Pakistan Automotive Manufacturers Association

1st Floor, Block-C, Finance & Trade Centre, Sharea Faisal, Karachi-74400
Phone: (92-21)35630992, 35630993 Facsimile (92-21)35630995
E-Mail: pamaftc@hotmail.com Website: www.pama.org.pk

September 14th 2026

Write-up for August 26 Production and Sales Figures

PAMA is pleased to release the Production and Sales figures of its member companies, for the month of Augst 2026. The picture that emerges is checkered. While cumulative data from the start of the fiscal year indicates a strong year on year recovery, sharp month on month contractions paint a very picture of an industry hanging by a thread due to a prolonged regulatory vacuum.

The cumulative data for the July-August 2026, initially suggests a robust revival across major sectors. Passenger cars registered an impressive 36 percent growth in production and a stellar 80 percent surge in sales compared to the same period last year. Propelled by strong domestic demand for commercial vehicles, trucks and buses recorded an impressive growth of 84 percent in production and 73 percent in sales. Two and three Wheeler categories also posted steady 29 percent expansion across both production and sales volumes versus last year. Meanwhile, farm tractors recorded a modest sales growth YOY of 5 percent, even as their production declined by 17 percent. The sales of farm tractors have been moving in choppy waters as the government support scheme for purchasing tractors has ended. Government has announced launching a new scheme, but initialization of the scheme is still awaited, and the potential buyer are now waiting for the release of that scheme. Till that is announced the new buyer will mostly keep his decisions on hold.

The overall annual growth is reflective of easing inflationary pressures, better credit availability, and improving macroeconomic indicators. However, the increase in volumes is largely reflection of the low base effect from preceding years, leaving total industry volumes far behind the historic peaks achieved during fiscal year 2022.

Looking at the company wise performance, Pak Suzuki leads the way as Alto continues to be a car of choice for majority of Pakistani consumers. Suzuki motorcycles also recorded a healthy growth in both production and sales on the back of strong domestic demand for two Wheelers. The company has discontinued two variants of 1000cc Cultus and now only top of the line variant is being offered in the market therefore, a slight decline is recorded in its sales and production figures. Suzuki Fronx, a compact SUV, is the latest addition to the lineup of the Suzuki offerings to the Pakistani market. Suzuki Swift has been performing as per company's expectations.

Indus motors sales for August have normalized after experiencing an extraordinary surge last month. In the SUV category, the Fortuner and IMVs continue to hold ground, recording consistent growth in both production and sales.

Honda Atlas Cars continues an impressive run in sedan category, recording better production and sales compared to last year. While BRV has been discontinued in March this year, the sales of HRV have been hampered due to policy uncertainty on sales tax treatment for hybrid vehicles.

The hybrid and plug in hybrid variants continue to face a challenge in view of lack of clear policy direction. The models offered by Hyundai Nishat Motors will also benefit from a clear policy announcement. On the other hand, the relaunch of Elantra has garnered great interest from the customers and recorded impressive growth, almost doubling the production and sales MOM and YOY.

Alternatively, the optimism of the annual data is sharply contradicted by immediate month on month decline recorded in August 2026 over July 2026, signaling that market momentum has abruptly halted. During August, passenger cars restored a steep decline of 23 percent in production and 20 percent in sales. The contraction was even more pronounced in the light of commercial vehicles, jeeps, and pickups category, where production fell by 40 percent and sales plummeted by 29 percent. Farm tractors production has decreased by 23 percent and sales have decreased by 15 percent.

The core catalyst behind this sudden monthly slowdown is the sever policy uncertainty gripping the industry. With the Automotive Industry Development & Export Plan (AIDEP 2021-26) already matured in June 2026, Manufacturers and consumers are left navigating a complete regulatory vacuum. The lack of a clear follow up framework has created swere bottlenecks, particularly regarding the sales tax treatment for green vehicles. Total ambiguity surrounding tax rates for hybrid vehicles, plug-in hybrid, and range extended electric vehicles has brought trading to a virtual standstill. This ongoing deadlock has already caused billions of rupees in lost sales as consumers pause their buying decisions.

The delay in policy announcement has engineered a loss – loss situation. Manufacturers are stuck with inventory they cannot sell, while the government is actively losing out on critical, implied tax revenue. The sudden double digit drop in monthly car and Jeep sales directly reflects a consumer base that has gone into a paralyzed “wait and see” mode, hesitant to buy vehicles today when prices could shift drastically under a new policy framework. As the auto sector remains a vital organ of the national economy, PAMA urgently appeals to the government to announce the next auto policy to clear the fiscal fog, protect manufacturing capital and restore consumer confidence before these monthly declines turn into a permanent recessionary trend.

Razi-ur-Rahman
Director General