

Pakistan Association of Automotive Parts & Accessories Manufacturers

ISO 9001:2015 Certified

Promoting
"Made in Pakistan"
and operating as a
strong business support
organization towards a
bright and prosperous
Pakistan

ANNUAL REPORT



www.paapam.com



PAAPAM Annual Report 2021-22

CONTENTS

04	
01	Chairman's Message
02	Senior Vice Chairman's Message
03	Vice Chairman's Message
04	About Us
05	PAAPAM Organogram
06	Quality Policy
07	From the desk of Secretary General
08	Executive Committee 2021-2022
09	Conveners Committees (North) 2021-2022
10	Conveners Committees (South) 2021-2022
11	The Team
12	PAAPAM Skill Development Center's (PSDC) Activities
13	Pakistan Auto Show 2022
14	PAAPAM Symposium
15	Exhibitor's Dinner
16	Engineering Innovation Awards, Live Drawings, and Sculptures at PAPS
17	DEC DAADAM Moll Signing Coromony

18	Activities of PAAPAM Business Development Committee
19	PEC-PAAPAM Join Hands
20	National Tariff Commission's Chairperson Visited PAAPAM
21	Workshops on Business Challenges & Sustainability of Vendors
22	PSDC Seminar on Manufacturing Cost Accounting for Effective Quotation
23	Newly Appointed Commercial Counsellors Visited to PAAPAM Head Office
24	PAAPAM Chairman Met with Chairman FBR at LCCI
25	SMEDA-PAAPAM Techinal Support Program (TSP)
2 6	PAAPAM-TDAP Meeting on 2, 3 Wheelers
27	AGM 2021
28	Annual Dinner 2021
29	EOGM for Approval of Memorandum & Articles of Association
30	MC Meeting with Director Technical HMC Texila
31	PAAPAM-PEC Internship Appointments Ceremony
32	PAAPAM's Interaction & Collaboration With External Stakeholders
33	PAAPAM Won Legal Battle Against Antidumping Duty
34	De-Mystifying the Auto Industry of Pakistan
35	Brief News Items
36	Print Media Coverage

Indigenized Hi-Tech Parts in Motorcycle















Chairman - PAAPAM

Abdur Razzaq Gauhar

The PAAPAM is always committed to excellence in providing our honorable members with the best quality business support services. Today is a very meaningful day in the long history of the PAAPAM in continuation of pursuing our quality policies. I feel pride and excitement to record a message for the first annual report of the PAAPAM at the time of the change of guards. Leading a very professional and one of the top trade organizations in the country has been a great honor for me. In fact, nothing would happen if I had not had the incredible and unconditional support of my wonderful colleagues-thanks, guys! I also appreciate my staff, who executed all the plans to make happen.

Change is the only thing to survive in this world where survival is possible for the fittest only. Keeping this doctrine in mind, we stretched our muscles best for our auto parts fraternity to attain our 'quality goals' of becoming the model business support organization integrated with technology and modern corporate management concepts. Improvement is an ongoing process, and now, I give the torch to my next colleague to steer the ship of PAAPAM. Alhamdulillah, PAAPAM stirred a large number of activities and concluded most of them as are inked below:

- 1-Developed ISO/CMS SYTEMS to make PAAPAM the only ISO accredited trade body in Pakistan.
- 2- PAPS was organized after the intro of two years and Chocked by hundreds of thousands of enthralled people and trade visitors.
- 3- Got established Auto Industry Monitoring Committee to monitor unwarranted activities.
- 4-PAAPAM prepared in-house Auto Parts Development policy and submitted it to EDB.
- 5-PAAPAM made desperate efforts for price indexing from OEMs; this struggle continues to get actualized.
- 6- Arranged four workshops on cost and indexation of profit for awareness and capacity building of our members.
- 7- PSDC organized 16 capacity-building programs and one nationwide grand symposium to paint a futuristic picture of our industry.
- 8- The ventilator project is on our dashboard, and we are jointly making it happen with the collaboration of IST.

- 9 Signed MoU and agreements with UMT, IST, PEC, QCE, TEVTA, IST, and several other MoUs for improvement of industry Academia linkage.
- 10- Launched a PAAPAM-PEC Internships, a historical program that is providing fresh engineers with 7,000 paid internships.
- 11- Launched an online integrated accounting system to develop professionalism and transparency .
- 12-Had multiple successful meetings with the NTC chairperson and made efforts for rationalization of duties.
- 13- Made efforts to get the autoparts, under chapters 84,85, SRO 565 exempted from approval of the State Bank of Pakistan.
- 14- A delegation called on Minster & CEO railways to brief them on what PAAPAM could facilitate the Railways.
- 15- Rolled out the drive to get sales tax refunds for the Tractor Industry.
- 16- We revised our articles of Association to integrate them with the existing corporate and regulatory needs. The first ever EOGM was organized in Karachi.
- 17- The PAAPAM directory got printed after the gap of four years and placed on our website with searchable options.
- 18- Initiated a drive to update the membership data under the convenership of Membership. Only 1/4 portion is left behind, which will be done after the annual dinner.
- 19- Handling of legal issues to make possible smooth change of guards. Thanks to all members for showing that we are united under one umbrella of PAAPAM to safe guard our interests.
- 20- The CEO EDB visited PAAPAM to promote more effective bilateral relations and develop more understanding to promote localization in Pakistan.
- 21- Lots of meetings of 14 committees were held during this year.
- 22- MoU with PEDMIC was also signed for the industrial plots in Quaid-e-Azam Industrial Estate on preferential terms and conditions for our members.
- 23- Signed MoU with University of Taxila
- 24- The PAAPAM is getting extroverted, and we signed an MoU for professional cooperation with Mexico and Argentina's trade Bodies.
- 25- The PAAPAM delegation met Minister Finance and the FBR Chairman for refunds of sales tax.
- 26-We wrote many Articles in the newspapers for image building of PAAPAM.
- 27- Frequent engaging press releases were published in the country's top newspapers to convey our policy and stance to the relevant quarters.
- Al-hamdu Lillah, I am the happiest person to give charge to my next colleague much better than me to serve the community and Pakistan. Let me again compliment the contribution of my colleagues from both the North and South, which gave impetus to my passion; with out them, it would have remained a dream. I am always available for PAAPAM!

Pakistan Zindabaad!





Sr. Vice Chairman

Abdul Rehman Aizaz

Assalam-o-Alaikum I am honored to have been elected to serve as the 2020-21 Senior Vice Chairman of the association. The Association has a history of outstanding Board Chairs. I will strive to emulate the integrity, vision, and leadership of the past Chairs.

Our Association serves more than 350 members and affiliates our member enterprises through our large and active business network services; Our Association helps promote economic vitality by helping to create and sustain a vibrant climate to support business growth and knowledge.

I look forward to working with the Management Committee to ensure that the services provided to our members are increased and also more value is added. This year we look forward to engage with the Government on many policy related issues. Like our predecessors, interaction and influence on the government will be our major objectives to make sure that policies are inclined towards the betterment of the Auto Parts Sector.

Another major area that we would like to focus my attention is our export sector, we would like to develop and strengthen our international relationships which have been made after years of work.

Export Orientation will be the key to introducing new and upgraded technology. May Allah give me the strength to perform as per our prestigious members expectations.

Best Regards Abdul Rehman Aizaz Sr. Vice Chairman





Vice Chairman

Shehryar Qadir

Ladies and Gentlemen Assalam-o-Alaikum

As we are all aware, PAAPAM was formed with the objective to represent the auto part manufacturers and to provide technical & management support to its members. Another key objective was to form stronger links between the OEMs, policy-making echelons in the government, and the auto part manufacturing industry. Keeping these objectives in mind, the management team planned & designed its strategy for the year. It was an extremely challenging year for the industry in terms of cost pressures due to inflationary impacts on raw materials, energy prices, other manufacturing overheads,& the volatility of our currency coupled with global supply chain disruptions. The management also tried its level best to assist its internal stakeholders in every way and put their concerns forward to the OEMs & government alike . There was a clear effort by the management to increase interaction with the members. This was achieved by arranging several gatherings as well as capacity-building activities, which included pieces of training & seminars for the senior management of member companies. Members' concerns were heard, and a way forward was discussed on how to address those concerns. An awareness and understanding were developed amongst the membership on costing & price indexation, which PAAPAM then made all efforts to pursue with the OEMs and got them to recognize . A lot of interaction also took place with the government on various issues. This included discussions on an Auto Parts Development Policy, proposals for which were submitted by PAAPAM . Issues with regards to tariffs on raw materials were also taken up very seriously and appreciated and recognized at all levels of the government. A case on antidumping duty placed on cold rolled products into which a lot of effort was put in was also won by PAAPAM. There were visits by the CEO EDB and Chairperson NTC on a few occasions to get advice from PAAPAM on the development of future strategy & policies. The management also put in sincere efforts to resolve issues related to the OEMs with the Ministry of Finance & FBR, which eventually was also beneficial for its own members. I would like to thank everyone from the members who put their confidence in us to the management committee for all their support throughout the year. Special appreciation for the Chairman & Senior Vice Chairman, who put in sincere effort for the industry and provided all the support required for us to work as an association.

Warm Regards, Shehryar Qadir Vice Chairman – PAAPAM



About Us

The automobile industry is a wheel of the economy. Being the tip of the iceberg, many industries beneath this mother industry are not seen with only eyes. It encompasses all engineering technologies and activities. An automobile is an integrated product created through the hard work of many auto part manufacturers, multiple who apply technologies to create a synergistic whole. Glass working, EDM, machining, molding, textile, plastics, and many other technologies are used to produce a single unit, using all sorts of materials, from metals to rubbers and from rubbers to plastics.

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. PAAPAM is now over two decades old. Over the years, this Association has attained a certain level of maturity by becoming an indispensable and extremely effective link between the policy-making echelons in the Government and the auto parts manufacturing industry. The Association achieved recognition by the Government of Pakistan in 1999, and today it's working as a bridge between many Government and semi-government NGOs and committees as well as Private Institutions by its members. PAAPAM is also a member of the Federation of Pakistan Chamber of Commerce & Industry (FPCCI). With a registered member

base of about 300 "tier one" parts manufacturers out of over 1200 industries, PAAPAM has under its wings Part Makers of Cars, Motorcycles, Tractors, Trucks, and Buses, who represent multinational companies of repute, including Toyota, Honda, Kia, Suzuki, Hino, Nissan, Hyundai, Millat, and Alghazi, etc. Investments in place in the industry now exceed US\$ 2 billion.

We have two zones; one is South, comprising Sindh and Balochistan, and the North for the rest of the country. We have a total of 16 Executive Committees members, in addition to two seats reserved for women, one Chairman, One Senior Vice-Chairman, and One Vice Chairman rotated in both zones yearly through elections. Besides, PAAPAM has several standing and sub-committees, which are annually reshaped. There is a secretariat to execute the policies and decisions of the managing committee in line with the Trade Act 2013. Secretary-General is the custodian and overall operational- head to run the affairs of the Association with a competent team.



To be a Model Business Support Organization (CMS), PAAPAM got the privilege of implementing its own Corporate Management System, perhaps making it the only Trade Organization in the country. The CMS stands on four posts:

1-ISO 9001-2015

- 2- Corporate Governance Manual
- 3- Accounting and Procurement Manual
- 4- Humans Resources Manual

This system has augmented the moral and mental security of its employees. CMS is impacting the organization and all its stakeholders through proper training and grooming of the employees. It's lessening the wastage of time, giving more space to employees and top management for creative and critical thinking. It has ensured more transparency, accountability, and productivity by following the modern concepts of corporate governance. And most important, the PAAPAM's journey to attain its goal of being the model business support organization is geared up, which is visible from a distance.



Mission

PAAPAM's mission is to support its members build competitive businesses by promoting their interests to policy-makers in the Government and other stakeholders; furthering local and export business development opportunities and strengthening partnerships; and enhancing their engineering and managerial capabilities through quality programs, technical guidance, trainings and seminars, and sharing of information.

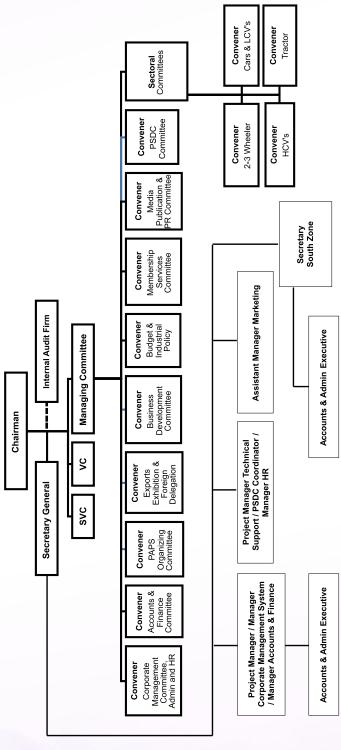
Vision

Promoting "Make in Pakistan" and operating as a strong business support organization towards a bright and prosperous future where the majority of required automotive parts are efficiently produced in the country with the highest standards of quality by deploying leading-edge technology, pioneering engineering methods, and modern management systems while respecting our environment – making Pakistan a force to be reckoned with.

Quality Policy

The strategic goal of our quality policy is the transformation of PAAPAM into a strong business support organization with an effective corporate management system (CMS) and service delivery platform built on the foundations of quality management, member-centricity, and teamwork.

PAAPAM Organogram





From the desk of Secretary General

Ghulam Murtaza

I feel immense pleasure to document the first-ever annual activities of PAAPAM under the direction and facilitation of the Chairman, SVP, VP, and Executive Committee. I am thankful to all of my seniors for supporting and acknowledging throughout the year and keeping trust in me to build the image of the PAAPAM. As an executor and custodian of the PAAPAM, I am double obliged by my seniors and all colleagues, without them, nothing was possible.

During this year, we attained many milestones, such as ISO certification, developing our Corporate Management System, updating membership data, organizing the much celebrated PAPS Show, after a prelude of two years, organizing four seminars to teach the cost management and profitability index, had a lot of meeting with OEMs for better interaction, organizing a symposium, and signing a landmark agreement with the Pakistan Engineering Council to absorb 7,000 fresh engineering graduates in PAAPAM members' companies, and signed several MoUs with renowned universities. PAAPAM Skill Development Center (PSDC) team is also doing a credible job under the supervision of its convener regarding capacity-building of technical and intellectual grooming. Image building and focusing on media remained one of the prime objectives this year. I wrote many articles for the leading newspapers to augment the image and objectives of PAAPAM.

Frequently we issued very effective and engaging press releases to highlight our issues accommodated by all newspapers with reasonable place and space improving our relationships with our regulators and state organs. PAAPAM is never left behind from its social responsibility and the welfare of our employees. The Managing Committee approved the first HR policy to take care of our team.

The journey toward a Model Business Support Organization continues to create more difference in the next year under the patronization of my seniors to attain the organization's objectives. The secretariat is fully committed to execute the policies of the executive committee in true letter and spirit to achieve the objectives of PAAPAM.

Quality Policy

The strategic goal of our quality policy is the transformation of PAAPAM into a strong business support organization with an effective corporate management system (CMS) and service delivery platform built on the foundations of quality management, member-centricity and teamwork

The Management is committed to continually improve the effectiveness of CMS and achieving its strategic objectives in accordance with ISO 9001:2015 by:

- Maintaining a shared quality vision and promoting the culture of quality as a 'way of thinking' by pursuing excellence and focusing on continual improvement;
- Understanding the needs of our members and delivering and expanding the spectrum of value-added services according to their expectations;
- Establishing a favorable business climate for growth of our membership base and fostering investment;
- Creating conducive conditions for effective interaction between the Association and the government for policy making;
- Complying with applicable legal, regulatory and other requirements;
- Creating a system of partner relations based on principles of trust, cooperation and coordination for achievement of strategic goals;
- Establishing a resourceful knowledge center for members' benefit, skill development and technological advancement;
- Supporting development of international trade capabilities by actively liaising with chambers of commerce & industry around the world for increasing country's exports;
- Creating a positive image through high level of service and professionalis m, leading to public recognition;
- Paying particular attention to development of staff, and raising their levels of competence and involvement in ongoing activities for enhancing quality of services;
- Ensuring conformity of the Association's activities to re quirements of ISO 9001:2015
 Standard, defining organizational development goals, identifying and mitigating risks, and conducting reviews & audits of business processes with their regular updates thereby enabling continually improvement of the management system and support for its integrity and sustainability; and
- Ensuring that the Quality Policy is communicated to and understood by all team members, is available to relevant interested parties and reviewed every year for adequacy.







Executive Committee 2021-2022



Abdur Razzaq Gauhar Chairman



Abdul Rehman Aizaz Sr. Vice Chairman



Shehryar Qadir Vice Chairman



M. Anas Khan Member



Rehan Riaz



Umar Abdullah



Syed Misbah



Muhammad Mohsin

Member



uddin Member Member



Shuja Ul Haq

Syed Mansoor Abbas



Shahab Saleem Member



Irfan Ahmed Qureshi





Akbar Allana

Abdul Hamid

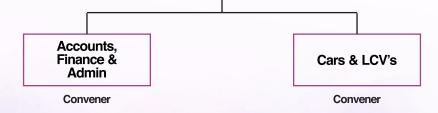
Mannan Ahmed

Taufiq Sherwani

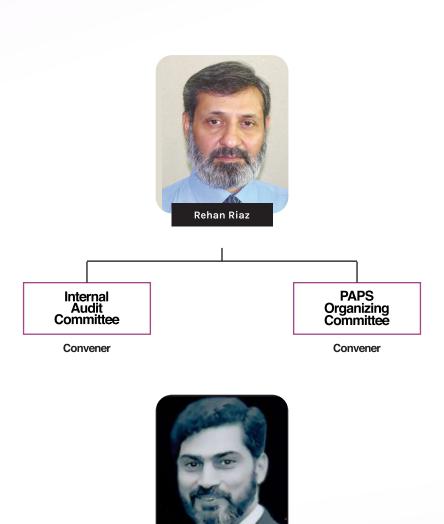


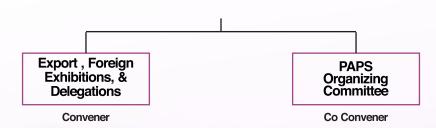






Pakistan Association of Automotive Parts & Accessories Manufacturers





Abdul Hamid



Advisory Committee Services



Convener

Budget & Industrial Development Policy



Convener

Business Development Committee



Convener

PSDC, R&D (National Committee)



Convener

Membership Services Committee

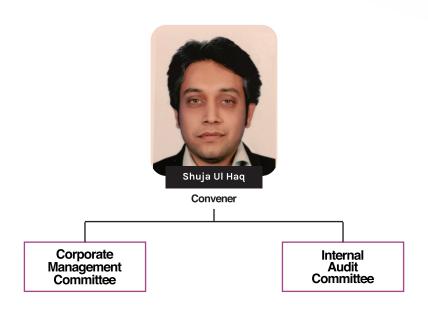


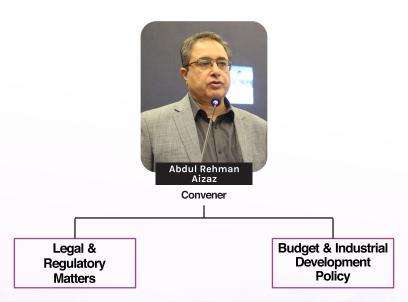
Convener

Membership Services Committee



Co-Convener





Tractor



2,3 Wheels



HCVs

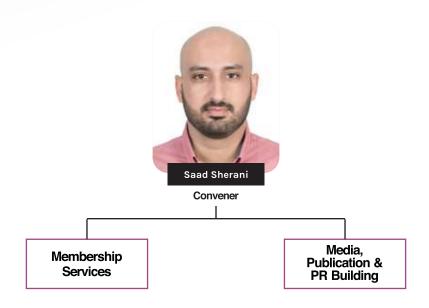


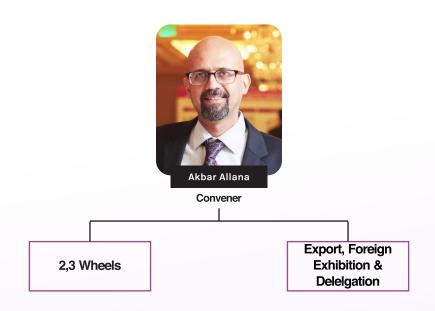
2,3 Wheels

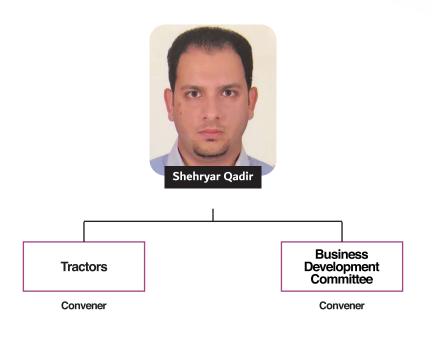


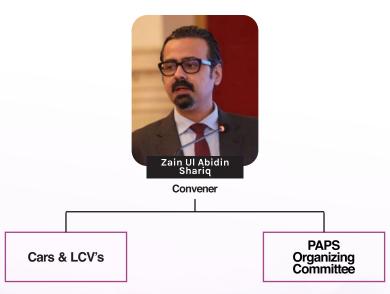
Pakistan Association of Automotive Parts & Accessories Manufacturers

ISO 9001:2015 Certified









Indigenized Hi-Tech parts of Tractors









HCVs

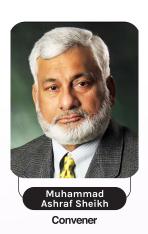


Accounts, Finance & Admin



Convener

Advisory Committee



PSDC. **R&D** (National Committee)



Convener

PAAPAM Skill Development Center (PSDC) Activities

The PSDC is our capacity-building and training center and is responsible for managing the trainings/symposia, and technical support programs for member companies and acts as an interface between the Auto Industry and Academia for mutual benefits. It also manages in-house training facilities equipped with necessary facilities/equipment with a capacity of 45 participants. The PSDC plays an important role in PAAPAM's endeavor to become a Model Business Support Organization (BSO) by supporting its member companies through its capacity-enhancement programs to become more productive.

The PSDC organized the following capacity building trainings (2021-2022) vehemently welcomed by the members

1. Training on Amazon Readiness and Selling 2. Awareness Session of Japanese Management Tools Seminar on Costing Analysis, Understanding the 3. Balance Sheet, P&L statement, Parameters to consider for finding Per unit cost 4. Achieving Performance Excellence through Lean Transformation 5. Hazards Identification, Risk Assessment and Risk Management 6. Sustainable Product and Process Design 7. Import & Export Management and working with Pakistan Single Window (PSW) 8. Manufacturing Cost Accounting for Effective Quotations 9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management 16. Workshop on "Cost and Management		
Seminar on Costing Analysis, Understanding the Balance Sheet, P&L statement, Parameters to consider for finding Per unit cost 4. Achieving Performance Excellence through Lean Transformation 5. Hazards Identification, Risk Assessment and Risk Management 6. Sustainable Product and Process Design 7. Import & Export Management and working with Pakistan Single Window (PSW) 8. Manufacturing Cost Accounting for Effective Quotations 9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	1.	Training on Amazon Readiness and Selling
3. Balance Sheet, P&L statement, Parameters to consider for finding Per unit cost 4. Achieving Performance Excellence through Lean Transformation 5. Hazards Identification, Risk Assessment and Risk Management 6. Sustainable Product and Process Design 7. Import & Export Management and working with Pakistan Single Window (PSW) 8. Manufacturing Cost Accounting for Effective Quotations 9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	2.	Awareness Session of Japanese Management Tools
consider for finding Per unit cost 4. Achieving Performance Excellence through Lean Transformation 5. Hazards Identification, Risk Assessment and Risk Management 6. Sustainable Product and Process Design 7. Import & Export Management and working with Pakistan Single Window (PSW) 8. Manufacturing Cost Accounting for Effective Quotations 9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	3.	Seminar on Costing Analysis, Understanding the
4. Achieving Performance Excellence through Lean Transformation 5. Hazards Identification, Risk Assessment and Risk Management 6. Sustainable Product and Process Design 7. Import & Export Management and working with Pakistan Single Window (PSW) 8. Manufacturing Cost Accounting for Effective Quotations 9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management		Balance Sheet, P&L statement, Parameters to
Transformation 5. Hazards Identification, Risk Assessment and Risk Management 6. Sustainable Product and Process Design 7. Import & Export Management and working with Pakistan Single Window (PSW) 8. Manufacturing Cost Accounting for Effective Quotations 9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management		consider for finding Per unit cost
Transformation 5. Hazards Identification, Risk Assessment and Risk Management 6. Sustainable Product and Process Design 7. Import & Export Management and working with Pakistan Single Window (PSW) 8. Manufacturing Cost Accounting for Effective Quotations 9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	Ι ,	Achieving Performance Excellence through Lean
5. Management 6. Sustainable Product and Process Design 7. Import & Export Management and working with Pakistan Single Window (PSW) 8. Manufacturing Cost Accounting for Effective Quotations 9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	4.	Transformation
6. Sustainable Product and Process Design 7. Import & Export Management and working with Pakistan Single Window (PSW) 8. Manufacturing Cost Accounting for Effective Quotations 9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	5	•
7. Import & Export Management and working with Pakistan Single Window (PSW) 8. Manufacturing Cost Accounting for Effective Quotations 9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	J.	Management
Pakistan Single Window (PSW) 8. Manufacturing Cost Accounting for Effective Quotations 9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	6.	Sustainable Product and Process Design
8. Manufacturing Cost Accounting for Effective Quotations 9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	7	
9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	7.	Pakistan Single Window (PSW)
9. Training on Microsoft Project 10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	l a	
10. Training on Corporate Management System (CMS) 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	0.	Quotations
 11. Training on Quick books 12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management 	9.	Training on Microsoft Project
12. Introduction to Corporate Affairs of Association 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	10.	Training on Corporate Management System (CMS)
 13. Training on MS Project Management 14. Training on Risk Management 15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management 	11.	Training on Quick books
14. Training on Risk Management Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	12.	Introduction to Corporate Affairs of Association
15. Seminar on Competency Framework Models as Solution Proposition for Auto Industry Workshop on "Cost and Management	13.	Training on MS Project Management
Solution Proposition for Auto Industry Workshop on "Cost and Management	14.	Training on Risk Management
Workshop on "Cost and Management	15	
	10.	Solution Proposition for Auto Industry
IV. coccupting for CMEo"	16	
accounting for SiviEs	10.	accounting for SMEs"

The Team



Ghulam Murtaza Secretary General



Shaikh M. Aslam Zonal Secretary (South)



Anas Haroon Manager PAPS & CMS



Ayesha Naveed Hashmi Asst. Manager Accounts HR & Admin



Engr. Muskan Asif Assistant Manager Marketing



Engr. Umair Nisar Malik Assistant Project Manager Technical Support



Engr. Muhammad Imran Assistant Project Manager Technical Support



Asim Lodhi Management Coordinator-PSDC & Assistant Manager CMS



Saquib Naeem Qureshi Accounts Manager & Assistant Secretary



Awais Ahmed Office Keeper



Muhammad Kamil Office Keeper



Muhamamd Younas Security Guard

Pakistan Auto Show 2022

The Pakistan Auto Show (PAPS) is the Flagship project of one of the largest national trade bodies of the Pakistan Association of Automotive Parts and Accessories Manufacturers (PAAPAM) - a very famous and popular event in the country.

The PAPS 2022 recently concluded after setting new records. About 153 exhibitors showcased their innovations. Hundreds of thousands of enthralled visitors choked all avenues leading to the venue. From 29 to 31 July, 2022 Lahore's Expo Centre was abuzz with people flocking to see the glazing new models of Cars with their families, in addition to the thousands of trade visitors. The show's pulse tempted the OEMs to increase their prices during the show and even in unsettled economic conditions. Prime Minster Shahbaz Sharif was the Chief Guest till the last moment, when he deputed the Minister of Industries and Production, Syed Murtaza Mehmood, to inaugurate the Pakistan Auto Show on his behalf.

While addressing the inaugural ceremony, the minister stated all political parties must be one to pull out the country from the crisis. He added the government's strong commitment to helping this industry's development,

encouraging large-scale investment, and creating a business-friendly environment for the automotive and engineering sectors. "I offer my heartiest congratulation to our local industrialists and engineers who have achieved remarkable success in establishing a robust engineering sector, which is generating remarkable opportunities for value-added exports," he added. All three days of PAPS witnessed an overwhelming response from industry stakeholders, international, and local players, and diverse consumer segments.

The Pakistan Auto Show featured; cars, tractors, trucks, buses, 4x4, motorcycles, three-wheelers, and exotic cars while promoting a wide array of advanced technologies and solutions. The PAAPAM Village was decored with engines, casting, forging, sheet metals, jigs, and fixtures, along with electronics, car paints, tools, tyres, batteries, plastic parts, rubber parts, and accessories. multicolor stalls showcased motorcycles, commercial vehicles. automotive parts made in Pakistan. The first hall of the Expo, the PAAPAM village, remained the walking area for serious customers all three days.







PAAPAM Symposium on

"Pakistan's Automotive Industry 2040-A Paradigm Shift".

The PAAPAM organized the second Symposium on the 30th of July 2022, at the Convention Center of International Expo Center Lahore. The theme of the Symposium was "Pakistan's Automotive Industry 2040- A paradigm Shift". This great academic activity was aimed at bridging the huge gap between industry and academia, showcasing the strength of the automotive engineering sector to the relevant echelons, and bridging the gap among the stakeholders to achieve sustainable industrial growth by identifying and removing the bottlenecks to foster indigenisation. The celebrated speakers shed light on where the auto Industry of Pakistan would stand by 2040. The chief guest, Secretary of Industries Invesment and Commerce, Punjab, Dr. Ahmed Javed Qazi, appreciated Pakistan's auto sector growth but saw it as insufficient in a global context at the same time. He was confident this Symposium would open up many intellectual avenues to lead the automotive industry on a fast track to grow with technological up-gradation. He appreciated PAAPAM for this amazing step. This platform offered the opportunity to interact with academic trainers, speakers, and researchers associated with the automotive sector. The speakers saw the Symposium would collect, analyze and propose cutting-edge solutions in this plenary. Chairman PAAPAM, Mr. Abdur Razzaq Gauhar, Organizer of the Symposium, Mr.Iftikhar Ahmed, Mr. Almas Haider, Chairman Engineering Development Board, Mr. Sikandar Mustafa Khan, Chairman Millet group of Companies, Dr. Mummmad Mujahid, Rector, PAF Institute of Science and Technology, Mr.Takafumi Koik, President/CEO of HACPL, Mr.Imtiaz Rastgar, Chairman Rastgar Engineering Company (Pvt) Mr.Mumshad Ali, Former Chairman and CEO, R.K. Gears (Pvt) Ltd., Dr. Ashfaq Ahmed Khan, Dean S3H NUST, Syed Asif Ahmed, GM, Marketing & Sales, M.G. Motors Pakistan Ltd., Dr. Haroon Sharif, Former State Minister, and Professor Dr. Shahid Munir were among the eminent speakers of this well-attended academic gathering.



















Exhibitor's Dinner















On the occasion of Pakistan Autoshow 2022, Pakistan Association of Automotive Parts & Accessories Manufacturers did a Corporate Social Responsibility Activity in three different areas including Engineering Innovation Awards, Live Drawings, and Sculpture Awards. The total worth of this activity is Rs. 465000. In Engineering Innovation Award, students of NUST.

University got First Position, Students of UET Lahore got Second Position, and Punjab University Students got Third Position. In Live Drawings, students of NCA, STEP Institute and Hunerkada got First, Second, and Third Position respectively. In Sculpture Awards, students of STEP Institute and GCU Lahore got positions. The main purpose of this activity was to enhance the artistic confidence of students and building a strong industry and academia linkage.





PEC - PAAPAM MoU Signing Ceremony



Engineering Innovation Awards, Live Drawings, and Sculptures at PAPS

It's been a tradition of Pakistan Auto Show to foster the art and culture as CSR. In the PAPS 2022 enthralled students from many universities partook in an exciting competition to best display their innovative talents in Engineering Innovation Awards, Live Drawings, and Sculpturing and won cash awards of Rs.465000.

The visitors really celebrated the creative work and appreciated the aesthetic sense of the budding artists. First Engineering Innovation Award went to NUST University, Students of UET Lahore got the second position, and Punjab University Students secured the third position. In Live Drawings, students of NCA, STEP Institute, and Hunerkada dominated with the First, Second, and Third Positions, respectively. In the Sculpture Awards, STEP Institute and GCU Lahore students established their supremacy. The purpose behind these artistic activities was to enrich students' enthusiasm and construct a strong industry and academia linkage.

Engineering Innovation Awards1st Position:

Abdul Ahad Khan Asjad Ali Hammad Saleem Syed Muhammad Mehdi

Sculpture Awards Winners 1st Position

Shafia Akhtar Noman Shahzad Haq Nawaz

Live Drawings Winners 1st Position

Zain



Activities of PAAPAM Business Development Committee

PAAPAM is always endeavoring to explore new avenues of business for our members under the Business Development Committee. In this context, a delegation of PAAPAM, consisting of Chairman Mr. Adur Razzaq Gauhar, Mr. Irfan Ahmed Qureshi, and Ex-Vice-Chairman and a retiring member of the managing committee, the Convener of the Business Development Committee Mirza Sikander Baig, Haji Nazeer, and Secretary-General Mr. Ghulam Murtaza met the Minister Railways Mr. Azam Sawati.

The delegation briefed the minister on PAAPAM and the engineering areas PAAPAM could cooperate with the railways and other state-owned engineering entities. The delegation emphasized the pre-qualification mechanism for the Public Private Partnership (PPP) to ensure vertical manufacturing facilities.

Minister for Railway said he was fully committed to substituting imported locomotive components with locally made parts. He added that the parts being produced in Pakistan were not inferior to that of any other country. To him, import substitution was the only way to ease foreign exchange pressure on the land. Minister railways said he had to bring

more than four hundred grounded couches on track in the next few months. Both sides agreed to join hands to patronage the local industry to grow, create more job opportunities, and curb dwindling foreign exchange. While responding to questions of the delegation, he said he was committed to tackling all impediments and hackneyed to bring the railway profit to Rs.30 billion. He agreed with the PAAPAM's delegation proposal that prequalification of vendors system of potential manufacturers was necessary to ensure the quality and transparent mechanism.

In pursuance of the above meeting, another delegation of the Business Development Committee of PAAPAM met the CEO of the Pakistan Railway, Muhammad Farrukh Taimur Khan Ghilzai, flanked by his technical experts, who represented the Federal Minister of Railway. The PAAPAM suggested that instead of a" no cost, no obligation development program, a trial order doctrine must be introduced at the execution level in PR, empowering the relevant CME office. Upon the invitation of the CEO, PR, the PAAPAM delegation later also visited the PR workshop to meet the technical team of PR and inspect the parts that could be made by the PAAPAM members.

ISO 9001:2015 Certified

Indigenized Hi-Tech Parts in Cars/LCV's











PAAPAM-PEC Join hands to attain Localization & Providing 7,000 Paid Internships to fresh Graduate Engineers

The PAAPAM and the Pakistan Engineering Council (PEC) joined their heads to contribute to the economy, relieve it from foreign exchange pressure, elevate indigenization, and facilitate infield/on-floor training for young graduate engineers for their training and smooth absorption in the industry. Both organizations also decided to jointly replenish the massive gap between industry expectations, the role of professional bodies, and academia, which are not meeting the swiftly changing demands of the market.

This reality has been scented by the stalwarts of the various engineering sectors that brought them to join hands to narrow down the gulf. The Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM) and the Pakistan Engineering Council (PEC) cultivated the seed of cooperation by inking an agreement at PAAPAM's head office to absorb 7,000 new engineering internees in the first phase as paid internships. During the internship project of six months, trainee engineers will be paid Rs.30,000 per month, out of which Rs.20,000 will be sponsored by PEC, whereas PAAPAM members will contribute Rs. 10,000. After completing the training program, the PAAPAM members may offer regular jobs to the graduates of choice.

The Chairman PEC, Engr. Najeeb Haroon, and Chairman PAAPAM Engr. Abdur Razzaq Gauhar signed the agreements at a very simple but impressive ceremony witnessed by the leading industrialists, intelligentsia, and academia. Dr. Niaz Ahmed Akhtar, Vice Chairman PEC & ex-Vice Chancellor, Punjab University, and Registrar PEC, Engr Dr. Nasir Mahmood Khan, Senior Vice Chairman PEC, Engr. Dr. Zahoor Ahmed, Engr. Nayyar Saeed, Engr. Mubashar Hassan, Rector QCET, Sahiwal, Cap (R) Engr Muhammad Akram, ex-chairman, PAAPAM, Engr Razzaq Ahmed, Past Chairman PAAPAM, and MC members, Syed Mansoor Abbas Shah, Mr. Taufiq Sherwani, Mr.

Irfan Ahmed Qureshi, Engr Rehan Riaz, Mr. Umar Abdullah, Engr. Muhammad Naseem, and Ghulam Murtaza, Secretary-General PAAPAM, also witnessed the event.

Both the bodies also agreed to set up a joint working group to maximize localization, substitute imports, and enhance exports of Auto parts and Engineering goods. Engr Abdur Razzag Gauhar, Chairman of PAAPAM, stressed that localization and export promotion was the only way to attain financial stability to avert the threats of financial default hovering over our heads. We need to ignite national spirit in ourselves to face the national and international challenges jointly, Gauhar added. Chairman PEC, Mr. Najeeb Haroon (MNA), vowed to explore possible horizons to discharge the obligations and promote engineering activities in academia and industries in the country. He showed great concern over the non-placements of new engineers and his determination to deal with it as a top agenda item.

PAAPAM PEC Internship Appointments Ceremony







PAAPAM-PEC MoU Signing Ceremony



PAAPAM-UMT MoU Signing Ceremony

Workshops on Business Challenges & Sustainablity of Vendors

The PAAPAM organized a study to enable our members to assess their financial health profitability by the known financial consultant's M/S UHF. A comprehensive analysis was carried out against all input variables. The consultants unveiled their eye-opening findings that most of our members were unaware of. Due to the significance of issues, the gathering was unprecedented in participation and mindfulness. While displaying the unraveling of the great unity, PAAPAM showed they were crack-less and had one voice over their issues. After the presentation of M/s UHF, the panelists answered the members' questions for in-depth awareness. The panel consisted of:

- Syed Nabeel Hashmi
- 2. Mr. Usman Aslam Malik
- 3. Mr. Faisal Jallal CEO UHF
- 4. Mr. Mohammed Nasim
- 5. Mr. Irfan Qureshi

The jam-packed, enthused hall asked several questions to grasp the subject matter, which was well satisfied by the panelists. The house unanimously passed the following resolution; "Resolved that the OEMs be approached to pass on 10% net profit on the total to vendors in slope, to ensure indexing of all frozen elements of cost indexing within 15 days and re-indexing whenever a variance of 5% occurs in any input cost." Earlier, Cap. (R) Muhammad Akram apprised the charged gathering of the objectives and background of this presentation.

He also thanked the members for showing their exceptional unity on this collective issue. The Chairman, Mr. Abdur Razzaq Gauhar, also thanked the house in his concluding speech. He emphasized a united effort to get their financial problems resolved. Had we not opened our eyes, we would dwindle our resources in three years what we had collected in 30 years, he warned. Syed Nabeel Hashmi, a seasoned member of PAAPAM, underscored a dire need for unity and courage to talk to the OEMs about their rights. If we are united, there was no reason we could not meet our objectives, Mr. Hashmi added. Mr.Aizaz Abdul Rehman, SVC PAAPAM, especially came up from Karachi to speak to the participants.

With vowing to launch the united efforts, this historical event concluded with a dinner. A series of similar seminars were held in Lahore

ISO 9001:2015 Certified

National Tariff Commission Chairperson Visited PAAPAM

Madam Robina Athar, Chairperson of the National Tariff Commission Pakistan, visited PAAPAM Office on 4th December 2021. PAAPAM presented its point of view and put forward some suggestions to the visiting guest. She, accompanied by her Director, Mr. Arshad, exhibited a great determination to rationalize the tariff structure in Pakistan. A statistical briefing was given to her to identify the areas of intervention regarding RD, ACD, and CD. She also agreed that the duty structure on the imported items being locally manufactured needed to be rationalized. The leadership of PAAPAM explicitly briefed the honorable guest about the high and irrational prices of raw materials and their effect on the economy. Ironically, the duties on raw materials are higher than some imported parts in Pakistan, she was

The PAAPAM also raised the issue of duty drawbacks on exports. She promised to pursue the issues at proper forums to solve them. The auto parts sector had the potential greater than the auto sector, she beheld. She also advised PAAPAM to send a formal proposal to give a cause of action towards the solutions. The PAAPAM team was led by the Chairman Mr. Abdur Razzaq Gauhar, SVP Abdur Rehman Aizaz, and VC Mr. Sheryar Qadir, who especially flew from Karachi to attend the meeting. Captain (R) Muhammad Akram, Mr. Irfan Ahmed Qureshi (MMC), Mr. Rehan Riaz (MMC), Mr. Naseer Butt, and Mr. Ahsan Imran Sheikh were also present.





















PSDC Seminar on Manufacturing Cost Accounting for Effective Quotation





Newly Appointed Commercial Counselors Visited PAAPAM Head Office for Broad Based Consultation with PAAPAM to Enhance Pakistan's Exports



Meeting with Chairman Fbr Regarding Sales Tax Refunds



SMEDA PAAPAM Techinal Support Program (TSP)





ISO 9001:2015 Certified

TDAP Meeting with 2, 3 Wheelers





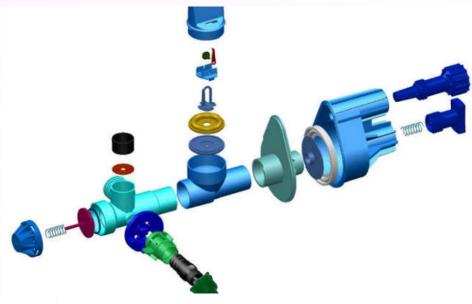






Vice Chancellor Institute of Space & Technology (IST) Maj.Gen.(R) Rehan Abdul Baqi Visited PAAPAM Office With His Team For Collaboration Of Manufacturing Of Ventilator & Internships For Their Graduates







Pakistan Engineering Council

(Constituted under Pakistan Engineering Council Act, 1976 enacted by the Parliament)

Ataturk Avenue (East), G-5/2, Islamabad

PEC/CH/PITC/Gen/136 7 June 26, 2020

Abdur Razzaq Gauhar

Convener Ventilator Project PAAPAM 16-B, Westwood Colony, Thokar Niaz Baig, Lahore.

Subject: Filing of DRAP Application of Go2Vent Developed by PAAPAM

- 1. Final evaluation of design prototype of Go2Vent developed by Pakistan Association of Auto Parts and Accessories Manufacturers (PAAPAM) was carried out by PEC Test / Trials Team on June 23, 2020 at Techmen Engineering Kot Lakhpat Lahore and the design prototype is approved for proceeding with development of Industrial grade production prototype with industrial grade components / assemblies. The production prototype to be presented for validation of clinical trials. It is advised to file application with Drug Regulatory Authority of Pakistan (DRAP) for further processing of the same.
- Please proceed with 50-100 serial production supply chain and components availability for the industrial grade serial production prototype so that local manufacturing is timely executed and also communicate the date of availability of the same.
- 3. Priority handling is solicited, please.

Engr. Brig. Tariq Javed (R) Advisor on Innovation-PEC

PABX: 051-2829296, 2829311, 2829348, Fax: 051-2276224, Website: http://www.pec.org.pk



ISO 9001:2015 Certified

CSR Initiative

PAAPAM fully realized its role as a socially responsible organization. Covid19 forced us to think about our own local ventilator manufacturing to save people and money. PAAPAM has successfully developed the ventilator assembly of Conformance of PMV-1 ventilator to Vortran G2 Vent. After approval by the PEC technical team and clinical testing of the initial sample, a pilot lot of 05 vents went successfully through clinical testing at Jinnah Hospital Lahore. Now we are in an agreement with the Institute of Space and Technology (IST) for its approval from DRAP and mass production.



Annual General Meeting of PAAPAM 2021





Annual Dinner 2021





Director Technical Heavy Mechnical Complex Taxila Visited PAAPAM Office to Discuss the Localization Possibilities in Pakistan for Defence Production

Director Technical Production, Heavy Mechanical Complex Taxila, Brig. Attique Ahmed, visited PAAPAM and his team to seek the way forward to enhance the cooperation between the PAAPAM to satisfy their defense needs locally. Under the tremendous pressure of foreign exchange drainage, every institution has started mulling over how the bleeding foreign exchange could be frozen. On behalf of PAAPAM, Chairman Abdur Razzaq Gauhar briefed the visiting delegation on how PAAPAM members could facilitate our defense organs to meet their needs locally. The PAAPAM pointed out that the defense production institution lacked continuity, and the project was wrapped up with the transfer of the officer who initiated it. Many projects died after the development of prototypes, leaving the manufacturer bearing the loss of a huge investment. The PAAPAM successfully gave the message and told the delegation way to work

Before it, the delegation was warmly received by the senior members and office-bearers of PAAPAM. Mr. Razaq Ahmed, Usman Aslam Malik, Cap (R) Muhammad Akram, Taufiq Sherwani, Mr.Irfan Ahmed Qureshi, Mr. Rehan Riaz, Syed Mansoor Abbas Shah, Mr. Abdul Hamid, Mr. Nasim Qureshi, Mr. Mohsin Qaiser, Mr. Umar Abdullah, Mr. Tanveer Mir, Mr. Sikandar Baig Mirza, and Mr. Javed Hafiz were also in the



Indigenized Hi-Tech Parts of HCV's





PAAPAM Intraction with Stakeholders

While pursuing the core policy of constructing professional ties with the external stakeholders and regulators, we fostered very cordial relations with Engineering Development Board, TDAP, NPO, PSIC, Industries, DGTO, SMEDA, IST, UMT, QTC, OEMS, NUST, UCP, MIDMEC, HMC Taxila, DGA, et all. The PAAPAM have signed MoU with them to promote the industrial activities in the country.

We liaised with the Original Equipment Manufacturers and appraised them of our issues for better working relations. We offered free stalls to various state organs to cement the professional bond between them and PAAPAM.

EOGM for Incorporating Amendments in the Memorandum & Articles of Association to Align with the New Corporate & Trade Rules





PAAPAM Won Legal Battle Against Antidumping Duty

We are thankful to the Almighty that the PAAPAM has won a long legal battle for the final determination of antidumping duties against imports from Korea, the EU, Vietnam, and Chinese Taipei. Antidumping duty on auto-grade steel and the steel being used in chain manufacturing stands free. This is a big achievement for the auto industry and PAAPAM, which saved millions of dollars for the industry. The PAAPAM congratulates all of its members on this landmark victory in the auto sector of Pakistan.



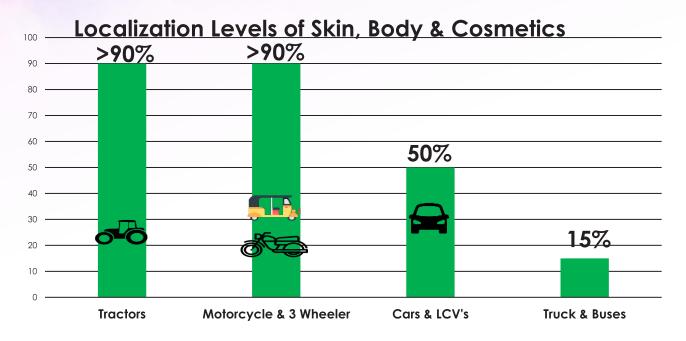
De-mystifying the Auto Industry of Pakistan

By Abdul Rehman Aizaz Senior Vice Chairman PAAPAM

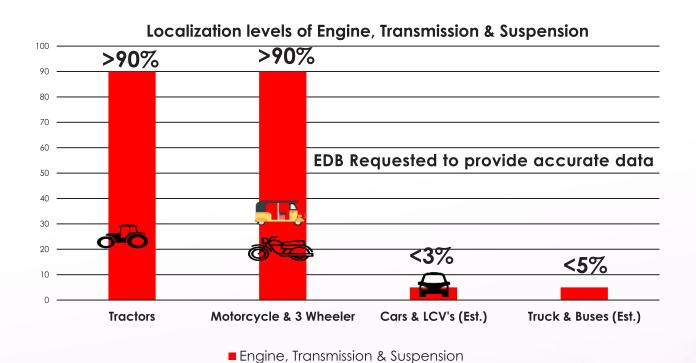
For a long, the auto industry of Pakistan is engulfed in a haze. Stakeholders define the purpose and benefit of having auto manufacturing in Pakistan according to their own vested interests. Importers of new and used cars propagate that local manufacturing is not good for the country, and we shall be following the import model practiced by oil-rich gulf countries. Governments often regard the industry as a drain on foreign exchange and simultaneously treat it as a cash cow for collecting taxes. Presently taxes range between 37 to 43% on every car being produced in Pakistan. Most assembler /manufacturers, too, are more focused on their and their principal's bottom lines in the short term than on having a long-term vision of sustainability and growth.

Another myth surrounding the industry is the overall composition of the auto manufacturing industry. The automobile horizon is not limited to passenger Cars and SUVs only. It also comprises sectors like Motorcycles and Tractors where we are world competitive in terms of value provided to end customers. The main reason for competitiveness in these sectors is the localization achieved in these sectors. 90 to 95 % of parts for Tractors and Motorcycles are manufactured in Pakistan, creating jobs for millions, contributing heavily to the country's GDP, and paying more than the due share in the country's taxes.

Very complex and critical components of motorcycles, especially those of Japanese market leaders, are produced in Pakistan under the technical assistance of Japanese companies. Hi-tech components and assemblies like complete Engines, including Carburetor, ACG, Front, and Rear Shock absorbers, Clutch, Chains, Ignition Coil, etc., are a few examples where Japan's leading companies are providing technical support to Pakistani companies. Manufacturing these critical and costly components in the country is also contributing to the national goal of "Make in Pakistan". We are thankful to Japan for the transfer of technology for manufacturing these components, resulting in good quality motorcycles at affordable prices to the masses of the country. At the same time, better quality is getting the acknowledgment of the end customer and is resulting in a constant gain in market share by Japanese motorcycles.



■ Skin, Body & Cosmetics



Reluctance in Technology Transfer.

Over the last ten years or so, designing components, especially hi-tech components, has been carried out by the part suppliers in Japan and other developed countries. Since design and technology is proprietary property of part maker, it is necessary for Pakistani companies to carry out Technical Assistance (TA) agreements and pay the fee and royalties. Reluctance to provide technical support by overseas companies for various reasons is resulting in a very slow development of critical and complex components in Pakistan.

Lack of Testing Facilities.

Due to safety and performance requirements, each car part has to go through various stringent tests. Unfortunately, such testing facilities do not exist in our country. Institutions like PSQA, PCSIR, Universities, etc. lack the facilities and expertise to carry out some very basic tests. Until funding to such institutions is not directed towards the needs of industry and a check & balance mechanism is not developed, we as a country will keep wasting a major part of the budget allocations to such institutions.

Lack of Concrete Incentives for Part Manufacturers.

Auto Policy 2016-21 gave a lot of incentives to car manufacturers. Similarly, few other incentives are being offered in recent policy 2021-26 for the entry-level car segment. However, despite being part of the auto policy objectives, no significant and tangible incentive has been offered for attracting international component manufacturers to set up manufacturing plants in the country in collaboration with local players. Very expensive industrial land and difficulty in obtaining basic facilities like Electricity, Gas, and Water are also significant hindrances in the development of the auto part manufacturing industry, which, being heavy in nature, requires higher land acreage and energy to operate.

ISO 9001:2015 Certified

Non-Tariff barriers.

The inclination of certain OEMs and their overseas suppliers to book higher profits in their parent organization by selling parts to Pakistan's subsidiary is also slowing down the development of components in the country. There are non-intentional tariff barriers like event base localization that limit down the volumes to a particular model in an already limited volume market; thus, the feasibility of localization gets curtailed further. Moreover, due to lack of testing facilities coupled with extraordinary delays in inspections and approvals by overseas parent companies act as a non-tariff barrier

We are in the middle of a catch-22 situation. Whether volumes will surpass half a million cars or international companies will transfer technology to Pakistan's auto parts manufacturers for the production of hi-tech parts in the country, resulting in a reduction of car prices and enhanced volumes to a feasible level, is a dilemma that needs resolution. Deciding factor shall be the massive population and potential of our market. Car consumption per capita in Pakistan is quite low, even if compared with underdeveloped Regional countries. OEMs shall give priority to the potential of the market we possess and work on lines of tripartite joint ventures among international part manufacturers, local OEMs, and auto part manufacturers of Pakistan. We have a shining example of hi-tech parts localization in the motorcycle segment, where leading Japanese parts manufacturing provided technological support to Pakistani companies resulting in better control of prices, which acted as a stimulus for volume growth. In the car segment, too, such kind of spirit, belief, and vision are needed from Hi-tech components manufacturing companies in Japan. The government, on the other hand, shall incentify OEMs for their localization efforts by offering a reduction in CKD duties upon achieving given localization targets. The formation of auto parts manufacturing clusters with affordable land prices and mark-up rates on fresh investments in auto part manufacturing will be a win-win situation for the whole country. After all, giving equal importance to import substitution will save much more precious foreign exchange than we earn in exports.

Pakistan is producing the cheapest tractors in the world, even cheaper than India and China. Once again, the only reason is the far-sightedness of Tractor producers to get the components developed and produced in Pakistan. For a long, almost all Engine, Transmission, and Suspension parts are manufactured in the country, which is then assembled to form the tractors. Made in Pakistan tractors bring benefits to the whole farm community and lead the way for the sustainable growth and food security of the country.

Now the Achilles heel of the Automobile industry, passenger Cars, and SUV segment. Mostly this sector is framed as the problem child by the import lobby due to their vested interest. Often a false perception is generated that world-class companies like Toyota, Honda, and Suzuki are just assemblers and not manufacturers. The reality, though, is quite different. There are about 200 companies in Pakistan manufacturing thousands of components for these OEMs, generating sizable employment and contributing heavily in the industrial output of the country.

The majority of low-tech components and a number of hi-tech components in this segment are made in Pakistan. It doesn't mean that the localization goal is near completion like in Motorcycle and Tractor segment. Multiple reasons are hindering the localization progress, such as;

Low volumes. Investment feasibility for manufacturing high-tech auto components needs certain volumes. Generally, it is considered that a production volume of half a million cars is needed for any viable investment in manufacturing critical engine and suspension components. Unfortunately, we are still far from achieving this kind of volume. Two-three times in the last 15 years, our volumes neared 300,000 cars, but due to macro-level issues, especially the devaluation of currency and hike in mark-up rates caused a crash-like situation in the very next year of achieving higher sales.

Frequent Model Changes.

Unlike the motorcycle and tractor segment, Car and SUV buyers desire newer models every 4-5 years. That is why we see a change in models much more frequently now. Coupled with low volumes, it results in very limited volume for each model, thus making investments in dies/molds and technical assistance fees un-recoverable/feasible.

ISO 9001:2015 Certified

PAAPAM Acquired NPO Status

The PAAPAM is Not for Profit organization (NPO) registered under section 42 of the Companies Act 2017. After a lot of struggle, we got the exemption certificate from taxes. Roughly we got managed to save millions of PAAPAM.



ISO 9001:2015 Certified

Brief News

Promoting harmony and unity among members

We organized the last elections in 2021 in transparent, fair, and free manners, and the change of guard took place in an ideal democratic way. All members served on many standing committees without any discrimination and gave a strong message to everyone that all were united under the umbrella of PAAPAM.

Training and capacity building of staff

Without a competent team, objectives cannot be achieved. We arranged many pieces of training to develop the system and HR resources. In fact, we evolved a system to lessen the discretional powers, and people depended on the environment. ISO/CMS is the formal expression of policy. We have also enhanced the 33% seating capacity of the head office to meet the growing needs of the PAAPAM Secretariat.

Office Security

In spite of hiring the night security guards with a lot of inherited complexities, we decided to fence the premises with electric wire. Internal security shifted to digital systems to secure our entire building.

HBL team visit to PAAPAM

HBL team visited the PAAPAM office and developed a specific product for our members against low markup and without collateral.

Renovation of our Display Centre At EDB

Our display center at EDB had given a deserted look. We revamped the entire display center, such as a new false ceiling, new door, man-made, wooden floor, inverted AC, spotlights, paint, and smart TV to search the membership data with their facility.

Capacity Building of PAAPAM Staff

PAAPAM believes that only trained staff can execute the organization's policies. Keeping this in mind, we continuously strive to build the capacity of our staff members in diverse areas like account finance, corporate governance, risk management, ISO, and so on.

BDC

PAAPAM specially made an effort to diversify our business from OEMs to other state organs like Defense productions, Pakistan Railway, SNGL, SSGL, HMC Taxila, WAPDA, and so on. To make this sector for engineering goods manufacturing in addition to auto parts, soon pieces of training for our members will be arranged how we could diversify. The Business Development Committee headed by Mr. Sikandar Baig Mirza is continuously widening the spectrum and perception of the PAAPAM

ISO Certification

We could not achieve our mission and quality standards without adopting modern corporate concepts integrated with technology. Certifications and compliance are not compulsions but the need of a modern era. Change is a perpetual phenomenon and the key to sustainability. The case studies of Nokia, Kodak, and Fuji colors are before us. The pinnacle of the IT revolution demands us to fasten our seat belts, keep our sleeves rolled up, and strap up our boots all the time. It's a great honor for PAAPAM to be the only ISO-certified trade organization in the country. We are also designing some training and ISO certification economic products for our members and commercials too to enhance the revenue for the association.



Print Media Coverage

Pakistan Auto Show set to enthrall tycoons, car lovers alike

Frontier Post

Minister Hailed to Arrange PAAPAM and PR Meeting to Expand Liaison

BUSINESS RECORDER

Auto parts industry facing 'historic crisis': PAAPAM

The Nation

Minister keen to switch to locally made parts to ease forex pressure

PR chief, **PAAPAM** delegates agree to promote

localisation



Tribune

Pak Railways mulls switching to locally made components

CEO Says it will case foreign exchange pressure, reduce trade gap reduced trade gap reduced trade gap and the control of the c

Daily Parliament Times

Dollarization domino effec industry facing history's



TRIBUNE

Small auto parts makers go bankrupt

Industry facing Worst crisis in history due to dollarisation

• OUR CORRESPONDENT COMMENT COMMENTS AND THE AUTO PARTS AND THE A



PAAPAM HAILS RAILWAYS MINISTER SAAD RAFIQUE TO ARRANGE PAAPAM AND PR MEETING TO EXPAND LIAISON

spending precious

), who represented
Minister Khawaja
as talking to a
tan Association of
and Accessories
ead of PAAPAM
ment Committee
ead of PAAPAM
ment Committee
ander Baig, On the
aliways Minister,
aliways technical
the whole PR
acilways technical
the whole PR
ME Locomotives,
rs and Divisional
vorkshops, were
ME Locomotives,
rs and Divisional
vorkshops, were
for the the proper of the
the invitation of
international the
their mivitation of
the their mivitation of
the property of the
their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
the their mivitation of
th



Ahmed Qureshi, Haji Muhammad Nazir of Meralastik Rubber and Engineering, PAAPAM General Secretary Chalan Murtuza and Anas Secretary Chalan Murtuza and Anas Secretary Chalan Murtuza service and Secretary Chalan Murtuza Service and Particular Secretary Secre

THE NEWS

Railways Minister keen to switch to locally made parts to ease forex pressure

By our correspondent

CEO Farrukh Taimur Ghilzai has said that the Railways Minister has expressed his keen interest to switch over to locally manufactured parts of locomotives and wagons instead of importing these components from other countries by spending precious foreign exchange.

The Railways CEO, who represented Federal Railways Minister Khawaja Saad Rafique, was talking to a delegation of Pakistan Association of Auto Parts and Accessories Manufacturers , which met

him here in the lead of PAAPAM Business Development Committee convener Mirza Sikander Baig. On the directions of the Railways Minister, the senior most Railways technical staff, who runs the whole PR department, including, Chief controller Purchase, Chief Mechanical Engineer Carriage, CME Locomotives,

Carriage, CME Locomotives,
Divisional Engineers and Divisional
Superintendent Workshops, were
accompanying the Railways Chief
Executive Officer in the meeting. Later in the second round, the PAAPAM team, on the invitation of the Federal PR Minister, also visited the railway workshops to collect the fruits of earlier important meeting.

Statesman

MONDAY AUGUST 29, 2022

Minister keen to switch to locally made parts

The Financial Daily

PAAPAM hails Minister to arrange PR, auto parts industry meetings to expansion

Rail Minister keen to switch to local parts to ease for

The Tallways Chair Executive the common and Dairways technical as the federal minister is very serious members and the Pakistra Railways of the Pakistra Railways and the Pakistra Railways and premote localization to contain the serious factors and promote and promote localization to contain the promote contain the serious factors and promote and promote contain the serious factors and promote and sugars instead of Divisional Engineers and Divisional Engineers an



Minister keen to switch to locally made parts



Automobile sector has potential to boost economy: industries secy

LAHORE: LAHORE: Punjab Industries and Commerce Secretary Dr. Ahmed Javed Qazi has said that the automobile industry has a key position

na tie automoute in mustry nas a key position national economy. as addressing a symposium held during an attional auto show organised by Pakistan iation of Automotive Parts & Accessories

PAAPAM at Expo Center, Lahore, ough there is potential in this indussibane in the GDP, there is a need as and challenges to meet the goals oviding wonderful opportunities for orts; therefore, the Punjab govern, gall possible support for the develutomobile industry," he said.

جو ہرٹاؤن ایکسپوسنٹر میں جاری آٹوموٹیوا کیسپومیں شہری جدید ٹیکنالوجی کی حامل گاڑیاں دیکھرے ہیں

Secretary Industries and Commerce said that there was a favorable atmosphere for the development of industry including the automobile sector. He said that 10 special economic zones are functional in the province while recommendations have been sent to the federal government for three new special economic zones, there are vast opportunities for domestic and foreign investors in these special economic zones. There are also 24 small industrial estates for investors in the province. University of engineering and technology Lahore is contributing much to promote automobile and engineering sector and Punjab Tianjin University of technology, Mir Chakar Khan University of technology, Mir Chakar Khan University of technologists, he informed. He said that such seminars are helpful in the policy making process, the recommendations that come out in this symposium will be utilised. He said that and international exhibitors are participating in this event, factories making cans, tractors and motorey-cles, apart from factories making auto parts have set up stalls. PAAPAM Chairman Abdul Razzaq Gobar, Chief Organiser Symposium Iftikhar Ahmed and others also addressed the seminar while a large number of industrialists participated in the seminar.

EDITORIAL/OPINION | 04

Chief Editor Irfan Athar Qazi

ail: editorthebusiness@yahoo. thebusinesslhr@gmail.com

Tijarat House, 14-Davis Road, Lahore 0423-6312280, 6312480, 6312429, 6312462 Cell # 0321-4598258 Fax: 042-36362767

1270-B, Peoples Colony No I, Off: Chenon Road, Faisalabad, Ph: 041-8555582 Cell: 0307-6000375, 0321-4598258

ISLAMABAD / RAWALPINDI N-125 Circular Rand, Ph. 051-5551 654, 5532761, Cell # 0300-8567331 3rd Floor Kelkashan Mali 172-1 Block II PECHS Gyp Rehmania Majid Main Tariq Road Ph: 021-3453456, Cell # 0300-8251534



Automobile sector has key importance in economy: secretary

Pakistan Auto Show, a jewel of auto-world



From 29-31 July 2022, th culturally rich city o rrom zv-31 July 2022, th culturally rich city of Lahore will witness the 17th edition of the large Pakistan Auto Show after a preludie of two years The supporting partners are the Trade Development Authority, Govt. of Pakistan, the Engineering Development Board, PCSIR, Small a Medium Enterprises Development Authority.

Why blame others!

Democracy — thy nan

Automobile sector has key importance thister. Imrain economy: secretary

PAAPAM opens Pakistan's largest automotive expo

Automobile sector has key importance in economy: secretary

AGENCIES LAHORE

Types con

Automobile sector's growth

organisation: Provincial Industries and Commerce Department Secretary Dr Ahmed Jaagement — I ved Qazi said on Sunday that automobile industry enjoyed a key position in the national economy, and effective steps were being taken to increase its share in the GDP and get its proper share in the global market.

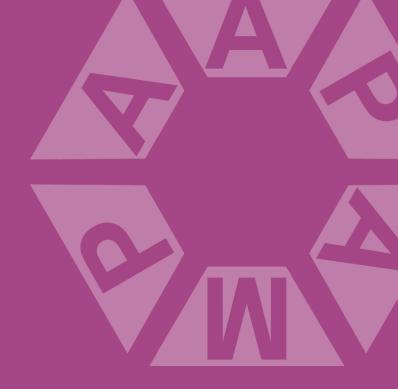
This sector, he added, was providing opportunities to value-added exports; therefore, the Punjab government was providing all possible support for development of this industry. Addressing an industrial symposium, organised by the Pakistan Association of Automotive Parts & Accessories Manufacturers (PAA-PAM) here at the Expo Centre, he said 10 special economic zones were functional in the province, while recommendations had been sent to the federal government for three new special economic zones. "There are vast opportunities for domestic and foreign investors in these special economic zones. There are also 24 small industrial estates for investors in the

province," he added. Qazi said that the University of Engineering and Technology (UET) Lahore was contributing much to promote automobile and engineering sector and the Punjab Tianjin University of Technology, Mir Chakar Khan University, Dera Ghazi Khan, and Rasool University Mandi Bahauddin were producing highquality technologists; however, there was a need to strengthen the linkages between academia and industry.

The secretary said that such seminars prove helpful in policy-making process, assuring the recommendations that came out at the symposium would be considered by the relevant departments. He said that holding an auto show was a welcome step as 153 local and international exhibitors were participating in the event, factories making cars, tractors and motorcycles, apart from factories making auto-parts have set up their stalls. PAAPAM Chairman Abdul Razzaq Gohar, Chief Organiser Symposium Iftikhar Ahmed and others also addressed the seminar, while a large number of industrialists participated in the event.

Need for removing roadblocks stressed







Lahore Office: 16-B, Westwood Colony, Thokar Niaz Baig, Lahore, Pakistan. Tel: +92-42-37498474-5 Fax: +92-42-37498476

E-mail: g.secretary@paapam.com

Karachi Office: 204-Suleman Center, SC-5, St # 17, Sector 15,

Korangi Industrial Area, Karachi , Pakistan, Tel: +92-21-35113741

E-mail: paapam@gmail.com

(700 th