Risks remain

FROM PAGE 1

He welcomed main opposition BNP's alternative budget proposal, but said it came too late as already his proposal was being printed by then.

Most of BNP's proposals are already in the proposed budget, he said adding that it seemed like the opposition borrowed from the government's proposals.

About BNP's reaction to the new budget and its calling of a hartal, the finance minister said, it is BNP's culture to have a negative approach to everything. Creation of unrest through hartals is against the country's interest, he added.

He said to achieve a high economic growth, investment in the private sector must increase, and that is why there are many incentives for the sector in the proposed budget. In the next fiscal year

many development projects will be implemented through public-private partnership (PPP), for which Γk 3.000 crore has been allocated in the new budget, and it might need to be increased, the minister said. An agreement has been

signed for construction of a flyover in the capital under PPP, which will cost Tk 9,000 crore, and the government will fund half of it, he said. The government decided

to build two coal-fired power plants in the next fiscal year, one of which will be built jointly with India, while the

partner for the other is yet to be picked, he said.

The government decided to take up many power projects under PPP, for which it will encourage domestic bidders to partner up with foreign investors, he said.

The minister said in the next fiscal year crop insurance mechanism will be launched on a pilot basis in one upazila. Initially the chosen crop will be potato.

About the capital market Muhith said the government already took many steps to stabilise the market, but a vested quarter is trying hard to keep it destabilised.

Planning Minister AK Khandker, who was present at the briefing, said the sweeping allegation that the government always fails to implement development projects is not correct, the rate of implementation is gradually increasing.

About the delays in implementing foreign funded projects, he said the delays usually happen because the donors themselves take too long to approve consultants, and tender proposals. For the next fiscal year the

government decided that ministries handling development projects will identify the problems in the beginning of the year so implementation can go smoothly, Khandker said. **Education Minister Nurul**

Islam Nahid, who was also present, said in the next

investment of undisclosed

income in the government's

Bangladesh Textile Mills

Association (BTMA) said the

raise in advance income tax

at sources from 0.45 percent

to 1.5 percent would spell

trouble for the export busi-

finance minister to withdraw

The association urged the

Though the minister

proposed to extend the tax

primary textile sector has

been excluded from the list of

beneficiaries. As a result, the

facility will not serve any

purpose, noted a BTMA

sion not to withdraw duties

and taxes on pet chips, chips,

acrylic toe and tops, polyes-

ter and viscose staple fibre in

the upcoming budget would

increase dependency on

cotton and ultimately

deepen the yarn crisis fur-

BTMA also expressed

The government's deci-

10 percent.

ment sectors.

the proposal.

release.

BTMA

fiscal year monthly payment orders for non-performing private education institutions will be cancelled in a bid to avoid wastage of public money, but well performing institutions will not be

affected.

Economic Affairs Adviser Dr Mashiur Rahman criticised the Centre for Policy Dialogue (CPD) for its questioning of the government's estimate of 6.7 percent GDP growth in the current fiscal year.

He said CPD's quality has gone down, and the private think-tank is facing a sort of stagnation.

The adviser also gave a theory that the gap between investments and national savings can add 1.5 percentage point to the GDP growth. He said transit fee for

foreign countries will be determined based on GAT and WTO rules. "But we want a rational return for our investments and services."

The adviser said a taskforce comprising experts has been working on the transit fee issue. Energy Adviser Tawfiq-e-

Elahi Chowdhury, Bangladesh Bank Governor Atiur Rahman, Economic Relations Division Secretary Mosharraf Hossain Bhuiyan, Finance Secretary Mohammad Tareq, and National Board of Revenue Chairman Nasiruddin Ahmed also answered questions of reporters.

FBCCI warns regard.

zero duty on imports of rice, pulse, wheat, sugar, edible oil, onion, fertiliser, seeds, life

saving drugs and cotton. Azad welcomed the finance minister's proposal for increasing the supplementary duty on the import

of built motorbikes to 45 percent from 30 percent. The chamber leader urged the government to raise the

tax-free income ceiling to Tk 225,000 instead of the proposedTk 185,000. He said the government

proposed tax holiday for certain sectors according to the industrial policy. The tax break period for physical infrastructure such as roads and bridges was recommended for 10 years, instead of the existing five or seven years. The FBCCI welcomes the proposal, he said.

He said the proposal to reduce duty on the imports of capital machinery, liquefied petroleum gas cylinder and chemical of effluent treatment plants would have a positive impact on industrial

He welcomed the proposal for raising supplementary duty on the import of furniture to 30 percent from 20 percent. He said this would help protect local furniture builders.

The budget proposed to ther, added the statement. reduce turnover tax on small and medium enterprises to 3 dissatisfaction over not percent from 4 percent. increasing the cash incentive However, annual turnover to 15 percent from 5 percent. margin remains at Tk 60 lakh. BASIS The FBCCI proposed that the Bangladesh Association of margin be raised to Tk 1

initiatives," Azad said.

FBCCI," he claimed.

follow the proposals of the

The Foreign Investors

Chamber of Commerce and

Industry (FICCI) in a release

yesterday said the budget is

heavily dependent on bor-

rowing from the banking

This may tighten the

liquidity situation and cause

an upward trend in the

deposit rates with conse-

quent effects on the lending

rates making funds for trade,

commerce and industries

costlier and pushing the

inflation even higher, noted

It expressed concerns

about charging a minimum

tax at 0.5 percent on a com-

pany's gross receipts irre-

spective of profit or loss and

the special provision for

the statement.

Software and Information Services (BASIS) voiced "It seems that the governfrustration as it did not find ment tried to propose a any reflections of the Digital growth and industry-and-Bangladesh dream in the business-friendly budget for budget. 2011-12. The government According to the ICT prioritised agriculture, power and energy and infrastructure sectors. The government

policy, there are 306 action items. It would have been suitable for the sector had the also tried to protect the local government allocated at least industries. We welcome such 10 percent of the proposed Tk 700 crore fund to be raised for "The growth of the industhe development of the ICT trial sector will be hampered industry as per a significant if the government does not action item, observed BASIS.

> The industry hoped the government would extend the tax holiday facility for the sector until 2018 in accordance with the ICT policy.

REHAB

The Real Estate and Housing Association of Bangladesh (REHAB) expressed disappointment over increasing the income tax for commercial building to 10 percent.

The decisions, if implemented, would hurt the real estate sector, noted a REHAB statement.

BJSA

Bangladesh Jute Spinners Association (BJSA) stated though the government proposed to provide Tk 1,170 crore assistance for stateowned jute mills to make up for losses and turn the sector lucrative, it did not take any initiative to help the private

owners' mills. **BGFFMEA**

Treasury Bonds paying tax at Harun-Ur-Rashid, president of Bangladesh Grey and The chamber, however, Finished Fabrics Mills and Exporters' Association appreciated the budgetary measures especially in the (BGFFMEA), in a statement energy and power, rural said the budget has no direcdevelopment, education, tion for the development and information and communiprotection of the textiles cation technology (ICT), sector. There is also no mention of raising the cash inceninfrastructure and environtives for the sector.

The BGFFMEA demanded an increase in cash incentive to 15 percent from the existing 5 percent, fixing a single digit interest rate and setting the price of diesel and furnace oil at Tk 30 and Tk 26 respectively.

Harun, also the chairman of Asian Group, welcomed a budget proposal to increase the import duty on all kinds of cloths to 45 percent from holiday facility to 2013, the

Murshed Murad, president of Chittagong Chamber of Commerce and Industry (CCCI), lauded the government for extending the current tax holiday facility and introducing a new tax exemption facility for invest-

He also appreciated the government for proposing zero rate of customs duty on food goods, medicine, raw cotton and fertiliser. BFFEA

Bangladesh Frozen Foods Exporters Association (BFFEA) requested the government to withdraw 10 percent surcharge on the wealth tax and reduce tax at source on the export earnings from 1.5 percent to 0.25 percent.

Withdraw

FROM PAGE 20

post-budget press conference at the Federation Bhaban in the capital.

As a result, the private sector will not be able to create more jobs, whereas around 20 lakh people come in the job market every year, he mentioned.

On behalf of all businessmen, the FBCCI chief urged the main opposition party to withdraw the hartal.

Bangladesh Insurance Association (BIA) also requested BNP and its allies to call off the hartal considering its adverse impact on the national economy and pubic life, said a release.

The insurance companies would suffer losses including payment of claims due to the hartal, it added.

BNP and Jamaat-e-Islami yesterday called the countrywide hartal from tomorrow morning demanding continuation of caretaker government system and protesting the 51-point recommendations made by a parliamentary special committee on constitutional amendment.

Gashopes

FROM PAGE 20 adding, "Will the government pay us the money back with interest"?

"There can be a development in December," Toufiq-e-Elahi Chowdhury, energy adviser to the prime minister, said at a post-budget briefing at Osmani Memorial Hall yesterday. It means there is no possi-

bility of giving new gas connection to industries before the year-end. "What we have done is not

enough. We would be happy if we could do more," said Chowdhury, adding that gas production has been increased by 284 million cubic feet (MMcfd) in the last two He said development in gas

sector is time consuming and the government is working on increasing the supply.

The finance minister in his budget speech talked much on the electricity. He said the present government since assuming power had added over 1,400 megawatt (MW) of power and by 2011 a total of nearly 2,200 MW would be added to the national grid.

On the gas supply, the minister said the government has created a gas sector development fund and renewable energy policy, which would ensure availability of alternative energies, and bolster gas and oil exploration initiatives.

Robbers kill **FROM PAGE 20**

officer-in-charge of Solenga Police Station.

Law enforcers suspect the gang might have killed the two and left their bodies in the truck. A case was lodged with

Solenga Police Station in this

Jamaat leader

FROM PAGE 20

foreign-made rifles, six pipe guns, a shutter gun and five bullets from his possession. They also seized

Jihadi books and leaflets from the house.

A case was filed with Chauddagram Police Station.

Keep market FROM PAGE 1

will "destroy the national economy".

They urged BNP Chairperson Khaleda Zia to call off the hartal for the interest of the nation.

Muhith

FROM PAGE 1

The minister, however, said it is not a foolproof measure but "better than nothing". He also feels the strategy ethically wrong.

In the outgoing fiscal year, the government gave the scope for whitening black money in four sectors including the stockmarket. About Tk 423 crore was whitened in the capital market during the period.

But for the upcoming fiscal year, the government has excluded the stockmarket.

The finance ministry is conducting a study to ascertain the exact amount of black money in the country. An initial estimation of the ministry put the figure between 48 and 82 percent of Bangladesh's \$100 billion gross domestic product, said Muhith.

Meanwhile, private thing tank Centre for Policy Dialogue (CPD) has condemned the government's budgetary proposal to allow whitening of black money, no matter whatever the modes are.

"What has been proposed surprised us because there is no bond market," CPD Distinguished Fellow Debapriya Bhattacharya told reporters in a budgetary reaction yesterday.

2011. "Now to see how it will be 'The election manifesto effective by allowing the scope spelt out promises to formuwhen the market is absent," he late an employment policy as said while speaking at a CPD soon as possible with a press briefing on the proposed timeline for creating a spebudget at Brac Centre Inn. cific number of jobs. But we The research-based organihave not yet got any intesation in its budget analysis

even after two years," said was sold, as no such return Debapriya. from the provision was made. The CPD, a private think-One killed tank, said budget implemen-FROM PAGE 20

tation would be a major challenge for the government boiler of a rice mill owned by for lack of capacity of its agencies.

ernment."

said last year no BIFFL bond

Maruf Al Mahamud exploded at about 9:00 am when the workers were boiling rice. Mill workers Ranu,

Delwar Hossain and Ashraful Islam received serious burn injuries in the explosion. Ranu died on way to

Ishwardi Upazila Health Complex while two others are being treated at the hospital.

Syrian troops raid

FROM PAGE 20 tanks and troops began

converging on the town midweek and that it was now largely deserted.

Syrian forces shot dead at least 22 at rallies after Friday prayers, activists said, and refugees described gunbattles between mutinous soldiers and other troops in recent days. Protesters, refugees in

Turkey and rights activists said some soldiers in the northwest had refused to shoot at protesters and fighting had broken out between loyalist and mutinous forces this week. "There were peaceful protests today (in Maaret)

calling for freedom and for the downfall of the regime," one demonstrator said by phone. "The security forces let us protest, but when they saw the size of the demonstration grow, they opened fire to disperse us."

Both of them said "the com-

mittee's suggestion for drop-

ping 'absolute trust and faith

upon almighty Allah' as one

of the fundamental princi-

ples of the constitution and

the government's efforts to

break off relations with the

Muslim world and failure to

check price hike of essen-

tials" are also among the

reasons behind imposing the

hartal spontaneously like the

one on June 5," Alamgir told

newsmen. A large number of

party leaders, activists, and

supporters were present

He said, "I know people

will suffer from hartal. But

the hartal has been called to

protect their right to vote. So,

I urge all to make it success-

ted the recommendations,

including scrapping of non-

House on Wednesday.

party CG system, before the

The same day, BNP

Chairperson Khaleda Zia

held an emergency meeting

with the party policymakers

and decided to go for a

tougher movement. They

also decided to boycott its

dialogue with Election

payment and other govern-

A proposal has been made

to reduce the total outlay for

agriculture and allied sector

by 4.23 percent from an allo-

cation of Tk 13,069 crore in the

In terms of percentage of

total budget, allocation for

farm and allied sector has

dropped to 7.65 percent from

10.05 percent in the revised

budget for the outgoing fiscal

culture and rural develop-

ment is not fully in line with

the government's electoral

ter in his budget speech did

not make any specific men-

tion about the government's

four specific goals -- achiev-

ing food sufficiency by 2012,

drinking water for all by 2011

100 percent net primary

school admission by

2011and generation of 5,000

megawatt of electricity by

grated employment policy

CPD Executive Director

Mustafizur Rahman said, "If

we are to achieve the seven

percent GDP riding on the

achievements of economic

expansion in the last two

years, we must focus more on

implementation. It will be a

major challenge for the gov-

proposed budget will depend

Implementation of the

He said the finance minis-

pledges," said Debapriya.

"The allocation for agri-

revised budget for 2010-11.

FROM PAGE 1

year.

ment expenses.

Commission scheduled for

The special body submit-

its Nava Paltan office.

during the press briefing at fairly.

"People will observe the

FROM PAGE 1

strike.

BNP, Jamaat

Monday.

under a CG.

had fled across the border into Turkey from Jisr al-Shughour with a bullet still in his thigh also described mutiny in Syrian ranks. "Some of the security

A 40-year-old man who

forces defected and there were some in the army who refused the orders of their superiors," he said. "They were firing on each other."

aired a YouTube video purporting to be from a Lieutenant Colonel Hussein Armoush saying he had defected with soldiers to "join the ranks of the masses demanding freedom and democracy.

Protesters, meanwhile,

Human rights activists

It was not possible to independently verify the version of events as foreign journalists are banned from reporting in

poured on to the streets of main towns and cities yesterday after the weekly Muslim

Khaleda, also the opposi-

tion leader in parliament, has

already said they would not

participate in the next parlia-

mentary polls unless held

CG issue after the SC

declared illegal the constitu-

tional provision that man-

dates an elected government

to transfer power to an

unelected non-partisan

main task is to give all possi-

ble aid and assistance to the

EC for holding a parliamen-

tary election peacefully and

that the system might be

followed to hold two more

general polls for the sake of

"safety of the state and its

The parliamentary special

committee now leaves it to

the House to decide whether

the CG system will continue

logic behind the hartal for

long 36 hours, Alamgir said

the government did not

address their demands even

after a successful 12-hour

hartal. So, they went for a

ment of dire consequences if

on securing funds to finance

challenge to get foreign

finance of \$3.3 billion, as

foreign finance remains lower

than expected in the current

dependence on the domestic

market to borrow Tk 27,000

crore may squeeze credit flow

look for alternative sources of

foreign aid in the form of grant

and budgetary support to

reduce pressure on the

domestic credit market," said

political risks are growing at a

time when the economy faces

uncertainties and challenges

including high inflation,

pressure on balance of pay-

ments for rising import costs

and falling remittance

undoubtedly increasing,"

when a government steps into

the middle of its tenure, it

struggles to implement its

remaining electoral promises.

It is very important to retain

stability to implement those

needs to maintain economic

and social stability through

parties to allow the economy

grow further, alleviate poverty

and help Bangladesh become

tinue to rise and affect invest-

ments, it may impact the

government's revenue gener-

ation and also shrink invest-

ernment's ability to spend. So,

the risk on the macroeco-

nomic front remains a major

"It could squeeze the gov-

If the lending rates con-

a middle-income country.

He said the government

"The political risk is

"We have already said that

The CPD observed that

"The government should

The government's

The CPD said it would be a

the deficit of Tk 45,000 crore.

He warned the govern-

tougher action.

Budget out of sync

fiscal year.

Mustafiz.

inflows.

pledges.'

ments.

concern."

said Debapriya.

to private sector.

Yesterday, asked about the

people".

The court also observed

The interim government's

caretaker administration.

A debate raged over the

main prayers, many chanting slogans against President Bashar al-Assad and in support of Jisr al-Shughur resi-Security forces shot dead at

least 22 anti-regime protesters, including 11 in the northwest, rights activists said.

Assad has come under fire from Turkey's Prime Minister Recep Tayyip Erdogan, a personal friend.

"Unfortunately they do not behave humanely," Erdogan said in a television interview late Thursday, describing the treatment of the bodies of women slain by the security forces as an "atrocity."

Erdogan said the bruta crackdown was "unacceptable" and would "necessarily" lead the UN Security Council to step in.

it obstructs their

programmes and torture and

arrest his party colleagues

Jamaat's Moghbazar office,

Azharul Islam said most of

the 51-point recommenda-

tion of the special committee

goes against the national

body mainly for suggesting

inclusion of secularism as

one of the fundamental

has got a copy of the commit-

tee report on the constitu-

rights also for the Hindus,

Buddhists, Christians and

abolish the caretaker govern-

about their defeat in the next

national budget for the fiscal

year 2011-12, BNP leader

Alamgir said they are still

reviewing it while Jamaat

leader Azharul said the bud-

get would not solve the finan-

government needs to main-

tain the pace in revenue col-

lection, fortify farm output,

work on improving remit-

tance inflows and ensure

receipts of foreign financing

in large amount to offset

challenges in the upcoming

"It will be tough for the

finance minister to steer the

economy, if he cannot get

these things right," said

On the proposed budget-

ary measures, CPD hailed the

increased allocation for the

power sector but said the

allocation for energy sector

remains low compared to the

burden of subsidy will

increase and may create a

macroeconomic risk.

percent," said Debapriya.

huge pressure on government

income and expenditure, and

disrupt macroeconomic

to impose 10 percent sur-

2 crore and increase tax on

cigarettes and cars. But it

warned that reduction of

export duty on tobacco will

The CPD lauded the move

It, however, feared that the

"The proposed Tk 16,000

fiscal year.

Debapriya.

demand.

stability.'

cial woes of the people.

Asked about the proposed

election.'

people of other religions.

However, The Daily Star

The House body has pro-

principles of the charter.

tional amendment.

He slammed the special

Addressing the briefing at

during the strike.

interest.

US Defence Secretary Robert Gates piled pressure on Assad yesterday, saying his very legitimacy was on the line. Thursday.

AL to face

asked the lawmakers to drum up support for the government initiatives. Last night, during a meet-

ing with businessmen she heavily criticised her arch rival Khaleda Zia for calling the "unnecessary" hartal. She said mobile courts would be on the streets to punish people involved in vandalism during hartal, UNB added. "We will build public

opinion against hartal and if they [the opposition parties] resort to violence, the law told The Daily Star.

The BNP and its ally Jamaat-e-Islami yesterday posed to insert secularism as simultaneously called for a one of the principles in the countrywide 36-hour hartal charter, keeping Islam as the from tomorrow morning state religion ensuring equal demanding continuation of the caretaker government system and protesting a 51point recommendations Azharul also said "The made by the parliamentary government is conspiring to special committee on conment system as they are sure

Urging BNP Chairperson Khaleda Zia to call off the hartal and return to parliament to discuss their proposals on the caretaker government system and constitution amendments,

He also suggested that the opposition leader go for a peaceful march instead of a hartal, which paralyses the country's economy and the development activities.

"People will reject criminal activities in the name of hartal. We along with the people will resist this kind of acts politically," Jatiya Party presidium member Ziauddin Ahmed Bablu told The Daily Star echoing

the hartal.

may go up to three to four locals said. "It will definitely put a

district. charge on incomes of over Tk

encourage use of farmland negotiation with political fortobaccocultivation. The private think-tank said the proposed extension of tax holiday facility is not in line with the Industrial Policy 2010 and the ICT Policy 2009, as various thrust sectors including jute, shipbuilding and ICT services, have been

kept out of the benefit. It questioned the reasons for reduction in beneficiaries in the social safety net schemes, and voiced concern over lower allocation for open market sale (OMS) The CPD observed that the programme.

Maoists kill 10 Indian policemen

OUR CORRESPONDENT, New

Maoists yesterday blasted an anti-landmine vehicle killing 10 security personnel in Dantewada district of central Indian state of Chhattisgarh. The vehicle of the security

forces was approaching a bridge near Gatan village when the Maoists triggered a powerful blast and opened indiscriminate fire on them, police said in Chhattisgarh capital Raipur. Seven special police officers and three policemen

were killed when their vehicle was tossed in the air by the blast, they said. The incident came a day after Naxals opened indis-

criminate fire near the camp of Chhattisgarh Armed Force in Narayanpur district, killing four policemen on

FROM PAGE 1 outstanding issues. She

will take its own course," Awami League presidium member Obaidul Quader

stitutional amendment.

Obaidul said there is still time to do so.

Awami League Organising Secretary AFM Bahauddin Nasim told The Daily Star that his party would not take to the street to prevent the hartal being enforced but people, who are the victims of hartals, would resist it. He claimed the opposition parties called for the hartal to hinder the

trial of war criminals.

Bahauddin. Meanwhile, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Bangladesh Insurance Association urged BNP and its allies to call off

crore subsidies make up 2.3 Three killed percent of GDP. We fear that it

FROM PAGE 20 The incident came three

weeks after four UPDF activists were killed in an attack by PCJSS men at Barkal of neighbouring Rangamati **EXTRADITION ROW**

Italy recalls

Brazil envoy Italy yesterday recalled its

ambassador to Brazil in an

escalating diplomatic row

after a Brazilian court refused to extradite a former far-left militant convicted in four killings in Italy. "Foreign Minister Franco

Frattini has decided on the temporary recall to Rome for consultations of the ambassador to Brasilia, Gherardo La Francesca," the Italian foreign ministry said in a statement.