

Manzur murder case Ershad, others not produced in court

From Staff Correspondent

CHITTAGONG, June 15: Deposed president H M Ershad, who is a co-accused in the Gen Manzur murder case was not produced before the Court of the Chief Metropolitan Magistrate (CMM) here today.

The three other retired army officers, arrested in connection with the case, also could not be produced before the court. They are Gen Abdul Latif, now being detained in Dhaka Central Jail, Col. Shamsur Rahman, now in Tangail jail and Major Emdad, now in Comilla jail.

The Assistant Commis-

sioner of Police (prosecution) informed the court that the four accused could not be produced due to 'lack of necessary police escort'.

The AC (prosecution), Bakhtiar Hossain Bhuiyah, prayed to the court for refixing the date for production of the four accused including Ershad, now serving a 20-year prison term in Dhaka Central Jail.

The court fixed July 1 as the next date for production of the accused.

Meanwhile, a bail petition in favour of Ershad was submitted to the CMM's court today by a group of lawyers. But the petition was not accepted by the court since it did not carry the signature of Ershad.

The AC (prosecution), opposing the submission of bail petition, argued that the defence lawyers cannot file this without the signature of the accused as well as instruction from him.

The CMM, Matiur Rahman, asked the lawyers to obtain power from their client Ershad before moving a bail petition for him.

The lawyers belonged to a 15-member legal aid committee formed here recently for Ershad.

However, a few activists of Jatiya Party staged demonstration today in the court premises in protest against implication of Ershad in the Manzur murder case.

Duty on white print reduced by 15pc

By Staff Correspondent

Duty on imported white print has been reduced substantially in the proposed budget. Importers will now have to pay 15 per cent duty instead of 30 per cent earlier.

The government earlier exempted newsprint from customs duty.

Announcing the duty reduction, the finance minister mentioned that around the world the price of paper was going up and added, "Considering the price (increase) of paper in the international market I propose to reduce this rate to 15 per cent."

Duty on waste paper has also been withdrawn so that the duty reduction on white paper does not adversely affect the local manufacturers of paper.

JP calls hartal in city June 27

By Staff Correspondent

The Jatiya Party has called an eight-hour hartal in the capital on June 27 to press its demand for the release of party chief H M Ershad.

The hartal programme was announced at a rally held in the Mohakhali Kancha Bazar area yesterday with its city unit president Col (ret'd) Abdul Malek in the chair.

The rally was held as part of the 'demonstration day' observed separately by three main opposition parties — the Awami League, the Jatiya Party and the Jamaat-e-Islami.

Addressing the rally, Jatiya Party secretary general Anwar Hussain Monju said the country has plunged into a serious constitutional crisis and neither the politicians nor the intellectuals know how to salvage the nation from this unfortunate situation.

He demanded immediate dissolution of Parliament, fresh elections under a non-partisan caretaker government and release of Ershad.

Cut in corporate tax rate

By Staff Correspondent

Finance Minister M Saifur Rahman has proposed further reduction in corporate tax rate to make it at par with that of the region.

The tax rate for the publicly traded companies has been proposed to be reduced from 37.5 per cent to 35 per cent and for companies whose shares are not publicly traded, from 42.5 per cent to 40 per cent.

Corporate tax for banks and financial institutions has been proposed to be reduced from 50 per cent to 47.5 per cent.

He hoped this would make the rate internationally competitive.

Summary of Budgetary Operations

(In Crore of Taka)

Major Heads of Account	Budget 1995-96	Revised 1994-95	Budget 1994-95
I. General Revenue	15450	14210	13637
Tax	12205	11110	10625
Non-tax	3245	3100	3012
II. Total Expenditure	24707	23079	21733
Revenue Expenditure	11070	10300	9948
Development Expenditure	12100	11150	11000
Non-ADP Projects	201	89	148
Food for Works	705	690	513
Capital Expenditure—Non-Development (Statement V-B)	767	736	595
Net Outlay in food stock	414	264	70
Loans and Advances (Net)	-550	-150	-556
Others	-	-	15
Overall Deficit	-9257	-8869	-8096
III. Financing:	9257	8869	8096
A—Foreign:	6591	5859	6010
Grants	3569	2625	2640
Loans	4422	4369	4573
Of which:			
Project Assistance	5030	4640	5000
Commodity Assistance	1893	1302	1420
Non-ADP Project Assistance	201	89	148
Food Aid	647	630	465
Others	220	333	180
Repayment of Debts	-1400	-1135	-1203
Deferred Payment food—Net	-	-	-
B—Domestic	2666	3010	2086
Of which:			
Permanent Debt (Net)	291	492	234
Floating Debt (Net) including SAF	4	4	313
Public Account	1786	1627	1365
Extra Budgetary Resources	150	182	174
T & T Bond	435	235	-
Bank Borrowing	-	470	-

Hasina: Budget a bait

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press demands including fresh registration of voters in a simplified way, dissolution of the Parliament and holding general elections under a caretaker administration.

Commenting on the proposed budget, Hasina said the Finance Minister tried to influence the people by his "sugar coated" budget speech ahead of the next general elections. "But such well-articulated speech won't feed the common masses who now want immediate ouster of this corrupt and inefficient BNP government," she said.

"This budget is a bait hung before the voters ahead of the coming elections." Blasting the BNP government for not giving up power despite "nationwide" agitation, the AL chief commented, "They want to cling to power anyhow as they know very well people will try them for their corrupt practices and snatching their right to vote and food soon after they quit power."

She called upon the people to intensify the on-going anti-government agitation. Pressing the caretaker government issue, the AL leader alleged that any polls with the BNP in power would be negating peoples' right to franchise and ignoring their security. They are attempting to snatch away voting rights by preparing a fresh voters' list in a complicated manner.

The rally was also addressed by Mayor of Dhaka

Mohammad Hanif, Matiya Choudhury, Sudhangsu Shekhar Haidar, Dr. Mostafa Jalal Mohiuddin, Mukul Bose and Nurul Islam Nahid.

Later, Hasina led a procession from the meeting venue towards the Parliament building.

Meanwhile, AL general secretary Zillur Rahman in a statement last night alleged that BNP-backed terrorists hurled bombs on AL's procession towards the Jatiya Sangsad yesterday afternoon.

"The attack on the peaceful procession shows BNP's effort to cling to power through repressive measures." Such practices would lead the nation towards an anarchic situation and further worsen the political atmosphere in the country, he added.

The AL leader also blamed police for not protecting the innocent people and arresting the terrorists.

The AL will organise demonstrations in the city today and through the country tomorrow in protest against the attacks, he announced.

AL leader shot dead in Khulna

KHULNA, June 15: A former union parishad member and Awami League leader was shot dead by some miscreants in Arongghata bazaar area in Daulatpur thana on Wednesday night, reports UNB.

Tax relief

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duced to 30 per cent from 45, supplementary duty on colour TV reduced to 5 per cent from 20. Duty on sewing machines reduced to 22.5 per cent from 45, on parts of sewing machine to 15 per cent from 30.

Zamandi saree: Duty on special thread (zari) reduced to 7.5 per cent from 30.

Cosmetics: Duty cuts on essential oils from 30 to 15 per cent, on raw materials for perfumes from 45 to 30, on wax from 45 to 30 per cent. On the packaging materials used in cosmetics industry from 45 to 30 per cent and on talc stone and flagofyte used in talcum industry from 15 to 7.5 per cent.

White paper: Duty on white paper reduced to 15 per cent from 30. Duty on waste paper waived and on chemical wood pulp to 7.5.

Ceramics and melamine: Duty on ball clay, fire clay, felpser, plaster of paris and ball stones reduced to 7.5 per cent from 15. Transfer paper and zirconium silicate to 15 and 22.5 per cent respectively from 30. Melamine resin and transfer and decalcomania paper to 15 per cent from 30.

Industrial raw materials: Duty on 1028 industrial raw materials, including soda ash, caustic soda, benzene, reduced to 22.5 per cent from 30.

Textiles: Duty on air cooling systems and humidifiers used in textile industry withdrawn, on measuring machines and other accessories used for quality control in textile industry reduced to zero from 15 per cent. Cotton waste and wool tops will be exempted from payment of customs duty.

Leather: Duty on six raw materials for leather industry reduced to 7.5 per cent from 15 and 30 per cent.

Electronic raw materials: Duty leviable on 162 parts and accessories used in electronics industry reduced to 15 per cent from 30.

Rubber: Rate of duty on natural and artificial rubber reduced to 22.5 per cent from 30 and 45 per cent on tyre cord, fabric, bead wire, titanium-di-oxide and calcium carbonate to 15 per cent from 30 per cent, on stearic acid and rubber accelerator to 15 per cent from 30, on polyester cord to 30 per cent from 60 and on wood tar and nylon cord to 30 from 60.

Electrical goods: Duty on copper wire reduced to 30 per cent from 45, on phenolic moulding compound, stainless steel sheet and asbestos 7.5 from 30, 15 from 30 and 30 from 45 per cent respectively.

Optical industry: Duty cut on various types of glass lenses from 15 and 45 per cent to 7.5, on parts of frames and blanks of lenses from 45 and 30 per cent to 15 per cent.

Surgical instruments: Duty on life-saving surgical and eye surgery instruments reduced to zero from 7.5 per cent and on accessories used with kidney dialysis type machines withdrawn.

Match: Duty on iron oxide, potassium chlorate, adhesives and duplex outer shells used in match industry reduced to 30 per cent from 40, 22.5 from 30 per cent, 30 from 45 per cent and 15 from 60 per cent respectively. Duty on toluene, monoethyleneimine and polymers of vinyl acetate used in detergent industry reduced to 15 per cent from 30 per cent.

Various industrial raw materials: Duty on hydrated aluminium reduced to 15 per cent from 30, on polyester cord to 30 per cent from 60, pressure reducing valves to 15 per cent from 30, fire alarm to 15 per cent from 45, reedwire used in textile reeds to 22.5 per cent from 30, channel reed frame to 30 per cent from 45, steel carbon strips (for hack saw blades) to 22.5 per cent from 45 and BP sheet to 15 per cent irrespective of thickness.

Palm oil: Duty on crude palm oil reduced to 30 per cent from 45, on refined palm oil to 45 per cent from 60, on rape seed, mustard seed and colza seed to 7.5 per cent from 15.

Transport sector: Duty on spare parts relating to 15 HS codes reduced to 30 per cent from 45, on truck tyres to 22.5 from 30 and on pick up vans to 30 per cent from 45. No supplementary duty on cars and jeeps upto 1000cc.

Export duty: Duty on exports waived. Customs duties on all types of tags, labels and stickers used by exporters also withdrawn.

The Midnight File

Offensive by Bosnian army will be mistake: Chirac

UNITED NATIONS, June 15: French President Jacques Chirac announced today that an offensive by Bosnian army forces would be a serious mistake and would put the whole world at risk. Speaking to reporters at UN headquarters in New York, Chirac also said the security council could approve a resolution by late today to create a rapid reaction force to protect peacekeepers in Bosnia, reports AFP.

Tax assessment

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more than ten per cent of the previous year's assessed income of where income in the previous year has not been assessed, declares income which exceeds the last assessed income by ten per cent for every unassessed year, his tax will be assessed on the basis of his return.

Penalty for wrong declaration in case of self-assessment will be double that of normal assessment. The National Board of Revenue will scrutinise self-assessment returns immediately after submission of returns, but only once in three years.

Regarding income on house property, not more than 25 per cent of annual value of house property would be accepted as allowable expense. Exemption limit for income of house property is also to be raised to Tk 30,000 per year for another five years.

While all commissions paid by insurance companies have been subjected to deduction at source, income tax on insurance commission receipt of less than Tk 25,000 will not be deducted at source. The rate of deduction in this case will be reduced to 5 from 10 per cent.

To cut tax administration's power, the minister proposed that if the assessee paid 15 per cent of assessed tax or tax payable on his admitted income, whichever is higher, no action will be taken against him till the disposal of the appeal.

He also proposed to waive the condition of payment of minimum tax before filing an appeal in the High Court

GDP growth

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sub-sectors. The Finance Minister said gross domestic investments grew from 11.5 per cent of GDP in fiscal 1990-91 to 14.2 per cent last fiscal and is expected to reach 15 per cent in current fiscal.

He projected that the gross domestic investments will grow to 16.5 per cent in 1995-96 financial year.

Tax holiday

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to eligible undertakings for five years in all areas of Dhaka and Chittagong divisions except the three hill districts," Finance Minister M Saifur Rahman said in his budget speech yesterday.

The period of tax holiday will be seven years in Rajshahi, Khulna and Barisal divisions and in the three hill districts.

Justifying his proposal, Saifur said because of sound economic management and policies pursued by the government there has been a significant growth of investment in the sectors those enjoyed tax holiday during the last four years. "It is desirable that this trend should continue uninterrupted," he said.

During 1973-75, on an average only three undertakings in the private sector with average annual investment of Tk 89 lakh (in current prices) and 392 new jobs received tax holiday per year. The number was 102 during '82-90 with average investment of Tk 141 crore and 9024 new jobs. During '91-94, 185 tax holiday undertakings were set up with average investment of Tk 525 crore and 23000 new jobs per year.

Forex

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Importers have also been allowed provision to have access to foreign exchange. They will be entitled to a business travel quota of one per cent of the import LCs settled in the case of the importers, and one per cent of the total turn-over in case of the producers based on the record of the previous year, subject to a maximum of US \$ 5000.

However, travel tax, a big burden for visitors has not been reduced.

against the orders of Income Tax Appellate Tribunal and in the Supreme Court.

The maximum time limit for completing assessment, now two years from the end of the relevant assessment year, has been proposed to be reduced to one year.

The existing facility to scheduled banks for treating provision of bad and doubtful debts as allowable business expenditure, which is scheduled to expire in 1995-96, is proposed to be continued indefinitely till a bank succeeds in making provisions as per the standards laid down by Bangladesh Bank.

Economists

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was not explained to what extent hard core poverty had actually been reduced.

"In terms of financial sector reform, there was conspicuous silence about the extent of defaults in public and private sector banks," he said adding "nor was there any mention about insiders' arrangements with the private banks or politicisation of lending by the public sector banks."

Refuting the claims of the Finance Minister on increased expenditure for education, he said it is interesting to note that in secondary and higher secondary sector the expenditure remained the same.

Prof Ahmad said so far as the allocation for the local government is concerned there is a built-in bias against the urban municipalities and corporations.

Dr Atiur Rahman, a senior research fellow of the Bangladesh Institute of Development Studies, in his instant reaction to the proposed budget, said as expected this is an election budget which tried to "woo those who matter in election in a country like ours — industrialists who finance, and middle class, who mould the public opinion."

"All kinds of concession has been given to the rich, not to the poor," he said.

Highest customs duty now 50 pc

By Staff Correspondent

The highest rate of customs duty has been reduced to 50 per cent in the proposed budget from the existing 60 per cent.

Announcing this, the Finance Minister said, "The countries which are the signatories to the Uruguay Round Agreement are committed to reduce their rates of customs duties. In the neighbouring countries such reforms have already been implemented."

Saifur mentioned that the highest rate of customs duty in India has been reduced to 50 per cent from 65 ad valorem. In Sri Lanka, it is now 35 per cent.

Highlights

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* Highest customs duty reduced to 50 per cent from the existing slab of 60 per cent.

* VAT on some poultry and dairy inputs, kidney dialysis machines and its parts and accessories waived.

* Duty on raw intermediate materials of some 1028 items reduced.

* Duty-free import of machinery used in irrigation and agriculture and vitamins used for poultry and inactive yeast.

* Total loss from various tariff and tax cuts estimated at Tk 350 crore.

Police-opposition

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The JP workers' clash with the police took place at the Mohakhali rail crossing where a procession of the party, heading towards the Parliament building, was stopped. At least 10 JP activists were injured in police action. Earlier, the JP held a rally at the Mohakhali kutcha bazar.

Later, the leaders of the AL and the JP addressing the demonstrators strongly condemned the police action and demanded release of their workers.

3 defectors from JP join JS

By Staff Correspondent

Three MPs, who defected from the Jatiya Party, and joined the ruling Bangladesh Nationalist Party (BNP) recently, yesterday returned to Parliament after boycott of over one year.

Ebadur Rahman Chowdhury (Moulavibazar-1), Sharfuddin Khashru (Sylhet-6) and Abdul Majid (Sunamganj-5) took their seats at the opening of the budget session. However, three other JP MPs — Mahmudul Hassan, Paritosh Chakraborty and Hafizur Rahman Pramanik — who have also joined the BNP, still stayed out of the House.

Business leaders

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adding that the budget did not withdraw the system of deduction of advance income tax on export oriented industries as was demanded.

Former President of Dhaka Chamber of Commerce and Industry Abdur Rab Chowdhury lauded the proposals for simplifying the income tax assessment procedures and curbing the power of tax officials. "The budget has also indicated the government's sincerity to boost capital market," Rab Chowdhury said.

Former Deputy Prime Minister Iqbal Uddin Ahmed said, "this is an election budget. So by its' nature, it has to be pro-people."

He hailed duty cuts and pointed out, "another good aspect is that there is no instance of raising taxes and duties. The highest allocation made for ADP will certainly accelerate the development process. The growth rate, savings rate and investment rate anticipated by the Finance Minister is indeed very encouraging."

A senior official of a foreign bank in the city hailed the

reduction of corporate tax saying, "it is good that government has taken notice of the neighbouring countries. However, we were expecting it to go little more down, at least by 8 per cent instead of the proposed 2.5."

President of Bangladesh Nut, Bolt, Screw and Allied Products Manufacturers Association Alauddin Ahmed blasted the Finance Minister for not relaxing VAT on labour intensive and local raw material based industries.

Alauddin noted that the local industrialists were "paying taxes over taxes." Therefore, their products were becoming more costly than imported ones.

"We demand VAT be made production-friendly. The policy should be, more value addition, less VAT and less value addition, more VAT," he said.

A private sector tax payer, commenting on the unchanged income tax level said, "one should not be penalised for default of others. If the tax rate can not be reduced, the slab could have been enhanced to a higher level."

Opposition reaction

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chief said it has been declining due to "inefficiency and corruption of the BNP government. The government also failed to ensure a congenial atmosphere to attract internal and foreign investment."

Sheikh Hasina maintained that the proposed budget will only aggravate the existing economic and social crisis.

Mizanur Rahman Chowdhury, acting chairman of the Jatiya Party, said the budget cannot be called a national budget since it was the budget of a minority government placed before the House in the absence of the entire opposition.

In his instant reaction given to The Daily Star over telephone last night, Mizan Chowdhury said since the MPs representing 69 per cent voters are not participating in the proceedings of the House, the new fiscal proposals can only be termed as the 'budget of a Waqf Estate produced by its Motwallis'.

As regards the Finance Minister's claim of the GDP growth, Mizan Chowdhury pointed out that thousands of small industries and a good number of jute, textile and other big industries remained closed. He said that the clo-

sure of such a large number of industries increased unemployment.

Maulana Matiur Rahman Nizami, General Secretary of the Jamaat-e-Islami, criticised the presentation of the budget before a House where the Opposition remained absent. "The Jatiya Sangsad cannot be effective without Opposition — a vital force in a parliamentary democracy," he said. Nizami also branded the new budget as 'election-oriented' and said that it does not reflect the attitude of a democratic government.

Saifuddin Ahmed Manik, General Secretary of Gano Forum, also termed the proposed budget as election-oriented. According to him, the budget will not ensure development of the country.

Manik stressed the need for political stability in the country to ensure economic growth and progress.

The central committee of the Workers Party of Bangladesh in a statement said that the budget was formulated according to the advice of the World Bank and the IMF. "Some measures were proposed only to appease the people before the elections", the statement said.

Wide-ranging tax cuts

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Dressed in a black suit, Saifur Rahman presented the budget, his seventh as finance minister and the last of the 5th Parliament, without the opposition MPs, who resigned over the caretaker government issue. Saying that he is "deeply saddened" by the absence of the Opposition from Parliament, he added "it is indeed tragic that they have abandoned the very institution for the sovereignty of which we had together fought and struggled."

Highlighting the ruling party's success in turning around the country's economy over the last four years, the minister noted that the gross domestic investment grew from 11.5 per cent of the GDP in FY '90-91 to 14.6 per cent last year and is expected to reach 15 per cent during the current fiscal. It is projected to grow to 1