

F. No. 3(03)/2021/D (Inv-II)/NTC/PASPIDA
Government of Pakistan
Ministry of Commerce
National Tariff Commission

Islamabad, February 12, 2021

Press Release

Subject: - **Tariff Rationalization of Automotive Parts Value Chain**

The National Tariff Commission (the "Commission") has initiated an inquiry under Section 8(1)(c) of The National tariff Commission Act, 2015 for *the rationalization of tariffs and proposals for tariff reforms* on the request of The Pakistan Automobile Spare Parts Importers & Dealers Association (the "Applicant").

2. The Applicant is an association of importers and suppliers of various after-market and replacement-market auto parts and submitted that irrationally higher tariff on commercial imports of auto-parts has encouraged illegal imports from western borders. The Applicant has also presented its estimate to the Commission regarding the extent of smuggling of auto parts into Pakistan and claims that up to 41% of domestic demand is met through legal channels. Therefore, the Commission has decided to carryout a detailed study in order to propose a rationale and streamlined tariff structure to minimize the incentives of smuggling without eroding the protection to the domestic industry and incentive differential available to new entrants in line with federal government's Automotive Development Policy 2016-21.

3. The Commission would welcome views, suggestions and proposals from all parties having an interest in the business relating to or associated with the imports, manufacturing, marketing and use of automotive parts. Views/suggestions may be sent within fifteen days of publication of this press release, to the Secretary, NTC, 4th Floor, State Life Building No.5, Blue Area, Islamabad. A virtual public hearing on the issue is scheduled to be held on March 02, 2021 at 11:00 a.m.

4. Further, all parties having an interest in the business relating to or associated with the imports, manufacturing, marketing and use of automotive parts are hereby advised to get themselves registered with NTC at khizar@ntc.gov.pk or sajid@ntc.gov.pk latest by February 26, 2021 for participation in the public hearing by providing names of the participants with their email, telephone numbers (Cell/LL) and fax numbers. For any further inquiry please contact Director Investigation-II at 051-9218968. 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