

MEDIA COVERAGE

Future on Wheels – Policy Brief

FUTURE ON WHEELS

PROPOSALS FOR PAKISTAN'S NEW ELECTRIC VEHICLE POLICY



Dr Usman Qadir
Senior Research Economist

Mohammad Shaaf Najib
Research Fellow

Saddam Hussein
Assistant Chief (Policy)

December 16, 2024

Web Coverage

Dawn

<https://www.dawn.com/news/1879003/ev-export-key-to-meeting-multiple-challenges-pide>

The News

<https://www.thenews.com.pk/print/1261975-pide-for-increasing-evs-production-to-50pc-by-2035>

Tribune Express

<https://tribune.com.pk/story/2516390/pide-presents-policy-proposals-for-growth-of-ev-industry-in-pakistan>

The Nation

<https://www.nation.com.pk/16-Dec-2024/pide-proposes-sweeping-reforms-to-turbocharge-pakistan-s-ev-industry>

Pakistan Today

<https://profit.pakistantoday.com.pk/2024/12/15/pide-proposes-sweeping-reforms-to-turbocharge-pakistans-ev-industry/>

APP Pakistan

<https://www.app.com.pk/business/pide-proposes-sweeping-reforms-to-turbocharge-pakistans-ev-industry/>

Islamabad Post

<https://islamabadpost.com.pk/pide-unveils-ambitious-electric-vehicle-roadmap-for-pakistan-by-2040/>

Pakistan Observer

<https://pakobserver.net/pide-proposes-sweeping-reforms-to-turbocharge-pakistans-ev-industry/>

Bol News

<https://www.bolnews.com/pakistan/2024/12/future-on-wheels-pides-proposals-for-pakistans-new-ev-policy/>

CNN Urdu

<https://cnnurdu.org/12740/>

Independent News Pakistan

<https://www.inp.net.pk/news-detail/pakistan/future-on-wheels-pides-proposals-for-pakistans-new-ev-policy>

ProPakistani

<https://propakistani.pk/2024/12/16/pide-recommends-10-electric-vehicles-target-by-2030-in-new-ev-policy/>

Centerline

<https://centrelines.com.pk/2024/12/15/pide-unveils-ambitious-electric-vehicle-roadmap-for-pakistan-by-2040/>

KhabarWalay

<https://khabarwalay.com/2024/12/15/pide-proposes-targets-for-ev-adoption-and-exports-by-2040/>

PakWheels

<https://www.pakwheels.com/blog/chinese-firm-to-build-3000-ev-charging-stations-in-pakistan/>

Samaa News

<https://urdu.samaa.tv/2087326387>

Munafa Market

https://munafamarketing.com/pide-recommends-10-electric-vehicles-goal-by-2030/#google_vignette

AuthorWord Journal

<https://www.autoworldjournal.com/pide-urges-ev-exports-to-boost-economy/>

Metings Global News

<https://mettisglobal.news/pide-proposes-roadmap-for-pakistans-electric-vehicle-transition/>

Bloom Pakistan

<https://www.bloompakistan.com/pide-recommends-10-ev-target-by-2030/>

EV export key to meeting multiple challenges: Pide

Govt think tank calls for policy framework that addresses all obstacles effectively

By Khaleeq Kiani

ISLAMABAD: Pakistan Institute of Development Economics (Pide), a state-run think tank, while highlighting challenges to electrical vehicles (EVs) transition and adaptation at home has asked the government to focus on export opportunities to draw maximum economic benefits from global revolutionary transfor-

mation in the field.

In a policy advice, Pide suggested the government and the automobile industry to target 10pc of all EVs and 5pc of auto parts produced are exported by 2030, and 50pc of all EVs and auto parts produced in Pakistan are exported by 2040.

This comes following the Prime Minister's recent directives for a robust EV policy.

"A shift towards EVs could reduce this burden, cutting down oil imports and improving the current account balance," it said, adding that the adoption of EVs offered the country with a dual opportunity: environmental protection through reduced emissions and economic resilience by curbing

import costs. Embracing this shift will support Pakistan's climate goals and bolster its economic stability.

However, achieving this vision faced significant hurdles. From two- and three-wheelers to larger commercial vehicles, the shift to EVs encounters complex challenges across all categories of transport, Pide noted, and called for policy framework that addressed these obstacles effectively and comprehensively. It noted a series of challenges to this shift including high upfront costs, low vehicle ownership, range anxiety, limited charging facilities, low production volumes and limited manufacturing capacity and disintegration from global

value chain. It said the technology to assemble or manufacture EVs in the country was in a nascent stage, thus the cost of EV production remains high. Also, the vehicle cost of production was very high due to significant import dependence, lack of allied industries and high import tariffs.

But more importantly, low vehicle ownership was also a problem. Although 61pc of Pakistani households own a personal vehicle, only 6pc have a passenger car. Motorbikes are far more common, with 57pc of households owning only a bike, and about 4.5pc owning both a motorcycle and a car. Additionally, 2.7pc of households own rickshaws, primarily

for commercial use.

This means the market for EVs, particularly in the passenger car segment, is limited, and the high upfront cost makes EVs accessible to only a small segment. Although more than half of households own two-wheelers, their high initial cost renders electric options financially impractical for the middle- and low-income groups who largely rely on them.

On top of that, adopting electric vehicles demands a behavioral shift, as recharging takes considerably more time than refueling conventional vehicles. Also, international auto parts and automobile manufacturing had shifted to a global value chain, while Pakistan continued

to focus on localising all production processes. As a result, not only have Pakistan-based OEMs and auto parts manufacturers failed to build high quality production capacity but also become isolated from the global automobile industry.

Based on these challenges, Pide called for a long-term EVs development policy with short-term goals for 2030, medium-term targets till 2035 and long-term targets set to be achieved by 2040. These include 10pc of all new four-wheelers and 25pc of all new two- to three-wheeler sales to be EVs by 2030, while increasing the shares of all new four-wheelers to 50pc and all new two- to three-wheeler to 75pc by 2040.

December 16, 2024

PIDE for increasing EVs production to 50pc by 2035

Our correspondent

Islamabad

Technology transfer, global value chain integration, export oriented production and reducing upfront cost are priority areas identified by Pakistan Institute of Development Economics (PIDE) in its recommendations for the upcoming Electric Vehicle (EV) policy.

These insights are based on PIDE's recently published two books on the automobile industry of Pakistan "Driving backwards: what is wrong with Pakistan's automobile industry?" and "Wheels of change: tracing Pakistan's automotive evolution through political economy and technology acquisition." The Prime Minister of Pakistan in September 2024 had directed the government to present a new policy for accelerating EV

manufacturing and increase user adoption across the country. In response to the Prime Minister's call for a robust EV policy, PIDE presented its set of recommendations "Future on wheels" to support the development of an effective policy framework.

PIDE recommends devising a long term policy for development of EV Industry in Pakistan with short term goals for 2030, medium term targets till 2035 and long term targets set to be achieved by 2040. These include 10% of all new 4-wheelers and 25% of all new 2/3 wheeler sales to be EVs by 2030, while increasing the shares of the former to 50% and latter to 75% by 2040. PIDE also recommends increasing production of EVs in Pakistan to produce 50% of all new 4 and 2/3 wheelers in Pakistan as EVs by 2035.

The policy recommenda-

tions by PIDE emphasise integrating the country's automobile industry into the global value chain of automobiles, EVs in particular. This is possible only when the custom duties on import of EV inputs are lowered while production of EVs and EV parts and components is increased manifolds to enhance exports. PIDE recommends targeting 10% of all EVs and 5% of auto parts produced to be exported by 2030 while 50% of all EVs and auto parts both produced in Pakistan must be exported by 2040.


For this purpose, the government must take steps to facilitate joint ventures between existing automotive firms in Pakistan and foreign firms to enhance production of EVs, parts and components through Transfer of Technology and Capital Investment. G2G and G2B basis

engagement must be carried out for attracting investment and manufacturing in Pakistan. The State Bank of Pakistan is also encouraged to devise a Green Financing Plan for provision of financing through commercial banks to support the growth of EVs and EV parts and components manufacturing in Pakistan, with keen focus on establishment of new or expansion of existing manufacturing facilities and setting up of charging facilities.

Future on Wheels, PIDE's policy viewpoint, emphasises that the adoption of EVs is not just an environmental imperative but also an economic opportunity. A well rounded and effective policy, building on the lessons learned from previous policies will set the stage for Pakistan to leapfrog into a sustainable future, said a statement.



Future on Wheels: PIDE's Proposals for Pakistan's New EV Policy

 **Commerce Desk**

ISLAMABAD: 'Technology Transfer, Global Value Chain Integration, Export Oriented Production and Reducing Upfront Cost' – these are the priority areas identified by the Pakistan Institute of Development Economics (PIDE) in its recommendations for the upcoming Electric Vehicle (EV) Policy. The Prime Minister of Pakistan in September 2024 directed the government to present a new policy for accelerating EV manufacturing and increase user adoption across the country. In response to the Prime Minister's call for a robust EV policy, PIDE has presented its set of recommendations 'Future on Wheels' to support the development of an effective policy framework. These insights are based on PIDE's recently published two books on the automobile industry of Pakistan 'Driving Backwards: What is Wrong with Pakistan's Automobile Industry?' and 'Wheels of Change: Tracing Pakistan's Automotive Evolution through Political Economy and Technology Acquisition'.

PIDE recommends devising a long term policy for development of EV Industry in Pakistan with short term goals for 2030, medium term targets till 2035 and long term targets set to be achieved by 2040. These include 10% of all new 4-wheelers and 25% of all new 2/3 wheeler sales to be EVs by 2030, while increasing the shares of the former to 50% and latter to 75% by 2040. PIDE also recommends increasing production of EVs in Pakistan to produce 50% of all new 4 and 2/3 wheelers in Pakistan as EVs by 2035.

The policy recommendations by PIDE emphasize integrating the country's automobile industry into the global value chain of automobiles, and EVs in particular. This is possible only when the custom duties on import of EV inputs are lowered, while production of EVs and EV parts and components is increased manifold to enhance exports. PIDE recommends targeting 10% of all EVs and 5% of auto parts produced to be exported by 2030 while 50% of all EVs and auto parts both produced in Pakistan must be exported by 2040. For this purpose, the government must take steps to facilitate joint ventures between existing automotive firms in Pakistan and foreign firms to enhance production of EVs, parts and components through Transfer of Technology and Capital Investment. G2G and G2B basis engagement must be carried out for attracting investment and manufacturing in Pakistan. The State Bank of Pakistan is also encouraged to devise a Green Financing Plan for provision of financing through commercial banks to support the growth of EVs and EV parts and components manufacturing in Pakistan.

PIDE proposes sweeping reforms to turbocharge Pakistan's EV industry

ISLAMABAD

APP

Pakistan Institute of Development Economics (PIDE) on Sunday unveiled a comprehensive set of recommendations to electrify the country's transportation sector, outlining key policy interventions to accelerate the adoption of electric vehicles (EVs) and propel towards a low-carbon future.

'Technology Transfer, Global Value Chain Integration, Export Oriented Production and Reducing Up-front Cost' are the priority areas identified by the think-tank in its recommendations for the upcoming Electric Vehicle (EV) Policy.

Prime Minister Shehbaz Sharif, in September 2024, directed the government to present a new policy for accelerating EV manufacturing and increasing user adoption across the country. In response to the PM's call for a robust EV policy, PIDE has presented its set of recommendations titled 'Future on Wheels' to support the development of an effective policy framework.

These insights are based on PIDE's recently published two books on the automobile industry of Pakistan 'Driving Backwards: What is Wrong with Pakistan's Automobile Industry?' and 'Wheels of Change: Tracing Pakistan's Automotive Evolution through Political

Economy and Technology Acquisition'.

PIDE recommended devising a long-term policy for the development of the EV Industry in Pakistan with short-term goals for 2030, medium-term targets till 2035 and long-term targets set to be achieved by 2040.

These include 10% of all new 4-wheelers and 25% of all new 2/3 wheeler sales to be EVs by 2030 while increasing the shares of the former to 50% and the latter to 75% by 2040.

PIDE also recommended increasing production of EVs in Pakistan to produce 50% of all new 4 and 2/3 wheelers in Pakistan as EVs by 2035.

The policy recommendations by PIDE emphasized integrating the country's automobile industry into the global value chain of automobiles, and EVs in particular. This is possible only when the custom duties on import of EV inputs are lowered, while production of EVs and EV parts and components is increased manifolds to enhance exports, the policy noted.

PIDE recommended targeting 10% of all EVs and 5% of auto parts produced to be exported by 2030, while 50% of all EVs and auto parts produced in Pakistan must be exported by 2040.

For this purpose, PIDE suggested the government take steps to facilitate joint ventures between existing automotive firms in Pakistan and foreign

firms to enhance production of EVs, parts and components through Transfer of Technology and Capital Investment.

"G2G and G2B basis engagement must be carried out for attracting investment and manufacturing in Pakistan", it has been highlighted.

The think-tank also encouraged the State Bank of Pakistan to devise a Green Financing Plan for the provision of financing through commercial banks to support the growth of EVs and EV parts and components manufacturing in Pakistan, with a keen focus on the establishment of new or expansion of existing manufacturing facilities and setting up of charging facilities.

PIDE also stressed the need for conducting Research & Development in EVs and associated areas so that Pakistan could become a global player in the transition towards EVs. Consequently, PIDE recommended establishing a research fund to facilitate targeted research activities with a particular focus on, but not limited to, reducing the cost of production of EVs, reuse of batteries after completion of the initial life cycle and environmentally safe battery waste disposal.

The complete Policy Viewpoint can be accessed through PIDE's website or by visiting the following web address: <https://pide.org.pk/research/future-on-wheels/>

PIDE proposes sweeping reforms to turbocharge Pakistan's EV industry

ISLAMABAD

Pakistan Institute of Development Economics (PIDE) on Sunday unveiled a comprehensive set of recommendations to electrify the country's transportation sector, outlining key policy interventions to accelerate the adoption of electric vehicles (EVs) and propel towards a low-carbon future.

'Technology Transfer, Global Value Chain Integration, Export Oriented Production and Reducing Upfront Cost' are the priority areas identified by the think-tank in its

recommendations for the upcoming Electric Vehicle (EV) Policy.

Prime Minister Shehbaz Sharif, in September 2024, directed the government to present a new policy for accelerating EV manufacturing and increasing user adoption across the country. In response to the PM's call for a robust EV policy, PIDE has presented its set of recommendations titled 'Future on Wheels' to support the development of an effective policy framework.

These insights are based on PIDE's recently published two books on

the automobile industry of Pakistan 'Driving Backwards: What is Wrong with Pakistan's Automobile Industry?' and 'Wheels of Change: Tracing Pakistan's Automotive Evolution through Political Economy and Technology Acquisition'.

PIDE recommended devising a long-term policy for the development of the EV Industry in Pakistan with short-term goals for 2030, medium-term targets till 2035 and long-term targets set to be achieved by 2040.

These include 10%

of all new 4-wheelers and 25% of all new 2/3 wheeler sales to be EVs by 2030 while increasing the shares of the former to 50% and the latter to 75% by 2040.

PIDE also recommended increasing production of EVs in Pakistan to produce 50% of all new 4 and 2/3 wheelers in Pakistan as EVs by 2035.

The policy recommendations by PIDE emphasized integrating the country's automobile industry into the global value chain of automobiles, and EVs in particular. —APP

December 16, 2024

PIDE proposes sweeping reforms to turbocharge Pakistan's EV industry

ISLAMABAD: Pakistan Institute of Development Economics (PIDE) on Sunday unveiled a comprehensive set of recommendations to electrify the country's transportation sector, outlining key policy interventions to accelerate the adoption of electric vehicles (EVs) and propel towards a low-carbon future. "Technology Transfer, Global Value Chain Integration, Export Oriented Production and Reducing Upfront Cost' are the priority areas identified by the think-tank in its recommendations for the upcoming Electric Vehicle (EV) Policy. Prime Minister Shehbaz Sharif, in September 2024, directed the government to present a new policy for accelerating EV manufacturing and increasing user adoption across the country. In response to the PM's call for a robust EV policy, PIDE has presented its set of recommendations titled 'Future on Wheels' to support the development of an effective policy framework. APP

PIDE's proposals for Pakistan's new EV Policy

MAHNOOR ANSAR

ISLAMABAD: 'Technology Transfer, Global Value Chain Integration, Export Oriented Production and Reducing Upfront Cost' – these are the priority areas identified by the Pakistan Institute of Development Economics (PIDE) in its recommendations for the upcoming Electric Vehicle (EV) Policy. The Prime Minister of Pakistan in September 2024 directed the government to present a new policy for accelerating EV manufacturing and increase user adoption across the country. In response to the Prime Minister's call for a robust EV policy, PIDE has presented its set of recommendations 'Future on Wheels' to support the development of an effective policy framework.

These insights are based on PIDE's recently published two books on the automobile industry of Pakistan 'Driving Backwards: What is Wrong with Pakistan's Automobile Industry?' and 'Wheels of Change: Tracing Pakistan's Automotive Evolution through Political Economy and Technology Acquisition'. PIDE recommends devising a long term policy for development of EV Industry in Pakistan with short term goals for 2030, medium term targets till 2035 and long term targets set to be achieved by 2040. These include 10% of all new 4-wheelers and 25% of all new 2/3 wheeler sales to be EVs by 2030, while increasing the shares of the former to 50% and latter to 75% by 2040. PIDE also recommends increasing production of EVs in Paki-

stan to produce 50% of all new 4 and 2/3 wheelers in Pakistan as EVs by 2035. The policy recommendations by PIDE emphasize integrating the country's automobile industry into the global value chain of automobiles, and EVs in particular. This is possible only when the custom duties on import of EV inputs are lowered, while production of EVs and EV parts and components is increased manifolds to enhance exports. PIDE recommends targeting 10% of all EVs and 5% of auto parts produced to be exported by 2030 while 50% of all EVs and auto parts both produced in Pakistan must be exported by 2040. For this purpose, the government must take steps to facilitate joint ventures between existing automotive firms in Pakistan and

foreign firms to enhance production of EVs, parts and components through Transfer of Technology and Capital Investment. G2G and G2B basis engagement must be carried out for attracting investment and manufacturing in Pakistan. The State Bank of Pakistan is also encouraged to devise a Green Financing Plan for provision of financing through commercial banks to support the growth of EVs and EV parts and components manufacturing in Pakistan, with keen focus on establishment of new or expansion of existing manufacturing facilities and setting up of charging facilities. PIDE also stresses on the need for conducting Research & Development in EV and associated areas so Pakistan becomes a global player in the transition towards EVs.



THE NATION

December 16, 2024

PIDE proposes sweeping reforms to turbocharge Pakistan's EV industry

OUR STAFF REPORTER
ISLAMABAD

Pakistan Institute of Development Economics (PIDE) on Sunday unveiled a comprehensive set of recommendations to electrify the country's transportation sector, outlining key policy interventions to accelerate the adoption of electric vehicles (EVs) and propel towards a low-carbon future.

Technology Transfer, Global Value Chain Integration, Export Oriented Production and Reducing Upfront Cost' are the priority areas identified by the think-tank in its recommendations for the upcoming Electric Vehicle (EV) Policy. Prime Minister Shehbaz Sharif, in September 2024, directed the government to present a new policy for accelerating EV manufacturing and increasing user adoption across the country. In response to the PM's call for a robust EV policy, PIDE has presented its set of recommendations titled 'Future on Wheels' to support the development of an effective policy framework.

These insights are based on PIDE's recently published two books on the automobile industry of Pakistan 'Driving Backwards: What is Wrong

with Pakistan's Automobile Industry?' and 'Wheels of Change: Tracing Pakistan's Automotive Evolution through Political Economy and Technology Acquisition'. PIDE recommended devising a long-term policy for the development of the EV Industry in Pakistan with short-term goals for 2030, medium-term targets till 2035 and long-term targets to be achieved by 2040.

These include 10 percent of all new 4-wheelers and 25 percent of all new 2/3 wheeler

mobile industry into the global value chain of automobiles, and EVs in particular. This is possible only when the custom duties on import of EV inputs are lowered, while production of EVs and EV parts and components is increased manifolds to enhance exports, the policy noted. PIDE recommended targeting 10 percent of all EVs and 5 percent of auto parts produced to be exported by 2030, while 50 percent of all EVs and auto parts produced in Pakistan

attracting investment and manufacturing in Pakistan," it has been highlighted. The think-tank also encouraged the State Bank of Pakistan to devise a Green Financing Plan for the provision of financing through commercial banks to support the growth of EVs and EV parts and components manufacturing in Pakistan, with a keen focus on the establishment of new or expansion of existing manufacturing facilities and setting up of charging facilities.

PIDE also stressed the need for conducting Research and Development in EVs and associated areas so that Pakistan could become a global player in the transition towards EVs. Consequently, PIDE recommended establishing a research fund to facilitate targeted research activities with a particular focus on, but not limited to, reducing the cost of production of EVs, reuse of batteries after completion of the initial life cycle and environmentally safe battery waste disposal. The complete policy viewpoint can be accessed through PIDE's website or by visiting the following web address: <https://pide.org.pk/research/future-on-wheels/>.

In Sept, PM directed govt to present a new policy for accelerating EV manufacturing and increasing user adoption across country

sales to be EVs by 2030 while increasing the shares of the former to 50 percent and the latter to 75 percent by 2040. PIDE also recommended increasing production of EVs in Pakistan to produce 50 percent of all new 4 and 2/3 wheelers in Pakistan as EVs by 2035.

The policy recommendations by PIDE emphasised integrating the country's auto-

mobile industry into the global value chain of automobiles, and EVs in particular. This is possible only when the custom duties on import of EV inputs are lowered, while production of EVs and EV parts and components is increased manifolds to enhance exports, the policy noted. PIDE recommended targeting 10 percent of all EVs and 5 percent of auto parts produced to be exported by 2030, while 50 percent of all EVs and auto parts produced in Pakistan

must be exported by 2040. For this purpose, PIDE suggested the government take steps to facilitate joint ventures between existing automotive firms in Pakistan and foreign firms to enhance production of EVs, parts and components through Transfer of Technology and Capital Investment.