time span is very short and the concerned persons are busy in budget exercise. Budget is not the only way to rectify this, RD can be applied anytime. If they don't agree to arrange the policy makers then we will not go for the event. We need to make a committee of 04 persons for the liaison with OEMs and Vendors. 02 must be from Karachi and 02 from Lahore. Mr. Taufiq Sherwani VC PAAPAM proposed Mr. Mumshad Ali and Mr. Rehan Riaz for the committee and presented his name for any extra support needed. Mr. Mumshad Ali SVC PAAPAM agrees to be the part of the committee. Mr. Rehan Riaz agrees too. Mr. Saad Sherani, Syed Misbah uddin and Mr. Anas Khan is the part of the committee.			
10	Any other point with permission of chair	Mr. Taufiq Ahmed Sherwani proposed the following ideas in front of the committee. 1. Implementing solar panels in PAAPAM head office 2. Constitution of Iran Export Committee 3. Two foreign exhibition per year for PAAPAM members to the visitors as PAAPAM delegation.			


(Ghulam Murtaza)

Secretary General


(Abdul Rehman Aizaz)

Chairman