

Budget implementation a major challenge

Projected growth 5.5 to 6pc, Muhith clarifies at post-budget briefing

STAFF CORRESPONDENT

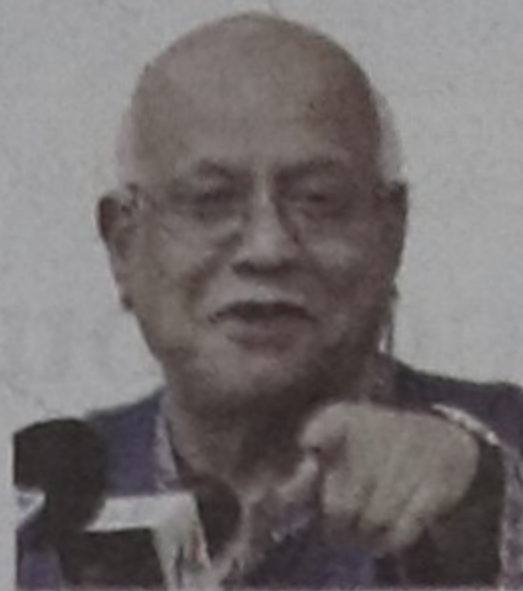
Finance Minister AMA Muhith yesterday said implementation of the budget is a much bigger challenge than mobilisation of resources.

At a post-budget press briefing, he also noted that collection of revenues is easier than their proper utilisation.

The previous day, he unveiled the national budget for fiscal year 2009-10, drawing a sharply mixed reaction.

The most contentious of the issues appears to be the money-whitening provision.

Faced with a barrage of questions on it, Muhith said from a moral point of view he still opposes the policy providing for the



opportunity to legalise black money.

Even so, his government has proposed allowing money-whitening mainly to boost investment and employment generation.

He said he had spoken of a lot of good things in the budget speech. After June 30, he and his colleagues will have to start working to translate those into action.

Ensuring the use of resources allocated for non-development activities is no less difficult than implementing the development

programmes, he continued.
"While drawing up the budget, we knew its execution was going to pose a huge challenge."

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Govt to form supervisory body for quick implementation

HASAN JAHIID TUSHER

The government plans to form a high-powered body to supervise the development projects under various ministries and ensure their quick implementation.

Prime Minister Sheikh Hasina has already consulted some of her close aides about formation of a planning implementation body, said sources.

Many policymakers believe that a number of projects remain unimplemented after receiving approval from the Executive Committee of

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Budget conservative

Govt should have set higher growth target: CPD

STAFF CORRESPONDENT

Private think tank Centre for Policy Dialogue (CPD) has rejected the view that the proposed budget is an ambitious one and said many of its projections, including economic growth, have been estimated lower than capacity.

"Rather it is a conservative budget in terms of growth projections and people's expectations," Dr Debapriya Bhattacharya, fellow of the CPD, told reporters yesterday at BRAC Centre Inn.

Growth projections on GDP (gross domestic product), investment and tax income have been shown below capacity levels, observed the CPD.

"Even the private sector investment growth has been projected at 23.7 percent for the coming year from 24.2 percent this year," Debapriya said. Income tax growth is set at 22.3 percent from 23 percent for the outgoing year. The same

trend has been projected for VAT (value added tax) also.

The GDP growth has been projected at 5.5 percent for the next year despite having a favourable time compared to a volatile 2008-09, he said.

"A near 6-6.5 growth can be expected given the resilience shown by manufacturing and an early recovery predicted from the global recession," said Debapriya, adding that in that case the government's big challenge will be to enhance public-private investment in industry and services sectors.

External sector outlook, such as for export and import, has also been shown conservatively, the CPD said, observing why then the government has projected lower economic and investment growth is not clear.

Incremental Capital Output Ratio has also been projected at 4.3 from the outgoing year's 3.9.

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Money-whitening scope in budget sparks debate

CPD, MCCI strongly oppose; finance minister terms it 'political compromise'

STAFF CORRESPONDENT

The provision for whitening undisclosed money in the proposed budget for the fiscal year 2009-10 is a 'political compromise', said the finance minister yesterday, after several organisations scathingly criticised the government's move.

Every year during budget time, the issue of whitening black money becomes a topic of hot debates as prominent citizens' groups think such an opportunity discourages honest taxpayers to pay tax on time.

The incumbent prime minister and her finance minister had opposed allowing money whitening when they had been in the opposition during the last four-party alliance regime. Finance Minister Abul Mal Abdul Muhith opposed it even after becoming a minister.

During a post budget news briefing yesterday in the National Economic Council auditorium, Muhith however said, "Politics is the highest art of compromise." He was replying to journalists' repeated inquiries about the controversial provision in the new budget despite his and the prime minister's prior opposition to it.

The reporters asked the finance minister whether honest tax payers are being cheated, by providing the opportunity to black money holders for three years.

In reply the finance minister said, "So listen to how the provision got incorporated in the budget. Politics is the highest art of compromise. It's not seen that much in our country, but it

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PHOTO: ANISUR RAHMAN

Timber traders occupy the BIWTA's VIP jetty of Narayanganj river port with logs when the BIWTA itself is conducting drives against river encroachers.

Discussion to be held on duty on newsprint

Assures information minister

STAFF CORRESPONDENT

Information Minister Abul Kalam Azad yesterday said they will hold discussions on the proposal for imposing a 5 percent import duty on newsprint.

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Child labour laws to be updated

Says law minister

STAFF CORRESPONDENT

The government will update the existing labour laws to stop children doing hazardous jobs, said Law Minister Shafique Ahmed yesterday.

Since many families depend on the incomes of their children, child labour

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Safety net expansion good move

MK Anwar says, but doubts its outcome

STAFF CORRESPONDENT

BNP Vice-President and former minister MK Anwar has praised expansion of social safety net in the budget proposed for the next fiscal year, but he strongly criticised keeping the provision of whitening black money.

"Expansion of the social safety network is a good side of the budget but it will not contribute to the reduction of poverty because this kind of

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MP's men try to foil minister's meeting

Ctg lawmaker Latif scuffles with cops

STAFF CORRESPONDENT, Ctg

Awami League lawmaker MA Latif was involved in a scuffle with law enforcers when the MP with his men tried to force his way into a Water Transport Coordination Cell (WTCC) meeting in Chittagong yesterday.

Latif, also the president of Chittagong Chamber of Commerce and Industry (CCCI), claimed that he was assaulted by police while police claimed that a few of their officers were attacked by the lawmaker himself.

The WTCC was scheduled to hold a meeting in which an ad hoc committee was to take charge in presence of Shipping Minister Afsarul Amin. Latif was not included in the committee. He had been holding on to the convener post of

WTCC "illegally" for the last six months, sources said.

MA Latif along with around 100 men went to the WTCC office at Agrabad yesterday around 10:15am to occupy it and spoil the WTCC meeting scheduled for 3:30pm, sources said.

After Latif and his men had gone out around 12:40pm for Juma prayers police took position at the entrance to ensure security. Hearing about deployment of law enforcers, Latif returned to the WTCC office building and picked up an altercation with police that resulted in the scuffle, sources said.

Latif along with a few of his men eventually forced their way into the office building and staged a sit-in in front of the WTCC office on the

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MP's son found dead at home

STAFF CORRESPONDENT

The son of Awami League lawmaker Tipu Munshi was found dead at their residence in the city's Uttara early yesterday.

Police found Apu Munshi, 25, with two bullet wounds in his chest and rushed him to United Hospital at Gulshan at about 3:00am where the doctors declared him dead.

Quoting family members police said Apu, who was doing his graduation on management in Canada, shot himself with the licensed pistol of his father. The police

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Labour migration to go costlier

Recruiting agencies decry proposal to scrap VAT exemption facility

SOHEL PARVEZ

The government's move to revoke the VAT exemption facility for manpower exporters will ultimately hurt migrant workers, as it will increase the cost of going abroad for work, recruitment agents and migration analysts said yesterday.

"At a time when manpower export is suffering from the fallout of the global economic recession, such a move is an insult to injury," said Ghulam Mustafa, president of Bangladesh

Association of International Recruiting Agencies (Baira).

Finance Minister AMA Muhith proposed revocation of the VAT exemption facility for manpower exporters, travel agents, and a few other sectors, in his budget speech on Thursday.

Recruiting agents and analysts said the step will increase the cost of going abroad for jobs, at a time when the government is pursuing recruiting agents to lower recruitment fees.

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Sahara warns law enforcers, asks them to check crimes

STAFF CORRESPONDENT

Home Minister Sahara Khatun yesterday warned officials of law enforcement agencies that they would be held accountable for failing to improve law and order in the countryside.

"I have ordered the law enforcement agencies to work for improving law and order immediately although they have acute shortage of manpower," Sahara told the press after giving her welcome speech at a ceremony celebrating the 37th founding anniversary of Bangladesh Mahila Samity.

The police department and other law enforcement agencies have long been suffering from shortage of manpower, which stands in the way of ensuring the level of security

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PHOTO: STAR

Assaulted Awami League lawmaker MA Latif being carried out of the WTCC building in Agrabad, Chittagong, yesterday afternoon.

39 militants, 10 soldiers killed in Swat battles

Suicide bombings kill 6 in Pak mosque, madrasa

AFP, PTI, Islamabad

At least 39 Taliban militants and 10 soldiers were killed in fierce fighting in northwest Pakistan's Swat valley while two suicide bombings in a mosque and madrasa killed six others, the military said yesterday.

"During last 24 hours, 39 terrorists were killed in various areas of Malakand. At the same time, 10 soldiers embraced shahadat (martyrdom) and 24 were injured," it said in a statement.

Malakand region includes Swat, Dir and Buner districts where the military has launched operations since April 26 against Taliban militants.

Earlier at least six people including a prominent anti-Taliban cleric were killed and more than 90 wounded in suicide bombings at a mosque and a madrasa in two Pakistani cities Friday, police said.

Religious scholar Sarfraz Naeemi, who

had spoken out against Taliban suicide bombings, was killed in one of the attacks at a seminary in Lahore, which drew sharp condemnation from Prime Minister Yousuf Raza Gilani.

Four people died and at least 90 others were wounded when an explosives-filled car ploughed into the wall of a mosque in the northwestern garrison town of Nowshera, police said, adding that the roof of the building had collapsed.

"We have received four dead bodies and 90 injured in the hospital," doctor Sabz Ali of Nowshera's main government hospital told AFP.

"We have declared an emergency in the hospital, some of the injured are serious and we urgently need blood for them," Ali said.

A police official earlier said three people were killed.

"Three people were killed and 20 others were injured when a suicide

attacker rammed his explosive-laden car into the mosque," police official Imran Kishwar told AFP.

The attack happened just as people had gathered in the mosque for Friday prayers, he said.

The roof of the mosque caved in after the blast and a number of people were trapped under the rubble, he said.

"We have started rescue work on site, we are facing difficulties as people are trapped under the debris of the roof," Kishwar said.

"Several vehicles parked in front of the mosque were also damaged," he said.

A second suicide bombing targeted the head of Jamia Naeemia madrasa, Sarfraz Naeemi, in Lahore, Pakistan's largest city and the country's political nerve centre, officials said.

Lahore police chief Pervez Rathore said that a "suicide bomber" entered the

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