Customs to auction off 110 cars

Most are luxury brands brought duty-free

KEY POINTS

- Customs authority plans to auction off **110** luxury cars
- Brands include BMW, Land Rover, Mitsubishi, Mercedes, Lexus and Toyota
- Auction to be held on Nov 3 and Nov 4
- Bidders can participate online or physically
- The vehicles arrived at Chattogram port between 2008 and 2012
- Authorities failed to sell the cars in the last five auctions due to low price

Mohammad Suman, *Chattogram*

Customs authorities are set to auction off 110 vehicles, most of which are luxury brands such as BMW, Land Rover, Mitsubishi, Mercedes-Benz and Lexus brought to the Chattogram port around a decade ago duty-free under a UN convention.

The "UN Customs Convention on the Temporary Importation of Private Road Vehicles of 1954" facilitates a privilege known as Carnet de Passage.

It allows tourists to bring their vehicles to a country without payment of customs duties, provided the vehicles are taken back with the foreign nationals.

Bangladesh was not a signatory, and the National Board of Revenue (NBR) in April 2011 introduced a rule which stipulated that foreign nationals provide security deposits amounting to the duties and taxes of the imported cars.

From 2013, the NBR decided to stop entertaining the facility altogether.

However, 369 luxury vehicles were brought to the Chattogram port between 2008 and 2012 under the facility. By 2013, 249 were released from the port.

The customs authority is now auctioning off 110, reasoning that the government has been denied of due revenues.

According to the auction notice, bidders will be able to submit related documents clicking on the e-auction link on the Bangladesh Customs website or physically at Dhaka, Chattogram, and Mongla customs stations between November 3 and November 4 this year.

At the individual level, bidders need to provide their national identification card and TIN (taxpayer identification number) certificate. For organisations, trade licence, VAT registration number and TIN are required.

"Arrangements have been made to inspect these vehicles on the spot during office hours from October 27 to November 2," Md Al Amin, deputy commissioner of the Custom House Chittagong, told The Daily Star.

On Monday, it organised a learning session for bidders to gain interest and how to participate in the auction.

"We took several initiatives to ensure transparency in the auction activities and increase general people's participation," Amin said.

"We hope that due to these initiatives, the number of participants will increase this time as compared to other auctions in the past."

According to the auction's inventory report, all of the cars are from the United Kingdom, but most were produced in Germany.

Of them, 28 are of the BMW brand, 24 Mercedes-Benz, 23 Mitsubishi, 10 Land Rover, nine Lexus, four Toyota, four Ford, and two Honda. There are also cars of the Jeep brand.

Keys of 43 vehicles could not be found, the report said. This correspondent saw over 20 with no wheels and windows broken.

Produced anywhere from 15 years to 26 years ago, the vehicles have engine displacements ranging from 1,796cc to 4,398cc.

Bangladesh does not allow importing cars aged over five years. For this reason, a "clearance permit" has to be availed from the Ministry of Commerce for 95 of the vehicles.

The reserve value (product price plus tax) of each of 76 vehicles is over Tk 1 crore, four over Tk 4 crore, while the rest from Tk 47 lakh to Tk 99 lakh.

Auctions were held four or five times in the last couple of years, but the vehicles never attracted figures expected by the customs, said Manjurul Alam, a regular bidder.

The cars have become unusable for being abandoned for a long time in the port yards, said Alam, also the proprietor of Multination Company Ltd.

Their value has depreciated, so they should be sold off at whatever the highest bids are in the interest of attaining revenue. Otherwise, they would need to be declared as scrap, he added.

Amin of the Chattogram customs said the values of the vehicles had been estimated afresh as per their current condition in line with the NBR's instructions.

"The bidders will be able to estimate prices after physical observation by contacting the designated phone number."

Apparel diplomacy to widen the horizon

Faruque Hassan

We cannot help but take pride and feel happy when Secretary-General of the United Nations António Guterres terms Bangladesh a "development miracle" and showers heaps of praise on our Prime Minister Sheikh Hasina for achieving this miracle. Prime Minister Sheikh Hasina is truly "the jewel in the crown" in Bangladesh's development journey. The way she has been leading the country towards becoming a knowledge-based developed country defying all odds is unparalleled in the present-day world. Even in the time of the worldwide coronavirus crisis, thanks to her bold and astute leadership, the pandemic situation in Bangladesh is much better than that in many developed countries and the economy is rebounding pretty fast.

Congratulations are also due to the premier for achieving "SDG Progress Award" while attending the 76th UN General Assembly. It is a testament to her leadership capabilities, riding on which Bangladesh managed to maintain steady progress in achieving Sustainable Development Goals (SDGs) in spite of the pandemic.

However, while the premier is leading from the front to transform Bangladesh into a developed country as envisioned by Father of the Nation Bangabandhu Sheikh Mujibur Rahman, all patriotic citizens of the nation are required to do their bit from their respective positions.

It is a matter of great pride and prestige for the readymade garments (RMG) entrepreneurs, workers and other stakeholders that the apparel sector is playing a key role behind the country's SDGs progress and UN status graduation from a least developed country (LDC) to a developing one as well. Moreover, the sector has a crucial role to play in materialising the long term development vision of the country. The sector has immense potential. But it will be difficult to tap into these potentials if we cannot properly highlight the sector's capacity, progress towards sustainability and other positive stories.

Here apparel diplomacy can play a crucial role. That is why we are working to make apparel or economic diplomacy one of the core components of Bangladesh's foreign policy. Be it finding out ways for retaining or extending market access facilities after LDC graduation, signing new trade deals such as free trade agreements with potential exporting countries, branding "Made in Bangladesh" products, attracting foreign investment or enhancing the country's image and exploring new markets, apparel diplomacy can do wonders for the RMG sector in particular and the country in general.

As a part of our apparel diplomacy with a renewed focus on the export market, I along with former BGMEA president Md Shafiul Islam (Mohiuddin), Vice President Miran Ali and Director Abdullah Hil Rakib have toured around the US and Canada, two of our main export destinations, throughout the month of September. During our visit we met with various stakeholders of the fashion supply chain, especially buyers

OPINION

and delegates of brand associations, and focal persons in the government, media, academia and development organisations, and non-resident Bangladeshis (NRBs).

In total we held more than 30 meetings with various stakeholders, including the US-Bangladesh Business Council of the US Chamber of Commerce, American Apparel and Footwear Association (AAFA), International Cotton Advisory Committee, International Finance Corporation and Worldwide Responsible Accredited Production, and with brands like VF Corporation, Ralph Lauren, Amerex Group, Dreamwave and Canadian Tire Corporation Limited.

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GLOBAL BUSINESS

EU to press ahead with emergency relief for energy prices

Reuters, *Brussels*

European Union leaders are set to press ahead with measures to shield consumers from record-high energy prices that have curtailed industrial production and hiked consumer bills.

EU leaders will meet on October 21-22 to discuss the energy price spike and a "toolbox" the European Commission published this week which confirmed the measures national governments can use to provide immediate relief to consumers.

A draft of the leaders' conclusions, seen by Reuters, invites the Commission and EU countries to use that toolbox "to provide short-term relief to the most vulnerable consumers and to support European companies."

As of Wednesday, twenty EU countries had drawn up such measures, including price caps, cuts to energy taxes and subsidies for poorer households.

That number is set to grow, with Germany planning to cut the surcharge on consumers' energy bills which helps fund renewable energy investments.

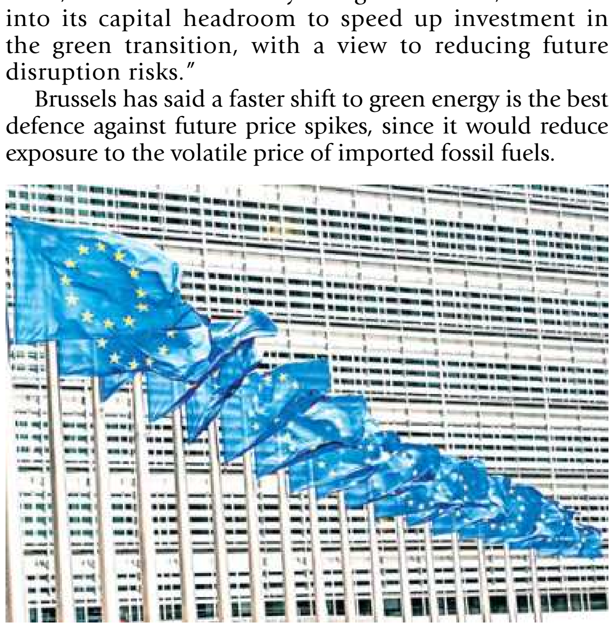
The Commission said it would also assess measures the EU could take in the longer term to protect countries against price spikes, including joint purchasing of gas.

EU leaders will ask the Commission to "consider medium and long-term measures that would mitigate excessive price fluctuations, increase the EU's energy resilience and ensure a successful green transition," the draft conclusions said.

EU ministers "will take this work forward immediately" at an emergency meeting on energy prices on October 26, according to the draft, which could change before it is adopted by leaders.

The leaders will also ask the European Investment Bank, which is owned by EU governments, to "look into its capital headroom to speed up investment in the green transition, with a view to reducing future disruption risks."

Brussels has said a faster shift to green energy is the best defence against future price spikes, since it would reduce exposure to the volatile price of imported fossil fuels.



REUTERS/FILE

European Union flags flutter outside the EU Commission headquarters in Brussels, Belgium on July 14.

A liquified natural gas (LNG) tanker leaves the dock after discharge at PetroChina's receiving terminal in Dalian, Liaoning province, China. PHOTO: REUTERS/FILE

China looks to lock in US LNG as energy crunch raises concerns

Reuters, *Singapore/New York*

Major Chinese energy companies are in advanced talks with US exporters to secure long-term liquefied natural gas (LNG) supplies, as soaring gas prices and domestic power shortages heighten concerns about the country's fuel security, several sources said.

At least five Chinese firms, including state major Sinopec Corp and China National Offshore Oil Company (CNOOC) and local government-backed energy distributors like Zhejiang Energy, are in discussions with US exporters, mainly Cheniere Energy and Venture Global, the sources told Reuters.

The discussions could lead to deals worth tens of billions of dollars that would mark a surge in China's LNG imports from the United States in coming years. At the height of a Sino-US trade war in 2019, gas trade briefly came to a standstill. LNG export facilities can take years to build, and there are several projects in North America in the works that are not expected to start exporting until the middle of the decade.

Talks with US suppliers began early this year but speeded up in recent months amid one of the biggest power-generating, heating fuel crunch in decades. Natural gas prices in Asia have jumped more than fivefold this year, sparking fears of power shortages in the winter.

"Companies faced a supply gap (for winter) and surging prices. Talks really picked up since August when spot prices touched \$15/mmbtu," said a Beijing-based senior industry source briefed on the talks.

Another Beijing-based source said: "After experiencing the recent massive market volatility, some buyers were regretting that they didn't sign enough long-term supplies."

Sources expected fresh deals to be announced over the coming few months, after privately controlled ENN Natural Gas Co, headed by the ex-LNG chief of China's largest buyer, CNOOC, announced a 13-year deal with Cheniere on Monday.

It was the first major US-China LNG deal since 2018. The new purchases will also cement China's position as the world's top LNG buyer, taking over from Japan this year.

"As state-owned enterprises, companies are all under pressure to keep security of supply and the recent price trend has deeply changed the image of long-term supplies in the mind of leadership," said the first Beijing-based trader.

"People may have taken the spot (market) as the key in the past, but are now realizing that long-term cargoes are the backbone."

The sources declined to be identified as the negotiations are private. Sinopec declined comment. CNOOC and Zhejiang Energy did not immediately respond to requests for comment.

Venture Global and Cheniere both declined comment.

"We expect more deals to be signed before year-end. It's primarily driven by the global energy crunch and prices we're seeing now… US supplies now stand out as attractive," said a third Beijing source briefed on the talks.

US cargoes used to be expensive versus oil-linked supplies from Qatar and Australia for example, but are cheaper now.

A deal at \$2.50 + 115 per cent of Henry Hub futures, similar to ENN's deal according to traders, would be roughly about \$9-\$10 per million British thermal units (mmBtu) on a delivered basis into Northeast Asia. This includes an average shipping cost of \$2 per mmBtu for the US-China route.

China central bank says Evergrande risks 'controllable'

Afp, *Beijing*

China's central bank said Friday that the risk of spillover from embattled property giant Evergrande to the financial sector was "controllable", breaking its silence on the company's debt troubles, state media reported.

Concerns are mounting that the cash crunch at Evergrande -- which is struggling with more than \$300 billion in liabilities -- could lead to contagion for the wider Chinese economy.

Authorities are "carrying out risk disposal and resolution work in accordance with the principles of rule of law and marketisation," People's Bank of China official Zou Lan said at a briefing, according to an outlet under the Xinhua state news agency.

Zou went on to say that the company had been poorly managed, and had not operated "cautiously" within the confines of the changing market, Shanghai Securities News reported.

"Instead, it blindly diversified and expanded, causing the serious deterioration of operating and financial indicators, and eventually an explosion of risk," said Zou, who heads the PBOC's financial market department.

However he added that "on the whole, the risk of spillover into the financial sector is controllable "Authorities will also help ensure that financial support is provided for the resumption of work on Evergrande's property projects, he said, stressing that the real estate sector remained "generally healthy".

The firm's liquidity crisis came as the country's property sector found itself under tightened scrutiny, after regulators announced caps for three different debt ratios in a scheme dubbed "three red lines" last year.

\$590m in ransomware payments reported to US in 2021

Afp, *Washington*

New data out Friday showed \$590 million in ransomware-related payments were reported to US authorities in the first half of 2021 alone, setting a pace to beat totals for the whole previous decade as cyber-extortion booms.

The figure is also 42 per cent higher than the amount divulged by financial institutions for all of 2020, the US Treasury report said, and there are strong indicators the true cost could be in the billions.

"If current trends continue, (reports) filed in 2021 are projected to have a higher ransomware-related transaction value than... filed in the previous 10 years combined," said Treasury's Financial Crimes Enforcement Network.

The heists involve breaking into a company or institution's network to encrypt its data, then demanding a ransom, typically paid via cryptocurrency in exchange for the digital key to unlock it.

Washington has sought to crack down on a sharp rise in attacks, including issuing its first sanctions against an online exchange where illicit operators have allegedly swapped cryptocurrency for cash.