

"Enough is enough. First, we want to crack down on the flow of firearms used to commit violence."

Biden
on ending US gun violence

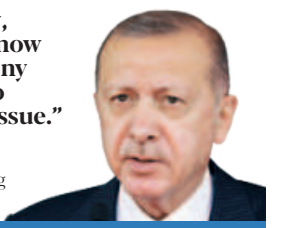
The Daily Star

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SECOND EDITION

"Unfortunately, the West until now has not made any contribution to resolving this issue."

Turkish President Erdogan
on defusing Ukraine tensions



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What's choking private airlines?

RASHIDUL HASAN

Poisoned chalice -- is what sums up best Bangladesh's aviation industry.

On paper, it has all the ingredients to be a money-spinner: a unique geographical location that allows it to serve as a transit hub for passengers coming from the Middle-East and Europe to the Asia Pacific, a constantly growing pie of upwardly mobile population and an economy that is staking its claim in the global scheme of things.

Since 2000, air passenger foot count increased at an average annual rate of 9.1 percent, according to data from the Civil Aviation Authority of Bangladesh. In 2000, 1.3 million opted to travel by air. In 2020, that number heaved to about 6 million.

And yet, in that time, five private carriers came and went, with the existing two barely staying afloat.

"It is a great remorse that the main vehicle of aviation growth that is the aviation operators are beset with neck-deep problems and difficulties in policy execution regime," said an industry veteran on condition of anonymity to speak candidly on the matter.

The Daily Star spoke with a host of industry stakeholders and aviation experts to learn why a potentially lucrative industry has become a poisoned chalice and a picture emerged of regulatory malfunction, excessive tariffs, high jet fuel price, undue patronisation to the state-carrier Biman Bangladesh Airlines and naïveté.

"Here is a vital challenge -- when a private airline has to survive against a government-supported airline in a grossly imperfect competition, the chances of its survival are slim," said MA Momen, a former

chief executive officer of Biman and Regent Airways, a subsidiary of Chattogram-based Habib Group.

For starters, to keep aircraft in shipshape at all times, it needs to be serviced regularly and its parts need to be replaced as and when the need arises.

GROUNDING PRIVATE CARRIERS

Aero Bengal	1997-98
Air Parabat	1998-2000
GMG Airlines	1998-2012
Best Air	2008-2009
Air Bangladesh	Couldn't start operation
Royal Bengal Airlines	2007-2008
United Airways	2007-2016
Regent Airways	2010-2020

REASONS PRIVATE AIRLINES STRUGGLE TO BECOME VIABLE BUSINESSES

- Regulatory malfunction
- Excessive tariffs
- High jet fuel price
- Undue patronisation to the state-carrier
- Naïveté on part of airline owners

Logic would suggest that the airliners should keep spare parts handy to not disrupt the flight schedule.

And this is where the private operators lose the game to Biman, which has been afforded a bonded warehouse facility as well as a hangar at the airport.

For private airlines -- which operate with a small fleet -- this means a long wait for the spare parts to arrive from abroad and taking the aircraft out of commission until then.

"Biman can quickly change spare parts

for its aircraft, but we need to wait for months to import those," said Imran Asif, a former CEO of Regent Airways, which operated from 2010 to 2020.

And even while importing, private airlines have been dealt a bad hand.

While the policy is conducive and business-friendly, the problem arises during the customs clearance for the imported spare parts at the Dhaka Customs House, according to industry stakeholders.

The aircraft and aircraft spares that fall under HS Code 8803 and engines at HS

Code 8407 are importable at zero duty.

An aircraft consists of myriads of parts and sub-parts grouped under various heading based on functionality and commonality, all of which are listed in the Illustrated Parts Catalogue (IPC).

But the general explanatory notes under XVII-8803-1 does not contain all the parts listed in IPC. Subsequently, genuine aircraft parts are taxed between 15 to 150 percent, according to industry stakeholders.

The Daily Star obtained a list from operators of their part imports,

which denotes how the policies are misinterpreted.

There are multiple numbers of generators used in the aircraft, said to be high-value items. These are taxed under general purpose use generators (HS code 8502.12) at 26.2 percent instead of HS Code 8803.

The aircraft cockpit is equipped with various types of LCD panels and computer displays, all of which are high-value items.

These are often arbitrarily taxed about

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A woman tries to shield two children from rain with her saree while crossing a road near the Baitul Mukarram National Mosque yesterday. The wintry rain on the weekend brought chill and trouble for the city dwellers, particularly those from the low-income families.

PHOTO: PALASH KHAN

5 MIGRANT DESTINATIONS

Pandemic shoots down labour export

The foreign countries imposed restrictions on issuing demand letters for recruitment, prioritised hiring locals

JAMIL MAHMUD

Bangladesh's efforts to send workers to five countries have suffered a blow as those nations adopted restrictive measures before and during the Covid-19 pandemic.

Steps taken by Middle Eastern countries Bahrain and Iraq before the pandemic had made it difficult for Bangladesh to send workers there.

Kuwait, Brunei and African island nation Mauritius have taken some measures caused by the pandemic, leading to a decline in the recruitment of foreign workers.

Two of the five countries imposed restrictions on issuance of demand letters for labour recruitment and prioritised hiring locals. Also, the labour market in

one of the five nations "reached saturation". All these contributed to the downtrend in the export of Bangladeshi manpower to these countries.

Insiders in the manpower export sector said Bangladesh's diplomatic efforts to regenerate these labour markets were falling short of their expectations.

The country sent about 6.17 lakh workers abroad last year. Only 2,091 or 0.33 percent of them went to these five countries, according to data of the Bureau of Manpower, Employment and Training (BMET).

In 2017, Bangladesh sent 10.08 lakh workers abroad for employment. Of them, 87,270 were hired by the five countries, shows BMET data.

The five nations recruited nearly

10 percent Bangladeshi migrant workers from 1976-2019. During this period, the country sent 1.28 crore workers abroad.

Last year, Saudi Arabia alone hired 4.55 lakh Bangladeshi workers.

Officials at the Bangladesh missions in those five countries said approval of demand letters by them came down to almost zero in 2020 when air communications between Bangladesh and those nations remained snapped due to the pandemic.

Although the situation started improving in the middle of last year, the demand letter approval rate remained low, they added.

At present, Kuwait, home to about three lakh Bangladeshis, is

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