

---

## **Rays of recovery - Pak Suzuki Motor re hires 400 sacked workers**

*Friday, 06 Nov, 2009*

Dawn reported that after some signs of recovery in sales from April onwards, Pak Suzuki Motor Company Limited has re-inducted 400 contractual workers and also hired some fresh permanent staff during July to August period of 2009.

The company had removed around 600 contractual workers early 2009 due to massive fall in sales but retained permanent staff. This was revealed by Mr Hirofumi Nagao MD of PSMCL while responding to Dawn queries.

He said that “As the demand was growing and currently the company was running on extended one shift basis. On recent increase in prices, the company had been striving not to increase prices but to find ways and means to offset negative impact due to appreciation of foreign currencies against the rupee. However, it had become necessary to go for minimum price hike but a substantial portion of negative impact was being absorbed by the company. The company had reduced prices twice in April and July in addition to price cut after withdrawal of 5% federal excise duty.”

He was of the view that price increase would hit car sales to some extent. The major threat is not the price but the law and order situation. If it remains normal then the auto sales will continue to improve. On falling car financing through banks, he said that keeping a car has become a necessity now. The sales nowadays are mostly retail sales which mean that the cars are going to genuine buyers or end users. Those who need a car they will buy and car buying will continue. However, security conditions need to be improved.

When asked that car vendors had been blaming the assemblers for using imported parts instead of locally produced ones, he did not give a clear answer but said that there are certain quality issues at the vendor side which the company is trying to resolve. He added that Pak Suzuki has achieved maximum localization and efforts are being made to further increase its level in the products. Making parts local and increase localization makes a company more competitive in terms of cost control.

On premium on spot sales and action taken against authorized car dealers, Mr Nagao said that the company followed no discount no premium policy. The company keeps on warning its dealers not to indulge in such practices.

He added that the best way to counter premium issue is to narrow the gap between supply and demand. Pak Suzuki has continuously increased its production to meet the market demand. In our case, situation is under control and there is no such big issue.

(Sourced from Dawn.com)

**For more news visit at [www.steelguru.com](http://www.steelguru.com)**