

Automobile Industry Development Policy, 2021



**Ministry of Industries
People's Republic of Bangladesh**

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Contents

Sl	Chapter	Page No
1.	Introduction	4-5
2.	Definition	5-6
3.	Vision, Mission, Goals and Objectives of the Policy	6-8
4.	Strategies to Develop Auto Mobile Industry	9-16
5.	Advancement of Local Production of Commercial Vehicle	17-18
6.	Development of Eco-friendly Vehicles	18-19
7.	Implementation, Monitoring and Evaluation of the Policy	19-24
8.	Conclusion	24
9.	Time-Bound Action Plan	25-28
10.	Annex-1 & Annex-2	29-36

List of Acronyms

ACAMA	=	Bangladesh Components and accessories Manufacturing Associations
BAAMA	=	Bangladesh Automobile Assemblers and Manufacturer Associations
BARVIDA	=	Bangladesh Recondition Vehicles Importers and Dealers Associations
BIW	=	Body in White
BRTA	=	Bangladesh Road Transport Authority
BSEC	=	Bangladesh Steel Engineering Corporation
CBU	=	Completely Built-up Unit
CIT	=	Corporate Income Tax
CKD	=	Complete Knocked Down
CVM	=	Commercial Vehicle manufacturer
EV	=	Electric Vehicle
EEV	=	Energy Efficient Vehicle
HV	=	Hybrid Vehicle
ICE	=	Internal Combustion Engine
LCV	=	Light Commercial Vehicle
MUV	=	Multi-purpose Utility Vehicle
NSDA	=	National Skill Development Authority
OEM	=	Original Equipment Manufacturers
PPV	=	Pick up Base Vehicle
SKD	=	Semi knocked Down
SPV	=	Special Purpose Vehicle
SUV	=	Sports Utility Vehicle

Chapter 1

1.0 Introduction

1.1 Bangladesh is one of the world's fastest growing economies. According to the GDP growth index for the 2019-20 fiscal year, Bangladesh ranks seventh as the fastest growing economy in the world. During the last decade, the Industrial Production Index has been increased more than 10% rate. The current government has been considering Bangladesh Automobile Industry as the most potential industrial sector. Every year this sector has been registering impressive annual compound growth and providing a significant contribution in the national economy. The industry is moving towards attaining a critical mass of production, adopting/coping with latest technologies, improving human resource, and accomplishing supply chain and global connectivity, Bangladesh automobile Industry has potential to become a global part of the supply chain in future. Therefore, considering the immense potentiality of developing automobile industry in Bangladesh, it is necessary to take appropriate policy strategies and steps to accelerate steady growth of this industry.

1.2 Rising purchasing power of individuals has resulted in a growing demand for automobiles in the country. Although, currently the automobile industry is facing some kind of challenges like manufacturing products at lower cost; achieving economies of scale; lack of dedicated funds for technology and human resource development; limited opportunity to stimulating domestic demand; lack of appropriate research and development; lack of exploiting proper international business opportunities; lack of benchmarking the production performance of the domestic industry against global best manufacturing practices and lack of expertise in producing quality products suitable for the international market. Overcoming these barriers it is required to have a long term Automotive Industry Development Plan that will provide a comprehensive directions for the sustainable development of automotive ecosystem in Bangladesh.

1.3 Hence, it is essential to formulate an Automobile Industry Development Policy to provide a clear roadmap for detailing out the incentive packages and growth of balanced automotive ecosystem including the path of specific regulations and policies that govern design, production technology, import/ export, sale, repair and recycling and testing of automotive vehicles, components and services. Recognizing the pivotal role of the Automobile sector in development of industry and its contribution to the socio-economic development of the country, the Government of Bangladesh has formulated the Automobile Industry Development Policy 2021 to provide its full support to ensure sustained growth of this industry. The purposes of this Policy are:

- 1.3.1 Restructuring the industry on a new paradigm conforming to international standards and practices;
- 1.3.2 Creating an enabling and conducive environment to consolidate existing investments and to attract new investments;

- 1.3.3 Encouraging the industry to procure new technologies and management systems to increase efficiency and productivity;
- 1.3.4 Providing quality products to local and global consumers at competitive price;
- 1.3.5 Alleviating poverty by creating new jobs across the full spectrum of the Auto Industry and allied commercial and trading activities, and
- 1.3.6 Promoting pollution mitigation measures to protect environment and public health.

Chapter 2

2. Definition

In this Policy, unless there is anything repugnant in the subject or context

- 2.1 **Automobile:**
Automobile means any motor vehicle described in Section 2(42) of the Road Transport Act 2018. Automobile includes a vehicle, carriage or other means of conveyance propelled or which may be propelled on a road by electrical or mechanical power either entirely or partially.
- 2.2 **Commercial Vehicle:**
Commercial Vehicle means any motor vehicle described in Section 2(35) of the Road Transport Act 2018.
- 2.3 **Completely Built-up Unit (CBU):**
Completely Built up (CBU) automobile means a completely manufactured automobile imported/exported to/from some other country as a complete unit of fully assembled vehicle.
- 2.4 **Complete Knocked Down (CKD) Level I Automobile:**
Completely Knocked Down (CKD) Level I Automobile means for the purpose of local production of a vehicle, its body/cabin is imported as painted condition and other parts of the body/cabin such as back and front bonnet, door, driver seat, windshield etc. are attached by false nuts or screws. A detail description of various components of Completely Knocked Down (CKD) Level I Automobile is stated in Appendix-1

- 2.5 **Complete Knocked Down (CKD) Level 2 Automobile**
Completely Knocked Down (CKD) Level 2 Automobile means for the purpose of local production of a vehicle, its body/cabin is imported as unpainted condition and other parts of the body / cabin such as roof, floor, side, back and front bonnet, fenders, doors, driver seat, windshield, cowl etc. all remain in a separate condition. A detail description of various components of Completely Knocked Down (CKD) Level 2 Automobile is stated in Appendix-2
- 2.6 **OEM:**
OEM means an Original Equipment Manufacturer (OEM) acting as a company for original producer of a vehicle components.
- 2.7 **TTI:**
TTI (Total Tax Incidence) means Total tax imposed for production or marketing an automobile under the prevailing law.
- 2.8 **Electric Vehicle (EV):**
Electric Vehicle or EV means a vehicle powered exclusively by one or more electric motor whose traction energy is supplied by rechargeable battery installed in the vehicle but does not include battery operated bicycle or rickshaw.
- 2.9 **Energy Efficient Vehicle:**
Energy Efficient Vehicle means vehicle that meet certain level of carbon-emission and fuel consumption standards. EEVs include fuel-efficient internal combustion engine (ICE) vehicles, hybrid vehicles (HVs), electric vehicles and alternate fuelled vehicles such as CNG, LPG, bio-diesel, ethanol, hydrogen, fuel cell.
- 2.10 **Localization:**
Localization means the production of vehicles or its components within the area of People's Republic of Bangladesh.

Chapter 3

Vision, Mission, Goals and Objectives of the Policy

- 3.1 **Vision:**
- 3.1.1 To make Bangladesh a regional hub for automobile production by 2030.
- 3.2 **Mission:**
- 3.2.1 Develop a strong automotive production base with robust domestic supply chains for modern, competitive and sustainable automobile and auto-parts industry by 2030 through effectively executing the following activities:

- A) Introducing attractive investment measures;
- B) Rationalization of Tariff;
- C) Ensuring pro-industry Import Policy;
- D) Founding infrastructure for Quality, Safety and Environmental Standards;
- E) Assuring consumer welfare,
- F) Establishment of Bangladesh Automotive Institute.

3.3 GOALS:

The aim of this policy is to achieve following goals by ensuring an environment conducive to the development of the automobile industry in the country:

- 3.3.1 Expansion of automobile production, escalate export, increase of this sector's contribution to the economy and creation of additional jobs;
- 3.3.2 Increase foreign investment in establishment of OEM factory and production of components and ensure Tier-1 supplier in the country within next 10 years;
- 3.3.3 Determining industry-friendly import duties to increase production and exports
- 3.3.4 Fixing acceptable emission standards for both domestic production and export;
- 3.3.5 Formulation of internationally accepted safety standards and defining the method of institutional support for the execution of such standards;
- 3.3.6 Strengthening existing inspection and certification systems of vehicles;
- 3.3.7 Employing effective steps to access new markets entry
- 3.3.8 Encourage local production by providing tax and financial incentives;
- 3.3.9 Devising skill development plan catering the needs of continual expansion of this industry.

3.4 OBJECTIVES:

The overall objective of this policy is to make domestic automobile industry internationally competitive by creating opportunities to acquire production and engineering skills in the field of automobile and its parts manufacturing activities. The specific objectives of Automotive Industry Development Policy 2021 are as follows:-

3.4.1 Enhance value addition

Encourage local automobile manufacturers to produce products as per OEM standards and specifications and increase joint venture investment opportunities of local manufacturers with global value chain players so that renowned brand and model vehicles are produced in Bangladesh at affordable prices.

3.4.2 Increase contribution to GDP

To create more domestic and export demand by providing effective support for the expansion of automobile industry in Bangladesh so that this sector can significantly contribute to GDP by 2030.

3.4.3 Expand market access

To scale-up local production of import substituted automobile parts in the country and increase exports of locally made automotive products to the international market.

3.4.4 Skill development and job creation

Ensure a vibrant skill development ecosystem to promote Bangladesh as a hub for quality automobile production so that a solid foundation can be laid for the creation of large number of direct and indirect employment in the automobile sector within this decade.

3.4.5 Increase innovation, research and development activities

Support to create a conducive environment for the growth of research and development activities in automobile sector to attain excellence in design and engineering techniques locally so that the transportation system in the country can be made more comfortable, safe and better through greening of industries by developing state-of-the-art technology.

3.4.6 Blooming Local Auto Parts Industry

Taking effective measures to increase productivity, expand technical knowledge, enlarge capacity and bolster talent and resources of automobile producers, parts manufacturing vendors, associations, financial institutions, sales and after sales service companies and organizations involved in any kind of investment in automobile industry in the country so that Bangladesh can smoothly turn into a regional leader of this sector.

Chapter 4

STRATEGIES TO DEVELOP AUTOMOBILE INDUSTRY

4.1 Strategy 1: Promotion and Development of Local Automobile Industry

4.1.1 The Government prioritizes the local production of commercial vehicles (Bus, Truck, Minibus) and passenger vehicles (Saloon car, Hatchback, Station Wagon, Sports Utility Vehicle) and will provide encouragement through following activities : -

4.1.1.1 Incentives will be granted on the basis of gradual improvement of local production. The basic eligibility for receiving incentives will depend on the performance of accomplishing local contribution rate as mentioned in paragraph 4.4.2.1. The level of incentive allocation will be determined on the magnitude of local value-addition; degree of technology transfer; improvement of expertise; level of foreign exchange earnings; strengthening of manufacturing value chain; developing linkages within the industry; and investment in R&D;

4.1.1.2 Phased Incubation Approach will be adopted to continuous grow and build the efficiency of the local investors engaged in auto components manufacturing industry in the country;

4.1.1.3 Effective steps will be taken for quick transition from CKD level production stage to larger localization stage.

4.1.2 The Government will review the fiscal and non-fiscal incentive structure periodically to promote the growth of auto industry and to create more demand and prevent Bangladesh from becoming a dumping ground for international rejects through-

4.1.2.1 The incidence of Total Import Tariff (TTI) will be fixed in a manner so that it helps to facilitate actual development of manufacturing capabilities of local automobile industry as opposed to mere assembling factory and also proves that it does not give any undue protection to the industries; it ensures the industries to embrace balanced transition to open trade; it promotes increased competition in the market and enlarges purchasing choices of the local customers.

4.1.2.2 The Government will introduce inspiring tax incentives system that support to sub-contracting of local SME industries with established large automobile OEM's factories.

4.1.2.3 Government will provide adequate opportunities to local industry to attain global standards especially producing bound rates items like Buses, Trucks, Tractors, Passenger Vehicle and Auto components in the country.

4.1.2.4 Appropriate measures including anti-dumping duties will be put in place to check dumping and unfair trade practices.

4.2 Strategy: 2 Development of Automobile Market

4.2.1 In order to achieve critical volume levels in this industry for both domestic and external markets, and enjoy economies of scale, the Government will actuate following measures:

- 4.2.1.1 Giving priority to local manufactures/assemblers in public procurement of automotive products and accessories especially “Made in Bangladesh” automotive products will get priority in all government purchase.
- 4.2.1.2 progressive leasing policy will be activated for the public sector to expand access to locally made new vehicle in the domestic market;
- 4.2.1.3 In order to differentiate the locally made vehicles and fully built imported units, micro-dot technologies like proof-marking, coding etc will be adopted in the industry;
- 4.2.1.4 Enhance negotiation towards harmonization of rules of origin and elimination of Non-tariff barriers within the region trading blocs, as well as bilateral and multi-lateral trade agreements to facilitate growth and development of the automotive industry will be bolstered;

4.3 Strategy 3: Production of Local Parts and its Expansion

4.3.1 Government will provide following assistance to the local automobile assemblers and OEM manufacturers to produce parts locally: -

- 4.3.1.1 A list of parts related to vehicle manufacturing and after-sales service delivery that can be produced locally will be prepared with the help of local components manufacturers.
- 4.3.1.2 Necessary training will be provided to local manufacturers to acquire skills on producing OEM standard parts.
- 4.3.1.3 CKD manufacturing plants having its own full-fledged paint shop will get more facilities in terms tariff and other benefits than those who have no paint shop.
- 4.3.1.4 Attractive tax exemption facility will be provided based on the amount invested in automobile manufacturing sector. This opportunity will be based, and be subject to getting higher priority, on the level of initiatives to increase competitiveness in the local production, utilization of local resources and development of technology to increase export facilities of the local industries.
- 4.3.1.5 Assembling and manufacturing of convenient and affordable cars, three wheelers, bus, truck, tractors, other commercial vehicles, ambulances and its components making industries will be patronized and be subject to receive special incentive.

4.3.1.6 Factories produce import substituted parts will enjoy financial and tax holiday facilities.

4.3.1.7 All buyers of locally assembled/manufactured vehicles will enjoy certain percentage of income tax relief to the value of Made in Bangladesh vehicle purchase.

4.3.1.8 Exports of vehicles made by local CKD assembling/manufacturing industries will be given 15% cash incentive

4.3.1.9 Foreign investors will be guaranteed full repatriation of their due dividend of their investment in local parts manufacturing companies

4.3.1.10 A guideline will be prepared to simplify the disbursement mode of one-time and running royalty fees payable to parent industries by local manufacturing companies.

4.4 Strategy 4: Progressive Manufacturing Plan

4.4.1 This policy will be used a model guideline to the automobile manufacturing industries to make good use of both domestic and overseas funds and open up and expand domestic and international market under a diversified and economic scale of production.

4.4.2 Local Contribution Guidelines:

The manufacturers shall concentrate on increasing local value addition. To qualify for financial and non-financial benefit, local OEM manufacturers must implement the following progressive production rate:

4.4.2.1 Local Contribution Rate

Vehicle Type	Years in Operation				
	1 st Year	3 rd Year	5 th Year	8 th Year	10 th Year
3 Wheeler	10%	20%	30%	40%	50%
Passenger vehicle	10%	15%	20%	25%	30%
LCV/MUV	10%	15%	20%	25%	30%
Bus	10%	20%	25%	35%	40%
Truck	10%	20%	25%	35%	40%

4.4.3 In order to grant special incentives to local manufacturing companies on the basis of adding better value addition, the following qualities will be considered as the base for measuring better value addition:

4.4.3.1 Contribution in more localization process

4.4.3.2 Ability to survive in the global price competitiveness

4.4.3.3 Ability to provide uninterrupted supply of parts to the local OEM's and component manufacturers

4.4.3.4 Success in employing long term (10 years) progressive manufacturing plan

4.4.4 Special advantage will be given to local manufacturing of Pickup, Truck, Bus, MUV, PPV (Pick up base SUV), 3 wheeler Auto-Rikshaw, Sedan Car, 3 wheeler ambulance (subject to specification approval of BRTA/Concerned Ministry), Eco Car, Electric vehicle / Hybrid Electric Vehicle (HEV) etc industry those who are able to make local automobile industry more sustainable.

4.4.5 A Reconditioned Car Management Guidelines will be formulated to facilitate Reconditioned Vehicle Business and to support the local manufacturers.

4.4.6 Special Incentive Guidelines will be framed to inspire setting up specialized automobile industries such as ambulances, refer vans, luxury bus bodies etc.

4.4.7 On the basis of 3R (reduce, reuse, recycle) an automobile scrapping policy will be prepared which will describe the end of life period of vehicle and the method of recycling any vehicle.

4.5 Strategy-5: Strengthening of Vehicle Registration and Inspection (Fitness Test) System

4.5.1 Government will take initiatives to establish a potential automobile manufacturing environment through introducing following measures:

4.5.1.1 Revise the existing Motor Vehicle Act and other relevant provisions concerning safety/quality/emission regulations, for the purpose of ensuring roadworthiness of registered vehicles especially electric or eco-friendly vehicles.

4.5.1.2 Strengthen the vehicle inspection system, so that fitness test can properly check if safety/quality/emission levels accord to the prescribed standards while rendering inspection activities held by BRTA or its authorized institutions.

4.5.1.3 BRTA will be able to authorize qualified private organization to conduct vehicle fitness test in order to expand and ensure availability of service across the country.

4.5.1.4 There will be a time bound one stop service cell in BRTA to provide required service for vehicle registration and fitness test by BRTA and its authorized institution as minimum time as possible.

4.6 Strategy 6: Promotion of R&D and Development of Design/ Testing

4.6.1 To ensure safety, product efficiency and environmental sustainability, an automotive industry programs will be put in place to promote research, design, and improvement of locally produced automotive products.

4.6.2 Existing Testing and Certification system will be examined and strengthened in accordance with international safety standards in collaboration with industry.

4.6.3 In order to enhance capability of local automotive industries, Research & Development activities will be expanded through suitable financial and non-financial incentives.

4.6.4 Vehicle manufacturers will be considered eligible for enjoying rebate facility for spending at least 1% of the gross turnover of the company on Research and Development purpose. This facility will also be available if it is spent by its own Research and Development Wing or completing any automobile industry related research activities by other local or foreign organization.

4.6.5 Government will encourage setting up of automobile institute or auto design institute by providing them tax breaks, concessional duty on plant/equipment imports and granting quick approval.

4.6.6 The government will promote investments in research and development of commercially viable technologies such as electric powered cars including the batteries and charging stations. This will be done through setting up a 'Technology Acquisition Fund' to acquire technologies.

4.7. **Strategy 7: Formulation of Automobile Standards and its Enforcement**

4.7.1 To ensure quality of motor vehicles manufactured by different local producers, international best practiced legal and regulatory framework and provision will be followed to ensure performance-oriented local testing management. Bangladesh will domesticate global regulations and standards by:-

4.7.1.1 All laws, rules, standards and policies affecting the motor vehicle industry will be harmonized to ensure steady development and sustainability of the local industry.

4.7.1.2 Identifying the missing gaps by comparing with international standards and regulations and internationally accepted standards will be incorporated into domestic standards, laws, and regulations to boost up acceptability of Bangladesh Standard in external market.

4.7.1.3 Domestic and internationally accepted standard will be formulated for the sustainable development of the automobile industry. This will assist in developing Bangladesh Brand in the region and lower the cost of maintenance. It will also enhance road safety through periodic testing and certification based on this standards.

4.7.1.4 After sales service standards will be formulated for the expansion of automobile industry where a detailed description of the training, repair and maintenance related to providing after sales service, accreditation and licensing procedures of approving garages, service providers etc. will be defined clearly.

4.8 Strategy 8: Development of Human Resources in Automobile Industry

4.8.1 Appropriate training curriculum will be developed to enhance skills of the automobile manufacturing industry. Mismatch in the existing training system will be identified and training activities will be executed keeping at par with the need of modern technology, skill enrichment and creating enabling environment to ensure demand-driven training facilities in the industry.

4.8.2 Industry will collaborate with relevant technical institutions to incorporate into the national technical & vocational curriculum.

4.8.3 An Automotive Training Institute will be established in collaboration with the industry players to facilitate and ensuring demand driven training and capacity building of learners to the established assemblers and manufacturers.

4.8.4 Ministry of Industries will initiate and develop further collaboration with Madrasah & Technical Education Division and National Skill Development Authority (NSDA) on the apprenticeship programme to accelerate the assimilation of graduates into the domestic automotive industry

4.8.5 An exclusive Auto Parts Development fund will be launched for accelerating human resource development in the country. The fund will be dedicated to ensure following competencies:

- a. Dispatching automotive experts to component and spare parts manufacturers;
- b. Development of Components and Spare parts manufacturing Technology;
- c. Introducing Lean Production System;
- d. Improvement of Management Capability and Technological Skills Development;
- e. Quality Enhancement;
- f. Enhance Design Capability;
- g. Raise Cost Management skill

4.9 Strategy 9: Improvement of Investment/Business Climate

4.9.1 This policy envisages three categories of new investment with different incentives:

Category-A: Greenfield Investment

Category-B: Brownfield Investment

Category- C: Greenfield Investment by Auto Parts Makers

4.9.2 **Category-A Greenfield Investment:**

Greenfield Investment is defined as the establishment of new and independent automotive assembly and manufacturing unit by an investor for the production of vehicles that was not previously registered in Bangladesh.

4.9.3 Category-B Brownfield Investment:

Brownfield Investment is defined as the revival of existing non-operational or closed assembly and manufacturing facilities either independently by original owners or in assistance with new investors or under joint venture agreement with foreign entities or solely owned by foreign companies through purchase of plant.

4.9.4 Category- C Greenfield Investment by Auto Parts Makers:

Investment in setting up a factory to supply locally produced automobile parts suitable for the market in Category-1 and Category-2 automobile manufacturing industries will be considered as Green field Investment by Auto Parts Makers. If an investor invests in Bangladesh individually or jointly with foreign auto parts and component manufacturing company, same incentives facilities will be eligible to receive under this category. Scope of incentive facilities shall be extended to local investment in a new plant to produce critical components of Engine, Transmission and Suspension not produced before for any OEM in Bangladesh

4.9.5 Special Incentives

4.9.5.0 CKD Operations

Prospect of qualifying for special incentives under this policy will be generated by setting up a CKD automobile industry. In this regard, CKD manufacturing industries are categorized as CKD Level-1 and CKD Level-2 based on the contribution to progressive local manufacturing rate. The Ministry of Industries, as the sponsoring authority, may recommend National Board of Revenue and other Institutions to deliver special financial and tax incentive for a certain period to CKD Level-1 manufacturing industries considering its significance of investment and production level.

4.9.5.1 Incentives for Setting up CKD Industries

4.9.5.1.1 All incentives, facilities and tax exemptions available under Bangladesh Economic Zones Act 2010, will be available to all Category- A investors. Moreover, they will enjoy 100% exemption from custom duties and taxes on the import of plant, machinery, equipment and tooling equipment such as dies, molds, jigs and fixtures for production, inspection and testing of vehicles. This facility will be given on only one-time basis.

4.9.5.1.2 All Category-A investors (CKD Level-1 and CKD Level-2) shall be allowed to import 20 vehicles of same variant in CBU form at 25% less of the prevailing TTI (Total Tax Incidence) for test marketing after ground-breaking.

4.9.5.1.3 A CKD Level-1 manufacturing industry will be allowed to import all parts related to vehicle production paying at 35% of Total Tax Incidence (TTI) whereas for the locally procured parts Total Tax Incidence (TTI) will not exceed 10%. This facility is applicable only to local progressive manufacturing industries as described in paragraph 4.4.2.1. National Board of Revenue, in the context of changing scenario, may change, add and modify this rate after consultation with ministry of Industries

4.9.5.1.4 A CKD Level-2 manufacturing industry will be allowed to import all parts related to vehicle production paying at 25% of Total Tax Incidence (TTI) whereas for the locally procured parts Total Tax Incidence (TTI) will not exceed 10%. This facility is applicable only to local progressive manufacturing industries as described in paragraph 4.4.2.1. National Board of Revenue, in the context of changing scenario, may change, add and modify this rate after consultation with ministry of Industries

4.9.6 Category-B Investor shall be entitled to the following incentives:

4.9.6.1 A **Category-B** CKD Level-2 manufacturing industry, with the permission from sponsoring authority, shall be allowed to import all parts related to vehicle production paying at 25% of Total Tax Incidence (TTI) whereas for the locally procured parts Total Tax Incidence (TTI) will not exceed 10%. This facility is applicable only to local progressive manufacturing industries as described in paragraph 4.4.2.1. National Board of Revenue, in the context of changing scenario, may change, add and modify this rate after consultation with ministry of Industries

4.9.6.2 A **Category-B** investor, with the permission from sponsoring authority, shall be allowed to import 20 vehicles of same variant in CBU form at 25% less of the prevailing TTI (Total Tax Incidence) for test marketing after ground-breaking.

4.9.6.3 Import of 100% parts at prevailing custom duty shall be applicable to non-localized parts for a period of four years in respect of Commercial Vehicles like Bus, Truck, Tractor, 3Wheeler Auto rickshaw and Prime Mover.

4.9.6.4 100% exemption from customs duties shall be allowed on import of tooling equipment such as dies, molds, jigs and fixtures for production, fitness equipment, inspection and testing machineries of vehicles etc. This facility will be provided only once. Afterwards, Machinery equipment and raw materials can be imported by paying duties at the lowest slab.

4.9.7 A Category-C investor shall be entitled to enjoy all incentives as mentioned in Bangladesh Economic Zones Act 2010 and paragraph 4.9.6.4 of this policy.

4.9.8 Eligibility Criteria

An investor of this sector has to be registered with Bangladesh Investment Development Authority (BIDA). BIDA shall ascertain category of the company according to the provisions laid down by this policy and, if satisfied, will register the company and inform Ministry of Industries, Road, Transport and Highways Division, Bangladesh Road Transport Authority and National Board of Revenue.

4.9.9 Withdrawal of Incentive

In case of material deviation from the approved commercial operation schedule, withdrawal of incentives shall take effect. Ministry of Industries will initiate appropriate action after necessary verification that may lead to the stoppage or withdrawal of benefits allowed.

Chapter 5

Advancement of Local Production of Commercial Vehicle

5.1 Local production of commercial vehicles will be invigorated to ensure low cost transport facilities as well as its safe use and to create larger employment opportunity for people to acquire desired economic prosperity of the country.

5.2 Special incentives will be provided for manufacturing high quality commercial vehicle parts suitable to domestic and international market.

5.3 Government will strengthen local production of 3Wheeler Four-stroke Auto Rickshaw in the country. The Government will provide progressive manufacturing incentives to 3Wheeler Four-stroke Auto Rickshaw industry for progressive manufacturing by divided them into following two categories:

5.3.1 “Category-1” CKD 4-STROKE AUTO RICKSHAW Progressive Manufacturer means The Value Added Tax Registered Manufacturing companies, those who manufacture the chassis by themselves (some or all parts) or collecting some components of chassis from local vendor or import and the remaining parts collected from local vendor or import to produce 3Wheeler Four-Stroke Auto Rickshaw in the country.

5.3.2 “Category-2” CKD 3 Wheeler 4-STROKE AUTO RICKSHAW Progressive Manufacturer means The Value Added Tax Registered Manufacturing companies, those who manufacture all parts by themselves using raw materials from the local or imported sources or collecting some components of chassis from local vendor or importing and one or more important parts like Rear body, Shock Absorber, Driver Seat Enclosure, Muffler ,Hood Frame, Seat manufacture by themselves or collect these parts from local vendors and the remaining parts collected through local vendor or import to produce 3Wheeler Four-Stroke Auto Rickshaw in the country.

5.3.3 Necessary Circular will be issued by the National Board of Revenue to provide incentives to CKD Category 1 and 2 3wheeler four-stroke auto-rickshaw progressive manufacturers for the local production.

5.4 Better facilities will be provided to encourage entrepreneurs to use modern technology and management system to enhance productivity of commercial vehicle production industry.

5.5 The duty to be imposed on the manufacturing of bodies of the commercial vehicle built by a chassis manufacturer shall be less to that of bodies for the commercial vehicle built by the independent body builder, be it a small or large factory.

5.6 All models of vehicles produced by the Commercial Vehicle Manufacturers (CVMs) must be registered with Bangladesh Road Transport Authority (BRTA). In this regard, certificate can also be obtained from BRTA Approved Outsourcing Agency subject to confirming compliance with required standards and regulations.

5.7 Government will introduce soft loan scheme to ensure stronger support to supply chain activities of the commercial vehicle manufacturing industry.

5.8 Adequate training programs will be provided to original equipment manufacturers and components suppliers in order to raise production and increase overall competitiveness of them.

5.9 Manufacturers will be assisted in establishing quality testing lab to increase facilities for testing locally produced parts and components.

5.10 A regular review program will be conducted to examine effects of government incentives on expansion of value addition of the local companies in the overall supply chain mechanism, increased numbers of parts produce locally and progression of import substituted parts production.

5.11 A Bangladesh Standard will be formulated conforming relevant international standards to assure quality of all locally produced commercial vehicles and it will be mandatory for all manufacturers to follow that standard.

5.12 Government will promote inclusion of new system integrator companies in the commercial vehicle manufacturing industries and assist existing industries to incorporate and expand such facilities.

Chapter 6

Development of Eco-friendly Vehicles

6.1 The primary objective of this policy is to accelerate the pace of EV adoption across large part of the vehicles produced by 2030, especially passenger and commercial vehicles like bus, truck, three wheeler auto rickshaw, sedan cars etc.

6.2 The policy lays special emphasis on rapid adoption of Eco-friendly Electric Vehicles (EEVs) production in the country so that the emission standard of locally produced motor vehicles remains at the lowest level.

6.3 The Government will take special incentive programs to make Bangladesh a hub for producing Energy Efficient Vehicles (EEV) through strategic investments and adaptation of high technology for domestic market and to penetrate regional and global markets by 2030.

6.4 Government will provide added attractive Tax benefits (like 10 years tax holiday) for the investments of energy-efficient vehicle (EEV) production/assembly, regardless of their plant locations even if it is outside of Economic zones.

6.5 The following facilities will be ensured to large scale adoption of Electric Vehicles production and maximize reduction of emissions from vehicle:

- 6.5.1 Financial Incentives - Purchase incentives, Scrapping incentives and Interest subvention on loans;
- 6.5.2 Waiver of road tax for a certain period and assign reduced registration fees;
- 6.5.3 Installation of a wide network of charging stations and battery recycling industry
- 6.5.4 Establishment of a dedicated EV cell in BRTA to provide quick service to the customer, and running an intensive public outreach program focused on creating awareness about the benefits of electric vehicles;
- 6.5.5 Setting up of several Skill Development Centers to run adequate training programs to ensure conducive atmosphere for energy efficient vehicle industry and creation of jobs;
- 6.5.6 Creation of a 'National Energy Efficient Vehicle Production Fund' to ensure persistent development of energy efficient vehicle production industry. (It is to be financed by government allocation or assistance, air ambience fund, levy of additional taxes, fee etc. on inefficient or polluting vehicles.)

Chapter 7

Implementation, Monitoring and Evaluation of the Policy

7.1 Time frame for implementation

The Automobile Industry Development Policy 2021 will be implemented over a 10-year period, beginning from the date of its approval. It will be forceful from the date of publication in the Gazette and can be revised time to time, taking into account new demands and changes, based on the findings of impact evaluation and monitoring activities.

7.2 Institutional arrangements

7.2.1 A National Council on Automobile Industry Development will be constituted to monitor and evaluate the implementation of the policy at the national level.

7.2.2 The National Automobile Council will be headed by the Minister, Ministry of Industries and will be comprised of the following members:

1	Minister, Ministry of Industries	Chairman
2	State Minister, Ministry of Industries	Vice Chairman
3	Secretary, Ministry of Industries	Member
4	Executive Chairman, Bangladesh Investment Development Authority (BIDA)	Member
5	Secretary, Ministry of Commerce	Member
6	Secretary, Roads and Highways Division	Member
7	Secretary, Public Security Division	Member
8	Secretary, Finance Division, Ministry of Finance	Member
9	Secretary, Power Division, Ministry of Power, Energy and Mineral Resources	Member
10	Chairman, National Board of Revenue	Member
11	Secretary, Technical and Madrasah Education Division, Ministry of Education	Member
12	Secretary, Ministry of Science and Technology	Member
13	Secretary, Ministry of Labour & Employment	Member
14	Secretary, Ministry of Environment, Forest and Climate Change	Member
15	Secretary, ICT Division, Ministry of Posts, Telecommunications and Information Technology.	Member
16	Chairman, Bangladesh Trade & Tariff Commission	Member
17	Executive Chairman, Bangladesh Economic Zones Authority, Prime Minister's Office	Member
18	Executive Chairman, National Skills Development Authority, Prime Minister's Office	Member
19	Director General, Bangladesh Standards and Testing Institutes	Member
20	Chairman, Bangladesh Steel & Engineering Corporation	Member
21	Chairman, Bangladesh Road Transport Authority	Member
22	Director General, Department of Environment	
23	Registrar, Department of Patent, Design and Trade Marks	Member
24	Director General, Bangladesh Industrial Technical Assistance Center	Member
25	Director General, Prime Minister's Office	Member
26	Representative, Department of mechanical Engineering Bangladesh University of Engineering and Technology (BUET)	Member
27	President, Bangladesh Federation of Chambers of Commerce and Industries Bangladesh (FBCCI)	Member
28	President, Bangladesh Motorcycle Assemblers & Manufacturers Association (BMAMA)	Member
29	President, Dhaka Chamber of Commerce & Industry (DCCI)	Member
30	President, Automobile Components & Accessories Manufacturing Association (ACAMA),	Member
31	President International Chamber of Commerce & Industries(ICCI)	Member
32	President Bangladesh Recondition Vehicles Importers & Dealers Association (BARVIDA)	Member

33	President, Women Chamber of Commerce and Industries (BWCCI)	Member
34	President, Bangladesh Automobile Assemblers & Manufacturers Association (BAAMA)	Member
35-36	Two Prominent Automobile Specialists (nominated by the Ministry of Industries)	Member
37-38	Two Prominent Industrialists from Automobile sector (nominated by Ministry of Industries)	Member
39	Deputy Secretary (Policy), Ministry of Industries	Member Secretary

7.2.3 The Council can co-opt any required number of members as per its necessity.

7.3 The responsibility of the National Automobile Council

The responsibility of the National Automobile Council will be as follows:

7.3.1 The National Automobile Council will assist in ensuring policy coherence between this policy and other national or sectoral development policies and coordinate effective implementation of various activities of this policy.

7.3.2 This Council will facilitate and coordinate governmental positions on Automobile industries development issues for national as well as international purposes.

7.3.3 This Council will monitor the impact of this policy on various sectors of the economy.

7.3.4 The Council will regularly review Automobile Industry Development Policy to keep it up-to-date with evolving national development priorities

7.3.5 The Council will sit at least twice in a year.

7.4 Automobile Industry Development Policy Execution Committee

7.4.1 In order to implement recommendations of the National Automobile Council, an Execution Committee will be constituted comprising of following members:

1	Secretary, Ministry of Industries	President
2	Additional Secretary (Policy, law and International Co-operation), Ministry of Industries	Member
3	Additional Secretary, Finance Division, Ministry of Finance	Member
4	Additional Secretary, Road Transport and Highways Division, Ministry of Road Transport and Bridges	Member
5	Additional Secretary, Ministry of Science and Technology	Member
6	Additional Secretary, Financial Institution Division, Ministry of Finance	Member

7	Additional Secretary, Ministry of Commerce	Member
8	Director General, Bangladesh Standard and Testing Institute (BSTI)	Member
9	Chairman, Bangladesh Road Transport Authority (BRTA)	Member
10	Chairman, Bangladesh Steel and Engineering Corporation (BSEC)	Member
11	Chairman, Bangladesh Small and Cottage Industries Corporation (BSCIC)	Member
12	Member, National Board of Revenue (NBR)	Member
13	Representative, Bangladesh Bank	Member
14	Representative, Federation of Bangladesh Chambers of Commerce and Industries (FBCCI)	Member
15	President, Bangladesh Automobile Assemblers and Manufacturers Association (BAAMA)	Member
16	President, Bangladesh Recondition Vehicles Importers and Dealers Association (BARVIDA)	Member
17-18	Two Prominent Automobile Industry Entrepreneurs	Member
19	Deputy Secretary (Policy), Ministry of Industries	Member-Secretary

7.4.2 Scope of works of the Execution Committee:

7.4.2.1 Meetings will be held in an interval of every three months. Meeting may be called at any time in case of emergency.

7.4.2.2 The committee will supervise existing labor market, working environment, health and safety issues, investment facilities, financing modes, incentives scheme and availability of fund in automobile industry and above all, carry out all activities necessary for the successful implementation, monitoring and evaluation of this policy as per the recommendation of National Automobile Council.

7.4.2.3 The Execution Committee will carry out necessary actions in line with the recommendations of the National Council and report to the National Council from time to time about their progress.

7.4.2.4 The Policy wing of Ministry of Industries will provide secretarial support to the Execution Committee

7.4.2.5 The committee may, if necessary, co-opt or invite any new member

7.5 Technical Committee

A technical committee headed by the Additional Secretary (Law, Policy and International Cooperation) of the Ministry of Industries will be constituted for thematic review and formulation of specific proposals / recommendations essential to develop this industry. Representative of concerned organization will be kept as a member in this committee as per requirement.

7.6 Popularization of the Policy

7.6.1 In order to generate momentum and popularize promotion of this policy the government may consider declaring 2022/2023 as “Year of the Automobile Manufacturing” as per recommendation of the National Automobile Council.

7.6.2 Government will carry out a comprehensive national mapping exercise in order to identify where Automobile Industries’ related issues interfaces with government’s other development policies, and determine the complications to develop automobile industry in the country and will review and accomplish plans and strategies where this policy can play a contributory role.

7.6.3 The Government will encourage utilitarian innovation within organizations on automobile industry expansion prospect.

7.6.4 The Ministry of Industries in cooperation with relevant public & private bodies, print and electronic media will undertake a mass campaign to sensitize all relevant stakeholders, including potential users, government officials, business community and the general public in order to apprise and actuating this policy.

7.7 Mobilization of Finance

7.7.1 Adequate finance will be arranged for the sake of smooth implementation of this policy.

7.7.2 Appropriate strategies will be taken to determine the sources of funding to successfully implement road map of this policy.

7.7.3 Required fund can also be acquired from development partner countries, international donor agencies, regional and international automobile associations and private sector organizations in addition to the government sources.

7.8 Industrial Support & Collaboration

7.8.1 The Government will facilitate development of the automotive industry through providing following structured support & collaborations:-

7.8.1.1 Inter-ministerial collaboration

For successful implementation of this Policy and to ensure maximum production, all relevant entities that interface with this industry (Ministries, Departments, Associations and Agencies) will be consulted regularly.

7.8.1.2 Industry-academia collaboration

In order to build a sustainable vibrant automobile industry, it will be strived to create a full-fledged local production value chain system in the country in collaboration with research institutes, universities and other educational stakeholders.

7.8.1.3 Vehicle Assemblers and Component Manufacturers Collaboration:

To enhance local production of automobile, required efforts will be taken to facilitate constant and structured collaboration between component manufacturers and OEM companies so that the production of local parts gradually increases and the companies can progressively grow their local content in line with the international best practice to achieve the desired target by 2030. In addition, necessary initiatives will be mooted to ensure development of SMEs through subcontracting and partnership exchange protocols between SMEs and the large manufacturers.

7.9 Monitoring, Evaluation and Review of the Automobile Industry Development Policy, 2021

7.9.1 The actions of the Automobile Industry Development Policy 2021 will be regularly monitored and assessed to determine whether the policy objectives and goals are met properly.

7.9.2 The National Council on Automobile Industry Development will be the main authority for monitoring and evaluating this policy. The Council will supervise implementation progress and provide direction in assessing its impact.

7.9.3 The Council will devise mechanisms for monitoring execution status and impact of this policy. The mechanisms will include reviews of the policy implementation reports of the different automobile relevant institutions.

7.9.4 The implementation and impact of The Automobile Industries Development Policy will be evaluated and reviewed by independent consultants after five years. However, the performance and impact of this policy can be assessed at any time as per requirement.

Chapter 8

8.0 Conclusion

8.1 The development of automobile industry is very important tool to economic growth of Bangladesh. Operational efficiency and utilitarian skills are extremely needed to founding a competitive automobile industry in the country. In this regard, the Automobile Industry Development policy 2021 focuses on efforts to improve supply chain management of the local original equipment manufacturers and domestic component and spare parts producers. The Government will implement a time bound action plan to ensure a sustainable development of automotive industry and to assure that the industry is competitive both domestically and internationally.

Chapter-09

Time-bound Action Plan

SL No	Strategy/ Area of Action	Para-graph	Anticipated Activities	Responsible Ministry/ Division/ Agency	Associate Institution	Implementation Period
Strategy 1: Promotion and Development of Local Automobile Industry						
1	Circular on promotional incentives for setting up local automobile industry	4.1.1.1	SROs issued on corporate income tax (CIT) exemption and tax holiday benefits for new investments in automobile assembly or manufacturing plants outside the economic zone	National Board of Revenue	MoInd/ BAAMA/ BEOIA	2021-2023
Strategy: 2 Development of Automobile Market						
2	Preference for locally produced vehicles in all government purchase	4.2.1.1	Issuance of Circular for Amendment of Public Procurement Rules 2008 to give priority to purchase of locally manufactured (passenger/commercial) vehicles in all government organization (Ministry / Division / Agency).	Planning Division/ CPTU	Ministry of Industries	2021-2023
3	Export market development	4.2.1.4	Undertake bilateral and multilateral negotiations to establish common rules of origin with different countries and to overcome non-tariff barriers in market development and expansion of local automobile industry.	Ministry of Commerce	Ministry of Foreign Affairs	2021-2030
Strategy 3: Production of Local Parts and its Expansion						
4	Manufacturing of local parts	4.3.1.1	Preparation of list of parts that can be produced locally.	BITAC/ Ministry of Industries	Financial Institutions Division	2021-2023

5		4.3.1.2	Provide training to local manufacturers to acquire skills in OEM standard parts production	BITAC/ MoInd/ NSDA	Ministry of Industries	2021-2030
Strategy 4: Progressive Manufacturing Plan						
6	Formulation of progressive manufacturing Guideline	4.4.1	Formulation of Model Guidelines on Local Contribution Rate for accelerating management of Progressive Manufacturing.	BITAC/ Ministry of Industries	BRTA / Road Transport and Highways Division	2021-2023
7	Formulation of reconditioned vehicle management guideline	4.4.5	Formulation of Reconditioned Vehicle Management Guideline to facilitate reconditioned vehicle trade and to support local manufacturers.	Ministry of Industries	Ministry of Commerce / BRTA / Road Transport and Highways Division	2021-2022
8	Formulation of guidelines for payment of royalty fees	4.3.1.1 0	Formulate guidelines to facilitate payment of one-time and running royalty fees payable by local manufacturing companies.	Bangladesh Investment Developme nt Authority	Ministry of Industries / Financial Institutions Division	2021-2022
Strategy 5: Strengthening of Vehicle Registration and Inspection (Fitness Test) System						
9	Expansion of fitness test facilities	4.5.1.3	Strengthen nationwide vehicle inspection systems to ensure that vehicle fitness tests meet quality standards such as safety, quality and vehicle air emissions with international standards.	BRTA / Road Transport and Highways Division	Ministry of Industries/ BSTI/ Department of Environmen t	2021-2024
Strategy 6: Promotion of R&D and Development of Design/ Testing						
10	Establishment of Bangladesh Automobile Institute	4.6.5	Establishment of international standard Bangladesh Automobile Institute in the country for bolstering research, technology transfer, vehicle testing and human resource development in the automobile industry.	Ministry of Industries	BAAMA/ ACAMA / BSTI / BSEC	2021-2024

11	Establishment of Auto-Design Institute	4.6.5	Establishment of Auto-Design Institute to enhance capacity of the local automobile industry.	Ministry of Industries	BAAMA/ ACAMA / BITAC/ BSEC	2021-2025
Strategy 7: Formulation of Automobile Standards and its Enforcement						
12	Adapting Automobile Standard	4.7.1	Formulation of Bangladesh Standards for Automobile Industry (Formulation of standard for passenger car, three-wheeler, bus, truck, tractor, ambulance/bus body /truck body etc.)	Ministry of Industries/ BSTI	Road Transport and Highways Division	2021-2023
13	Development of Standard for after sales service facilities	4.7.1.4	Formulation of specific standards for after-sales service facilities;	Ministry of Industries/ BSTI	Ministry of Commerce	2021-2023
			Issuance of accreditation certificate or license to the organization providing after sales service facility	Ministry of Industries	Bangladesh Accreditation Board / Ministry of Commerce	2021-2030
Strategy 8: Development of Human Resources in Automobile Industry						
14	Establishment of Model Automobile Training Institute	4.8.3	Establishing Automotive Training Institute for ensuring demand driven training and to produce adequate numbers of quality auto mechanics, engineers, repair workers.	Secondary and Higher Education Division/ Madrasa and Technical Education Division / Directorate of Technical Education / Technical Education Board	Ministry of Industries / National Skills Development Authority / BAAMA / ACAMA	2021-2030
15	Formation of Auto Parts Production Fund	4.8.5	Launching a special Auto Parts Development Fund for accelerating expansion of local automobile industry	Finance Division	ERD / Ministry of Industries / BAAMA / ACAMA	2021-2030

Chapter 5: Advancement of Local Production of Commercial Vehicle						
16	Establishment of quality testing labs	5.9	Provide assistance in setting up testing labs in passenger cars, other vehicles and commercial vehicles manufacturing factories	BSTI	Ministry of Industries	2021-2030
Chapter 6: Development of Eco-friendly Vehicles						
17	Establishment of a dedicated EV cell	6.5.4	Establishment of a dedicated EV cell in BRTA to provide quick service to the customer.	BRTA /Road Transport and Highways Division	Ministry of Industries	2021-2022
18	Creation of a National Energy Efficient Vehicle Production Fund	6.5.6	Establishment of a National Energy-Efficient Vehicle Production Fund to ensure persistent development of energy-efficient vehicle production industry.	Finance Division / Ministry of Industries	Road Transport and Highways Division / Department of Environment	2021-2024

Annex-1

CKD Level-1

CKD (Complete Knocked Down) Level-1 means the body / cabin of any vehicle can be imported for local production including painting but for packing facility different parts of the body / cabin such as back and front bonnet, door, driver's seat, windshield etc. must be attached by false nuts or screws. Detailed descriptions of other components are as follows:

A) Applicable to Passenger Car / SUV / Pickup (double / single cabin):

1. All welded parts, including the body chassis, can be painted together.
2. The bonnet, the door hinges, the doors that hinges may come separately.
3. The engine and gear box will be separate. If the engine is water cooled basis, the radiator and hose can be separate.
4. The differential assembly & the propeller shaft may be separate.
5. In the case of front wheel drive, the front axle can be attached position.
6. The suspension system can be packed separately.
7. The master cylinder of the brake system can be packed separately when the wheel cylinder is assembled.
8. The steering system can be separate when sub assembled.
9. Electrical switch, dash board assembly light, wire harness battery head lamp assembly etc. can bring separately.
10. Fuel line, fuel tanks may come separately.
11. Tires, tubes, rims may be separate. However, in case of radial tires, the tires and rims can be in assembled condition.

B) Applicable for Jeep:

1. Engine:

The engine, starter and alternator may be in separate condition.

2. Transmission:

(A) The gear box may be separate from the engine. In case of automatic transmission, it can be different from the wind coupling / conductor engine.

(B) Clutch plate and pressure plate can be separate.

(C) Transmission may be in differentially assembled condition separate from the frame.

(D) In the case of front wheel drive, the front axle may be in attached position.

3. Chassis

Chassis frame, made up of long member and cross member, will be attached with other parts.

4. Suspension:

(A) Front and rear spring is assembled but in separate condition.

(B) Shock Absorber will be in separate condition.

5. Cooling system:

(A) Radiator assembly, hose pipe and out fitting may be separate.

(B) Silencer and exhaust pipe may be separate.

6. Tire:

Tires, tubes and rims can be attached.

7. Propeller shaft

The propeller shaft in assembled condition may be separate from other parts attached.

8. Break:

(A) Brake master cylinder, wheel cylinder may remain in assembled condition and other related components may remain separate in sub assembled condition.

(B) Brake pipe and related parts may be separate.

9. Controls

Accelerator, brake-nut bolts accessories all can be imported in different outlines.

10. Fuel supply

Fuel tank, fuel line all can be in different outlines.

11. Steering gear, control box, shaft, steering wheel, linkage etc. can be in different sub assembled condition.

12. Electrical

The battery can be assembled with lights, switches and dash-board meters.

13. Front axle, rear axle

The front axle and rear axle can be connected with wheel drums.

14. Other: All the other accessories which are required for the manufacturing of Jeep can be packed separately.

Annex-2

CKD Level-2

CKD (Complete Knocked Down) Level-2 means the body / cabin of a vehicle for local production will not be painted and various parts of the body / cabin such as: roof, floor, side, back and front, bonnet, fenders, door, driver seat, windshield, cowl, etc. will all be different. Details of other parts are as follows:

A) Applicable to Passenger Car / SUV / Pickup (double / single cabin):

1. The engine and gear box can be separate. If the engine is water cooled, the radiator and hose can be separate.
2. The differential assembly can be separate and the propeller shaft can be separate.
3. In the case of front wheel drive, the front axle can be in attached position.
4. The suspension system can be boxed / packed separately.
5. The master cylinder of the brake system can be boxed / packed separately when the wheel cylinder is assembled.
6. The steering system can be separate when sub assembled.
7. Electrical switch, dash board assembly, wire harness, battery, head lamp assembly etc. can remain separately.
8. Fuel line, fuel tanks can bring separately.
9. Tires, tubes, rims can be separate. However, in case of radial tires, the tires and rims can be in assembled condition.

B) Applicable for Bus / Truck / Minibus:

1. Engine:

The engine starter and alternator can be in separate condition.

2. Transmission:

(A) Transmission can be separate from the gear box or automatic transmission engine.

(B) Clutch plate and pressure plate can be separate.

(C) Transmission can be separate from differential assembly frame.

3. Different parts of the cabin such as roof, floor, side, back front, fenders, doors, driver's seat, windshield, cowl etc. all will be in separate condition.

4. Chassis: The chassis frame what is a combination of long member and cross member will not have any other components attached to it.

5. Suspension:

(A) Radiator assembly, hose pipe and out fitting may be separate.

(B) Shock absorber will be separate.

6. Cooling system:

(A) Radiator assembly, hose pipe and out fitting will be separate.

(B) Silencer and exhaust pipe will be separate.

7. Tire:

(A) Tires, tubes and rims may be attached.

8. Propeller shaft

The propeller shaft may remain assembled and separate from other parts.

9. Break:

(A) Brake master cylinder, wheel cylinder may remain in assembled condition and other related components may remain separate in sub assembled condition.

(B) Brake pipe and related parts will be separate.

10. Bracket mounting: All types of bracket mounting has to bring separately.

11. Controls: Accelerator, brake-flash controls accessories all will be in separate condition.

12. Fuel supply: Fuel tank, fuel line, everything will be in separate condition.

13. Steering: Steering gear control box, shaft, steering wheel, column, linkage etc. will be separate in sub assembled condition.

14. Electrical: Battery lights, switches, meter boards will be separate when assembled.

15. Body: Different parts of the cabin will be separate from each other such as roof, floor, side back and front, bonnet, fenders, door, driver seat, windshield etc. No load body is allowed. (However this does not applicable to buses /minibuses cases).

16. Front axle, rear axle

The front axle and rear axle wheel drums can be in assembled condition.

17. Other: Other accessories such as nuts, bolts and brackets that are required for the attachment of Bus /Truck/ Minibus all will be packed separately.

C) Applicable to Jeep

1. Engine:

The engine, starter and alternator can be in separate condition.

2. Transmission:

(A) The gear box shall be separate from the engine. In case of automatic transmission, it will be different from the wind coupling / engine conductor.

(B) Clutch plate and pressure plate shall be separate.

(C) Transmission will be separate from the differential assembly frame.

(D) In the case of front wheel drive, the front axle may be in the attached position.

3. Chassis

Chassis frame which is made of a combination of long member and cross member, to which no other parts shall be attached.

4. Suspension:

(A) The front and rear spring assemblies shall be separate.

(B) Shock Absorber will be separated.

5. Cooling system:

(A) Radiator assembly, hose pipe and out fitting shall be separate.

(B) Silencer and exhaust pipe shall be separate.

6. Tire:

Tires, tubes and rims can be attached.

7. Propeller shack

The propeller shaft assembly shall be separate from the other parts attached.

8. Break:

(A) Brake master cylinder, wheel cylinder may remain in assembled condition and other related components may remain separate in sub assembled condition.

(B) Brake pipe and related parts shall be separate.

9. Bracket mounting:

All types of bracket mounting will be in separate condition.

10. Controls

Accelerator, brake-nut font accessories all will be in separate condition.

11. Fuel supply

Fuel tank, fuel line all will be in separate condition.

12. Steering gear, control box, shaft, steering wheel, linkage etc. will be different in sub assembled condition.

13. Electrical

Battery lights, switches, meter board assemblies will be separate.

14. Body:

Different parts of the cabin will be separate from each other such as roof, floor, side, back and front, bonnet, fenders, door, driver seat, windshield, cowl etc. They have to be in the primer coated without being colored.

15. Front axle, Rear axle

Wheel drum can be connected with front axle and rear axle.

16. Others: All the other accessories which are required for the attachment of the said vehicle will be packed separately.

(D) Applicable to Tractors:

1. When the engine and gearbox are connected, they will be separate from other parts,

2. The chassis frame will come separately,

3. Front bonnet in a separate condition,

4. Transmission system can be in sub-assembled condition,

5. Exhaust pipes and silencer pipes are separate,

6. Suspension systems will be in separate condition.

7. Tires, tubes, reams, fringes will be in separate condition.

8. The brake system (master cylinder wheel) will be connected. However, the brake pipes will be in separate condition.

9. Accelerator, brake, clutch, accessories will all be in separate condition.

10. Battery lights, meter board assemblies will come separately.

11. Fuel tanks, fuel lines all will come separately,

12. Steering gear, control box, shaft, steering wheel, linkage etc. will be in separate condition.