



Unified duty rates

Finance Minister Shah AMS Kibria yesterday proposed unified rates of duty on several items to make the collection system easier and efficient, reports UNB.

Duty rate unified at 37.5 per cent from 30 per cent and 40 per cent are: Pencil lacquer and other lacquers, boulder salt and other salt, PVC reed frame, tube and pipe, various types of polyester foil, unfinished rubber tube, bush for cathode ray tube, different types of narrow fabrics, nylon cord and hand saw blade.

Duty rate unified at 25 per cent from 15, 25, 30 and 40 per cent are: Stone boulder, broken or crushed stone, other stone, sulphate and other surface active agent, wood tarpine tar and other tar and cresote oil derived from wood, duplex outer shell for match box and other folding carton, paper cup imprinted with the name of beverage and similar other packing container, tray, dish and plate

See page 11

Inflation rate rises to 9pc

The rate of inflation rose to 8.80 per cent between April '98 and March '99, according to the Bangladesh Economic Survey placed in parliament yesterday, reports UNB.

The rate of inflation was 7 per cent in 1997-98 and 2.52 per cent 1996-97.

The consumer price index of the middle class families of Dhaka city stood at 6.46 per cent at the end of June, 1998.

The price spiral of essential commodities during the January-June period of 1998 influenced the consumer price index, the survey said.

It said the price of essentials rose due to upward revision of the national pay scale in the previous fiscal, upshot in prices of fuel and power, shortfall in the production of Aman paddy and flooding at the beginning of the current fiscal year.

Besides, devaluation of Bangladesh currency and expansion of credit in the private sector influenced the inflation rate.

38 public sector corpsns have Tk 1799cr defaulted loans

By Staff Correspondent
Thirty-eight public sector corporations have defaulted loans totalling Tk 1,798.58 crore with state owned commercial banks as on December 31, 1998.

The defaulted amount is 42 per cent of the corporations' total loans of Tk 4,333.59 crore from the banks.

This was stated in the Bangladesh Economic Survey placed by Finance Minister SAMS Kibria in the Jatiya Sangsad yesterday.

Four of the corporations which have the highest amounts of defaulted loans are: Bangladesh Textile Mills Corporation (BTMC) Tk 675 crore.

See page 11

Fertiliser subsidy to continue

By Staff Correspondent
The greatest potential of economic growth in Bangladesh lies in the agriculture sector, Finance Minister SAMS Kibria said yesterday, proposing continuation of Tk. 100 crore subsidy on fertiliser in fiscal 1999-2000.

The finance minister also proposed 835 crore taka allocation for agriculture sector in the development budget for 1999-2000 and enhancement of allocation for the ministry to Tk 287.77 crore for the upcoming financial year from current fiscal's Tk. 209.84.

To boost the sector, Kibria proposed relaxation of tariff on raw materials for agro-based industries and withdrawal of VAT on seed import and development surcharge on MOP, NPK and DAP fertiliser.

To encourage transfer of technology at farmer's level, private sector will be involved in supply of improved seed and in new areas including research on biotechnology, the minister said while presenting the budget in the Jatiya Sangsad yesterday.

See page 11

We regret

To accommodate the salient features of the Budget for 1999-2000 some of the regular features of our normal Friday issue have been dropped today. We regret the inconvenience caused to our valued readers. — Editor

Kibria places Tk 36178 crore expenditure budget

Desperate bid to raise revenue

By Nurul Kabir and
Inam Ahmed

Realising that a huge revenue collection effort is the need of the moment for the government, Finance Minister SAMS Kibria yesterday presented a proposed Tk 36,178 crore expenditure budget for fiscal 1999-2000 that envisages massive tax collection through reforms in tax administration and widening the tax net.

At the same time, the finance chief has kept up efforts to put the industrial sector on a gear by giving widespread tariff and tax support. But at the same time, he has perused a tariff policy that synchronises with the global trade regime by cutting back on the existing highest duty slab from 40 per cent to 37.5 per cent.

Kibria's proposed budget outlay includes Tk 17,900 crore revenue expenditure and Tk 15,500 crore Annual Development Programme (ADP) spending. At the same time, he hopes to collect Tk 24,151 crore as revenue, a 22.5 per cent increase over the revised budget target for this year.

The proposed revenue expenditure is 11.7 per cent higher than the original outlay of this year's budget. The ADP outlay, 13.9 per cent higher than this year's original target, will be financed 50.5 per cent from domestic sources.

The budget documents show that there would be a Tk 12,027 crore deficit in the 1999-2000 financial year. According to the minister, the deficit would be financed by Tk 8,800 crore from external sources and the rest Tk 3,667 crore will be domestic resources.

In the previous year, Kibria

See page 11

Two-stroke engine auto-rickshaws discouraged

By Special Correspondent
The proposed budget for 1999-2000 contains a number of environment friendly measures including lifting of supplementary duties on four-stroke engine driven auto-rickshaws and engines and increasing the duties on two-stroke engine auto-rickshaws and their engines to 100 per cent from 50

See page 11

Saifur fires salvos at Kibria

Business sees good in VAT expansion

By Toufique Imrose Khalidi

Former finance minister M Saifur Rahman launched a scathing attack on SAMS Kibria yesterday for claiming to have presented a "no new tax" budget, and called his targets unrealistic and full of dreams devoid of realities.

"It's full of distorted and misleading figures," the former finance minister said in an early reaction to The Daily Star last night. "I don't accept this growth rate (5.2 per cent)."

"And there are so many con-

venient comparisons to claim undue credit. It's full of assurances, initiatives and dreams but no realities," he said.

The BNP leader will appear in a press conference Monday to give a "detailed" reaction to the budget.

"The size of the development budget will be smaller if you take depreciation and inflation into account," he asserted, arguing the growth of the economy depended on size of investment or development expenditure.

"The development budget has been stagnating in real terms, especially in dollar terms, for the last three years," Saifur Rahman said pointing to "failure" in budget management.

"He failed to augment revenue and at the same time expenditure," Saifur Rahman said.

The former finance minister was particularly harsh about claims of no new tax. "Either

See page 11



Finance Minister SAMS Kibria smiles as he accompanies Prime Minister Sheikh Hasina towards the parliament chamber to present the budget. —Star photo

Reforms in the tax system

By Staff Correspondent

Finance Minister SAMS Kibria has made some important proposals to reform the tax system.

Some of the proposals are aimed at curtailing arbitrary powers of tax officials to check assessment loss and simplifying calculation procedures.

A taxpayer paying 20 per cent more than in the previous fiscal year would be exempted from 'all preventive activities' and inspection by VAT officials. The measure has been taken to prevent 'harassment of the tax payers,' Kibria said.

See page 11



Leader of the Opposition Khaleda Zia chats with her deputy, Prof Badruddoza Chowdhury, as former finance minister M Saifur Rahman (right) goes through the budget documents at Jatiya Sangsad. —Star photo

Cars and books to cost more

By Staff Correspondent

The new budget has imposed additional tax burden on all owners of cars, and readers of foreign books.

Owners of car, jeep, microbus and minivan have now to pay an annual tax at the time of renewal of fitness of their vehicles.

The amount of tax would be Tk 2,000 for a car up to 1000 CC, Tk 3,000 for a car above 1000

See page 11

Expanded VAT net

By Staff Correspondent

For the first time, professionals including doctors, engineers, architects and lawyers and people involved in 14 service sectors have been brought under the purview of Value Added Tax (VAT) in the proposed budget for fiscal 1999-2000.

People will now have to pay more for sending out invitation cards and for purchasing tires and tubes of vehicles, even those of bicycles. Cost of food at

ordinary 'tin-roofed' restaurants will also go up due to imposition of VAT. Besides, prices of almost all types of electrical accessories will rise as these will now come under the VAT net.

Participation in company board meetings will also mean paying VAT on the meeting allowance. People who need spectacles will also have to pay more now.

See page 11

SA seal semifinal spot

EDGBASTON, England, June 10: Hansie Cronje's South Africa cruised into the cricket World Cup semi-finals here on Thursday as they outclassed New Zealand by 74 runs, reports AFP.

For Cronje, it proved a perfect day, with all his dreams coming true.

First he won the toss and saw his top order fire at last, Herschelle Gibbs (91) and Gary Kirsten (82) putting on 176 for the first wicket.

South Africa, after making 287 for five, then produced another top-class display in the field as New Zealand were restricted to 213 for eight.

Cronje, who later took two wickets and a catch, teamed up with Jacques Kallis to provide the day's fireworks.

The South African skipper, coming in at 229 for four, smashed 39 off 22 balls while Kallis made 53 not out off 36 as 93 runs came off the final 10

overs.

Six balls from seamer Chris Cairns went for 24, with Cronje flat-batting two successive leg-side sixes and Kallis adding a third over long off.

South Africa now have six points in the Super Six second round.

New Zealand, with three, can still reach the last four if they win their last game against India on Saturday.

New Zealand's only consolation came from left-arm pacer Geoff Allott. He dismissed Gibbs with a perfect yorker for a record 19 wickets in the tournament.

That surpassed the 18 wickets of India's Roger Binny in 1983, Craig McDermott of Australia in 1987 and Pakistan's Wasim Akram in 1992.

Cronje told his team before the game that, for once, he wanted to win without all-rounder Lance Klusener saving them with late runs.

Even that wish came true. Klusener, coming in as a number-three pinch-hitter, was bowled for four by the slow-medium pace of Gavin Larsen.

It was the first time the hard-hitting left-hander had been dismissed in 10 one-day

See page 11



For Long Lasting Fresh Breath and Sparkling White Teeth

Beyond the boundary

Foregone Conclusions

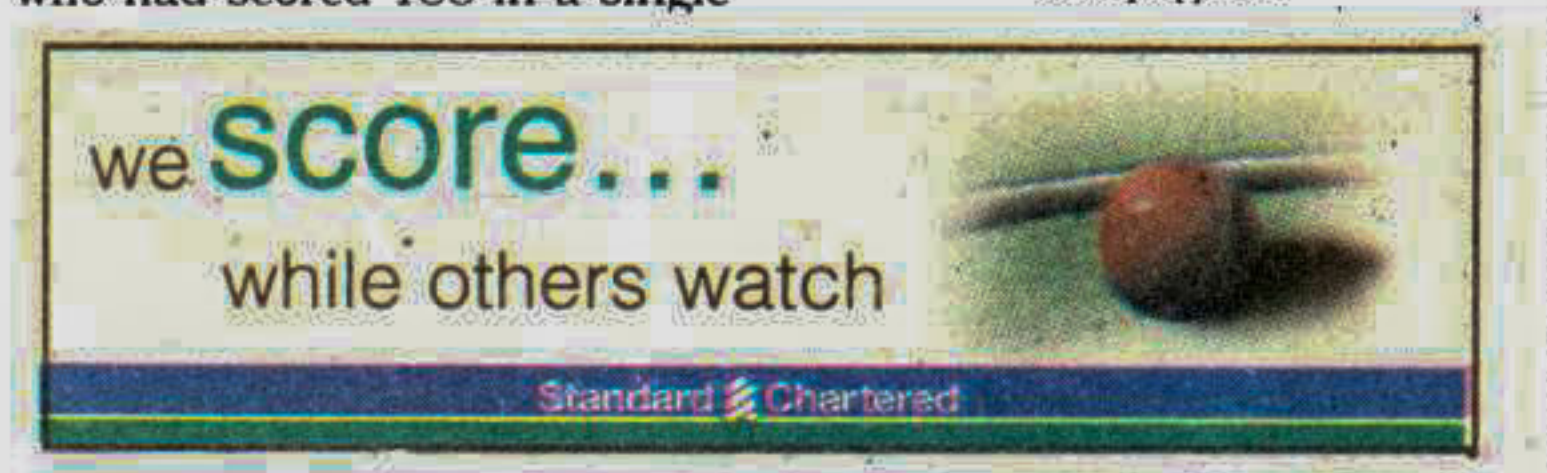
By Shakil Kasem

South Africa, which needed to win this match to ensure safe passage into the semi-finals, at last found their early order batsmen running into a rich vein of form. Up until now, the opening pair had not exactly set anything on fire, with runs having to come from the wrong end of the order. That aberration was corrected.

It must have come as a great relief to Hansie Cronje, to see Gary Kirsten finally getting some runs off his bat. Kirsten, who had scored 188 in a single

World Cup match in 1996, had found runs hard to come by in this tournament. He had been struggling all summer, but it was to the credit of his team management that the opening positions were not tampered with. He was given ample opportunities to rehabilitate himself, particularly in view of the need for an experienced hand at the top for the crunch matches that now lie ahead. He more than repaid that trust yesterday.

See page 11



With the competition in the industry becoming ever fiercer, you cannot afford to make the wrong choice. To maintain your lead you have to invest in the best.

Budget for Amber



We at Amber offer:

- Best quality cotton knit yarn
- Reliable, fast delivery
- Excellent service and commitment
- Most modern machinery and method producing - NE 30/s, 26/s carded and combed
- Usterized and electronically cleaned
- Autoconned and spliced

All right here in Bangladesh.
It's worth it for the best.

Amber Cotton Mills Ltd.

(A UNIT OF PARTEX GROUP)

Knitting the Future

For more details contact:

Mr. Abu Hasan Mahmud (Mobile no. 017523319) • Mr. Mahbubur Rahman (Mobile no. 017538214)
Mr. Mohammed Mohiuddin (Mobile no. 017560400) • Mr. A.K.M. Hashmi (Mobile no. 017523575)
TEL: 955-0555 • FAX: 955-6515, 955-1488 • E-mail: mail@ambercotton.com • Web: www.ambercotton.com