

Press Coverage of PAMA Letter to MoIP – Urgent Concerns Regarding Misuse of the Used Vehicle Gift Scheme and Rising Threat to Pakistan's Automotive Manufacturing Industry



PAMA seeks review of Gift Scheme amid surge in used vehicle imports

- **Association says the scheme reportedly accounted for around 98% of total used vehicle imports in September**

Published October 28, 2026 Updated about 13 hours ago

Pakistan Automotive Manufacturers Association (PAMA) has urged the government to review the Gift Scheme for used vehicle imports, warning that its alleged misuse threatens domestic manufacturing, employment and future investment.

In a letter to Prime Minister's Adviser on Industries and Production Haroon Akhtar Khan, PAMA Director General Razi ur Rehman called for immediate safeguards against misuse of the scheme and a reassessment of policies encouraging excessive imports of used vehicles at the expense of local manufacturing.

According to the letter, used vehicle imports under the Gift Scheme surged from seven units in May 2026 to 806 in June, 1,876 in July, 1,406 in August and 2,238 in September.

The scheme reportedly accounted for around 98% of total used vehicle imports in September, while imports under the Transfer of Residence Scheme remained negligible during the same period.

PAMA said the sharp shift in import patterns raised concerns about whether the Gift Scheme was being used beyond its intended purpose of facilitating overseas Pakistanis.

The association said it supported genuine facilitation measures for overseas Pakistanis under SRO 61(I)/2026, dated January 15, 2026, but called for a comprehensive review of the certification, verification and monitoring mechanisms governing used vehicle imports.

Rehman said Pakistan's automotive industry had invested more than Rs1 trillion in developing domestic manufacturing capabilities and achieving localisation. The sector now comprises more than 31 brands, over 100 models and 13 manufacturing plants, supported by a local supply chain that enables localisation of around 60% in many vehicle categories.

He warned that the continued expansion of used vehicle imports under schemes intended for personal use threatened these investments and undermined the government's broader objectives of industrialisation and import substitution.

PAMA also expressed concern over recent tariff reforms under the National Tariff Policy, arguing that reductions in import duties and depreciation of up to 60% on used completely built-up (CBU) vehicles were eroding the competitive space available to domestic manufacturers.

“These measures discourage local manufacturing, technology transfer, employment generation, and future investment in Pakistan’s automotive sector,” the letter said.

Rehman said the near-complete shift in used vehicle imports from the Baggage Scheme to the Gift Scheme within a few months raised serious questions about the procedures used to certify and approve vehicles overseas.

He added that the change in import patterns appeared to indicate widespread and coordinated activities involving certifications that enabled large volumes of used vehicles to enter Pakistan under the Gift Scheme.

PAMA urged the government to examine the existing mechanisms to ensure that the scheme was used strictly for its intended purpose and did not become a channel for commercial vehicle trading.

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PAMA urges review of gift scheme as used-car imports surge

Business

By Israr Khan

October 29, 2026

ISLAMABAD: Pakistan's auto industry has urged the government to tighten controls on the Gift Scheme after imports of used vehicles jumped more than 300-fold in four months, warning that the surge threatens domestic manufacturers, jobs and future investment.

The Pakistan Automotive Manufacturers Association, or PAMA, said used-vehicle imports under the scheme rose from just seven units in May to 806 in June, 1,876 in July, 1,406 in August and a record 2,238 in September, according to data cited in a letter to Prime Minister's Adviser for Industries and Production Haroon Akhtar Khan.

PAMA Director General Raziur Rehman said the Gift Scheme accounted for about 98 per cent of total used-vehicle imports in September, while imports under the Transfer of Residence Scheme remained negligible.

The association supports genuine facilitation for overseas Pakistanis under the government's January 2026 rules but said the dramatic change in import patterns suggests the Gift Scheme may be being used beyond its intended purpose.

PAMA called for an immediate review of certification, verification and monitoring procedures to ensure the scheme is not being used as a channel for commercial vehicle trading. The association said Pakistan's automotive industry has invested more than Rs1 trillion to build local manufacturing capacity. More than 31 brands, over 100 models and 13 manufacturing plants now operate in the country, with localization reaching about 60 per cent in several vehicle categories, it said.

PAMA also criticised recent tariff reforms, saying lower import duties and depreciation of up to 60 per cent on used completely built-up vehicles are eroding the competitive position of locally manufactured cars.

"Such measures discourage local manufacturing, technology transfer, employment generation, and future investment," Razi said. He said the near-complete shift from the Baggage Scheme to the Gift Scheme within months raises questions over how vehicles are being certified overseas.

PAMA urged the government to investigate what it described as potentially widespread and coordinated certification practices and align used-vehicle import policies with Pakistan's broader goals of industrialisation, localisation and import substitution.

Pakistan OBSERVER

Gift Scheme Accounts for 98% of Used Car Imports in September

By [Staff Report](#) | Oct 28, 2026 | Updated 11 hours ago | 2 Min Read

Imports of used vehicles under the Gift Scheme climbed sharply from seven in May 2026 to 2,238 in September, accounting for nearly 98% of all used-vehicle imports that month.

The Pakistan Automotive Manufacturers Association (PAMA) has called on the government to review the scheme and introduce measures to prevent its alleged misuse, warning that the rising influx of used vehicles threatens domestic production, employment and investment.

In a letter to Prime Minister's Adviser on Industries and Production Haroon Akhtar Khan, PAMA Director General Razi ur Rehman said the automotive sector had invested more than Rs1 trillion in local manufacturing. The industry comprises 13 plants and over 31 brands, with localisation reaching around 60% in several vehicle categories.

PAMA also raised concerns over lower import duties and depreciation of up to 60% on used completely built-up (CBU) vehicles, arguing that these measures weaken the competitiveness of domestic manufacturers.

The association urged the government to review the scheme's certification, verification and monitoring mechanisms to ensure it is used for its intended purpose rather than commercial trading.