Prime Minister's Office
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STREAMLINING PAKISTAN'S EV BATTERY MANUFACTURING SECTOR

Overview

Pakistan's electric vehicle (EV) market is growing rapidly. In 2025, 90,000 electric two-wheelers were sold, while EV sales recorded a growth rate of 191%. By 2030, the national EV fleet is projected to reach 2.2 million vehicles. Despite rising demand, however, battery cells are not yet manufactured domestically. Karachi's special economic zones host only pack assembly, using imported cells. With no dedicated EV battery manufacturing policy or regulator, and with global leaders such as China (about 72% of world battery output) backing their industries with heavy state support that requires fiscal space Pakistan lacks, cutting regulatory costs is the primary lever available. Today, a battery manufacturer must obtain 36 Registrations, Licenses, Certificates & Other Permits (RLCOs) issued by 23 regulators, facing 647 days of cumulative processing time and PKR 25.5 billion in annual compliance costs.

Detailed Reform Analysis

1. Regulatory Fragmentation

Description: EV battery manufacturers must comply with 36 RLCOs issued by 23 separate regulators spanning federal (17 RLCOs), provincial (14), municipal (3), and international bodies (2). Regulators operate on four separate portals (SBOSS, BFC, PSW, and LEAP) that do not share data, so businesses must approach each one separately. By comparison, the United States requires 5 clearances, and China, Germany, and India 7.

Proposed Reform: Link the four portals through a single unified application form for EV battery manufacturers in Karachi/Sindh, so that each item of information is filed once and shared automatically with all relevant regulators.

Benefits: Removes the need to deal with each portal and regulator separately, and creates a more predictable compliance pathway.

2. Documentation Burden

Description: Manufacturers must submit 187 pieces of information, but only 85 are unique; the other 102 are duplicated across different regulators that could otherwise share data.

Proposed Reform: Digitize and consolidate documentation requirements through integration of portals and consolidated application forms, eliminating duplicate submissions.

Benefits: Cuts required information by 57%, from 187 to 80, lowering the administrative burden on EV battery manufacturers.

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3. Extended Compliance Timelines

Description: Completing all regulatory procedures currently takes 647 days (about 1.8 years) if done one after another, and 441 days even if run in parallel. Eight approvals must also be renewed every year, often with the same paperwork as the original application, and applications pass through long internal approval chains with no way to track their status.

Proposed Reform: Streamline internal steps and move eligible RLCOs onto digital, trackable processes, and end two annual renewals (the Sindh Environmental Protection Agency (SEPA) hazardous substances licence and hazardous waste permit), replacing them with risk-based annual inspections.

Benefits: Reduces processing time by 377 days (58%), from 647 to 270 days, accelerating time-to-market for EV battery manufacturers.

4. Reform Package & Economic Impact

Description: Each of the 36 RLCOs was assessed and categorized by the most appropriate reform pathway. Earlier reform packages already addressed 27 of them, and 9 are taken up in this package.

Proposed Reform: Across all 36: eliminate 1 (3%), simplify 7 (19%), simplify & digitize 19 (53%), and retain 9 (25%) where continued oversight is justified. Of the 9 in this package, streamline 6 (five of them also digitized): chemical testing and instrument calibration at the National Metrology Institute of Pakistan, and four SEPA approvals (hazardous substances licence, hazardous waste permit, import NOC, and operating certificate), with fees rationalized and internal steps cut; and retain 3: customs clearance, the State Bank of Pakistan foreign currency account, and registered-exporter (REX) registration.

Benefits: Cuts required information by 57% (187 → 80), reduces processing time by 377 days (58%), and saves more than **PKR 15.9 billion** in annual compliance costs, out of the current PKR 25.5 billion.

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