

# A bird eye view on motorcycle market & industry in Pakistan



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**T**he motorcycle industry in Pakistan has its own significance due to buying power of the population and road condition, especially in the interior parts of the country. 60% population of Pakistan lives in villages and their major means of transportation is motorcycle. Two wheelers are the entry-level transport vehicles for a very large percentage of Pakistan.

The fiscal 2002-03 concluded with a promising note for the entire auto sector, marked by rising sales of cars by 46 percent followed by 56 percent in trucks, buses by 25 percent, light commercial vehicles (LCVs) by 37 percent, tractors by 12 percent and two wheel-

ers by 35 percent.

The overall positive economic indicators in 2002-03 can be attributed to the robust performance given by the entire auto sector. Besides, production of cotton, wheat, rice and sugar (cash crops) also remained high in the outgoing fiscal, thus playing a major role in pushing up sales of vehicles.

Motorcycle Production and

sales according to official sources stood at 165,105 and 161,863 units, respectively, in 2002-03 as compared to 120,627 and 120,083 units in the corresponding period of 2001-02. Two Chinese units became member of the Pakistan Automotive Manufacturers Association PAMA, which is usually dominated by Japanese bike

assemblers like Honda, Yamaha and Suzuki. Japanese assembler has already been facing stiff competition from seven Chinese bike assemblers.

Motorcycle market has seen a phenomenal change in the last one-and-a-half years following entry of Chinese bike makers, thus giving consumers a wider choice to own two wheelers at prices ranging between Rs 37,000 and Rs 42,000 as compared to Japanese bike at Rs 58,000-73,000.

In the year 2002/2003 motorcycle industry showed a visible sign of growth the total market size achieved a figure of 165000 units. It may be noted this is a recorded figure by Pakistan Automotive Manufacturers Association PAMA but during last two years approx five new players started production in this segment but still did not become members of PAMA if we add their production volume then total volume will become about 200000 units. This can be easily grow 4 to 5 times, only in a period of one year subject to an affordable selling price tag for end customer. One more



MOU being signed between Mr. Jiang Feng of M/s China First Automobile Group Imp. & Exp. Corporation and Mr. Anwar Iqbal of M/s Dewan Mushtaq Group, witnessed by (L to R) Mr. Waseem Haqqi Chairman BOI, Dr. Abdul Hafeez Sheikh Federal Minister for Privatization & Investment, President of Pakistan General Pervez Musharraf, Chairman China Council for the Promotion of International Trade (CCPIT), Mr. Shaukat Aziz (Federal Minister for Finance).