

Saifur: Free lunch

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"Budget is an exercise to take from one class and give it to others. This is basically politics of social conflict. We have taken measures to take from the affluent class and give benefits to the poor," Saifur said defending his tax measures in the proposed budget for the next financial year.

He said the main thrust in the budget has been given on poverty reduction and employment creation through public investment and creating environment for private investment.

He said the budget measures will spark growth in agriculture and agro-processing industries which will lead to self-reliance.

"We want to halve our poverty by 2015," Saifur added.

Flanked by some important cabinet colleagues, Saifur defended his budget measures with a dose of his typical expressions that made a full house of journalists and government officials laugh during the press conference that lasted more than an hour.

LGRD Minister and BNP Secretary General Mannan Bhuiyan, Health Minister Khondker Mosharaf Hossain, Industries Minister MK Anwar, Commerce Minister Amir Khosru Mahmud Chowdhury and Education Minister Osman Faruque were present on the occasion.

Saifur defended his measures to impose new duty on sugar, milk, soyabean oil, computer and accessories and also lowering income tax threshold.

"We want to encourage our own mustard oil. I have imposed very nominal duty this year. But I am confirming that next year, duty on soyabean oil will go up further."

Saifur also said his proposed measure to increase duty on import

of sugar will ultimately lower the price as the government has withdrawn the quantitative restriction on import of sugar.

He also mentioned that the measure was taken to protect local sugar industries, which are in the public sector and inefficient.

He however did not elaborate how the measure will bring down the sugar price.

Defending the proposed tax on import of milk, the finance minister said, "If we want to develop our own dairy industry we have to give them protection."

On the proposed duty on import of computer and accessories, Saifur said, "I do not need any revenue from this source. But I did this as imported computers and accessories regularly go out of the country, taking duty benefits."

"Also, there is a problem when we have zero duty on any item. Customs officials do not feel interested to check what the importers are bringing in the name of that item. So I had to take this measure."

He said import duty on computer and accessories will hardly generate a revenue of Tk 9 crore.

On lowering the income tax threshold from Tk 100,000 to Tk 75,000, the finance minister said, "The immediate past government increased the threshold without taking into consideration its impact on revenue earning."

"It is not justified that most of our people will remain out of the income tax net."

The finance minister also mentioned that multilateral donors were critical on Bangladesh's narrow income tax base. "I have to satisfy many constituencies. IMF and World Bank often say you do not tax most of your people," he said.

Pak FM quits on health grounds

REUTERS, Islamabad

Pakistan's Foreign Minister Abdul Sattar said yesterday he had quit for health reasons in an announcement that comes just days before US Defence Secretary Donald Rumsfeld arrives in South Asia to try to avert war between Pakistan and India.

"I have offered my resignation on medical grounds. My health does not permit me to fulfil the responsibilities," the English-language daily The Nation quoted him as saying.

Sattar confirmed the report. "These reports are correct," he told Reuters on Friday. His resignation on Thursday came during a visit to Pakistan by US Deputy Secretary of State Richard Armitage who is trying to calm tensions in the region.

Armitage arrived in India yesterday and Rumsfeld is due in South Asia early next week.

Sattar's resignation comes at a time of deep fear nuclear-armed Pakistan and India are close to starting their fourth war, with Kashmir at the heart of current tensions.

A million troops backed by missiles, fighter jets and artillery are lined up along the border and soldiers are trading daily fire in several areas.

Taxed

FROM PAGE 1
A question has surfaced in the mind of Anwar Ali on the evening of June 6 that who will bear the extra cost, if the government imposes tax on the incomes of English medium schools.

Now, he has to calculate how much he could save cutting on some other expenses like outings and other recreations.

His son and daughter requested him to buy them a computer and he saved Tk 20,000. He went to some computer sales centres to know how much he would have to pay for a computer.

If he adds eight to ten thousand more to his saved money, he can live up to the promise he made to his children.

He thought he would buy his children the computer in a few months. But now he is in doubt as the computers have been further taxed.

Anwar's wife is also bugging him saying, "I cannot run the family with the money you give me each month. Prices of milk, sugar, soybean will go up. Either you look for extra incomes or make a budget for me reducing costs."

Anwar has been caught in a difficult situation. He tries to provide his children with milk every day for their healthy growth. Obviously, milk products are imported.

Now, the question is whether he will be able to provide them with milk – a question that goes unanswered until now.

Anwar Ali's father lives in village. These days, his father was not keeping well. He planned to bring him to the city for a thorough check-up. He made an appointment with a doctor in July. Now, he is worried the possible increase in the consultation fee, as the government imposed VAT on the physician's service.

Depressed, he asked his wife to give him a cup of tea. She replied, "Mind it, from the next month you have to cut consumption of tea as the prices of sugar and milk will jump."

Tired, Anwar switched on his TV to screen off these troubling issues. Alas! Those issues drift back to his mind, as the cable TV operator will certainly raise charge from the next month after the government's imposition of VAT on them!

7 air crashes

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Bazar during a test flight on November 18, 1979. The accident took place as both engines caught fire on completion of the flight test when it was preparing to make a landing from an altitude of 8000 feet.

The engines couldn't be re-lit and a forced landing was carried out in a field. The aircraft ran through embankments, causing the nose gear and right main gear to collapse.

On December 22, 1997 a Fokker 28 of Biman with 89 people aboard crash-landed in a paddy field in Sylhet. But only 17 people sustained injuries. The flight was compelled to crash-land due to heavy fog after the pilot had made several abortive attempts to land at the Sylhet Airport.

Some seven persons including five crew and two passengers of an Air Parabat flight from Ishurdi Airport escaped unhurt when a problem developed in the two-engine Walter M-601E plane on June 27, 1998. A forced belly landing was carried out in a field near Savar.

Before independence, a Cargolux, Canada Air CL-44J flight crashed into a farmhouse adjacent to the Dhaka Airport while trying to take off on December 2, 1970. The accident took place due to a hydraulic leak that caused the controls to lock, sources said.

A Macdonald Douglas built DC-3 Pakistan International Airline (PIA) passenger airliner crashed on tidal flats in the Bay of Bengal killing all 24 persons on board including 20 passengers and four crews at Charlakhli Island on July 1, 1957.

England stun Argentina

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criticism for his tactics following his team's 1-1 draw with Sweden in their opening game last Sunday.

"I am very pleased. Of course it was very hard, the last 15 minutes we were tired - but we took our chances," the Swedish manager said.

"It pleased me that we played football for more than 45 minutes - we came out second half and we created some chances," Eriksson said. "We did very well and we played with a big, big heart."

Asked about the final group match against Nigeria next Wednesday, Eriksson said England still had to play to get a result.

"It would be very sad and very stupid to let it get away," he said. "I know they have nothing to play for but that makes it all the more difficult."

Eriksson was cautious about England's prospects for the rest of the tournament. "This win was very important after the first game. We have to work very, very hard to try to go further on," he said.

Argentine coach Marcelo Bielsa said his team now had to focus on the game against Sweden "and disassociate ourselves from the sadness of this result."

"It was game of two different halves," he added. "The second was better than the first and we had our chances to tie the match."

It was a deserved win for England, who carved out a series of opportunities in the second half and then withstood some furious

Argentine pressure to hang on for a famous win and avenge their 1998 World Cup defeat.

England twice came close to doubling their lead after half-time, which had seen Argentine coach Marcelo Bielsa surprisingly substitute skipper Juan Sebastian Veron for the lively Pablo Aimar.

First Owen beat the Argentine defence before sending his shot wide, and then man-of-the-match Paul Scholes unleashed a spectacular volley that had Cavallero scrambling to parry clear.

Beckham had the beating of Bayer Leverkusen defender Diego Placente, but attempted to finish with his right foot and failed to test Cavallero as his flicked effort drifted wide.

England, bristling with confidence and with recalled Nicky Butt superb in midfield, again went close to scoring on 58 minutes.

A patient build-up saw Scholes float a lovely pass to substitute Teddy Sheringham, who uncorked a venomous volley which Cavallero desperately beat away.

Argentina piled on the pressure in the final 20 minutes, England's tiring players giving away possession cheaply again and again.

The South Americans' relentless assault on the English goal almost paid off 15 minutes from time when Pochettino's powerful downward header was cleared off the line by England keeper David Seaman.

Owen had earlier come close to

giving England the lead on 24 minutes after a quick breakout from defence sent the England striker racing away on goal.

The Liverpool player was well-shadowed by the Argentine defence but sent a firm low shot through the legs of Diego Simeone which crashed back off the inside of the post with keeper Cavallero beaten.

England took the threat towards the end of a half in which Argentina's skilful side had looked to be taking control with some slick, confident passing.

But a re-modelled English midfield, regrouping well after the injured Owen Hargreaves was replaced by Trevor Sinclair after 19 minutes, proved difficult to break down for the Argentinians.

And with the threat of Owen lurking in attack the South Americans could never afford to drop their guard.

TEAMS
Argentina: Cavallero, Pochettino, Samuel, Placente, Zanetti, Simeone, Veron (Aimar 45), Sorin, Ortega, Batistuta (Crespo 60), Gonzalez (Lopez 64)
Booked: Batistuta
England: Seaman, Mills, Cole, Ferdinand, Campbell, Beckham, Scholes, Butt, Hargreaves (Sinclair 19), Owen (Bridge 80), Heskey (Sheringham 56)
Booked: Cole, Heskey
Goal: Beckham 44
Attendance: 35,927
Referee: Pierluigi Collina (Italy)

MCCI, CCCI welcome budget

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which articulates a clear vision and direction for the Bangladesh economy over the next five years, and for accelerating efforts to reform the economy."

The MCCI president hoped that corporate tax reduction, streamlining of tax administration process particularly by reducing discretionary powers of tax officers, expansion of the tax net particularly by including government employees and withdrawal of tax on bonus shares would help accelerate the long-term growth pattern of the economy.

Welcoming the reduction and rationalisation of customs duties, Chowdhury observed that withdrawal and rationalisation of supplementary duties are a major step towards transparency and reduction in duty distortions.

However, the government should be careful about phasing out of the bond facilities, particularly for readymade garment and textiles, in view of the intense global competition in these vital sectors, he maintained. "The expansion and rationalisation of the VAT rates are timely and should in future develop as the major revenue earner."

The budgetary allocation of Tk 400 crore for severance pay of employees in state-owned enterprises (SOEs) is a positive signal, he said. "We would hope that effective use of the allocation will result in achieving the objective of early privatisation of the SOEs."

However, he felt that withdrawal of tax holiday on expansion unit will act as disincentive to industrialisation. Simultaneously, reduction of exemption on dividend income from Tk one lakh to Tk 25,000 will act as deterrent to the growth of the capital market. The provision allowing the conversion of black money into white is a retrograde step and militates against those who have been paying taxes consistently, the MCCI president noted.

President of Real Estate and

Housing Association of Bangladesh (REHAB) Toufic M Seraj also hailed the proposed budget, saying that withdrawal of value added tax on sale and purchase of land and apartment would remove bottlenecks in getting utility connections.

Land and apartment buyers were burdened with a massive 30 per cent registration fee for transfer. But now they would get relief as the fee has been reduced to 13.5 per cent, he mentioned in a statement.

The executive committee of REHAB in an emergency meeting chaired by its president Toufic M Seraj yesterday also observed that if prices of construction materials and land remained stable, problems of housing would be solved significantly.

Chittagong Chamber of Commerce and Industry (CCCI) president Farid Ahmed Chowdhury in his reaction said the proposed budget would be a policy guideline for the socioeconomic development as well as structural reforms of the country.

He welcomed the decision of stopping depreciation benefit in case of importing old motor vehicles. He however requested the government to reduce the import duty on cars between 800cc and 1000cc for enabling the middle class people to purchase motor vehicles.

The CCCI president, however, expressed his frustration as the proposed budget does not have any allocation for infrastructural development of Chittagong as earlier promised by the government.

Farid Ahmed also observed that consumers would be affected by the increased import duty on some essential goods like powder milk, edible oil, cement clinaker etc.

President of Bangladesh Textile Mill Owners Association Abdus Sattar Dhali hailed the proposed budget, saying that withdrawal of supplementary duty on 120 items is a stringent measure, which will benefit local industries.

Spain first in last 16

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the first phase.

They now qualify for the knockout stage having earlier beaten Slovenia 3-1, while Paraguay are struggling following an earlier 2-2 draw with South Africa.

"We really wanted to win this one. I was very lucky I got out there and I struck lucky. Things worked out well," said Morientes, who came on for the ineffectual Diego Tristan at the break.

"Chilavert played a part in that he came out late on both the goals," added the 26-year-old with a wink.

"But the crosses from Javier (De Pedro) were both real class. The first goal was a straightforward header but I don't know much about the second though. It hit everything, my chest, ankle, it don't know what it went off in the end."

"This is the happiest moment of my international career," added Morientes, dedicating the goals to his wife, who celebrated her birthday on Thursday.

"It wasn't a tactical switch, I sent Morientes on because we needed a little more power up front. We needed to get the ball forward and tighten up at the back. In the second half we played very well," commented Spanish coach Jose Antonio Camacho, explaining his half-time switches.

Ivan Helguera also came of the bench and started the second half instead of Luis Enrique, to bring the number of Real Madrid players on the pitch to five.

Paraguay started brightly when Francisco Arce producing dangerous runs and crosses down the right but it was a stroke of luck which put them go ahead in the tenth minute.

Arce decided for once to go it alone and although Spanish keeper Iker Casillas pawed the effort away, Puyol was standing right in front of him and the ball ricocheted into the net.

Spain showed a greater sense of urgency after the goal as Raul turned sharply to fire over from a tight angle and hooked a second acrobatic effort goalwards before Luis Enrique missed a free header which he sent high over the bar.

Camacho then played his trump card in Morientes and he made an immediate impact, heading home from a corner in the 53rd minutes.

Morientes should have scored again on 63 minutes but chipped just over as Chilavert rushed out.

However, when De Pedro curled in a cross from the left the eccentric keeper groped fresh air and Morientes scrambled the ball past him.

After 82 minutes Spain wrapped things up when Raul was impeded in the area and Egyptian referee Gamal Ghandour pointed to the spot.

Hierro coolly picked his spot to take his Spanish record goal tally to 29 as he sent Chilavert the wrong way. He also netted in similar fashion, and in the dying minutes, in the game against Slovenia.

The downcast Chilavert can at least congratulate himself on his role in Paraguay's goal, a long-range free kick going to Arce in the Spanish box, but otherwise his contributions to the Paraguayan effort were mostly negative.

Paraguay's Italian Coach Cesare Maldini said: "Our defence was caught out in the first two goals. I wasn't surprised how good Spain were because they've got lots of

Simplification of tax base would reduce the burden on taxpayers and encourage them to pay taxes, he said, adding that investment has been encouraged and this would have a positive impact. Withdrawal of additional tax on transport would bring a revolution in this sector, Sattar said in a statement.

President of Bangladesh Jute Spinners Association (BJS) Ahmed Hossain said, "There is no policy guideline for reform of the country's jute industry." The BJS president urged the government to take immediate steps for reforms of the industry, said a press release.

Also the proposal of imposing duty on computer hardware is 'not reasonable' at this moment, said the release.

Leaders of Bangladesh Sanjukt Truck Bandabastakari Parishad Sramik Federation (BSTPSF) said the proposed budget would increase the price of tyre and other parts of transports. This would result in increase of transport cost and the general people would suffer due to that, BSTPSF leaders said.

They demanded of the government to reduce prices of all transport parts and other transport related materials.

Meanwhile, leaders of Bangladesh Sanjukt Tali Samity have expressed their frustration as there is no allocation for the country's handloom industry in the proposed budget.

Road accidents

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Dhaka-bound truck crashed into a microbus on the same highway in the afternoon.

Identity of the dead could not be known till 6 pm yesterday.

The injured persons were admitted to Comilla Medical College Hospital and different clinics in the town.

Cessna crash

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snapped. The aircraft flew for ten minutes before it crashed onto the field.

Earlier in the morning, Sakib and another trainee pilot, Wahid-uz-Zaman, took off on two Cessna-150s, said sources and flew for an hour before making landing.

Eyewitnesses said the plane somersaulted before nose-diving into the middle of the field just a few yards from a pond.

"Apparently, the pilot of the two-seater lost control due to heavy winds and crashed," said Mahubb Salam, one of the witnesses whose residence is adjacent to the field.

"I was in the balcony of my house during the storm. Suddenly, I saw a plane fall on the field," said Mahubb.

"It seems the pilot tried to make an emergency landing but failed because of heavy winds," he added.

Soon after the crash, the nearby residents rushed out of their houses to the badly damaged Cessna-150. They said the casualty could have been higher had the aircraft ploughed into any of the houses around the field.

A team of Uttara police on patrol rushed to the spot and recovered the body of Moklesur Rahman, whose face and other parts of the body were badly fractured. The body was taken to the police station.

Sakib, son of Mohammad Firoz Mia of Shariil, Brahmanbaria, joined Biman as a cabin crew on April 25, 1995. Earlier, he was a security personnel of Biman. He was scheduled to fly on a Biman flight to Dubai today.

Sakib was staying with his wife Selina Akhter Rina and two daughters – four-year old Mou and two-and-a-half-year old Mouri at road No. 12, Nikunja Housing-2, Joarsahara.

The victim received his solo licence (licence to fly without an instructor) on Thursday, only a day before the tragedy. His colleagues at Biman alleged that Air Parabat was fully responsible for allowing Sakib to fly in bad weather.

Colleagues of Sakib said that he joined the flying club in March and received his solo licence after 38

hours of flying. A person can get solo with 12 hours of flying under their belt, said an expert.

Director of the Parabat Flying Academy Ferdous Inam told The Daily Star that he is yet to know about the cause of the crash. But he quoted witnesses as saying the Cessna crashed due to bad weather.

The incident could have easily been avoided had he been barred from flying solo on the second day, regretted a female colleague of Sakib at the Uttara Police Station. She also alleged the Parabat authorities tried to conceal the previous crash of a Cessna training flight in 1998.

The director refuted the allegation that Sakib was allowed to fly on his own a day after receiving his solo licence. Sakib flew four hours after getting his solo on his own, proving his capability, Ferdous added. He said the engine was only four years old and it had not flown more than 200 hours.

Mohiuddin, training pilot of the flying academy, said the aircraft powered by a SZA5 turbo-prop engine had 100 flying hours under its belt. If it had flown for 1800 hours, it would have required an overhauling. SO, the crash had nothing to do with mechanical fault.

State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin and high Civil Aviation officials visited the spot.

A three-member committee of the Civil Aviation Authority of Bangladesh will probe why aircraft of the Parabat Flying Academy are crashing time and again, said the state minister.

Nasiruddin warned that they would be barred if it came out that mechanical fault was behind the accident.

He also said the passenger flights of Air Parabat, the parent organisation, have been suspended for long due to poor safety records.

The body of Sakib was sent to the Dhaka Medical College Hospital for autopsy at about 3:45pm yesterday. A case was filed with the Uttara Police Station.

Budget for BNP men

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increased on fish, vegetable, soybean oil, milk, sugar, fruits etc while air conditioner, TV, refrigerator and car were exempted. She criticised the imposition of duty on computer hardware for hampering development of the IT sector.

Hasina was also critical of banning import of reconditioned vehicles and reducing import duty on new cars to what she said serve the interest of a neighbouring country (India), though the finance minister spoke about different things in his budget speech.

Counting her own experience and policy adopted in preparing budget while in power, the former prime minister said her government had produced six budgets protecting the interest of common people. So, despite budget announcement, prices remained stable.

Hasina mentioned some positive economic indicators achieved during her five years in power, saying that the country was made self-sufficient in food, GDP increased 6.6 per cent, inflation fell to 1.2 per cent while per-capita income increased and literacy rate went up to 65 per cent.

But after Awami League handed over power on July 15 last year, the ex-PM said, a dark era dawned as political repression on her party and people continued on one hand and on the other people's economic hardship aggravated amid price spirals. In an economic downside, GDP growth dropped to four per cent and inflation went up to three per cent.

The opposition leader urged the people to stand united to put an end to the misuse of the alliance government and rescue the nation from the clutches of the "looters and corrupt".

Criticising the coalition government, which she alleged came to power through rigging, Hasina questioned how the BNP-Jamaat government that claims to be the champion of Islam could give permission for liquor production. She said Ziaur Rahman issued licence of liquor and gambling banned by the

Bangabandhu government, and now Khaleda Zia's government has permitted liquor production.

"What else could be a greater hypocrisy with Islam and people?" asked Hasina.

The opposition leader also criticised the BDR operation for torture on the opposition and innocent people in the name of nabbing criminals. She alleged that without wearing their name badge, BDR men were torturing the innocents and already several people died from torture in Dhaka and Narayanganj. Recently, 36 army officers were sent to BDR to conduct the operation, she told her audience.

"The country cannot be run this way," she said asking the people to come forward and resist the "misrule" of the BNP-Jamaat government.

Hasina spoke on the historic significance of 7th June and sacrifice of labour leader Manu Mia along with 11 others on this day in 1966 for the six-point movement and release of Bangabandhu from jail.

Seed of independence was sown in the six-point demand of Bangabandhu who spelt out strategy of guerrilla warfare in his March 7 speech, declared independence just before the Pak army cracked down on the fateful night of March 25 and achieved independence for the Bengali nation.

Awami League leaders Zillur Rahman, Abdur Razzak, Suranjit Sengupta and Abdul Jalil also addressed the discussion recalling how Bangabandhu Mujib led the war of independence in phases fighting against the Pakistani junta.

They also criticised the BNP-Jamaat misrule and called for a greater movement to oust the alliance government.

President of Jatiya Sramik League Abdus Salam Khan presided over the meeting while general secretary Ahsanullah Master conducted it.

Jamuna Group

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(JDL) will produce whisky, brandy and gin for both domestic and foreign markets.

The granting of the license ends the monopoly of state-owned Carew & Company, producers of liquor for the domestic market.

The JDL is currently running production trials and hopes to start marketing its brands within the next month.

While the consumption of liquor is official forbidden in the country but expensive bars and back-street liquor shops have become popular among the country's young, rich population.

"We have started the venture considering huge demand from five-star hotels and several government-licensed bars in Dhaka and other cities," a JDL spokesman, preferring to remain unnamed, said.

The JDL plans to produce 150,000 litres of whisky, brandy and dry gin each year under its licence.

A senior JDL official said the company plans to market the drinks

under the names of famous Persian poets, Khayyam and Shirazee, and the Mughal, a family that ruled the Indian subcontinent.

The JDL traditionally produces spirits for industrial and medical uses and managed to obtain another license to produce beer.

The company has started land development at Savar for the production of beer, first ever alcoholic beverage in the country.

Car traders

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brand new motorcars, but at the same time, he said the ban on the import of old motorcars would make Bangladesh a market of cheap Indian cars.