

New dimensions of motorcycle industry

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The country's growth graphics is clearly evident from various economic indicators. The progress in automobile sector is remarkable. This clearly demands perpetual and sustained rise in the standard of our vendors and OEMs. They need to be abreast with up-to date methodology. This is more logically applied in our two-wheeler automobile industry.

A careful survey of Pakistan's potential two-wheeler market has revealed a market size of 400,000 - 500,000 motorcycles per annum. With the advent of Chinese brand motorcycles, and particularly STAR brand motorcycles, in the Pakistan, the market has already broken the artificial prices barrier created earlier by old players. Current year sales figures indicate that about 200,000 motorcycles have been sold. It is obvious that significant share of this growth is being enjoyed by new OEMs.

It is most humbly stated that sales/ production figures of motorcycles being published by PAMA — Pakistan Automotive Manufacturers Association — are not reflecting correct figures of production and sales of Pakistan Motorcycle Industry. PAMA at present has allowed membership to Honda, Suzuki, Yamaha, Qingqi and Sohrab. PAMA

depends only on the sales / production figures of their members and does not report / publish sales/ production figures of non-members like Star, Hero, Metro and SuperStar.

On the other hand, with the reduction of import duty on CBU motorcycles during the current year, 15% market share out of total sales volume has been occupied by imported motorcycles. Positive movement in the economic growth, which is actually being seen after 20 years of long wait, has ultimately created better affordability for the two-wheeler end-user. This positive change needs have to be tapped with a more open mind and vision.

It is no secret that our vendor base is lacking enough strength, production capability, productivity techniques and technology to be at par with cost-effective/ quality products demand in both local and offshore market. At OEM we faced tremendous problems in getting timely and qualitative supplies from our vendors. It was also noted that the present associations and bodies representing automobile industry do not have time for redressing the difficulties that are being faced by small vendors, specially vendors related to two-wheeler, three-wheeler industry. We understand that the charm, attraction and fascination available in four-wheelers industry is missing here. So, we established a new body, namely, AMPAM — Association of Manufacturers of Parts for Auto-Rickshaw and Motorcycles. Realizing this aspect of great

weakness and to overcome these problems AMPAM adopted a three-dimensional approach:

- 1- Enhancement of vendors' production capability.
- 2- Financial assistance arrangements.
- 3- Technology transfer agreement.

Now AMPAM is poised to catering for all three direction approaches given above. AMPAM has been already doing its groundwork to seek financial assistance from various financial institutions/ banks. There is no dearth of skill among our vendors, they are highly dynamic and innovative in their approach but they lack financial backup. With AMPAM assistance and strength all relevant formalities of documentation and bank guarantees would be looked after. We have constituted an advisory committee, which works on two-prong strategy. One is to provide loan on micro economic basis and the other is to provide documentation support for our vendors.

China is the leaping and roaring global lion of technology advancement. We, AMPAM, in association with Pak - China Cultural and Business Society, have pledged to draw benefits from Pakistan's oldest the dearest friend — China. In this respect a very powerful and strong delegation which comprises sixty plus professional vendors of automobile industry is proceeding to Chinese to participate in Chinese Export

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Commodities fair in Guangzhou — China, headed by Chief Patron of Pak-China Cultural Society, Dewan Mohammad Yousuf Farooqui. In addition to this our delegation is also invited to attend a conference in Shanghai conducted by the Board of Investment of Pakistan.

Our trusted friend, China, has promised and showed sincere commitment to cooperate and associate with us in getting appropriate technology assistance for our vendors. This would involve transfer of processes, raw material avail-

ability, suitable machines, experts' availability and both technological and process control information.

Factually speaking, our three vendors have already finalized and signed MOUs for technology transfer agreements with Chinese manufacturers for very exclusive motorcycles parts yet to develop in our country.

Our advisory committee working under AMPAM is also responsible for acquiring most modern machines with very high productivity process under very low cost. Purchases of hi-tech machines will be facilitated through bridge

financing on long-term basis with almost negligible mark-up rates.

Our Vendor industry's investment level is reaching Rs 41.2 billion and for assemblers Rs 18.8 billion with an expectation of further investment inflow of Rs 15 billion from vendors Rs 4 billion by assemblers respectively. To capitalize this situation our endeavour is to facilitate and provide affordable technology, high rate of productivity under strict quality control to our vendors in order to match growing local and competitive offshore demands.