STOCKS
DSEX ▲ 0.66% 4,127.61
CSCX ▲ 0.52% 8,047.62

COMMODITIES
Gold ▲ $1,393.90 (per ounce)
Oil ▼ $107.05 (per barrel)

ASIAN MARKETS
MUMBAI ▼ 3.45% 18,234.66
TOKYO ▲ 2.99% 13,978.44
SINGAPORE ▼ 0.03% 3,54.78
SHANGHAI ▲ 1.18% 2,123.11

CURRENCIES STANDARD CHARTERED BANK

	USD	EUR	GBP	JPY
BUY TK	77.25	100.00	117.71	0.73
SELL TK	78.25	104.01	121.74	0.80

Star BUSINESS

DHAKA WEDNESDAY SEPTEMBER 4, 2013, e-mail:business@thedailystar.net

NBR shelves duty benefits for vehicle importers

Sohel Parvez

The National Board of Revenue has abandoned its plan to give retrospective duty benefits to 30 reconditioned car importers, which was meant to help them take delivery of around 4,000 imported vehicles stuck at ports for years.

The revenue authority last week asked the importers to take away the vehicles, mostly five-year old and imported in the last three years, by paying duty based on last fiscal year's 35 percent depreciation rate.

The importers had demanded a 45 percent depreciation rate which the government made effective from this fiscal year.

"We have rejected the importers' plea," an NBR official said, asking not to be named. The NBR took the decision at the instruction of Finance Minister AMA Muhith.

The minister made the move after he was informed that importers took delivery of 136,000 old cars in the past three years by paying duty based on the 35 percent depreciation benefits, the official said.

Revenue officials feared that the importers, who had paid duty on the basis of the 35 percent depreciation scheme, might seek refund of the duties, around Tk 1,650 crore, if the retrospective duty privilege was given.

The privilege, had it been given, would have cost the state coffers roughly Tk 50 crore.

The bid to provide the retrospective duty benefit would have required the NBR to relax rules. Because, as per rules, customs officials have to assess duty of imported items based on the day of submitting the bill of entries by importers.

The NBR has now asked the Chittagong and Mongla customs offices to assess the duty of the old cars based on the dates of submitting bill of entries by the importers.

It means the importers who submitted the bill of entries prior to June 6 will have to pay duty for five-year-old cars based on the 35 percent depreciation scheme instead of the current year's 45 percent.

The NBR also asked the customs offices to quickly release the vehicles stuck at ports.

Govt eases production rules for oil companies

Star Business Report

The government has relaxed a number of conditions in the existing Production Sharing Contract 2012 model to encourage international oil companies to tap mineral resources in the Bay of Bengal.

The changes to the model came at a meeting of the cabinet committee on economic affairs at the secretariat yesterday.

The international companies who are interested in Bangladesh's gas blocks in the Bay told the government that the existing PSC Model is very strict, and there are also risks associated with exploring gas blocks in the Bay, Finance Minister AMA Muhith said after the meeting.

"So, we have brought some changes to the model to encourage them to invest in the blocks," Muhith told reporters.

Bangladesh will now pay oil companies $1 more than the current prices for every 1,000 cubic feet of gas. It means an 18 percent increase in prices, proposed by the energy ministry.

READ MORE ON B3

Motorcycle market heats up as new players step in

Suman Saha

Bangladesh is set to become a battle ground for international motorcycle manufacturers, thanks to the country's high population base and steady economic growth.

Recently, two leading brands -- Japanese Suzuki Motor and Indian Mahindra -- have entered the country's two-wheeler market via partnerships with local companies, to go with the nine other international and two local brands already in operation.

"India, the largest motorcycle market in Asia, has now become saturated; so manufacturers are shifting their focus to Bangladesh," said Matiur Rahman, president of Bangladesh Motorcycle Manufacturers and Assemblers Association.

Hafizur Rahman Khan, chairman of Runner Automobiles Ltd, a leading motorcycle maker, said the country's financial health, which is better than its South Asian peers, has been a key factor in attracting the international brands.

"Our exports and inward remittances are on the rise and our currency has remained stable for a long time now -- all these factors played a part."

Regardless, the president of the association insists the country has tremendous prospect for motorcycle sales seeing that a proper transportation system is yet to be established.

"A growing number of city-dwellers now go for motorcycles to get around the heavy traffic jams. Plus, it is the most convenient mode of transport in the rural areas, especially on the narrow village roads," said Rahman of the association.

Katsumi Takata, general manager of Suzuki Motor Corporation's global motorcycle marketing, recently tipped the country's annual sales to hit the 1.4-million mark in the near future, despite the negative growth experienced last fiscal year.

In fiscal 2012-13, the assemblers and manufacturers altogether sold 182,764 units of motorcycle, down 29.3 percent from the previous year, according to the association.

The assemblers sold 152,384 units of motorcycles, or 83 percent of the total sales during the year.

The Indian Bajaj brand, with its 49 percent share, is the clear market leader, followed by two other Indian brands -- Hero Honda and TVS Auto.

Rahman's company Uttara Group assembles the Bajaj motorcycles in the country, while the state-owned Atlas Bangladesh Ltd does the Hero Honda brand, which has a 16 percent market share.

Although a host of models are available, the 100cc and 150cc ones, which cost between Tk 1.20 lakh and Tk 2 lakh, are the most popular.

The Uttara Group MD also highlighted the discrimination faced by the motorcycle assemblers, who pay a total of 107 percent duty including 25 percent customs duty on completely knocked-down (CKD) imports, whereas the local manufacturers pay up to 12 percent.

READ MORE ON B3

Shahjalal airport to get new radars

Shariful Islam and Rejaul Karim Byron

The Civil Aviation Authority of Bangladesh has finally moved to replace two outdated radars at Hazrat Shahjalal International Airport that put aircraft landing and takeoff at risk.

Under a Tk 330-crore project, an air traffic control unit, a control tower, a voice communication and control system and a master clock will also be installed.

The existing radars, built in 1984 and 1986 at a cost of more than Tk 17 crore, became obsolete 20 years back and are beyond repair due to unavailability of spare parts. The radars now remain effective only for 12 hours a day.

"For the rest of the day, air traffic is controlled based on flights' positioning reports, which is risky," a Caab communication engineer told The Daily Star.

The cabinet committee on economic affairs yesterday approved the project to be implemented under public private partnership. Caab piloted the project, which may take up to three years to complete.

The process is lengthy and includes various steps like floating tender, its evaluation, issuing work order, and the implementation of the project, a Caab official said asking not to be named.

Caab will have to update the airport's air navigation system by 2015, otherwise the International Civil Aviation Organisation may suspend operations of international flights at the airport, he added.

Currently the airport's surveillance system is capable of monitoring 200 nautical miles of airspace. Many flights operating on new routes over the sea or flying low over the bay and over Sylhet, Rangpur, Chittagong and Cox's Bazar areas can evade Caab monitoring.

Once the new radars are in place, those flights will also come under surveillance and subsequently Caab's income will rise, officials said.

Under the project, the air traffic management systems will be upgraded with integrated and well-connected air traffic control units and equipment.

The installation of emergency operating centre, search and rescue centre, surface movement centre, high frequency air-to-ground standby transceiver, and purchase of vehicles and other logistics for operations are also included in the project.

Around 100 air traffic controllers and communication engineers will be trained over the next 10 years to enable Caab to cope with the 12 percent annual growth in the sector.

READ MORE ON B3

STAR

Some disgruntled employees of Robi demonstrate in front of the telecom operator's corporate office in Gulshan in Dhaka yesterday.

Some Robi employees protest termination

Telecom operator defends change

Abdullah Mamun

A group of Robi employees yesterday staged a demonstration in front of the operator's corporate office to protest the termination of seven of its officials.

The fallout started over the transfer of employees of Robi's infrastructure division to the operator's recently-established subsidiary, Bangladesh Infrastructure Company Ltd (BICL). Some 71 of the employees refused to make the switch.

In a statement, Robi said, "The employees who had not agreed to the change were informed that they could not be absorbed by Robi since the company no longer had an infrastructure division."

The employees went on to file an injunction with the court, which has since been vacated, according to the statement.

To protest, they even applied for a trade union, named Robi Axiata Sromik Kormochari Union, with the Directorate of Labour. The individuals who were supposed to serve prominent roles in the proposed union were released from their employment contracts on "disciplinary grounds" on Sunday.

READ MORE ON B3

Owners ready to sign deal to relocate tanneries

Star Business Report

Tannery owners are set to sign a deal with the government for relocating the hazardous tanneries from the capital's Hazaribagh to Savar in two weeks.

The deal will be signed with Bangladesh Small and Cottage Industries Corporation (BSCIC), according to a decision taken at a meeting hosted by the shipping ministry yesterday.

"We are ready to sign the deal whenever BSCIC wants," Md Abdul Hai, general secretary of Bangladesh Tanners Association, told The Daily Star.

Shipping Minister Shajahan Khan also asked the tannery owners to submit the layouts of their factories to be built in Savar to BSCIC in two months.

The industries ministry has already allocated more than 205 plots on 200 acres to 155 tannery owners through the BSCIC, a wing of the industries ministry.

The project, which took off in 2003 with an approximate cost of Tk 175.75 crore, met a dead end over decisions of who would bear the lion's share of the costs and the contract of a central effluent treatment plant.

Initially, it was planned that the 155 tanneries would finance 60 percent of the costs and the government the rest.

Recently, it has been decided that the government would bear 80 percent of the core project cost of Tk 829 crore, as per the second revised proposal passed by the Executive Committee of the National Economic Council last month.

Since its launch, the total project cost has spiralled manifold to Tk 1,079 crore, including Tk 250 crore in compensations to be paid by the government to the tanneries.

The government now intends to complete the relocation by 2016.

Aug remittances dip to 22-month low

Star Business Report

Inward remittances went down by 18.69 percent to $1 billion in August, compared with the previous month.

The month's remittance arrival— the lowest in 22 months—is 14.52 percent lower than in the same period last year when receipts totalled $1.17 billion.

Migrant workers remitted $230.76 million less money in August than they did in July, when they sent $1.23 billion.