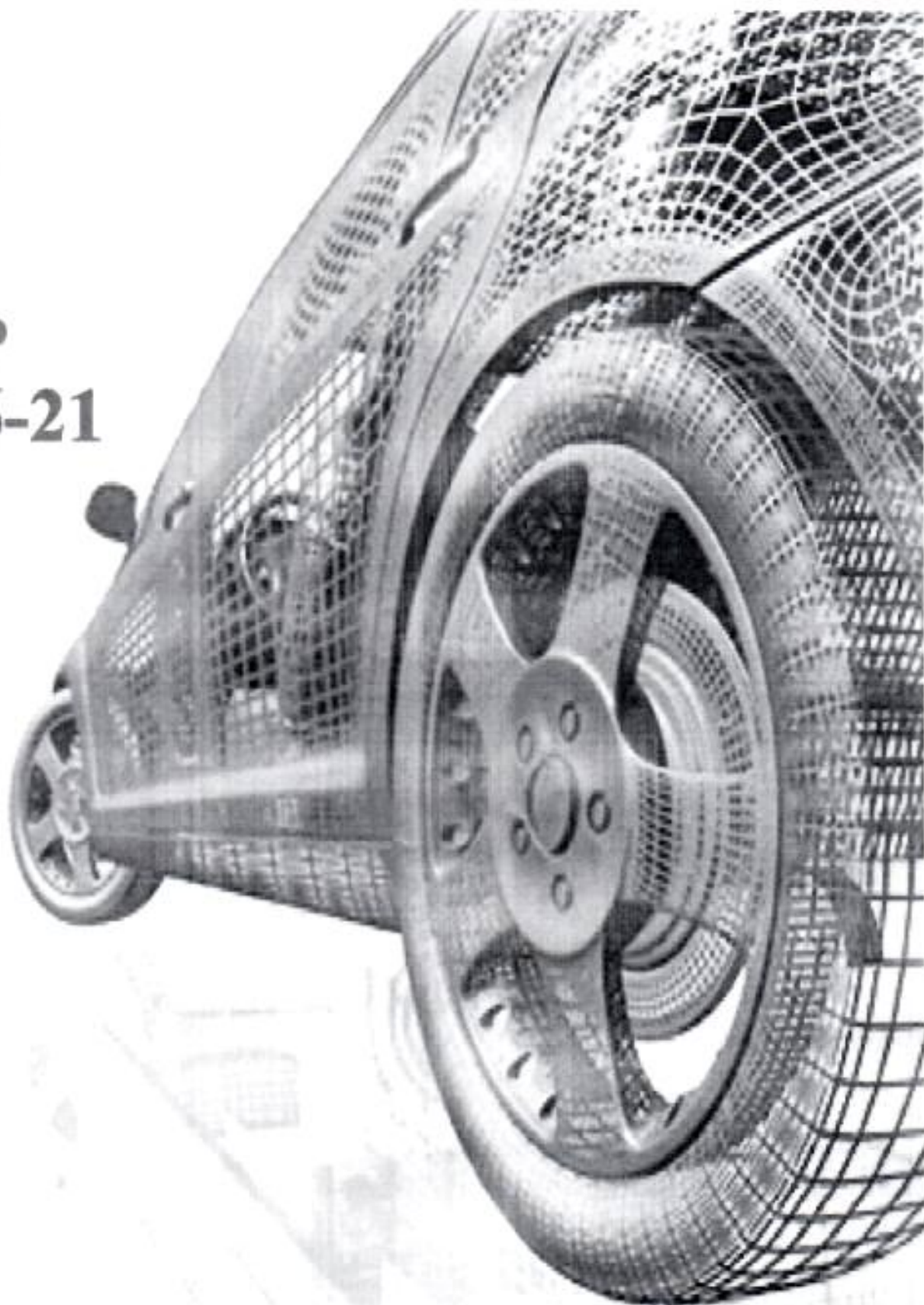




**ADP
2016-21**



Automotive Development Policy (ADP)

**Engineering Development Board
Ministry of Industries and Production
Government of Pakistan**

CONSUMER WELFARE

6. CONSUMER WELFARE

Consumer Welfare has not hitherto been attached high priority and, therefore, the issues of affordability and quality have not been addressed in the past. There is a general perception that vehicles assembled/manufactured in Pakistan have higher prices and low quality standards.

At present, customers have to pay the full amount at the time of booking of cars inclusive of duties and taxes, whereas the cars are delivered to customers after several months. In case of any price escalation before taking delivery, the customers are required to pay the price as on the date of delivery. There is no institutional mechanism to respond to consumer feedback as vehicles manufacturers do not take note of complaints made by a consumer about quality and frequent escalation of car prices

To address the above issues, the ADP adopts the following measures:

- Amount of advance payment shall be limited up to 50 percent of the total price. Price and delivery schedule, not exceeding two months, shall be firmed at the time of booking. Any delay over two months shall result in discount @ KIBOR+2 percent prevailing on the date of final delivery/settlement from the final payment, which shall help shorten delivery lead time;
- Development and enforcement of safety regulations;
- Compulsory installation of immobilisers in cars by the OEMs, and
- Product recall system shall be put in place in line with global practice.