

Leveraging Vehicle Import Policy Bangladesh to Improve Vehicle Stock:

Impact, Lesson and next Step

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14 November 2018

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Bangladesh



- Major arterial Road : 21,462 Km
- Rural Road : 97,180 Km
- Urban Road : 4,245 Km



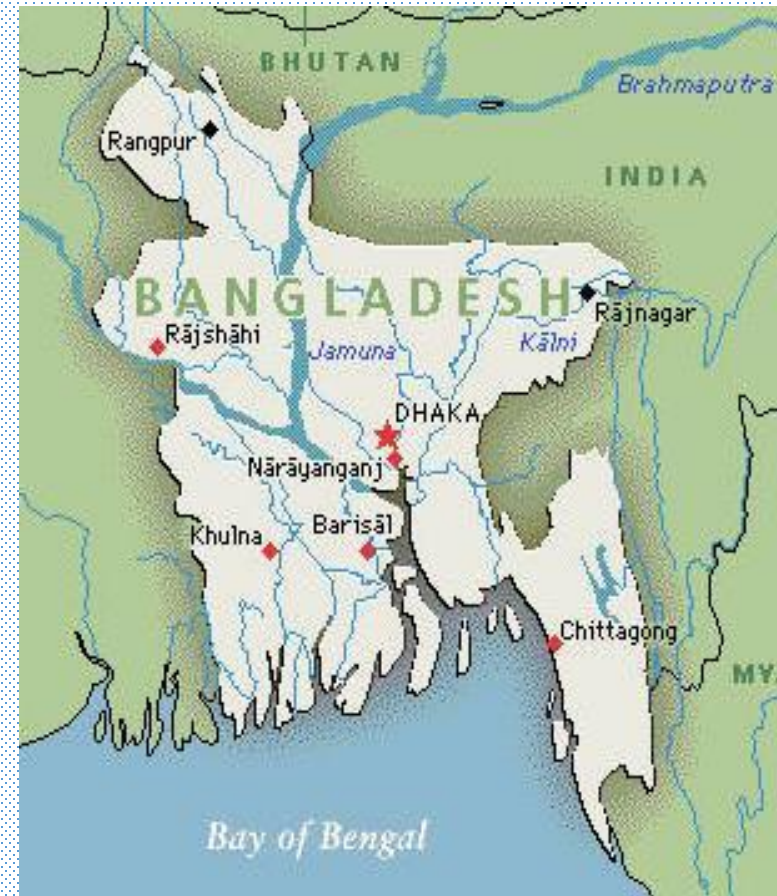
- Rail track : 2,877 Km
- Stations : 444 nos.



- Seaports : 3
- Inland river ports : 33
- Length of waterway : 24,000Km
(Navigable 5968km)

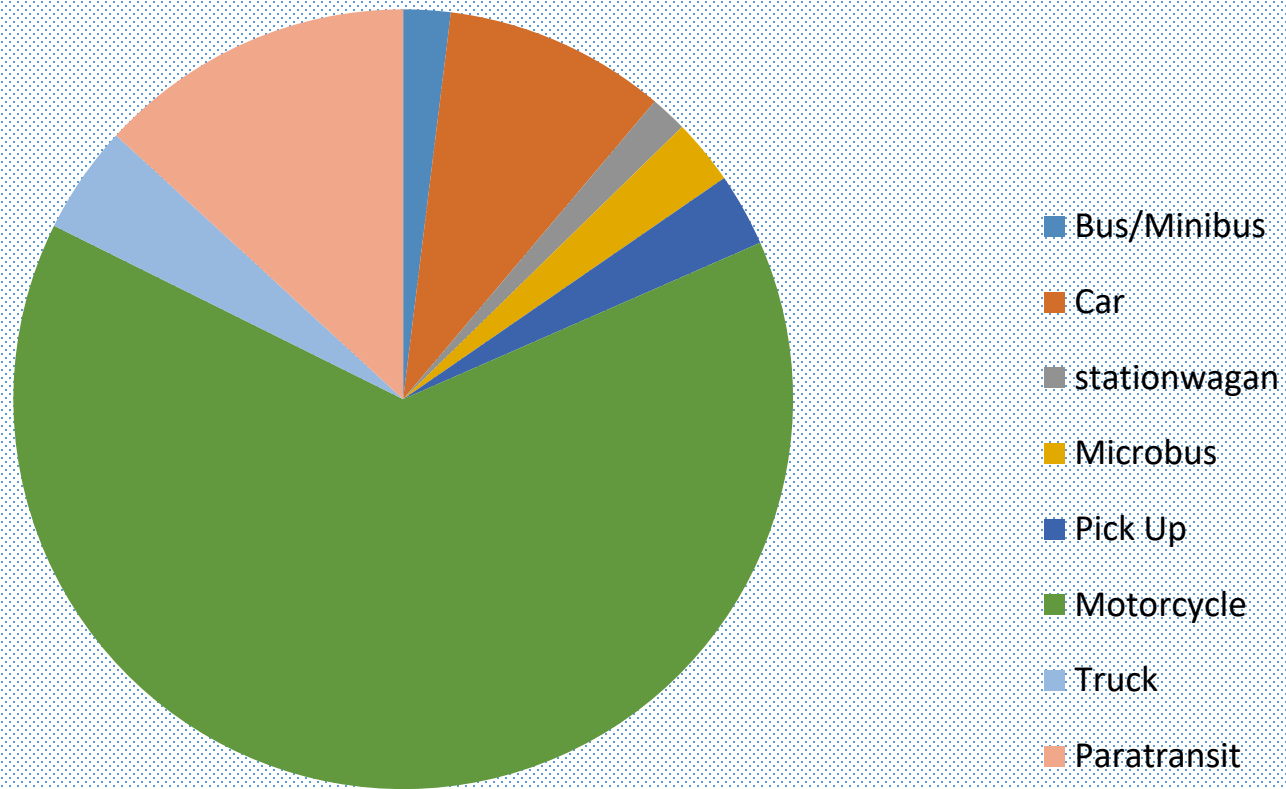


- International Airports : 3
- Domestic airports : 7



- Area : 147,570 km²
- Population : 157.45 mil.
- Population density : 953/km².
- Per Capita income : USD 1610

Vehicle Composition and Trend



- **Car ownership (1000) : Bangladesh - 1.8**
Dhaka -15
- **Motorcycle owner ship(1000) : Bangladesh 11.87**
- **Vehicle Population: 3,672,714**

Vehicle Industries in Bangladesh

- ❑ No vehicle manufacturing industry;
- ❑ very few car/jeep assembly plants;
- ❑ very few motorcycle/two wheeler manufacturing plants (except engine & power transmission system);
- ❑ So, largely depends on importing vehicles;

General Provisions for Import

Regulation of Import

- Use of HS (Harmonized System) Code is mandatory;
- Banned Items (controlled goods) cannot be imported and are subject to change by the Government from time to time;
- Goods from Israel or goods produced in that country and also goods carried in the flag vessels of that country shall not be importable;
- Restricted items may be imported with permission from legitimate authority;

General Provisions for Import

Requirement of Pre-shipment Inspection

- If specified in the policy, shall be complied with;
- If not, may not be complied with;

Country of Origin

- 'Country of origin' shall be mentioned clearly on documents /packet / container;
- A certificate of 'Country of Origin' shall be submitted to the Custom Authority;

Conditions of Import for reconditioned Car, Microbus, station wagon etc.

- Vehicles shall not be more than 5 years old;
- Taxicab more than 1500 cc and less than 3 years old can be imported;
- Reconditioned Public Transport Vehicles are banned from Importing;
- Certificates from Japan Auto Appraisal Institute (JAAI) and Recognized Automobile Association in case of imports from other countries;
- Date of Manufacture is determined from the published Chassis Book by Japan Automobile Association and for other countries, by Automobile Association approved by concerned Government;

Conditions of Import for reconditioned Car, Microbus, station wagon etc.

- Importable from country of origin only except personally used vehicles;
- Age counted from the 1st day of the next year of manufacture of chassis;
- No car shall be imported without seat belt;
- Windshield glass and both sides window glass of the driving seat shall be transparent;

vehicles Banned for Import

- ❑ Two stroke Two and Three Wheelers;
- ❑ Chassis with two stroke engines of Three wheelers;
- ❑ Vehicles fitted with any horn beyond 75 decibel capacity;

Condition for reconditioned Motorcycle

- Motorcycle up to 155 cc and not more than 3 years old can be imported;
- For law enforcing agencies, no limitation on cc;
- 3 years period is calculated from the 1st day of the calendar year next to the manufacturing year;

Taxation Policies for Vehicle Import

Duties and Taxes involved in importing vehicles:

- CD: Customs Duty;
- SD: Supplementary Duties;
- VAT: Value Added Tax;
- AIT: Advanced Income Tax;
- ATV: Advanced Trade VAT;
- RD: Regulatory Duties

➤ As per Taxation Policies, Total Tax Incidence (TTI) are classified on Cubic Capacity(CC) of vehicles imported which are:

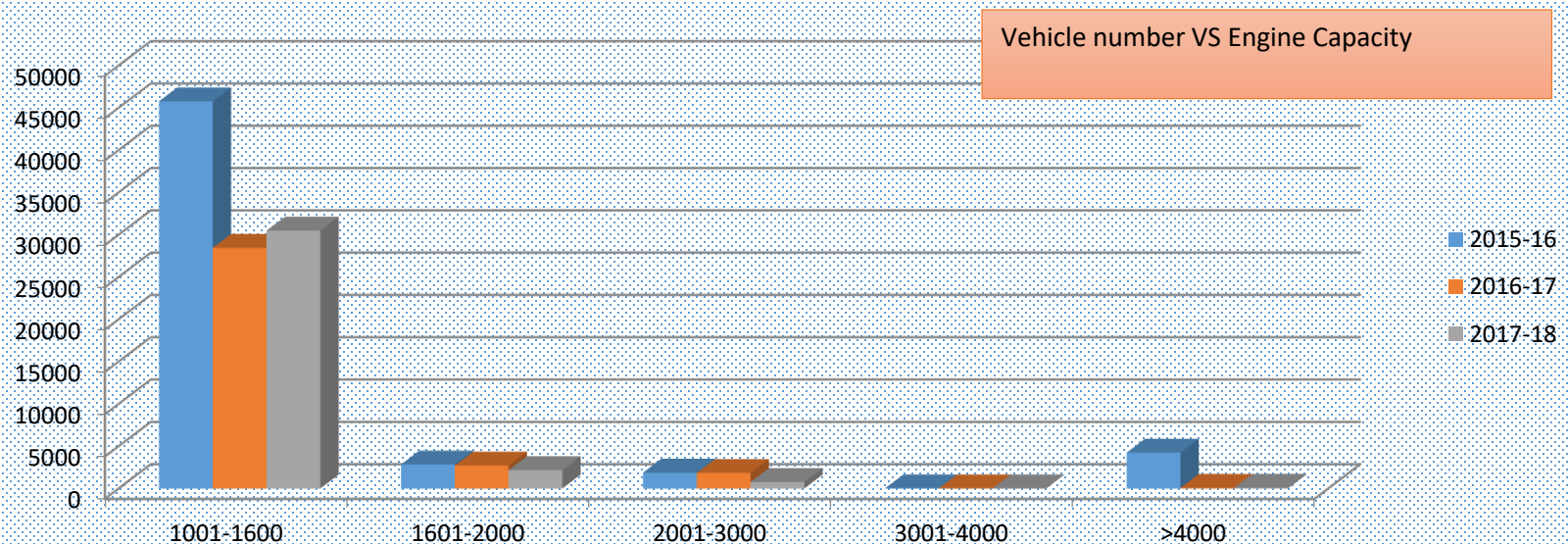
- < 1000 CC;
- > 1000 CC but ≤ 1600 CC;
- > 1600 CC, but ≤ 2000 CC;
- > 2000 CC, but ≤ 3000 CC;
- > 3000 CC, but < 4000 CC; and
- > 4000 CC

Public Transport passenger vehicle

Description of Vehicles	Total Tax (%)
Double-Decker Bus with diesel engine with or without electric motor	32.75
Double-Decker Bus with CNG/LPG/LNG as fuel	12.00
single-decker Bus with diesel engine with or without electric motor	37.07
single-decker Bus with CNG/LPG/LNG as fuel	15.57

Car, Jeep, Station Wagon etc. with Gasoline engine

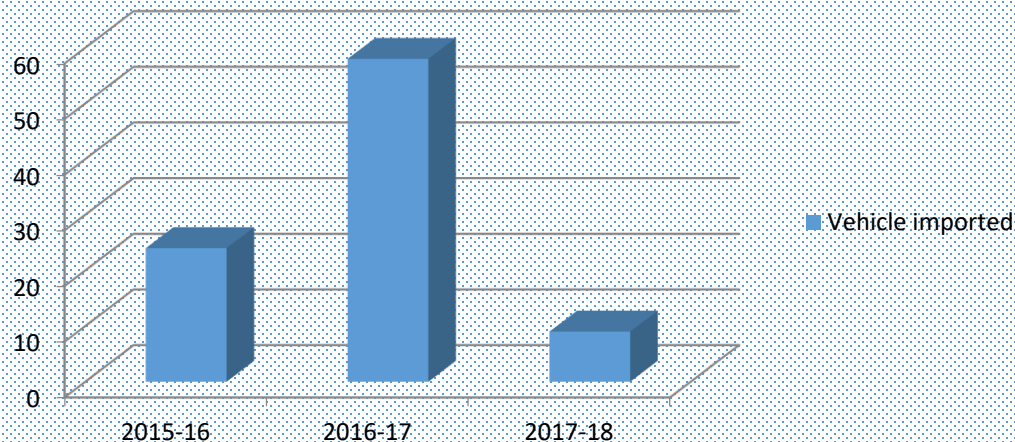
Description	TTI (%)
Engine Capacity (CC) up to 1600 CC Reconditioned & new	127.84
Engine Capacity >1600, but <=2000, CBU Reconditioned & new	216.47
Engine Capacity >2000, but < 3000, CBU Reconditioned & New	372.20
Engine Capacity >3000, but < =4000, CBU Reconditioned & New	605.80
Engine Capacity >4000, CBU Reconditioned & New	839.40



Hybrid Car, Jeep, Station Wagon etc.

Description	Total Tax(%)
Engine Capacity(CC) not >1800 CC	91.88
Engine Capacity >1800 cc, but <=2000 CC	130.81
Engine Capacity >2000 CC, but <=3000 CC	154.17
Engine Capacity >3000 CC, but <=4000 CC	216.47
Engine Capacity >4000 CC	527.94

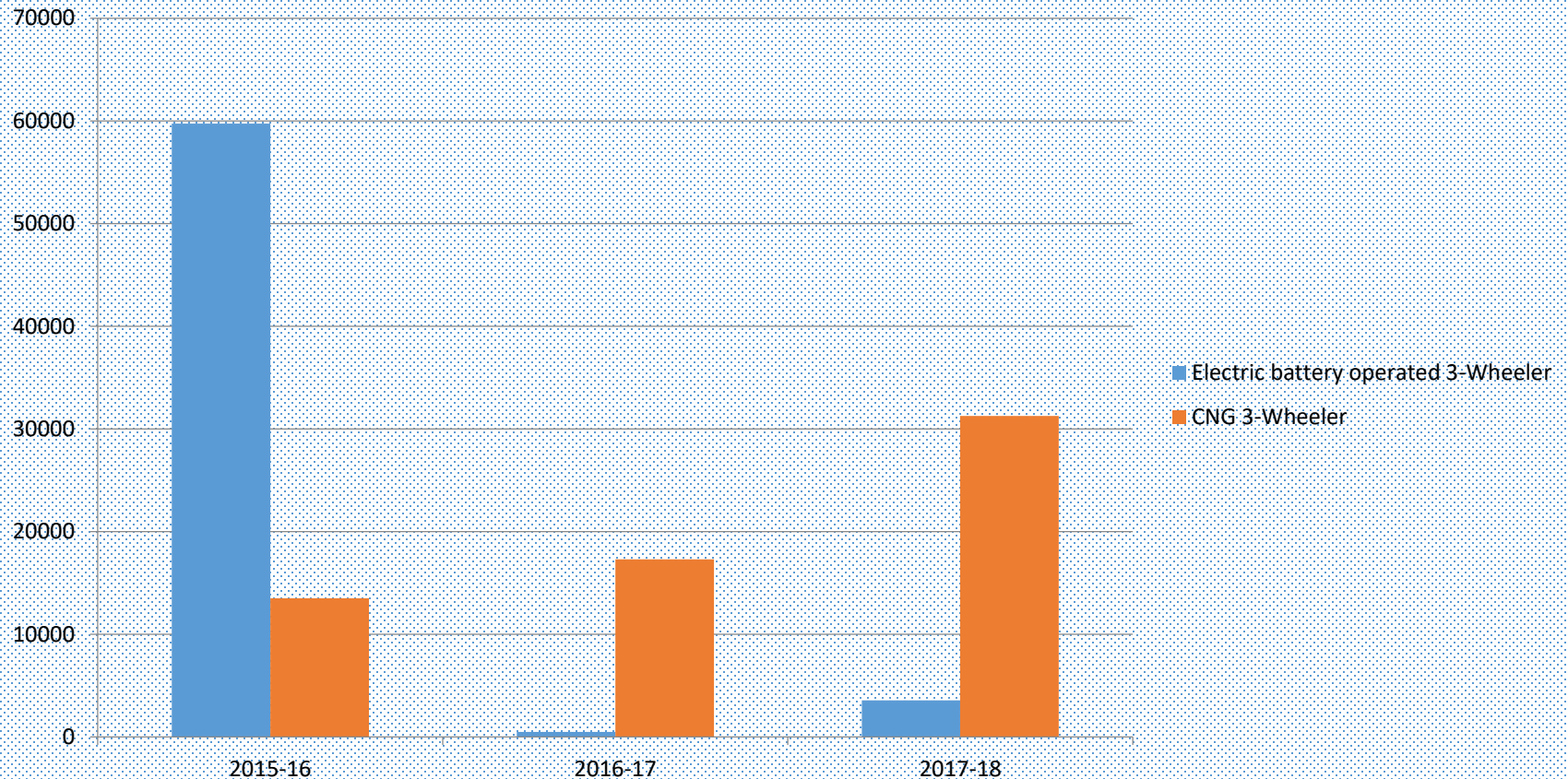
Year Vs vehicle imported



To encourage Hybrid cars, import tax rate has been reduced this year i.e. 2018-19 expecting more hybrid vehicles on road.

Three wheelers

Description	TTI (%)
Electric battery operated Three wheeled vehicle(Parts)	91.88
CNG/LPG/LNG operated 4 stroke Three wheeled vehicle	91.88



Motorcycle

Description	Total Tax(%)
Engine Capacity (CC) <=250 CC [FOUR Stroke Gasoline Engine]	154.17
Engine Capacity (CC) <=250 CC [TWO Stroke Gasoline Engine]	450.07
Engine Capacity (CC) >250 CC, but <=800 CC FOUR Stroke Gasoline Engine]	60.73
Motorcycle with Electric Motor for propulsion	38.83

Cargo Truck

Description	Total Tax (%)
Truck with Diesel or Semi-diesel Engine	38.83
Truck with CNG/LPG/LNG operated Engine	38.83

Vehicle Import Policy: Impact

- Inclusion of better fuel i.e. CNG/LPG/LNG operated vehicles in the fleet;
- Encouraging Hybrid vehicles;
- Encouraging Electric vehicles (zero emission);
- Improved vehicle emission i.e. improving air quality;

Vehicle Import Policy: Next Step

- Keep on Policy support for usage of more greener vehicles;
- Enhance Logistics Support for refueling/recharging these greener vehicles;

Thanks for your patience

Any Question?