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President authenticates budgets

President Shahabuddin Ahmed authenticated the supplementary budget for the outgoing fiscal year (1999-2000) and new national budget for 2000-2001 for placing before Parliament yesterday, reports UNB.

The approval was given at the President's office in Sangsad Bhaban immediately after the Cabinet approved the new budget presented in Parliament in the afternoon.

Cabinet okays budgets

The Cabinet approved the proposed National Budget for 2000-2001 fiscal year yesterday for presentation at the Jatiya Sangsad, reports BSS.

The Cabinet meeting held with Prime Minister Sheikh Hasina in the chair also approved the programmes for taxation and revenue receipt for the 2000-2001 financial year.

The Cabinet also approved the revised budget for 1999-2000.

Proposal to cut interest rates on savings instruments

By Staff Correspondent

The government has proposed reduction of interest rates on different savings instruments in the new budget.

Interest rates on eight-year defence certificate and five-year savings certificate have been proposed to be slashed by 1.25 percentage points.

As such, the highest interest rate on defence certificate would be reduced to 9.50 per cent from 10.75 per cent at the end of the first year. The rate at the end of the eighth year would be reduced to 16.50 per cent from 17.75 per cent.

Similarly, the highest rate on five-year savings certificate would be reduced to 9.25 per cent from 10.50 per cent at the end of the first year. The rate at the end of the fifth year would be reduced to 13.25 per cent from 14.50 per cent.

Meanwhile, interest rate on Family Savings Certificate has been proposed to be reduced to 10.80 per cent from 13.20 per cent while that on profit-based savings certificate at the end of every three months (three-year term) to 11 per cent from 13.50 per cent. The rate for profit-based savings certificate at the end of every six months (five-year term) has been reduced to 11 per cent from 13.50 per cent.

Tk 15 cr allocated for allowance to distressed FFs

The government will implement a Tk 15 crore new scheme in the coming fiscal year (2000-2001) for monthly allowance of distressed freedom fighters.

Finance Minister Shah A M S Kibria said this in his budget speech yesterday.

He also proposed to increase the allocation to the Freedom Fighters Welfare Trust to Taka 6.60 crore in the revised budget for 1999-2000.

Paying rich tributes to the memory of the millions of martyrs and supreme sacrifices of the undaunted freedom fighters, the finance minister said "it is our sacred national duty to provide assistance and rehabilitate the distressed freedom fighters."

Unfortunately, the initiatives started by the Bangladesh government to assist the freedom fighters were foiled by the conspiracies over the last twenty-one years, Kibria said.

Despite the expanded activities of the trust, many distressed freedom fighters have not yet received any assistance, Kibria noted.

Shift in tectonic plates?

Tremor rocks Ctg, other parts of Asia

CHITTAGONG, June 8: A mild tremor rocked the port city Tuesday midnight and lasted for 12 seconds from 1-45-46 seconds. Met office sources said today.

The epicentre of the tremor was 100 km away from Chittagong, they said.

However, there was no report of damage of life or property, police said.

AP from New Delhi adds: An earthquake of moderate intensity shook the remote north-eastern Indian state of Arunachal Pradesh early today.

The 5.8 magnitude tremor had its epicentre at Tezu, a town 1,875 kilometres east of New Delhi.

A strong earthquake struck northern Myanmar early this morning, but there were no immediate reports of injuries or damage.

The quake occurred at 4:17 am with the epicentre 150 kilometres north of Myittha, a town in a remote area near the

From Staff Correspondent

northern tip of Myanmar. The preliminary reading of the tremor was 6.5.

A moderate earthquake with a preliminary magnitude of 4.9 rattled also southwestern Japan this morning.

Katsuhiko Fujii, spokesman of Kumamoto prefectural (state) police said an elevator in a 10-storey building housing police offices had stopped following the tremor.

There was a sudden vertical shaking, Fujii said. But there were no immediate reports of injuries or damage, he said.

The quake was centered about 10 kilometres underground in Kumamoto, 907 kilometres, southwest of Tokyo.

Another report says, a big undersea earthquake, with a magnitude of 6.2, rocked southern Sumatra today, five days after a major temblor killed about 100 people, seismologists said.

There were no immediate re-

ports of new damage or injuries.

Reuters from Tokyo says: The earth moved in Asia today as powerful aftershocks rocked the west coast of Indonesia's Sumatra Island, and a series of earthquakes jolted China, Myanmar and Japan.

Experts said last Sunday's quake in Indonesia's Bengkulu province, measuring 7.9 on the Richter scale, may have led to a shift in the huge tectonic plates deep under Asia's seas, prompting the burst of seismic activity this week.

Japan was rocked by three fairly strong earthquakes this week, while China and Myanmar were each hit by two. Nearly all measured above five on the open-ended Richter scale.

It is not unusual to have a sequence of activity on a single seismic belt, some of it can be quite intense, said CM Tam of the Hong Kong Observatory, referring to the circum Pacific

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Fertiliser subsidy not increased

By Staff Correspondent

The government has not raised subsidy allocation for fertilizer in the 2000-2001 financial year, keeping it Tk 100 crore as in the previous fiscal.

Proposing the allocation in the Jatiya Sangsad yesterday, Finance Minister S A M S Kibria promised to increase the subsidy volume beyond Tk 100 crore if the price of fertilizer goes up in the international market.

The proposed subsidy allocation came at a time when subsequent bumper in crop production led the country towards a record food production of 24.3 million tons in 1999-2000.

This growth in agro-sector, which the finance minister dubbed as 'unprecedented', also saved the government from huge expenditure on import of 0.4 million tons of food from abroad.

In 1999-2000, the government did not import foodgrains from its own resources due to increase in food production in

the country," Kibria said.

Encouraged by the phenomenal progress in agriculture, the government proposed an increase in ADP allocation to agriculture from Tk 804 crore in 1999-2000 to Tk 877 crore in 2000-2001.

Kibria in his budget speech said a total of Tk 411 crore were given as subsidy on fertilizer over the last four years. Besides subsidies were given on electricity and diesel used in irrigation. Internal food procurement target was revised upward and procurement prices were increased to give support to the farmers, he said.

The finance minister said the government could disburse Tk 2009 crore until March 2000 against Tk 3331 crore agricultural credit earmarked for 1999-2000.

According to new budget, the food and agro-processing industries would also benefit from the proposed Tk 100 crore Equity Development Fund.

Tax cut on apartments Developers hope it would remove a lot of hassle

By Staff Correspondent

The government has proposed a slash on taxes on apartments measuring up to 70 square metres (630 square feet) but a hike above that.

At the same time, it proposed to reduce taxes on income from house property. Taxes have been waived from monthly income from house property not exceeding Tk 15,000.

But property developers said the government realises three per cent tax on the value of the apartment or house irrespective of its size in the current system.

M.S. Alam, a real estate developer and an executive member of REHAB, said the proposal would remove a lot of hassle.

"We had a similar proposal last year. Still we have to sit down and make some calculation before giving our reaction," Alam said.

Former REHAB president AHM Abdul Momen said the proposed reduction of taxes on apartments measuring up to 70 sqm would encourage developers to build housing for the low income groups.

"Before, the tax men would guess a value on a property while the taxpayer would try to cite a lesser value. By introducing tax on the exact size, this hassle would go," Momen said.

According to the proposed budget announced in the parliament yesterday, the rate on building or apartment measuring up to 70 square metres has been reduced to Tk 75 per square metre from the current rate of Tk 100 per square metre.

Rate on apartments or build-

ings measuring between 140 sqm and 230 sqm has been proposed at Tk 180 per sqm, which is Tk 30 more than current rate. Apartments measuring more than 230 sqm will be subjected to a tax of Tk 250 per sqm against the current rate of Tk 200.

The budget proposes 3 per cent tax deduction on income from house property, which is between Tk 15,000 and Tk 35,000. It proposes a 5 per cent tax deduction on income that exceeds Tk 35,000.

600 shops in Chittagong demolished

From Our Correspondent

CHITTAGONG, June 8: About 600 shops selling foreign cosmetics and stationery goods at 'Singapore Market' in Agrabad commercial area here were demolished today.

Chittagong City Corporation (CCC) conducted the drive. Police and local businessmen chased each other during the eviction drive.

CCC authority yesterday served notice on the businessmen to evacuate the Singapore Market and began eviction at 8:30 am today.

A large number of CCC workers and 16 platoons of police equipped with dreggers and other equipment were engaged in eviction works.

Bringing 10kg of gold allowed

By Staff Correspondent

A Bangladesh national will be allowed to carry home 10 kgs of gold against the present limit of 5 kgs.

The proposed budget also provides that duty on import of gold be reduced from Tk 300 to Tk 200 per tola (11.664 gram).

It also proposed to raise the limit of carrying silver from 15 kgs to 20 kgs.

The measures will help boost the export of gold jewellery and discourage smuggling of gold. Finance Minister S A M S Kibria said in his budget speech.

Inflation drops to 4.5 pc in April this yr

Inflation in the country dropped to 4.58 per cent in April this year on the basis of 12 months average, reports UNB.

However, the rate has been estimated at 3.09 per cent on point to point basis this April compared to same month last year.

Due to a devastating flood, the inflation rate jumped to 8.92 per cent in fiscal 1998-99 on the basis of 12 months' average.

Speaking on the issue in Parliament yesterday, Finance Minister Shah A M S Kibria said although the international price has seen a high trend, it could not penetrate Bangladesh because the price level was contained locally.

According to an IMF statistics, prices of primary products excluding petroleum increased last year by 5 per cent in the international market. In Bangladesh, expenditure on import has increased by about 237 million dollars on account of petroleum products. In March 2000, prices of petroleum products reached highest level in the last nine years.

20 hurt as BCL, Shibir clash in Sylhet again

From Staff Correspondent

SYLHET, June 8: At least 20 people were injured in a gunfight between Bangladesh Chhatra League and Islamic Chhatra Shibir on the MCC college campus here today.

Of the injured, 8 belong to the BCL and the rests from the Shibir, while most of them received bullet wounds.

Today's clash was a sequel to the yesterday's gun battle near Sylhet Government College, the source added.

The clash began at 11:30 am and continued till 2:30 pm. Both the groups chased each other. At least 300 gunshots were fired during the clash.

Police lobbed 15 rounds of tear gas shells and fired 10 gunshots to bring the situation under control. Police arrested six young men from the area in connection with the clashes. However identity of the arrested could not be ascertained immediately.

Both the organisations blamed each other for the incident. They also brought out separate processions protesting the clash in the afternoon and demanded punitive measures.

June	Sun Rises	Sun Sets
9	5-10 am	6-45 pm
10	5-10 am	6-45 pm

Prayer Timings

June 9	Azan	Jamaat
Fajr	4-15	4-45
Dhuhr	12-30	1-30
Asr	5-00	5-15
Maghrib	6-50	6-55
Esha	8-15	8-45

Source: Islamic Foundation



Deserted opposition bench during placing of the proposed budget for fiscal 2000-2001 in the Jatiya Sangsad yesterday.

—Star photo

Edn tops allocations as usual

By Staff Correspondent

The education sector continued to get the highest budgetary allocation with Taka 5,596 crore proposed for the 2000-2001 fiscal, up eight per cent from the 1999-2000 fiscal.

Allocation for the education sector in the outgoing fiscal year was Tk 5,145 crore which was later revised to Tk 5,238 crore.

The government's education funding rose by 2,074 crore or 59 per cent over the last five years. Terming the education expenditure 'unprecedented' in his budget speech, Finance Minister SAMS Kibria said it was mainly due to government's subsidy for the teachers of non-government schools, colleges and madrasahs.

The government's average

annual expenditure on salaries for the teachers stands at about Tk 491 crore.

In the new budget, the finance minister proposed an allocation of nearly Tk 73 crore for university education and Tk eight crore for purchase of books and scientific equipment for the government and non-government schools.

The proposed budget has also earmarked Tk 480 crore for stipends and food for education programme to discourage dropout in primary schools.

Tk 19 crore has been proposed in the new fiscal year for the Tk 119.79 crore project already launched for introduction of vocational education at the SSC level in selected secondary schools.

SOEs incur Tk 3100 cr loss

By Staff Correspondent

Losses of state-owned enterprises (SOEs) excluding financial institutions in the current financial year (1999-2000) have been provisionally estimated at around Tk 3,100 crore.

The loss incurred by Bangladesh Petroleum Corporation (BPC) alone stood at around Tk 1,633 crore owing to non-adjustment of local price of petroleum in line with international prices.

On the other hand, till January this year, these SOEs have Tk 4,437.13 crore outstanding loans to different Nationalised Commercial Banks (NCBs). Of this Tk 2,090.11 crore or 47 per cent is classified.

The SOEs which have the highest amounts of outstanding loans to the NCBs are: BJMC Tk 1,673 crore, BSEC Tk 965 crore, BTMC Tk 684 crore, BPC Tk 284 crore, BSFC Tk 243 crore, BADC Tk 232 crore, BCIC Tk 229 crore, BSC Tk 38 crore and BPP Tk 21 crore.

Besides, the SOEs with the highest amounts of classified loans to the NCBs are: BSEC Tk 837 crore, BTMC Tk 636 crore, BADC Tk 232 crore, BCIC Tk 40 crore.

Production of TIN to be compulsory

By Special Correspondent

Production of Tax Identification Number (TIN) has been proposed to be made compulsory for enlistment or renewal of enlistment as general insurance surveyor, for purchase of land, building or apartment in city corporation areas and registration or renewal of fitness certificate of vehicles not plying for hire.

Proposing the new measure in the national budget for fiscal 2000-2001, Finance Minister SAMS Kibria said that substantial investment is involved in purchase of vehicles and property in the city corporation areas. "These investments are important factors for determination of income of any tax payer."

The decision was taken in morning hours before Finance Minister S A M S Kibria placed his proposed budget for fiscal 2000-2001.

The banks decided to reduce their interest rates to 10 per cent in sectors like physical infrastructure, IT, textiles, oil and gas and agro-based industries.

"It was possible to take the decision as the government has decided to offset our huge default loans on account of the state-owned industries through giving us interest bearing bonds," said the chief executive of an NCB.

"This was a major decision of the government, which would certainly help the industry."

The banks also decided to lower their deposit rates commensurate with the lending rates.

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Tk 2689cr for health sector

Finance Minister Shah AMS

Kibria yesterday proposed Tk 2,689cr as combined revenue and development allocation for the Health and Family Welfare sector in the budget placed for the fiscal year 2000-2001, reports BSS.

Presenting the budget, he referred to the present government's election pledges of 1996 and said such a large budgetary allocation was provided for the health sector for the next fiscal keeping pace with the increase in demands and services in this important field.

Other allocations made in the new budget for the health sector include Tk 1,112 cr for the Ministry of Health and Family Welfare, Tk 1,539 cr for the Health and Population Sector Programme (HPPSP) and Tk 35.70 cr for the National Nutrition Project (NNP).

According to the highlights of the new fiscal's budget, the policies in the health sector have helped life expectancy to rise from 58.9 years in 1996 to 60.8 years in 1998. Besides, the child mortality rate has gone down to 57/1000 in 1998 from 67/1000 in 1996. The daily average calorie intake per person has also risen from 2,216 calorie in 1996 to 2,283 calorie in 1999.

Contract to explore oil, gas in 2 blocks signed

A production-sharing contract was initiated in the city yesterday by Shell, Cairn, BAPEX and Petrobangla for exploring oil and gas in two blocks, reports UNB.

The number-5 block of exploring hydrocarbons consists of greater Khulna while number-10 spreads over greater Noakhali and Bhola.

Under the PSC, BAPEX (Bangladesh Petroleum Exploration and Production Company) will have 10 per cent share (carrier interest) in the production from the new blocks being taken for exploration.

"With the signing of a final agreement, Shell-Cairn will start geological, aeromagnetic and seismic survey on the block areas," said an official announcement on the accord.

Budget reaction Ctg BNP rejects, CCCI yet to comment

From Staff Correspondent CHITTAGONG, June 8: Budget drew a mixed reaction in the port city today.

The BNP supporters brought out a procession in the city rejecting the budget this evening. They expressed resentment over the budget saying it was made to expand the market of Indian goods in Bangladesh.

Chittagong unit of All Party Alliance of oppositions will organise a rally at Lalidighi maidan tomorrow protesting budget, party sources said.

Meanwhile, the ruling party Awami League brought out procession in the city this evening hailing the budget.

They termed the budget constructive and thanked the government.

However, Chittagong Chamber of Commerce and Industry (CCCI) did not send any statement to the press on budget as its board directors was dissolved by the government following a row over the post of its president.

Risk duty allowance for police

By Staff Correspondent

The government for the first time has proposed introduction of a risk duty allowance for police with an initial allocation of Tk 16 crore in the budget of current fiscal.

Besides, an allocation of Tk 5 crore has been proposed to set up the police welfare trust to ensure overall welfare of the police forces.

Total allocation for police has been proposed at Tk 800.75 crore (except ration) in the budget for 2000-2001, which stood at 518.67 (except ration) in the revised budget of 1995-96.

"A scheme called honorarium for risky duties has been introduced to improve the morale and provide incentive to the police forces," said the finance minister in his budget speech yesterday afternoon.

Initially, police personnel from constable up to sub-inspector will be entitled to the risk allowance, said home ministry sources.

This allocation has been made in the budget considering the fact that an increasing number of police personnel are being injured during violence and hartals, the sources said.

Savings: Domestic 18pc, national 23pc of GDP

By Staff Correspondent

The rates of domestic savings and national savings in the current financial year (1999-2000) are 17.78 per cent and 22.60 per cent respectively of the Gross Domestic Product (GDP) according to provisional estimates.

Domestic savings and national savings rates were 17.66 per cent and 22.26 per cent respectively of the GDP in the last fiscal (1998-99) and 12.30 per cent and 17.96 per cent respectively in 1992-93 financial year.

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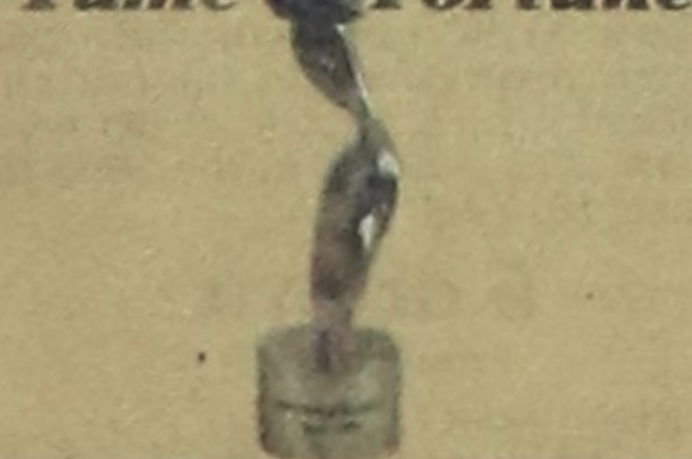
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