

## MINUTES OF THE MEETING

### The Rawalpindi Chamber of Commerce & Industry

#### Meeting with Members of Auto Spare Parts Sector

Venue	Khalid Waheed Hall of the Chamber
Date: Saturday, 25 April, 2012	Time : 3:00PM
Chairman : Qazi Iftikhar Ahmed	Vice Chairman: Faisal Aziz
Special Invitees	
Minutes Recorded by: Mehar Nisha	
Points Of Discussion	

01.	<p>The meeting was formally started with the recitation of Holy Quran. The chairman Qazi Iftikhar Ahmed started the meeting with the word of thanks to all participants. He briefly elaborated the problems faced by the auto spare parts industry in Rawalpindi region. He further added that in the present scenario, the problems auto spare parts sector is facing are as follows.</p> <ol style="list-style-type: none"><li>1- Custom duty</li><li>2- Smuggling</li><li>3- Exchange rate</li><li>4- Regulatory duty</li></ol>
02.	<p>Group Leader Mr. Najam Malik thanked everyone for their kind presence in the meeting.</p>
03.	<p>Acting President RCCI offered word of thanks to all guests for their participation and highlighted that currently 35% customs duty has been charged and business community faces 69% import expense. He also added that RCCI has provided recommendations for the budget and hoped that government will provide relief on it.</p>
04.	<p>He further emphasized the following issues of auto spare parts sector</p> <ol style="list-style-type: none"><li>1- The regulatory duty has increased from 69% to 89%.</li><li>2- Transportation cost as main factor in total cost in Pakistan vs. less transportation cost in India and Japan.</li><li>3- Smuggling of auto parts from Afghanistan</li><li>4- Increased GST rates.</li><li>5- Less active GST returns.</li></ol>

	<p>6- Increased withholding tax.</p> <p>7- Index problems while assessment</p> <p>8- Sufferings of Industrialists/importers.</p> <p>9- Evaluation issues in Punjab and KPK.</p>
05.	Presentation on Auto spare parts was delivered by R &D department.
06.	Mr. Asim Malik mentioned the container issues while importing spare parts. Hajji Aziz gave the joint statement on similar issue. He added that GT copy should be provided if importer is doubtful that container would be blocked on its way to final destination.
07.	Qazi Dost M. Sahab mentioned that used parts and new parts are inversely proportional. Used parts are doing good business. He added that Afghanistan has increased the customs duty; Therefore, reducing customs Duty would be an imperative measure to stop smuggling issues. On this point, Chairman replied that a proposal has been forwarded to Finance ministry for the reduction of customs duty.
08.	Mr. Shahid Malik showed his concerns regarding issues and problems that auto spare parts sector is facing. He further added that it is directly affecting the consumer behavior and buying power. He said that customs duty should be decreased and RD should be wiped out. Acting president replied that it can only be possible if business community support its industry. Chairman added that local manufacture should play their role honestly. He said that Standard of local products is low and for this reason, people have to import goods.
09.	Another member mentioned that 200 different sizes of tyres are import. Whereas 180 are also manufactured here, so tax should be only on 20 different types of tyres that are actually not available here. Acting president demanded concrete data in this regard so that they would have valid point for argument.
10.	Asif Khawaja said that duty structure is an issue. He said that customs duty in KPK is 0%.Acting President requested Written document on it.
11.	Mr. Ali mentioned that no policy related to retailer of spare parts is available. Chairperson assured him that he will work on it.
12.	Mr. Shamul Kamar mentioned that Karachi is quite famous for its fraud racket on import matters and It should be ended now. Acting president added that it is usually done with the help of customs officials, but definitely chamber will think about it.
13.	At the end, Acting president RCCI thanked all the participants for their active participation and added that this debate can only be useful if we follow up what we have just discussed here. We should unify and stop smuggling goods.