Home spending up Tk 122 cr

STAFF CORRESPONDENT

The finance minister has proposed an allocation of Tk 1,791 crore for the home ministry in the new budget, up by Tk 122 crore compared to the original budget of the last fiscal. The minister in his budget

speech also proposed to increase the government contribution to the monthly salaries of union council 'dafadars' and 'mahalladars' and raise them from Tk 350 and Tk 500 to Tk 500 and Tk 700 respectively.

He said the government has attached top priority to the improvement of law and order and building a society free from terror.

Despite resource constraints, the minister said, the government has already increased allowances for police personnel, aiming to encourage them to work with a greater sense of dedication.

In addition, the number of persons enjoying family ration has been substantially increased. This year an armed battalion was raised

98 up, 40 down

STAFF CORRESPONDENT

The tax and duty structure proposed for the fiscal 2003-2004 will up the prices of at least 98 items, but reduce prices of 40 others.

In his budget speech yesterday, Finance and Planning Minister M Saifur Rahman proposed increased customs duty on 16 items and reduced duty on 36 items. He also proposed reduction of supplementary duties on eight items, but increase on 84 items.

The major items on which supplementary duties have been increased are fish like ruhi, katla, mrigel, pangash, and carps; powdered milk; butter, cheese and curd; dates (excluding wrapped/canned), fresh and dried mango, oranges, lemons, grapes, apples and other (excluding wrapped/canned); refined coconut oil, sugar (raw sugar); sweet biscuits, waffles and wafers; soya sauce, tomato ketchup and similar goods; soft drinks; nonalcoholic beer; cigar, and cheroots; salt; Portland cement; fly ash naptha: soap noodles: paints and varnish; matches, bathroom fittings; particle board, fibre board and plywood; carpet and floor covering mat; cotton, T-shirt, trousers; sports footwear with outer soles of rubber plastic, leather and composition of leather and upper leather: marble stone; glass mirror; iron or non-alloy steel made circular cross section; bicycle chain and parts; sanitaryware fan and fan narts air conditioner. refrigerator and freezer: drv cell batterv: radio cassette player; pocket size radio cassette

player; different types of two-in-one;

and 5,813 new posts were created, he added.

He said steps have been taken to arm the police with modern weapons and to provide them with appropriate training. They will also be provided with an increased number of vehicles.

Accommodation problem of the police is also being resolved and in the 2002-03 fiscal, two new battalions of the Bangladesh Rifles were raised, he added. He said the Operation Clean

Heart launched last year was widely acclaimed and it boosted the confidence of the people The minister said the Rapid Trial

Tribunal has been set up for quick dispensation of cases relating to murder, rape, possession and use of drugs, illegal arms and explo-In addition, monitoring cells have

been created at national and district levels to review the progress of serious and sensational cases.

colour television; two-stroke moto

The major items on which sup-

plementary duties have been

reduced include food preparation

containing alcohol exceeding 0.5

per cent, beer, whiskies. rum, ain

vodka, liqueurs and wines, jet fuel,

toms duties have been reduced are

refined palm oil, hose pipe, surgical

pearls, diamond or other precious

stones, nipple, pump without hand

pump, vehicle pump and agricul-

tural pumps, water filter used in

home and industry, furniture bases

and different types of dental fittings

artificial parts and joints, raw materi-

toms duties have been increased

are raw sugar, fly ash, industrial

petroleum bitumen, polyester yarn,

colour as well as black and white

television and CNG-operated four-

stroke autorickshaw.

The major items on which cus-

als for agro-processing industry.

gloves, wool, unworked jams

The major items on which cus-

kerosene, diesel and furnace oil.

cycle and bicycle.

Less customs duty for safe drinking water

STAFF CORREPONDENT

Saifur Rahman has proposed to reduce customs duty on domestic water filters and industrial water treatment plants from current 22.5 per cent to 7.5 per cent

"This measure will partly meet the demand for safe drinking water at a fair price." he said.

Current customs duty on different water pumps are 0%, 7.5%, 15% and 22.5%. Due to existence of more than one rate. false customs declaration is possible.

Considering this, Saifur probosed a flat 7.5 per cent customs duty on all water pumps except rrigation pumps and hand pumps. For irrigation pumps, the 'zero' rate will continue.

Capital market

FROM PAGE 12 tutions to be fixed at 45 per cent."

However, if a listed company fails to declare at least 10 per cent dividend or declines to distribute the declared dividend within the time

limit specified by the Securities and Exchange Commission, it will pay tax at the rate of 37.5 per cent, the finance minister said.

According to the existing tax laws, shareholders are to pay tax on the dividend they receive. "I think they would feel more encouraged to invest in the capital market if dividend is made tax-free in the hands of the shareholders. I, therefore, propose to make dividend tax-free in the hands of the recipient. Simultaneously, I propose to impose dividend distribution tax at the rate of 10 per cent on the companies giving dividend," the finance minister said.

AL suit

FROM PAGE 1

Jalil appeared before the court on the same day and got bail. In his letter to the prime minister, the AL general secretary urged the government to replace Chowdhury with an acceptable candidate for the position of OIC general secretary.

hearing on charge framing against

Prime Minister's Parliamentary

Affairs Adviser Salauddin Quader

Chowdhury, MP, filed the case with

the Chief Metropolitan Magistrate's

the accused.

SQ Chy's case Health sector FROM PAGE 1 Mohammad Ayub transferred the

FROM PAGE 12 case to Metropolitan Magistrate The budget also proposed the gradual Mohammad Shafiq Anwar through filling up of vacant posts in the health an order. Anwar yesterday fixed July 22 for

Already 527 doctors have been appointed and another 1,733 will be

recruited soon, the minister said. Besides. 1.500 nurses. 3.000 ealth assistants and 632 medical technologists will be recruited, Rahman added.

Rahman also said the government Court, Dhaka on Wednesday, has already substantially increased accusing Jalil of making defamatory the number of beds in various hospicomments about him in a letter and the two editors of publishing the tals and have provided medical appli ances and 173 ambulances. letter on June 3. He also proposed to increase the Magistrate Mohammad Emdadul grants-in-aid to the listed private sector Hag granted bail to the accused hospitals to 55 cores in the current Wednesday afternoon. fiscal Immediately after filing of the Meanwhile, construction work of case, Chowdhury along with ruling the new Ziaur Rahman Medical party lawmaker Nasiruddin Ahmed College and the hospital with an Pintu and a host of BNP leaders and additional 500-bed has started. workers demanded issuance of Initiative has been taken for constructwarrants for their arrest. ing a second unit of Dhaka Medical The court said it would give order College and Hospital with 600 more upon reviewing relevant documents and statement of the plaintiff. At this stage, Chowdhury's

Mixed bag on budget

impact on the economy

would fail

by the DCCI.

ment of the DCCI yesterday.

However, the statement said

enhancement of customs and supple-

mentary duties on new environment-

friendly vehicles, taxicabs, buses,

three-wheelers, motorcycles and

bicycles would leave a negative

It said if wastes and abuses of the

Exemption of taxes from the tex-

Bangladesh Chamber of Industries

(BCI) appreciated the proposed

budget for raising the subsidy on

agriculture to Tk 300 crore, allocating

Tk 345 crores in micro-credit projects

Chairman of Dhaka Stock

and increasing the allocation for

Exchange Ltd Ahmed Igbal Hasan

hailed tax exemption from dividend

income and increase in the gap

between listed and non-listed compa-

aged with these incentives." he added

Dealers Association (BARVIDA),

Abdul Mannan Chowdhury, said

submitting income tax returns," he

Traders Association applauded the

proposed budget for reducing duty on

raw materials used for making frames

Bangladesh Optical Industries and

modernising the police force.

nies to 7.5 per cent.

would benefit investors.

added.

tiles, readymade garment (RMG) and

agro-based sectors were also hailed

NEWS

FROM PAGE 1 Referring to the finance minister's public statement that the government has to spend around Tk 10 crore for constructing a kilometer of road against the actual cost of Tk two crore, the BEA president said it was very essential to improve the quality of expenditure.

However, the BEA president hailed government's revenue expenditure the proposed measures like export could not be checked, the process of diversification and highest allocation domestic resources mobilisation for the education sector.

Professor Muzaffar Ahmed of Dhaka University said the finance minister has cut allocation at the primary level of education and the allocation proposed for the health sector would be eaten up by inflation.

Proper evaluation of the projects worth Tk14, 000 crore of the ADP may be questioned because these were approved at the National Economic Council (NEC) in a day, he said adding that if these were not properly evaluated, the quality of ADP expenditure would be affected.

"I think this budget reflects Saifur Rahman's shift from his free trade inclination to a degree of protection. This time the pendulum swings towards more of import substitution. This is a clear policy reversal from the previous de-industrialization policy persuaded in the 90s," he added.

However, he said more emphasis on and fund allocation for the agriculture sector is a positive aspect of the proposed budget.

President of Bangladesh Agro-Processors' Association (BAPA) Amjad Khan Chowdhury termed the proposed budget a pragmatic and development-oriented one with a strong overtone of self-reliance.

The impetus to value added agrobased industry has been maintained somewhat and some of the measures announced in this connection are commendable and will stimulate employment generation in the largest and most important agriculture sector and agro-based industry, he said in a statement.

export-oriented. Exports, however, can take place only if certain cardinal objectives are achieved, the most BAPAleadermentioned.

ence to the budget speech would not reveal that most of the major impediments to growth of agro-based industries have been addressed in it.

Commerce and Industry (DCCI) appreciated the proposal for imposition of supplementary duties on certain import items in the proposed budget.

substituting industries," said a state-

Hartal sans violence

shutters down but many wayside central office at the Bangabandhu shops remained open.

Avenue in the morning and used A good number of buses and water cannons to disperse female auto-rickshaws plied during the activists of the party near the Rushartal period but rickshaws moved sell Square at Dhanmondi. The as usual. No inter-city buses operfemale activists tried to bring out a

Abdullahpur in Natore.

hartal.

government.

some of them.

and meat.

passenger launches left and arrived

Dhaka, hartal supporters removed

some fish plates from rail tracks at

operated normally despite the

front of the party central office, city

AL leaders called for launching a

resolute movement against the

'repressive' four-party coalition

answer to people for the killing of

and repression on opposition activ-

ists, they said referring to the mur-

der of former AL lawmaker Mamtaz

Engine revs for high growth

VAT collection institution and with

that in view, Saifur has proposed a

string of reforms. Establishing new

VAT commissionerates and amend-

ments to VAT Act and Rules are

good package. Other than raising

direct agriculture subsidy from this

fiscal's Tk 200 crore to Tk 300 crore.

tax exemption on agriculture activi-

ties has been proposed to be

extended for another year. Fisheries

and livestock sector also got boosts

in the form of exemption of

advanced income tax. For agro-

processing industries, VAT has

been proposed to be exempted on

items like rice, pulses, wheat, spices

some relief with proposal to raise

income tax exemption limit to Tk

hitch the index on a bull-run, consid-

ering the proposals. Saifur once

again used his enticement of mak-

ing black money white by allowing

investment in securities till 2005

without any questions asked. The

corporate tax difference between

listed and non-listed companies has

also been proposed to widen to 7.5

made some moves towards a lower

interest-rate regime. Apart from

explaining that lending rates will

come down with the reforms in the

The finance minister has also

90,000 from Tk 75,000.

per cent from 5 per cent.

The low-income group will have

The capital market will want to

For agriculture he also has a

The alliance rulers have to

The Zia International Airport

Meanwhile, addressing a rally in

According to a report received in

at Sadarghat terminal as usual.

Studies (BIDS) and known for his propoor views, said pro-poor policy measures were not good enough although it was supposed to be as per

the PRSP. He said the budget lacks clear announcement to increase assets for the poor although it said lion share (one-third) of annual development programme (ADP) would go to poverty alleviation projects.

"But, there was no clear-cut explanation in this regard," he said, voicing concern whether expenditure like salaries for teachers were included in the human development expenditure.

(GDP) for education. Bangladesh's He said the budget estimated current spending stands at a little over GDP growth at 5.5 per cent against a required 7 per cent per year as envisaged in the poverty reduction strategy. "At this rate, it's not possible to achieve the millennium goal to reduce poverty by half by 2015," he added

"These are investment-friendly steps and investors will be encour-10pc DA President of the Bangladesh FROM PAGE 12

Reconditioned Vehicles Importers and poverty reduction and good governance, the government is going for administrative reforms to introduce allowing the use of three-year-old a modern system of administration reconditioned vehicles as taxicabs responsive to the needs of the with duty facility in the next fiscal year people, he said.

Saifur pointed out the govern-"But it's essential to introduce ment has already implemented depreciation policy in fixing import duty some recommendations of the because if the import duty is not con-Public Administration Reforms sistent to the actual price value, it will Commission and steps are undercreate problems for both the buyers way to implement the rest. and sellers in giving VAT and also

He gave assurance that the government would refix on a rational basis the pay and allowances of the government employees.

RMG, textile

FROM PAGE 12 at 20 per cent for the period up to June 30,2006.

He said that by the year 2005 the facility of export quota will be withdrawn and as a result of this exporters are going to face a tougher competition than before.

"In view of the seriousness of the matter, I propose to reduce the corporate rate of income tax for readymade garments industries." he said.

"New entrepreneurs are coming forward in different levels of the textile sector including spinning, weaving of fabrics, dyeing, printing and finishing.

"The government has already taken up various programmes for continuous development of the textile industry.

They came down heavily on

Salauddin Quader Chowdhury,

nominated for the post of Secretary

General of the Organisation of

Education

resources and Tk 1,052.12 crore from

curved down to Tk 1,716 crore from

local resources and Tk 836 from

was 12.89 per cent in 2001-02, 12.87

per cent in 2000-01 and 12.01 per cent

recommended for spending at least 6

per cent of the gross domestic product

the quality of primary education.

the worry of crowding out effect on

private credit. From the revised Tk

1.501 crore, this is projected to go up to

Tk 2,603 crore, a straight 73.41 per

to break out in a big way, fuelling

And all this because Saifur wanted

The proposed ADP he had earlier

The proposed budget envisages

declared is Tk 20,300 crore or an

18.71 per cent increase from the

Tk 36,171 crore in revenue receipts,

which is projected to be 16.2 per cent

higher than the revised figure of this

projected tax revenue receipts. This

figure however is embroiled in some

In his budget speech, Saifur said,

We have to give more emphasis on

internal revenue mobilisation, the

main sources thereof being customs

duty. VAT and income tax. Adherence

to WTO principles may lead to shrink

age of revenue from this source in the

near future. So, our dependence on

income tax an VAT is increasing day by

day. This is why more emphasis has

been laid on expansion of income tax

Saifur's self-contradictions.

revised ADP of the current fiscal.

The UNESCO and Unicef have

In the revised ADP, the allocation

The allocation in ADP for education

FROM PAGE 12

project aid

project aid.

n 1999-2000.

he said

FROM PAGE 1

centjump.

growth.

support the programme. The govern fiscal is Tk 2.950.12 crore or 15.37 per ment will match the support with US\$ cent, which came down to 15 per cent 124.6 crore. in the revised ADP. Of the amount. Tk 1.898 crore come from domestic

DHAKA FRIDAY JUNE 13, 2003

The reduced allocation will not allow the alliance government pay 100 per cent benefit to non-government teachers and will force it to renege on the election commitment, educationists said.

The teachers currently get 90 per cent benefit from the government.

Saifur, however, proposed to raise the fund for pension benefits for teachers and employees of MPO-listed educational institutions. "To raise the fund to Taka 100 crore, I propose to allocate Tk 40 crore in the current year's revised budget and the rest in

2 per cent of GDP for the sector. the budget for the next year," he said. The allocation for the sector has been shrinking since the country's He said the BNP government independence. Allocation for educaduring its previous tenure had decided tion was 21.14 per cent in fiscal 1972to build up a Tk 100 crore fund and as a

first step contributed Tk 29 crore to it. The finance minister said the But the past Awami League govgovernment was going to take up a ernment did not allocate any money to programme approach-based action plan over a six-year period to improve the fund, Saifur alleged.

Educationists expressed dissatis-"We have received tremendous faction over drop in the education support from our development partbudget

ners towards our commitment in the "We are not happy as the allocation development of primary education, is not adequate to raise the standard of He said 11 development partners would provide US\$ 61.9 crore to

education," said noted educationist Prof Serajul Islam Chowdhury.

Foreign financing

includes Tk 700 crore earmarked for dearness allowance for public employees

Interest payment obligation also ncreased by 15.47 per cent to Tk 6.437 crore in the proposed budget from this fiscal's revised Tk 5,574 crore. Although interest on foreign loans will have little increase of 1.98 per cent, domestic loan interest will account for 18 per cent of the ncrease. Interest payment will eat up 21 per cent of the proposed revenue budget, which earlier was

18.46 per cent. The proposed budget envisages fiscal. This includes Tk 29,071 crore in Tk 63 crore less subsidy from the revised budget to Tk 1,400 crore. The revised subsidy is however Tk

236 crore higher than the actual figure Pav and allowances are proposed to increase by 3.02 per cent to Tk 7,502 crore. This head will

account for the biggest chunk of the proposed revenue outlay -- 26 per cent. A big improvement in this regard is visible as last year the figure was 29.29 per cent. Non-development and development budget together, education

and VAT in the budget." But the finance minister's proposed and information technology will top revenue receipt dissection shows the contenders of resoruces with 14 contribution of VAT to internal resource per cent share. Interest payment mobilisation will go down by 12 per-. comes second with 12 per cent. centage points this fiscal to 33 per cent transport and communication third and income tax will go down by three with 11 per cent and local governpercentage points to 19 per cent. ment and rural development fourth On the other hand, although the with 9 per cent.

share of import duty has been proposed to shrink by four percentage points to 27 per cent, supply duty, at the top with 20 per cent share of which also comes from import activi ties, will chip in another 18 per cent. Block allocation has been pro-

ment and rural development (18 per cent), education (13 per cent), posed at Tk 1.967, a big 247 per cent agriculture (9 per cent) and health (7 ncrease from this fiscal's revised figure of Tk 566 crore. This allocation per cent)

"It will help protect local import-

of spectacles. "To get the benefits of wealth UNB adds: The proposed budget for fiscal 2003-04 has failed to declare creation, value added agro-based industries must eventually become a much-needed crusade against corruption and terrorism, eminent economist DrAtiur Rahman said. "The budget should have waged a important being competitiveness." the war against terrorism and corruption.

Chowdhury said a cursory refer-

The Dhaka Chamber of

Bangladesh Institute of Development

But there was no such announcement," he said in an instant reaction. Atiur said there were many mea-

sures in the budget to move in the right direction for areas like agriculture. agro-processing industry, information

technology, share market, women empowerment, environment, rationalisation of taxation and tax administration. But, he said, "Everything depends

on good governance. Dr Atiur, a senior research fellow of

Defence funding

FROM PAGE 12

Tk 3,538 crore -- on receipt of Tk 457 crore from the United Nations for the service rendered by our armed forces as peacekeepers abroad and use of their military equipment

Lauding the role and contribution of the armed forces, the minister said, "Our armed forces have made their mark in international peace keeping missions."

He said the government was committed to develop the armed forces into a modern fighting force.

Energy FROM PAGE 12

The proven reserve of natural gas in Bangladesh is about 16 TCF (trillion cubic feet), Saifur quoted from the latest data. With 50 per cent likelihood, unconfirmed reserve of gas would amount to 42 TCF, he said in his budget speech in the Jatiya Sangsad.

Based on actual data and considering public interest, the government has taken pragmatic steps to ensure the best use of natural gas, which meets 70 per cent of the total commercial demand for energy, he said.

The government has adopted a draft of reform programmes to accelerate long-term development of the energy and gas sector, encourage private investment and protect consumers' interest and the environment as well, he mentioned.

As part of the reform process, the House enacted the National Energy Regulatory Commission Act, 2003, he said.

The minister told the Sangsad that a number of power generation projects are at different stages of implementation and look set to generate an additional 1420MW electricity in the public sector.

"The government is, therefore, endeavouring to take power to the doorsteps of people by way of enhancing power generation capac-

ity, reforming the power generation and transmission system and installing transmission and distribution lines.'

As power generation, transmission and distribution are capitalintensive, steps have been taken to encourage private sector investment in sync with public sector investment and through joint ventures, he added

Middle class

FROM PAGE 12 he will have to spend an additional 10 per cent on chocolates.

Who doesn't want to see his child smiling with a toy in hand? But a few from the middle class families can afford it. If the father wants to go to unaffordable lengths, he will have to bear the newly introduced 75 per cent supplementary duty on toys to see his child all smiles.

Next comes the wife of Mozammel. One day, the wife will want to cook fish for the family but she will have to count an extra 20 per cent for the dish.

For spices, she will have to bear the newly introduced 25 per cent, for sugar 20 per cent and for salt 15 per cent. all additional.

However, she can save some money through buying palm oil, as its price will come down 25 per cent thanks to relaxed duty on import.

It's usual of any middle-class family to treat guests to tea or cold drinks or fruits. But the family has to stop thinking of serving cold drinks, as the soft drinks have a proposed increase of 10 per cent and refrigerators have a 15 per cent hike.

If the family plans to buy a television set, Mozammel will have to manage an additional 7.5 per cent. An electric fan is a must for fighting the summer heat and

Mozammel has to be ready to spend 5 per cent more The dream of buying an air-

conditioner has become too elusive since there is a proposal of a 10 per cent supplementary duty on airconditioners (CBU) and 5 per cent on non-assembled air-ones. Let alone buying cars, which have a 15 to 20 per cent increase CC-wise.

The family may have planned for a cell phone, but he will have to add k 500 to Tk 10,000 for a set. Mozammel runs the risk of being financially unfit in the days to come.

counsels and party workers created chaos, demanding immediate issuance of warrants. The court

later gave the orders On June 3, The Daily Star ran a story on Jalil's letter to the prime minister in which he requested her to withdraw the nomination of Chowdhury for the secretary general of the OIC

Thirteen other newspapers published either part or full text of the letter. But the defamation case was lodged only against the two newspapers.

lax return FROM PAGE 1

licence from any recognised body-including doctors, dentists, lawyers, chartered accountants, engineers and architects must also submit tax returns.

Besides, all members of the chambers of commerce and industries, trade associations, every person contesting in parliamentary, city corporation, pourashabha or union council election and bidders in any tender must also submit income tax returns.

In the proposed budget, pension ncome of non-resident Bangladeshis has been exempted like pension income of residents already enjoying tax exemption. The proposed central intelli-

gence, monitoring and audit cell at the NBR will gather data relating to taxes and analyse them.

It will help expand the tax base, ncrease efficiency of the tax officials and check tax evasion to a large extent, the finance minister said in his budget speech.

On the issue of individual tax rate, up to 90 thousand of total income has been exempted from income tax. The tax rate of four tiers (10,15,20 and 25 per cent) remains unchanged.

procession breaking through a police cordon

FROM PAGE 12

A large number of policemen including women police cordoned off the AL central office since the morning and put up barbed wire fencing to block the road.

Four women police constables were wounded as hartal supporters pelted stones on them at different points. Two of them were admitted to the police hospital while two others given first aid. Seriously iniured Razia Sultana was later shifted to the Combined Military Hospital.

During the hartal hours, government offices remained open but the presence of officials and employees was thin.

Private offices functioned partially. Shopping centres kept their

FROM PAGE 1

and survey firms in this purpose. A central intelligence, monitoring and audit cell will cross check tax, VAT and other information to find evasions.

Protection of import substitute industries was high on Saifur's agenda. The highest customs rate has been proposed to be reduced to 30 per cent from 32.5 per cent. To protect local industry, supplementary duty on finished and luxury products has been raised by 5 percentage points. Industry specific protective duties have also been proposed. For example, sugar industry and thereby sugar farmers will get a boost with the slapping of 40 per cent supplementary duty instead of 20.

Industries which make raw materials for export-oriented units will have something to rejoice in. The finance minister has proposed that policy may be taken to stop import of raw materials that are locally produced under bond sys-

Many of the small activities outside cities and towns now exempted from VAT will no longer be. VAT facility enjoyed by some smaller activities like biscuit and soap making will also be gone.

VAT will also spread its wing to many activities and products like auctioning of products, credit card subscription, soft drinks and bidi But these steps need a stronger

The rally was addressed by Train service to and from Abdur Razzak, Tofail Ahmed, Kamalapur station was normal and

Islamic Conference.

Uddin Ahmed in Natore.

Motia Chowdhury, Sultan Mohammad Mansur, Mohammad Hanif, Mostafa Jalal Mohiuddin Ahsanullah Master, Mofazzal Hossain Chowdhury Maya and Quamrul Islam.

Another pro-hartal rally was held at the Russell Square. It was addressed by Abdus Samad Azad, Obaidul Kader and Mukul Bose. The rally here also opposed the nomination of Salauddin Quader Chowdhury.

In Chittagong, the hartal passed off peacefully. However activities at the Chittagong Port were partially disrupted.

A report from Barisal said hartal was not observed there

Industries also got relaxation in

"I would like to reiterate our belief

that reform is indispensable for

poverty reduction for overall eco-

nomic progress of the country," is all

special area always neglected

before repair and maintenance of

Saifur has turned his eyes to a

"During the past regime, mainte-

nance of infrastructure has been

largely neglected which resulted in

huge damage to these infrastruc-

And he proposed a 48 per cent

In the end, Saifur has stressed

tures and reduced their durability,"

higher than this fiscal's allocation --

short of charting a specific and time-

bound plan of action.

Tk 1,557 crore -- for this purpose.

of the recipient and

restrictions on tax holiday

clear outline of actions.

he said

he said.

nfrastructure.

per cent, according to Bangladesh Economic Review 2003, released yesterday along with the budget documents

FROM PAGE 12

In his budget speech, the finance minister proposed extension of tax exemption facilities to all agricultural activities by another year, which means the agriculture sector would enjoy tax exemption up to June 30, 2006, instead of 2005

He also proposed withdrawal of VAT from locally produced and packed rice, pulses, wheat, maize, garlic, onion, chili, ginger, coriander seeds, vegetables, fresh fish and meat.

In order to further extend assistance to the agricultural sector, he proposed withdrawal of VAT on gypsum di-hydrate used as fertiliser and with pesticides for killing rats in grain fields.

The minister proposed to reduce banking sector, he has proposed to the customs duty on refined palm oil make dividend tax-free in the hands and set the tax incidence at 23.63 per cent. This will remove the existing tax anomaly between the refined soya bean and refined palm oil.

The minister also proposed to But on the down side, although reduce the tax incidence on wheat to Saifur shouted some blood-letting in 7.5 per cent, withdrawing advance two holy cows the state-owned income tax (AIT) and IDSC (infrastrucenterprises and the size of the ture development surcharge). government he did not make any

Saifur proposed to maintain the existing 'zero' rate of customs duty on agriculture, fisheries, poultry, dairy, life

Shahid and Whip Farouq Khan were

also present. Kibria said the provision for mandatory income tax return certificate submission for participants in the Union Parishad polls would hold back the wheel of democracy.

"After reading the proposed budget thoroughly, we will give our overall reaction to it in the presence of our leader Sheikh Hasina who is likely to return home on Saturday," he said.

the need for governance, improved he said the proposed budget was a law and order and elimination of 'document of the government's failure' corruption and vowed to implement The government has completely the outlines in the medium term failed to improve the law and order and strategy under the poverty reduction halt economic slide." strategy. Once again. he stopped

Expressing deep concern over the He said despite imposition of a burden of Tk 5,051 crore taxes on the people, the government would continue to claim that no tax was imposed. The government never acknowl-

Farm subsidy

saving drugs and allied instrument/equipment.

In the proposed development

budget, energy and transport come

resources followed by local govern-

The existing customs duty on agricultural equipment, irrigation pump, fertiliser, poultry equipment and few other items is zero. But for fish fry, breeding animal, poultry parent stock, seeds and certain types of fertilisers, a 6.5 per cent AIT and IDSC is there (applicable in case of import). In order to give support to such agriculturerelated sectors, the minister proposed to withdraw the AIT and IDSC.

To give necessary protection to the local sugar industry, he proposed to impose a 40 per cent supplementary duty on imported sugar instead of the existing 20 per cent.

There is ample production of mango, jackfruit, banana, papaya, perries, pineapple, melon and guava. Even then various types of fruits are imported through spending a huge amount of foreign currency. Considering this aspect, the finance minister proposed to increase the

supplementary duty from 30 per cent to 40 per cent on import of fruits. In the same manner, he proposed to impose a 25 per cent supplemen-

tary duty on import of spices like cardamom, 'daruchini', cloves, 'jeera', black pepper etc

Kibria on budget

Taking a swipe at the government,

free fall of law and order, Kibria said businessmen and industrialists were now busy in saving their lives, they had no time to concentrate on business

edges its failure in giving the economy a sound footing and thinks that closing down of the Adamjee Jute Mills is the

panacea for all woes, he said. He said during the fiscal 2000-2001, the last one under the AL gov-

ernment, the total foreign investment stood at US\$ 127.1 crore.

But in the fiscal 2001-2002 under the alliance government, the investment nose-dived to US\$ 30.4 crore and hit a further low of US\$ 21.2 crore

in fiscal 2002-2003, he said. Kibria said the dive in the inflow of foreign investment could not be concealed under the cover of rhetoric.