

# Leveraging Vehicle Import Policy Bangladesh to Improve Vehicle Stock:

## Impact, Lesson and next Step

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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)

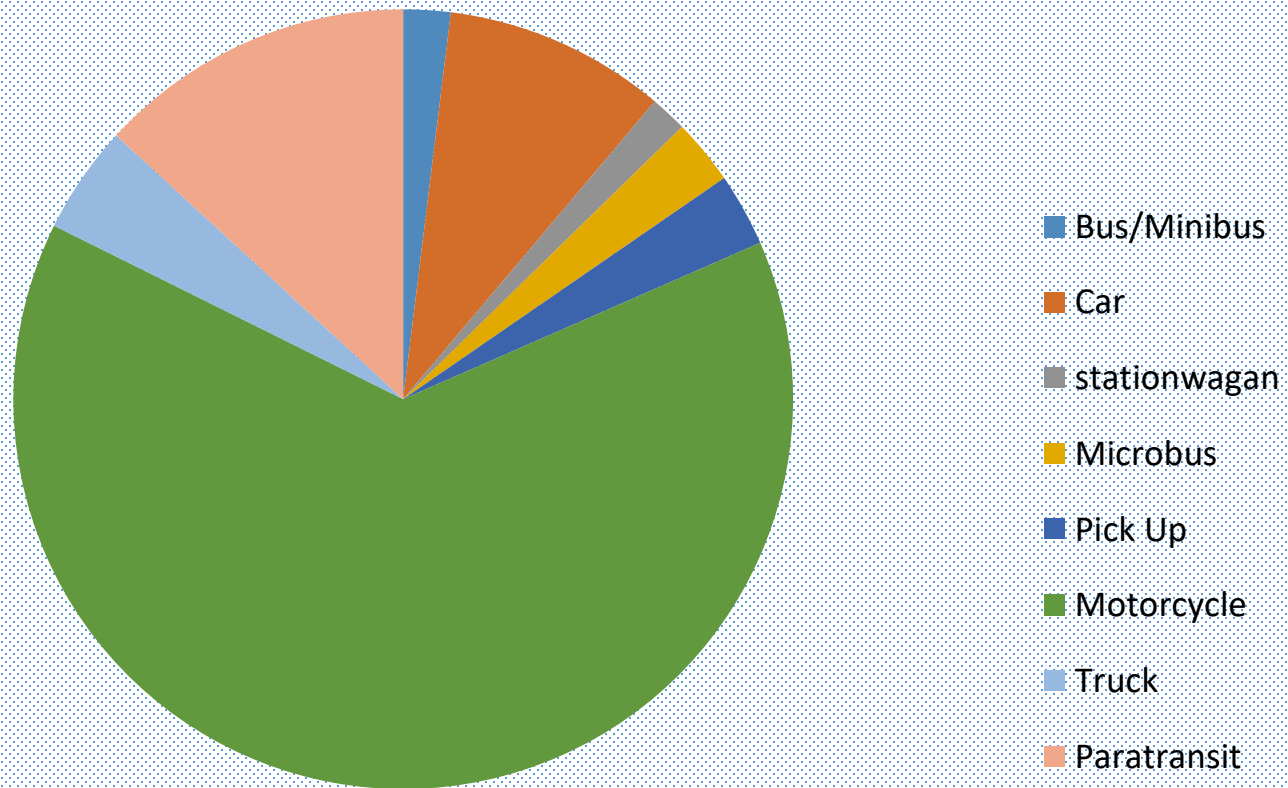


- International Airports : 3
- Domestic airports : 7



- Area : 147,570 km<sup>2</sup>
- Population : 157.45 mil.
- Population density : 953/km<sup>2</sup>.
- 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: 3,872,714**

# 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 1<sup>st</sup> 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 1<sup>st</sup> 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:

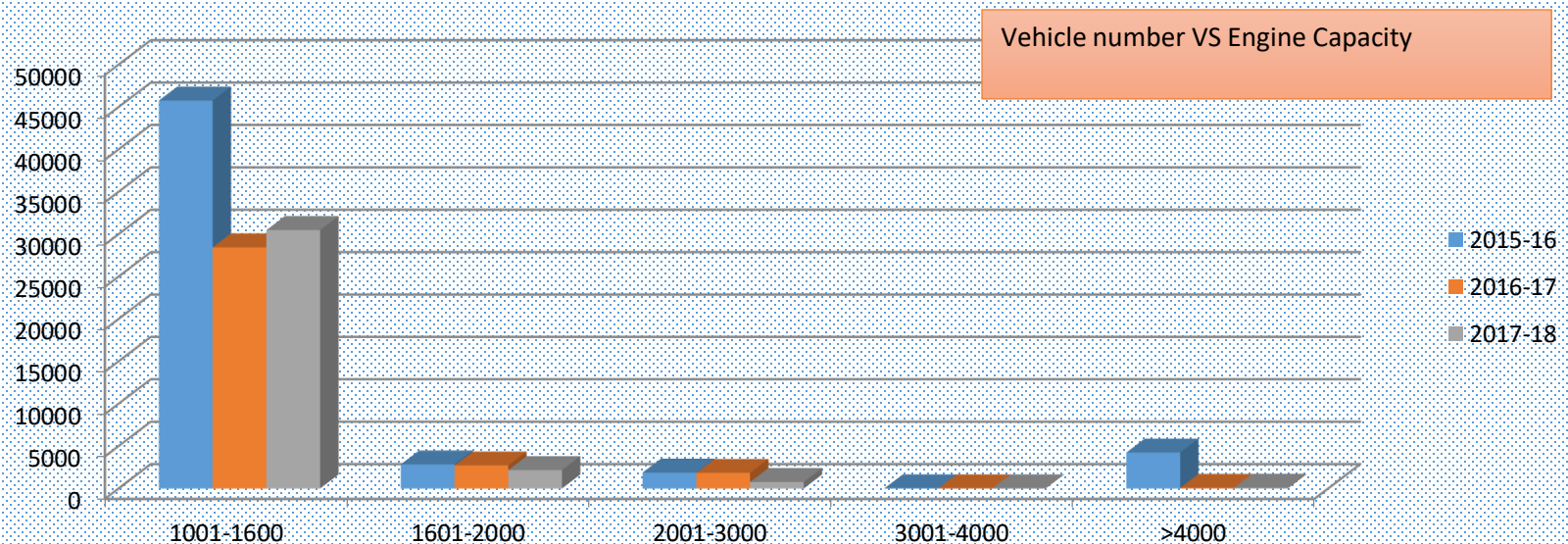
- < 1000 CC;
- > 1000 CC but  $\leq 1600$  CC;
- > 1600 CC, but  $\leq 2000$  CC;
- > 2000 CC, but  $\leq 3000$  CC;
- > 3000 CC, but < 4000 CC; and
- > 4000 CC

# 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

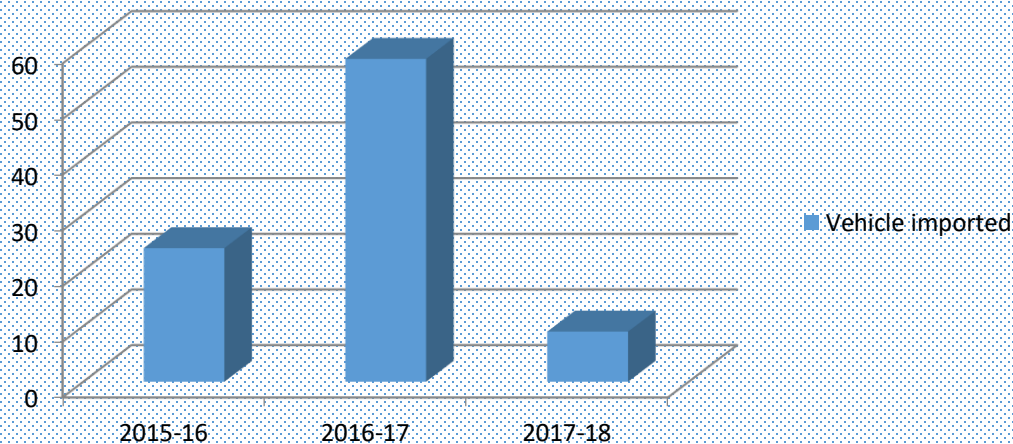
| Description   | TTI (%) |
|---|---------|
| Engine Capacity (CC) up to 1600 CC Reconditioned & new      | 127.84  |
| Engine Capacity >1600, but <=2000, CBU Reconditioned & new  | 216.47  |
| Engine Capacity >2000, but < 3000, CBU Reconditioned & New  | 372.20  |
| Engine Capacity >3000, but < =4000,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

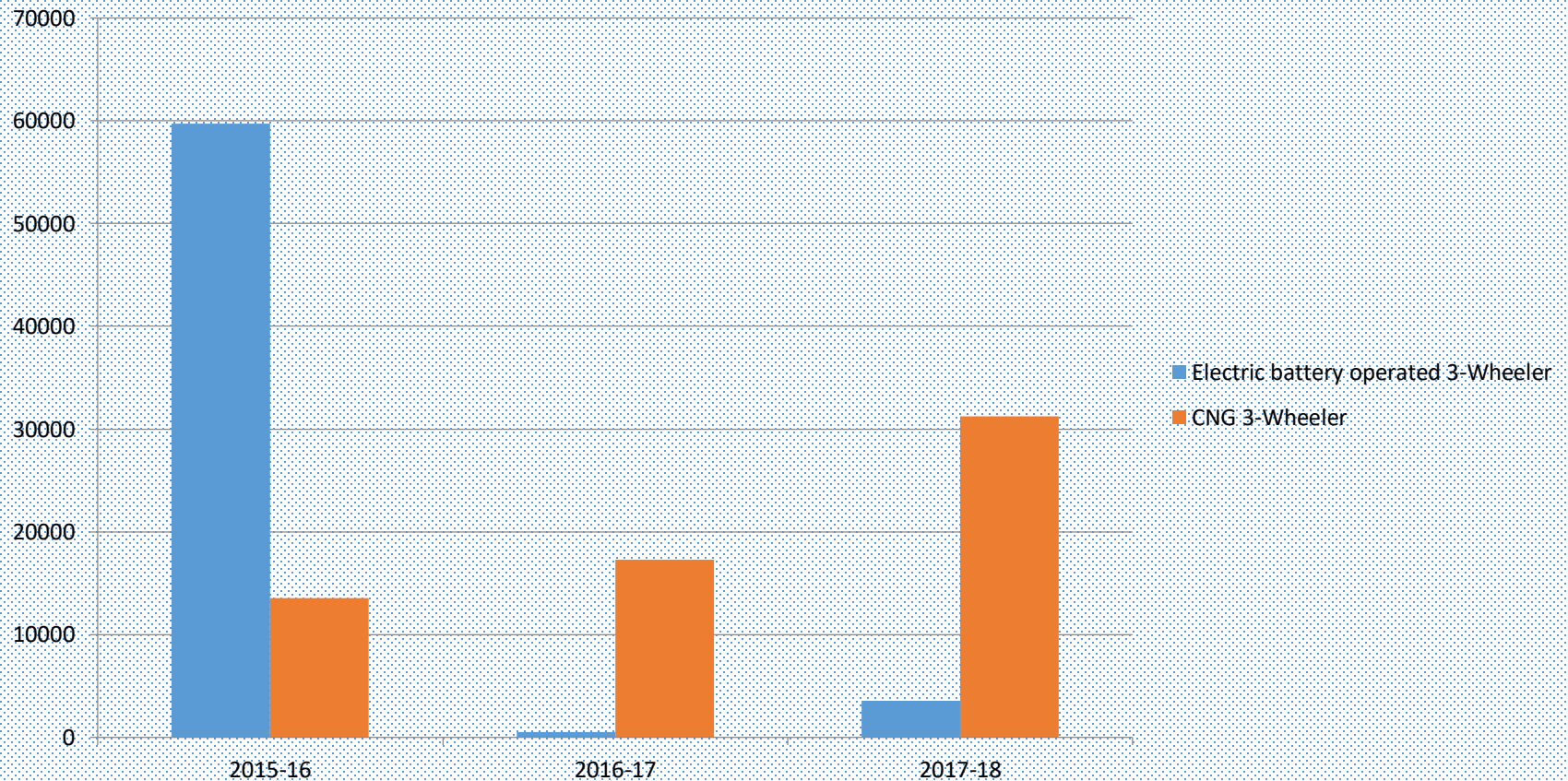
**Year Vs vehicle imported**



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 [ <b>FOUR</b> Stroke Gasoline Engine]     | 154.17       |
| Engine Capacity (CC) <=250 CC [ <b>TWO</b> 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;



# Registration Fee of Vehicle

➤ Private passenger Car, Jeep, Station wagon and taxicab

| CC < 600 | 601-1000 | 1001-1400 | 1401-2000 | > 2000  | New /<br>Recondition |
|----------|----------|-----------|-----------|---------|----------------------|
| 9,310    | 18,667   | 28,000    | 65,333    | 130,667 | Recondition          |
| 7,000    | 14,000   | 21,000    | 49,000    | 98,000  | New                  |

# Registration Fee of Vehicle

## ➤ Cargo Vehicle

| Use of Vehicle | Lw <= 3,500 Kg | 3501 -7500 | 7501-12500 | > 12500 |
|----------------|----------------|------------|------------|---------|
| Private        | 28,000         | 56,000     | 70,000     | 77,000  |
| Hire           | 4,600          | 13,800     | 17,250     | 23,000  |

# Registration Fee of Vehicle

## ➤ Motorcycle (Two wheelers)

| Engine Capacity (CC) | Registration Fee |
|----------------------|------------------|
| <= 100 CC            | 4,200            |
| > 100                | 5,600            |

## ➤ Microbus, Minibus and Omnibus

| Type of Usage | Seating Capacity<br><=31 | Seating Capacity<br>32-52 | Seating Capacity ><br>52 |
|---------------|--------------------------|---------------------------|--------------------------|
| Private       | 56,000                   | 6,300                     | 70,000                   |
| Hire          | 4,600                    | 13,800                    | 17,250                   |

Thanks for your patience

Any Question?