

DHAKA FRIDAY AUGUST 22, 2014, e-mail:business@thecitizenstar.net

Panel formed to pay back Jubok victims

REFAYET ULLAH MIRDHA
The commerce ministry yesterday formed a seven-member panel to find ways to return funds to the clients of Jubok, a multi-level marketing company that embezzled deposits, said Hedayetullah Al Mamoon, senior commerce secretary.

The committee is headed by Abdul Mannan, a joint secretary of the commerce ministry. The panel, which is scheduled to submit the report by September 30, will review the recommendations of the two commissions formed to earlier to investigate the forgery by Jubok, Mamoon said.

"We will take action as per the recommendations of the committee."

It is not possible to turn Jubok into an MLM company as it was formed before the formulation of the MLM law last year, he said. "So the clients should get their investment back."

Around 3.03 lakh clients of Jubok have been waiting for years to get back the money they deposited, mainly because of the government's indecision.

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Bajaj to make motorcycles at Bangladesh plant

Uttara Group to set up Tk 150cr plant in Gazipur

SUMAN SAHA

India's popular Bajaj motorcycles will be manufactured in Bangladesh from June next year, a move touted to make the brand's vehicles 30 percent cheaper.

Uttara Group, Bajaj Auto's local assembler, is set to build a plant at a cost of Tk 150 crore, to be operated by the leading Indian two-wheeler manufacturer. Bajaj will provide all technical support including product design, research and development.

Matir Rahman, managing director of Uttara Group, said the unit price of Bajaj-branded motorcycles may decline around 30 percent once production starts at the plant. The factory will span 10 acres of land at Zirani Bazar in Gazipur.

Some 20-25 components including chassis, chain, swing arm, suspension, battery, tyre and plastic accessories will be manufactured at the plant, sufficient to give the motorcycles the 'manufactured in Bangladesh' tag.

The other components such as engine will be brought over from India, he said.

As per custom rules, an assembler will be termed a manufacturer if its value addition is at least 30 percent and if it can locally produce at least seven components: frame, main stand, side stand, real swing arm, handle bar, tension rod and engine clamp.

A manufacturing unit should also have to have power coating plant and



KEY POINTS

Uttara Group will build a motorcycle manufacturing plant in Gazipur in collaboration with India's Bajaj Auto

Uttara to invest Tk 150cr in the factory that plans to start production by June next year

The plant with an annual production capacity of 1.5 lakh units will employ about 450 people

Four models – Platina 100, Discover 100, Discover 125 and Pulsar 150 – will be made at the plant

Local production may reduce motorcycle prices by 30%

National Board of Revenue.

The factory, whose layout plan is currently being finalised, will initially manufacture four models -- Platina 100, Discover 100, Discover 125 and Pulsar 150.

Its annual production capacity will be 1.5 lakh units and it will employ around 450 people including 2-3 foreign employees, said Rahman, also the chairman of Uttara Group.

Bajaj Auto's move though comes on the heels of its rival Hero MotoCorp's arrangement with the local Nitol Niloy Group, in response to the fast rising demand for motorcycles in the country.

Hero MotoCorp, India's largest motorcycle manufacturer, will set up its manufacturing plant in Jessore by 2015 in a joint venture with Nitol Niloy Group and invest \$40 million in five years.

Rahman credited the increasing purchasing power and development of rural economy for the growing demand for two-wheelers.

Around 60 percent of Uttara Group's motorcycle sales come from rural areas, he said, adding that farmers, small traders, wage earners and pharmaceutical companies are the main buyers of two-wheelers.

The industry sold 10,000-15,000 motorcycles annually 15 years ago, which is just a monthly sales figure these days, he said, adding that payment in instalments is one of the reasons for the rise in sales.

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