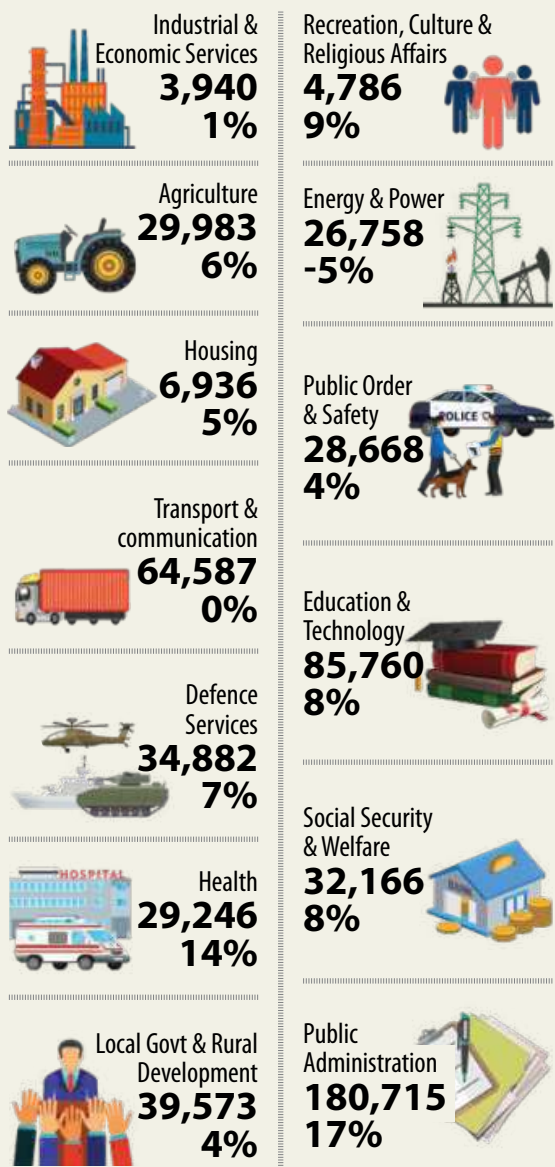




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No break for middle class

Budget holds out little hope for them even when virus hits them hard

ZYMA ISLAM

Save for a slash in income tax, there is no respite in this year's budget for the penny-pinching middle class. Their expenditures will continue going up even as the global pandemic and resulting recession hits their incomes and slashes their jobs.

This January, two things happened for Nabil*. He got married and started a new job as a merchandiser at a large apparel company. This wasn't his first job -- he has five years' professional experience and holds a graduate degree in the field.

Three months later, he -- along with dozens of others -- was terminated as the apparel company downsized amid shrinking global demands.

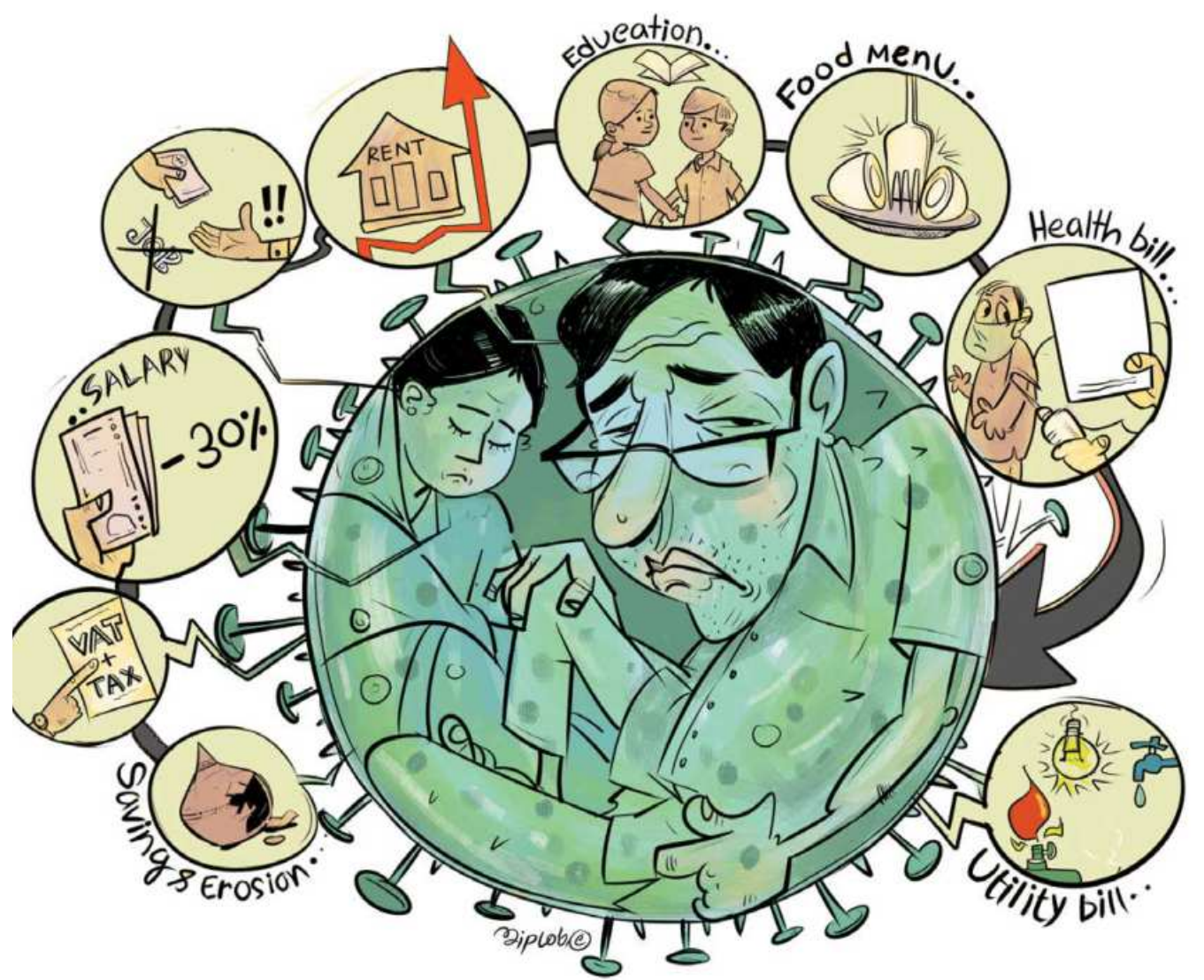
While the number of people who have become unemployed due to the pandemic is unavailable for Bangladesh, globally the number is one in six young people, according to the International Labour Organisation.

"Please don't use my real name. I'm newly married and I haven't told my in-laws that I'm unemployed already. Whatever savings I had, I spent it all on my wedding, knowing that I had a better paying job this year," he said.

"Then the pandemic happened. I am now 30 years old and relying on my father financially. My younger siblings are both students, and my father is the only earner once again, for our family of six."

And so, Nabil's aging father -- who is smack in the middle of the age group most at risk for contracting coronavirus -- has to go out to work and support the family.

One silver lining for middle-class families is that the income tax exempt threshold has been raised to Tk 3 lakh for the next fiscal year, and the rates of taxation



SEE PAGE 12 COL 2

Mobile bills on the rise once again

5pc point increase in supplementary duty on services; operators and users frustrated

MUHAMMAD ZAHIDUL ISLAM

The cost of using a mobile phone would go up by more than 5 percent as the proposed budget looks to hike the supplementary duty on all kinds of SIM services to 15 percent from the previous 10 percent.

The carriers have already implemented the greater supplementary duty from 12:00am today, which has taken the customers' total service tax to 33.25 per cent.

The National Board of Revenue (NBR) yesterday evening issued a Statutory Regulatory Order (SRO) to this effect, shortly after Finance Minister AHM Mustafa Kamal's budget speech was over.

SEE PAGE 5 COL 3

Not so good news for the jobless

Finance minister gives no specific guidelines on how major challenges of employment creation to be resolved

WASIM BIN HABIB and MOHIUDDIN ALAMGIR

Ever since Belayat Ahmed completed his graduation two years ago from a college under the National University, he applied to different private companies and submitted his resume to a few job boards.

Yet, the youth from Khulna could not get the "golden deer".

In the meantime, the outbreak of novel coronavirus disrupted everything, having an impact on the employment landscape and the job market.

With the number of job postings dropping sharply of late, he doesn't see any possibility of getting a job anytime soon as the pandemic and subsequent closures rendered a large number of people jobless.

"I need a job to support my family. But I don't know what will be the situation after the pandemic," said the 24-year-old.

Belayat is among the thousands of

graduates who are now apprehending a bleak future ahead as Covid-19 appears to be one of the biggest destroyers of employment in the history.

Hundreds of jobs could be lost permanently and according to preliminary estimates by the Asian Development Bank, this number of jobless people could rise to 1.4 million.

Bangladesh was already struggling with a huge number of unemployed population -- nearly 26 lakh to be precise -- even before the pandemic began in the country.

Though the government has been saying job creation will be one of the main priorities, yesterday's budget speech did not bring much good news for unemployed youths like Belayat or returned migrant workers, or those who have lost jobs or are at the verge of losing earning sources as fallout of pandemic.

SEE PAGE 12 COL 5

Thumbs-up for black money

STAFF CORRESPONDENT

Year after year, opportunities given by the government to whiten black money has failed to attract significant declaration, so the new budget proposes a new, lucrative offer -- invest and nobody, not even the income tax authority, will be able to question its source.

For the last five years, black money-holders have been able to whiten their assets by investing in residential buildings and other similar properties. This offer was mainly for those who did not declare their full income when filing their taxes for a number of years.

As per the existing law, people with vast amounts of undisclosed wealth could only take advantage

SEE PAGE 5 COL 1

NEWLY PRINTED MONEY

There'll be crisis if not used properly

AKM ZAMIR UDDIN

A good number of central banks across the globe have started printing money to get a turnaround from the ongoing financial recession.

For instance, the US's central bank, the Federal Reserve, has already started printing money to implement the government stimulus packages worth \$3 trillion, a move that has boosted production and generated employment.

The Bangladesh Bank (BB) has taken the same measure to revive the economy as it has already decided to inject about Tk 50,000 crore in the form of different refinance schemes.

Besides, Finance Minister AHM Mustafa Kamal yesterday has set a borrowing target of Tk 84,980 crore from the banking sources.

The government traditionally borrows a major portion of its target from banks. But it would be tricky for banks to provide this service as they are now going through a cash crunch of their own due to the economic fallout stemming from the ongoing pandemic.

This mean, the government will have to knock at the doors of the central bank. The Bangladesh Bank will have to oblige, but by printing money -- a move that can go on to pose stability risks.

In fact, the government is already heavily relying on the central bank's monetization power.

Between July last year and May this year, the government took out a record Tk 64,296 crore from the banking sources and 49.56 percent of the funds were footed by the BB.

SEE PAGE 5 COL 1



Nothing special for small farmers

PINAKI ROY

Though farmers have been hit hard by the pandemic, no special stimulus package for small farmers was announced in the proposed budget, frustrating agriculture experts and economists.

It has happened despite Finance Minister AHM Mustafa Kamal's announcement that agriculture was the second highest priority after the health sector this year.

In his budget speech yesterday, Mustafa said the pandemic has affected the agriculture sector in Bangladesh and the government puts the highest emphasis on addressing the adverse effects on domestic sectors.

"One of the key priorities in the post-Covid-19 economic recovery plan is to keep the momentum of agricultural production," he said.

But how the government was going to put that "highest emphasis" and how it was going to keep up the momentum was not answered in the proposed budget.

Talking to The Daily Star, Dr Mustafizur Rahman, a distinguished fellow at Centre for Policy Dialogue (CPD), said, "The government is only going to continue all the subsidies and incentives it provided in the agricultural sector last year."

"Initiatives needed to be taken so that farmers get fair prices for their produce. But we haven't seen that in the proposed budget. Maybe it was assumed that the agriculture sector was not hit as hard as the SME and garment sectors were," he said, adding that it was necessary to ensure food security in the country.

Abdus Sattar Mandal, former vice chancellor of Bangladesh Agricultural University, said the government should have announced a special stimulus package for farmers, like Tk 1,000 for each farmer who owns at least one acre of land.

Such an initiative would increase the cash flow in the

SEE PAGE 12 COL 2