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PAMA/MoIP/105/2026
October 06th, 2026

Subject: Serious Concerns Regarding EDB Notification Dated 30 September 2026 on Commercial Import of Used Vehicles

Dear Sir,

On behalf of the Pakistan Automotive Manufacturers Association (PAMA), we wish to convey our serious concern regarding the EDB Notification dated 30 September 2026, which supersedes the Notification of 30 September 2025 and introduces significant relaxations in the regulatory framework governing the commercial import of used vehicles.

The revised framework represents a fundamental dilution of the safeguards introduced under the earlier notification. In particular, it:

- 1. Restricts the scope of regulation to used vehicles**, whereas the 2025 notification covered both new and used CBUs;
- 2. Removes the minimum capital requirement** for importing companies and the requirement for adequate after-sales service, without establishing an effective product recall mechanism;
- 3. Transfers pre- and post-shipment inspection responsibilities from EDB to PSQCA**; and
- 4. Further facilitates commercial imports under SRO 2443(I)/2025**, allowing PSQCA-registered companies to undertake inspection of imported used vehicles.

These changes are already having a visible impact on import volumes. According to Ministry of Commerce data, commercial imports of used vehicles increased dramatically from **48 units in May 2026 to 843 in June, 1,938 in July, 1,445 in August, and 2,276 in September 2026**. The removal of key regulatory safeguards is likely to accelerate this trend further.

PAMA is particularly concerned that this liberalization is taking place at a time when the domestic automotive industry is already operating in an environment of considerable uncertainty, including the forthcoming **Auto Policy** and **National Tariff Policy (NTP) 2025–30**, as well as proposals for significant tariff reductions intended to enhance competition and market efficiency.

At the same time, commercially imported used vehicles continue to enjoy substantial built-in cost advantages, including **depreciation benefits of up to 36%**. This creates a serious asymmetry: local manufacturers are required to invest in plant, localization, technology, employment, quality systems, taxation and regulatory compliance, while commercially imported used vehicles can enter the market without comparable obligations.

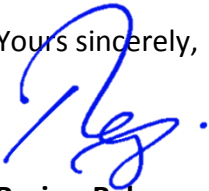
This is not merely a matter of competitive pressure. If left unchecked, the resulting displacement of locally manufactured vehicles could have significant consequences for **investment, localization, employment, government revenues, and the sustainability of Pakistan's automotive manufacturing and vendor base.**

PAMA estimates that a return to FY2025–26 import volumes could result in **losses exceeding PKR 50 billion** for the domestic automotive industry and its extensive vendor network. More importantly, continued growth in used vehicle imports could undermine the Government's broader policy objective of developing a competitive, technology-driven and sustainable domestic automotive manufacturing base.

We therefore respectfully request the Government to **review the EDB Notification dated 30 September 2026 and suspend its implementation pending meaningful consultation with the automotive industry and other relevant stakeholders.** A balanced regulatory framework is essential—one that protects consumer interests and promotes competition, while ensuring that domestic manufacturers and their substantial investments are not placed at an unintended and disproportionate disadvantage.

PAMA remains fully committed to working with the Government in developing a transparent and predictable policy framework that promotes consumer welfare, investment, localization, employment and sustainable growth of the automotive sector.

Yours sincerely,



Razi ur Rahman
Director General

Copy to: (i) The Special Secretary to Prime Minister, ISB
(iii) The Federal Secretary MoC, ISB
(v) Chairman PAMA, All Members

(ii) The Federal Secretary MoIP, ISB
(iv) The Chief Executive Officer EDB, ISB