

At Frankfurt auto show, Merkel urges car industry to restore trust

AFP, Frankfurt Am Main

German Chancellor Angela Merkel urged car giants to win back the trust of "deceived" drivers as she opened the Frankfurt auto show Thursday, walking a fine line between berating the scandal-hit industry and praising its role as the backbone of the German economy.

With 10 days to go until a general election, the 'dieselgate' emissions cheating scandal has emerged as a top campaign issue and cast a shadow over the glitzy Frankfurt International Motor Show (IAA).

Once nicknamed the "car chancellor" for her cosy relations to the industry, Merkel's tone has shifted in recent weeks to include more robust attacks on auto company bosses.

"Auto industry firms excessively exploited regulatory loopholes, they haven't only damaged themselves, but above all deceived and disappointed consumers and the authorities," she said in stern remarks at the IAA opening ceremony.

But Merkel, who is on track to win a fourth term, was also careful not to alienate the car sector, highlighting its role as a "key industry" that employs some 870,000 people nationwide and is an important engine of growth for Germany and Europe.

"The auto industry must do its utmost to win back credibility and trust as soon as possible, in their own interest and in the interests of their employees and of Germany as a whole," she said.

Her knuckle-rapping speech at the biennial IAA comes as pollution-plagued German cities mull diesel bans and voters worry about the resale value of their cars, while Merkel has herself faced criticism for going too easy on the sector in the past.

"It's somewhat frustrating for Angela Merkel to see that the close ties she has nurtured with the auto sector are not helping her right now," said industry expert Stefan Bratzel of Germany's Center for Automotive Management.

"The mood has changed and the government is now looking at the sector and its main players more soberly," he said.

In her speech, Merkel welcomed efforts by German carmakers to step up their push towards zero-emissions electric cars, while



German Chancellor Angela Merkel gets out of an Audi Aicon autonomous concept car as Audi CEO Rupert Stadler watches during her inauguration tour of the Internationale Automobil Ausstellung auto show in Frankfurt am Main, western Germany yesterday.

continuing to defend diesel.

"There's no escaping that we will need the combustion engine for decades to come," she told the audience, which included Facebook number two Sheryl Sandberg.

"On the other hand, we need to invest more than ever in the research and development of new driving technologies," she said. "This is the only way we can avoid diesel driving bans." The dieselgate crisis erupted at the height of the last IAA in 2015 when Volkswagen stunningly confessed to installing cheating software in 11 million diesel cars worldwide designed to dupe pollution tests.

In reality, the cars were spewing up to 40 times the permissible levels of toxic nitrogen oxides (Nox). Similar suspicions have since spread to other carmakers, highlighting just how much the industry has resorted to skirting the rules, or outright cheating, to

cover up high NOx emissions.

The scandal deepened in July on reports that Daimler, BMW, Volkswagen and its Audi and Porsche subsidiaries for years colluded on technical specifications -- including emissions technology.

The revelations prompted some 70 cities, including the car industry bastions of Stuttgart and Munich, to consider banning dirty diesels from their smog-clogged roads, fuelling concern among drivers.

The beleaguered sector has since tried to make amends by shifting gears to the cleaner cars of the future, with BMW, VW and Daimler all announcing ambitious goals for hybrid and electric cars at the IAA.

But take-up among consumers has been slow for now, with e-cars accounting for barely one percent of sales in Europe.

And after years of heavy investments in diesel, which was invented in Germany, the

nation's vaunted auto giants aren't ready to let go yet.

"We know that some trust has been lost. Winning this back is our biggest concern," Matthias Wissmann, president of the VDA auto industry association, said in his own speech at the IAA ceremony, while opposing calls for driving bans.

Long touted as more environmentally friendly than petrol because of its lower climate-altering carbon dioxide emissions, diesel has a key role to play in helping countries meet the targets of the Paris climate accords, carmakers argue.

"The latest generation of diesel vehicles is crucial for our continuous efforts to decarbonise road transport," Dieter Zetsche, Daimler chief executive and head of the European Automobile Manufacturers' Association (ACEA), said at the IAA on Wednesday.

New DMDs for Sonali Bank



Md Zakir Hossain



Mohammad Jahangir Alam

STAR BUSINESS DESK

Mohammad Jahangir Alam and Md Zakir Hossain have recently been appointed as the deputy managing directors of Sonali Bank. Prior to the appointment, Alam has been serving Rupali Bank as general manager. He joined Rupali Bank as a senior officer in 1986.

Alam completed his masters in international relations from Dhaka University in 1983. Prior to the promotion, Hossain has been serving Janata Bank as general manager.

He started his banking career in Janata bank as a senior officer in 1985.

Subsidiaries of Monno Group see unusual share price hike

FROM PAGE B1

For Monno Jute Staffers, Afroza Khan was elected as the chairman and Huron Nahar Rashid the managing director, according to DSE disclosure.

The Bangladesh Securities and Exchange Commission and the DSE are concerned about the unusual price hike.

On September 9, the commission formed an enquiry committee to investigate the unusual movement in price.

The DSE queried the two companies several times about the hike. In reply, both the companies said there had been no disclosure of price sensitive information. Earnings per share of Monno Ceramic plunged to Tk 0.02 in the first quarter of the current year compared to Tk 0.07 in the same period last year.

YESTERDAY'S MARKET

Dhaka stocks ended on a positive note yesterday. The benchmark index of the premier bourse—DSEX—advanced 19.3 points to close at 6,203.90.

However, the daily turnover fell 21 percent to Tk 1,124 crore yesterday compared to the previous session.

The market opened the session on a positive note and gained 49 points in the first hour of the trade, according to the daily market analysis of UCB Capital Management.

The market retraced some of the early gains as the session progressed after some minor corrections in the banking and financial equities, according to the analysis. Among the large cap sectors, pharmaceuticals and food and allied sectors posted 1.5 percent and 0.7 percent gains respectively. The banking sector witnessed a loss of 0.55 percent.

LankaBangla Finance was the market leader with a turnover of Tk 38 crore followed by Square Pharma with Tk 32 crore. At the DSE, 182 securities gained, 112 declined and 38 remained unchanged. The DS30 and DSES indices were up 12.98 and 13.05 points respectively.



Vinod Aggarwal, managing director of VE Commercial Vehicle Ltd, the owning company of Eicher Trucks and Buses; SS Gill, senior vice president for international business; Tarun Arora, country head for Bangladesh; Sohana Rouf Chowdhury, managing director of Rangs Motors Ltd, and Hafizur Rahman Khan, chairman Runner Group, attend a programme—Eicher customer meet and greet—at Bangabandhu International Conference Centre in Dhaka. Rangs Motors and Runner Motors are the local partners of VE Commercial Vehicles based in India.

RANGS MOTORS

Locally assembled handsets to hit market next year

FROM PAGE B1

"We have selected two separate lands close to Dhaka for the plant. Our preparation is almost done," he said, adding that Symphony will start off with assembling about five lakh units a month.

The company has already selected a skilled workforce of 100 and has plans to export handsets. "Our plan is to put Bangladesh on the map as a device-exporting country," Haque said.

Both the companies plan to assemble smartphones and feature phones, which would have the effect of substantially bringing down the price level of mobile phones in Bangladesh.

At present, there is a huge gap between imported sets and locally manufactured ones, and the domestic market is mostly catered by foreign-made handsets.

In 2016, about 3.1 crore handsets were imported, up 11 percent year-on-year,

according to Bangladesh Mobile Phone Importers Association. The total value of the imports came to about Tk 8,000 crore.

Symphony brought in the highest number of handsets: about 1.16 crore units, 34 lakh of which are smartphones.

Walton imported about 20 lakh handsets last year. It is not just Walton and Symphony, some foreign companies like LG are also exploring the option of setting up manufacturing plants in Bangladesh.

The BTRC will allow two types of plants: category "A" and "B".

The licence fee for a category "A" plant would be Tk 50 lakh and the annual fee Tk 5 lakh. The plant must have a modern testing lab. The licence fee for category "B" plant would be Tk 20 lakh and the annual fee Tk 2 lakh. The category "B" plant does not need to have a testing lab.

Both the categories have to bear 15 percent value-added tax.

VW, China partner to recall 4.86m vehicles

REUTERS, Beijing/Shanghai

Volkswagen AG and its Chinese joint ventures FAW-Volkswagen and SAIC Volkswagen will recall 4.86 million vehicles in China due to potential issues with Takata Corp air bags, a blow to the carmaker in the world's largest auto market. The recall comes after Chinese watchdogs asked the German automaker as well as General Motors Co and Daimler AG's Mercedes-Benz to recall vehicles with Takata air bags earlier this year.

Official Chinese estimates show over 20 million cars in China had air bags made by Takata, which have been linked to at least 16 deaths and 180 injuries globally.

bKash ranked 23rd on Fortune's 'Change the World' list

FROM PAGE B1

More than 4.5 million transactions pass through the system every day, making it the country's most popular mobile financial service provider, the magazine said.

"We are excited to be named in Fortune's Change the World list, which is the result of collaborations and supports by all our stakeholders to drive a common goal of creating financial access for Bangladesh's common people," said Kamal Quadir, CEO of bKash.

"This recognition would not come without our employees' relentless hard work, our customers' trust and confidence in our services, and above all our regulator's policy design allowing us to serve the mass through a regulated financial system."

Correction

A news article headlined "Thai festival begins in city" published yesterday inadvertently mentioned that the festival is taking place at the International Convention City, Bashundhara. In fact, the venue was the Ismaili Jamatkhana and Centre located on Umme Kulsum Road in Bashundhara residential area. We regret the error.

Bangladesh's GDP per person is now higher than Pakistan's

FROM PAGE B1

A caveat should be noted. A dollar stretches further in Pakistan than in Bangladesh because prices in the former tend to be lower. So Pakistan's \$1,470 per person actually has more purchasing power than Bangladesh's \$1,538.

This is nonetheless a good moment to celebrate Bangladesh's economic progress. Its annual growth has averaged more than 6 percent over the past ten years and has run above 7 percent over the past two. Industry accounts for 29 percent of its GDP.

A country that once lacked cloth for shrouds now exports more ready-made garments than India and Pakistan combined. Working conditions are still far worse than they should be. They are also far better than they once were.

Bangladesh's GDP per person received a boost from another source. Its last census, in 2011, led to a large revision of the country's population, larger even than Pakistan's. But in Bangladesh's case, the revision was downwards.

Tax camps to boost NBR collections

FROM PAGE B1

Rahman, also a senior secretary to the Internal Resources Division, said there are allegations from taxpayers about harassment while auditing of tax returns.

"We are trying to reduce that," he said, while calling upon chartered accountants to work in partnership with the tax administration such that the state gets the due amount of taxes.

The NBR will give emphasis on direct tax collection to boost its collection in light of the deferral of the implementation of the new VAT law to 2019.

"We will run tax camps. We will go to people and persuade them that they would not face any hassle by paying tax," Rahman said.

The tax authority is also planning to hold 200 tax camps throughout the country, including Dhaka, this fiscal year, said a senior NBR official.

Some 30 lakh taxpayers have so far signed for the Taxpayers' Identification Number, but analysts are saying that the number of potential taxpayers is higher than that.

The NBR is also planning to bring businesses under its tax net based on the register developed by the Statistics Division.

"There would be no coercive measure," the NBR official said.

The tax authority is also working to frame a new income tax law as part of its reforms.

Rahman said his office plans to finalise the draft law -- to be dubbed the Direct Tax Code -- by October and seek opinions from stakeholders including CAs to make the legislation easy, rich and taxpayer-friendly.

"We want to place the draft at the cabinet by January next year so that we can finalise the income tax law next year," he added.

ICAB President Adeb Hossain Khan wanted the NBR to frame business-friendly measures.

It's right time to buy real estate: Lamudi

FROM PAGE B1

The sector started making a turnaround at the beginning of 2016 when normalcy returned to the political landscape and interest rates dropped, bolstering consumer confidence.

The number of unsold flats was 10,000 in early 2016, down from 12,185 in 2014, according to the Real Estate and Housing Association of Bangladesh.

"Next exciting steps to take as well as huge possibilities for the real estate industry are the development of Dhaka East," said Hermans.

During a recent conference of the World Bank, the importance of planned development of Dhaka East was also stressed.

According to Lamudi, currently the most popular area in Dhaka is Uttara, with the number of inquiries reaching an all-time high in 2016.

FR Khan, managing director of the Building Technology and Ideas Ltd, a noted real estate company, said only genuine, interested and skillful developers weathered the 2012 and 2014 asset price bubble.

"These genuine developers take their job seriously and don't hanker after short-term gains," he said, adding that the real estate

market will gain momentum soon.

Hermans also said the plan to build a seaport in Payra could be one of the most promising things for the real estate industry, creating a new consumer market for development and possibly a booming new city.

The study report said the rising demand for housing would continue climbing upward as people migrate from rural to urban areas.

According to the report, the government has taken steps in recent years to provide a boost to the real estate sector by reducing the withholding tax rates and increasing compensation rates for land acquired by the government to three times the original price.

There has also been a reduction in the country's home loan rate, from 14 percent to 9 percent, enhancing affordability, it said.

With a wealth of data on its website, lamudi.com.bd, part of a Germany-based online real estate platform, plans to support the sector in matching supply and demand.

"Developers can use this information to better plan new developments or strategically choose areas for future projects."

Data centres hold greater business prospects

FROM PAGE B1

Washington-based Uptime Institute is the IT industry's most trusted and adopted global standard for design, build and operation of data centres. Ahmed also said computer graduates produced by universities are not skilled enough to manage data centres.

A number of speakers urged universi-

ties to introduce data centre technology in their academic curriculum at undergraduate level to produce skilled professionals.

They also underscored the importance of capacity building of existing professionals who are working at different firms to secure the data of the masses.