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The Daily Star

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Budget Speech

Text of Finance Minister's budget speech in the Jatiya Sangsad (parliament)
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Article

After one more day of voting (June 15) the results of the delayed Indian elections will become known on June 18. The effect of Rajiv's death may be considerable, for one thing, the Hindu right seems to have lost some ground
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Metropolitan

Dhaka Day by Day

Diana has not only been introduced to 'roshogollas' much before she came to Bangladesh, but she has written about our cuisine in her book 'Flavours'
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International

Iraq has offered to handle the destruction of its chemical weapons under United Nations supervision but is not prepared to shoulder the cost of the operation
Page 5

NEWS BRIEFS

Session adjourned

The Speaker, Abdur Rahman Biswas, adjourned the House at 6.42 pm till June 15 (Saturday) at 10.30 am, reports BSS.

Young man beaten to death

A young man died on Wednesday from mass beating while allegedly attempting to hijack at a Mirpur market Tuesday evening, reports UNB.

Hironuzzaman (21) and his friend Guddu were caught and beaten up by a mob while they were in a hijack bid at Muslim Market Tuesday evening.

Opposition MPs meet today

A meeting of the opposition Members of Parliament will be held at the opposition committee room on the 8th floor of the Jatiya Sangsad Bhaban today (Thursday) at 4 pm, a press release of Awami League said, reports BSS.

AL meet today

A meeting of Awami League Central Executive Committee and Parliamentary Party will be held at the opposition party's committee room on the 8th floor of the Jatiya Sangsad Bhaban today (Thursday) at 10 am, a party press release said, reports BSS.

Judgement by Special Tribunal in arms case against the deposed President

Ershad jailed for 10 years

A shocked and bewildered Ershad after hearing the judgement. (More pictures on Pages 6 & 12) —Star photo

Moinuddin Naser

The curtain fell on the sensational trial of deposed President H M Ershad on Wednesday when Special Tribunal Judge Mohammad Habibullah sentenced the accused to a ten-year rigorous imprisonment term for illegally possessing arms.

The Tribunal Judge found the former President guilty of the charges brought against him, the possession of unauthorised arms of prohibited bores under the Arms Act, 1887.

The judge invoked sub-sections 'A' and 'F' of Section 19 of the Arms Act read with the Special Powers Act, 1974, and convicted the accused thereunder.

The accused Ershad sitting in the dock his hands crossed on his chest grew pale and looked subdued as the reading out of the judgement continued.

After the judgement Ershad told reporters that he would seek justice in the superior court. He said that the trial was not fair.

"The judge may be right or wrong in delivering his judgement," the former President in a shirt-sleeve off-white safari said adding "I ruled the country for nine years but you have seen how I was harassed and belittled before the Tribunal. I will seek justice at the court of the people."

Gen Ershad, the man who ruled the country with an iron hand for nearly nine years, found none of his near and dear ones around him as the verdict came against him.

His main Defence Counsel Advocate Sirajul Haq had left the Tribunal much before the Judge arrived, probably anticipating the judgement.

Before leaving, Haq congratulated the Attorney General, Aminul Haq for what he said conducting the case well on behalf of the State.

Before leaving the court, Sirajul Haq, a senior member of the Supreme Court Bar, told reporters he had never heard a President anywhere in the world face such an arms case.

Ironically, none of Ershad's former colleagues in the Jatiya Party nor those who crowded around him while in power were found in and around the Tribunal.

Ershad was brought to the Tribunal well before 10 in the morning and had to wait in the rest room reserved for him during the trial. He was escorted to the dock at 1-15 pm, minutes before the Judge entered the Tribunal.

Ershad gave a blank look and a mild smile on entering the small court room, packed with lawyers, newsmen and security people. As he sat the dock, a policeman stood guard behind him.

Judge Mohammad Habibullah said that he had no comment when asked by Reporters for his reaction. He only said that as a citizen he had contended his comment in the judgement.

The Special Judge said that he had worked for seven days to prepare the judgement completing it at 11am Wednesday.

See Page 12 Col. 3

Revenue earning Tk 8503 cr and expenditure Tk 8083 cr : Development expenditure Tk 7500 cr : New tax Tk 250 cr : Tk 450 cr thru' tax reforms

Tk 16373 crore budget

Finance Minister Saifur Rahman along with Prime Minister Begum Khaleda Zia entering the Sangsad Bhaban to present the national budget before the House Wednesday. —PID photo

Star Report

Finance Minister M Saifur Rahman presented the national budget for fiscal 1991-92 to the Jatiya Sangsad (Parliament) on Wednesday with an estimated revenue earning of Taka 8503.09 crore and revenue expenditure of Taka 8083.25 crore.

The revenue surplus has been estimated at Taka 419.84 crore which will be made available to plug the deficits in development budget.

The Finance Minister has proposed to mobilise Taka 700 crore from new fiscal measures. The new measures will yield an additional revenue of Taka 200 crore from income tax, Taka 200 crore from customs and sales tax, Taka 50 crore from excise duty and Taka 250 crore from value added tax (VAT). Out of Taka 700 crore, Taka 450 crore will be realised through improvements in the tax collection system and only Taka 250 crore as new tax.

The Finance Minister has placed the development budget for the year 1991-92 with an estimated outlay of Taka 7,500 crore on GDP growth rate at 5.7 per cent. External resources for the Annual Development Programme (ADP) have been estimated at Taka 6435 crore and Taka 1065 crore will be available from domestic resources. The percentage of domestic resources to ADP has been raised from one per cent this year to 14 per cent for the 1991-92 period.

The total size of the revenue and development expenditure has been estimated at Taka 16373.34 crore for the next fiscal year as against Taka 15772.13 crore in the revised budget for the current year.

The government has given highest allocation to education which is 15.5 per cent of the total estimated revenue expenditure. The proposed allocation in the education sector is Taka 1255.57 crore followed by Taka 1209.83 crore for defence.

Presenting the budget, Finance Minister said that the country would need efficiency in undertaking projects, efforts for mobilisation of external resources, effective control of revenue expenditure and enhanced mobilisation of domestic resources to reach the growth target.

He stated that the major goal of this government is to mobilise the nationalist forces towards creation of a self-reliant, just and equitable social order.

The agenda is based on our commitment to democratic pluralism, privatisation, deregulation and market-oriented competitive economic environment', he added.

Natural gas, palm oil and
See Page 12 Col. 1

BUDGET AT A GLANCE

(In crores of Taka)

Heads		Budget 1991-92	Revised 1990-91	Budget 1990-91
A — REVENUE BUDGET				
Receipt	...	8503.09	7822.03	8050.46
Expenditure	...	8083.25	7310.24	7300.00
Revenue Surplus (a)...	...	419.84	511.79	750.46
B — FOREIGN GRANT	...	2969.89	2575.34	2908.81
C — CAPITAL BUDGET				
Foreign Loan	...	4326.72	3528.15	3327.54
D — DOMESTIC CAPITAL NET :				
Domestic Loans and Advances and Capital expenditure excluding Food outlay and ADP (Net)	...	(-)575.47	(-)557.05	(-)811.73
Public Account of the Republic (Net)--	...	538.24	548.60	247.82
Total — Domestic Capital — Net(d)	...	(-)37.23	(-)8.45	(-)563.91
Total — Budgetary Resources (a+b+c+d)	...	7679.22	6606.83	6422.90
Extra Budgetary Resources	...	314.91	382.90	325.00
Total — Resources Available X	..	7994.13	698.73	6747.90
E — USE OF RESOURCES				
Annual Development Programme	...	7500.00	6121.00	5968.00
Food for Works ..	...	505.88	509.80	458.95
Non-ADP Projects ..	...	180.41	80.15	85.00
Agricultural Research ..	...	20.00	20.00	20.00
Grameen Bank ...	...	..	25.00	.
Food Budget ..	...	342.01	233.78	625.00
Net outlay in Food Operation	...	(772.01)	(663.78)	(1030.00)
Transfer to Public Account of the Republic		(-430.00)	(-430.00)	(-405.00)
Total Resources needed Y ..	...	8548.30	6989.73	6856.95
Additional resources required X-Y *	...	(-)554.17	..	(-109.05)

*Additional resources have been proposed to be mobilised through taxes and new fiscal measures.

People's interest ignored : Hasina

By Staff Correspondent

Awami League Chief and Leader of the Opposition in the Parliament Sheikh Hasina termed the proposed budget as contrary to people's interest, specially that of the peasants and workers.

Giving her initial reaction to the proposed budget, Hasina said that the budget was presented in a subtle way as part of the pauperisation process being followed since 1975.

The people aspired for a welfare-oriented budget after the fall of the autocratic regime in a long mass movement, she said.

Sheikh Hasina said that although the budget proposed a market-oriented economy, it did not specify steps to develop fair competition and investment climate. "Inequality of income will be further
See Page 12 Col. 2

Highlights

Following are the highlights of the proposed national budget for the financial year 1991-92, reports BSS.

Revenue receipts — Taka 8503.09 crore.

Revenue expenditure — Taka 8083.25 crore.

Foreign grant — Taka 2969.89 crore.

Foreign loan — Taka 4326.72 crore.

Annual Development Programme (ADP) — Taka 7500 crore.

Revenue budget surplus — Taka 419.83 crore.

External Resources for the Annual Development Pro-
See Page 12 Col. 6

Taka 7 b revenue through new fiscal measures

Star Economic Report

The national budget for 1991-92 with a total expenditure outlay at Taka 163.73 billion has proposed to raise an additional revenue of Taka seven billion through new fiscal measures.

New fiscal measures will include reforms in tax administration and collection and also fresh tax proposals.

Presenting the budget to the Jatiya Sangsad (Parliament) on Wednesday, Finance and Planning Minister Saifur Rahman said that the government expected an amount of Taka 4.5 billion as additional revenue through procedural amendment in the tax collection system, reforms and reorganisation in the tax administration. Additional collection from newly proposed taxes will amount to Taka 2.5 billion, he added.

The new fiscal proposals are targeted to yield additional revenue of Taka two billion as income taxes, Taka two billion as customs and sales tax, Taka 500 million as excise duty and Taka 2.5 billion as newly introduced value added tax (VAT), on a net basis.

Justifying the new fiscal measures, the Finance Minister said that the tax-GDP
See Page 12 Col. 3

Railway loses Tk 150 crore

Finance Minister Saifur Rahman told the Jatiya Sangsad on Wednesday that Bangladesh Railway had been incurring an annual loss of about Taka 150 crore for the last few years, reports BSS.

Presenting the national budget for the year 1991-92, the Finance Minister attributed the loss of the Railway
See Page 12 Col. 8

Gas, oil duties raised

By Staff Correspondent

The following goods and services will be dearer due to the taxation measures proposed by the Finance Minister under the national budget for 1991-92 :

Gas, imported paper, palm and soyabean oil, metalised zari and lumi lures yarn, ball point pen, paper cups, glass
See Page 12 Col. 7

Food stock 9 lakh tons

Star Economic Report

The government has a food reserve of nine lakh tons.

A total of 2.16 lakh tons more have been pledged by donors in the wake of the recent natural disaster.

Food reserve in government godowns stood at 11.48 lakh tons as on July 1990, Finance Minister Saifur Rahman told
See Page 12 Col. 8

Inflation 9.4 per cent

Star Economic Report

Average inflation rate was 9.4 per cent during the first nine months of the current fiscal year, according to Bangladesh Economic Survey.

The rate was 9.8 per cent during the corresponding period last year.

The average cost of living index of the middle class in-
See Page 12 Col. 7

Cost of living in Dhaka up by 9.42 p.c.

The cost of living of middle class people of Dhaka city has increased by 9.42 per cent during the first nine months (July-March) of the current fiscal when the average nominal wages grew a sluggish 4.09 per cent, reports UNB.

Actual wages in July-March,
See Page 12 Col. 7

GDP growth rate 3.6 pc

Star Economic Report

Growth rate of gross domestic product (GDP) is expected to be 3.60 per cent during the 1990-91 fiscal year, according to Bangladesh Economic Survey.

The growth rate was estimated at 4.2 per cent during the period, the first year of Fourth Five-Year Plan. But the
See Page 12 Col. 6

Education gets highest allocation

Education sector got the highest allocation of Tk 1255.56 crore in the 1991-92 fiscal year as earmarked in the new national budget placed in parliament on Wednesday, reports UNB.

It is 15.5 per cent of the proposed total revenue expenditure of Tk 8083.25 crore next year.

Allocation in this sector is Tk 73.55 crore higher then the revised education budget for 1990-91 which is Tk 1182.01 crore.

Education was followed by defence with the second highest Tk 1209.83 crore. It also got the second highest allocation in the current fiscal year, Tk 1179.96 in the revised budget.

Finance Minister Saifur Rahman, presenting the new budget in the Jatiya Sangsad, said the highest allocation was proposed in the sector in recognition of the critical role of education in overall development of the country.

Allocation in different subsectors of the education sector are: Primary Education Tk 587.55 crore, Secondary and Higher Secondary 487.92 crore, Technical Education Tk 30.43 crore, University Education Tk 105.87 crore and other subsidiary educational services Tk 43.77 crore.

Highest allocation for the education sector and reduction in prices of educational equipment are among the 10-point charter of demand of the All-Party Student Unity (APSU).

No new taxes on common consumer items

Most of the common consumer items were exempted from fresh taxation in the 199-92 budget proposal made at the Jatiya Sangsad on Wednesday, reports UNB.

Increased duties, on the other hand, have been levied on luxury items — VCP, VCR and refrigerators. Duty on air conditioners has been, however, reduced.

Among the utility services, only gas will cost more. Excise duty on gas has been increased by five per cent for use in fertilizer and power plants and 10 per cent for domestic and other usage.

Duties on corrugated iron (CI) sheets, aluminium sheets and sheet piling have been proposed to be reduced to help post-cyclone reconstruction and rehabilitation efforts.

Customs duty on powdered milk imported in tin cans upto 2.5 kilograms have been reduced by 3 per cent but powdered milk imported in bulk and condensed milk have been taxed afresh by 12 per cent.

Duties on unrefined soy-
See Page 12 Col. 1

Tax cuts for glass bangles

Star Economic Report

Customs duty cuts have been proposed under the budget for 1991-92 for glass bangles and imitation jewelleries.

Under the proposals, the duty rate will be lowered from existing 100 per cent to 75 per cent.

Finance Minister Saifur Rahman also proposed to allow overseas Bangladeshis returning home after three months' stay abroad to import gold bullion up to 200 grams on payment of 10 per cent duty advalorem. The existing provisions to import gold jewellery up to 100 grams in weight for the same group of Bangladeshis will also continue under the proposals.

Sweets turn sour

Sweet-meat are going to cost more in the next fiscal year, reports UNB.

The budget proposed by the Finance Minister Saifur Rahman Wednesday raised customs duty on powdered milk imported in bulk from 28 to 40 per cent.

Finance Minister said powdered milk imposed in the bulk was generally used in the preparation of sweets, which discouraged local milk production and livestock development.

He, however, proposed reduction of customs duty including development surcharge from 23 to 20 per cent on powdered milk in 2.5 kg Tin-cans used as baby food.