



Although this two-wheeler showroom on MA Bari Street in Sonadanga upazila of Khulna is packed to the rafters with various models, the government's recent decision regarding the motorcycle registration process has led to lower sales.

PHOTO: HABIBUR RAHMAN

# Motorcycle market sees sales drop

A result of BRTA's decision on mandatory licence for registration, insiders say

JAGARAN CHAKMA

Sales growth in the local two-wheeler industry has slowed ever since the government made it mandatory for owners to produce a valid driver's licence when registering their motorcycle. In the first two months (July-August) of the current fiscal year, a total of 98,690 motorcycles were sold across the country while it was 89,355 units during the same period in fiscal 2021-22, according to market players. Now although this indicates an overall growth of 10 per cent, the previous annual hike in sales was 20 per cent on average, they said. In early July, the Bangladesh Road Transport Authority (BRTA) made it compulsory to have a valid driver's licence for attaining a motorcycle registration number. The BRTA took this decision in a bid to reduce the number of accidents that occur for allowing inexperienced and untrained drivers on the road. The rule will be effective from September 15. Subrata Ranjan Das, executive director of ACI Motors Limited, the local distributor of Japanese brand Yamaha, said motorcycle sales slowed suddenly following the BRTA's decision. Another factor which is impeding sales is that the two-wheeler prices have increased by an average of around 8 per

cent due to the taka's depreciation against the US dollar. Besides, people are reluctant to avail a driver's licence as it takes around 190 days to get one under the existing process. "So, this decision had an impact on the motorcycle industry," he added. However, Das supported the logic behind the BRTA's decision as it would indeed help reduce the number of road accidents. And although the overall sales of two-wheelers have slowed, the sale of high-end motorcycles increased by 28 per cent in the July-August period of the ongoing fiscal year. Referring to their market assessment report, the executive director of ACI Motors said different motorcycle brands sold a total of 42,599 high-end units in the first two months of fiscal 2021-23 while it was 33,397 units during the same period last year. Das went on to say that the transport cost of using a two-wheeler is still cheaper than larger vehicles, making it a more suitable way to get around despite the increase in buying cost. Abdul Matlub Ahmad, chairman of Nitol Niloy Group, the local distributor of India's Hero MotoCrop, said the temporary slowdown in sales is because people do not understand how the government's decision is beneficial in the long run. "We need to ensure the safety of

motorcycle users along with business growth and so, both the bikers and sellers need to follow the rules and regulations to avoid long-term losses," he added. Ahmad believes that while motorcycles are not suitable for use on highways or long-haul journeys, they are still hugely beneficial for the general public as it shortens the travel time in congested cities while also providing better fuel economy compared to other vehicles. **Subrata Ranjan Das, executive director of ACI Motors Limited, the local distributor of Japanese brand Yamaha, said motorcycle sales slowed suddenly following the BRTA's decision** So, he thinks the market will not fall further in the future and instead, sales will increase due to the recent hike in energy prices. "The number of motorcycle users will increase in the future as it is a cheaper mode of transport compared to other vehicles," he said. In regards to reducing road accidents, Ahmad suggested practicing careful driving and creating awareness about traffic rules. Shah Muhammad Ashequr Rahman,

head of finance and commercial at Bangladesh Honda Private Limited (BHL), a joint venture between Japan's Honda Motor Co and the state-owned Bangladesh Steel Engineering Corporation, said overall sales came down by as much as 28 per cent in August compared to the same month last year. According to BHL estimates, a total of around 44,000 motorcycles were sold in August while it was around 60,000 units at the same time last year. Professor Md Hadiuzzaman, director of the Accident Research Institute of the Bangladesh University of Engineering and Technology, said making it mandatory to have a valid driver's licence to register a motorcycle means that the vehicle would only be handed over to a skilled biker. "This would help save lives so even though the industry will suffer for the time being, the decision will have a positive long-term impact for the industry and the safety of bikers," he added. He then stressed on the need for modernising the licensing process of the BRTA to ensure that applicants can get their licence easily rather than having to manage one through unfair means. Referring to their research, Hadiuzzaman said around 35 per cent of all road accidents in the country involve two-wheelers and 75 per cent of these accidents occur because the motorcycle driver was speeding recklessly.

## Stocks fall for second day

STAR BUSINESS REPORT

The Dhaka and Chattogram stock exchanges fell for the second straight day yesterday as investors worried about persisting economic uncertainty took profits. The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), closed at 6,528, down 10 points, or 0.15 per cent. The DS30, the index that consists of blue-chip companies, slipped 0.7 per cent to 2,356, while the DSES, the shariah-based index, was down 0.18 per cent at 1,429. Turnover fell nearly 20 per cent to Tk 1,360 crore. Of the securities, 124 won, 115 retreated, and 139 did not find any buyer. The premier bourse passed another down session as shaky investors kept their selling spree in major stocks to book profits following recent market surges, said International Leasing Securities Ltd, a brokerage house, in its daily market review. Among the sectors, travel stocks appreciated 3 per cent, paper shares were up 1.3 per cent, and IT scrips rose 0.9 per cent. The service sector lost 1.4 per cent, the ceramic sector fell 0.9 per cent, and the pharmaceuticals sector declined 0.7 per cent. Investors' activity was mostly centred on pharmaceuticals and engineering stocks, which represented 22.1 per cent and 8.5 per cent of the turnover respectively, according to the brokerage house. Among the individual stocks, Bangladesh Export Import Company was the most-traded security on the day, accounting for 14.5 per cent of the turnover as its scrips worth Tk 197 crore were transacted.

READ MORE ON B2

## US faces risk of recession Yellen says

AFP, Washington

The United States faces "a risk" of recession as its battle against inflation could slow the nation's economy, but a serious downturn can still be avoided, Treasury Secretary Janet Yellen said Sunday. An American recession "is a risk when the Fed is tightening monetary policy to address inflation," President Joe Biden's leader on financial, economic and tax policy told CNN, referring to the US Federal Reserve. "So it's certainly a risk that we're monitoring," Yellen added, but "we've got a good strong labor market, and I believe it's possible to maintain that." Faced with soaring inflation -- it reached its highest level in 40 years in June at 9.1 per cent, before dipping slightly in July -- the central bank is gradually raising its key rates in order to ease the pressure on consumer prices, while hoping the move does not derail the world's largest economy. Commercial banks use the Fed's key rates to set the terms of the interest rates that they in turn offer their individual and corporate clients. Higher rates reduce consumption and investment. The challenge for policymakers is to quell inflation before it becomes dangerously entrenched, but without sending the US economy into a recession that would reverberate around the globe. "Inflation is way too high, and it's essential that we bring it down," Yellen said. The Fed is aiming for a "soft landing" -- bringing inflation back toward its goal of two per cent -- without forcing a recession, a move which could cause unemployment to spike. "I believe there is a path to accomplishing that," Yellen said. "Over the longer run, we can't have

READ MORE ON B2

## India's rice export curbs paralyse trade in Asia as prices rise

REUTERS, Mumbai

India's restrictions on rice exports have paralysed trading in Asia, with buyers scouring for alternative supplies from Vietnam, Thailand and Myanmar where seller are holding off on deals as prices rise, industry officials said. India, the world's biggest exporter of the grain, banned shipments of broken rice and imposed a 20 per cent duty on exports of various other types on Thursday as the country tries to boost supplies and calm prices after below-average monsoon rainfall curtailed planting. Rice is the latest in a string of commodities that have faced export curbs this year as governments struggled to raise supplies and fight inflation amid trade disruptions triggered by the Ukraine war. Rice prices have jumped 5 per cent in Asia since India's announcement and are expected to rise further this week keeping buyers and sellers on the sidelines. "Rice trading is paralysed across Asia. Traders don't want to commit anything in a hurry," said Himanshu Agarwal, executive director at Satyam Balajee, India's biggest rice exporter. "India accounts for more than 40 per cent of global shipments. So, nobody is sure how much prices will rise in the coming months." Rice is a staple for more than 3 billion people, and when India banned exports in 2007, global prices shot to record highs of around \$1,000 per tonne. India's rice exports reached a record 21.5 million tonnes in 2021, more than the combined shipments of the world's next four biggest exporters of the grain: Thailand, Vietnam, Pakistan and the United States.

READ MORE ON B2



A person points to the City of London financial district from a viewing platform in London. Latest data suggests that the British economy might be on course to shrink in the July-September period having contracted by 0.1 per cent in the April-June quarter.

PHOTO: REUTERS/FILE

## Rising prices stoke fear of UK recession

REUTERS, London

Britain's economy grew by less than expected in July, raising the risk that it is already in a recession, with the sharp climb in energy tariffs hurting demand for electricity and a leap in the cost of materials hitting the construction sector. With inflation at a 40-year high of more 10 per cent, gross domestic product expanded by 0.2 per cent from June, official data showed on Monday, weaker than a median forecast of 0.4 per cent. In the three months to July, GDP was flat compared with the previous three-month period. Some economists said Monday's data suggested the economy might be on course to shrink in the July-September period having contracted by 0.1 per cent in the April-June quarter.

READ MORE ON B2