

Automotive: Electric Vehicles (EVs) and Traditional Automobiles

Sector Pitch

July 2025



Pakistan's recently reformed economy and vibrant and talented population have contributed to the nation's appeal as an investment destination

Pakistan Value Proposition

Reformed Economy



USD 3.3Tn¹

Expected GDP in 2050 (from USD >410Bn² today)



B-

Improved Credit Rating³ from CCC-



Top 10

In Business Entry Regulations ranking⁴



Stabilized Inflation

At lowest levels since 1968⁵



Stabilized Currency

Achieved since 2023 in coordination with IMF



5-Year Tax Holidays

and other fiscal and trade incentives in Special Economic Zones⁶



Vibrant Demographics and Talent



255 million

Large and growing population⁷



64%

Population younger than 30⁷



7th largest

Workforce globally⁸



2 million

University students enrolled every year⁹



1. Goldman Sachs; 2. National Accounts Committee; 3 Fitch Ratings; 4. World Bank's B-READY assessment; 5. US (St Louis) Federal Reserve Bank; 6. Pakistan Government; 7. United Nations; 8. CIA World Factbook; 9. Higher Education Commission

To develop critical mass, Pakistan is advancing strategic initiatives to boost private investment in critical sectors of the economy

2023 SIFC ESTABLISHMENT

SIFC has been established to act as a **single window to create a thriving business environment and develop favorable policies to increase ease of doing business**



2024 ECONOMIC AGENDA LAUNCHED

Pakistan launched Uraan Pakistan, aimed at economic development across 5 pillars:



Ongoing OPPORTUNITIES PIPELINE DEVELOPMENT

The government is working on developing a **pipeline of internationally competitive investment opportunities geared towards full operational and commercial facilitation**



Pakistan is actively seeking to partner with global stakeholders, to **leverage international expertise and investments, while safeguarding the viability and profitability of each project from an investor's standpoint**



Pakistan is strengthening the integrity of key enablers that will unlock sustained progress in multiple economic sectors

1 Consistent Policy Framework

Consistent FDI, tax, and industrial policies with long-term orientation and minimal reversal risk



2 One-Window Investor Facilitation

Seamless processing of approvals, permits, and licenses. A single, empowered agency that owns this end-to-end journey



3 Ease of Repatriation of Profits

Steadfast assurances to repatriate profits and convert currency without friction



4 Legal & Contract Enforcement

Independent, fast-track commercial courts and adherence to international arbitration standards



5 Political and Macro Stability

Strong stability in terms of macroeconomic environment (inflation, debt, currency) and cross-party consensus



6 Positive Global Perception

A globally resonant and visible narrative shift for Pakistan showcasing its viability



Pakistan is currently working on incentives geared to catalysing private sector investment across multiple sectors

The government continues to enact major steps that reinforce attractiveness and viability of the private sector

1 Ensures investment protection

Implementation of key investment regulations, such as:

- Foreign Private **Investment Promotion and Protection Act**
- **Bilateral Investment Treaties** with Friendly Countries
- **Special Economic and Technology Zones (SEZs, STZs)** regulation

2 Preserves security and safety

- Pre-approved **site access for Special Economic Zones (SEZs)**
- **Specialized, highly trained security units** for investor protection
- **Enhanced law enforcement and monitoring** at industrial zones
- Controlled, heavily surveilled, and **secure project sites**

3 Enables global trade access

- **Export Facilitation Scheme (EFS)**
- Signed **major trade agreements** (PTAs & FTAs)
- **Connected to key global markets**
- Access to **South Asian Free Trade Area**, and more



China and Pakistan have developed key treaties and agreements, including:
 - Bilateral Investment Treaty
 - China–Pakistan Economic Corridor (CPEC)



These efforts have garnered international recognition, as Pakistan has been featured in the international media as an emergent attractive investment destination

Where Pakistan Has Been Featured

BARRON'S

Bloomberg

FitchRatings

ARAB NEWS

Key Articles

**Pakistan Isn't That Risky Anymore.
Its Economy Is a Mini-Miracle.**

**Pakistan Economy Grows Faster Than
Expected on IMF Aid Boost**

Pakistan economy moving in
'right direction' — IMF chief

PAKISTAN: Staying the Course on Implementing Structural Reforms Critical to Turn Economic Stabilization into Sustained, Inclusive Growth, says World Bank

International recognition highlights Pakistan's renewed economic attractiveness and stability

Multiple global and regional entities have announced recent FDI projects in Pakistan

Examples of Foreign Direct Investment (FDI) projects in Pakistan

FDI projects (non-exhaustive)

BYD (China) and Hub Power Co (Pakistan)
USD 150Mn (1st Phase)



- Joint venture with Hub Power Co to establish an **EV assembly facility in Karachi**
- Phase 1 will include a facility manufacturing **50,000 EVs per year, which will be expanded to 100,000 in phase 2**



ADM Group (China)
USD 350Mn



- Development of **electric vehicle (EV) manufacturing plant and charging infrastructure**



Al Mirqab Capital (Qatar) Power Construction Corp. (China) USD 2.09Bn



- Construction of **coal-powered power plant** in Port Qasim



DP World (UAE) and National Logistics Corp. (Pakistan) JV investment not public



- Development of **50km freight corridor from Karachi Port to Pripri**



Air Arabia (UAE) and Lakson Group (Pakistan) JV investment not public



- Joint venture with Pakistan's Lakson Group to **launch low-cost airline Fly Jinnah in 2022**



Other Announcements and MoUs (non-exhaustive)

Reportage Properties

EMAAR

MANARA MINERALS

**Moving forward,
Pakistan aims to
propel domestic
growth across 13
investment areas**

Pakistan's Focus Investment Areas



Semiconductors



Power Sector



Pharmaceutical Sector



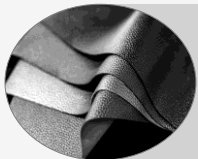
Petroleum Sector



Textiles



Aviation



Leather



Meat & Poultry



Iron, Steel & Copper



ICT, Fintech & Software



**Automotive: Electric Vehicles
(EVs) and Traditional
Automobiles**

**Focus of this
Presentation**



Chemicals & Petrochemicals



Solar Power

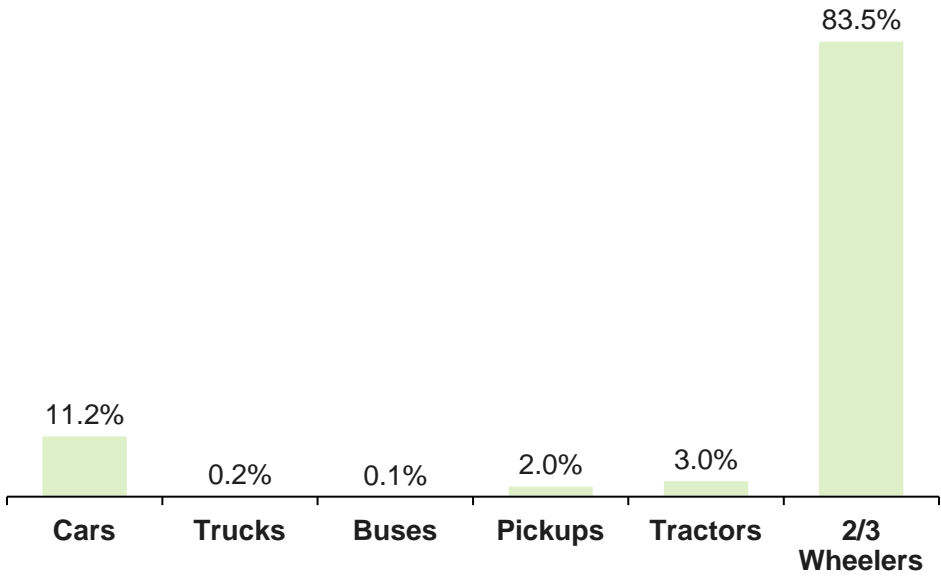
Pakistan’s rising automotive sector has achieved significant scale and is a key industrial pillar, with its EV market primed for rapid growth given ambitious policy targets by 2030







Automotive Sector Overview



- Pakistan’s Automotive market focus is anchored in **2/3-wheelers and compact 4-wheel passenger cars**, dominating urban mobility
- Pakistan’s EV Policy targets **30% of all new vehicle sales to be electric by 2030**, signaling strong government commitment to clean mobility

Estimated Share of Local Production¹



Automotive Ecosystem	 <p>USD +2.5 Bn Domestic automobile market</p>	 <p>~500 manufacturers Form diverse vendor base</p>	 <p>~3 Mn People Employed in the sector</p>
	 <p>90% Electrification Of all 2/3-wheelers sales by 2040</p>	 <p>30% Electrification of all new vehicle sales by 2030</p>	 <p>~3.5 Million EVs (2W/3W/4W) registered by 2030</p>

1. Pakistan Automotive Manufacturers Association; Supply is based on units produced locally; This includes cars manufactured and sold by local OEMs
Source: MoIP, SIFC

The sector has a unique proposition due to its demographic, robust regulatory framework, competitive costs, and a strategic location



Demographic & Market Demand

- 60% of the 220M population is under 30 — **a young, growing consumer base and talent pool**
- Rising urban households in the upper-middle class, creating a **strong consumer base for automobiles and EVs**
- Clear **EV Policy** targets **30% electrification** of all new vehicles by **2030**



Enabling Environment

- **Excellent incentives** for R&D, exports, and technology transfer
- **Dedicated SEZs and STZs** offer **tax breaks and infrastructure**
- **Existing potential required resources** ranging from metals and non-metallic minerals to energy resources



Cost Efficiency & Skilled Workforce

- **Competitive industrial workers wages** — below regional benchmarks
- **Proximity to China** enables affordable tech imports













Strategic Location & Export Potential

- **Good connectivity** through three ports: Karachi, Port Qasim, and Gwadar
- **Strategic proximity to GCC, China, and Africa** positions Pakistan as a regional hub
- **CPEC and Gwadar infrastructure reduce** logistics cost and enhance export efficiency

Pakistan is a rapidly growing hub to multiple global and local firms working across the EV sector

Non-Exhaustive

Select Leading Players in Pakistan

 	<p>BYD is entering Pakistan through a JV with Hub Power Co, setting up a USD 150 Mn EV plant near Karachi. The plant will produce 50,000 EVs/year by 2026, scaling to 100,000/year by 2030, including passenger cars and pickups</p>
 	<p>Jolta Electric is Pakistan's first licensed EV manufacturer, and the company produces ~1,000 e-bikes/month. Jolta Electric is targeting 6,000/month by 2025 and 100,000/month (~1.2M/year) by 2026</p>
 	<p>China's Yutong and Pakistan's Master Motors are establishing an electric bus plant near Karachi, aiming to start production in 2026 with an initial capacity of several hundred buses/year</p>
 	<p>Sazgar manufactures e-rickshaws (~30/month) and locally assembles electric cars (ORA 03) via its JV with Great Wall Motors</p>
 	<p>MG (SAIC) and JW-SEZ Group have established local assembly operations for the MG ZS EV in Pakistan, with a designed target state capacity of approximately 30,000 units annually</p>

Investors in the automotive sector will be supported by a robust ecosystem that encompasses multiple existing local and multinational companies

Ministry of Industries and Production (MoIP)

- Formulates and implements industrial policies
- Facilitates small and medium enterprises
- Manages state-owned enterprises
- Leads national EV policy development



Local and Multinational Companies

- Existing base of automotive manufacturers (high localization in cars and 2/3 wheelers)
- Growing interest from global players in EV manufacturing and infrastructure

Key Players and Stakeholders

National Electric Power Regulatory Authority





- Sets and approves Tariffs
- Issues generation, transmission, and distribution licenses
- Monitors and enforces compliance
- Protects consumer interests



Special Investment Facilitation Council (SIFC)

- Facilitates and fast-tracks foreign and domestic investments
- Provides a streamlined, one-window operation for investor support and coordination across government entities

With Pakistan's large automotive sector and growing interest in EV, there are clear opportunities to scale domestic manufacturing and reduce import reliance

Investment Areas					
Description		Raw Materials & Mining	Component / Cell Manufacturing	Assembly	Charging Infrastructure
Pakistan's Current State	Traditional Automobiles	<p><i>Extraction & processing of key manufacturing minerals</i></p> <ul style="list-style-type: none"> – High reserves of ferrous, base metals, and non-metallic minerals, beneficial for traditional and EV manufacturing – Significant geological potential for lithium, a critical element for lithium-ion batteries 	<p><i>Production of components, EV batteries & other subsystems</i></p> <ul style="list-style-type: none"> – Localization exceeds 90% for motorcycles and tractors – Car parts ~60% localization; lower maturity in high-tech parts (e.g., engines, airbags) 	<p><i>Local assembly of 2W/3W/4W (EV & traditional) & EV Batteries</i></p> <ul style="list-style-type: none"> – High maturity in assembly of cars and 2/3 wheelers and traditional cars 	N/A
	EVs		<ul style="list-style-type: none"> – Minimal localization in core EV and components – 100% import reliance on battery cells, motor controllers, and Electronic Control Units 	<ul style="list-style-type: none"> – Partial capabilities for 2/3-wheeler assembly – Local assembly of EVs and batteries is still minimal 	<ul style="list-style-type: none"> – Few pilot stations and no integrated urban or intercity network (e.g., local manufacturers: Tesla Industries, A-Charge)
Investment Potential		Limited opportunity: high customs on imported material increases local battery production cost; assembly more cost effective	Introduce components manufacturing capabilities with high local content for 2/3/4 wheelers (EVs and cars)	Enhance existing automobile assembly capabilities and introduce further local assembly of EVs	Introduce fully integrated EV charging infrastructure

Source: SIFC

Pakistan has identified seven opportunities in the automotive sector ripe for investment

Investment Opportunities		Investment Areas	Current Automotive Players
Traditional Automobiles	1 Compact car production and assembly for domestic and regional export	<div> <div>Component Manufacturing</div> <div>Assembly</div> </div>	(non-exhaustive)
	2 Lithium battery pack integration / assembly	<div> <div>Raw Material & Mining</div> <div>Component Manufac.</div> <div>Assembly</div> </div>	
Electric Vehicles (EVs)	3 Local production and assembly of 2/3 Wheeler EVs	<div> <div>Component Manufacturing</div> <div>Assembly</div> </div>	
	4 Local assembly of compact EVs and hybrid vehicles (4W)	<div> <div>Assembly</div> </div>	
	5 EV Charging Infrastructure: Urban/ highway-based EV charging and battery swapping corridors	<div> <div>Charging Infrastructure</div> </div>	
Cross-Platform Auto parts (Traditional & EVs)	6 Local assembly of motor controllers and high-tech parts / ECUs and power electronics	<div> <div>Assembly</div> </div>	
	7 High-strength components for tractors & trucks (EV and non-EV)	<div> <div>Component Manufacturing</div> </div>	

Source: SIFC

Pakistan offers an enabling environment to investors in the automotive sector

Key Enablers and Incentives

Ease of Doing Business

- One-window operation platform for fast-tracked regulatory clearances, infrastructure provisioning, and inter-ministerial coordination
- 100% foreign equity investment permitted



Public Facilitation

- SECP-XS (Complaint Management System): SECP-XS is operational aimed at promptly resolving user queries in a user-friendly platform
- SECP enabled WeChat Services for Chinese investors in August 2022



Tax & Fiscal Incentives

- Tax breaks and tax holidays
- 1% custom duty on EV-specific parts (battery, motor, controller) until June 2026
- EVs: 1% sales tax on 2–3 wheelers; 8.5% on hybrid 4-wheelers
- Subsidies for the general population buying multiple EV types:
 - PKR 65,000 for 2 wheelers
 - PKR 400,000 for 3 wheelers
 - PKR 15,000/kWh for 4 wheelers



Infrastructure Incentives

- Special Economic Zones
 - Guaranteed electricity stability
 - Industrial infrastructure / land incentives
- Electricity tariffs in SEZs typically range from PKR 10–15 per kWh (USD 0.035–0.05)
- Industrial water is priced around PKR 0.10–0.20 per gallon



Thank You

