



Finance Minister M Saifur Rahman proposes the national budget for FY 2005-06 in parliament yesterday.

POVERTY REDUCTION

Govt claims success, but target far behind

STAFF CORRESPONDENT

Finance Minister M Saifur Rahman yesterday said that the country has been able to reduce substantially the level of poverty since early 1990s.

The government survey however puts the annual poverty reduction rate at 0.52 percent, whereas the United Nations Millennium Development Goals (MDG) set the target rate of poverty reduction to be 1.35 percent.

"According to a recent estimate, we have achieved a faster rate of income poverty reduction during 2000-2005. As a result, a greater number of the poor are increasingly breaking free the vicious circle of

poverty," Saifur said in his budget speech.

The income poverty has been reduced by one percent during the last decade.

According to the preliminary report of the poverty monitoring survey (PRPMS) 2004, incidence of poverty by head count ratio on the basis of food energy intake (FEI) was 44.7 percent in 1999 before it came down to 42.1 percent in 2004.

Centre for Policy Dialogue (CPD) in its latest briefing analysing the PRPMS report said the annual poverty declining rate on average was about 0.5 percent. During the same period the poverty declined by

SEE PAGE 19 COL 5

Good governance gets less attention

STAFF CORRESPONDENT

The proposed budget is high on rhetoric but lacks specific directive or reform proposal to promote good governance.

Finance and Planning Minister M Saifur Rahman in his budget speech yesterday did not mention any concrete measures to encourage good governance practices.

He, however, said the pace of reforms should be accelerated as the government has showed its efficiency and prudence in allocating limited resources to different sectors to reduce poverty and make economic progress.

"Consistent with our socio-economic reality, we on our own initiative have designed the reform programme in a way that it ensures

appropriate and transparent utilisation of resources, and supports poverty reduction," Saifur said in parliament yesterday adding, "Our aim, therefore, is to improve the quality of governance in every sector."

"Good governance in all spheres is a prerequisite for efficient utilisation of resources," the finance minister observed.

He did not say anything about some burning issues including appointment of ombudsman, setting up of national human rights commission, and separation of the judiciary [from the executive].

Stressing the need for a strong monitoring and evaluation system to ensure transparency and accountability in every sector, he

SEE PAGE 19 COL 6

Tax holiday for 18 sectors

STAFF CORRESPONDENT

Tax holiday for 18 industrial sectors has been extended for another three years in the proposed budget.

Finance Minister M Saifur Rahman in his budget speech yesterday said he has proposed the extension [of tax-holiday], considering the present state of socio-economic development, export business, and for employment generation.

Saifur also suggested continuing the existing facility of accelerated depreciation allowance for new industry until June 30, 2008.

The current budgetary provision

for tax holiday expires by the end of this month.

Sectors that might enjoy the extended tax holiday include textile, high-value readymade garment (RMG), pharmaceuticals, melamine and plastic products, ceramics and sanitary ware, steel from iron ore, fertiliser, insecticide and pesticide, computer hardware, residential hotel with three-star or higher facilities and services, petro-chemicals, basic raw materials of drugs, chemicals and pharmaceuticals, agricultural machine, ship building, boilers and compressors, textile machinery, gas pipe line, and export processing zone.

Flyover, large water treatment plants and supply through pipeline, waste treatment plants too are offered tax relief in the proposed budget.

Besides, physical infrastructure including sea or river port, container terminals, internal container depot, container freight stations, liquefied natural gas (LNG) terminal transmission lines, and compressed natural gas (CNG) transmission lines would be allowed tax holiday.

Periods of tax holiday depending on location have been proposed to be re-fixed after four and six years

SEE PAGE 19 COL 2

CAPITAL MARKET

Tax rate for non-listed companies ups to 40pc

STAR REPORT

The tax rate for non-listed companies has been fixed at 40 percent for the assessment year 2006-2007 instead of 37.5 percent in the proposed budget in a bid to widen tax gap between listed and non-listed companies.

Presently, the rate for listed companies is 30 percent.

Finance Minister Saifur Rahman

SEE PAGE 19 COL 7

ICDs, BASE STATIONS Pvt investors to get 57 acres of Ctg port land

STAFF CORRESPONDENT

The government has initiated a move to allocate 57 acres of Chittagong port land to private investors for establishing container freight and supply base stations and inland container depots (ICDs).

The shipping ministry will soon give necessary instructions to Chittagong Port Authority to this end, says the Economic Survey Report-2005 placed in parliament yesterday.

SEE PAGE 19 COL 4

Experts refute power claim

STAFF CORRESPONDENT

Although the finance minister yesterday said the government increased power generation by 1,020 megawatt in the last three years, experts said it can claim production of only 105MW at a Tongi plant.

M Saifur Rahman, in his budget speech, said, "Over the last three years, power generation has increased by 1,020 MW, transmission lines increased by 180 kilometres and distribution lines by 50 thousand kilometres."

But a power sector expert said, "Generation has been made by

SEE PAGE 19 COL 5

SCHOLARSHIP FOR FEMALE STUDENTS

10,000 to get Tk 200 each for higher edn

Tuition fee waiver at bachelor's level

STAFF CORRESPONDENT

The new budget has proposed to award a monthly scholarship of Tk 200 to a further 10,000 female students to promote higher education for them, perusing studies in specialised subjects at graduation level.

It has also proposed a tuition fee waiver for the female students at bachelor's degree level.

"Female students [numbering up to 10,000] who are perusing studies in specialised subjects at graduate and honours level in public universi-

ties, government colleges, and MPO-listed non-government colleges will get the scholarship", Finance Minister M Saifur Rahman yesterday said while placing the budget.

He said, "Female students studying at public, technical and specialised colleges and universities will also come under the purview of this programme."

The budget has further proposed to increase the monthly stipend for both boys and girls to Tk 250 from Tk 225. Currently, about 5,000 female students receive a monthly general

stipend of Tk 225 each on the basis of their performance in Higher Secondary Certificate examinations.

Meantime, the education sector gets the highest allocation as the finance minister proposed Tk 9,686 crore for the sector combining the revenue and development budget.

It is 15 percent of the total budget and Tk 1,827 crore higher than the original allocation for the current fiscal year.

SEE PAGE 19 COL 3

4 ministries prepare own budget

STAFF CORRESPONDENT

In an unprecedented move, four ministries have prepared their individual budgets for the next fiscal year within their medium term resource-ceiling, a practice that will be continued in the future.

The Ministry of Agriculture, the

SEE PAGE 19 COL 8

Gram Sarkar to get Tk 60cr, UPs Tk 120cr

STAFF CORRESPONDENT

The government has proposed a special allocation of Tk 60 crore in the new budget for the much-talked-about Gram Sarkar in a bid to strengthen the local government body.

SEE PAGE 19 COL 8

SoE losses rise five times

NCBs have Tk 1,674cr default loan

STAFF CORRESPONDENT

The government counted Tk 2989.34 crore in net losses in operating 44 state-owned enterprises (SoE) in the just concluded 2004-05 financial year, an over-five-fold increase over the figure of previous fiscal year.

Bangladesh Economic Survey 2005 placed in the budget session in parliament yesterday said the net losses of SoEs stood at Tk 549.15 crore in the previous year.

The government in the survey explained that it incurred the huge loss in operating the government ventures because of the increase in oil price on the international market and devaluation of taka against dollar.

It said Bangladesh Petroleum Corporation (BPC) alone counted

Tk 22,792.40 crore in losses during the fiscal year as it sells oil at a subsidised rate in the local market.

The survey projected that net profits of Dhaka Water and Sewerage Authority, Forest Industries Development Corporation (FIDC), Chittagong Development Authority (CDA) and Bangladesh Land Port Authority (BLPA) would increase to Tk 57.64 crore, Tk 11.45 crore, Tk 26.26 crore and Tk. 11.07 crore from previous fiscal year's Tk 13.14 crore, Tk 2.39 crore, Tk 8.73 crore and Tk 3.88 crore.

It, however, estimated that the net losses of Bangladesh Jute Mills Corporation (BJMC) and Bangladesh Sugar and Food Industries Corporation (BSFIC) will come down to Tk 177.52 crore and

SEE PAGE 19 COL 8

Bidisha scared to narrate police 'torture'

STAFF CORRESPONDENT

Bidisha, the estranged wife of former president HM Ershad, is too scared to tell her father and lawyers of police torture during the three-day remand, because she fears the

SEE PAGE 19 COL 7

CPD budget analysis on the web

A live webcast of Centre for Policy Dialogue (CPD) analysis on the proposed budget for 2005-06 will be made available in joint collaboration of the CPD, The Prothom Alo and The Daily Star from 11:00am today on the CPD website -- www.cpd-bangladesh.org/budget2005. Link to this website will be available on The Daily Star and Prothom Alo websites.

