

Budget 1993: A quick review

By Qazi Kholiqzaman Ahmad

One ought to congratulate the Finance Minister for a budget speech which presents the government's economic agenda for the coming year clearly and forcefully. The main theme on which the budget has been based is, as expected, market economy, i.e. more privatization, deregulation and globalization. Clearly, it is in this context that the proposals relating to taxes and duties and allocation of public expenditure have been put forward. The first point that needs to be mentioned is that personal income tax bracket has been raised and tax rates reduced. Naturally, the beneficiaries are the rich. Secondly, measures have been proposed toward liberalizing import which will benefit traders, particularly large ones, i.e. the rich; and, at the same time, put domestic industries, particularly at mini, micro and small levels, at a disadvantage.

It has, however, been pronounced that poverty alleviation is a major goal to be achieved, mainly through employment generation. But, there is very little in the budget by way of encouraging and supporting employment generation. Unemployment is pervasive not only in the rural sectors but also among educated youth often with Masters or equivalent degrees in not only arts and social sciences but also in engineering and medical sciences. If poverty alleviation was a serious

One main reason why industrial investment is so sluggish and foreign private investment so shy is poor law and order situation in the country. Improvement in that respect is a necessary precondition for creating conducive atmosphere for industrial progress.

goal, a major thrust aimed at employment generation for both skilled and unskilled people should have been unveiled in the budget speech. In fact, in the prevailing socio-economic circumstances, employment generation should have been a basic plank on which to base budget making side by side with the market economy process. That is, an employment target should have been set and proposals made toward achieving that. To be sure, the idea is not to take recourse to centralized planning, but to achieve the goal through appropriate macro, meso and micro policy changes and institutional adjustments. The sub-sectors in which there is high potential for employment generation include rural non-farm and urban informal activities at household and micro levels. There is precious little in the budget toward facilitating and assisting such

economic activities. The raising of the exemption ceiling for VAT from Tk. 5 lakh to Tk 7.5 lakh is but a tinkering that may be of little impact in that direction. Another sub-sector that should have received attention

It has, however, been pronounced that poverty alleviation is a major goal to be achieved, mainly through employment generation.

is manufacturing of cloth and other materials used by the garments industry. This would have served two purposes. Given that the value added in foreign exchange from garments exports is very low because cloth and other materials are mostly imported, this would have led to an increase in that value added; and, at the same time, generated employment.

Let us briefly look at the projected economic growth rates. For the current year, the estimated growth rate shown in the budget is 5%. Other estimates put it closer to 4%. But, if a 5% growth would be achieved, it will certainly be welcome. However, it must be noted that a major contributory factor to this year's growth has been weather-favoured record agricultural production. It would not be prudent to project growth rates of 6% for the next year and 7% thereafter unless there is strong growth taking place in industries and other sectors, which is not the case. Weather may not always oblige.

maintaining law and order thereby creating conditions for people to go about their activities without having to be harassed and maltreated by muscle power, be it from within the folds of political parties or from elsewhere. One main reason why industrial investment is so sluggish and foreign private investment so shy is poor law and order situation in the country. Improvement in that respect is a necessary precondition for creating conducive atmosphere for industrial progress.

One would, therefore, have liked to see some facts in the budget for being so optimistic about the growth rate and how it might be achieved. It should be good news if the projected growth rates were achieved; but let us not forget that, expectations were raised previously in this way but have always been dashed.

If the Finance Minister has reached the landmark in establishing a self-reliant Bangladesh, he must be declared a national hero. But, before that, one would like to know the basis of such a categorical statement. Common knowledge is that not only that the country is heavily dependent on foreign aid, but donor influences are also pervasive in its policy making process.

While arguing the case for a greater emphasis on market economy, it has been said that government must withdraw from economic activities in which it does not perform well

and confine itself to things that it does best. The first thing mentioned as something that government does best is maintenance of law and order. But, it is well-known that the law and order situation in the country

is very poor and muscle power rules supreme almost everywhere in the society. If the government failed in its economic pursuit, the failure in the case of maintenance of law and order has perhaps been even more pronounced. Let it be hoped that, as the government rolls back from economic activities, it does a good job in

However, it must be noted that a major contributory factor to this year's growth has been weather-favoured record agricultural production. It would not be prudent to project growth rates of 6% for the next year and 7% thereafter unless there is strong growth taking place in industries and other sectors, which is not the case. Weather may not always oblige.

Now, let us look at a few specific proposals. The rationalizations proposed in relation to Value Added Tax (VAT) seems to be in the right direction. The proposal for compensating the anticipated loss of revenue collection to the tune of Tk 328 crore by means of administrative reform and restructuring rather than new taxes is also in the right direction. But the proposed tax relief to the rich, which is the cause of the anti-

Now, let us look at a few specific proposals. The rationalizations proposed in relation to Value Added Tax (VAT) seems to be in the right direction. The proposal for compensating the anticipated loss of revenue collection to the tune of Tk 328 crore by means of administrative reform and restructuring rather than new taxes is also in the right direction. But the proposed tax relief to the rich, which is the cause of the anti-

Now, let us look at a few specific proposals. The rationalizations proposed in relation to Value Added Tax (VAT) seems to be in the right direction. The proposal for compensating the anticipated loss of revenue collection to the tune of Tk 328 crore by means of administrative reform and restructuring rather than new taxes is also in the right direction. But the proposed tax relief to the rich, which is the cause of the anti-

Duty on fees for livestock has been reduced in order to

encourage livestock raising and dairy products in the country. Certainly a good move. But duty on powdered milk imported in bulk has also been reduced from 45% to 30% ad valorem. The rate of reduction is much sharper in the case of livestock feeds, but the lead time in organizing livestock farming can be long and the benefit of duty reduction may not percolate to any significant extent to small livestock farmers in the villages. On the other hand, import of powdered milk is an ongoing process controlled and facilitated by powerful national and international lobbies, and the reduction in the import duty on it will maintain, perhaps enhance the relative market strength of imported powdered

Finally, I would like to quote the following from the budget speech: 'I believe we have reached a landmark in realizing the dream of shahed President Ziaur Rahman of a self-reliant Bangladesh as was enshrined in his 19-point programme.' If the Finance Minister has reached the landmark in establishing a self-reliant Bangladesh, he must be declared a national hero. But, before that, one would like to know the basis of such a categorical statement. Common knowledge is that not only that the country is heavily dependent on foreign aid, but donor influences are also pervasive in its policy making process. It is also well known that, precisely because of this, the Government and the Finance Minister in particular are haunted by the Paris aid consortium meeting every year.

Finally, I would like to quote the following from the budget speech: 'I believe we have reached a landmark in realizing the dream of shahed President Ziaur Rahman of a self-reliant Bangladesh as was enshrined in his 19-point programme.' If the Finance Minister has reached the landmark in establishing a self-reliant Bangladesh, he must be declared a national hero. But, before that, one would like to know the basis of such a categorical statement. Common knowledge is that not only that the country is heavily dependent on foreign aid, but donor influences are also pervasive in its policy making process. It is also well known that, precisely because of this, the Government and the Finance Minister in particular are haunted by the Paris aid consortium meeting every year.

Finally, I would like to quote the following from the budget speech: 'I believe we have reached a landmark in realizing the dream of shahed President Ziaur Rahman of a self-reliant Bangladesh as was enshrined in his 19-point programme.' If the Finance Minister has reached the landmark in establishing a self-reliant Bangladesh, he must be declared a national hero. But, before that, one would like to know the basis of such a categorical statement. Common knowledge is that not only that the country is heavily dependent on foreign aid, but donor influences are also pervasive in its policy making process. It is also well known that, precisely because of this, the Government and the Finance Minister in particular are haunted by the Paris aid consortium meeting every year.

The author is a renowned economist with numerous publications to his credit. Currently he is the chief of Bangladesh Unnayan Parishad.

Indian tribes protest dam construction

BOMBAY, June 12: Scores of Indian tribespeople protested on Friday against the construction of a dam and their fastling leader said they would not abandon the fight, reports Reuter.

"This is like a war and in a war you cannot retreat," leading environmentalist Medha Patkar told a protest rally in Bombay. Patkar was on the eighth day of a fast to stop the half-built Sardar Sarovar Dam, the first major element of a four billion dollar project. She said she will fast until death.

When completed around the year 2025 the project will comprise 30 major, 135 medium-sized and about 3,000 small dams along the Narmada river, which flows through three western and central states, Madhya Pradesh, Gujarat and Maharashtra. Patkar's supporters said Maharashtra Chief Minister Sharad Pawar had held

talks with their leader aimed at resolving the issue and had said extra police were being pulled out of Manibeli, the first village due to be submerged this month as monsoon rains spread.

The provincial governments of Maharashtra and Madhya Pradesh had deployed a large number of police in villages which will be affected by the dam to prevent Patkar's supporters carrying out a threat to drown themselves.

The Sardar Sarovar Project has stirred up controversy in India, leading the World Bank to cancel its aid to the project. The dams will irrigate large areas of semi-desert, control flooding and bring drinking water to 30 million people.

The project will create one of the world's largest man-made lakes, which critics contend would harm the ecosystem.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 12/6/93

Berth	Name of Vessels	Cargo	Local Agent	Date of Arrival	Leaving
J/7	Black Whale	GI	Busa	Prog	11/6
J/8	Alam Tabah	Sugar	Tutu	MSA	10/6
MPB/2	Berwalla	Cont	Sing	ULA	9/6
CCJ	Sea Rhapsody	C Clink	Visa	UMAL	4/5
GSJ	Elstratos-G	Wheat	Ant	BLS	20/5
TSP	Banglar Sampad	Repair	Mong	BSC	7/6
RM/3	Bunga Serang	CDSO	DerSeacom	8/6	11/6
RM/5	Vishva Umang	Cement	Visa	PSAL	23/5
RM/6	Orsha	Cement	Sing	USTC	6/5
DOJ	Banglar Jyoti	R Oil	BSC	R/A	12/6
DD	Endurance Sea	Repair	Aqaba	CLA	25/1
DDJ/1	Tug Y Success/Labroy-90	GI	Sing	ILA	31/1
DDJ/2	Banglar Asha (Ebb)	Repair	BSC	R/A	25/6

VESSELS DUE AT OUTER ANCHORAGE

Name of Vessels	Date of Arrival	Last Port Call	Local Agent	Cargo	Loading Port
Eastern Mars	12/6/93	Hong Kong	Prog	GI	-
Banglar Moni	24/6/93	Mong	BSC	GI	Sing
Green Island	13/6/93	Sing	Karna	GI(Lash)	SA New
Turtaitissa	13/6/93	Safa	SSST	R Phos in Bulk	-
Trans Asia	16/6/93	Yang	Cross	GI	-
Samudra Samrat	16/6/93	Mong	SSL	For Dry Docking	-
NGS Express 31/5	15/6/93	Sing	BDShip	Cont	Sing
Yamburenko 31/5	14/6/93	Sing	CT	Cont	Sing
Rafah	14/6/93	Niko	Dynamic	M Seeds	-
Fong Shin 5/6	14/6/93	Sing	BDShip	Cont	Sing
Bharatendu	14/6/93	Mong	SSL	GI	Dundee Harb
Santa Margherita	15/6/93	Dubai	Prog	GI	-
Keban	19/6/93	Dubai	BSC	Cteel Billets	-
Kota Buana 6/6	15/6/93	Sing	RSL	Cont	Sing
Ocean Voyager	16/6/93	Pada	AML	Cement	-
Al Salma	16/6/93	Rang	ASLL	GI	-
Shaplaeverett	18/6/93	Sing	EBPL	GI	-
Eponymia 10/6	18/6/93	Sing	CTS	Cont	Sing
Banglar Robi 10/6	19/6/93	Sing	BSC	Cont	Sing
NGS Ranger 10/6	20/6/93	Sing	BDShip	Cont	Sing
Knud Jepsen 10/6	20/6/93	Sing	CT	Cont	Sing
Tin Ghi Shan	20/6/93	-	Khansons	Cement	-
Marym	20/6/93	-	USTC	M Seeds	-
Sam Iac	21/6/93	-	Keacoast	GI	-
Gold Future	22/6/93	-	AML	GI	Mom Mapu
Meng Lec 8/6	22/6/93	Sing	AML	Cont	Sing
Lyverett	24/6/93	Sing	EBPL	GI	-
Sound Royal	25/6/93	Sing	BBA	GI	-
Andrian	-	-	-	-	-
Goncharov 10/6	25/6/93	CT	Cont	Sing	-

TANKER DUE

Name of Vessels	Date of Arrival	Local Agent	Cargo	Local Agent
World Bridge	13/6/93	Sing	EOSL	(W/LD Naptha)
Petr Schmidt	15/6/93	Sing	Seacom	CDSO (RM/3)
Pacificia	16/6/93	Sing	MSPPL	HSD/JP-1(RM/6)

VESSELS AT KUTUBDIA

Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival
Alkyonis	C Clink	Bunk	UMAL	30/5
Meng Kiat (Cont)	Cont	Sing	AML	12/6
Optima (Cont)	Cont	Sing	AML	12/6
Lily	Cement	Sing	Litmond	6/6
Tug Salvigor	-	Sing	BTSL	12/6

VESSELS AT KUTUBDIA/OUTSIDE PORT LIMIT

VESSELS READY

Ready On:

Alkyonis	C Clink	Bunk	UMAL	30/5
Meng Kiat (Cont)	Cont	Sing	AML	12/6
Optima (Cont)	Cont	Sing	AML	12/6
Lily	Cement	Sing	Litmond	6/6
Tug Salvigor	-	Sing	BTSL	12/6

VESSELS NOT READY

Ronjay Choomic	Cement	Sing	USTC	2/6
Agra	Cement	Long	PSAL	12/6

VESSELS AWAITING INSTRUCTION

Stern	Scraping	Mong	NFTIP	9/4
Promitheas	Scraping	Sing	ARL	5/6
Al Reza	Urea	Sing	Seacom	R/A(9/6)

MOVEMENT OF VESSELS FOR 13/6/93

OUTGOING	INCOMING	SHIFTING
MPB-1 Meng Kiat	DOJ B Jyoti	TSP: B Sampad to J/6
CCJ/- Sea Rapsody	RM-6 World Bridge	RM-5 V Umang to J/2
GSJ/ Elstratos-G	J/10 Tug Salvigor	RM-6 Orsha to J/4
RM-3 Bunga Serang	-	-
DLJ/- B Shobha	-	-

The above were the Saturday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Exchange Rates

The following are the Commercial Banks' BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on June 13, 14 and 15.

Currency	Selling B.C.	T.T. (C)	Buying OD Transfers
US Dollar	39.9326	39.7087	39.4556
Pound Sterling	60.7142	60.4383	60.0747
DM	24.5361	24.3911	24.2356
FF	7.2963	7.2514	7.2052
S Riyal	10.6740	10.6142	10.5465
D Guilders	21.8689	21.7344	21.3958
S Kroner	5.5459	5.5110	5.4758
Singapore Dollar	24.8106	24.6714	24.5142
UAE Dirham	10.9096	10.8485	10.7793
Kuwait Dinar	133.4168	132.6707	131.8251
Indian Rupee (AMU)	1.2677	1.2636	1.2573
Pak Rupee (AMU)	1.4721	1.4655	1.4581

Authorized dealers will apply T T clean buying rate for purchase of remittances of Bangladeshis working abroad.

Dhaka Stock Prices

At the close of trading on June 12, 1993

Week opens on upward note

Week's trading on the floor of Dhaka Stock Exchange (DSE) opened on an upward note on Saturday. Both the turnovers increased. Volume reached 11047 issues from Thursday's 7354 with 20.17 per cent rise. Value made a gain of 13.613 per cent. It increased to Taka 481544.00 from Taka 423845.00. Number of stocks transacted on the floor also increased. It totalled 49 against Thursday's 29. Gainers dominated the floor. They outnumbered losers by 24 to only nine while 16 others traded at previous rates. The figures of the DSE Composite Index and Market Capitalisation were not available on the day.

DAY'S TRADING AT A GLANCE

DSE Share Price Index	NA
Market Capitalisation (Tk)	NA
Turnover in Volume	11047
Turnover in Value (Tk)	481544.00

Company's name	Previous price Tk	Closing price Tk	Change (absolute) Tk	Change % over of share price	Number sold
Gains (24) Shares:					
AB Bank	167.50	168.00	1.00	0.597	5
National Bank	94.00	95.00	1.00	1.063	105
6th ICB M Fund	61.00	61.25	0.25	0.409	20
Afab Automobiles	169.00	172.00	3.00	1.775	70
B Autocars	67.00	67.25	0.25	0.373	100
Karim Pipe	87.25	88.00	0.75	0.859	5
Renwick Jajneswar	74.00	75.00	1.00	1.351	70
NTC	211.00	212.00	1.00	0.473	5
Rupan Oil	4.23	4.29	0.06	1.418	700
Zeal Bangla Sugar	6.60	6.74	0.14	2.121	2650
Quasem Silk	2.24	2.30	0.06	2.678	500
Satham Textile	68.50	68.73	0.23	0.335	160
Beximco Pharma	425.00	426.00	1.00	0.235	5
Kohinoor Chemical	63.74	64.00	0.26	0.407	5
Pharma Aids	167.00	171.33	4.33	2.592	30
Rahman Chemicals	33.25	33.50	0.25	0.751	160
Eagle Box	16.17	18.50	2.33	14.409	1000
Apex Tannery	365.00	360.00	5.00	1.369	10
Bata Shoe	35.85	36.81	0.96	2.677	1480
Milon Tannery	13.14	15.00	1.86	14.155	50
Savar Refractories	78.25	79.00	0.75	0.958	5
Debentures:					
Beximco	1881.00	1883.76	2.76	0.146	21
Beximco Pharma	1265.00	1268.75	3.75	0.296	4
Quasem Silk	1155.00	1200.00	45.00	3.896	1
Losses (09) Shares:					
Rupali Bank	70.00	69.50	0.50	0.714	30
B Thal Aluminium	87.50	87.25	0.25	0.285	50
Cig Vegetables	72.00	70.63	1.37	1.902	60
B Oxygen	67.57	67.54	0.03	0.044	225
Ashraf Textile	29.60	29.00	0.60	2.027	500
Tamjuddin Textile	162.00	161.00	1.00	0.617	20
Pharmaco	51.00	50.00	1.00	1.960	5
Cig Cement	213				