

F. No. 3(01)/2020/D (Inv-II)/NTC/Thal
Government of Pakistan
Ministry of Commerce
National Tariff Commission

Islamabad, November 17, 2020

Press Release

Subject: - **Tariff Rationalization of H.S Code 8414.3020 Auto Air-Conditioners Compressor with HCFC and NON-CFC Gases**

M/s Thal Engineering Limited (“Applicant”), a domestic manufacturer of automotive Air-Conditioners (ACs), has approached the National Tariff Commission (“NTC”) for rationalization of tariff governing auto ACs industry. According to the Applicant, the Federal Government in Budget of FY 2017-18 introduced a new PCT Code “8414.3020” (compressor for vehicles of chapter 87) and made it subject to 35% customs duty and 7% additional customs duty. On the other hand, compressor under PCT Code 8414.3010 is subject to 0% customs duty (CD) & 0% additional customs duties (ACD) despite of the fact both compressors under the PCT Codes 8414.3010 & 8414.3020 are Montreal Protocol compliant i.e. work with Refrigerant R134A. Previously before Budget of FY 2017-18 both types of compressors were classified under same PCT Code 8414.3010 and were subject to same duty i.e. 3% CD & 01 % ACD. Therefore, the Applicant has requested that the CD & ACD for PCT heading 8414.3020 (vehicles of chapter 87) may be reduced to 0%, in line with PCT heading 8414.3010 (compressors used with HCFC & non-CFC gases).

2. The National Tariff Commission has initiated a study in this case and would welcome views, suggestions and proposal from all parties having interest in the business relating to or associated with the imports, exports, manufacturing, marketing and use of auto air-conditioners. Views/suggestions may be sent within ten days of publication of this press release, to the Secretary, NTC, 4th Floor, State Life Building No.5, Blue Area, Islamabad.

3. A public hearing on the issue is scheduled to be held online on December 3, 2020 at 11:00 a.m. via video conferencing (details of which will be sent to the interested parties who registered themselves for hearing).

4. Further, all parties having an interest in the business relating to or associated with the import, export, manufacturing, marketing and use of auto air-conditioners are hereby advised to get themselves registered with NTC latest by November 26, 2020 for participation in the online public hearing by providing names of the participants with their telephone numbers (Cell/LL) and fax numbers to the Secretary NTC on the Fax No. 051-9221205. For any further inquiry please contact Director General (Inv-II) at 051-9218961. All interested parties may submit their comments and suggestions in writing. The comments and suggestions may be supported with requisite, information and documentary evidence(s), which must be brought to the public hearing. The views not supported with reliable documentary evidence(s) shall not be considered.

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(Ali Muhammad Shah)
Secretary, NTC