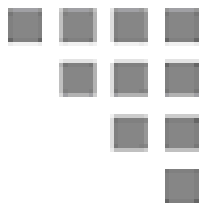




Trucks / Buses

Sector Overview



Overview

- ◆ The automobile industry in Pakistan has covered huge distances ever since the eighties when the first automobile manufacturing facility was set up in the country.
- ◆ The total country requirements are generally met from the local production except the import of certain categories of trucks & prime-movers.

Impact on the Economy:

- ◆ In addition to manufacturing/assembling downstream vending industry comprises of 2000 part manufacturers out of which 400-500 are in the organized sector.
- ◆ **Buses, FY-17 growth rate: 19.71%**
- ◆ **Trucks, FY-17 growth rate: 39.31%**

Manufacturers/Assemblers in Pakistan

Pakistan Automotive Manufacturers Association (PAMA)

- ◆ Licensed by the Ministry of Commerce, Government of Pakistan under the Trade Organizations Ordinance 2007 and registered under the Companies Ordinance 1984 as a company with limited liability.

Objective:

- ◆ To Safeguard interest of Members
- ◆ To play central role in all policy making process of the Government for the automotive industry of country
- ◆ To enable Pakistani Auto Industry becoming Global Player
- ◆ To provide the members high quality professional service & create excellent communication amongst members
- ◆ To be the principal source of statistical data on the entire automotive industry of the country
- ◆ To play its role to foster harmony and accord amongst all stakeholders

Manufacturers/Assemblers of Trucks/Buses in Pakistan

Members of Pakistan Automotive Manufacturers Association	Listed on PSX
Hinopak Motors Ltd.	Ghandhara Nissan Limited
Ghandhara Industries Ltd.	Ghandhara Industries Limited
Ghandhara Nissan Ltd.	HinoPak Motors Limited
Master Motor Corporation Ltd.	

- Non Members of PAMA:
 - Al-Haj FAW & Afzal Motors (Assembler/Manufacturer)
 - Dysin (Sino truck) (distributor)
 - New Allied (Subuk Raftar Shinery) (distributor)
 - Tayyaba (DFSK) (distributor)

Products



FAW

Prime Movers

- J5P 420
- Rigid
- FAW Tiger
- J5M 220



Afzal Motors

Daewoo Trucks

Daewoo Buses

JAC Trucks

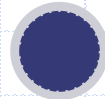
- HFC-1061-K
- JAC Buses
- HFC-1061-KB



Hinopak

Hino Trucks

Hino Buses

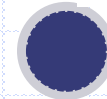


Gandhara Nissan

DONGFENG Trucks

JAC Trucks

- JAC X-200



Gandhara Industries

ISUZU Trucks

- N Series Trucks
- F Series Trucks
- F Series Prime Movers
- ISUZU Buses



Master Motors

Master Trucks

Master Buses



Master Foton
3Ton Loading Capacity



Master Grande
6 Ton Loading Capacity

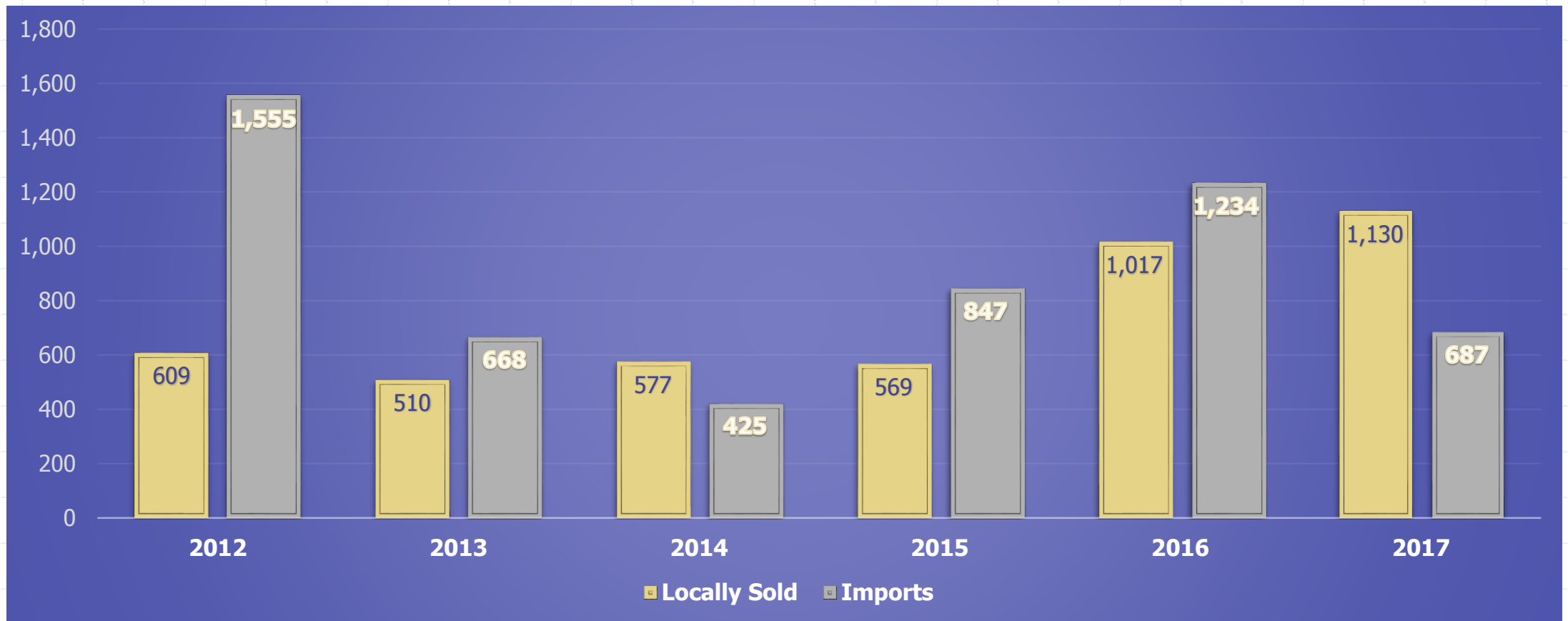


Master Line

Buses and Trucks

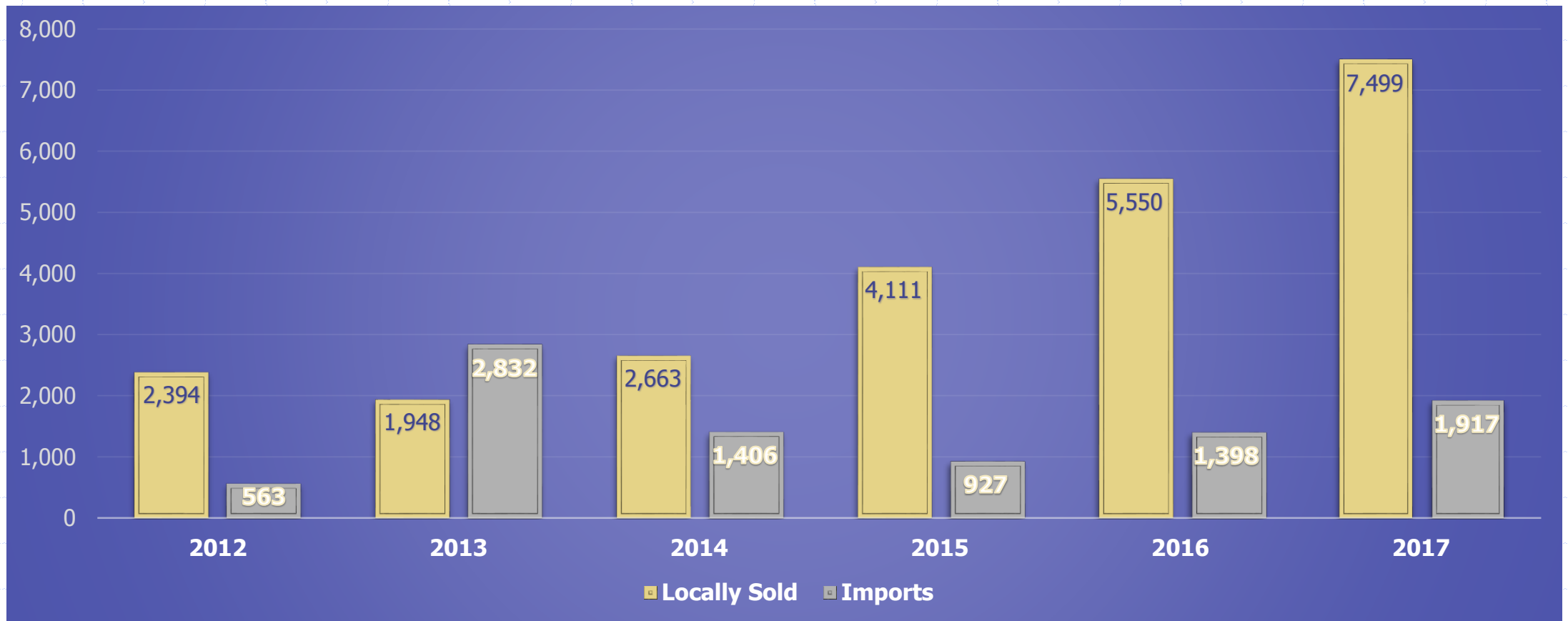
- ◆ There are ten bus manufacturers currently registered with Engineering Development Board out of which only four i.e. Hino Pak Motor Limited, Ghandhara Industries, Ghandhara Nissan and Afzal Motors Limited (Daewoo) are noteworthy in terms of production activities.
- ◆ The strength of this segment is in availability of trained manpower for fabrication of bus bodies and chassis. There is unutilized surplus production capacity available for manufacture of buses for export.
- ◆ In the view of CPEC initiatives, it is expected that demand will increase manifolds.
- ◆ Companies that provide travel services such as Daewoo, etc. are the only major demand for buses.
- ◆ The growth in sales of Trucks is due to the economic growth, increase in infrastructural activities and boom in the housing industry.

Buses Sold locally & Imported:



* 9 months figure of FY 2017 on Imports was available, 12 months figure is extrapolated using the 9 months data

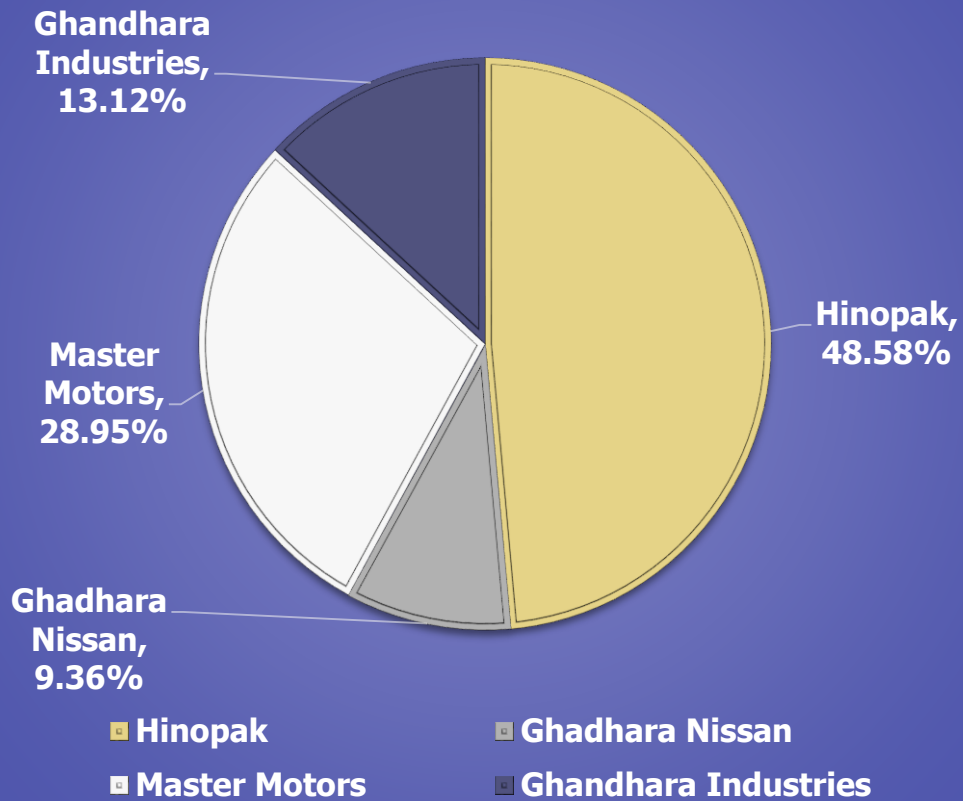
Trucks Sold locally & Imported:



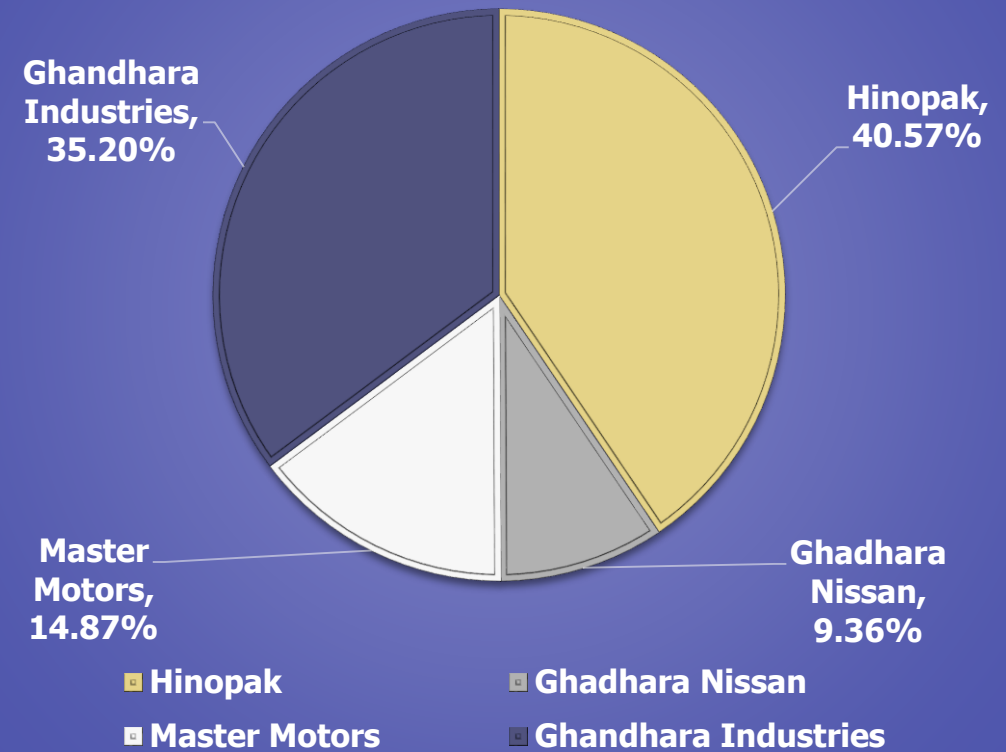
* 9 months figure of FY 2017 on Imports was available, 12 months figure is extrapolated using the 9 months data

Market Share (PAMA), Trucks

Market Share 2012

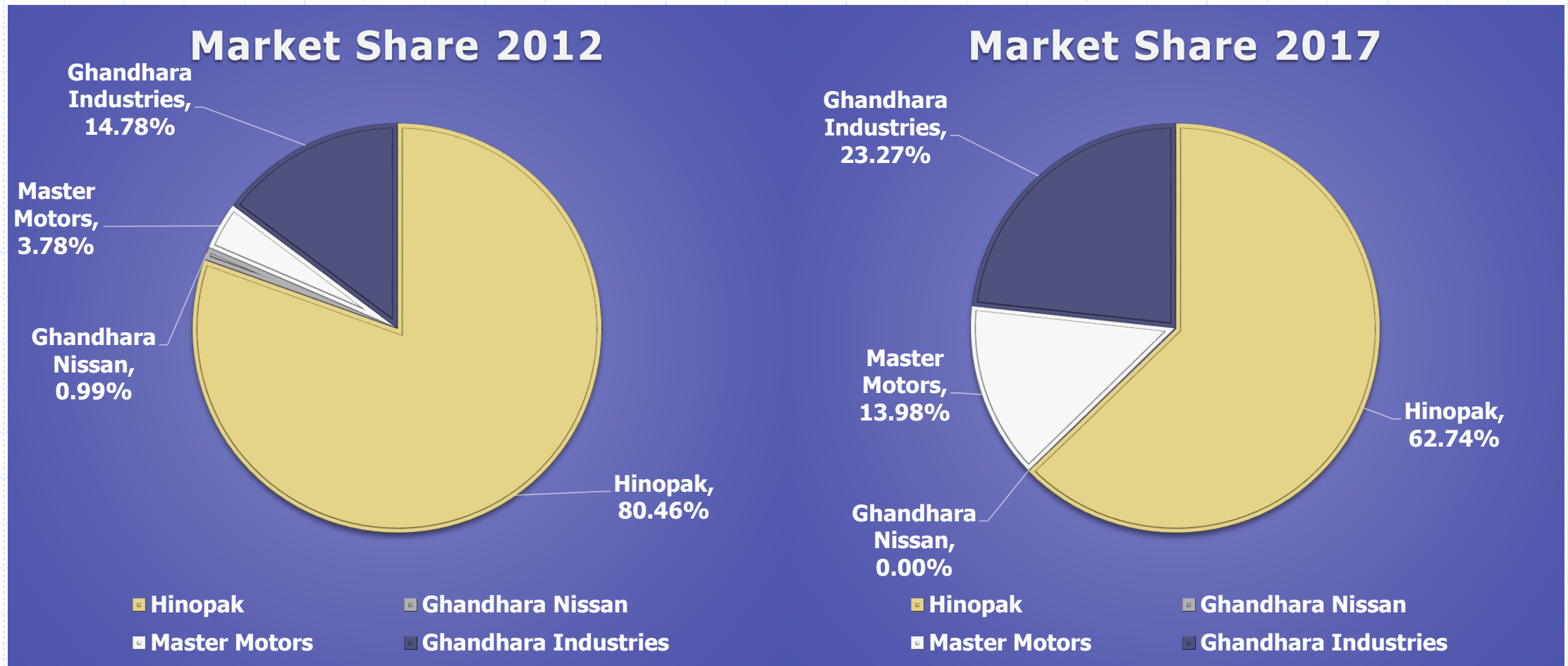


Market Share 2017



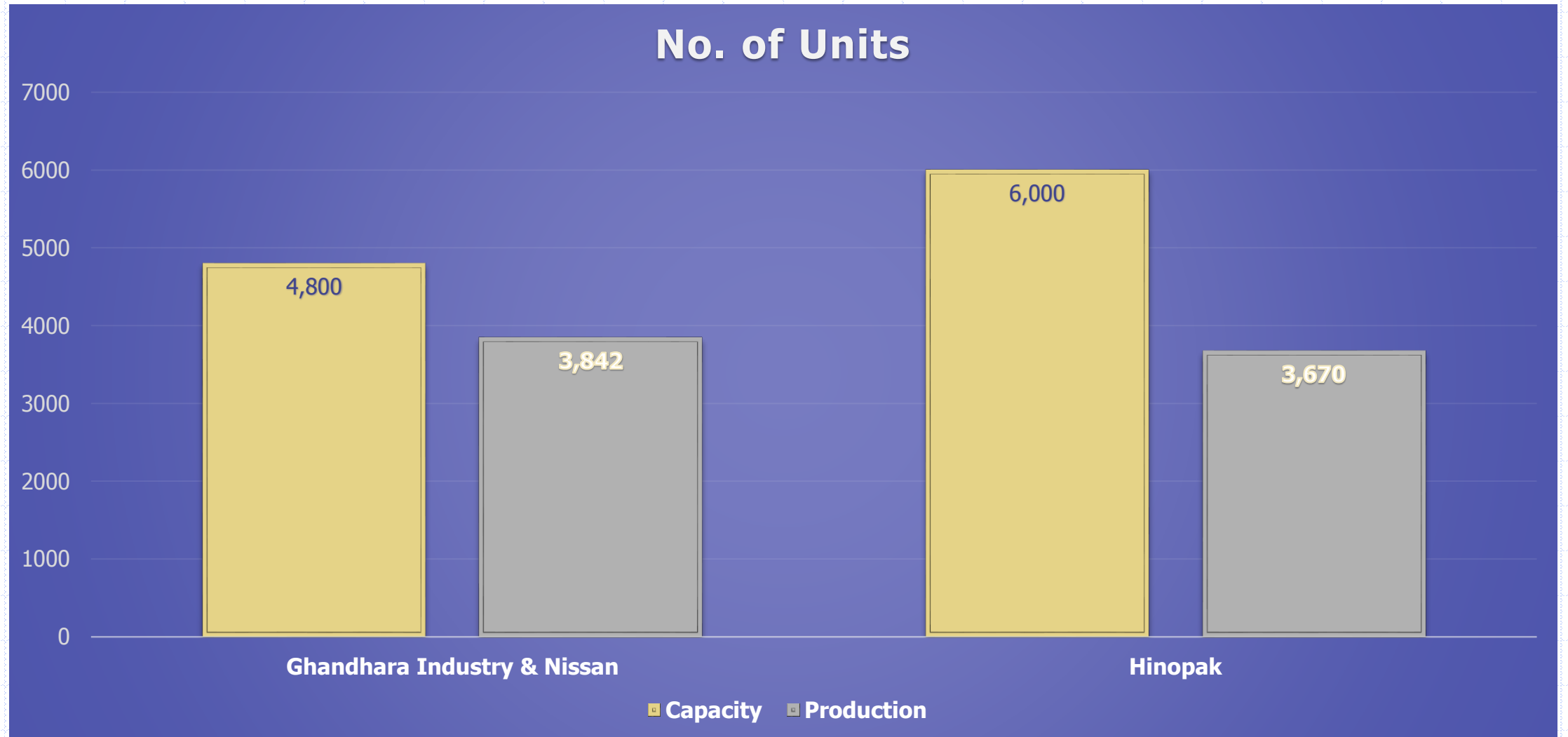
*FAW, Dysin, Afzal Motors market share not available

Market Share (PAMA), Buses



*FAW, Dysin, Afzal Motors market share not available

Installed Capacity & Production



Industry Developments

- ◆ Hino Pak Motor Company has exported a few buses to UAE and Saudi Arabia. This sector offers huge opportunity to export buses from Pakistan to the Middle East and Africa. There is also a huge freight advantage for export to Afghanistan, Middle East and Africa from Pakistan as compared to competitors in East Asia.
- ◆ The local industry faces multiple challenges. Used trucks, off-road dumpers, chassis, tankers and concrete mixtures are converted into prime movers and trucks, unless abuse of import authorization is controlled, the local bus and truck industry may not be able to achieve full potential.
- ◆ Age limit of 5 years on Imports is to be continued incase of Buses, Vans, Trucks, Pickups, SUVs Including 4x4 vehicles.
- ◆ Dysin working with leading Chinese truck makers (Sinotruk truck) and Ghandhara Nissan is working with Dongfeng trucks. Volvo also plans to unveil high quality trucks in Pakistan and the latest to join its ranks is MAN SE, a manufacturer of heavy truck.
- ◆ Scania, is interested in entering the Pakistani market. Yousaf Dewan Companies have struck a deal with the European truck manufacturer for exclusive distribution rights.
- ◆ By 2021 future local Production is expected to increase to:
 - Trucks: 12,000
 - Buses: 2,200

Opportunity & Risk

- ◆ **Positive macroeconomic factors of the country amid a strong growth in the auto sector**
- ◆ **Imports substitution: Local players replacing imports**
- ◆ **Interest of foreign players: New players showing interest and expected to arrive soon**

- ◆ **Devaluation of PKR: Impact on cost of production**
- ◆ **Chinese manufacturers providing cheap alternatives**
- ◆ **Prospects of Chinese using their own trucks for CPEC related activities**
- ◆ **Upgradation of railway infrastructure leading to a cheaper alternative**

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