



HYPERACTIVITY SYNDROME

An analysis of the frenzied state of the country's two major political parties

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BELLS ARE RINGING

A call for avoiding climate catastrophe

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MOHAMMAD KIBRIA BURIED

Hundreds pay homage to the pioneer of the country's modern art movement

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Risks remain in implementation

Finance minister says in post-budget briefing; vows to tackle risks thru' higher revenue, austerity, reduction in subsidies

STAFF CORRESPONDENT

Implementation of the proposed budget for the next fiscal year will face some risks, but those will be dealt with increased revenue earning, austerity in government spending, and reduction of government subsidies, said Finance Minister AMA Muhith yesterday.



in the capital.

The government will depend on the parliament and the civil society as well for the matter, he said.

"In my budget speech, I also talked about some tactics to deal with the risks," the minister added.

Muhith was responding to post budget speech media reactions, aided by other ministers, advisers, and secretaries concerned.

He said as usual the proposed budget was labelled as too enormous and traditional, but he would not comment on those observations as every new budget is labelled as such.

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PHOTO: RASHED SHUMON

Only in last April a child died while bathing in Crescent Lake in the capital, but urchins continue to take dips in the water despite a signboard, inset, that says the activity is strictly forbidden. Authorities concerned seem to care little even after the death.

Budget out of sync with AL manifesto

CPD says govt lacks implementation capacity

STAFF CORRESPONDENT

The priorities in the proposed budget for fiscal 2011-12 are apparently consistent with the ruling party's electoral pledges but practically they are not, Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue (CPD), said yesterday.

"The Awami League government puts emphasis on the development of agriculture and rural economy. But the allocation for agriculture has declined, and agricultural subsidies

| CPD ANALYSIS | | |
|--------------------|---------------|---------------------|
| Optimisms | Uncertainties | Challenges |
| Revenue Collection | Forex Reserve | Inflation |
| Export Growth | Remittance | Balance of Payment |
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| Domestic Demand | Food Security | Deficit Financing |

will also be cut down, whatever the reasons," he said.

Debapriya's remark came at a media briefing that the CPD organised to present its analysis of the proposed budget.

Of the Tk 163,589 crore proposed budget, Tk 45,000 crore will fall short that the government aims

to collect from domestic and foreign sources. On the expenditure side, Tk 46,000 crore has been kept for Annual Development Programme.

The rest will be used for payment and allowances, subsidies, interest

SEE PAGE 19 COL 5 PHOTO ON PAGE 2

Keep market stable during Ramadan

PM asks businesses UNB, Dhaka

Prime Minister Sheikh Hasina urged businessmen to keep prices of essentials within reach of commoners and the market stable during the upcoming month of Ramadan.

She made the call at a meeting with various businessmen at her official residence Ganobhaban last night.

The businessmen promised to do so.

The businessmen strongly criticise the opposition party for calling the 36-hour hartal from Sunday and said the hartal

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BNP, Jamaat call 36-hour hartal

STAFF CORRESPONDENT

The main opposition BNP and its key ally Jamaat-Islami yesterday called for a countrywide 36-hour hartal from tomorrow dawn, demanding continuation of caretaker government system and protesting at the recommendations of the parliamentary special committee on constitutional amendment.

It is going to be the longest in duration since the Awami League-led grand alliance came to power. The opposition on Sunday enforced a dawn-to-dusk strike on the caretaker system issue.

Release of leaders, now in jail on different charges including crimes against humanity, has been added by Jamaat to the list of demands.

Other two components of BNP-led alliance -- Bangladesh Jatiya Party (BJP) and Islami Oikya Jote (Aminee) -- will also observe the non-stop shutdown.

BNP Acting Secretary General Mirza Fakhrul Islam Alamgir and Jamaat Acting Secretary General ATM Azharul Islam announced the programme from separate press conferences held at respective party offices in the city.

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AL to face hartal 'politically'

Govt to go tough on violence

HASAN JAHID TUSHER and RASHIDUL HASAN

The Awami League has decided to tackle the opposition's 36-hour hartal "politically" and its government is to go tough on any violence during hartal.

Prime Minister Sheikh Hasina has directed her party's lawmakers to tackle opposition's attempt to "destabilise the country". She also directed the home ministry to take tough actions if anyone tries to resort to violence in the name of hartal, government sources said.

At a meeting of the Awami League Parliamentary Party Wednesday she told her lawmakers that BNP and its allies would go for more hartals over the caretaker government issue.

She asked them to make people of their constituencies aware of the government stance on the caretaker government system, the constitution amendments and hartals.

In the meeting Hasina, also president of the Awami League, distributed copies of her June-5 press conference speech clarifying the government's position on the

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HUGE BORROWING FBCCI warns of liquidity crisis

Mixed reaction among chambers

STAFF CORRESPONDENT

The proposed budget may create a liquidity crisis in the banking sector due to its over-reliance on domestic borrowing for implementing the annual development programme, the FBCCI said yesterday.

"If the government borrows hugely for implementing the ADP, the industrial sector will not get enough loans from the banking system, which will ultimately lead to a higher bank interest rate," said Federation of Bangladesh Chambers of Commerce and Industry President AK Azad, during a press conference at the Federation Bhaban.

In the budget for the next fiscal year, the government proposed bank borrowing of Tk 18,957 crore for meeting the deficit and spending in different sectors.

Raising the tax at source to 1.5 percent from 0.40 percent will hamper the country's exports, Azad said. The FBCCI demanded fixing the rate of tax-at-source on exportable goods at 0.50 percent.

He welcomed the proposal for continuation of the

SEE PAGE 19 COL 1 MORE REACTION ON PAGE 20

MONEY WHITENING Muhith defends, CPD opposes

STAFF CORRESPONDENT

Finance Minister AMA Muhith yesterday defended his decision to allow whitening of black money for one more year saying the budgetary move aims at having billions of untaxed taka invested.

"There is no dearth of wealth in the country and we want to bring the whole money into investment," he said.

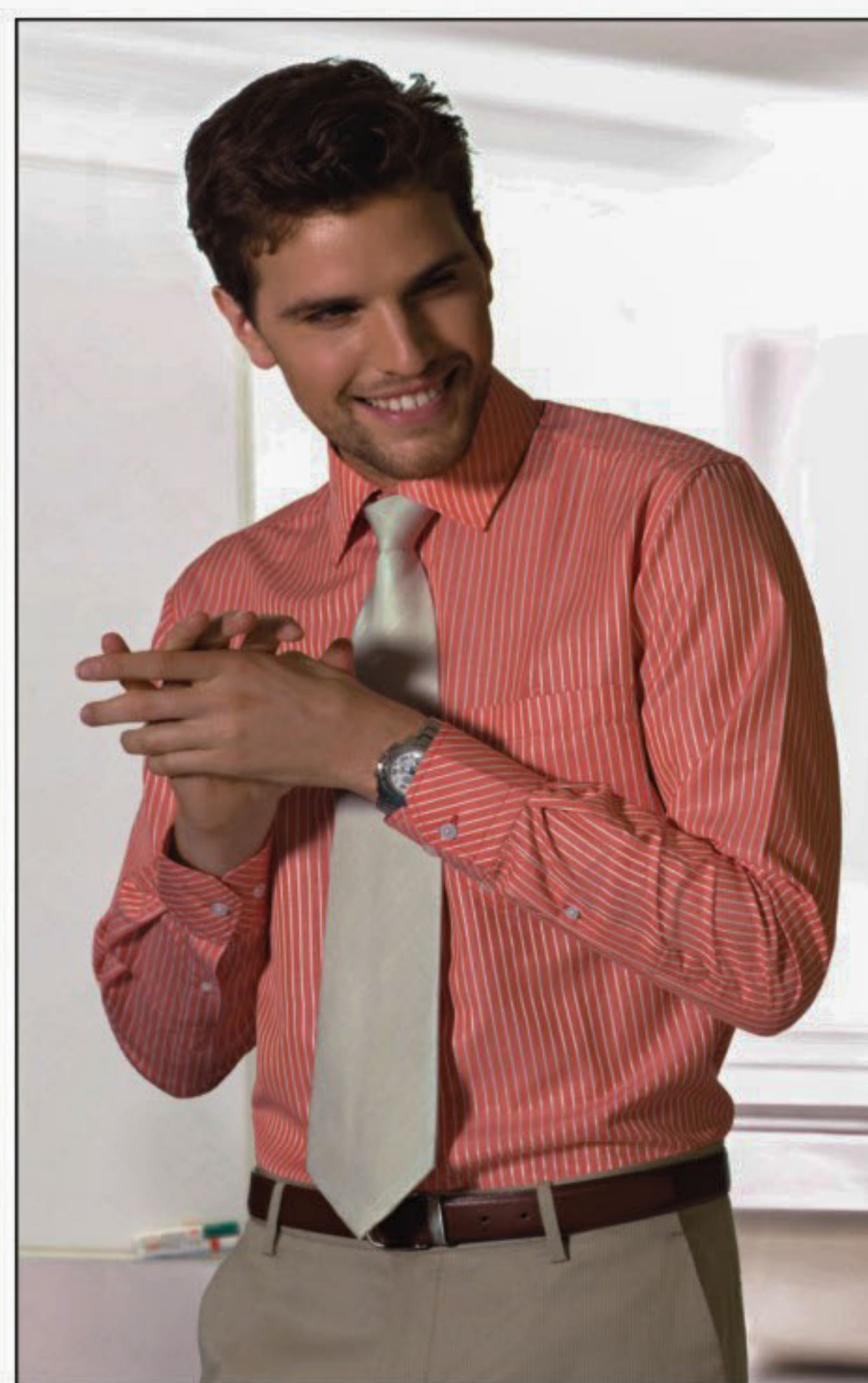
The government, for the fiscal year of 2011-2012, has proposed to allow whitening of black money through investment only in infrastructure funds and treasury bonds.

Muhith believes the bond market will be an effective sector for the untaxed money. He said both the white and black money holders will be able to buy the investment tool.

To make the government bond market popular, the finance minister has proposed investment in Bangladesh Infrastructure Finance Fund Ltd (BIFFL) or treasury bond be accepted without any question subject to payment of tax at the rate of 10 percent.

"The bond will be available in the next three months," said Muhith during his post-budget press conference in the city's Osmani Memorial Auditorium.

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