

Staff Reporter

Indian High Commissioner in Dhaka Harsh Vardhan Shringla on Thursday said his country's automotive industry is in an ideal position to meet Bangladesh's demand for automobiles given its capacity, competence and geo-graphical proximity to Bangladesh.

He said companies from both Bangladesh and India are exploring new opportunities for investing and setting up joint ventures in each other's country.

"In the last few years, we've seen a substantial increase in our bilateral trade," said the High Commissioner at the launching ceremony of IFAD-TVS partnership for distribution of TVS three wheelers in Bangladesh.

Shipping Minister Shajahan Khan attended the function as the chief guest. Chairman of IFAD Group Iftekhar Ahmed Tipu, Senior Vice President, International Business, of TVS Motor Company R Dilip and Deputy Managing Director of IFAD Motors Ltd Taskeen Ahmed were present.

Shringla said TVS Motor, a leading two-wheeler and three-wheeler manufacturers in India and the flagship company of the US\$ 7 billion TVS Group is already one of the important players in the two-wheeler market in Bangladesh.

He said they have also been active in the three-wheeler market, and their partnership with IFAD Group will help them further penetrate this segment.

"This is another great example of the growing commercial relationship between our two countries," Shringla said adding that Bangladesh is a promising market for automotive companies.

The diplomat said with the rapid economic growth and improving road infrastructure, the demand for commercial and passenger vehicles, including three wheelers, in Bangladesh is growing fast. "As in India, three wheelers serve as an important means of transportation in Bangladesh, particularly in rural and suburban areas."

India is the sixth largest producer of automobiles in the world with the annual production of over 25 million vehicles and exports of around 3.5 million vehicles in 2016-17. This automotive sector accounted for 7.1 per-cent of India's GDP in 2016-17.

Shringla said Bangladesh market has attracted the attention of a number of Indian automotive companies which are not only exporting to the country, but have also invested or are investing in setting up assembly or manufacturing plants here.

Ashok Leyland, in partnership with IFAD group, opened a truck assembly plant in Dhamrai last year.

IFAD has also started utilising Mongla Port for the import of Ashok Leyland vehicles through sea routes under the Coastal Shipping Agreement between India and Bangladesh.