



**GOVERNMENT OF PAKISTAN
MINISTRY OF INDUSTRIES & PRODUCTION**

PRO TO MINISTER
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PRESS RELEASE

**INDUS MOTOR COMPANY PLAYED A KEY ROLE IN THE GROWTH OF
AUTOMOBILE INDUSTRY.....MIR HAZAR KHAN BIJARANI**

Islamabad: May 11, 2010

Federal Minister for Industries and Production Mir Hazar Khan Bijarani visited Indus Motor Company (IMC) yesterday in Karachi, says a press release received from Karachi today. The management of IMC briefed the Federal 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.

Mir Hazar Khan Bijarani congratulated IMC on achieving the milestone of 20 years of incorporation and while appreciating the company's performance said, "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. I am impressed by the plant and its efficient operations along with the dedicated workforce." While acknowledging the Company for its efforts in enhancing production to meet demand, he said, "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 industry underwent a challenging period in 2009; however, I am glad to learn that the industry is projecting an improved 2010."

The Minister suggested to the industry to reduce prices of vehicles, and acknowledged the increased localization efforts undertaken by IMC especially on the new Corolla model which had more parts localized than the previous model.

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 localized due to non-availability of technology and current low volumes as such an action will result in further increase in cost to customer. They also requested to continue ban on import of used vehicles that are more than 3 years old while maintaining the current depreciation allowance and allow 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 honorable Minister Mr. Mir Hazar Khan Bijarani and his team for visiting Indus Motor and requested the Minister to look into the recommendations made by the industry to ensure that this vital sector of the engineering and Large Scale Manufacturing (LSM) industry remains active and growth-oriented as in the past and a major contributor to the national exchequer.

MAB