

- Star photo radio vesterday



greetings with Shawkat Ali, an Awami League MP at - Star photo Sangsad Bhaban yesterday.

Agri-loan

disbursement

low

By Staff Correspondent

loan failed to reach the target

1319.10 crore, only Tk 579.48

crore could be disbursed till

**GDP** 

From Page' 1 Col 4

growth rate in the industrial

sector will be down from 5.9

per cent in the previous year

the power, gas and natural re-

sectors showed a marked im-

The growth in the power,

gas and natural resources sec-

cent this year compared to 5.6

tor is estimated to be 4.3 per

cent this year as against 4.1

per cent the previous year. At

the current market price the

growth in domestic savings is

estimated to be 6.1 per cent

this year compared to 4.37 per

ment in the GDP will be

11.69 per cent this year as

against 10.17 per cent in the

agriculture sector contributed

38.39 per cent to the GDP fol-

lowed by trade and other ser-

vices at 22.91 per cent and the

industrial sector 7.78 per

cent, power, gas and natural

resources sector 1.19 per

cent, construction sector 5.22

per cent, transportation and

communication sector 10.18

per cent, housing sector 9.63

per cent and social services

sector 4.7 per cent.

Editor: S. M. Ali

**Executive Editor: Mahfuz Anam** 

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According to the survey, the

The growth rate in invest-

Growth in the housing sec-

Similarly, the estimated

However, the growth rate in

during 1991-92.

cent last year.

to 5.7 this year.

previous fiscal year.

per cent in 1990-91.

cent in 1990-91.

previous year.

Disbursement of agricultural

Against a target of Tk

### Bank lendings

From Page 1 Col 8

the decrease is the decline in lending to the private sector. Private sector lending as of June 1991 was Tk 17784.10 crore, while in February '92 it

stood at Tk 17380.30 crore. On the other hand, bank deposit increased by 5.96 per cent during the period. The total deposit in June '91 was Tk 21393.60 crore and it reached Tk 22669.10 crore in

February '92.

The increase has been attributed to rise in term deposits, by 8.46 per cent. But demand deposits were down by 6.39 per cent.

Government sector borrow ing as of February '92 went up to Tk 4226.5 crore from Tk 4102.40 crore in June '91.

### Inflation

From Page 1 Col 8 per cent, clothing and shoe index by 5.8 per cent and the miscellaneous index rising by 5.1 per cent while the energy and power under declined by 3

per cent. The cost of living index for low income people living in Dhaka has increased by 4.2 per cent during the same period. The food index increased by 6.2 per cent, housing and household index by 0.4 per cent, clothing, shoes and umbrella index by 5.5 per cent and the miscellaneous index jumped by 10.5 per cent while the energy and power index

declined by 8.6 per cent. The cost of living index for rural people in Dhaka increased by 5.7 per cent during the same period. The food index for rural people living in Dhaka increased by 6.6 per cent, housing and household index by 4.6 per cent, clothing index by 6.5 per cent and the miscellaneous index increased by 5.6 per cent while the energy and power index declined by 1.1 per cent.

It is being expected that the rise in prices of essentials will be limited to 5 per cent during the current fiscal year as a result of various steps taken by the government, the economic survey noted.

DHAKA.

### From Page 1 Col 8

Income tax

tax will be charged only on the residual amount of income after deduction of Tk 40,000 total income and subject to certain conditions, tax credit will be allowed at a uniform rate for admissible in-

At present the maximum limit of income not liable to tax is Tk 40,000 a year in the case of assesses other than companies and non-residents and in case of a person having a total income of 41,000 tax is levied on entire amount after deduction of admissible al lowances.

Under the proposed sys tem. Tk 40,000 will be deducted and tax will be imposed on the balance of Tk 1,000

According to the proposed restructuring of personal income tax rates, a taxpayer will pay nothing for first Tk 40,000 of total income, 15 per cent for next Tk 20,000, 20 per cent for next Tk 150000. 25 per cent for next Tk 300000 and 30 per cent for the balance of total income.

This change will cause the exchequer a loss to the tune of Tk 60 crore, said the Finance Minister.

The existing corporate tax rates have been proposed to be reduced.

For industrial companies, whose shares are publicly traded, the rate is to come down to 40 per cent from existing 45 per cent. For companies, whose shar-

es are not publicly traded, the rate will be reduced to 45 per cent from 50 per cent. But, for banks, financial in-

stitutions and all other classes of companies the existing 55 per cent rate will continue

From July 1992, tax officials will not visit the business premises or residences of taxpayers except on prior approval of their higher authorities, the Finance Minister stated in his budget speci-

#### 30 hurt in clash From Page 1 Col 6

According to cycwitnesses, the clashes ensued when a group of people allegedly supporters of the newly formed Jubo Command and Islami Chattra Shibir (ICS) threw crude bombs and stones on a meeting of the Ekattorer Ghatok Dalal Nirmul Commi ttee in front of the JSD (Inu) The attackers came from

the national mosque immediately after the Magrib prayer the witnesses said.

The attackers hurled bombs and pelted stones over the heads of police waiting in the passenger shed when Committee leader Lt . Col (Retd) Kazi Nuruzzaman was addressing the meeting.

The Committee leaders including Jahanara Imam left the stage and in a few minutes Committee supporters chased the attackers who took shelter inside the mosque.



Leader of the Opposition in parliament Sheikh Hasina and Rashed Khan Menon of Workers Party drafting press statement yesterday on behalf of all opposition groups. - Star photo

# Opposition sans Jamaat

From Page 1 Col 7 last days of the last session of Parliament showed reluctance to meet all these demands and Samad Azad raised these issues again in his meeting with the Prime Minister Wednesday but failed to secure any commit ment from the Prime Minister in this regard.

This fruitless meeting between the Leader of the House and the Deputy Leader of the Opposition in Parliament virtually pushed the opposition into boycotting yesterday's sitting of the budget session.

Meanwhile, both rounds of the joint meetings of the opposition parties were attended by Abdus Samad Azad, Tofael Ahmed, Abdur Razzak, Mohammad Nasim, Rahmat Ali and Matia Chowdhury of the AL, Municul Hoque Chowdhury and Advocate Fazle Rabbt of the Jatiya Party (JP), Rashed Khan Menon of the Workers Party (WP). Suranjit Sengupta of the Gonotantri Party (GP), Salauddin Kader Chowdhury of the NDP, Shamsuddoha of CPB, Shahjahan Siraj of JSD, Maulana Obaidullah of Islami Oikva Jote (IOJ) and Major (Retd) Hafiz and Nurul Islam Moni elected independently.

According to the joint meeting sources, the JP per suaded the opposition leaders to press, along with the fourpoint demands, the release of JP leader Ershad from jail and ensure his attendance in Parliament proceedings. The leaders of rest of the opposition parties attending the meeting were learnt to have observed that it was too early to pursue Ershad's release. Incidentally, the JP chief

Ershad, ousted from power in the face of a mass upsurge in 1990, is now serving a 13-year sentence for holding illegal arms and income beyond his known sources of income during his presidency.

The CPB leader Shamsuddoha and IOJ chief Maulana Obaidullah were of the opinion that it would have been better to join the budget session and express the respective opposition criticism on both the way the budget was placed by the government and the negative aspects of the budget itself. They however observed that with the government's total indifference to the fourpoint demands it was now not prestigious to join the session.

NDP leader Salauddin Kader Chowdhury told the meeting that government should have realised that with the opposition bench empty the budget passed in Parliament did not get legitimacy. In that case the ruling party could not avoid its responsibility to cordially pave the way for the opposition to join the session.

WP leader Rashed Khan Menon and GP leader Suranjit Sengupta observed that the ruling to party's attitude towards the Opposition was unquestionably undemocratic and unparliamentary as well.

They suggested that the Opposition make the govern ment realise that the ruling party should show flexibility for the smooth running of both the Parliament and the gov

JSD leader Shajahan Siraj told the meeting that 'maybe we made a mistake by staging a walkout in the last session but the ruling party, like an elder brother in a family, should give some concession to the younger brother (meaning the Opposition) for the smooth functioning of Parliament.

It was not prestigious for the Opposition to join the bud get session until the ruling party comes forward with an honourable solution to overcome the deadlock, Straj maintained.

Major (Retd) Hafiz said that

he could even sacrifice his parliament membership in order to execute Golam Azam. AL leaders observed in the

meeting that the ruling party

completely ignored the opposition parties and it could no longer be tolerated. The AL working committee

in order to decide its next course of action, meets today. Sheikh Hasina while brief-

ing the newsmen on behalf of the opposition parties said that there was no example in the world where the ruling party had placed its budget with the Opposition bench empty.

She repeatedly said that the budget will get no legitimacy with the opposition's boycotting the session.

Replying to a question the opposition leader said that they did not have any plan to break the parliament but were determined to teach the ruling party democracy.

She accused the ruling party of nepotism, politicising the administration, conspiring against the pro-Liberation forces jointly with the Jamaat e-Islami Bangladesh and auto cratic behaviour towards the opposition parties.

When asked whether the Opposition was going to con tinued boycotting the session. she said that it depended on the ruling party, adding our door is open for negotiation.

### Gold

From Page 1 Col 4 bring in gold bars or bullion up to one kilogram on payment of a 7.5 per cent customs duty, no matter how long they stay abroad.

The government has also relaxed the import of gold or naments under the new baggage rules which will allow a passenger to bring gold orna ments up to 200 grams instead of 100 grams without customs

Earlier, the Speaker called the House to order at 3-05 pm. The session started with

the Speaker nominated the panel of chairmen of the session. The members of the panel include LK Siddiqui. Abdur Rouf Chowdhury Shamsuddoha, Khaleda Rabbani and Abul Hasan Chowdhury.

the obituary reference.

After passing of the reference. State Minister for Law and Parliamentary Affairs Aminul Hug moved four bills namely the Presidential Security Force (amendment) Ordinance, 1992, Brick Burning (control) (amendment) Ordinance, 1992. Money-Loan Tribunal (amend ment), Ordinance, 1992 and the Rajshahi Metropolitan Police Ordi-nance, 1992.

The members present at the House okayed the bills and the Speaker announced the session adjourned till 5-15 pm.

crammed with visitors, mediamen, dignitaries, professionals, top civil and military officials, teachers, top businessmen of the country and heads of foreign missions in Dhaka.

was mounted in and outside the Parliament while gun-trot ting security personnel guarded the lobbics.

cials did not provide text of the budget and other papers to the Members of the Opposition as they had decided not to join the session.

Deputy Leader of the House Prof AQM Badruddoza Chowdhury drew attention of the officials to the incident who were subsequently seen hastily distributing budget papers on the empty tables of the Opposition members.

dants gave those to the Opposition members waiting at the lobby during the Magrib prayers break.

## The Midnight File

### 350 fishermen missing as cyclone hits Orissa coast

NEW DELHI, June 18: Some 350 fishermen were missing today after a cyclone lashed the eastern Indian coast, flooding vast areas, toppling houses and cutting power supplies. Tidal waves swept inland as the cyclone crossed the coast late Wednesday near Paradip, a town in the state of Orissa, PTI said, reports AFP.

### SAARC sets up Parliamentary Assoc

ISLAMABAD, June 18: The seven-nation South Asian Association for Regional Cooperation (SAARC) has set up a Parliamentary Association, Pakistan National Assembly Speaker, Gohar Ayub Khan, said today. Draft rules of the association would be finalised by August, Khan told reporters on his return home from the June 15-17 first meeting of parliamentary Speakers of member states in Colombo, reports

### Mixed reaction

He criticised the reduction

of subsidy on agricultural in-

increased on the other hand.

Value Added Tax (VAT) should

be limited to the existing

items under the system and at-

tention should be given for its

will send its official comments

after holding a meeting Friday.

Dhaka University said the tar-

get of limiting the growth of

revenue expenditure in the

budget to about eight per

cent is praiseworthy. However,

the projected growth in rev-

enue earning which is about

Il per cent in nominal taka

term is too modest and is not

consistent with the goal of

domestic resource mobilisa-

reforming the rates of income

tax are in the right direction

but the logic of reducing the

income tax rate to more real-

istic level is that this would

actually increase total tax col-

lection through increased in-

Minister is rightly concerned

about the present investment

climate and the recessionary

symptoms in the economy, but

he is yet to put forward con-

of measures that would work.

vincingly any definite package

haps enough appreciation of

the fact that an expanded pub-

lic sector development pro-

gramme and flexible credit

filling for the public sector

may be needed to compensate

for stagnation in private in-

A M Subid Ali, President of

Bangladesh Chamber of

Industries (BCI) in his reaction

said the decision to give prior

ity to the growth and devel

opment of agriculture and

pragmatic and timely step.

agro-based industries is a

fund of Taka 150 crore for the

'golden handshake step' and

Taka 100 crore fund for the

rehabilitation of sick industries

He viewed that the provi-

sion for liberal import in the

budget would pose as a serious

threat to the local industries.

is not sufficient.

He said the creation of a

He said there is not per-

He further said the Finance

ducement for paying taxes.

He said the proposals for

However, Yunus said DCCl

Prof Wahiuddin Mahmud of

streamlining.

puts saying that this should be

Yunus viewed that the

From Page 1 Col 3

from bureaucratic tangles. He viewed that tax collection will improve and corruption in the tax administration will reduce as a result of tax reformation.

He, however, said less attention has been given to industrial development saying that more incentives should be allocated in the budget for attracting investment.

Salman F Rahman, Prest dent of Bangladesh Oushadh Shilpa Samity and past president of Metropolitan Chamber of Commerce and Industry has congratulated the Finance Minister for present ing an excellent budget which would encourage rapid indus trialisation resulting in em ployment generation.

He also commended the Finance Minister for remark able achievement of the economy at the macro level. He however cautioned that the Finance Minister's effort would be frustrated if the prevailing law and order situation did not improve.

Dr Abdullah Faruq, Chair man of Bangladesh Shilpa Rin Sangstha, in his reaction hailed the rationalisation of taxation system and said the new income tax collection sys tem will have positive results.

He said the reduction of duty on building materials and cars will bear mixed results. M Yunus, President of

Dhaka Chamber of Commerce and Industry (DCCI) in his personal remarks on request said the tax reforms proposed in the budget will yield positive He praised the sectoral al

locations specially in education, agriculture and health adding that this will bring good result in the long run.

The DCCI Chief also praised the fixation of highest income tax at 30 per cent saying that it will result in higher collections. He commented that the dividend income should be made tax free. Yunus further said the administrative reform in the tax system will bring good results.

He praised reduction of duty on building materials, however, he said the reduction of duties on some luxury items like refrigerator and aircooler had not been pragmatic under the present eco-

From Page 1 Col 8

crorc.

93 budget.

Tk. 192 crore.

1301 crore.

dried chilli.

enue spending was made for

desence, estimated at Tk 1301

tions made for Police and BDR,

the overall expenditures for

defence and law and order will

be Tk 1976 crore in the 1992-

In the new budget propos-

als police have got an alloca-

tion of Tk 405 crore and

Bangladesh Rifles (BDR)

budget the allocation for edu-

cation was Tk 1255 crore, re-

vised upward to Tk 1382

crore. In case of defence the

original sanction of Tk 1210

crore was increased to Tk

Dried chillies

taxed

Duty on a number of con-

By Staff Correspondent

sumer items have been re-

duced in the proposed budget

while duty has been increased

on tinned powdered milk and

milk upto 2.5 kg has been in-

creased from the present 25

per cent to 45 per cent in the

proposed budget. Dried chilli,

which have no duty at present

will be put under 15 per cent

ent kinds of buses and motor

vehicles will be charged lower

on tyre and tubes, fruits, table

fan, television, refrigerator and

deep freeze, aircooler, differ-

ent types of cameras, con-

densed milk, grey and white

cement, rod and sports

equipment among other items.

Duty has also been reduced

On the other hand, differ-

Duty on tinned powdered

In the original 1991-92

However taking the alloca-

### Fuel price

From Page 1 Col 7

The Finance Minister in his budget speech said that there was no guarantee that

forward to raising their standard of service.

tation of the on-going projects.

### Atiqullah From Page 1 Col 6

She further wanted to know how Atiqullah got a job with a newspaper. A senior AL leader Tofael Ahmed MP at this stage in a bid to cool her down said, "He is a senior journalist and has been serving the newspaper industry for quite a long time. You even once met him."

This apparently failed to

cool Hasina down. Then Reazuddin Ahmed, President of the Federal Union of Journalists (BFUJ), wanted to pacify Hasina by saying: "For God's sake hold your temper. You are just from Hajj."

Sheikh Hasina retorted: "He has termed me obstinate on the pages of the Daily Sangbad. I want to have a look at him and want to show him my level of obstinacy.

Hasina then left for her chamber.

Incidentally, Sayeed Atiqullah, a poet, works for the Bangla daily the Sangbad as a Special Correspondent.

He had to give up his job with one of the nationalised banks of the country for one of his poems that spoke against the autocratic rule of Ershad.

# Tk 18286 crore budget proposed

From Page 1 Col 7

in non-formal sector, he added.

Stressing the need for structural changes and in-creasing investment, Rahman said that through these measures economy would have to be activated so that at least 5 per cent annual growth was

sources and the social service achieved. The Finance Minister said provement compared to the that a three-year rolling plan had been prepared within the overall framework of the Fourth Five Year Plan with the tor is estimated to be 13.3 pcr objectives of poverty allevia cent this year as against 4.4 tion, human resource develper cent last year. In the social opment, education, health and service sector, the growth rate other social sectors and infrasis estimated to stand at 10 per

tructural development. Explaining the Annual Development Programme for the next fiscal year, the Finance Minister said that the ADP allocation for 1992-93 had been estimated at Tk 8650 crore which was 21 per cent higher than the current revised ADP. For the first time in five years it was possible to allocate larger amount for development than the revenue

The Finance Minister said that by September this year there would be an appreciable reduction in systems losses in both Power Development Board and Dhaka Electric Supply Authority (DESA).

sector.

Saifur Rahman said that originally it had been estimated that domestic resources for financing the current ADP would be around 14 per cent but it had increased to 25 per cent.

He added that VAT was helpful in resource mobilization effort. Estimates under this head in the original budget was Taka 1522 erore and in the revised budget it is estimated at Taka 1675 crore.

Discussing the revenue budget for the coming financial year, the Finance Minister said that revenue income had been estimated at Tk 10554 crore. This includes tax revenue of Tk 8573 crore and non-tax revenue of Tk 1981 crore. Revenue expenditure has been estimated at Tk 8550 crore.

Increase in the revenue

expenditure over the revised estimate this year is little over 8 per cent. After adjustment of the deficit of domestic capital head and food budget, an amount of Tk 1914 crore would be available for financing the ADP on the basis of existing taxes.

Saifur Rahman said that the rate of inflation during the current financial year was estimated to be 5 per cent which was exceptional in the Asia-Pacific region. Adequate supply of consumer goods in the market and stability in prices of rice and other essential consumer goods have contributed to this low rate of in-

flation, he added. He said that during the current year the broad money increased by 6.19 per cent but in the first nine months of the year total domestic credit declined by 0.52 per cent and

stood at Tk 24236 crore. During this time, credit to the public sector declined by 21.85 per cent and stood at Tk 1715 erore, he added.

About the credit programme for the agriculture sector, the Finance Minister said that credit programme in this sector had been made easier and the agriculture/rural credit institutions and banks had been given power to prepare and implement their own credit programme.

He said that for exempting agri loans up to five thousand taka the government needed Tk 2162 crore. Government would compensate the banks for net 50 per cent of the forgiven amount and for this purpose bonds for Tk 800 erore have already been issued, he Emphasizing the need for

discipline in the banking sector the Minister said that different non-banking financial institutions had grown irregularly in the last nine years under the umbrella of an autocratic rule. For such institutions, legal supervision was lose as their number was very small and their operations limited. Recent experience of corrupt and bad management of some of these financial insti-

tutions demonstrated the necessity of supervision and monitoring of such institu tions. Framing of a new law for non-banking financial institution was in the final stage, he

About the export-import situation the Finance Minister said that the objective was a trade-related and not aid-dependent growth for the country. He went on to say that the trade policy aimed at developing export-oriented industries and making them internationally competitive in terms of quality and price.

"We have to diversify trade by rationalizing and reducing tariffs wherever possible by withdrawing restrictions including quantitative restrictions on imports," added the Minister.

Reminding the nation of the tasks of future the Minister said that the task before the country was difficult and challenging.

"Our efforts in the direction of institutional reforms and restructuring of the key sectors of the economy will be inspired by the ideals of freedom, self-reliance and recognition of human rights and dignity. We are determined that our energies should be devoted towards optimisation of our growth potential and betterment of the quality of life of the people with particular attention to the most deprived and least privileged segment of our society," said the Minister.

For the first time in the country's history, the Finance Minister presented a very impressive budget with graphic presentation. Six graphic pictures were

annexed to the first part of the budget text stating the country's revenue and ADP expenditure for the period of 1992-93, revenue surplus, the annual rate of inflation measured in terms of Consumer Price Index in Dhaka, savings and investment as of the GDP, Gross Foreign Exchange reserve in terms of months of import and revenue earnings

and expenditure. The Minister took two

hours and 18 minutes to linish reading the budget.

recitation from the Quran. Following the recitation,

Then the Speaker moved

The budget session was

Unprecedented security

Parliament Secretariat offi

However, the House atten-

He hailed the income tax reform measures. Education

this reduction.

there would be proportionate reductions in transport fares. But he hoped that the transport owners would come

Meanwhile, the highest ever ADP allocation has been proposed for the power sector at Taka 1140 crore in order to ensure 'uninterrupted' power supply and proper implemen-