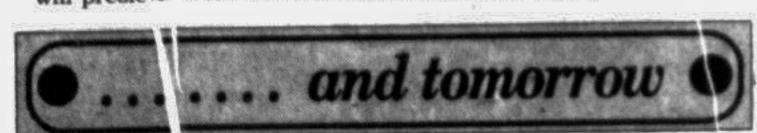


Disc us sion on Eid-e-Miladunnabi: Nazrul Institut e has organised a discussion meeting and a milad mahfil in observance of the holy Eid-e-Miladunnabi. Noted vocalist Mostafa Zaman Abbasi will present a paper on 'Nazrul's Hamd and Na'at'. Eminent journalist Obaidul Huq will presicle Venue: Nazrul Institute. Time: 5 pm.



Discussion on budget: A discussion on "National Budget from the Perspective of Poverty Alleviation" will be held The Institute for Development Policy Analysis and Advocacy (IDP AA) of Proshika, an NGO, has organised the discussion. Pr ime Minister Sheikh Hasina is expected to attend as chief guest. LGRD and Cooperatives Minister Zillur Rahman will be present as special guest. Venue: Shilpakala Academy. Time:

Talk on ME peace process: Bangladesh Institute of International and Strategic Studies (BIISS) has organised a talk on The Middle East Peace Process and Democratisation' by Dr Mustafa B Hamarneh, Director, Centre for Strategic Studies, University of Jordan, Amman. Venue: BIISS auditorium. Time: 4 pm.

Exhibition on DADA movement: Goethe Institut Dhaka and Banglaclesh Silpakala Academy have jointly organised five-day long exhibition on the famous international DADA movement. This movement began in 1916 in Zurich and reflected the feeling which spread in New York and Berlin, Paris and Ronne, Budapest, Tokyo and nursed the young generation in revolt. It was a new beginning in modern art and its ramification's still exert an influence today. The DADA movement compi ises not only the fine arts but also literature, especially poe try, theatre and cabaret. Works and objects by different DAD, I artists will be on display. Mobarak Hossain Khan, DG, Shi lpakala Academy, will inaugurate. Screening of a short file a on DADA movement will follow. Venue: Shilpakala Academ v Gallery. Time: 5:30 pm.

Publication ceremitony: The publication ceremony of some books on Nazrul will the held. Chief guest: State Minister for Youth, Sports and Cultur al Affairs Obaidul Kader. Obaid-ul-Hoq, Chairman. Nazrul Institute Trustee Board will preside. A musical soiree with eminent Nazrul singers will follow. Venue: Nazrul Institute auditorium. 7 ime: 5 pm.

Katha Abriti Charcla Kendra: The concluding session and certificate distribution ceremony of a workshop on recitation for children will be held. Katha Abriti Charcha Kendra has conducted the workshop. Chief guest: Rokonuzzaman Khan (Dada Bha i). Special guest: Asaduzzaman Noor. Venue: Kanchi Kancha auchtorium. Time: 5:30 pm.

Worldnet Dialogue: The United States Information Service has arranged a Worldnet Dialogue on 'How Chambers of Commerce Promote International Trade' with Karan Swaner, Manager for Asia in the International Division of the US Chamber of Commerce. Venu e: USIS auditorium, Jiban Bima Bhaban, 10 Dilkusha. Time: 5:30 pm.

Rotary Club of Jahangi rnagar Dhaka: The sixth installation ceremony of the club will be held. Venue: Sonargaon hotel. Time: 4 pm.

Rotary Club of Dhaka Central: The regular weekly meeting of the club will be held. It will be a joint meeting with Rotaract Clubs of Dhaka Central and Wari. Venue: Rotary Centre, 7-13, Satmasjic! Road. Time: 5:30 pm.

Weather

Moderate rainfall likely

Light to moderate rain or thundershower accompanied by temporary gusty or squally wind is likely at many places over Chittagong, Barisal, Sylhet divisions and at a few places over Dhaka, Rajshahi, Khulna divisions in the next 24 hours till 6 pm today, reports UNB.

Met Office says day temperature may remain nearly unchanged during the period across the country. In its outlook for subsequent two days weathermen predicted little change while increased rain in the following five

The outgoing British High Commissioner, Peter J Fowler, called on Prime Minister Sheikh - PID photo Hasina at her office yesterday. .

Law & order: opinion sought

A task force, headed by the additional home secretary, was formed in the Ministry of Home to collect opinion and suggestions of people in interest of maintaining normal law and order situation, reports BSS

A government handout said that the task force would receive people's opinion and suggestions every day from 8 in the morning to 6 in the afternoon, at the telephone 868156 and Fax 864788.

People have been requested to let the task force know their opinion and suggestions.

Two arrested for torturing maid

From Our Correspondent

NARAYANGANJ, July 28: A 9-year-old maid allegedly tortured by her mistress fled today with severe injuries in her

According to sources, Eva accidentally poured a jug-full of water on a bed-sheet at the house of Biparipara in the town. Sheema Akhter wife of one Giasuddin Ahmed, became very angry and subjected her to inhuman treatment for four days.

Escaping from the house, the poor girl, with the help of a man went to Narayanganj police station where she narrated her tale. Shortly afterwards, police arrested Giasuddin and his wife.

Before the police arrived, the local people had beaten up Giasuddin for torturing the

Eva was admitted to the Narayangani Hospital in a critical condition.

Narayanganj police station.

A case has been filed with

Parliament tidbits

By Nazmul Ashraf

In an apparent bid to disprove BNP's claim that the Jatiya Party and the JSD (Rab) are not part of the Opposition in Parliament, lawmakers of the two parties did not join the Breasury benchers in thumping tables during yesterday's presentation of budget by Finance Minister Shah AMS Kibria.

However, the JP chief and jailed former president HM Ershad was seen smiling and thumping table while Kibria spoke for decentralisation of the administration, the Upazila system and other policy matters undertaken during his

Unlike Ershad, former Prime Minister and Leader of the Opposition in the House Begum Khaleda Zia remained silent while the Finance Minister in his budget speech anmounced that the Food for Education programme would go ahead.

None but Salahuddin Quader Choudhury among the BNP legislators reacted in the House even when the budget speech touched the achievements of the former BNP government. Choudhury thumped his table only when the Food for Education programme was mentioned to be continued.

During the 120-minute speech by the Finance Minister, the lawmakers of the BNP, the JP, the Jamaat and the lone member of JSD (Rab) were seen to be the only listeners.

JP secretary-general and Minister for Communications Anwar Hossain Manju, and JSD (Rab) leader and Shipping Minister ASM Rab, who are already in Sheikh Hasina's government, followed the Opposition by thumping table only when the budget speech was completed and the bills were placed by the Finance Minis-

While the budget speech was being delivered, the House

witnessed an unusual calm as all the MPs were listening to the Finance Minister and going through his written speech. Leader of the House and Prime Minister Sheikh Hasina was seen very attentive in listening to the speech thor oughly. However, the Opposition Leader Begum Zia's

following the speech was punctuated by her side-talks with the former Finance Minister M Saifur Rahman and the Deputy Leader of the Opposition Prof Badruddoza Choudhury.

Like other days, Ershad was seen talking with Anwar Hossain Mantu and ASM Rab.

Saifur Rahman, who has a record of placing as many as seven national budgets, to his credit seemed to be the most attentive listener to his successor. He was seen making points to the former premier and other party colleagues, sitting beside him.

Unlike his predecessor, Kibria failed to inject humours in the usual dull budget speech since he seemed to be in a very serious mood. However, he was not heard with Syl-. hetite accent as used to happen in the case of Saifur Rahman, although both of them are from Sylhet.

A bottle of mineral water and a glass were kept on the table of the Finance Minister to enable him deliver the lengthy speech smoothly.

Although the MPs from all parties attended yesterday's session in a larger number, the visitors' galleries, including two for the VIPs, were thinly attended.

Members of the diplomatic corps were seen sitting in the VIP gallery while the VVIP gallery attendants included the PM's Parliamentary Affairs Advisor Suranjit Sengupta and the spouse of the Finance Minister.

VC-led panel sweeps JU senate polls

By JU Correspondent

The panel led by the VC and the Pro-VC of Jahangirnagar University, Prof. Amirul Islam Chowdhury and Pfof. Alauddin Ahmed respectively. swept the dean and senate polls yesterday. The voting took place from

9 am to 2 pm at Teachers' Club on the campus.

Two panels of JU teachers - one jointly led by the VC and the pro-VC and the other led by former president of the Federation of Bangladesh University Teachers' Association (FBUTA) Prof. Khandaker Mushtahidur Rahman - con-

tended the polls.

Prof khaliquzzaman Elias of English Department and Prof Anwarul Haq Sharif of Mathematics Department were elected deans of the Arts and Science faculties respectively from the VC-Pro-VC-panel while Prof Azizul Haq Bhuiyan of Geography Department was elected dean of Social Science faculty from the other panel.

VC-led panel bagged 27 posts while Mushtahid led panel got 6 posts in the teachers' representative senator

7 injured in city incidents

By DMC Correspondent At least seven persons were injured in separate incidents

in the city yesterday A vendor of eggs was injured when a group of muggers stabbed him at Mirpur, near Bangla College yesterday

around noon. The victim, Khan Shaheb (45) received stab injuries in his back and abdomen and was admitted to the DMCH.

His relatives reported that while returning home to Kallanpur, Shaheb was waylaid by the muggers near Bangla College. The miscreants attacked and snatched Tk 1000 from him, before fleeing the scene, they added. In anothers incident, at

least five persons were injured when two rival groups clashed at Jatrabari over gaining control of the area yesterday evening. Witnesses said that several

bombs were hurled during the clash, which lasted for about half an hour. Among the injured, Sajedul (24). Liton (21) and Tipu Sul-

tan (19) were admitted to the

DMCH with bomb blast injuries. Meanwhile, an electronics mechanic was seriously injured when a group of unidentified

youths stabbed and beat him up severely at Mirpur Saturday The victim, Nirmol Das (28), was admitted to the

DMCH in a critical condition. Relatives said that the miscreants kidnapped him from his residence and took him to a nearby lane, where they assaulted and stabbed him all over the body.

Shipping Intelligence

CHITTAGONG PORT

Berth No		Name of Vessels	Cango	L.Port Call	Local Agent	Date of Arrival	Leaving
J/1		Angeliki-R	GI	Sing	ANCL	26/7	
J/3	30	Acor	GI(Copra)	Quel	BSL	15/7	28/7
J/5		Joint Dorcas	GI	Sing	BBA	21/7	31/7
J/6		Ostara	GI(Copra)	Kimb	TSL	18/7	30/7
3/7		Qu Jiang	GI	Shan	BBship	23/7	29/7
J/9		Jiang Cheng	GI	Shan	BDship	23/7	31/7
J/10		Banglar Kiron	GI(BIT/G)	B Abb	BSC	22/7	2/8
J/12		Meng Yang	* Cont	Sing	AML	27/7	30/7
J/13		Banglar Moni	€ont	Sing	BSC	26/7	29/7
CCT/1		Sintra	Cont	Sing	PIL(B)	25/7	29/7
OCT/2		Aries	Cont	Sing	BSL	24/7	28/7
CCT/3		Susak	Cent	Col	Baridhi	26/7	30/7
RM/14		Banglar Gourab	Repair	Mong	BSC	24/7	1/8
CCJ		Fortune Star	Repair	Kaki	Eastwest	6/7	2/8
RM/14		Potaesan	Cement	Sing	Delmure	3/7	31/7
RM/5		Wawasan Setia	HSD	Sing	MSPL	27/7	2/8
RM/6		Canopus	HSD/JP-1	Sing	ECSL	26/7	30/7
DOJ		Banglar Jyoti	Repair	20	BSC	R/A	29/7
DDJ/1		Tanary Star	IDLE	Para	PSAL	7/6	10/8
SM/10		Tug Natuna Tig	er	Sing	Benam	24/7	29/7
W 19		Tug Britoil-17	***	Vize	Karna	24/7	28/7
CUPLJ		Blue North (Dar	mage Kafco (Al: Out o	of commissio		

ANCL 27/7

KAPCO(U) Xin An Jing

VESSELS DUE AT OUTER ANCHORAGE Name of Vessels Date of Last Port Local Cargo Loading Consistence 20/7 Sing Cont Setia Abadi Sing Languedoc Scraping Steuart 17/7 29/7 Huang Coral Reef Explorer Arktis River Seacom Orange Sky Fong Lee 20/7 H-Star Rainbow M Seeds Sidi Krier Polar Bird 24/7 CBO Cont Daesong GI/Rice(P) ADAB Kapitan Leontiy Borisenko Kota Berjaya 15/7 PIL(B) Sing QC Teal 21/7 31/7 Fong Yun 22/7 **BDship** Sing Cont Sing Padma 24/7 Cont Trans Auto (Roro/24)23/7 Vehicles Island Queen (48) 23/7 Cal IND Brighton BBA GI(Vehi) Ultima 24/7 RSL Cont Breeze 24/7 3/8 Baridhi Cont Fong Soon 27/7 Cont QC Pintail 23/7 4/8 QCSL Sing Cont Saim Hero

	TAN	NKER DU	Ē.		
eptune Aries spilos sakradze aint Nicholas	29/7 29/7 31/7 1/8	Sing · Spain	ECSL BSL ECSL Seacon	SKO/MS Crude Lil Lube Oil m CD90	
	VESSELS	AT KUT	JBDIA		
iame of Vessels	Cargo			Local Agent	Date of Arriva
	VESSEL	S NOT RE	EADY		
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	VESSELS NOT I	ENTERING	13	
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MOVEM	ENT OF VESSELS	FOR 29.7	& 30.7.96	
Outgoing 29/7	Incoming			Shifting

Orange Sky J/2/3A River Qu Jiang B Moni Steuart CCT/I Sintra DOJ B Jyoti RM/6 Naptune Aries Ostra Meng Yang CCT/3 RM/6 Canopus Orange Sky The above are shipping position and performance of vessels of

Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

From Page 7

priority sectors. Therefore, in order to revitalize this sector, I propose to reduce the duties on certain inputs used in this sector. Thus to facilitate supply of seed and fertilizer to the farmers at fair prices, I propose to reduce the duties on seed potatoes and gypsum anhydrite fertilizer from 7.5 percent to 2.5 percent. For increasing productivity in agriculture, I propose to reduce the duties on tractor, tractor tyres, tractor parts, fibre glass strainers/filters used in deep tubewells and tractor flaps respectively, from 7.5, 22.5, 15, 30 and 45 percent to 2.5 percent. Besides, I also propose to reduce the duty rates of certain other agricultural equipment from 22.5 and 15 percent to 2.5 percent. For increasing the supply of cattle and for tine development of livestock, I propose to reduce the import duty on live bovine animals from 7.5 percent to 2.5 percent. For encouraging hatching: industry in Bangladesh. I propose to reduce the duty on hatching eggs from 45 percent to 15 percent. This is expected to lead to an increase in the production of poultry in the country. For strengthening agriculture by creating forward linkages, I propose to reduce the duties on tin cans and jars/bottles used in the agro-processing industry from 45 to 30 percent and 30 percent to 22.5 percent respectively. In addition, I propose to withdraw completely the 25 percent supplementary duty on flavour and essence used in this sector. The proposed support to the agriculture sector will cause a revenue loss of Taka 10 crore.

Mr. Speaker,

31 Leather is a promising industrial sector in our country Development of this labour-intensive sector will lead, on the one hand, to increase in employment and on the other hand, to manifold increase in the export of leather products. Therefore, to increase exports and employment, I propose to reduce import duties on raw hides and wet blue leather from 7.5 percent to 2.5 percent. For encouraging the export of frozen fish and vegetables. I propose to reduce the duty on refer vans used in carrying these export items from 7.5 percent to 2.5 percent. For strengthening poverty alleviation programme, I propose to withdraw completely the supplementary duty on all sorts of old clothing.

Mr. Speaker,

32. An important commitment of the present government in the election manifesto was the development of domestic industries. Textile sector is one of the major industrial sectors of the country. Lakhs of families depend on this sector. To encourage the flourishing textile sector, I propose to reduce the duties on raw materials like, man-made varn and synthetic yarn used in this sector from 30 and 22.5 percent respectively to 15 percent and also that on synthetic fibres from 7.5 percent to 2.5 percent. At present, the duty on different types of boilers used in industries including the textile industry is 15 percent. Different chambers of commerce and industries have represented for the reduction of the duty on boiler to 7.5 percent. In view of this, I propose to reduce the duty on vapour generating boiler from 15 percent to 7.5 percent. On the basis of the recommendations of Bangladesh Tariff Commission and different chambers of commerce and industries, I propose to reduce the duties on quartz and unwrought lead used as raw materials in domestic industries from 15 percent to 7.5 percent and that of crude marbles and CKD Pickups from 30 percent to 15 percent. However, based on the recommendations of Bangladesh Tariff Commission for protecting the legitimate interests of the domestic industries, I propose to increase the duties on Hack-Saw blades and Master batch colour from 30 and 15 percent to 45 and 30 percent respectively and impose 30 percent supplementary duty at the import stage on paper backed aluminum foil.

Mr. Speaker,

33. For encouraging the use of alternative energies including solar energy, the Ministry of Energy and Mineral Resources, Grameen Bank and different private sector organizations have suggested for reduction of duties on machinery and parts used in the generation of electricity based on alternative sources of energy. In view of this, I propose to reduce the duties on photovoltaic generators, parts of photovoltaic generators, photovoltaic cells, wind turbines and parts of wind turbines respectively from 30, 7.5, 7.5, 22.5 and 30 percent to 2.5 percent.

34. Vinyl chloride monomer (VCM) is the main raw material for the

production of PVC resin. Both Bangladesh Tariff Commission and Board of Investment have recommended for the reduction of its duty to zero percent. I propose to reduce the duty on VCM to 2.5 percent. At present, the duty on hot rolled coil is 15 percent. It is the main raw material for the production of BP/MS sheet. The level of protection of domestic industries is very low as the duty on BP/MS sheet is also 15 percent. Because of this, Bangladesh Tariff Commission has recommended for the reduction of the duty on hot rolled coil having thickness ranging between 1.6 mm to 4.5 mm to 7.5 percent. The Board of Investment has also supported the recommendation for encouraging foreign investment in the country. Accordingly, I propose to reduce the duty on hot rolled coil of the aforesaid thickness from 15 percent to 7.5 percent.

35. At present, opportunities for the amusement of children are very limited. The duty on amusement equipment used in children parks is 45 percent. With the expectation of attracting foreign investment, Board of Investment has recommended for the reduction of duty on amusement equipment to 30 percent. In view of this recommendation, I propose to reduce the duty on amusement equipment from 45 percent to 30 percent

Mr. Speaker.

36. As there is no separate duty rate for CKD electronic items, there is a tendency to divide a CKD consignment into several consignments and take advantage of lower duty rates applicable to parts and components This leads to disputes and complications in the collection of duties. In order to resolve this problem, I propose to fix the duty on both CKD and parts and components at 30 percent

Mr. Speaker,

37. Transportation problem is very acute in the big cities of the country including the capital city. To address this problem, it is essential to heavily invest by both the public and the private sectors in big-size vehicles. With a view to reducing the transportation problem through encouraging investment in higher-capacity vehicles, I propose to reduce the duty on completely built up Double Decker buses from 30 percent to 2.5 percent.

38. The use of cash register machines will be encouraged to establish the Value Added Tax system on a firm basis. This will facilitate the maintenance of correct records of sales. Increase in the use of this machine will modernize the marketing system and lead to a large scale increase in the collection of Value Added Tax. Therefore, I propose to reduce the duty on cash register machine including the note counting machine from 15 to 2.5 percent.

39. The rates of customs duty are being reduced gradually as a part of the on-going tax reform programme. This situation may lead to a shortfall in resources if alternative sources of revenue are not identified. Therefore, I propose to increase the duty on ocean going vessels having capacity above 3000 DWT usually imported by the more fortunate and affluent businessmen of the society from zero percent to 2.5 percent.

Value Added Tax

Honourable Speaker,

40. The Value Added Tax system was introduced in Bangladesh in 1991. Though five years have elapsed by now, the system could not achieve any considerable dynamism because of the absence of strong measures and improved management. The government is expressing its, strong political commitment in this year's budget to expand and consolidate the VAT system. Indirect taxes collected from local sources viz excise duty. VAT and supplementary duty now account for almost 26 32 percent of the total revenue collected by the National Board of Revenue. At present, VAT is collected only at the import and production stages. It has not been extended to cover all economic sectors. One of the striking and pro-clientele features of VAT system is its credit mechanism. In order to ensure that trade sector benefits from this system it is essential that the VAT network is expanded, phase by phase, up to wholesale and retail levels. A legal provision for optional VAT registration by the wholesalers and retailers was introcluced in FY 1994-95, but until now no such registration is reported to have been taken. If VAT is introduced at all the

levels of consumption — import, production, wholesale and retail — then the taxpayers themselves will be able to get credit on the input-taxes thus reducing the incidence of tax from 15 percent to nearly 4 percent. We will have to move towards this direction.

National Budget '96-97

Mr. Speaker.

41. At present, excise duty is levied on bank deposits. In cases where the balance exceeds Taka five thousand and does not exceed Taka one lakh, the leviable duty is Taka one hundred and twenty: in other cases it is Taka two hundred. The depositors having small deposits now pay more taxes as compared to the depositors having big ones. Nominal amount of taxes is collected in cases where the balance exceeds crores of Taka. With a view to give relief to the small depositors. I propose to withdraw excise duty from the accounts where the balance does not exceed Taka ten thousand and having considered the financial capability. I propose to make the rates of excise duty on bank services progressive.

42. At present excise duty leviable on biri is Taka 22 per thousand sticks. The rate was Taka 19.25 in 1993-94. It is proposed to increase the



rate to Taka 25 in line with the upward trend of duty on this item. On cigarettes, at present the supplementary duty rates are 35 percent, 50 percent and 53 percent. Keeping the highest rate as it is, the lower rates are proposed to be made progressive, so that government revenue from this sector is increased.

Mr. Speaker,

43. At present, there are twenty nine services on which VAT is leviable. During the last few years there has been a considerable expansion of different services. These have not, however, been brought under VAT network. In the circumstances, I propose to bring such services like that of Shipping Agents, Audit and Accountancy firm, Consultancy and Supervisory firm, Leasing Company (ljaradar) under the network of Value Added Tax Besides, the trading activities of luxury items like motor cars. airconditioners, dish antennas, etc. have been proposed to be brought under the purview of VAT.

44. Though there is supplementary duty on alcoholic beer, no such duty is leviable on non-alcoholic beer. I propose to impose supplementary duty on it too, at the stage of importation

45. A number of qualitative and important changes have been proposed to be brought about in the VAT Law. At present there is no incentive for the use of locally produced capital machinery in the export oriented industries. It is proposed to make necessary provision in the VAT Rules in order to extend facility for the use of locally made capital machinery in the export oriented industries. This measure will encourage export-oriented industry entrepreneurs to use indigenous capital machinery.

46. Timely realization of government revenue is very important. It is, however, observed that in many cases, persons and agencies empowered

to collect VAT refrain from depositing the amount with the government exchequer, having collected it from the consumers. In order to encounter this tendency effectively, legal provision to take proper punitive measure has been proposed in the Value Added Tax Act.

Mr. Speaker,

47. The success of Value Added Tax depends mainly on a modern tax administration. Since the system is automation oriented, a number of changes have been brought about in the Act and the Rules of the Value Added Tax which will create an atmosphere of cooperation between the tax administration and the tax payers. A provision for displaying very important and highly relevant government orders at the VAT registered premises has been proposed.

48. VAT officials inspect different VAT units but since the inspections are not carried out following predetermined methodology, there is hardly any follow-up action taken. It is proposed to make the inspection procedure systematic and result-oriented. Henceforth, in case of emergency, a VAT unit can be inspected without giving any notice, but the inspecting officer will have to submit an inspection report within 48 hours of the completion of the inspection and for the sake of transparency, a copy of the report will be given to the unit owner within the same time frame. This measure, hopefully, will usher in a new culture of exchange of information between the tax collector and the tax payer.

49. At present, each registered tax unit is to submit his return on monthly basis. Because of the uniqueness of business, production of many VAT units is seasonal. In view of this, under the proposed system, in cases of construction firms, export-oriented industries and brick manufacturers, returns can be submitted quarterly. This measure will reduce a lot of paperworks both by the tax payers and tax collectors.

Mr. Speaker,

50. It has been proposed that Tax Identification Number (TIN) has to be mentioned in application form for VAT registration and in the VAT registration certificate so that the exchange of information between taxation and VAT departments becomes easier than before and modern communication system is established in the tax administration.

51. In the last year, additional revenue to the tune of Taka 50 crore was collected by means of administrative measures. Measures for administrative improvement and increase in efficiency will be more closely pursued in FY 1996-97. These steps are expected to yield a markedly increased revenue for the government from the VAT system.

Court Fee Act

52. Women, orphans and the destitutes often face difficulties because of the provision of depositing in-advance of the court fees in case of collecting the succession certificates. To remove this difficulty, arrangement is being made to abolish the system of advance payment of court fees in case of collecting the succession certificates.

53. I have placed the major tax proposals for FY 1996-97 before the Parliament. Now I would like to state the overall revenue implications of these proposals. Because of the enhancement of the limit of tax exempt income and reduction of corporate taxes as well as the lowering of the rate of deduction at source of income tax in case of exports and also because of other measures, there will be a revenue loss of Taka 77 crore. On the other hand, collection from this head will increase by Taka 32 crore because of the increase in the number of tax payers and procedural simplifications. The net loss will be Taka 45 crore. The overall reduction of customs duty will lead to a net revenue loss of Taka 65 crore from this head. Some expansion of the base of Value Added Tax in case of certain selected domestic businesses and services will cause a gain in revenue of Taka 48 crore. Revenue will increase by Taka 60 crore as a result of adjustments and rationalization of supplementary duty. Besides, revenue will also increase by Taka 9 crore due to the restructuring of excise duty. In all, there will be

an increase in revenue of Taka 7 crore because of the different tax measures. Taking into account the growth in national income, normal inflation rate and the growth of import and assuming no increase in taxes, it is estimated that revenue collection in FY 1996-97 will increase by Taka 1265 crore over that of the target of FY 1995-96 and will reach at Taka 12565 crore. Revenue collection will increase by Taka 468 crore, because of procedural simplifications in case of different duties and taxes, intensive monitoring and supervision and administrative improvement. It is thus expected that in FY 1996-97, the total collection of revenue from different duties and taxes under the National Board of Revenue will be Taka 13040 crore, which is Taka 1740 crore higher than last year's collection.

Mr. Speaker,

54. Having assumed the responsibility of running the affairs of the country after long twenty one years, the present government led by Sheikh Hasina has presented its first budget in this august Parliament. This budget reflects, as far as possible, the economic philosophy and the commitments of the Awami League government contained in the election manifesto. The budget has laid emphasis on economic reforms, open market and liberal trade policies and the role of the private sector in achieving rapid economic growth We believe that this will lead to an increase in productivity, create employment opportunities and enable us to alleviate poverty

55. The main objectives of the present government are to establish social justice and achieve economic emancipation of the common people through proper utilization of resources. To this end, it is essential to avoid the wrong policies of the past and design and implement appropriate and conducive political, economic and social policies. It is necessary to create an environment favourable for increasing the productive capability of the people and utilizing their innovative energies in productive activities. Targeted programmes have to be drawn up for alleviating poverty. By reducing wastage in the government and the public sector and by gradually relaxing the existing controls on trade and finance, these sectors will have to be rendered more competitive

56. To present ourselves as a happy and prosperous nation in the twenty first century, we have to build up in the interest of economic development, a corruption free, dynamic and people oriented civil administration. Therefore, it is extremely urgent to take steps for recasting and decentralizing the civil administration. This will lead to increase in efficiency and ensure transparency and accountability in public administration.

57 In the last few years, the local government institutions of the country have nearly collapsed. Our government believes in developing autonomous local governments well established on democratic foundation By appropriately restructuring the elected local government institutions and by providing them with the required powers and responsibilities, we ca enlist the full participation of the people in these institutions. We hope that if improved public services are provided through Union Parishad, Upazila Parishad and Zila Parishad run by the elected representatives, this will also help increase a healthy awareness of the people towards payment of taxes

Mr. Speaker

58. It was a cherished dream of Bangabandhu to create a Bangladesh free from hunger, poverty, maldutrition and illiteracy through bringing economic freedom for the toiling masses of this country. He has given us political freedom but he was brutally killed before he could give us economic freedom. Therefore, it is our solemn duty to complete the unfinished task of Bangabandhu by establishing an exploitation free society through bringing economic freedom for the people. To this end, we, the citizens of the country, will have to be united to consolidate our independence and democracy, imbued with the spirit of the liberation war. It is not possible to achieve the desired economic freedom without political stability and consensus on nationally important issues. I firmly believe that through national unity, mutual respect, democratic values, participation of the people in economic activities and above all, the political ideals of Bangabandhu and the dynamic leadership of Prime Minister Sheikh Hasina, we will succeed in implementing our programmes

Khoda Hafez

Joy Bangla, Long Live Bangladesh