

***"Analysis of Sales Trend and Forecast
for Commercial Vehicles in Bangladesh Market"***





Internship report on
Analysis of Sales Trend and Forecast for Commercial Vehicles in Bangladesh
Market

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Letter of Transmittal

15th December

Dr. Khan Md. Raziuddin Taufique
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Subject: Submission of Internship report

Dear Sir,

As a requirement for the completion of MBA program, I am pleased to submit my internship report on “Analysis of Sales Trend and Forecast for Commercial Vehicles in Bangladesh Market”. This report describes about the trend of different commercial vehicles and forecast and invests only on profitable segments.

This assignment helped me to know the current market situation of commercial vehicles. It has been a good experience to me to know the actual market & real business situation. It provides me the opportunity to know the real life application of theoretical knowledge. I had tried my best to collect the information for the report in my best. I hope, the report will give a fair idea on this issue.

It was stimulating opportunity and a valuable experience for me to the real business world. I am grateful to the CEO and General Manager of Rancon Autos Limited to grant my permission. It helped me a lot to enrich my knowledge as to develop myself as a future successful executive.

I wish that you would be very pleased to accept my Report and oblige there by.

Sincerely Yours’

Quazi Asif-Uz-Zaman
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BRAC University

ACKNOWLEDGEMENT

At first I'm grateful to Almighty Allah to make me able to prepare a report.

This work is a synopsis of my recent study on sales trend analysis and forecast in commercial vehicle industries to invest on the relevant profitable segments, as the part of my internship program. The Program had been a bit challenging for me. I have received help and active cooperation from supervisor, executives and many other officials.

In this regard, At First, I would like to express my gratitude to DR. Khan Md. Raziuddin Taufique, Assistant Professor; BRAC business school that helped me to choose a topic that is related to my internship program and guided constantly. His guidance helped me to separate the important and necessary details from the sources.

I express my honest and sincerest gratitude to Mr. Daryl Fraser; CEO, Mrs. Monju Rani Saha; GM and HOP, to my supervisor Mr. Altaf Siddiqui Head of HR Admin, and executive of sales department Rezwane Chowdhury, who helped me to get the information I required, to prepare and give an opportunity for an eye opening in this particular sector and extended an all-out support in all respect for writing this report in the most comprehensive manner within the specified time frame. They have been extremely cooperative and willing to help me at all times. The team of Rancon Autos had been extremely wonderful and without them, I would not be able to prepare such type of report.

Finally, I would like to show my gratitude towards my friend and family members for their nice cooperation in preparing this report.

Executive Summary

Satisfying customers are the only way to stay competitive in today's marketplace. The balancing act between what customers want and what the company can provide must be optimized in order to maximize company's long-term profits. Rangs group has done numerous researches to understand the level of customer satisfaction. They are already in a good position in the consumer's mind but understanding the customer's satisfaction level, will help the company to exceed the present level of customer satisfaction. However, no such research has been done to understand the level of customer satisfaction level after purchasing of vehicles.

This study investigates the, sales trend and forecast in commercial vehicle industries to invest on the relevant profitable segments.

In the first part, we have prefatory part like title fly, title page, approval page, letter of transmittal, acknowledgment, table of contents, synopsis.

In the second part we have Organization part type of enterprise, product and services, business operations, structures etc.

In the third part which is basically project part we have objectives, problem statement, methodology, findings, conclusion and recommendation.

In the Fourth and last part, we have supplementary part: appendix, bibliography and index.

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Synopsis:

The local market for commercial vehicles is huge, in this report I tried to figure out different commercial vehicles market, to compare the sales trend of different commercial vehicles and forecast to the profitable SBUs to invest further. The data I used here collected from BRTA websites. As I worked with Rancon Autos Limited; the organization part I prepared myself with the help of my colleague.

From the trend analysis I found in both for auto rickshaws and auto tempos sales are falling. Registration from Dhaka BRTA is totally banned. Outside Dhaka they still can create some market. So my recommendation is to target near the Dhaka division.

In passenger vehicles segment inside Dhaka human hauler will be more preferable than minibus for size and price. For travelling outside Dhaka bus will be in favorable position. My recommendation is to further invest on human hauler.

In freight and carrier segment both pickup and truck will be in favorable situation for both Dhaka and outside. Previous year's data analysis shows us that. For next couple of years the market demand will be higher for these two segments.

Chapter one: Organization part:



Type of Enterprise:

Rangs Group is one of the premier conglomerates in Bangladesh. With headquarters in Tejgaon, Dhaka, they conduct business countrywide. Driven by the passion to be the best and with a team of unique professionals, they bring trusted brands of the world within the reach of everyone in Bangladesh.

Rangs Group started its journey as a single business unit in 1979 and now has grown successfully in multiple sectors. Striving to implement the practical initiatives required achieving its vision and guided by a relentless focus on values, the group maintains close relations with its foreign principals thereby guaranteeing quality products and efficient service to their valued customers. Rangs Group believes in delivering operational excellence to meet commitments. For the progression of its mission it has diversified and grown to be one of the largest industrial and trading conglomerates of the country under the same management. With diversification and a rich variation of products it has earned repute among Bangladeshi people as a distributor of premium and quality brands and services.

Product & Services:

Rangs invested in diversified industries like in, automobiles, real estates, petrochemicals, banking, printing media, electronics, electronic broadcasting, deep sea fishing, insurance, IT, security services etc.

Rangs Group is dominating the brand new automobile market in Bangladesh for decades. It has the largest market share in brand new automobile sector. It has the sole agency of some of the biggest brands in world market like Mercedes-Benz and Mitsubishi Motors. At the same time it has a diverse category of brands targeting diverse group of client base. With years of experience

in automobile sector, wide variation of products and consistent good service, made the group companies well known brand in Bangladesh.

Below is a list of companies Rangs Group owns to operate in the automobile sector:

- Rancon Imports Limited
- Rancon Motorbikes Limited
- Rancon Motors Limited
- Rancon Autos Limited
- Rancon Automobiles Limited
- Rangs Limited
- Rangs Motors Limited
- DHS Motors Limited

Below is a list of companies Rangs Group owns to operate in the real estate business:

- Rancon Engineers Limited
- Rangs Properties Limited
- Ranks Real Estate Limited

Rangs Group owns a telecom company:

- Ranks Telecom Limited

Rangs Group owns two media and publication organizations as well:

- Dainik shokaler khobor
- Media world Limited

Rangs Group invested on IT sector as well:

- Ranks ITT Limited

They have petrochemicals industries:

- Ranks Energy Limited

They invested on financial sectors as well:

- Bank Asia Limited
- Premium Securities Limited

Some other fields they have invested are following:

- Rancon Service Limited
- Ranks Interior Limited
- Shield Security Services Limited
- Rangs Pharmaceuticals Limited
- Sea resources Group of companies
- Rancon sweaters Limited

Business operation:

Rangs operate their business all over the country. Almost in all the districts and sub-districts they have their offices. They have a strong network all over the country.

From a trading company in late eighties, Rangs Group has literally become a household name in less than twenty years. Over the years, it has expanded its activities into different sectors in order to ensure excellence in service to the customers. Because of its continuous diversification, it has shaped itself as a true conglomerate

Rangs Group has a strong, diversified profile in Bangladesh. It has opted for trading assembling of vehicles, bus body making, after sales support, transport and financial institutions, manufacturing industries, real state, properties development.

Structure: Organogram of Rancon Autos Limited

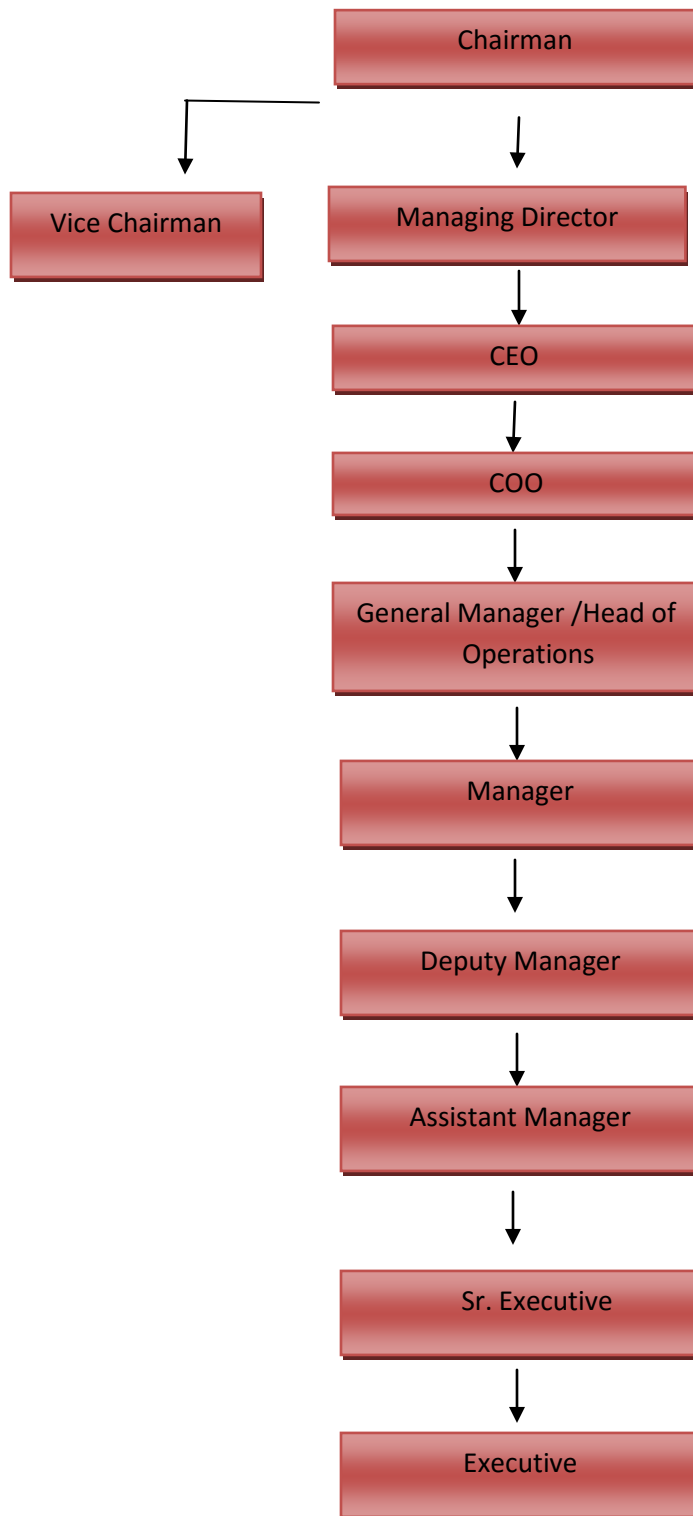


Figure 1.1: Organogram of Rancon Auots Limited

Introduction: Overall function of Rancon Autos Limited

1.1 Sales

1.2 Sales & Marketing Department

Overall sales activities are run by two departments, one is direct sales and other is dealer sales.

a. Dealer Sales Department:

Dealer sales department plays a key role to sale as well as boost up the sales volume through dealer network for achieving the sales target for Rancon Autos Limited.

This department arranges effective training program regarding the products for the dealers and dealers staff and organizes vehicles fair almost throughout the country so that the customers can be pursued. To survive in the market it is necessary to collect information regarding the competitors, markets and potential customers and analysis the data for taking marketing decisions.

b. Direct Sales Department:

Direct sales department of Rancon motors limited operates their activities through random visit to different institutions especially in Dhaka city and near around Dhaka district like Gazipur, Narayanganj. They have their sales representative in various districts like Chittagong, Sylhet, Rangpur, Bogra, Jessore, Mymensingh etc. This Department collects information of the potential customers/institutions and visits them accordingly to pursue to be an actual buyer. They follow up the existing customer's attitude regarding their products and justify satisfaction level. This department also attains the customer who comes directly to their corporate office and the showroom which is located at Gazipur for Mahindra.

1.3 Sales Administration

Rancon Autos Limited also maintains stock of the vehicles but that is under supply chain department. They have separate departments to look after the registration, insurance and fitness certificate. As they are new to the market they don't have sales administration department like Runner motors who collects customer satisfaction or feedback.

1.4 Sales procedure:

To find the source of the customer or to collect the information they basically do following steps:

- The sales executives have to go through continuous field visit, or market visit to various sub districts. They physically meet the truck owner to the truck stand.
- The marketing team arranges some road shows to various locations to let the people know about the product.
- Press ads are another way to let the customer know about the product. They put advertise on local newspapers, they provide hardcopy brochure or leaflet door to door with the help of hawkers.
- Sometimes they provide ads on broadcasting media like television channels and on internet to various websites like bikroy.com & ekhanei.com etc.
- Inside Dhaka to target the corporate or large organizations, sales executives they take an appointment and visit the procurement managers of that particular company.

Prospective Customer:

They divided their potential customers in five categories:

C0 – Business organization or individual person when there is probability of buying vehicles.

C1 – Basically when a person feels they should buy a vehicle, its necessity and they will start searching in the market within his price range.

C2 – This type of customer will pay token money or some booking money.

C3 – They are the final customer who basically fulfills the processes or financial terms of the company.

C – This refers to cancellation of purchasing of the vehicles when a customer no longer wants to buy the vehicles.

1.5 Sales Method:

1. Full cash sales
2. Hybrid policy
3. Hire purchase policy

Full cash: In terms of full cash policy customer has to pay full payment during the purchase of the vehicles. In that case they get some cash discount from 50 thousand to 1lac.

Hybrid Policy: This is also known as semi cash. This is basically without interest payment. Suppose a vehicle is 16lac, he has to pay 8lac in cash immediately and rest within one year without interest.

Hire purchase policy: At this policy you have to pay 20percent of the full price, suppose the price is 16lac, so 20percent is 3, 20,000tk at the time of purchase.

The rest 12, 80,000 a customer has to pay within 4yrs at 12percent interest,

Emi calculation is:

DP 16, 00,000-3, 20,000= 12, 80,000*.12= 1, 53,600 for a year

For 4 years: 1, 53,600*4= 6, 14, 400

12, 80,000+6, 14,400= 18, 94,400/48 = 39,466

Vehicles tracking fees will be added with the price which is 600 per month. So total 40,066tk.

Vts calculation in 4 years= 48*600 = 28800

1.6 Sales Completion process:

From targeting the potential buyers, bring them or pull them somehow to C1 customer by following any sales methods they are comfortable or interest in, is the total procedure to complete the sales process. In the meantime they have to fill a buyer form where all the company policies have been included. They have to follow those rules or accept the terms and conditions.

After the purchase or delivery of those vehicles, after sales department collects and solves all the enquiry and operational problems of that customer and recovery team collects the installment from the customer.

When a customer agrees any of these methods and purchases the vehicle obeying the terms and conditions, total sales process is done.

1.7 After Sales:

After purchasing a vehicle, after sales department starts their jobs. Basically they make sure customers are happy with their vehicles. The needs and demands of the customer must be fulfilled for them to spread a positive word of mouth. It plays an important role customer satisfaction and retention. It creates loyal customer.

1. Technical Supports:

They have a very well reputed and well experienced after sales department. They have mechanical engineers along with mechanics who have practical experiences. Basically this department guides them to install, maintain or operate their vehicles.

Usually they provide warranty for 70000-75000km or 1.5years engine warranty whichever comes first. They provide six free services. First three services are full free including parts, next three services they only charges/includes the parts cost; service charge is totally free. The service duration they provide after km driven are following:

5000km	35,000km
15,000km	45,000km
25,000km	55,000km

1.7. A Table: Free Services on km driven

2. Service Center:

Allover they have 39 service centers all over Bangladesh. Companies own service center Ranks workshop limited they have in 9 locations, rest 30 are authorized service point.

Available points they divided it to zone are:

- Zone A: Bogra, Rangpur, Rajshahi, Panchagar
- Zone B: Mymensingh, Bhairab, Sylhet
- Zone X: Dhaka, Gazipur
- Zone C: Chittagong
- Zone D: Bhola, Barisal, Jessore, Kustia

3. Genuine parts are always provided by the authorized and companies own service centers.

The authenticity and quality of each manufacturer-produced part keep the vehicles in the best possible condition. Inferior items can cause damage and loss of performance, even

potentially compromising safety and that of passengers. As the items are designed specifically for a particular model, they will also fit better and more easily – and operate perfectly first time.



1.8 Demand:

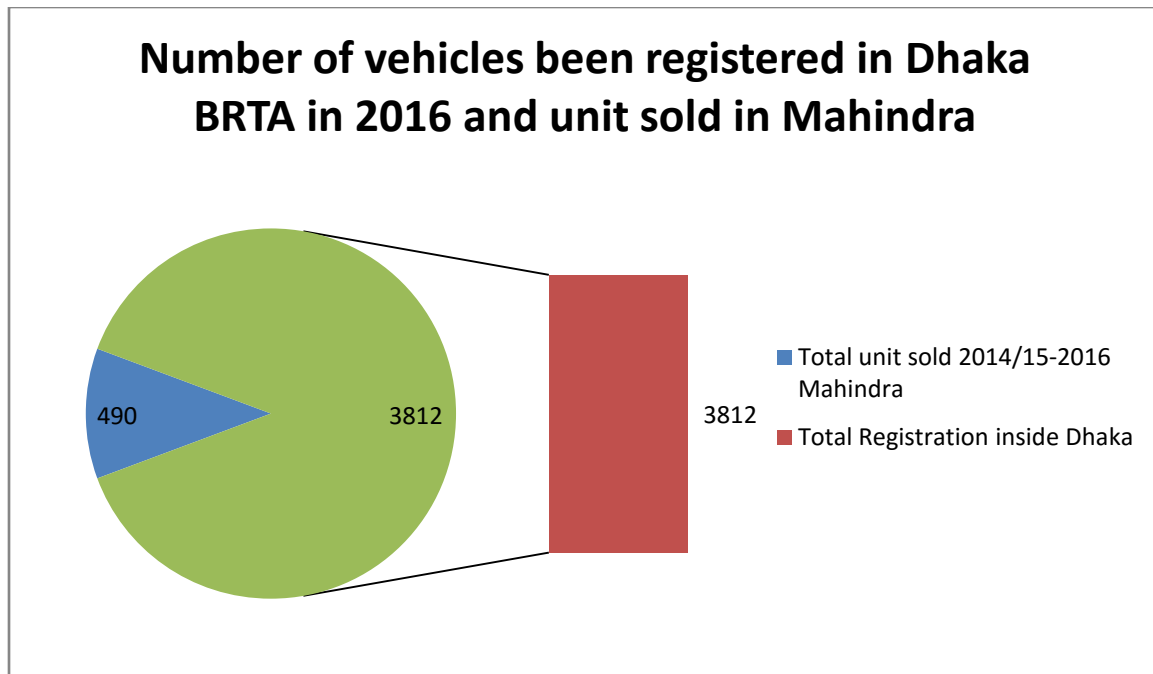
We are now ready to examine practical methods for estimating current demand. Marketing executives want to estimate total market potential, area market potential, and total industry sales and market shares. Besides estimating total potential and area potential, a company needs to know the actual industry sales taking place in its market. This means identifying its competitors and estimating their sales. So we also use total industry sales and market shares method for estimating current demand.

The industries trades associations of Bangladesh will often collect and publish total industry sales, although it usually does not list individual company sales separately. Using this information, each company can evaluate its performance against the whole industry.

The total demand this year in truck segment was around 3800 trucks. Political stability, improved business policy and positive growth towards industries are the indication or reason behind increasing number of vehicles selling,

1.9 Sales and Forecast:

Mahindra is new in the commercial vehicles market. They started their journey back in 2014. For 2015 to 2016 they forecasted to sell near around 300 vehicles. From the February 2015 to 2016 December they sold 490 units of truck. For next year 2016 to 2017, they forecasted to sell 500 units of trucks.



1.9. A Number of vehicles been registered in Dhaka BRTA in 2016 and unit sold in Mahindra

From The Graph we can see actually Mahindra targeted to sell 300 units of truck, but actually from the beginning to 2016 so far they sold 490 units of truck. So they achieved the target they took.

Though they achieved their target if we compare with the number of total commercial vehicles registered; specially truck, we can see total three thousand eight hundred and twelve vehicles been registered. So I think they could increase their sales volume.

For upcoming 2017 they forecasted to sale 500units. If we compare between year 2015 and 2016 we can see truck sales decreased in terms of registration, near about 612units. If it continues with the same pace and decrease the number next year it will be 3200. So they target to sale 500, but I think they can increase that number by targeting the padma bridge construction sites, Pharmaceutical Companies, ice cream factories, garment industries, vegetables vendors etc.

1.10 Analysis part:

SWOT analysis: Strength, weakness, opportunity and threat part of Rancon Autos Limited and Runner Motors Limited:

1.11 SWOT:

Strengths

- Well experienced sales department.
- Mahindra is operating business under a very well reputed brand name RANGS group.
- Strong dealer network all over the country

Weakness

- They have just started their business, so they are in lack of experience
- Not availability of service center all around the country
- No marketing team, only sales focused
- Advertising campaign is less than other competitors.

Opportunities

- The local market for commercial vehicles is huge
- The market is growing by 10-15 percent annually
- There is a spike in demand for commercial vehicles as the Padma Bridge project takes off along with other industries like garments, food and beverage on positive growth etc.

Threats

- It is dominated by Indian brands like Tata and Ashok Leyland
- Of the total market share, Tata holds around 50 percent, followed by Ashok Leyland at 21 percent and Eicher 16 percent.

Project part:

2.1 Objectives:

Broad Objectives:

In general sales trend and forecast in commercial vehicle industries and to invest on the relevant profitable segments.

Specific Objectives:

- To study the trend of commercial vehicles among different segments
- To compare with year to year sales figure
- To invest on profitable segments

2.2 Problem Statement:

To invest on profitable sector and to identify the profitable segment it is very important to have the clear knowledge. It is really difficult to forecast, as the future is uncertain. The trend depends on global market as well. The political stability, industrial growth, economic expansion will have an impact in the market.

The commercial market is very competitive. We have so many companies, so many players already in this market. New organization like Rancon Autos and Akij motors are in pipeline with their products. So it is going to be difficult to grab the market. Past data has been used to analyze and forecast so that companies can invest on profitable segment.

2.3 Methodology:

Methodology refers to the essential part of the study and the process of collecting information and arranging it in terms of the relevant issues of the study. It is designed in a way so that it corresponds to achieve the objectives of the study.

The actual information provided in this report was collected from two different sources, namely primary and secondary source. The information in the report; is connected to the sales volume or number of different commercial vehicles Registered in Dhaka more specifically.

Primary Sources:

- Informal interview session with the Executive of Sales department
- Day to day conversation, work experience and discussion with the colleagues.

Secondary Sources:

- Collect the data from BRTA website.
- Collect the current condition of commercial vehicles market from websites.

2.3. A DATA ANALYSIS:

A trend analysis is an aspect of technical analysis that helps us to predict the future movement of a stock based on past data. Trend analysis is based on the idea that what has happened in the past gives traders an idea of what will happen in the future.

The analysis done so far on yearly sales of different commercial vehicles over a significant five years time periods are to detect general pattern of relationship between associated factors or variables.

Forecasting is a planning tool, which helps management; in its attempts to cope with the uncertainty of the future, relying mainly on data from the past and present and analysis of trends. Forecasting starts with certain assumptions based on the management's experience, knowledge,

and judgment. I will continue with the forecasting of light commercial vehicles, passenger vehicles and freight carriers following.

Both for trend analysis and forecasting I used Microsoft excel and Microsoft word. I took guidance from you tube to do the forecasting and trend part.

From the table we will be able to see the trend analysis on commercial vehicle market

2.4 Findings:

At first stage; I am going to discuss the year wise sales volume, between light commercial vehicles Auto rickshaw and auto tempo inside.

Year	Auto Rickshaw	Auto Tempo
2011	20423	175
2012	23545	626
2013	15697	395
2014	19897	500
2015	20000	1095
2016	9496	1142

2.4.1 Table: Number of Vehicles sold for LCV Segment

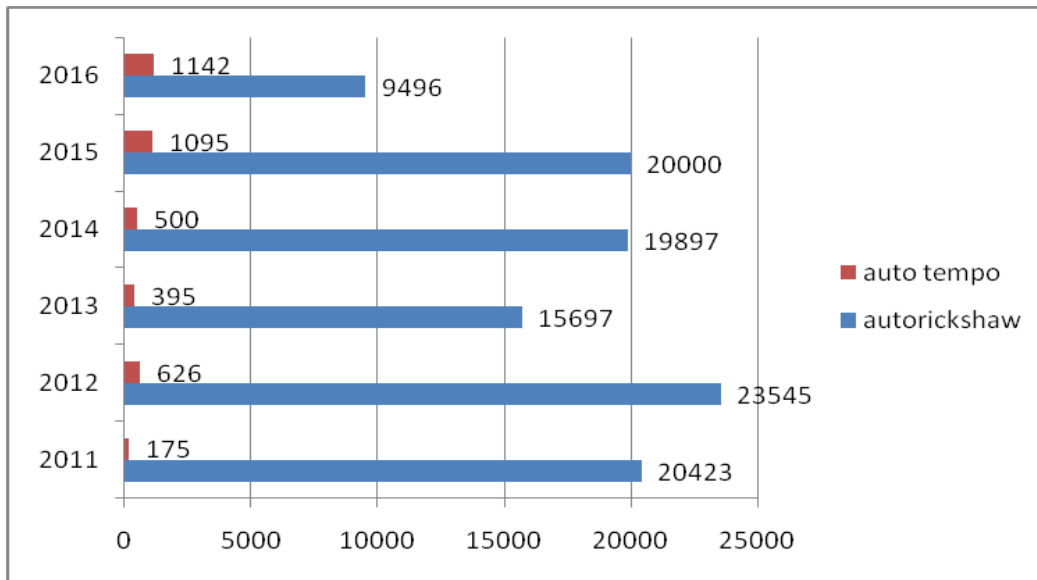


Figure: 2.4.2 Trend Analysis of LCV



From the table and graph we can see the number of auto rickshaw and auto tempo sold. From 2011 to 2016 auto rickshaw sales have been decreasing in number. There is a sharp fall from 2015 to 2016. In 2015 around 20000 auto rickshaws have been sold. But in 2016, only 9496 auto rickshaws have been sold. On the other hand auto tempo sales have been increasing but in a low pace.

Bus, mini bus and human hauler these three different commercial vehicles are the only way of transport for the most citizens to move one area to another inside Dhaka. So I will show you the current market condition of these three different SBUs.

year	Bus	Mini Bus	Human Hauler
2011	1501	136	569
2012	1218	103	145
2013	971	83	115
2014	1364	135	109
2015	2221	103	502
2016	2941	125	655

2.4.3 Table: Number of Vehicles sold for Passenger Segment



Figure: 2.4.4 Trend analysis of passenger vehicles

From graph we can easily find out the number of bus selling is in thousands, where as minibus and human hauler selling is in hundreds in number. If we compare between minibus and human hauler, it is easily observable that human hauler is more widespread here in Dhaka nowadays and crossed the number of minibus sold after 2014 by five times.



An illustration of mini bus

Especially the commercial vehicles like cargo van, covered van, delivery van, truck and pickup are the common factor of our daily life. In particular these vehicles have been used for carried away different products/goods/freights from one place to another. Below the trend is given for the freight carrier.

Year	Cargo Van	Covered Van	Delivery Van	Truck	Pick up
2011	477	1910	839	4205	7258
2012	278	1170	577	2824	5149
2013	676	1850	709	3522	4908
2014	603	2352	901	5767	7295
2015	398	1855	1464	4424	7916
2016	762	2158	1606	3812	6959

2.4.5 Table: Number of Vehicles sold for Freights/Goods Carrier Segments

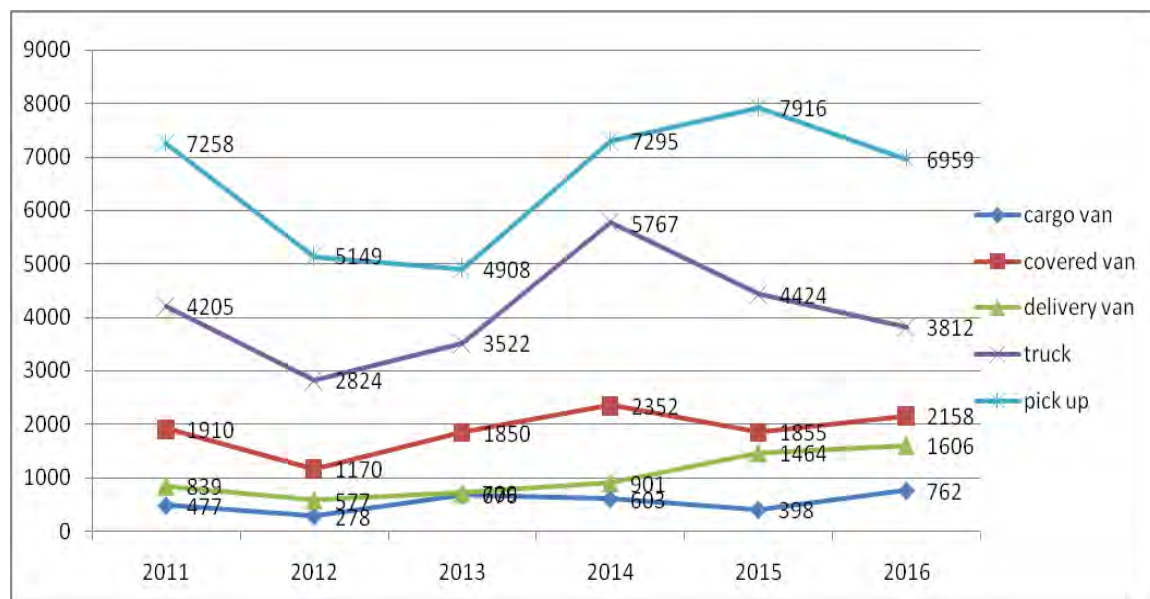


Figure: 2.4.6 Trend analysis of heavy commercial vehicles

Graph shows us chronologically from highest to lowest we have pickup, truck, covered van, delivery van and cargo van. Though there was a political unrest in 2014 but it had no impact on truck market. In 2014 total 5767 trucks sold. The next two years it fell down to 4,424 and 3,812 respectively. In pick up market this year's sale decreased 6959 from last year.

Will start with Light commercial vehicle:

Years	Auto Rickshaw
2011	20423
2012	23545
2013	15697
2014	19897
2015	20000
2016	9496
2017	12069
2018	10324

2.4.7 Table: Next two years forecast for auto rickshaw

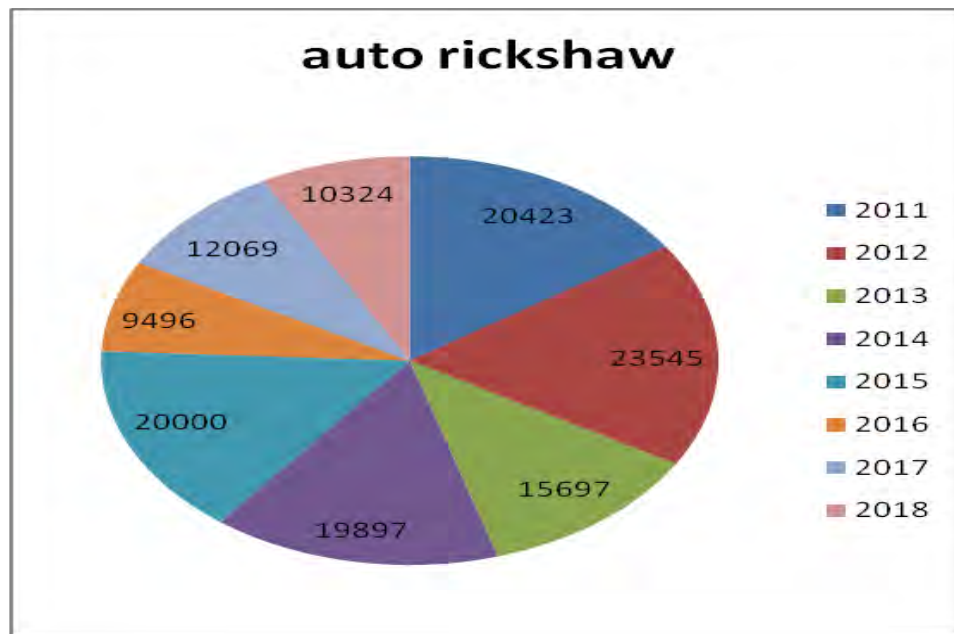


Figure: 2.4.8 Forecasting graph of auto rickshaw for 2017/18

The markets for auto rickshaws are declining gradually. From 2015 to 2016 it has dropped almost by half. But the data analysis shows us it will go up next two years. In 2017 the demand should increase to 12069 and in 2018 it will be 10324.

Years	Auto Tempo
2011	175
2012	626
2013	395
2014	500
2015	1095
2016	1142
2017	1290
2018	1472

2.4.9 Table: Next two years forecast for auto tempo

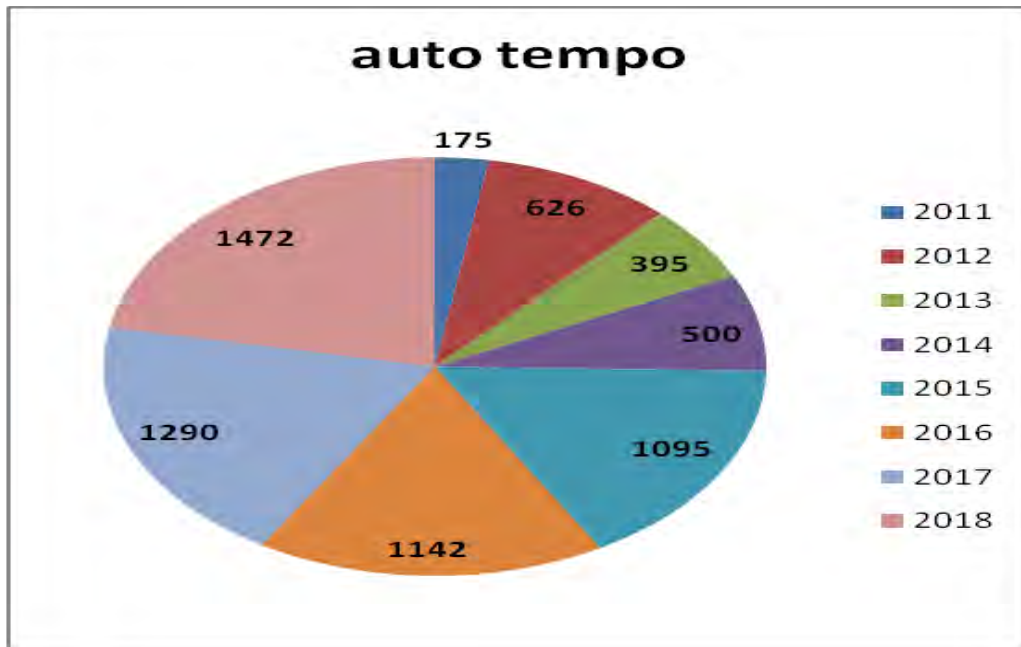


Figure: 2.4.10 Forecasting graph of auto tempo for 2017/18

In light commercial market the growth of auto tempo is increasing though the number is not that much like auto rickshaw. The prospect of auto tempo will be 1290 in 2017 and 1472 in 2018.

In passenger vehicle segment bus is the profitable segment as we have already figured out the upward trend and numeral figure of bus sold in Dhaka is much high.



An illustration of BUS

Years	Bus
2011	1501
2012	1218
2013	971
2014	1364
2015	2221
2016	2941
2017	2763
2018	3066

2.4.11 Table: Next two years forecast for bus

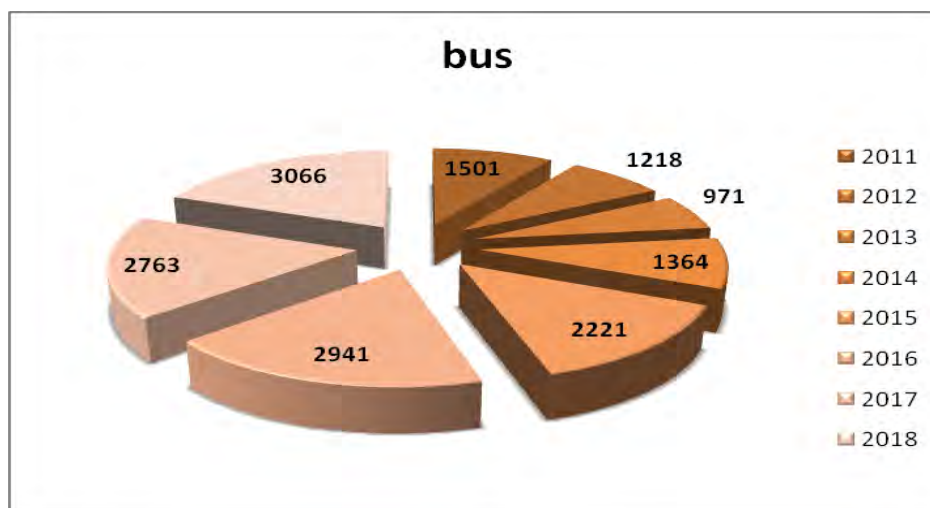


Figure: 2.4.12 Forecasting graph of bus for 2017/18

Next two years the probability is enough to get much profit from this particular segment though number will fall in 2017 to 2763 from 2941 sold in 2016, but in 2018 it will increase to 3066.

Data analysis from past shows us next couple of years the prospect of minibus selling will fall.

City lay-out (master plan) and over-population: The causes of traffic congestion in Dhaka city are multifarious. Starting from the city itself, it is observed that the skeleton, structure and lay-out of Dhaka City are not well-planned and well-directed.

Years	Mini Bus
2011	136
2012	103
2013	83
2014	135
2015	103
2016	125
2017	114
2018	114

2.4.13 Table: Next two years forecast for mini bus

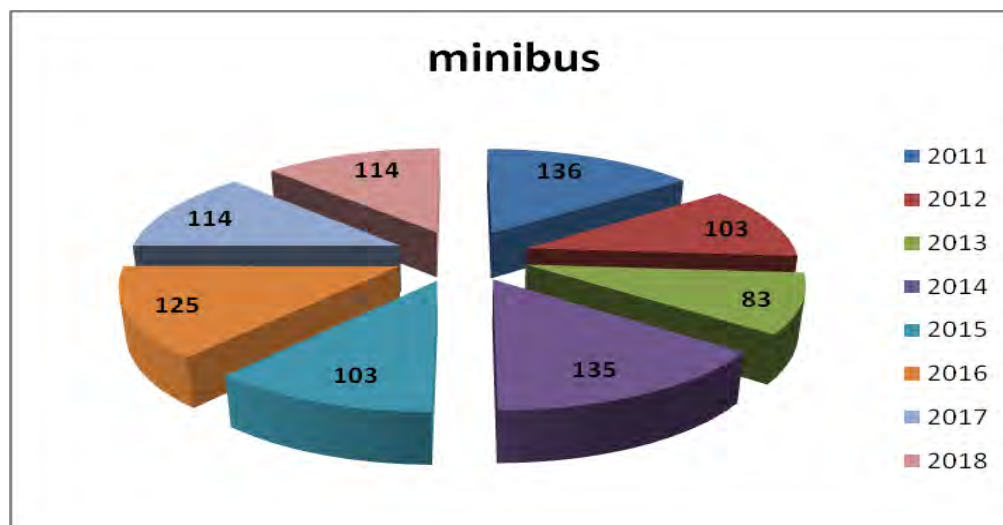


Figure: 2.4. 14 Fore casting graph of minibus for 2017/18

The demand will be steady and similar in both the year 2017 and 2018 to 114.

Years	Human Hauler
2011	569
2012	145
2013	115
2014	109
2015	502
2016	655
2017	499
2018	541

2.4.15 Table: Next two years forecast for human hauler

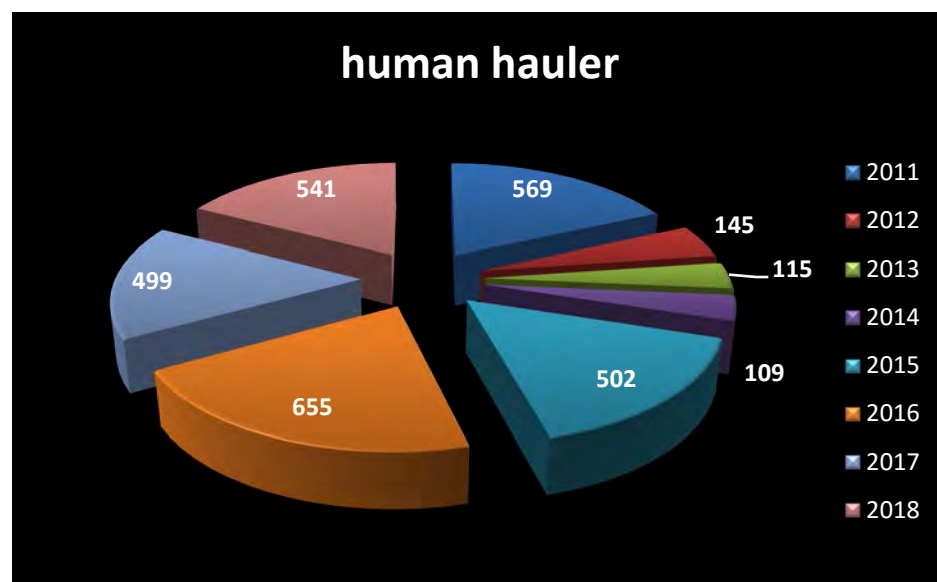


Figure: 2.4.16 Forecasting graph of human hauler for 2017/18

Growth of human hauler is very positive, from previous year's data analysis we can dig up so far. In 2017 the forecast or expectation of the market will be 499;

following year in 2018 it will be 541.



An illustration of human hauler

In freight carrier segment in commercial vehicles market the most profitable segment will be successively pickup, truck, covered van, delivery van and cargo van.

Below you will be able to see the forecast of pickup for 2017/18.

Years	Pick up
2011	7258
2012	5149
2013	4908
2014	7295
2015	7916
2016	6959
2017	7500
2018	7763

2.4.17 Table: Next two years forecast for pickup

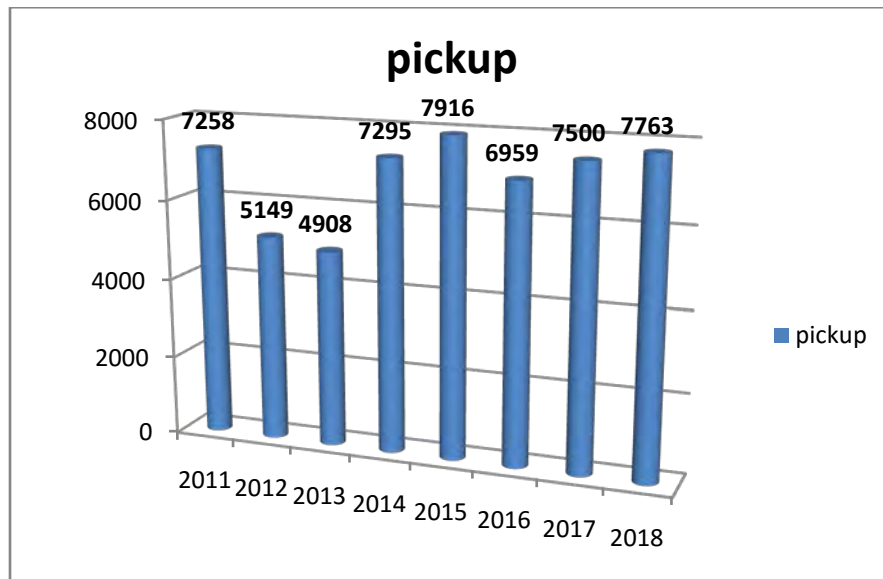


Figure: 2.4.18 Forecasting graph of pickup for 2017/18

Forecasting shows us the next couple of years the market demand will increase. In 2017 it will increase to 7500 and in 2018 the probability of the market growth even rise more to 7763.



An illustration of pickup

Truck is the second profitable vehicles in freight carrier segment. The growth is really optimistic.

Years	Truck
2011	4205
2012	2824
2013	3522
2014	5767
2015	4424
2016	3812
2017	4600
2018	4745

2.4.19 Table: Next two years forecast for truck

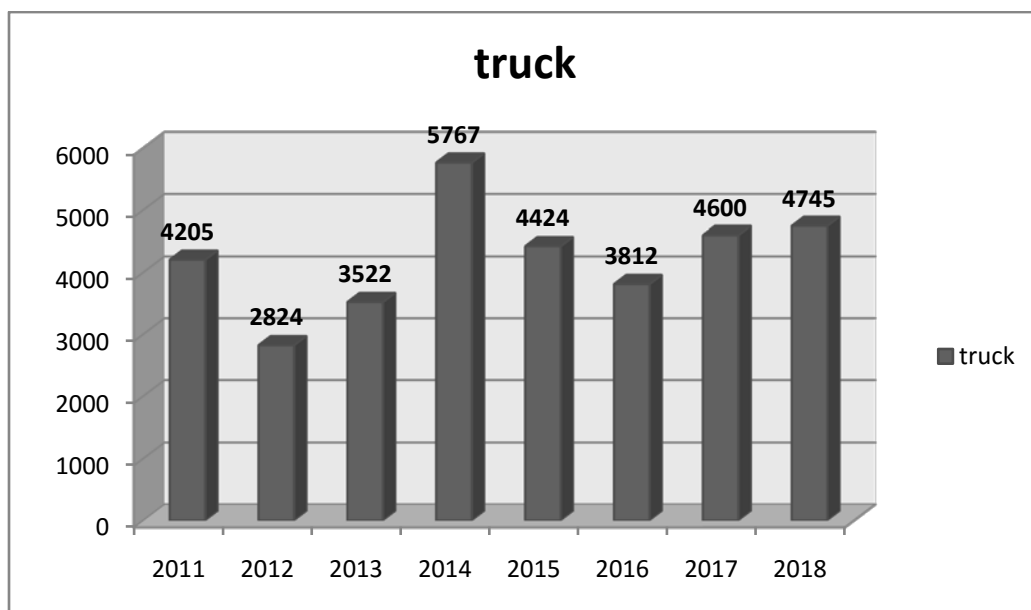


Figure: 2.4.20 Forecasting graph of truck for 2017/18

Though this year the number decreased from previous year in Dhaka but next two years in 2017 the market demand will be 4600 and in 2018 it will be 4745.

Covered van is the third profitable fragment after truck, in freight carrier segment.

Years	Covered Van
2011	1910
2012	1170
2013	1850
2014	2352
2015	1855
2016	2158
2017	2262
2018	2371

2.4.21 Table: Next two years forecast for covered van

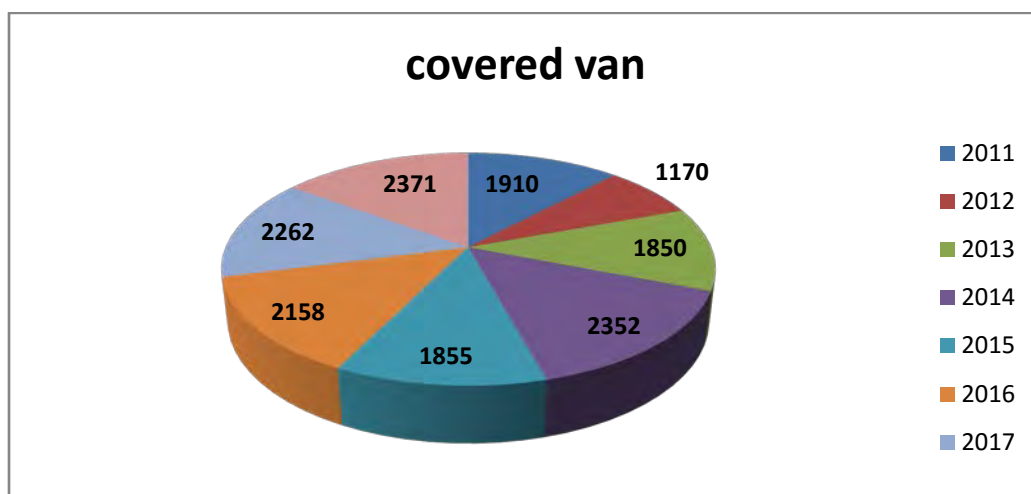


Figure: 2.4.22 Forecasting graph of covered van for 2017/18



An illustration of covered van

From the data analysis we found the covered van market will be very prospective market as the demand could be 2262 in the next year and in 2018 will increase by 109 more to 2371.

Delivery van is in fourth position in goods carrier vehicle market.

Years	Delivery van sales each year
2011	839
2012	577
2013	709
2014	901
2015	1464
2016	1606
2017	1685
2018	1876

2.4.23 Table: Next two years forecast for delivery van

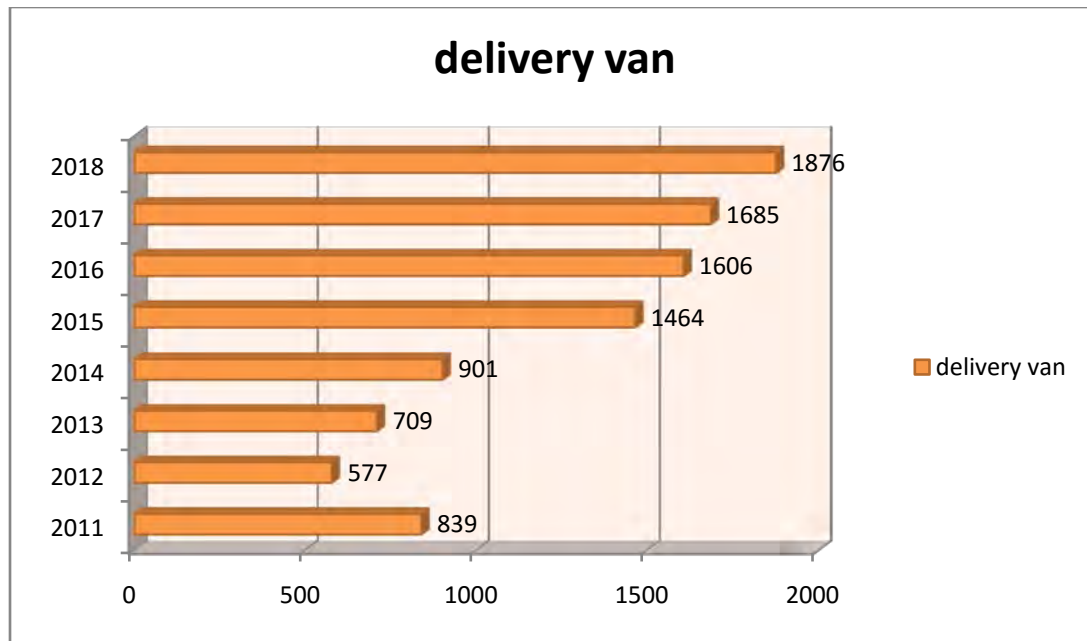


Figure: 2.4.24 Forecasting graph of deliver van for 2017/18

Prospects of delivery van is rising and only one freight carrier segment we have seen year by year sales increased if we consider from 2012. As from previous data analysis, predictions for the next couple of years are, in 2017 the market demand will be 1685 and for 2018 it is 1876.



An illustration of delivery van

Cargo vans are heavy duty vehicles; especially we can see this kind of vehicles at port area or to carry heavy freight or goods to outside of the country.

Years	Cargo sales each year
2011	839
2012	577
2013	709
2014	901
2015	1464
2016	1606
2017	1685
2018	1876

2.4.25 Table: Next two years forecast for cargo

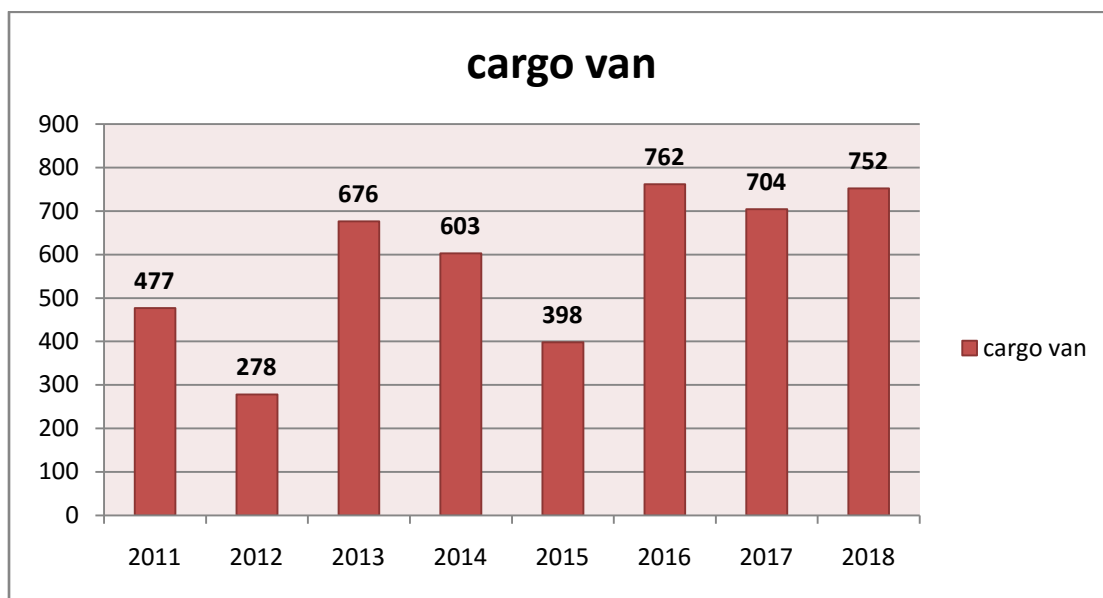


Figure: 2.4.26 Forecasting graph of cargo van for 2017/18



An illustration of cargo

From 2015 to 2016 the vehicle sales increased almost to double in numbers. Data analysis shows us the market will fall next couple of years, in 2017 it will fall further down to 704 and in 2018 demand prediction is 752.

In automobile sector a massive shift in the competitive landscape will see the south Asia to emerge as major players in the commercial vehicle industry.

From the trend analysis and forecast, we found that in light commercial vehicles market both the market of auto rickshaw and auto tempo are in negative growth. The number of auto rickshaw selling is decreasing year by year. Auto tempo markets are increasing but in slow pace as I have talked before. Government imposed restriction on both auto tempo and auto rickshaw registration inside Dhaka. Though

Forecasts show us positive data; they should cut down their expenditures.

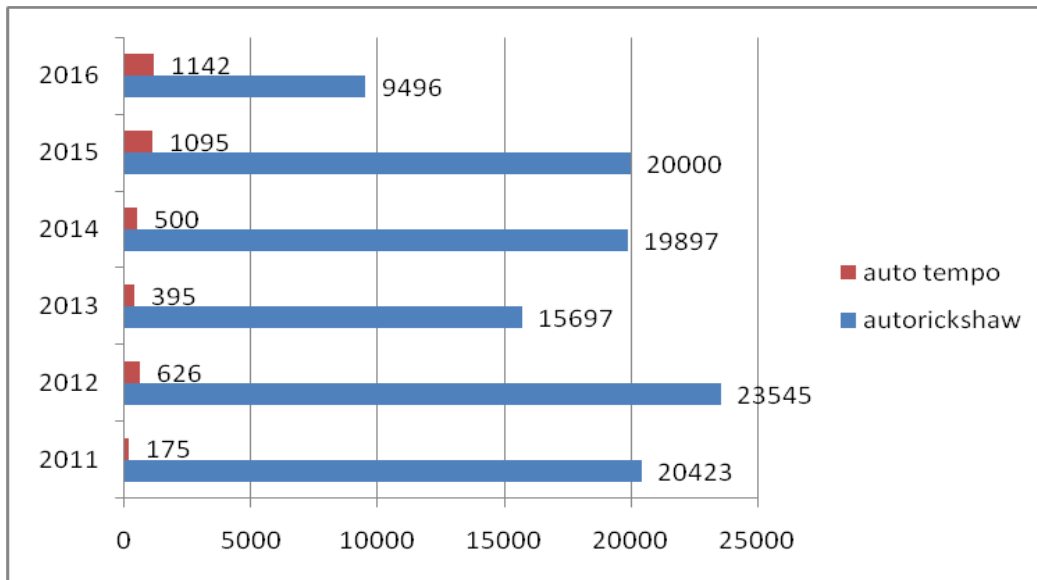
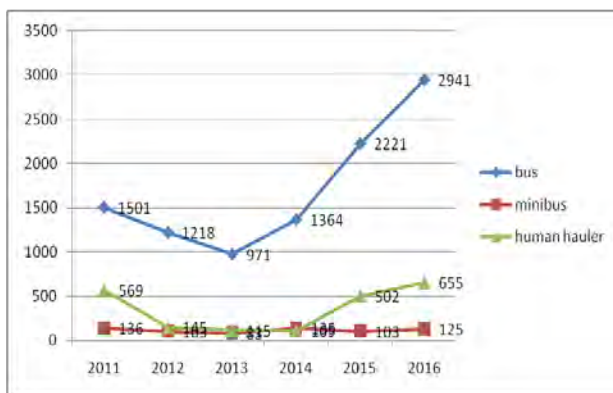


Figure: 2.4.27 a trend analysis of light commercial vehicles



In passenger segment bus is the most profitable fragment. Bus assembling is very common now in Bangladesh. The progress is upward moving. Inside Dhaka for narrow roads human hauler is better than mini bus. Study showed us already human haulers are getting more and more familiar. From the trend analysis we can see after 2014 the sale boost very rapidly. There was a political crisis in 2014, which pull back the market.

Figure: 2.4.28 trend analyses for passenger vehicles

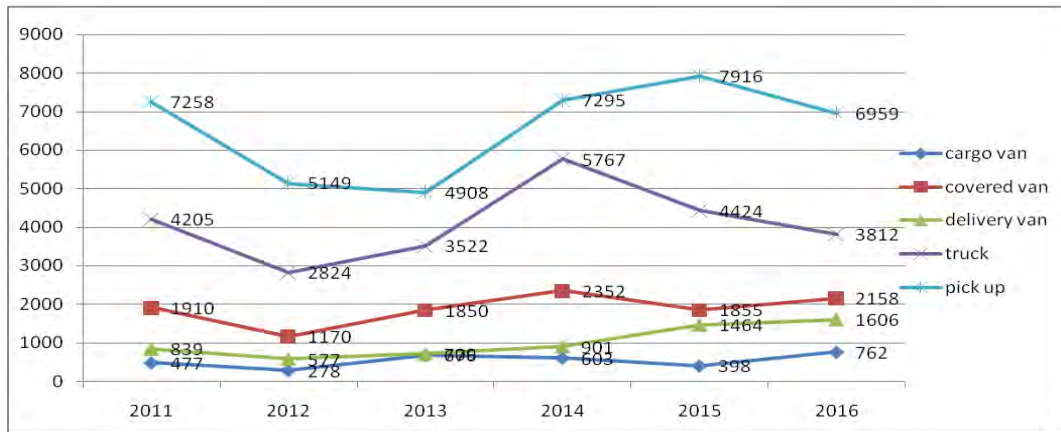


Figure: 2.4.29 trend analysis for freight segment

In freight carrier segment the most profitable two SBUs are pick up and truck. The number sold for these two vehicles are much higher than covered van, delivery van and cargo.

Trucks market can be classified as light, medium and heavy based on their dimensions and load capacity. Heavy trucks market is solely dependent on the industrial progress in a country as it is used in carrying the raw materials for the industries as well as the finished goods from manufacturing location to its intended market as the next two years there will be no political crisis so hope the market demand will be positive.

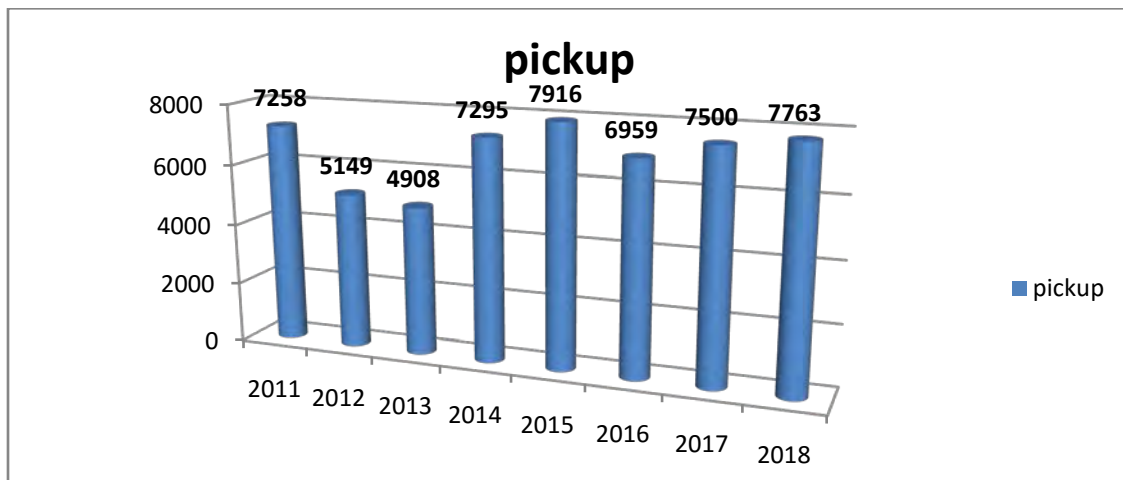


Figure: 2.4.30 trend analysis for pickup

Forecast shows that demand for the pickup market will increase more next couple of years. So return will be good if any company wants to invest.

2.5 Conclusion and Recommendation:

Conclusion:

For the past few years, automotive leaders and observers have witnessed an industry in threat. A slowing global economy, coupled with declining consumer confidence, has translated into dismal new car sales in most markets. It has an impact in our country as well. But the fall has masked many outstanding industry advancements. Standards of quality and productivity, for example, have been raised without a corresponding increase in price. Vehicles today are safer, more fuel efficient, and more technically advanced than ever. And, the automotive workplace has evolved from an image of “dark, dirty and dangerous” to an environment of high skills, advanced technologies, and dynamic change.

In today’s world, the success of a city depends on its economy, which in turn is dependent on the infrastructure, among other things. The importance of the infrastructure can be particularly felt by the citizens of Dhaka in its traffic system, as its congestion reminds us of how important it is to have a good transport system. The increase in raw material prices is one of the biggest hurdles for commercial vehicles industry wherein the soaring iron and steel prices are compelling the truck manufacturers to increase prices of their final product. The economically volatile environment and unstable crude oil prices are restraining fleet owners (the consumers for truck industry) to purchase new trucks. Poor road infrastructure of our countries has been a prevailing challenge for the commercial manufacturing market which is making the vehicle activities exhausting and flat to frequent breakdowns. The commercial automobile manufacturers have been increasing the number of their service stations in order to build customer relationships which are to a great degree dependent on servicing facilities provided by the companies.

Recommendation:

My recommendation is, for light commercial vehicle they should focus more on auto tempo. Those vehicles might be very useful for outside of Dhaka city to carry small supplies like vegetables to move from one place to another. Though inside Dhaka registration of both auto rickshaw and auto tempo is banned, companies like Bajaj autos and TVS should focus on megacity or district adjacent to Dhaka like Gazipur, Narayanganj, munshiganj to grab the market for auto rickshaw.

For passenger vehicle segment companies should focus on human hauler as the vehicle is small in size perfect for Dhaka city to save some time to move one place to another. You just have to pay one lac thirty thousand taka as down payment to get a human hauler which is cheaper than the minibus. That's another reason the market for human hauler is increasing. For moving near the megacity I would suggest bus is better than minibus as it can carry more passengers.

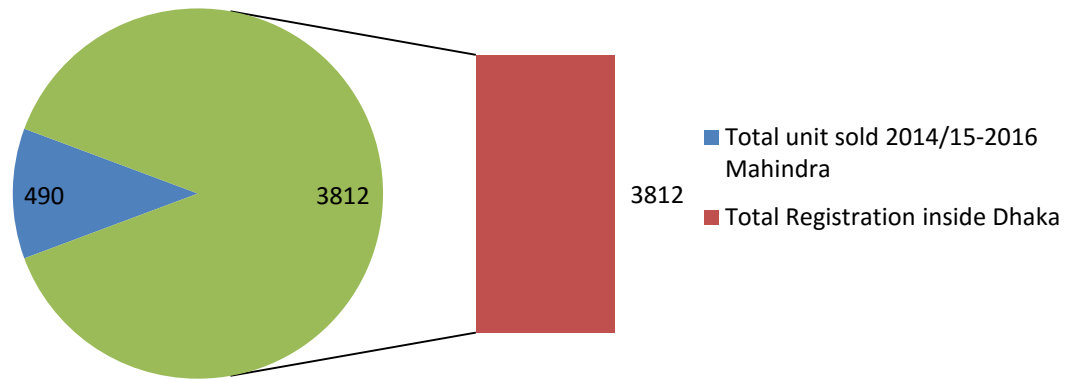
In freight and goods carrier segment both trucks and pickups are profitable sector. For size truck is better outside Dhaka. Mostly companies like Tata motors and Mahindra emphasis on dealer based sales to grab truck market. Tata motors already have their sales team at thana level in almost all the big cities. The market will be upward moving for at least 2019. Some of the major players in manufacturing market include Doengfeng, TATA Motors, Mahindra, Eicher, Ashok Leyland, BAIC and MAN already took the truck market.

Pickups are the most profitable and trend is high in freight carrier segment. People can use it as private vehicles and to carry commodities same time. So I think still possible to get high return on this segment. Between truck and pickup I would suggest to be focused on pickup more for the next two years.

Appendix

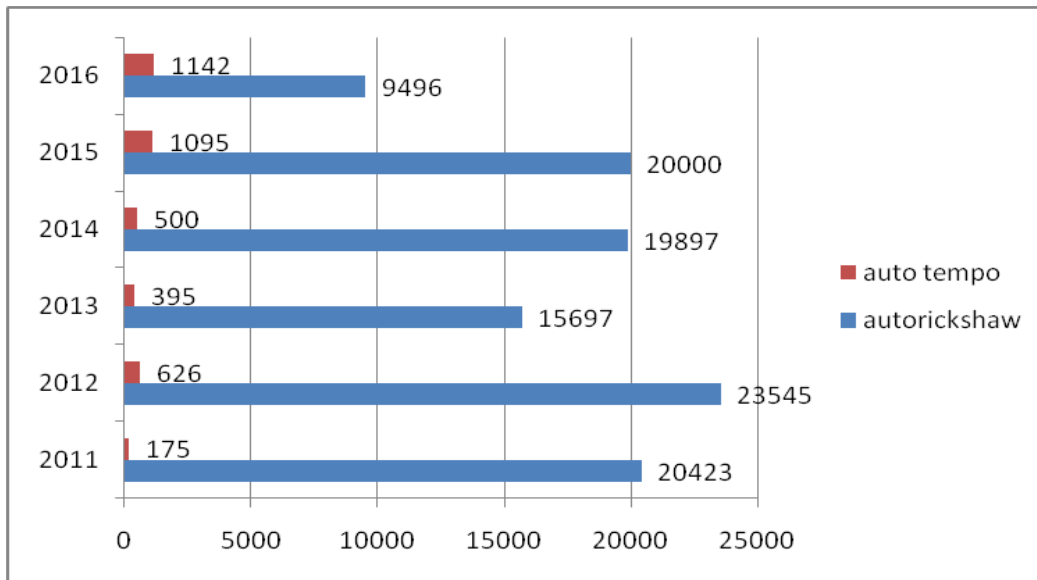
NUMBER OF REGISTERED MOTOR VEHICLES IN DHAKA (YEARWISE)								
Type of Vehicles	Upto-	2011	2012	2013	2014	2015	31-Oct-	Grand Total
	2010						16	
Ambulance	1374	137	114	190	254	358	250	2677
Auto Rickshaw	7664	112	111	60	56	428	561	8992
Auto Tempo	1662	1	1	0	0	0	0	1664
Bus	16783	1501	1218	971	1364	2221	2941	26999
Cargo Van	3231	477	278	676	603	398	762	6425
Covered Van	4277	1910	1170	1850	2352	1855	2158	15572
Delivery Van	11990	839	577	709	901	1464	1606	18086
Human Hauler	2718	569	145	115	109	502	655	4813
Jeep(Hard/Soft)	19520	1698	1241	1107	1582	3109	3639	31896
Microbus	46202	3540	2643	2227	3842	4569	4492	67515
Minibus	9490	136	103	83	135	103	125	10175
Motor Cycle	210081	34708	32810	26331	32894	46764	43977	427565
Pick Up	20481	7258	5149	4908	7295	7916	6959	59966
(Double/Single Cabin)								
Private Passenger Car	163004	11423	8187	9231	12972	18422	15304	238543
Special Purpose Vehicle	759	60	28	78	50	66	178	1219
Tanker	817	152	90	136	163	146	158	1662
Taxicab	36011	52	43	4	302	54	2	36468
Tractor	9923	4169	2841	1634	1443	1637	2061	23708
Truck	26922	4205	2824	3522	5767	4424	3812	51476
Others	168	0	0	660	967	1307	1945	5047
TOTAL	593077	72947	59573	54492	73051	95743	91585	1040468

Number of vehicles been registered in Dhaka BRTA in 2016 and unit sold in Mahindra



Number of vehicles been registered in Dhaka BRTA in 2016 and unit sold in Mahindra

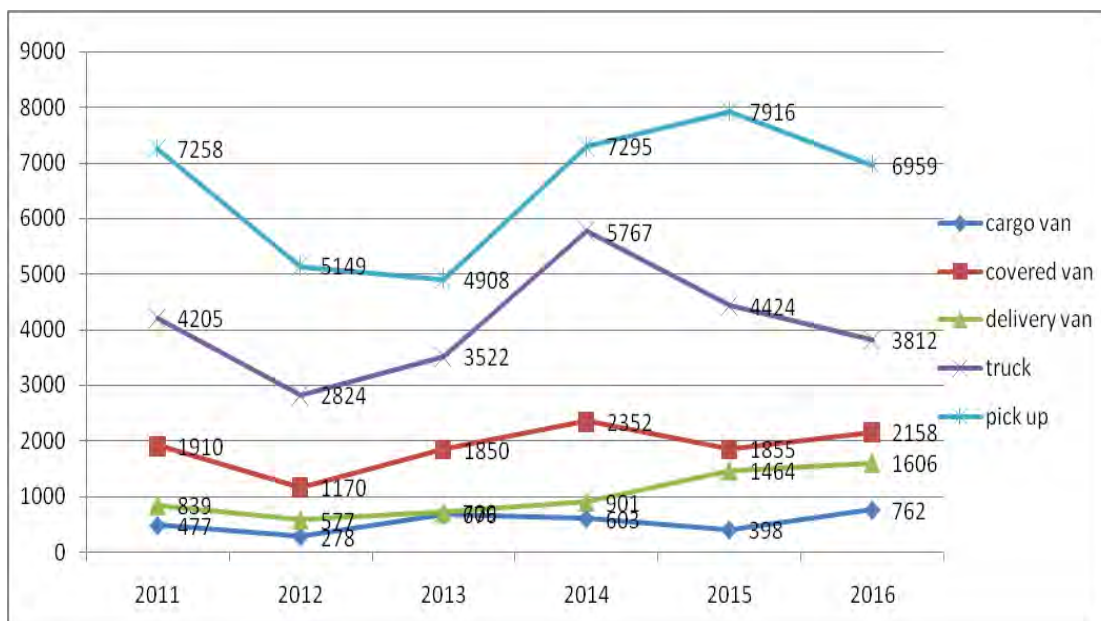
year	Auto Rickshaw	Auto Tempo
2011	20423	175
2012	23545	626
2013	15697	395
2014	19897	500
2015	20000	1095
2016	9496	1142



year	Bus	Mini Bus	Human Hauler
2011	1501	136	569
2012	1218	103	145
2013	971	83	115
2014	1364	135	109
2015	2221	103	502
2016	2941	125	655

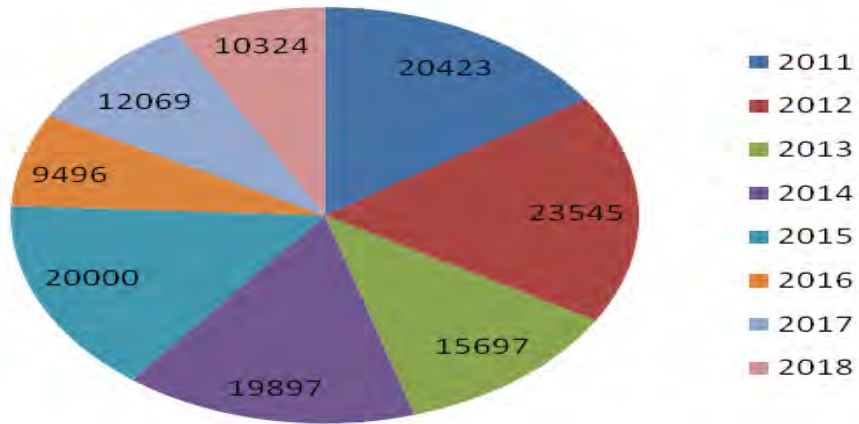


Year	Cargo Van	Covered Van	Delivery Van	Truck	Pick up
2011	477	1910	839	4205	7258
2012	278	1170	577	2824	5149
2013	676	1850	709	3522	4908
2014	603	2352	901	5767	7295
2015	398	1855	1464	4424	7916
2016	762	2158	1606	3812	6959

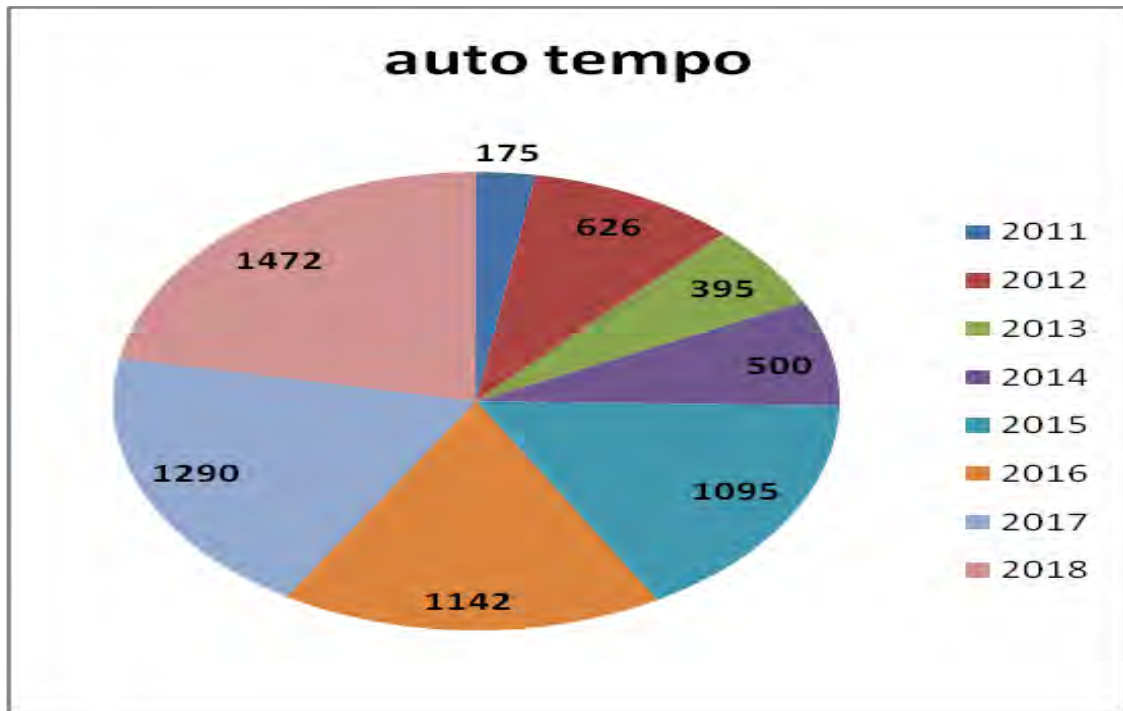


Years	Auto Rickshaw
2011	20423
2012	23545
2013	15697
2014	19897
2015	20000
2016	9496
2017	12069
2018	10324

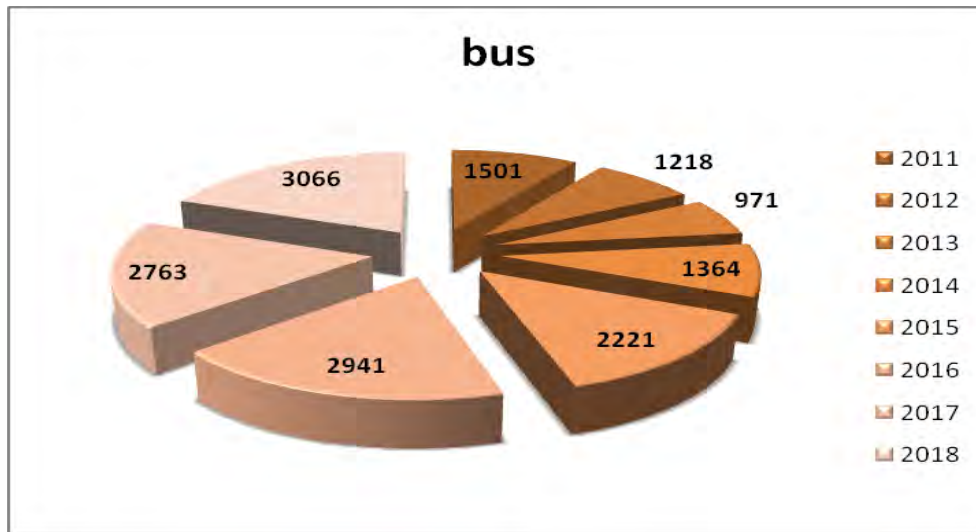
auto rickshaw



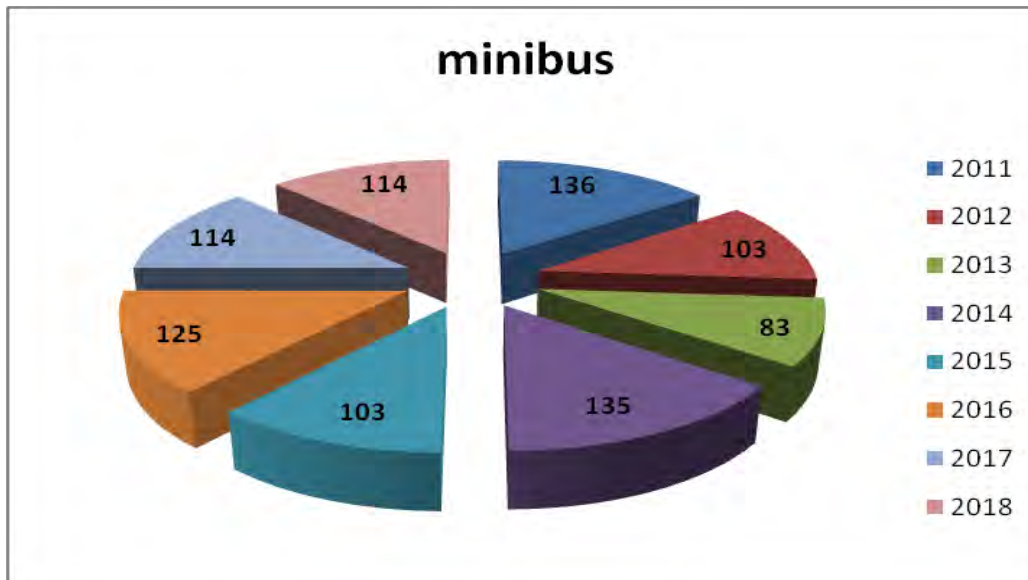
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2012	626
2013	395
2014	500
2015	1095
2016	1142
2017	1290
2018	1472



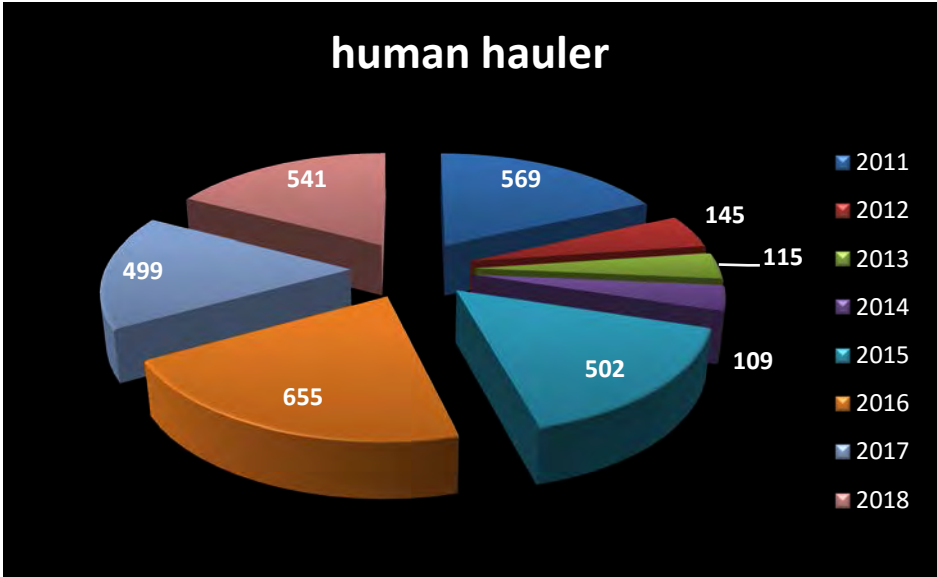
Years	Bus
2011	1501
2012	1218
2013	971
2014	1364
2015	2221
2016	2941
2017	2763
2018	3066



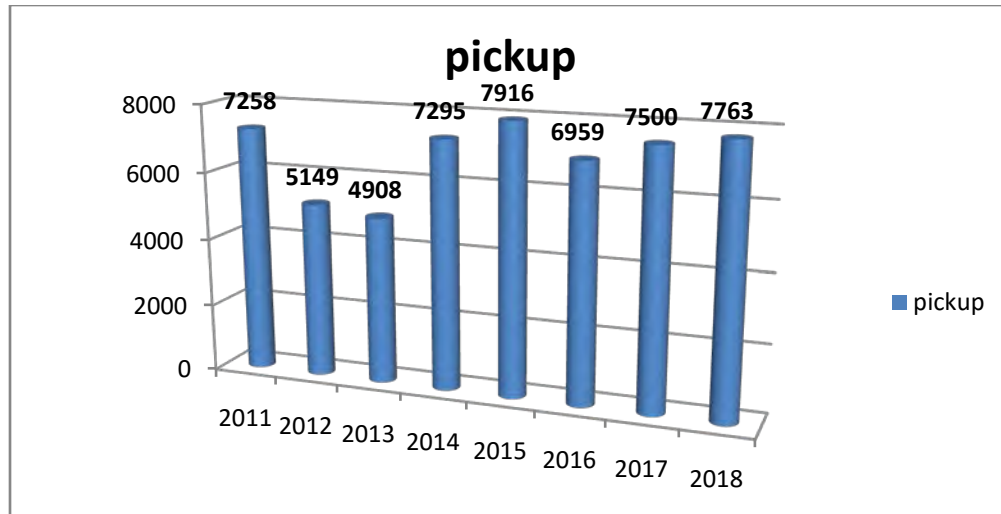
Years	Mini Bus
2011	136
2012	103
2013	83
2014	135
2015	103
2016	125
2017	114
2018	114



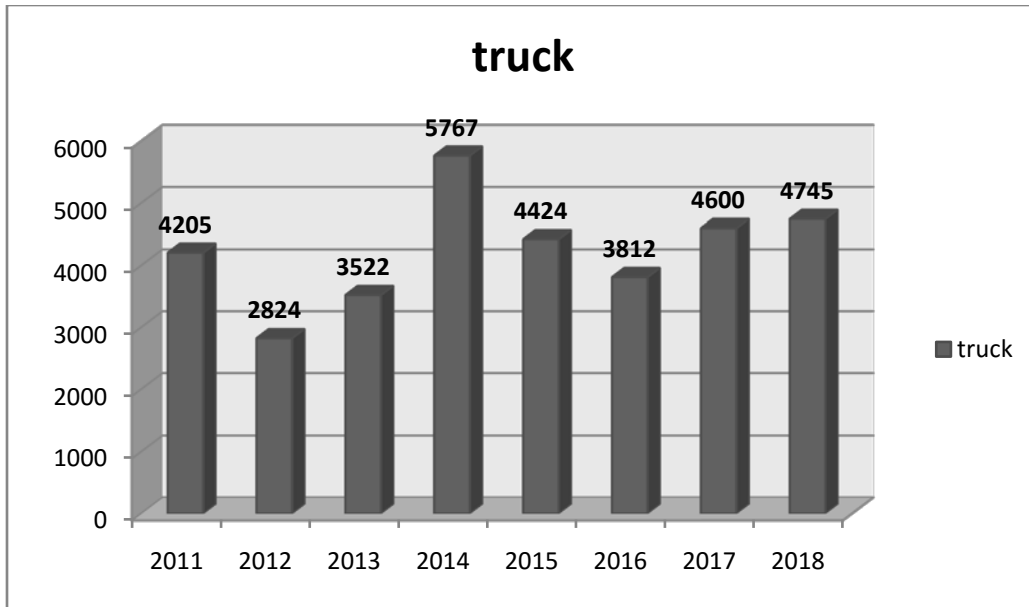
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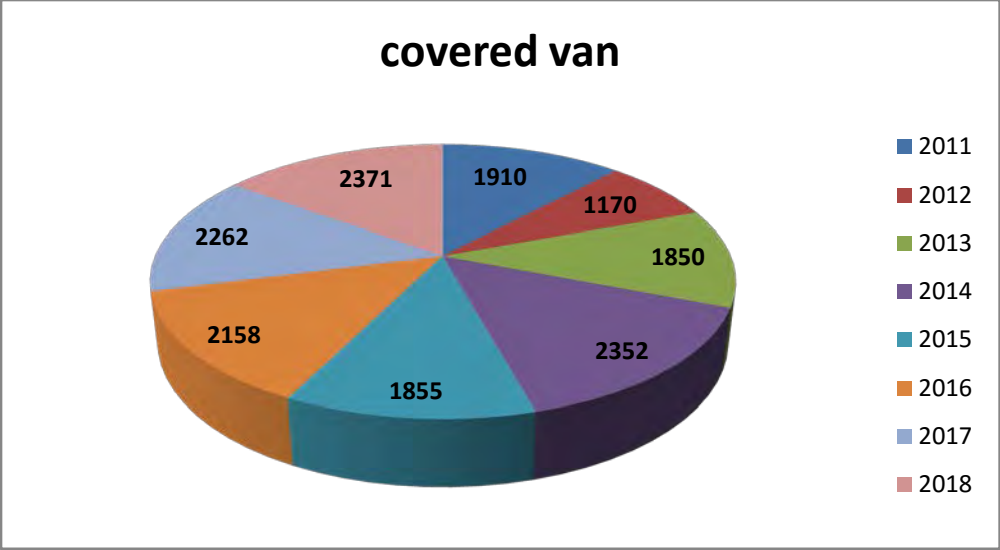
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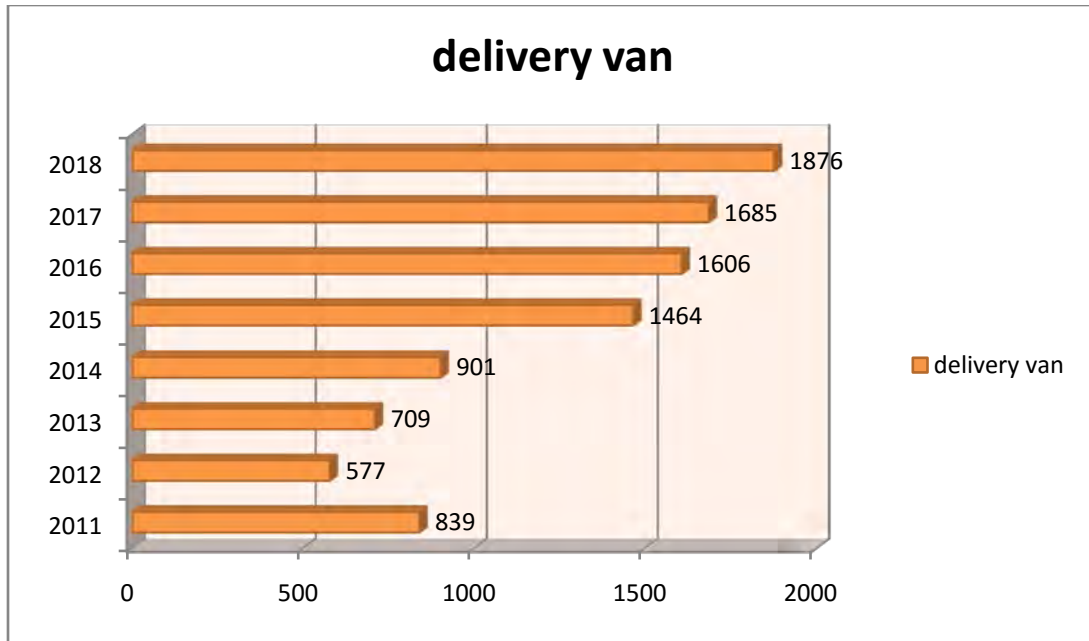
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2012	2824
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2015	4424
2016	3812
2017	4600
2018	4745



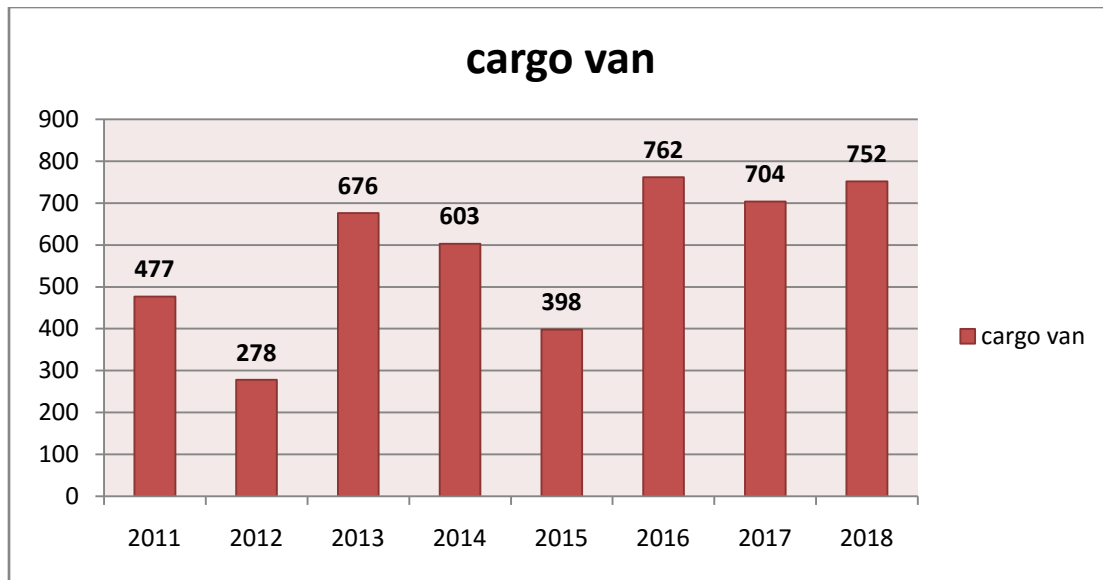
Years	Covered Van
2011	1910
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2013	1850
2014	2352
2015	1855
2016	2158
2017	2262
2018	2371



Years	Delivery van sales each year
2011	839
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2016	1606
2017	1685
2018	1876



Years	Cargo sales each year
2011	839
2012	577
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