

What's on today....

Drawing competition: Adhyan Shishu Academy has organised a painting competition for primary school children on the occasion of 'World Environment Day'. Venue: Aziz Super Market (2nd floor), Shahbagh. Time: 10 am.

Installation ceremony: Rajbari District Association will hold the installation ceremony of its executive committee. Venue: LGED Bhaban auditorium. Time: 4.30 pm.

Discussion meeting: Alor Bhuban, an organisation of children and juveniles will hold a discussion meeting followed by a cultural programme. Earlier it will distribute Alor Bhuban Independence Day Crest-2000 and prizes of its recent cultural competition. Venue: Bangladesh Shishu Academy auditorium. Time: 5.00 pm.

Meeting: Bangladesh Samajtantrik Dal (BSD) will hold a meeting. Venue: BSD office premises, 23/2 Topkhana Road. Time: 5.30 pm.

IBA Organising Fortnight 2000: IBA Alumni Association is holding an organising fortnight. As part of the programmes it will screen *Mukht-e-Gaan* and *Mukht-e-Katha*. Venue: IBA auditorium. Time 11:00 am to 6:30 pm.

CD launching ceremony: Bengal Foundation will hold the launching ceremony of Ifat Ara Dewan's collection of old Bangla songs *Hay Ainara Chiro Chawa*. Venue: Bengal Shilpalay, House No 275/F, Road No 27 (Old), 16 (New), Dharmadhi R/A. Time: 7:00 pm.

Folk theatre festival: *Shoukhin Gitanitya* of Gazipur will present *Belmaner Chakranto* written by Harendra Krishna Das on the 3rd day of Bangladesh Shilpalay Academy organised folk theatre festival. Venue: Shawkat Osman auditorium at Begum Sufia Kamal Library Directorate. Time: 7:00 pm.

BFTA meeting: Bangladesh Federation of Teachers' Associations (BFTA) will hold a joint meeting with teachers, parents, journalists and different professionals. Venue: Jatiya Press Club Hallroom (upstairs). Time: 5.00 pm.

..... and tomorrow

Folk theatre festival: Akankha Natyadal will present *Bedh Kanya* written by Master Sekandar Ali on the 4th day of Shilpalay Academy organised folk theatre festival. Venue: Shawkat Osman auditorium at Begum Sufia Kamal Library Directorate, Shahbagh. Time: 7:00 pm.

BIMDT convocation: The 1st convocation ceremony of Bangladesh Institute of Medical and Dental Technology (BIMDT) will be held. Chief guest: State Minister for Health and Family Welfare Prof M Amanullah. Venue: IDB auditorium, Sher-e-Bangla Nagar Dhaka. Time: 10:00 am.

Handicrafts show: The trimonthly handicraft show of Bangladesh Small and Cottage Industries Corporation (BSCIC) will begin. Venue: BSCIC Bhaban, Motijheel. Time: 11:00 am.

Seminar: IBA Alumni Association will hold a seminar on 'Career Opportunities & Prospects in Marketing'. Venue: IBA auditorium, DU campus. Time: 12:30 pm, 2:00 pm.

BAS meeting: Bangladesh Astronomical Society (BAS) will hold a meeting. Venue: Institute of Childhood Education, House No 19, Rd No 13/A. Time: 4:00 pm.

Satyajit Ray Retrospective: Zahir Raihan Film Society will begin the second part of its retrospective on noted film maker Satyajit Ray. On the first day *Gupi Gulyeen Bagha Bayeen* will be screened. Venue: Indian High Commission auditorium, Rd No 2, Dharmadhi R/A. Time: 6:15 pm.

CD launching ceremony: Bengal Foundation will hold the launching ceremony of Shohrab Hossain's collection of Nazrul Geeti '*Ay Koun Mayag*'. Venue: Bengal Shilpalay, House No 275/F, Rd No 27 (Old), 16 (New), Dharmadhi R/A. Time: 7:00 pm.

Meeting: Prokrihi BCS Central Coordination Council will hold a meeting. Venue: Engineers Institutions, Seminar Room, Ramna. Time: 7:30 pm.

Orientation: The orientation programme of Bar Vocational Course (BVC-II, Batch II) conducted by Legal and Training Institute (LETI) of Bangladesh Bar Association will be held. Venue: Hallroom of Judicial Administration Training Institute (JATI), Old High Court Building. Time: 5:00 pm.

Weather

Temperature may fall

Light to moderate rain or thundershowers accompanied by temporary gusty wind is likely at most places over Chittagong, Barisal and Sylhet Divisions and at many places over Dhaka, Rajshahi and Khulna divisions with moderate to heavy falls at places over Dhaka, Chittagong and Barisal Divisions till 6 pm today, reports UNB.

Day temperature may fall slightly over the country. Met office said.

The country's highest temperature recorded yesterday was 33.8 degree Celsius at Rajshahi and the lowest 24.5 degree Celsius at Rangamati.

The sun sets in the capital today at 6.45 pm and rises tomorrow at 5.10 am.

Maximum and minimum temperature and humidity recorded in some major cities and towns yesterday were:

City/Town	Temperature in Celsius		Humidity in Percentage	
	Max	Min	Morning	Evening
Dhaka	31.7	26.2	78	88
Chittagong	29.5	24.8	85	80
Rajshahi	33.8	26.4	84	92
Khulna	33.0	25.5	87	87
Barisal	29.6	25.2	93	92
Sylhet	31.8	25.3	76	97
Cox's Bazar	27.4	25.3	95	95

Clash between 2 groups in Dental College Hostel: Three injured

By Staff Correspondent

Three people including a minor girl were injured in a clash between two groups of students at Dental College Hostel at Ukabadi in the city yesterday afternoon, hospital sources said.

The injured were identified as Tutul, 23, Tarek, 25, both CL activists and a pedestrian hunk, 13. They received injuries during chase and counter chase between two groups of students in front of the college, hospital sources said quoting witnesses.

The incident occurred when expelled BCL activist Sarwar Hito on board a microbus tried the hostel premises and gaged themselves in ransacking, sources said. They also fired four rounds of gun shots and created panic in and around the area.

They were chased by other students who continued for some time in the area along the BCL activists. The injured were sent to the Dhaka Medical College Hospital.

Obituary

Renowned social worker and former secretary of Greater Noakhali Samity Alhaj Hossain Ahmed Chowdhury died of cardiac arrest at a local clinic in the early hours of yesterday, reports BSS.

Chowdhury, a retired assistant director of Department of Soil Survey, was buried at Martyred Intellectual Graveyard at Mirpur following namaz-e-janaza at Awlad Hossain Market premises in the city after Asr prayers.

He was 75 and is survived by his wife, three sons and four daughters.

The *qulhuani* of the deceased will be held on June 10 at his 601 West Nakhalpara residence after Asr prayers.

By Staff Correspondent

Alhaj Abdul Majid, father of Abdus Salam, general secretary of Dhaka City BNP, died yesterday morning due to old age complication. He was 80.

Leader of the Opposition and BNP Chairperson Khaleda Zia expressed profound shock at the death of Majid. She prayed for the salvation of the departed soul and expressed sympathy for the members of the bereaved family.

Accent on industries

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buoyant agriculture sector helped keep the inflation low and push the GDP up. Kibria also extended government support to subsidise the sector in the form of Tk 100 crore fertiliser subsidy, which he vowed to increase further if fertiliser price goes up in the international market. Agriculture also received a nine per cent higher allocation in the proposed ADP for FY2001 than last year's.

Kibria's proposed budget, the fourth of the ruling Awami League, has a total outlay of Tk 42,859 crore, showing an overall deficit of Tk 18,661 crore. The national fiscal plan does not directly speak of any additional tax burden, but of rationalisation of VAT net and other reforms.

The spending includes Tk 19,633 crore in revenue expenditure and Tk 17,500 crore in ADP. At the same time, the budget proposes to net Tk 24,198 crore in revenue earnings - Tk 19,277 crore in tax revenue and Tk 4,921 crore in non-tax revenue.

The deficit between revenue income and total expenditure would be met by Tk 9,421 crore from external sources, Tk 5,726 crore from domestic sources and Tk 3,514 crore from borrowing from the banking system.

For the first time in history, the budget has clearly stated how much the government wants to borrow from the banking system.

However, the finance minister has fallen ruefully short of a firm strategy to cut the losses of SOEs or to divest those.

In an effort to make public savings coming to the banks and the capital market, he also proposed drastic reduction of interest rates on all types of savings instrument market.

Boost to capital market
To boost the country's ailing capital market, Kibria proposed at least four types of tax incentives.

He offered tax rebate at the rate of 10 per cent to listed companies which declare dividends of at least 25 per cent. Exemption limit of dividend income has also been proposed to be raised from Tk 30,000 to Tk 40,000.

He also made investment in secondary market shares eligible for tax credit and raised investment allowance up to Tk 225,000 instead of Tk 200,000 for investment in IPOs.

Tax measures
Other than the autonomous growth of revenue, Kibria hopes to net Tk 800 crore through reforms and improvement of tax structure and collection process.

Because of adjustment of personal income tax rates and slabs, and various measures to support health service, industry, export and capital market, there will be a revenue loss of Tk 21 crore. On the other hand, due to expansion of tax base, there will be a revenue gain of Tk 112 crore. Consequently, there will be a net increase of Tk 91 crore under this head.

Implementation of proposals for reduction of customs duty is expected to result in a revenue loss of Tk 80 crore and there would be a gain of Tk 15 crore for increase in duty rates. Consequently, there would be a net loss of Tk 65 crore.

Expansion of VAT and supplementary duty would raise an additional revenue of Tk 245 crore. Proposed tax exemptions would result in a loss of Tk five crore.

Hence, net increase in revenue under this head due to expansion of tax base would be Tk 240 crore," he said.

Kibria defends borrowing
In defending the record Tk 3934 crore government borrowing from the banking system for this fiscal year, Kibria found it conducive to growth.

In the original budget of FY2000, the government did not keep any provision for such money sources.

Tk 17,500 cr proposed for ADP

Finance Minister Shah A M S Kibria yesterday proposed taka 17,500 crore for the Annual Development Programme (ADP) for the fiscal year 2000-2001, laying the highest priority to poverty alleviation, reports BSS.

The size of the ADP for FY 2000-2001 is 13 per cent higher compared to ADP for FY 1999-2000. He said Kibria while presenting the proposed national budget for the fiscal year 2000-2001.

Elaborating on the proposed ADP for the next FY, the Finance Minister said the domestic resources contribution to the ADP will be about 50.2 per cent while foreign sources will contribute the rest 49.8 per cent.

However, domestic resources for ADP cannot be provided from revenue surplus alone, the Minister said.

Kibria said bank borrowing to the tune of taka 3,514 crore will be required to finance the proposed ADP. However, the overall fiscal deficit would stand at about 5.9 per cent of GDP, he added.

Giving highest priority to the poverty alleviation a taka 6,006.10 crore has been proposed as allocation in the FY 2000-2001 as against taka 5,134.42 crore in 1999-2000, he said.

Referring to the allocation of taka 3,439.17 crore for poverty alleviation activities in the revenue budget for FY 1999-2000, the Finance Minister proposed raising of this allocation to taka 3,892 crore in FY 2000-2001.

The combined allocation in development and revenue budget for poverty alleviation in FY 1999-2000 was taka 8,752 crore, he said proposing taka 8,988.1 crore for FY 2000-2001.

Allocation for Tk 1,221 cr proposed for water sector

The government proposed an allocation of Tk 1,221 crore for the water sector in the development budget for fiscal 2000-2001, reports UNB.

The money will be spent for implementing 82 ongoing projects across the country for excavation and re-excavation of rivers, canals, ponds, flood control, protecting people from river erosion and improving navigability of rivers.

CPB reaction

Interest of rich people protected

Communist Party of Bangladesh (CPB) yesterday strongly criticised the proposed budget placed in the Jatiya Sangsad saying it clearly reflected the plan of continuing the reign of plundering state wealth for destroying country's economy, reports UNB.

"Interest of the rich, both local and foreign, has fully been protected in the name of mass poverty," the CPB said.

As the rich people have been offered special benefits, they will become further rich creating a sharp discrimination of wealth, which will in turn affect the lives of the common people, he said.

quicker and corruption-free" through various administrative reforms.

Through measures, Bangladesh Krishi Bank alone has extended agricultural loan on easy terms to about one lac sharecroppers, he said. During the period, about 7.5 lac new farmers got access to agricultural credit from institutional sources.

The finance minister said success has been very impressive not only in loan disbursement but also in loan recovery from all classes of borrowers including share croppers.

Kibria said that the main thrust of the government was to reduce poverty. He said there has been a growing reduction of poverty. In May 1999, the number of people below the poverty line had declined to 44.7 per cent against 47 per cent in April, 1996.

He also spoke about "remarkable success achieved in development of human resources."

In FY 1995-96, adult literacy rate was 44 per cent, which increased to 60 per cent in FY 1999-2000. Gross enrolment in primary schools is 97 per cent now, he said.

Kibria said the government has opened up telecommunications, power and physical infrastructure sectors to private investment, especially foreign investment.

Financial sector reforms have been accelerated. The government, he said, has "largely established discipline in the banking sector, burdened with huge classified loans of the past."

Kibria observed that financial sector reforms have generated "irresistible public opinion against default culture. The percentage of classified loans in private sector banks stood at 39.5 per cent in 1995. It has declined to 26.5 per cent in 1999."

Significant allocations
As has been the practice over the years, education has been given the highest allocation, trailed by defence spending. A total of Tk 3,278 crore has been earmarked for defence expenditure while Tk 3,344 has been proposed for education. The defence allocation is seven per cent higher than last year's.

However, the budget in the development sphere of the defence sector has been axed by nearly 50 per cent. Against last year's allocation of Tk 30 crore for defence development, this year, defence would be provided only 14 crore taka.

A very large chunk has been earmarked for the Ministry of Home Affairs, and the next year's outlay provides for a revenue expenditure of Taka 1,520 crore. A marked decrease is seen in the "development" expenditure for the Ministry of Foreign Affairs, which had Tk 18 crore in last year's revised budget but has now Tk 11 crore only for the next fiscal.

The development expenditure for the Prime Minister's Office has been more than doubled from Tk 106 crore in last year's revised budget to Tk 228 crore. However, the development expenditure for the parliament has been reduced to Tk two crore in the next fiscal from Tk six crore.

Next year being an election year, the budget has kept a provision of Tk 172 crore under the revenue expenditure for the Election Commission. However, Tk 137 crore was provided for on this account in last year's budget, out of which only 51 crore was shown as spent in the revised budget, giving the impression that the government kept the option for holding early elections, when it framed the budget last fiscal but did not exercise the option.

Tax measures
The ceiling of taxable income has been raised from Tk 75,000 to one lac.

Proposal for imposition of VAT on retail sales of certain products have been made.

To encourage growth of tourism, tax holiday has been extended till June, 2002 from the present time-frame of June, 2000.

Any one in possession of untaxed income could pay tax at the rate of ten per cent and get their income legalised.

In cases of public trading companies declaring profit of 25 per cent or more, they would be provided with tax exemption of 10 per cent.

Lot of provisions for filling income tax under self-assessment scheme has been relaxed.

Proposal has been made to enhance motor vehicle tax.

Reduction of stamp duty on various types of insurance has been suggested.

Unlike other year's ambitious revenue target, this year's revenue growth has been targeted to increase by a mere Tk. 47 crore, from this year's original target... which is 0.19 per cent.

Tax burden

Supplementary duty has been increased on toilet paper, tissue paper, napkin paper has been increased to 25 per cent from 20, while the duty on facial tissue stock and napkin stock has been increased to 10 per cent from five per cent.

One hundred per cent supplementary duty has been proposed on the imports of four stroke auto-rickshaw engine and chassis with engine.

Supplementary duty on the imports of Cathode Ray Tubes for Television has been increased to 10 per cent from five per cent.

On the imports of Lead Acid Battery, 15 per cent supplementary duty has been proposed.

There will be a 30 per cent supplementary on import of mineral water and aerated water.

Tk 1,114 cr earmarked for water supply

The proposed budget for fiscal 2000-2001 has earmarked Tk 1,114 crore in the ADP for physical infrastructure and water supply improvement projects, reports UNB.

Of the amount, Tk 43.74 for an international conference centre, Tk 25 for special apartment project and Tk 25 crore for the Independence Monument at Suhrawardy Uddyan have been given preferential allocation.

Under the proposed allocation, Dhaka WASA will receive Tk 175.86 crore, Chittagong WASA Tk 16 crore, Public Health Engineering Department Tk 277.42 crore and Dhaka City Corporation Tk 116.55 crore.

Autorickshaws

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that they can convert their three-wheelers to use Compressed Natural Gas (CNG), Kibria said.

Reiterating government's commitment to protect the environment, the finance minister said that last year the highest customs duty of 37.5 per cent was imposed on EVA which is used in products that increase environmental pollution.

"For the same reason, I propose to increase duty on film grade HDPE from 15 to 37.5 per cent," he added.

The minister also proposed reduction of tax and duty on CNG driven double-decker and single-decker buses to develop a mass transport system without polluting the environment. The double-deckers using CNG would be exempted from VAT also.

He also proposed waiving of all duty and taxes except five per cent customs duty on CNG driven buses with forty or more seats.

Highlights

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import of CNG-run double-decker buses.

Encouragement for declaration of undisclosed income.

Expansion of the existing investment facilities.

Income tax network expanded. Tax-free Income Limit for the Individual category has been expanded to Taka one lakh from Taka 75,000. Schedule of income tax rate restructured and the rate of surcharge rationalised.

The tax holiday for industrial institutions, tourism and physical infrastructure has been extended up to June 30, 2002.

New measures for bringing dynamism in the share market.

Tax rebate to welfare organisations for the retarded and charity hospitals on side city corporations and the surplus income from micro-credit.

Tremor

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belt stretching from New Zealand across a wide swathe of East Asia.

Bengkulu's earthquake, which killed at least 120 people, injured some 1,300 and damaged thousands of homes and buildings, has spawned around 400 aftershocks, seismologists said.

The Bengkulu earthquake, which appears to have occurred after a rupture between two key plates - the Pacific and Indian plates - may have triggered a chain reaction of seismic activity along the circum Pacific belt, the seismologists said.

Prof Ding Jianhai of China's State Seismological Bureau said the Sumatra, Myanmar and China quakes all occurred along another belt known as the Eurasia seismic belt stretching from the Mediterranean sea through the Himalayas to Indonesia.

He described the belt as 'very active' and said he believed all the tremors were related.

"According to our estimates, there are about average 18 earthquakes at more than seven on the Richter scale globally in a year, mainly in two belts, the Euroasia belt and the belt around the Pacific," he said.

Aftershocks from the Bengkulu quake included a major tremor measuring 6.2 early today, but most experts expect the aftershocks and other regional seismic activity to wind down steadily.

Tax cut

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Duty on thread waste and yarn waste is now 15 per cent, cotton knit fabric waste 37.5 per cent, phosphate and polyphosphate 15 per cent and on industrial fan and blower used in tea industry 37.5 per cent. Kibria proposed 5 per cent duty on all these raw materials.

The finance minister proposed a unified customs duty of 25 per cent on rude and large marble blocks weighing 4000 kg or more instead of present 15 per cent and 37.5 per cent respectively.

In addition to withdrawal of duty on computer and accessories, the government proposed withdrawal of customs duty on Ink-jet Refill Kit used in computer printers. Total withdrawal of supplementary duty on computer machines, CD ROM Drive, CD, modem, magnetic tapes and disk (unrecorded) used in computer software has also been proposed.

A five per cent duty has been proposed instead of present 25 per cent on plastic coated paper (used to make fruit juice container), 37.5 per cent on modern ingredients to save agricultural products from sun-drying and 15 per cent on unwrought zinc, tin, zinc dust, powder, flakes etc used in agri-processing.

Scope to whiten

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tal' has been raised to Tk 20 lakh in case of income from business or profession.

To widen areas of tax collection at source and to simplify the assessment procedure, it has been proposed that tax collected at source be considered as final settlement of liability in some more sectors.

Black money to become white
Any person having untaxed money would be allowed to declare it by June 30, 2001 paying 10 per cent tax which would be accepted without asking any question.

Cash reward would be given for information relating to tax evasion to prevent concealment of income.

Tax VIPs
The new budget also proposed to encourage tax payers with state recognition by listing them as VIPs who would be given some special facilities including invitation to state functions. Such persons would be selected on the basis of recommendations by the National Board of Revenue.

Capital Market incentives
A publicly traded company announcing a minimum of 25 per cent of more profit would get a tax exemption of 10 per cent. The tax-free ceiling on income from companies listed on the stock exchange has been raised to Tk 40,000 from Tk 30,000.

The new budget proposed abolition of the system of collection of 10 per cent tax at source with the objective of making interest earning savings instruments tax free, provisions for collection of tax at source from real estate business and provision of tax deduction at source on bonus shares.

Tax is to be deducted at the rate of 2.5 per cent by banks from payments made to agents of foreign buyers.

Rate of collection of tax at source from bill manufacturers is proposed to be reduced to per cent from 5 per cent.

BNP vows
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the economic management.

The fact that the government borrowed Tk 3934 crore from banks also testifies to its mis-handling of state affairs, he added.

Bhuiyan said the claim of growth in industry and investment, and increase in production are totally completely false. In fact there has been no growth in those sectors.

He also criticised expansion of VAT network on the retailers. He feared that the government might enhance price of electricity, water, gas and other essential commodities.

On allocation of Tk 100 crore as subsidy in the agricultural sector, the BNP secretary general said the amount is still remain unutilised because it was meant only for import of fertiliser, if need be.

Bhuiyan announced demonstrations in all thana headquarters across the country today to protest the budget.

Jamaat leaders and activists brought out a procession from its city office after the Maghreb prayers and later held a rally at the north gate of Baitul Mukarram to protest the new budget.

JCD brought out a procession in the city and held a rally at Muktangan to protest the budget.

Tax relief
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freed from duty.

Import duty on per tota gold has been reduced to Tk 200 from Tk 300, while an individual passenger will be entitled to bring