



## AB Bank MD steps down

### 3rd bank chief to quit in 3 months

STAR BUSINESS REPORT

AB Bank Managing Director Moshur Rahman Chowdhury yesterday handed in his resignation 17 months into his three-year term at the helm of the first generation private commercial bank.

He is the third bank managing director to have stepped down since August, the other two being Muhammad Awal Khan from BASIC Bank and AE Abdul Muhaimen from United Commercial Bank.

Chowdhury, who joined the bank in 2003, tendered his resignation at a meeting of the board of directors, said an official of AB Bank.

The board accepted the resignation letter as well as his leave application for one month.

His departure comes at a time of deteriorating financial health for the bank because of rising default loans and declining profits.

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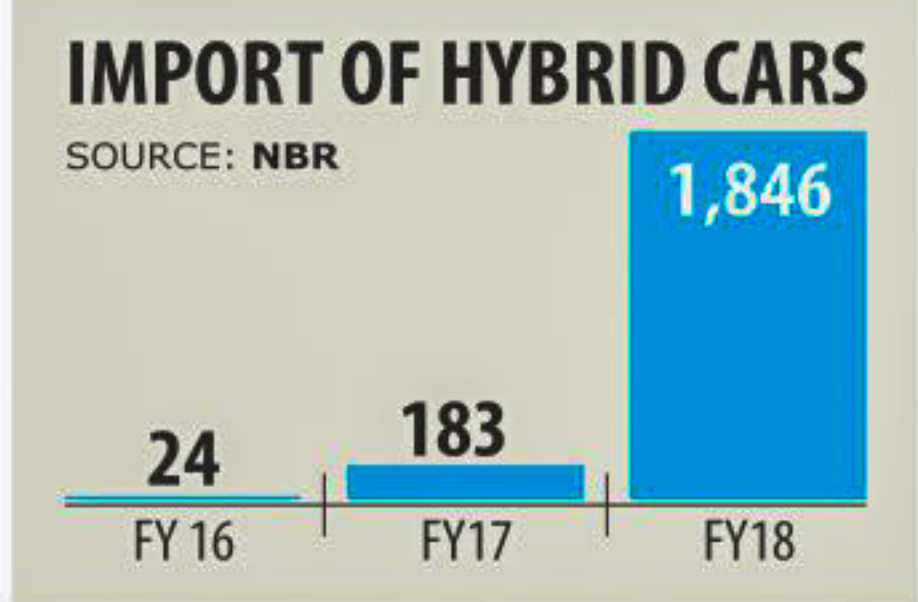
# Hybrid cars fast taking up city lanes

SOHEL PARVEZ

Import of hybrid cars is increasing exponentially on the back of soaring demand for the fuel-efficient vehicles from the upper middle-income people, marketers said.

The arrival of hybrid cars, mostly used ones, shot up by 10 times to 1,846 units in fiscal 2017-18 from a year earlier, according to data from the National Board of Revenue.

"The market for used hybrid car is growing fast," said Habib Ullah Dawn, president



of Bangladesh Reconditioned Vehicles Importers Association.

The prices of used hybrid cars are Tk 2-3 lakh more than the reconditioned conventional engine cars, said Monirul Alam, general manager of Sal-Sabeel Cars, a seller of reconditioned cars in Dhaka.

An increasing number of people are showing interest in hybrid cars as many find it extremely inconvenient to sit in the long queues to get gas, he said, adding that CNG-driven vehicles wear out faster.

Above all, the hybrid cars, which rely on octane, are more fuel-efficient, he added.

One of the reasons for the fast expansion of hybrid car market is the government's



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Import of hybrid cars is soaring due to rising demand for fuel-efficient vehicles.

slashing of import duty last fiscal year to encourage its use and cut reliance on fossil fuel-based cars. In fiscal 2017-18, the NBR slashed the supplementary duty (SD) on the import of hybrid SUVs in varied percentages, starting from 25 percent and going up to 60 percent.

The SD rate was also slashed drastically for higher engine capacity hybrid cars. For example, the SD on cars between 2,000cc and 3,000cc was more than halved to 60 percent. The government also extended the reduced duty import privilege to micro bus.

Then this fiscal year, the NBR went ahead and further relaxed the import cost of hybrid cars of engine capacity between 1,600 cc and

1,800cc: the SD was slashed to 20 percent, according to the national budget documents.

Alam said his firm has increased hybrid car import as its sales are rising.

Despite the soaring demand, the battery for hybrid car, which has electric motor and a traditional gasoline engine, is not widely available. "Maintenance facility is also limited. Only a handful of firms can do it," Alam said.

Md Lutful Karim, deputy manager marketing of Navana Ltd, the distributor of new Toyota vehicles in Bangladesh, echoed the same, while calling for more investment for developing the after sales service for hybrid technology.

## Ecneec's flurry of project approval continues

STAR BUSINESS REPORT

The Ecneec yesterday approved 17 projects including one for land acquisition to elevate the Faridpur-Kuakata highway into a four lane one to establish smooth communication with the tourist spot.

These take the total number of projects approved this week by the Executive Committee of the National Economic Council to 37.

After the meeting, Planning Minister AHM Mustafa Kamal told reporters that typically in the lead-up to a national election the private sector feels hesitant about taking any big investment decisions.

The slump in private investment is being compensated with public investment and hence the flurry of project approvals.

Some 32 more projects are ready at the Ecneec secretariat for approval.

"We may have to hold two more Ecneec meetings," he said, adding that the meetings have no connection with the polls-time government.

At the meeting yesterday, which was chaired by Prime Minister Sheikh Hasina, the 17 projects that got the green light would cost Tk 14,200 crore.

Of the total, only Tk 195 crore would be foreign funding; the rest would come from the government's own source.

One of the projects that got approval pertains to acquisition of 302 acres of land to elevate the Faridpur-Bhanga-Barishal-Patuakhali-Kuakata highway into a four-lane.

The project will cost Tk 1,886 crore and will include setting up of various utilities.

There is already a two-lane road from Faridpur to Kuakata; it will be elevated to four lane and service lanes will be provided on the both sides.

According to the project proposal, once the Padma Bridge is completed the four lane road will play a significant role in building a safe and quick communication with Dhaka.

After the land is acquired, another project will be taken to upgrade the Faridpur-Kuakata road into a four lane.

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## Tea prices rise on slow output

DWAIPAYAN BARUA, Ctg

Tea consumption will be costlier in Bangladesh as the price of the world's second most popular drink after water increased 31 percent in the local market in just two months because of lower production and higher demand.

Prices have gone up at both wholesale and retail levels after its rate rose significantly at the auction level since April this year, according to the National Brokers Limited.

Tea traders blamed rising local consumption and poor supply compared to the increasing demand of the popular drink for the upward trend of prices while tea producers held responsible the rise in production cost for the hike.

Beginning from April, 45 tea auctions are held in Bangladesh every year on a weekly basis. As of October



9, 23 auctions have taken place and the average price of tea has increased by Tk 76 a kg, or 35 percent. The average price was Tk 216.52 a

kg during the first weekly sale on April 24 and it soared to Tk 293 at the 23rd auction on October 9.

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## 5th mobile assembly plant opens today

MUHAMMAD ZAHIDUL ISLAM

Mobile handset assembling is set to expand further in the country as a fifth company is set to officially announce its enrolment today with its own "5 Star Mobile" brand.

Al Amin Brothers, a local company which has been importing handsets for over two decades, set up its plant in Gazipur near National University investing about Tk 30 crore.

Telecom and ICT Minister Mustafa Jabbar will inaugurate the plant, said the company's managing director, Md Oliullah.

He said they would initially assemble low-cost feature phones and gradually move towards smartphones.



"We have been running this business since 1996, mostly importing from China, and now it is time to move for assembling," Oliullah added.

Though the plant has the capacity to assemble about four lakh handsets a month using five production lines, its initial monthly production target was

about 1.5 lakh pieces.

Walton was the first company to take up assembling. They have been producing different types of handsets for the past one year. Meanwhile market leader Symphony started assembling last month aiming to cater to the local market.

Both said they were now assembling a few lakh pieces in total every month and aimed to take the figure to about five lakh.

Symphony opened its factory in Ashulia on the outskirts of Dhaka and is planning to set up a second one in Bangabandhu Hi-Tech City in Gazipur's Kaliakoir within the next two years.

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## FTA with Sri Lanka soon: Tofail

STAR BUSINESS REPORT

Bangladesh expects to sign a free trade agreement with Sri Lanka during the tenure of the incumbent government as both countries have already completed looking into the feasibility, Commerce Minister Tofail Ahmed said yesterday.

He disclosed this without elaborating in response to a query from reporters after a meeting with Malik Samarawickrama, Sri Lankan minister for development strategies and international development, at his secretariat office in Dhaka.

"We agreed to finalise the joint feasibility study that was conducted by both countries with a view to signing the FTA between the two countries," Ahmed said.

"After finalising the joint study, we will sign the FTA within the tenure of the current government," he said.

The national election in Bangladesh may take place in late December or early January.

The nature of the agreement will be a little bit different as it will cover not only the duties but also the services sector and investment, Ahmed said.

He invited Sri Lankans to invest in the special economic zones Bangladesh is developing across the country.

"Joint feasibility study has been done by our two governments and I am told that it would be completed by the end of

this October," said Samarawickrama.

He was talking to reporters after a meeting with the leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) at its office in Dhaka.

Siddiqui Rahman, the BGMEA president, said a joint working committee would be formed engaging garment exporters of both countries to produce value-added apparel items for exports to European markets.

He said the formation of the committee was still at the very initial stage. When it comes to producing some garment items, Bangladesh is still very weak but Sri Lanka is strong, he said.

In those cases, Bangladesh's manufacturers will produce the basic garments and send them to Sri Lankan garment factories for more value addition under the "Made in Bangladesh" tag, said Rahman.

Moreover, Sri Lanka is in an advantageous position because of its sea ports, which are closer to European markets than Bangladesh's Chittagong port, he said, adding that Bangladesh would also use the Sri Lankan ports to its benefit.

The BGMEA leader said Sri Lanka is at least two weeks ahead in lead time compared to Bangladesh thanks to its geographical location.

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## Omera to get \$20m from IFC

STAR BUSINESS REPORT

International Finance Corporation (IFC) has committed to invest \$20 million as a long-term loan in Omera Petroleum to help the company double its capacity and increase the availability of liquefied petroleum gas (LPG), especially in rural areas.

Omera—whose parent MJL Bangladesh Ltd is majority owned by Bangladeshi conglomerate East Coast Group—is the second-largest player in Bangladesh's LPG market by volume.

The loan of IFC, a member of the World Bank Group, is part of its project to double its capacity and make LPG available in nearly all sub-districts of the country. Wendy Werner, IFC country manager for Bangladesh, and Akhter Hossain Sannamat, chief finance officer of Omera, signed a loan agreement in this regard at the Westin Dhaka yesterday.

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