

Hili land port misses revenue target again

KONGKON KARMAKER

The Hili land port has failed to reach its revenue collection target for the second consecutive year by a big margin.

In 2022-23 fiscal year, the port in Hakimpur upazila of Dinajpur could collect Tk 424.31 crore in revenues, which was 30 per cent lower than the Tk 606.28 crore target set by the National Board of Revenue (NBR).

The revenue collection target for 2021-22 fiscal year was Tk 381 crore, when the port earned Tk 353.41 crore, according to the port officials.

Out of the 12 months of 2021-22 fiscal year, the port failed to reach collection target in 11 months.

It successfully surpassed the target only in FY22's March when the target was Tk 48.40 crore and the port collected around Tk 56.97 crore.

In 2022's December, the port earned Tk 28.36 crore,

In 2022-23, the port could collect Tk 424.31 crore in revenue, which was 30 per cent lower than the Tk 606.28 crore target set by NBR

which was nearly 60 per cent of the month's target of Tk 50.33 crore and the lowest monthly collection in 2022-23 fiscal year, according to the officials.

The traders blamed the land port's failure to reach revenue collection target on the lack of infrastructure, poor road connectivity and the banks' reluctance in opening letters of credit (LCs) for the ongoing dollar crisis.

The roads to and from the Hili land port are so dilapidated that goods-laden trucks often become victims of accidents, said Harun Ur Rashid, president of Hili Land Port Importers and Exporters Group.

Only a handful of items can be imported from India through the land port and most of them are duty-free, said Mostafizur Rahman, general secretary of the group.

The poor condition of the connecting roads and the banks' unwillingness to open LCs are pushing the traders to find other channels than the Hili port, which has played a big role in reducing the amount of the local port's revenue collection, said Jamil Hossain, general secretary of the C&F Agents Association of Hili Land Port.

AT A GLANCE



Demand for luxury and high-end cars fell **26%**



Monthly sales dropped to **635** units this year from **853** units



Price increased by **25%** to **30%**

MARKET SHARE

- Toyota Land Cruiser **60%**
- Mitsubishi Pajero **20%**
- Others **20%**

REASONS FOR SLOW DEMAND

- Increase of price
- Appreciation of US dollar
- Tendency to spend less amid economic crisis

POPULAR BRANDS

BMW, Audi, Mercedes-Benz, Lexus, Jaguar, Jeep, Tesla, Porsche, Range Rover, Toyota, Nissan and Mitsubishi



PHOTO: PALASH KHAN

High-end car sales in slow lane

Dollar crunch, austerity measures to blame; but BMW sees reverse

JAGARAN CHAKMA

Sales of sport utility vehicles (SUVs) and luxury cars are in the slow lane as the demand for high-end automobiles has fallen significantly amid the ongoing economic crisis, according to market players.

The government, businessmen and high officials of the corporate sector are the major clients of this segment of the vehicles but they are also spending less because of the surging prices of the vehicles resulting from a massive depreciation of the taka in the last one and a half years.

The austerity measures taken by the government also contributed to a decline in the sales of luxury cars.

SUV and luxury car sales slipped to 635 units per month since January this year compared to 853 units last year, as per data of the Bangladesh Road Transport Authority.

Market players say the demand for high-end automobiles is dominated by the Toyota Land Cruiser, which accounts for about 60 per cent of sales in the premium segment.

Meanwhile, the Mitsubishi Pajero is the second most popular model with a 20 per cent share.

Md Shafiqul Islam, head of operations at HNS Automobiles, said their SUV and luxury car sales have reduced by an average of 26 per cent year-on-year in the past eight months.

The company imports and retails reconditioned models of Japanese automobile brands.

"Even premium customers are not purchasing high-end cars considering the higher prices amid the liquidity squeeze," he added.

Islam said another reason for the lower sales is that in some cases, people are unable

to find their required model as imports have declined significantly for difficulties in opening LCs.

He also said car prices have increased by some 25 to 30 per cent as Bangladesh's taka was devalued by about 26 per cent against the US dollar due to shortages of the greenback over the past year.

Echoing the same, Safayet Bin Taiyab, country lead (sales) at Progress Motors Import Ltd, said they have been able to sell just six or seven units per month since November 2022, down from 12 units previously.

The government, businessmen and high officials of the corporate sector are the major clients of luxury vehicles but they are also tightening their belt because of surging prices

Imports by Progress Motors, the local distributor of German brand Audi, also declined due to difficulties in opening LCs. This includes having to deposit an extra 15 to 20 per cent security margin alongside 100 per cent advance payment against their purchase.

Additionally, the newly imposed carbon tax for people owning a second car has had a negative impact on premium customers and thereby reduced demand in the high-end segment, he said.

Redwanul Zia, chief executive officer at Rancon Motors Limited, the sole authorised distributor of Germany's Mercedes-Benz in Bangladesh, said their monthly sales have

declined by around 60 per cent.

According to him, they now sell two to three units per month while it was around eight units previously.

Zia pointed out that a Mercedes-Benz car currently costs Tk 50 lakh to Tk 60 lakh more than before due to inflation in Europe coupled with the devaluation of the local currency.

"So, these models have become more expensive and therefore less accessible for potential buyers," he said, adding that the high-end vehicle segment is in a tough situation due to the dull market.

On the other hand, sales of cars made by BMW, another German automobile company, increased by around 17 per cent over the past eight months as customers shifted away from other brands.

Executive Motors, a concern of Meghna Group, retails several models of BMW cars with prices ranging from Tk 90 lakh to Tk 4.20 crore.

Abdur Rahman, head of sales at Executive Motors, said they sell seven to eight units each month at present while the previous best was just six units.

With this backdrop, Executive Motors yesterday launched the highly anticipated BMW X1 model, which is a sports activity vehicle (SAV).

With a price of Tk 1.02 crore, the all-new BMW X1 is powered by a compact 1.5-litre engine featuring the company's twin power turbo technology in front-wheel drive.

The engine is paired to a seven-speed with double-clutch transmission, delivering 136 horsepower.

As such, the SAV accelerates from zero to 100 kilometres per hour (kmph) in just 9.2 seconds and reaches a maximum speed of 208 kmph.

Fiscal transparency in Bangladesh

MAMUN RASHID

Fiscal transparency can be defined as the wide availability and easy access of government financial information to encourage accountability and trust. It refers to the extent to which a government publishes and delivers accurate information about its financial activities and obligations.

Comprehensive budget documentation, public availability of financial information, clear and consistent accounting practices, and independent auditing are essential to improving fiscal transparency, promoting good governance and enabling informed decision-making.

In recent times, several initiatives have been undertaken to strengthen fiscal transparency in Bangladesh. In 2018, the Fiscal Responsibility and Debt Limitation Act was passed to promote fiscal discipline and transparency by setting limits to government borrowing and deficits.

The implementation of the Open Government Data portal to encourage citizens to monitor government spending and revenue generation, strengthening audit and oversight institutions, and enhanced reporting on development projects are some noteworthy initiatives in the right direction.

However, there are some areas where improvement is needed.

Lack of comprehensive and timely information about the budgetary process as well as inadequate information regarding the allocation of resources and objectives of spending have been persistent challenges in enhancing fiscal transparency.

According to the 2023 fiscal transparency report of the US State Department, Bangladesh's budget document is publicly available, contains reliable information, and provides a clear picture of planned revenue and expenditures. However, the end-of-year report was not public within a reasonable timeframe and budget documents were not prepared following international good practices and they lacked a breakdown of expenditure for executive offices.

While the law of Bangladesh specifies the criteria and procedures to be followed to award contracts for natural resource extraction, basic information on such awards has not been consistently made public.

The lack of transparency in awarding large and lucrative public sector contracts raises concerns among citizens and the international community regarding the possibility of such contracts not being awarded based on objectivity and fairness but rather based on undue influence, political pressure, and other unscrupulous means.

The existence of this kind of vagueness and obscurity in the government contract awarding process does not endow confidence and continues to only benefit those with corrupt motivations.

With questionable independence standards when compared to international practices, the effectiveness and reliability of external audits of financial statements have long been a concern. Moreover, the reports of the supreme audit institution of Bangladesh do not contain substantial findings and were not made public within a reasonable timeframe, according to the US State Department.

Strengthening systems for public expenditure management, increasing revenue transparency by providing clear and easier-to-understand information on tax policies, rates, and exemptions, enhancing transparency in public debt management, and increasing citizen engagement are some additional areas where improvement can be made.

A major deterrent to fiscal transparency is corruption as well as those influential officials who continue to indulge in corrupt practices. As a developing country with very limited resources, it is crucial for Bangladesh to create accountability of the government and foster trust between the public sector and the citizens.

Increased transparency in fiscal practices would contribute towards boosting investor confidence and attracting greater investment. It would also ensure equitable distribution of public benefits and improved public service delivery.

The author is an economic analyst

Meta's 'friendly' Threads collides with unfriendly internet

REUTERS, New York

Mark Zuckerberg has pitched Meta's Twitter copycat app, Threads, as a "friendly" refuge for public discourse online, framing it in sharp distinction to the more adversarial Twitter which is owned by billionaire Elon Musk.

"We are definitely focusing on kindness and making this a friendly place," Meta CEO Zuckerberg said on Wednesday, shortly after the service's launch.



Maintaining that idealistic vision for Threads - which attracted more than 70 million users in its first two days - is another story.

To be sure, Meta Platforms is no newbie at managing the rage-baiting, smut posting internet hordes. The company said it would hold users of the new Threads app to the same rules it maintains on its photo and video sharing social media service, Instagram.

The Facebook and Instagram owner also has been actively embracing an algorithmic approach to serving up content, which gives it greater control over the type of fare that does well as it tries to steer more toward entertainment and away from news.

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A 'Now Hiring' sign posted outside of a restaurant looking to hire workers on May 5 in Miami, Florida. Fewer new jobs have been created in the US than many had expected, meaning that the economy could be cooling down.

PHOTO: AFP

Hiring in US slows

AFP, Washington

Hiring in the United States slowed in June, the Labor Department said Friday, providing a much-needed signal that the American economy is cooling ahead of another interest rate decision later this month.

The figures came in below analysts' expectations, providing some respite for the US Federal Reserve as it mulls a return to interest rate hikes later this month to tackle inflation still well above its long-term target of two per cent.

The world's biggest economy added 209,000 jobs last month, down from a revised figure of 306,000 in May, the Labor Department said.

Meanwhile, the unemployment rate edged down to 3.6 per cent, remaining close to historic lows, underscoring the enduring strength of the labor market.