

October 13th 2026

Pakistan Automotive Manufacturers Association (PAMA) Automotive Production and Sales Figures - September 2026

The sales and production figures for the first quarter of FY27, on the aggregate, convey a resurgence of customer interest in the products of the member companies. Apart from the LCV, Jeep and pickup segments, all vehicle categories demonstrated a noticeable rebound. This renewed sales momentum is on the back off easing of inflationary pressures and an improving macroeconomic environment.

During the first quarter of **FY27 (July 26 – Sep 26)**, The industry has experienced varying trajectories across segments. Passenger cars registered a robust year on year growth of 32 percent in production and 43 percent in sales. Conversely, LCVs, jeeps and pickups experienced stagnant momentum posting a nominal 1 percent increase in production alongside a sharp 34 percent decline in sales. Commercial vehicles, trucks and buses segment, achieved an impressive YOY growth of 54 percent in production and 46 percent in sales. This was again on back of strong demand in the domestic market. Meanwhile, farm tractors posted a 38 percent surge in sales, even as production contracted by 15 percent. Finally, the two and three Wheelers categories maintain consistent growth, recording at 28 percent increase in both production and sales compared to the same period last year.

While overall industry volumes are steadily recovering, there is perceptible hesitation on part of the players in the market. The OEM's as well as the buyers are hesitant to take investment decisions. The lack of clarity about the auto policy continue to dominate the market sentiment. The industry had taken confidence from Senate Committee meeting dated October 7, 2026, where Mr. Haroon Akhtar Khan, Advisor to the Prime Minister on Industries and Production assured committee and the industry that the policy will be approved in two weeks' time. As a result, the industry is expecting a fair taxation regime in the promised time frame. A tariff that does not convey to the long term investors in Pakistan, preparation for a "Nationalization 2.0", by the government.

Month on month (MOM) performance indicators present a mixed outlook of recovery and caution. Passenger car production expanded by 28 percent, but sales conversely contracted by 20

percent. Unresolved uncertainty over sale tax continues. Trucks and buses recorded marginal MOM growth, with production up by 2 percent and sales by 7 percent. Driven by the announcement of the Punjab Green Tractor Scheme, the farm tractor sector staged a remarkable turnaround, with production and sales skyrocketing by 72 percent and 73 percent respectively. Additionally, the two and three Wheelers category demonstrated steady sequential progress. Production rose by 16 percent and sales by 14 percent.

In a policy void imports have surged taking advantage of the uncertainty prevailing in the market. Apparently, CBU imports have been preponed in wake of the uncertainty of the Auto Policy. This is in addition to a steep increase in the import of used cars. In the month of September alone **2276 units** of used cars have been imported. Both these developments will be creating pressure on balance of payment of the country. Based on the previous experience, this does not auger well for the auto sector as a whole. SBP may be constrained to take corrective action. The value addition sector will suffer needlessly as a result.

PAMA welcomes the statement of Dr. Rubina Ather, Member of Tariff Policy Board whereby she opposed the decision to impose additional custom duties on tyre and some parts of motorcycles.



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