

Industry within SAARC Integration of autopart vendor



By Mr Anwar Iqbal, Director

The Autopart Industry gained significant importance after the installation of assembly plants by various Multi National Companies (MNCs) for automobile vehicles in South Asian countries. Before that the Autopart Vendor Industry was engaged in replacement parts while under the deletion programme Local Industry was supplying OEM parts to the assembly units.

This brought significant improvement in the production techniques of Vendor Industry. Delegation of Automotive Component Manufacturers Association (ACMA) from India visited Pakistan and held detailed discussion with their counterpart in Pakistan to assess possibilities of enhancing mutual cooperation. It was understood that ACMA had a Membership of 340 autopart manufacturers vendor industry in India while in Pakistan the Membership of Pakistan Association of Automotive Parts & Accessories Manufacturers (PAA-PAM) was 185 manufacturing 1000 parts, investment was over Rs 10 (billion) while contribution to GDP was Rs 15 billion.

Fateh Motors Limited Motorcycle Industry

An efficient transport and communication network is a prerequisite for socio-economic growth of a country. While Pakistan has made considerable progress in recent years in the field of communication, the transport system remained under strain from the growing needs of the expanding

economy. Presently there are over 3.24 million motor vehicles on road in the country, of which motorcycles / scooters are 1.58 million, motor cars 0.60 million, jeeps 0.05 million, station wagons 0.12 million, tractors 0.44 million, buses 0.07 million, motor cabs / taxis / rickshaws 0.12 million, delivery vans 0.09 million, trucks 0.12 millions and others 0.07 million.

Problems of transport and communication will remain as Pakistan is an under-developed country due to economic resources, national priorities and population pressure. The population of Pakistan has increased four times, i.e., from 32.5 million in 1947 to 135.25 million in 1997. The current growth rate of 2.77 per cent is considered the highest in the region.

Importance of motor cycle industry: Importance of motorcycle industry in Pakistan cannot be ignored and has its own significance due to buying power of population, road conditions specially in the interiors and as a major means of transportation, specially in rural areas as 60% population lives in villages. Percentage distribution of population from 15 to 64 years of age is approximately 50.4%.

According to the latest Labour Force Survey during 1994-95, the overall labour force participation rate was 37.15 per cent, 26.96 per cent from rural areas and 10.19 per cent from urban area. The data reveals that over 90% class cannot even dream for the luxuries of a four-wheeler, and a reasonable percentage of age group people have to depend upon two wheeler.

Government policies

Liberalisation policies continued by the government during 1996-97 because in the recent years the large scale manufacturers have fell short of expectations in terms of growth. The Prime Minister Economic Revival Programme announced on the March 1997 and the package to revive capital market had given needed support to the manufacturing sector.

This sector as a whole recorded growth of 1.78 percent against 4.4 per cent last year due to lacklustre performance of large scale manufacturers declining by 1.43 per cent in value added. Production of motorcycles during

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1995-96 and 1996-97 is as under:

Motorcycle numbers production

* Year 1995-96 70,200

* Year 1996-97 71,400

* Per cent Change 1.71%.

Transport facilities are becoming very costly and out of reach for a common citizen. Moreover, roads infrastructure are not coping up with the required transport capacity due to over population, thus travelling has become hazardous, very time consuming and expensive. Increased number and old vintage condition of four wheelers have polluted the environment. The only solution to the above is the concrete, practical and favourable policies by the government for private sector, to meet the future transport requirement.

There is a need to give incentive, specially to the two wheeler indigenous industry so that under healthy and favourably competition / incentive, the common citizen should get motorcycles at a reasonably affordable price in particular and the people should cherish the pollution

foreign corporation, which is one of the leading industrial groups. This corporation is already producing more than three million motorcycles per annum and they also have 20 joint venture set-up all over the world.

Fateh Motors Limited have product range in motorcycles from 50 CC to 500 CC, but in the first phase have launched HERO-70 CC, 4 stroke CDI system motorcycle. Subsequently, in order of priority HERO 50 CC, 125 CC, 350 CC and 500 CC will be launched.

The agreement envisages import of CKD kits. Simultaneously the foreign partner has dispatched fully self-contained motorcycle plant which includes punching, welding, painting, machining, engine, die-casting, final assembly and pre-delivery inspection equipment.

The foreign counterpart would also supply the complete set of dies, molds, jigs and fixtures. The motorcycle plant at Hyderabad has started production and the product has been launched successfully



Syed Sultan Ahmed, Senior Manager, Sales, issuing the key of a new Hero Motorcycle to a buyer against guarantee scheme offered by Fateh Motors Ltd on motorcycle snatching at gun point

free environment from vehicles smoke and noise in general. Fateh Motors Limited

In view of the above, Fateh Motors Limited a leading industrial group i.e. an associated company of Fateh Group Hyderabad entered into a new field of Automotive business in the automobile field. Fateh Motors Limited is an associated company of Fateh Group Hyderabad, which is mainly engaged in textile business.

Fateh Group consists of 5 Pakistani and 6 foreign companies. The group has its overseas offices in all major countries of the world. Fateh Group is confident that it can create a new horizon in automobile industry and, therefore, has established an exclusive Public Limited Company namely Fateh Motors Limited for handling this venture.

Fateh Group has entered in technical assistance agreement with a

throughout the country.

Fateh Motors Limited have been pleased to introduce their manufactured motorcycle on very competitive price in the market i.e. Rs 49,900/00 whereas dealers price is Rs 47,400. Product of Fateh Motors Limited is highly competitive in its class, get-up, performance and above all more economical in price as compared to others. Technically the product is manufactured in accordance with Japanese technology. HERO RF-70 is backed by manufacturer warranty and elaborate after sale service set-up including complete range of spare parts.

Display centres have been established in major cities of Pakistan and a wide network of dealers has also established. The product has been launched in all over Pakistan. It has been accompanied by an extensive media coverage with both print media and on television.