

THE BUDGET 2000-01 Full text of Finance Minister's speech

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Mr. Speaker,

34. A conscious effort for poverty alleviation lies at the heart of all activities of the present Government. The highest priority has been given to poverty alleviation in resource allocation. In the ADP for FY 1999-2000, Taka 5,313.42 crore was allocated for sectors directly concerned with alleviation of poverty. This allocation has been raised to Taka 6,006.10 crore in FY 2000-2001. In the revenue budget for FY 1999-2000 a sum of Taka 3,439.17 crore was allocated for poverty alleviation activities (such as gratuitous relief, test relief, vulnerable group development and feeding, food for work, housing for poor, allowance for the elderly and expenditure for providing health and education services in the rural areas). In FY 2000-2001, this allocation is proposed to be raised to Taka 3,892 crore. The combined allocation in development and revenue budget for poverty alleviation in FY 1999-2000 was Taka 8,752 crore. In FY 2000-2001, it is proposed to be raised to Taka 9,898.1 crore. In other words, the combined allocation for poverty alleviation has been raised by 13 percent. In FY 1999-2000, 26.28 percent of combined revenue and development budgets was allocated for poverty alleviation. In FY 2000-2001, the share of poverty alleviation activities has edged up to 26.60 percent.

Mr. Speaker,

35. The highest allocation in the combined revenue and development budgets has been proposed for education sector in FY 2000-2001. The proposed allocation for this sector is about Taka 5,596 crore. In FY 1995-96, the year immediately preceding the assumption of office by the present Government, total allocation for education sector in revenue and development budgets stood at Taka 3,522 crore. The allocation has increased to Taka 2,074 crore or 59 percent over that of in 1995-96. One of the reasons for this unprecedented rise in expenditure in this sector is the increase in government subvention for non-government teachers. In 1996-97, total subvention for non-government college teachers was Taka 120 crore; it has been raised to Taka 235 crore in the revised budget for FY 1999-2000. In FY 1996-97, total allocation for non-government secondary school teachers was Taka 395 crore; in the current fiscal year, it has been raised to Taka 654 crore - an increase of 66 percent over a period of three years. In the same period, subvention on salaries of teachers in non-government madrassas has been raised from Taka 227 crore to Taka 344 crore. Total additional expenditure on account of the increase in salaries of the teachers of these institutions stands at about Taka 491 crore. In registered primary schools, subventions have been refixed on the basis of revised pay scale in 1997. Furthermore, the percentage of subvention has been raised to 80 percent in case of teachers with five years' experience in registered primary schools. In FY 1996-97, total allocation for registered non-government primary schools was Taka 54 crore. In the revised budget for FY 1999-2000 it has been raised to 110 crore. Revenue expenditure under this subhead has doubled in last three years.

36. In the education sector, emphasis has been laid on the quality of education. The construction of 7214 secondary school buildings, 1792 non-government madrassas and 574 non-government colleges have been completed under various projects. The construction of additional 5124 non-government secondary schools, 317 government secondary schools, 1741 non-government madrassas and 3 government madrassas will be undertaken under three new projects. With a view to encouraging female education, stipend to 4 million female students has been provided in the year 2000. A project costing about Taka 119.79 crore has been launched for introduction of vocational education at SSC level in selected secondary schools. I propose to allocate Taka 19 crore for this project in FY 2000-2001. I propose to allocate Taka 73 crore for university education in the development budget for FY 2000-2001. I also propose to allocate Taka 8 crore for purchase of books and scientific equipment in government and non-government schools in the revenue budget for FY 2000-2001. Emphasis has been laid on teacher's training and English education at secondary level. Furthermore, a sum of Taka 480 crore has been earmarked in FY 2000-2001 for stipend and food for education to discourage dropout in primary schools. In accordance with the election commitment in 1996, a realistic programme has been undertaken for eradicating the curse of illiteracy from the country by 2006.

37. In the election manifesto of 1996, Bangladesh Awami League pledged: "A comprehensive programme will be undertaken to ensure 'Health for All'". In the light of this commitment, a new health policy has been approved. The National Health Policy laid down a comprehensive definition of health. According to this policy, health does not merely imply absence of physical illness or infirmity - it connotes freedom from mental, physical and social illnesses. Allocations for the health sector has been gradually increasing. In the revised budget for FY 1995-96, the combined revenue and development allocation for health and family welfare sector was Taka 1671 crore. In the FY 2000-2001, I propose to raise this allocation to Taka 2,689 crore. In the original budget for FY 1999-2000 for health and family welfare ministry, allocation was Taka 990.20 crore. In FY 2000-2001, I propose to increase this allocation to Taka 1112 crore. With a view to expanding health services during the period 1998 to 2003, a five year sectoral programme at a cost of Taka 9944 crore has been undertaken. I propose to allocate Taka 1539 crore for this programme in FY 2000-2001. With a view to providing one community clinic per 6000 people for bringing health care services to the doorstep of the people, a project for the construction of 18000 clinics has started. 6000 clinics are expected to be completed by FY 1999-2000. Furthermore, construction of 180 union health and family welfare centres and eleven maternal and child care centres is in progress. The Government has already recruited four thousand nurses. 4193 officers and employees of family planning project have been transferred to the revenue budget. The process for recruitment of 1000 new doctors in FY 2000-2001 has already started. Furthermore, a national nutrition project has been launched with the assistance of the World Bank. I propose to allocate Taka 35.70 crore for this project in FY 2000-2001.

Mr. Speaker,

38. One of the major failures of the previous Government during the Fourth Five Year Plan was their inability to ensure generation of adequate electricity in line with the rising

demand. In FY 1995-96 effective capacity for electricity generation was 2105 megawatt. As a result of untiring efforts and prudent policies of the present Government, over the last four years this capacity has been raised to 2700 megawatt in FY 1999-2000. In FY 1994-95, per capita electricity production was 92 kwh, it rose to 110 kwh in FY 1999-2000. Over the last four years, per capita electricity production has increased by 19.5 percent. During this period the installed capacity for electricity generation has increased by 1256 megawatt out of which the shares of Government, non-government and mixed sectors as well as for rehabilitation of existing units are 450 megawatt, 302 megawatt, 70 megawatt and 434 megawatt respectively. Moreover, an additional 476 megawatt electricity is generated by captive generators which are encouraged by waiving duties and taxes. Meanwhile, agreements have been signed for generation of 1188 megawatt electricity in the private sector out of which production of 302 megawatt electricity has already commenced. Considering the importance of the power sector, the allocation for this sector has been raised. The allocation in the ADP for FY 1999-2000 was Taka 1,770 crore. It is proposed to be raised to Taka 2,202 crore in the ADP of FY 2000-2001. The allocation for this sector has been proposed to be raised by 24.5 percent in the next year as compared to the ADP for the current year. In the development budget of FY 2000-2001, proposal has been made for an allocation of Taka 620 crore specifically for expansion of the rural electrification system. The Rural Electrification Board has taken up a project to expand renewable energy technology in inaccessible rural areas where electricity distribution is very expensive. Initiatives are afoot to strengthen and expedite administrative reforms in the power sector.

39. Necessary policies and guidelines have been developed to attract private investment in energy and mineral resources sector. Agreements have already been signed with four international oil companies for gas exploration in 8 blocks. So far about US\$ 600 million has been invested in these 8 blocks. Besides, 9 blocks have been allocated to large oil companies for exploration. We hope, production of gas will significantly increase in view of foreign investment. In the revised budget of FY 1999-2000, the allocation for oil, gas and natural resources sector was Taka 609 crore. This allocation has been proposed to be raised to Taka 655 crore in the budget for FY 2000-2001.

Mr. Speaker,

40. The development of the transport sector is not only indispensable for economic development but also very effective for alleviation of poverty. In the ADP for 2000-2001, highest allocation has been given to the transport sector. The proposed allocation for this sector has been estimated at Taka 2,578 crore. Out of this allocation 67.3 percent will be spent on roads, 4.2 percent for payment of arrear bills of Bangabandhu Bridge, 22.4 percent on railways, 4.7 percent on civil aviation and 1.4 percent on shipping. During the first three years of the present Government, the Roads and Highways Department has completed construction of 1817 kilometers of metalled road and 1369 kilometers of brick road. In FY 1999-2000, additional 715 kilometers of metalled road and brick-work on 50 kilometers will be completed. Revolutionary changes have been initiated in the field of communication through opening of the Bangabandhu Bridge over the mighty Jamuna. The Roads and Highways Department has constructed about 20,946 meters of permanent bridges during the last four years. In FY 2000-2001 budget, major allocations in this sector include: Taka 120 crore for construction of the Pakshi bridge over Padma, Taka 210 crore under two projects for Jamuna link road, Taka 30 crore for construction of Dharala bridge, Taka 30 crore for Doarika bridge, Taka 40 crore for Gabkhan bridge, Taka 45 crore for Rupsha bridge, Taka 3 crore for feasibility study of Padma bridge and Taka 75 crore for Meghna bridge at Bhairabazar. I am also proposing an allocation of Taka 290 crore in the revenue budget for FY 2000-2001 for repair and maintenance of roads under Roads and Highways Department.

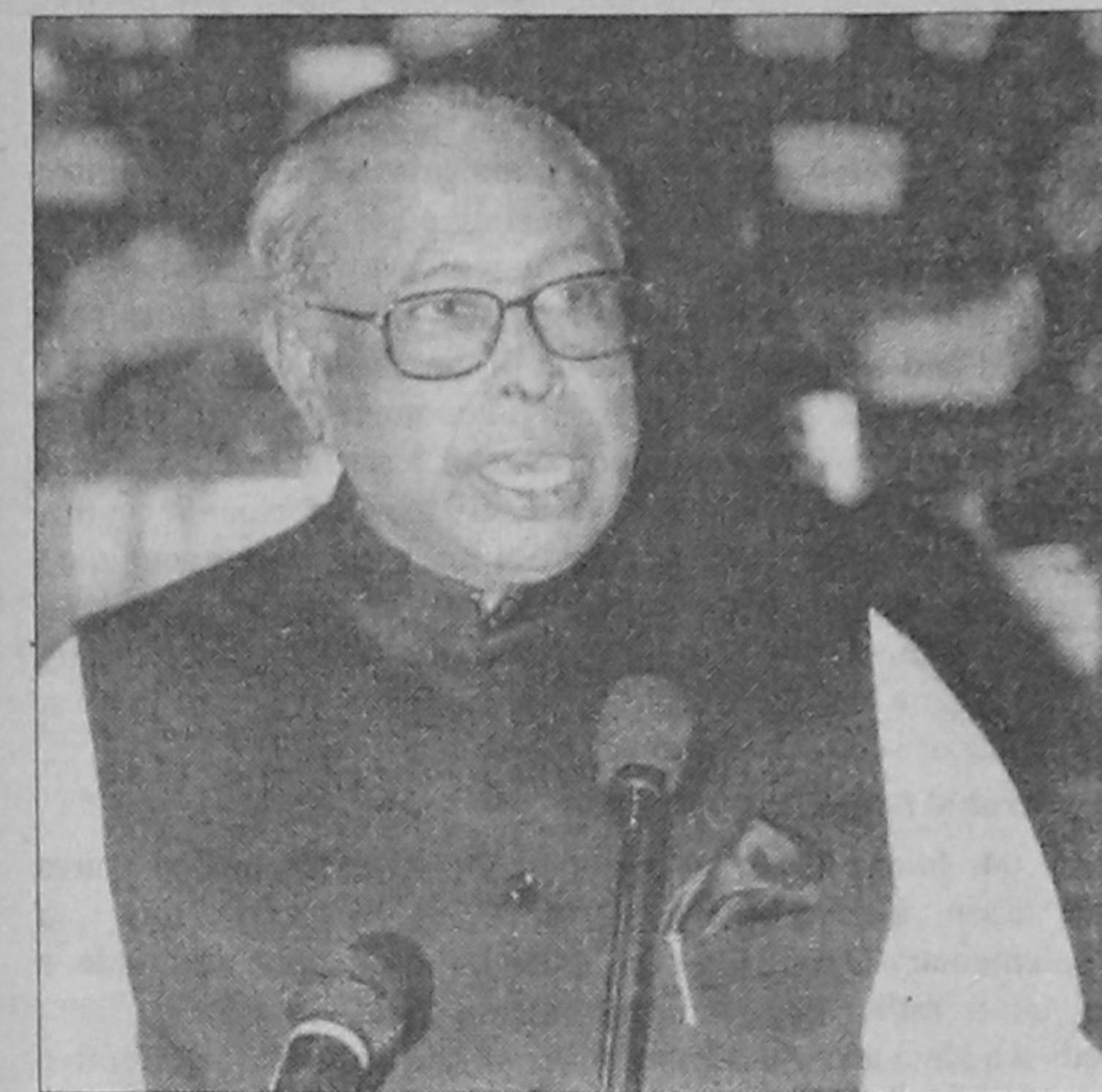
41. Telecommunication is of paramount importance in the globalised economic system. Therefore, immediately after assumption of office, the present Government initiated actions for expansion of the telecommunication system both in the public and private sectors. At present, T&T Board has 4.9 lac telephone connections. By the end of FY 1999-2000, this number will rise to 6 lac and will be further increased to 8 lac in FY 2000-2001 through implementation of various on-going projects. Meanwhile, five private companies have given 1.5 lac telephone connections. Recently, one private company has been given license to install 2 lac telephone connections and another proposal is at the final stage for giving license for installation of additional 3 lac telephone lines. By 2001, total telephone connections in the public as well as in the private sector will be around 12 lacs. In the revised ADP of 1999-2000, there is an allocation of Taka 452 crore for the post & telephone sub-sector. I am proposing to increase this allocation to Taka 483 crore in the budget for FY 2000-2001.

42. I have, meanwhile, explained in details the benefits that resulted from the present Government's policies for the agricultural sector. National Agricultural Policy has been adopted to ensure sustainable development of agriculture. The objective of agriculture policy is not limited to increased agricultural production. It aims at profitable, environment-friendly and sustainable systems through which the productivity of land and bio-diversity can be protected. Keeping these in view, a well-thought, comprehensive and planned programme has been undertaken. Efforts are underway to introduce biotechnology. Subsidy on fertilizer was introduced by the present Government immediately after assumption of office. Like last year, I propose to allocate Taka 100 crore as fertilizer subsidy for FY 2000-2001. The allocation for this subsidy will, if necessary, be increased if fertilizer price goes up in the international market. In revised ADP for 1999-2000, the allocation for the agricultural sector was Taka 804.92 crore. I propose to raise this allocation to Taka 877 crore in the ADP for 2000-2001.

43. I want to discuss now about food management. Parallel to increasing food production in the agricultural sector, the food security system in the country must be strengthened. Government's stock of food-grains stood at 11.99 lac metric

tons on 30th June, 1999. This stock is estimated to be around 10.75 lac metric tons as on 30th June 2000. According to the existing programme, the government stock of food-grains would stand at 11.48 lac metric tons on 30th June, 2001. In 1999-2000, the Government did not import food-grains from its own resources due to increase in food production in the country. The internal procurement of food-grain was raised from 8 lac metric tons to 11.28 lac metric tons. Simultaneously with increased internal procurement of food-grains a programme was undertaken to repair and rehabilitate the food godowns. I propose to allocate Taka 41 crore for the food sub-sector in the ADP of 2000-2001.

Taking into account the needs of development, the Annual Development Programme (ADP) for FY 2000-2001 has been fixed at Taka 17,500 crore. The size of the ADP is 13 per cent higher compared to ADP for FY 1999-2000. About 50.2 per cent of the resources will be provided by domestic sources and 49.8 per cent from foreign sources.



Finance Minister Shah A M S Kibria placing the budget in the parliament. — Star photo

Mr. Speaker,

44. Water is both a blessing and a curse in riverine Bangladesh. Like veins and arteries in the human body, our vast deltaic plain is crisscrossed by innumerable rivers and their tributaries. They are like the lifelines of Bangladesh; but sometimes they assume an extremely dreadful and destructive character. The distressed peasants in devastated localities view water as a curse. Despite being fabulously rich in water resources, the country faces occasional water crisis: at times she is hit by severe drought. A comprehensive National Water Policy has been framed to make proper and best use of the water resources so that people are freed from the whims of nature. A National Water Resources Management Programme is being developed to implement the objectives of the National Water Policy. Simultaneously 82 on-going projects are being implemented throughout the whole country for excavation and re-excavation of rivers/canals/ponds and flood control, for protection of people from river erosion and for improving navigability. I propose to allocate Taka 1,221 crore for the water sector in the development budget for FY 2000-2001.

45. Rabindra Nath Tagore, the poet of the world, rightly wrote, "The village is the heart of Bangladesh; there lies the real field of work and therein lies the fulfilment of our mission". The centre of activities of the present Government lies in the rural areas. The allocation for health, education, agriculture and infrastructure has been increasingly directed to the rural areas. Moreover, there has been gradual increase in allocation for rural development including rural institutions. In 1995-96, there was an allocation of Taka 727.15 crore in the revised ADP for this sector. In original ADP of 1999-2000, this allocation has been raised to Taka 1,603.26 crore. I propose to further increase this allocation to Taka 1823.76 crore in FY 2000-2001. Over the last five years, allocation for this sector has increased by 250 percent. Out of the total allocations for this sector in 2000-2001, Taka 1317 crore i.e. 72 percent has been earmarked for 48 projects of the Local Government Engineering Department. Additionally, I propose to allocate Taka 118 crore in the revenue budget for 2000-2001 for repair and maintenance work of the Local Government Engineering Department. Over last three years this department has constructed 6,526 kilometers of metalled road and 10,864 kilometers of rural road. During the current financial year this department will complete construction of additional 1,924 kilometers of metalled road, 5655 kilometers of earth road and 3094 bridges/culverts. An allocation of Taka 143.31 crore has been proposed in the budget of 2000-2001 for nine projects of Bangladesh Pali Unnayan Board. Out of this amount, Taka 25 crore has been earmarked for "one house one farm" project initiated by Prime Minister Sheikh Hasina. In the budget for 2000-2001, Taka 225 crore has been earmarked as development assistance to Upazilas, Taka 130 crore to Municipalities, Taka 65 crore to Zila Parishads and Taka 115 crore to four Municipal Corporations. Taka 126 crore has been allocated for development of the Chittagong Hill Tracts only. Out of this amount Taka 50 crore has been proposed as block allocation, Taka 38.13 crore for development of local government in Chittagong Hill Tracts, Taka 20 crore as block allocation for new projects in Chittagong Hill Tracts and Taka 17.88 crore for Chittagong Hill Tracts Development Board.

46. The Government is determined to protect the environment for the interests of the present and future generations. At the initiatives of the present Government, Environment Court Act has been enacted and promulgated. Meanwhile arrangements have been made to set up separate environment courts. The Environment Directorate has already identified 1176 industries as major environmental polluters and has also taken legal steps against 23 industries for environmental pollution. A project called "Air quality management" has been taken up at a cost of about Taka 29

crore to control air pollution and an allocation of Taka 11.50 crore has been proposed in the 2000-2001 budget for this project. In the budget for 2000-2001, an amount of Taka 144.89 crore has been allocated in the forest sub-sector for countrywide afforestation, wild life protection and environmental management, protection of bio-diversity and development of forest resources. The Public Health Engineering Department has taken up a project at a cost of Taka 178.9 crore with World Bank assistance to mitigate arsenic pollution in water. An allocation of Taka 47.50 crore has been made for this project in the budget of 2000-2001. In the energy sector, an experimental CNG project has been taken up at a cost of Taka 15.72 crore to prevent air pollution. I propose to allocate Taka 8.00 crore for this project in the budget of 2000-2001.

47. The growth in the fisheries sub-sector has been accelerated after the present Government assumed office. In 1995-96, the share of fisheries sub-sector in the GDP was 5.36 percent. This share stood at 6.15 percent in 1999-2000. The growth rate in this sub-sector in 1998-99 was 9.96 percent. This rate is estimated at 9.5 percent in 1999-2000. In the revised ADP of 1999-2000 there is an allocation of Taka 70.95 crore for this sub-sector. I propose to increase this allocation to Taka 107.73 crore in the ADP for 2000-2001. In the revised ADP for 1999-2000 the proposed allocation for livestock sub-sector is Taka 98.57 crore. I propose to raise this allocation to Taka 102.18 crore in 2000-2001.

48. In order to encourage scientific and technological research I have proposed to allocate Taka 76 crore in the budget for 2000-2001. Two projects at a cost of Taka 13.27 crore have been taken up for human resource development in the Bangladesh Council for Scientific and Industrial Research. Proposal has been made for allocation of Taka 1,114 crore in the ADP of 2000-2001 for physical infrastructure and water supply. Out of this, the following deserve special mention: Taka 43.74 crore for international conference centre, Taka 25 crore for Special Apartment construction project and Taka 25 crore for building Independence Monument at the Suhrawardy Udyan. I have also proposed to allocate Taka 175.86 crore for Dhaka WASA, Taka 16 crore for Chittagong WASA, Taka 116.55 crore for Dhaka City Corporation and Taka 277.42 crore for Public Health Engineering Department in the development budget.

49. A new life has been infused in the youth and sports sub-sector since the assumption of office by the present Government. Owing to continuous patronage of the present Government, great enthusiasm has been generated in sports throughout the country. The recent success in the field of sports at international levels is remarkable. In the Special Olympic World Games held in North Carolina in June-July 1999, Bangladesh earned 21 gold, 9 silver and 6 bronze medals. In the Asian Youth Cup cricket held in Singapore in July 1999, our bright young cricketers won the glory of being the unbeaten champion. In the 8th SAAF Games held in Kathmandu in September-October 1999, Bangladesh football team became the champion. The International Cricket Week was successfully organised in Dhaka in April 2000 and as part of this an international cricket match was held between Asia-eleven and World-eleven in the Bangabandhu National Stadium. Most recently, the seventh Asia Cup Cricket Tournament was successfully held at the Bangabandhu National Stadium. It is gratifying to note that Bangladesh is now at the threshold of attaining the test cricket status. In order to develop players at the grass root level, the programme for countrywide selection of players and training has been strengthened. I propose to allocate Taka 28.72 crore and Taka 137 crore in the revenue and development budget of 2000-2001 respectively to sustain the progress already achieved in youth and sports sector. I have proposed to allocate Taka 72 crore against 8 projects of Directorate for Youth Development in the budget for 2000-2001. This includes the proposal for allocation of Taka 3.00 crore to set up Sheikh Hasina National Youth Centre and Taka 13.00 crore for establishing 24 new Youth Training Centres. Besides, proposal has been made to allocate Taka 36 crore for Youth Training Self-Employment Project.

50. Our culture is the source of our inspiration and commitment to the ideals of liberation war; it also transmits and upholds this spirit. We have observed with due state honour the birth centenary of rebel poet Kazi Nazrul Islam recently. In the same year, 21st February has been sanctified with the status of International Mother Language Day. The construction work of National Art Gallery and National Theater at a cost of Taka 44 crore is in progress. I have proposed to allocate in the ADP for 2000-2001 Taka 19.99 crore for Bangladesh Shilpakala Academy, Taka 5.76 crore for Bangla Academy and Taka 13.15 crore for the Directorate of Archeology. In the cultural sector total proposed allocation in development budget is Taka 46 crore. The construction work of mausoleum complex of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman at Tungipara at a cost of Taka 16.91 crore is in progress. I propose to allocate Taka 5.90 crore for this project in the budget for 2000-2001.

51. The Awami League has been protecting the interests of the weak and the oppressed since its inception. Moreover, Awami League, in its election manifesto in 1996, expressed the commitment to take effective actions to prevent oppression of women and to remove social inequity. Therefore, following assumption of office, the present government has strengthened development programmes relating to women and children affairs and social welfare. In FY 1999-2000, total combined allocation in revenue and development budgets for Ministry of Women and Children Affairs was Taka 76 crore. I propose to raise this allocation to Taka 105 crore in FY 2000-2001. For Ministry of Social Welfare the total allocation, combining revenue and development budget, was Taka 106.72 crore in FY 1995-96 which will be increased to Taka 224 crore in the proposed budget for 2000-2001. In the revenue budget for 2000-2001, I also propose to allocate Taka 50 crore for superannuation allowances for poor elderly people, Taka 25 crore as allowance for the distressed, divorced and deserted women and widows. I also propose to allocate Taka 25 crore for the Housing Fund. A proposal for the allocation of Taka 115 crore for the "Asrayan" project has also been included in the ADP for 2000-2001.

52. In keeping with the commitment made by the Awami league in its election manifesto, the present Government has

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