

## BUDGET 2005-6

## Pakistan hikes defence spending by over 15pc

AFP, Islamabad

Pakistan increased defence expenditure by more than 15 percent in the national budget for 2005-6 unveiled in parliament yesterday, as well as boosting spending on development.

Minister of state for finance Omar Ayub presented the 1.09 trillion (18.16 billion dollars) budget for the fiscal year starting from July, which showed a 15.5 percent hike in the money going towards defence.

In monetary terms, this represented an increase from 194 billion rupees in 2004-5 to 223 billion rupees.

The total budget was over 21 percent higher than the previous fiscal year ending June 30, and the largest allocation was for the country's debt payments, amounting to

over 300 billion rupees.

Pakistan is burdened by massive 36-billion-dollar foreign debts, despite liberal rescheduling of a 12.5-billion-dollar Paris Club loan, a reward for the support it has lent to US President George W. Bush in his "war on terror".

Funding for the budget increases will come from a broadening of the tax base to 690 billion rupees from 590 billion rupees for the current fiscal year and bank borrowing estimated at 98 billion rupees.

Ayub said the budget targeted seven percent growth in gross domestic product (GDP) for the coming year. He termed Pakistan the "second fastest growing economy in Asia."

## Ershad divorces

FROM PAGE 1

He said he filed another case with a magistrate's court Sunday afternoon against Bidisha on charges of her "cheating on" him. However, court sources said such case was filed.

Sources close to Ershad said he has to fly back home before June 16 when the hearing on a case against him in a lower court is scheduled.

Ershad said the 35-year-old fashion designer-turned-politician married him on March 27, 2000 without getting a divorce from her first husband.

"We went to London on April 12, 2002 on a family trip. On April 22, she went to Bangladesh mission in London and applied for a new passport identifying herself as 'Bidisha Siddiq Wilson' and her husband as Peter Wilson, a British citizen."

Ershad said all these stories he came to know on June 2 and the following day, he served a divorce notice on Bidisha and relieved her of JP presidium membership.

"When I came to know of all these, she had threatened to kill my son and me," he told reporters.

"Bidisha wanted to get me assassinated," the former president said and accused her of maintaining ties with assailants.

Asked who fathered Eric, he said, "Bidisha says Eric is my son."

About the waist pain for which she had been receiving treatment at a city clinic before her arrest, Ershad said, "Bidisha is not sick and she is making a drama. If she was sick, how could she come down from the fifth floor carrying Eric who is 20 kg?"

**"NEVER MET TARIQUE"**

To another question, he said he had never met with Tarique Rahman, the ruling BNP's senior joint secretary general and the elder son of Prime Minister Khaleda Zia. "I know him but never met him on matters of politics," he added.

"There was no pressure on me and I did not ask Bidisha to maintain connection with India, Pakistan or any other country. Because I am the person who takes all decisions of the party," Ershad said.

He was confident that his party would contest the upcoming general elections and said he has spoken to Kader Siddiqui and ASM Abdul Rob about forming an electoral alliance.

He said he is going to Saudi Arabia for Eric's and his treatment. Party Secretary General Ruhul Amin Hawlader and leaders Kazi Zafar Ahmad and Kazi Firoz Rashid are also accompanying Ershad.

Asked if his decision about Bidisha has anything to do with the cases pending with the courts against him, Ershad replied in the negative. He said it was the Awami League government that threw him into jail. "In politics many things can happen, all this has to be forgotten," he said.

About Bidisha's recent visit to Kolkata, Ershad said she had gone there with his permission for Eric's treatment and stayed there for 40 days. On her return, she fell sick.

**BIDISHA QUIZZING**

The police and the intelligence agencies are questioning Bidisha at the Joint Interrogation Cell, according to sources.

She was taken out of Gulshan Police Station in the vehicle of the officer-in-charge at about 2:15pm. Sources said members of the Directorate General of Forces Intelligence (DGFI), National Security Intelligence (NSI) and the police's Special Branch (SB) were interrogating her until 8:00pm.

**Zero tax**

white through purchase of apartments or cars paying a certain amount of tax will probably continue. In such cases, the amount of tax might be increased.

The network of source tax is likely to be expanded. In case of exporters, the tax on their export income will be deducted from the banks. If an aggrieved party wants to go to court, he will have to pay 50 percent tax in advance instead of 15 percent as now, a provision the government believes will discourage exporters from going to courts.

The government may withdraw all trade-related Quantitative Restrictions (QR) because of the World Bank-imposed conditions. In that case, supplementary duties might be increased to protect the local industry. The NBR sources indicated.

## Poverty reduction

FROM PAGE 1

survey, the Centre for Policy Dialogue (CPD), an independent policy think-tank, at a press briefing on Saturday pointed out that the process of increasing income inequality underpins deceleration of poverty alleviation process.

A planning ministry source said the government might include a part of the PRPMS, 2004 survey report in the coming budget. The full PRPMS, which the government intends to implement from the next fiscal year, will also include some more plans on the basis of the PRPMS, 2004 survey.

Dr Zaid Bakth, research director at the Bangladesh Institute of Development Studies (BIDS), says if the government is to see the pace of poverty reduction rate pick up, scoring a GDP growth rate of 6 percent alone will not be enough – the inflation rate needs to be reined in as well.

Besides, the government needs to maintain the macro-economic stability in line with the small expansionary policy, he said. As for public investment, the government will have to be selective so that more and more job opportunities are created in the process.

For that, the government will have to give more support to non-farm activities as well as the agriculture sector, he suggested. Besides, more government investment is also required for the expansion of health safety network and human development programme.

"Widening income and asset disparity can not only decelerate the growth process, but can also undercut social cohesion. Growing regional disparity can also emerge as a political problem. Finding the right recipe for an inclusive growth track remains an intellectual and practical challenge," the CPD commented on the survey.

**Four die**

FROM PAGE 1

On Friday due to unpaid electricity bills amounting to nearly Tk 50 crore.

The Ministry of Power, Energy and Mineral Resources has been providing the electricity to these camps since independence.

"All three persons died due to excessive summer heat as there has been no electricity in the camp since last Friday," M Shoukat Ali, general secretary of the Stranded Pakistani General Repatriation Committee (SPGRC), told The Daily Star last night.

"The disconnection of the electric line has made our life unbearable amid excessively hot weather, and many people are getting sick everyday," Ali said.

He added that the situation is worst for the aged, the sick and children, as many people have to live in a small room in the camp.

"Men and children are now passing their nights on the street, as it has become impossible to stay inside the house due to the cut of electric line," Md Hasan Khan, general secretary of the Young Urdu Speaking Community, told The Daily Star yesterday.

The Mohamadpur Police Station said the cause of death of the four persons might be the excessive heat, as there has been no electricity in the camps for the last few days.

When contacted by telephone last night, Officer in Charge of Mohamadpur Police station Mohiuddin admitted the death of four persons. But he could not confirm the cause of the death.

Meanwhile, SPGRC will stage a six-hour token hunger strike in the Geneva camp demanding restoration of electric lines.

**Sangsad**

FROM PAGE 1

and activists gathered at Madhu's Canteen and were preparing to hold their rally at 3:00pm. The BCL, declared unwanted by the JCD, was scheduled to hold a rally at the same time.

The DU authorities have banned all kinds of demonstrations at the Shaheed Minar, Shoparjito Swadhinata and Raju Sculpture following the violence after the death of Shammee Akther Happy on May 28.

The AL lawmakers alleged at the meeting that the government has planned to distribute development budget funds among the ruling coalition lawmakers and leaders in a bid to win the next parliamentary election.

They are however submitting notices to the parliament secretariat demanding discussions on different important issues in the House session. They also submitted questions asking the ministers to reply to the session.

The party will decide later whether it will join the session after the budget is passed.

The Business Advisory Committee of the House will sit at 4:15 in the afternoon today with Speaker Jamiruddin Sircar in the chair to fix the timing and business of the session.

**Robbers kill**

FROM PAGE 1

The gang then dragged the driver down his seat and beat him to death. They also beat up the helper and fled away with the truck.

Sonargaon police recovered the body and sent it to Narayanganj General Hospital morgue for an autopsy.

Police were unable to trace the looted truck or nab any of the gang as of 6:00pm yesterday.

## Dhaka urges KL

FROM PAGE 1

and the Malaysian side by its Deputy

Secretary General of the Malaysian Foreign Ministry, Haji Selim Bin Hashim.

The entire gamut of bilateral issues – including trade, investment, manpower export, science and technology, agriculture, infrastructure development, power and energy, banking, youth and sports, education and culture, health, tourism, exchange of news between the official news agencies – were discussed in the meeting, officials said.

The issue of a bilateral Free Trade Agreement (FTA) featured in the senior officials' talks, but there are a few gray areas, which need further discussion, they added.

Bangladesh side requested

Malaysia to give similar trade preferences to Kuala Lumpur shares with the ASEAN countries and consider Bangladesh's cause in line with the Global System of Trade Preferences, he added.

A ministerial-level meeting of the JC will be held today when the foreign ministers of Bangladesh and Malaysia, M Morshed Khan and Syed Hamid Bin Syafar Albar, respectively, will sign an agreed minutes on cooperation.

A draft on agreed minutes in yesterday's talks will be placed in today's ministerial level meeting for consideration and adoption, sources said, adding that the foreign ministers of the two countries will hold a joint press conference after the meeting.

The JC meeting is expected to provide fresh impetus to further widen bilateral ties, as the two countries enjoy excellent relations cemented over the years through continued cooperation and high-level interactions, officials said.

Bangladeshi products – such as readymade garments, home textiles, terry towel, ceramic products, frozen foods, jute and leather products, as well as some agro-products – have demand in Malaysia and duty-free access will help Bangladesh to reduce the huge trade deficit, they added.

Dhaka's proposal for reallocating Malaysian industries and for increased investment was elaborated.

**Hasina reiterates**

FROM PAGE 16

action against the government for depriving its lawmakers from budgetary allocation for development in their constituencies.

Out of 56 lawmakers, 42 attended the meeting that lasted over three hours.

Meeting sources said party lawmaker AKM Jahangir Hussain speaking about party's policy on parliament proposed resigning from the House and strengthening anti-government agitation on the streets.

Replying to his proposal, Hasina and senior members of the party said that the decision of resignation will be taken at an appropriate time, the sources added.

She said the government has deceived the people by hiking the fuel prices just a few days before the budget. "We simply cannot endorse such deceptive act by joining the budget session," she added.

In reference to AL General Secretary Abdul Jalil, a lawmaker at the meeting regretted that Mercantile Bank continued its regular activities on hartal days. Abdul Jalil is the chairman of the bank.

Shahjahan Khan and Atiur Rahman Atiq urged the party high-ups to resolve immediately the feuds within the Dhaka city unit AL to save the party from further damage, another meeting source.

**AL ASKS SPEAKER TO CANCEL KAZI SIRAJ'S MEMBERSHIP**

Opposition Chief Whip Abdus Shahid and Whip Faruk Khan meanwhile handed over a party letter to Speaker Jamiruddin Sircar at the latter's office yesterday, asking for necessary actions as per the constitution against AL lawmaker Kazi Sirajul Islam. Islam joined the ruling BNP on Saturday.

**Police resentful**

FROM PAGE 16

that the situation was normal.

"We cannot even talk to our colleagues," said a constable of Mirpur Police Lines, which houses about 5,500 policemen.

Some other constables said they have been threatened to be axed from the service if they are found discussing the matter or trying to

hold any demonstration.

Referring to sepoys, a constable said, "Although we have the same educational qualifications, they enjoy more facilities and their salary is Tk 5000 above ours."

"We don't get any salary but only a monthly allowance of Tk 300 during our six-month training period while the army sepoys get the full salary," observed the constable.

"In last few days, the authorities have held two meetings with havildars, who are in charge of the barracks. And following the meetings, havildars ordered us not to discuss the salary discrimination with anyone," another constable of Mirpur Police Lines said.

The deputy commissioner of police called a meeting of all policemen at the barracks at 8:00pm Sunday, but it could not be held due to bad weather, said sources.

Policemen at Rajarbagh and Chittagong police lines ransacked their barracks in protest at the salary discrimination in 1991. Their demands were met, but many of them lost jobs.

**Moeen**

FROM PAGE 1

and in Pakistan. He is now Chief of General Staff (CGS).

He worked in the UN peace mission in Africa and also served as military attaché of Bangladesh mission in Pakistan.

Meanwhile, the outgoing chief of army staff yesterday started validity visits to different cantonments.

The visits have been organised as per tradition and existing rules of the armed forces, the ISPR said in a news release.

Hasan yesterday visited Savar cantonment and Shaheed Salalduin cantonment at Ghatiai, and addressed the army men. He will also visit other cantonments.

He was appointed chief of army staff on June 16, 2002.

**Foreign secys**

FROM PAGE 16

Bangladesh territory recently had

contributed to the already rough edges in relations between India and Bangladesh.

However, there have been some positive developments in recent weeks that include India's decision to suspend fencing along the Bangladesh border, Indian Home Minister Shivraj Patil's advice to Indian political parties not to blow up the illegal immigration issue and Bangladesh's recent crackdown against Indian insurgents.

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