

Auto sector to be promoted, says Bijarani

ISLAMABAD, May 11: Federal Minister for Industries and Production Mir Hazar Khan Bijarani, terming auto industry as one of the key drivers of Pakistan's economy, has assured that the government would make efforts to develop the industry and solve its problems for economic growth of the country.

The minister stated this during his visit to Indus Motor Company (IMC) Karachi, says a press release.

The management of IMC briefed the minister about the process of manufacturing automobiles and highlighted the issues of the automobile industry.

Mr Bijarani was also given a tour of IMC Plant followed by a visit of locally made auto parts display area.

Mr Bijarani congratulated the IMC on achieving the milestone of 20 years of incorporation and while appreciating the company's performance said that Indus has played a key role in the growth of the automobile industry which has led to increased employment opportunities, investment and transfer of technology.

It is encouraging to learn that IMC has increased production over the years from 57 cars per day in 2002 to currently over 200 cars per day.

The minister suggested to the industry to reduce prices of vehicles. However, during the meeting IMC presented the reasons for vehicle price

escalation which was primarily due to the depreciation of Pakistani rupee against the yen and dollar.

The minister acknowledged the increased localization efforts undertaken by IMC, especially on the new Corolla model which had more parts localized than the previous model.

The IMC requested the minister to review the recommendations made by the auto sector which include the need for a stable policy framework so that industry can plan effectively for new models and plant capacity expansions.

The company also requested the government not to impose higher duty on high-tech parts that cannot be localised due to non-availability of technology and current low volumes as such an action would result in further increase in cost to customer.

It also asked for continued ban on import of used vehicles that are more than three-year-old while maintaining the current depreciation allowance and allowing VAT adjustment on purchase of spare parts or repair and maintenance service for passenger vehicles.

Mr Bijarani noted the recommendations and appreciated the role of the auto sector and mentioned that this sector is one of the key drivers of Pakistan's economy.

Mr Ali S Habib, Chairman, Indus Motor, thanked the minister. —APP