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Close Relationship between China and Pakistan, New Opportunity Lies Ahead!

In recent years, there have been frequent economic and trade exchanges between China and Pakistan, and many Chinese tire enterprises have taken the opportunity to the vast market of Pakistan. Recently, Chinese President Xi Jinping has just met with Pakistani Prime Minister Shehbaz Sharif at the Great Hall of the People in Beijing on Nov 2, 2022.



Pakistan's freight transport is mainly motor transport. TBR market demand has increased enormously in recent years at an average annual growth of 10%. 300-400 million USD is spent on foreign exchange to import TBR; however, the local tire industry is facing a threat due to smuggling.

According to an official spokesperson from a Pakistani tire company (Ghandhara Tyre & Rubber Company Limited), "The local industry is facing a huge threat to its survival due to smuggling. The total estimated value of smuggled tires comes to around Rs300 billion which results in a loss of over Rs50 billion to the national exchequer."

The spokesperson added that the total tire market in Pakistan is close to 14 million tires, excluding motorcycle and rickshaw. Local production helps meet 15% of the demand; 25% is met through imports, while the rest, roughly 60%, are smuggled in the country.

In 2019, Chaoyang Long March Tire Company and Pakistani Service Industries Limited entered a joint venture agreement. Since Long March Tyres (Pvt.) Limited joint venture plant total investment of 300 million USD, Chaoyang Long March Co. Ltd. shareholding accounted for 44%, divided into three implementation phases. Phase 1 with annual tire production of 0.74 million with the final targeted production capacity of 2.4 million on a yearly basis.

In Q3, Chaoyang Long March Tyre Co. Ltd. entered into an agreement with Moncar Inc. to distribute Starlux truck tires produced by Long March's new joint venture tire plant in Pakistan to the U.S. market.

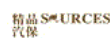
The good news about the China-Pakistan relationship also comes from Doublestar, which signed an agreement on Nov 13, 2022, with Pakistan's tire trader MSD Tire & Rubber Company and the country's leading bus operator Daewoo Express to build a joint venture tire plant in Pakistan. The plant has 7 million units of annual production capability and is going to become the biggest plant in Pakistan.

Fortunately, both brands will be attending the 18th China International Tire Expo on 4-6 Sept 2023. Our trade fair will be held at Shanghai World Expo Exhibition & Convention Center. If you would like to reach out to them, please register on our website citexpo.com.cn and attend our upcoming show! See you next year!

If you are looking for a risk-free tire sourcing platform to help you get firsthand price direct from a Chinese manufacturer without any middlemen, please register yourself at **CITEXPO Direct** and get access to our 170+ accredited manufacturers.

Never miss any important update in the tire industry by subscribing to our regular newsletter on **CITEXPO Official Facebook Page**. For further information, please visit the official website at <http://www.citexpo.com.cn> or email: citexpo@reliable.org.cn / Tel.: +86(0)10-8589-8181

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