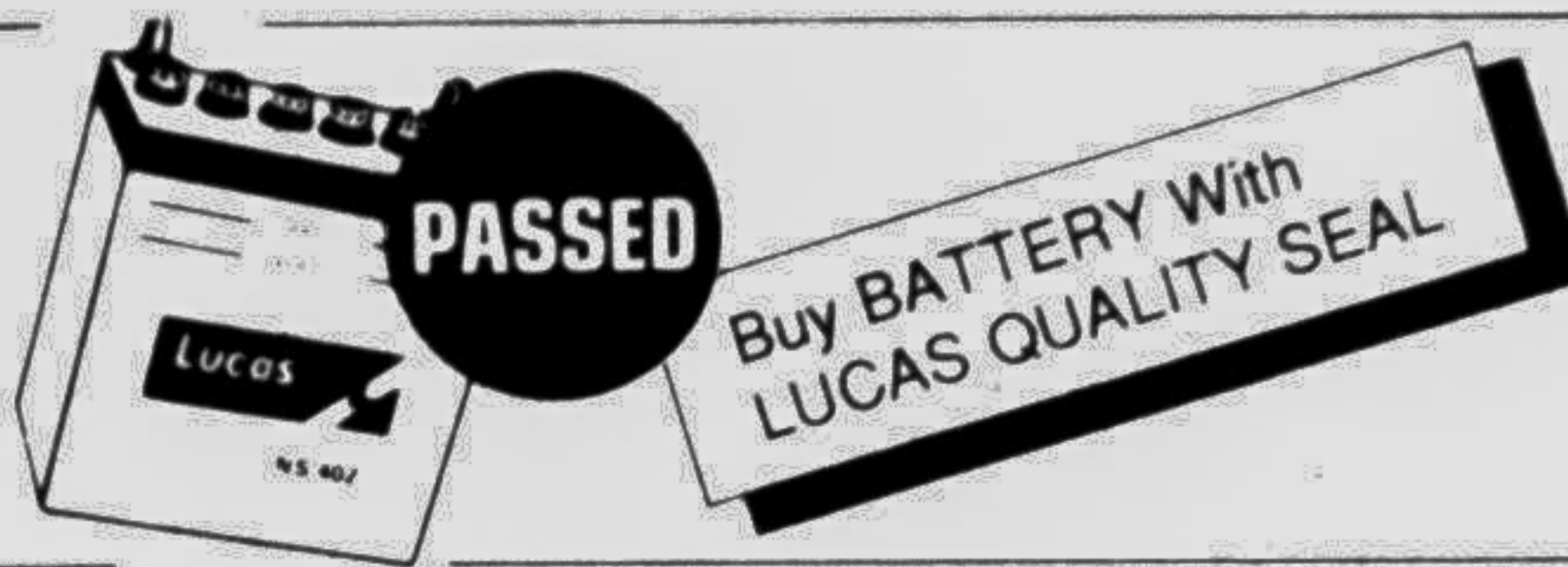


# Lucas Batteries

ALL THE WAY WITH YOU



## RAHIMAFROOZ

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## Deficit budget

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 Emphasising the need for a rapid growth of the private sector, Rahman said this is more desired as public investments are often inefficient. He also mentioned that the government is trying to improve the quality of public investment.

Critical of the public sector corporations, the Finance Minister said, having almost unlimited access to bank credits from nationalised commercial banks (NCBs), these have made inefficient use of scarce resources. With this in view, he said, the government decided to significantly lower the re-lending interest rate with effect from July this year.

He said the system loss of the Power Development Board (PDB) will be cut down to 30 per cent by the end of the new fiscal year and similar measures will also be taken for other public utilities.

He said the government's pursuance of "pro-active public policies" will create an enabling environment for the private sector by removing structural impediments, providing incentives and reducing risks.

"Fiscal policy is also designed to promote private investment and the overall tax system has an important role in influencing the flow of resources in the efficient and productive sectors," the Finance Minister said.

He stated that an energy policy will be announced soon enunciating detail framework for private sector participation.

Rahman said that significant progress towards meaningful privatisation of state-enterprises will be made in the coming fiscal year.

"Just disposing off public enterprises cannot fulfil the objective of privatisation," the

Finance Minister observed. "Detail preparatory exercises are needed to restructure them and establish their viability before privatisation."

It has been envisaged in the budget that the broad money growth will be 12 per cent in 1993-94 against 1992-93's estimated rate of 13.8 per cent which would allow private sector credit growth of about 15 per cent.

With the lowering of bank rate from 8.5 per cent to 6.5 per cent this year, excess liquidity with the banks has come down from over Taka 1200 crore to around Taka 600 crore during the last five months.

"This is indicative of increased level of economic activity," Rahman noted.

He said steps were taken to remove market distortions, lower prohibitive tariff rates, rationalise the tariff structure and eliminate the quantitative restrictions that favoured rent seeking activities.

"I am happy to inform that we have completed first phase of this reform," Saifur said.

The Finance Minister reiterated the need for minimising government's regulatory role and said the enterprises and entrepreneurs would be allowed to find free expression.

"Time is now propitious to broaden and deepen the process of structural adjustments and reform of the economy," Rahman announced, and said the machinery of government and public services are substantially restructured.

"The size, organisation and functions of ministers, departments and directorates must undergo a comprehensive review and re-evaluation," Finance Minister stated.

He said law and administration reform committees will soon be set up to evolve and adopt new laws and rules to meet the new demands of the economy.

Saifur Rahman also stressed the need for people's participation in the development programmes for their successful implementation.

"We are committed to the democratisation and strengthening of local government bodies and institutions."

"Empowerment of the people is a necessary condition for an integrated approach to development," the Finance Minister asserted.

### Mostafiz to call on Rao today

Foreign Minister ASM Mostafizur Rahman who is due to leave here for New Delhi en route to Vienna today will call on Indian Prime Minister PV Narasimha Rao, officials here said yesterday, reports UNB.

During his brief stay in the Indian capital, Mostafiz is likely to deliver a message from Prime Minister Begum Khaleda Zia to her Indian counterpart.

The Foreign Minister will lead a four-member Bangladesh delegation to the second World Conference on Human Rights beginning in Vienna on June 14.



The ideological split in the Communist Party of Bangladesh (CPB) is being confirmed by erecting a brick wall at its Purana Paltan central office in city. — Star photo

## Trade deficit to widen by 5.9pc

By Staff Correspondent

The trade deficit of the country in fiscal year 1992-93 will increase by 5.9 per cent compared to the previous year, according to the Bangladesh Economic Survey 1992-93.

The trade deficit in the current FY was estimated at Tk 5950 crore while it was Tk 5620 crore in the previous fiscal year.

The export earnings in the first nine months of the current FY was Tk 7312.5 crore against the targeted earnings of Tk 9750 crore. The export earnings of the current FY were, however, expected to increase by 28.4 per cent compared to the previous year's earnings.

The expenditure on account of import was also estimated to increase by 18.8 per cent compared to the previous year's import bill. The expenditure for import in the current fiscal year was estimated at Tk 15,700 crore against the expenditure of Tk 13,211 crore of the previous fiscal year.

Referring to import bill, the Finance Minister said imports, though sluggish at the beginning of the year, had picked up at a later stage and were estimated to grow around 12 per cent to reach 4 billion US dollar by the year end. In the first nine months of the current year, goods worth Tk 11,368 cr (2.9 billion US dollars) were imported and that by year end the trade imbalance would be Tk 5,950 cr (1.5 billion US dollars).

Import bill in the preceding year was Tk 13,211 cr (3.463 billion US dollars). Trade imbalance in 1991-92, was Tk 5,620 cr (1.469 billion US dollar), the economic survey released Thursday said.

Ready-made garments, which earned Tk 4051 cr in 1991-92, is expected to earn Tk 5,109 cr during the current year to represent more than 52 per cent of the export earnings, the economic survey

said. Exports of raw jute, jute goods and tea have registered rise in volume and not in price. Raw jute and tea during the current recorded downward price of 12.7 per cent and 10.3 per cent respectively.

The economic survey said earnings from jute and jute goods is expected to rise by Tk 164 cr against last year's total earnings of Tk 1513 cr from these two.

The survey said while the contribution of jute and jute goods to the export earnings of 1982-83 was two-thirds, it came down to one-sixth of the earnings. Non-jute items which constituted one-third of the export earnings a decade ago (1982/83), rose to four-fifths of total earnings during the current year, the survey noted.

The goods, which fetched higher income, included hides and skins (Tk 741 cr), frozen food (Tk 624 cr) and hosiery (Tk 624 cr). Engineering and electronic goods also registered growth, though still remaining paltry in terms of overall export earnings.

Another important element of the export trade of the current year was that the contribution of industrial goods to export rose to 87 per cent during the current year from 64 per cent a decade ago. This meant that earnings from primary commodities, came down to 13 per cent from 36 per cent in a decade. Farms products registers maximum growth in earnings. The economic survey estimates that compared to last year's earnings of Tk 28 cr, earnings from farm products are expected to reach Tk 78 cr by the year end, a rise of 181 per cent. This sector, however, constitute only 0.80 per cent of the export earnings.

## Budget at a glance

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### BROAD DETAILS OF REVENUE RECEIPTS

Heads	[In crore of Taka]		
	Budget 1993-94	Revised 1992-93	Budget 1992-93
<b>TAX REVENUE</b>			
Taxes on Income	1900	1720	1615
Custom Duties	3070	2835	3265
Excise Duties	175	320	160
Value Added Tax	2995	2500	2365
Supplementary Tax	1075	945	957
Other Taxes and Duties	145	130	122
<b>Sub-Total : Taxes (NBR portion)</b>	<b>9360</b>	<b>8450</b>	<b>8484</b>
Narcotics Duty	25	22	32
Land Development Tax	120	100	90
Stamps (Non-Judicial)	350	312	280
Registration	120	96	90
Taxes on Vehicle	60	50	47
<b>Sub-Total : Taxes (Non NBR portion)</b>	<b>675</b>	<b>580</b>	<b>539</b>
<b>Total-Tax Revenue</b>	<b>10035</b>	<b>9030</b>	<b>9023</b>
<b>NON-TAX REVENUE</b>			
Dividend and profit from public Financial Institution	484	429	400
Dividend and profit from Non Financial Public Enterprises	380	360	305
Interest Income	350	350	300
Economic Services	148	140	139
General Administration and Services	199	181	170
Jamuna Bridge Surcharge and Levy	50	45	85
Telegraph and Telephone (Net)	380	325	315
Post Office Department (Net)	(-27)	(-30)	(-23)
Railway (Net)	(-84)	(-100)	(-98)
Agriculture and Allied services	68	64	64
Social and Community services	90	78	73
Transport and Communication (Others)	45	42	47
Other Non-Tax Revenue	152	143	136
Capital Revenue	65	3	64
<b>Total-Non-Tax Revenue</b>	<b>2300</b>	<b>2030</b>	<b>1981</b>
<b>Total Revenue</b>	<b>12335</b>	<b>11060</b>	<b>11004</b>

## Philosophy for big leap

From Page 1 Col 4  
 nomic activities generate the desired growth and that the bottom 50 per cent of the population — which constitute the focus of the present government's New Development Perspective — can benefit from this growth.

The increase in public sector savings will come from a higher increase — on a year to year basis — in revenue earning compared to revenue expenditure. Revenue expenditure projected at Tk 9300 crores in 1993-94 will be 9.3 per cent higher than revised revenue expenditure in 1992-93. Revenue receipts of Tk 12335 crore, on the other hand will be 11.5 per cent higher than revised estimate for 1992-93.

One of the most sensational aspects of Rahman's budget announcement is that he will increase tax revenue (NBR plus non-NBR) in 1993-94 over revised estimate for 1992-93 by Tk 1005 crore without proposing tax measures that will entail any 'significant revenue gain'.

"On the contrary," to quote Saifur Rahman, "I have already announced measures which will contribute to revenue loss of 382 (sic) crore taka". The key to this miracle is simple: While direct tax rates have been reduced and exemption limits have been increased, Rahman has warned that the tax base will be widened by clamping on avoidance.

Similarly, in case of VAT, collection will increase by a whopping 20 per cent through

stricter enforcement of payment by the 30 categories of services that have been brought under VAT coverage so far. This 'imaginative accounting' as some may call it has saved the government from the embarrassment of proposing new taxes in a stagnating economy.

However, the room for increase in tax revenue through administrative improvement that Rahman has thought prudent to allow himself is also an indicator of the 'revenue leakage' from the current tax system. Rahman is a tough manager and may be next year he will succeed in plugging the leaks.

The net result, however, may not lead to a reduction in tax burden that Rahman has promised because, without any buoyancy in the economy the number of tax payers is unlikely to increase.

The fiscal measures behind the revenue numbers in the proposed budget are part of a bold plan for transformation not, as Saifur Rahman reminds the Parliament 'a catalogue of isolated proposals'. These fiscal measures will affect all economic agents in a particular direction — a direction that he thinks to be good and desirable for the country.

The Parliament will debate this over the next weeks. The business community will observe with interest whether this debate generates only heat that dissipates our collective energy or sheds light for the countries economic managers to lead the economy forward.

## 5 pc growth in GDP

By Staff Correspondent

There has been an increase of Tk 3836 crore in the Gross Domestic Product (GDP) of the country in 1992-93 fiscal year. The previous year's GDP was Tk 75,102 crore.

The growth in the GDP was estimated at 5 per cent.

Sectorwise contribution to the GDP are, Agriculture — 38.08 per cent, Industry — 8.20 per cent, Electricity, Gas and Natural Resources — 1.19 per cent, Construction — 5.22 per cent, Transport and Communications — 10.19 per cent, Commerce and other services — 22.86 per cent, Housing — 9.49 per cent and Public Service — 4.77 per cent.

Contributions of industries, electricity, gas and natural resources, transport and communications and public services sectors to the GDP have increased slightly while that of agriculture and housing sectors declined. Contributions of other sectors to the GDP remained unchanged compared to the previous year.

Of the projected 5 per cent growth in the GDP of 1992-93, 3.6 per cent has been made in the Agricultural Sector, 9.1 per cent in the Industrial Sector, 11.0 per cent in the Electricity, Gas and Natural Resources Sector, 8.8 per cent in the Construction Sector, 5.4 per cent in the Transport and Communications Sector, 5.1 per cent in Commerce and Other Services Sector, 3.5 per cent in the Housing Sector and 3.9 per cent in the Public Services Sector.

## President authenticates budgets

President Abdur Rahman Biswas yesterday authenticated the proposed national budget for the fiscal 1993-94 for placing before the Jatiya Sangsad, reports BSS.

The President also gave approval to the revised supplementary budget for the year 1992-93.

Among others, Deputy Speaker Humayun Khan Panni, Finance Secretary Nasimuddin Ahmed, IRD Secretary Dr. Akber Ali and Secretary to the President Ataul Huq were present on the occasion at the President's chamber at the Jatiya Sangsad Bhaban.

Later, the President witnessed the presentation of the national budget by Finance Minister M Saifur Rahman from the President's gallery.

## Duty rates

From Page 1 Col 8

"This empowered the government to apply its discretion to increase the rates of Customs duties whenever it needed."

"This sort of excessive discretionary power are contrary to the concept of good governance," the Finance Minister admitted in his budget speech.

The Minister said that the proposed change in law underlines the government's commitment not to re-fix the duties at higher rates in future.

## Hasina

From Page 1 Col 3

nation against women and their abuse on the basis of gender is still widespread in many parts of the world including Bangladesh.

"What is needed is a concerted campaign, both global and national, not only to remove the legal inequalities that the women are now subjected to but a fundamental reorientation of society's attitudes towards women's role."

Hasina praised the NGOs, both national and international, for their pioneering role and dedicated work in sensitizing the society and creating necessary social and political environment for establishing women's rights.

She also laid importance on the right to work and employment saying "an unemployed person without any reliable source of income is in no position to enjoy human rights."

The Bangladesh opposition leader also expressed concern over ethnic and religious conflicts that have become a major source of human sufferings and pointed at the human rights violation in Bosnia.

She urged the World Conference to raise its voice against the genocide in Bosnia, saying "It will be a sad chapter in the annals of civilisation if the Serbians are allowed to complete the so-called ethnic cleansing while the world looks the other way."

## The Midnight File

### Lankan troops kill 12 Tigers

COLOMBO, June 10: Heavily armed soldiers advanced today into Tamil guerrilla held villages in eastern Sri Lanka under the cover of an indefinite curfew, killing at least 12 rebels, the military said. The offensive involving just under 3,000 infantry and elite special forces commandos came within hours of Tamil Tiger guerrillas raiding a police bunker in northwest Mannar district killing five constables, officials said, reports AFP.

### 300 US troops may arrive in Macedonia next week

WASHINGTON, June 10: A force of about 300 US troops is expected to arrive in Macedonia next week to join a UN peacekeeping force now stationed there to prevent spread of the civil war in Bosnia, the Pentagon said today. "I would think in the next week or so they would be on the ground", Defence Department spokesman Bob Hall told reporters after the United States announced it was sending the small peacekeeping contingent, reports Reuter.

## Ishaq ignoring reconciliation move: Sharif

ISLAMABAD, June 10: Pakistani Prime Minister Nawaz Sharif accused President Ghulam Ishaq Khan of ignoring his attempts at reconciliation and of stoking their bitter five-month-old power struggle, reports Reuter.

Sharif's late night broadside against the 78-year-old Ishaq Khan underlined the fragility of his position as he began today his third week back in office after the Supreme Court overturned the president's dismissal of his government.

Sharif told newspaper editors, the elderly President had not responded to his efforts to establish a "harmonious relationship" two weeks after the Supreme Court decision, local news agencies reported.

The Prime Minister spoke just hours after he shook hands with his one-time mentor turned arch-foe for the first time since Ishaq Khan sacked him on April 18, dissolved the national assembly and ordered fresh elections.

"Unfortunately, the President has not responded to my sincere efforts," Sharif was quoted as saying.

The President and the Prime Minister met — but did not speak to each other — at funeral prayers on Wednesday for 23 Pakistani peacekeeping soldiers killed by Somali gunmen in a weekend shootout in Mogadishu.

In a landmark judgement on May 26, the Supreme Court threw out the presidential orders as unconstitutional and restored Sharif's government and the parliament. The President issued a statement accepting the decision.

Sharif accused the President of colluding with 'certain elements' to harm his government in an apparent reference to the four provincial governments, which have openly sided with Ishaq Khan.

He called on opposition leader Benazir Bhutto, sacked by Ishaq Khan as Prime Minister in similar circumstances in 1990, to join forces to curb the President's power under a martial law-era constitutional amendment to dissolve parliament.

## Special Drive for Gas Line Disconnection of all defaulter consumers including Government & autonomous establishments

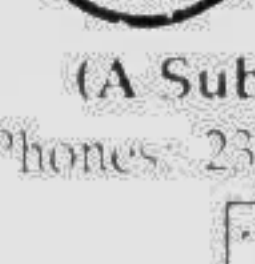
In view of realising the arrears, in total 05 industrial, 39 commercial & 1689 residential (3807 kitchens) gas connections in all areas under Titas Gas were disconnected between 17-4-93 and 27-5-93.

Next drive will resume from June 12, '93. To avoid gas disconnection, please pay your arrear gas bills immediately.

In this drive, gas line disconnection of defaulter government & autonomous establishments will start from 16-6-93. As per contract, even if not necessary, final notice has been served, in public interest, to each government & autonomous establishment. If, for any reason, the notice was not received, this notice should be treated as the final notice. If any one flat/apartment in case of gas supply to more than one flats/apartments from a single connection at Govt. colonies remains arrear, gas supply to other flats will also cease. As such, colony residents are requested to ensure payment of all occupants of their respective buildings.

Gas connection will be disconnected if the arrear payment receipt is not produced before the disconnection squad on the spot of gas consumption. However, if the receipt of bill payment can be produced to the respective Zonal office of the company by 7.00 p.m. on the day, steps will be taken for immediate reconnection.

Pay your gas bill in time and avert botheration of disconnection.



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