

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 Tk 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

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 Mashur 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.

Gas hopes

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 possibility 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 years.

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 regard.

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 Chaudagram 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 is 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 think 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.

"Now to see how it will be effective by allowing the scope when the market is absent," he said while speaking at a CPD press briefing on the proposed budget at Brac Centre Inn.

The research-based organisation in its budget analysis said last year no BIFFL bond was sold, as no such return from the provision was made.

One killed

FROM PAGE 20 boiler of a rice mill owned by Maruf Al Mahamud exploded at about 9:00 am when the workers were boiling rice.

Mill workers Ranu, Delwar Hossain and Ashraf 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 mid-week 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."

BNP, Jamaat

FROM PAGE 1 Both of them said "the committee's suggestion for dropping 'absolute trust and faith upon almighty Allah' as one of the fundamental principles of the constitution and the government's efforts to break off relations with the Muslim world and failure to check price hike of essentials" are also among the reasons behind imposing the strike.

"People will observe the hartal spontaneously like the one on June 5," Alamgir told newsmen. A large number of party leaders, activists, and supporters were present during the press briefing at its Naya Palton office.

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 successful."

The special body submitted the recommendations, including scrapping of non-party CG system, before the House on Wednesday.

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 Commission scheduled for

Budget out of sync

FROM PAGE 1 payment and other government expenses.

A proposal has been made to reduce the total outlay for agriculture and allied sector by 4.23 percent from an allocation of Tk 13,069 crore in the revised budget for 2010-11.

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 year.

"The allocation for agriculture and rural development is not fully in line with the government's electoral pledges," said Debapriya.

He said the finance minister in his budget speech did not make any specific mention about the government's four specific goals -- achieving food sufficiency by 2012, drinking water for all by 2011, 100 percent net primary school admission by 2011 and generation of 5,000 megawatt of electricity by 2011.

"The election manifesto spelt out promises to formulate an employment policy as soon as possible with a timeline for creating a specific number of jobs. But we have not yet got any integrated employment policy even after two years," said Debapriya.

The CPD, a private think-tank, said budget implementation would be a major challenge for the government for lack of capacity of its agencies.

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 government."

Implementation of the proposed budget will depend

on securing funds to finance the deficit of Tk 45,000 crore.

The CPD said it would be a challenge to get foreign finance of \$3.3 billion, as foreign finance remains lower than expected in the current fiscal year.

The government's dependence on the domestic market to borrow Tk 27,000 crore may squeeze credit flow to private sector.

"The government should look for alternative sources of foreign aid in the form of grant and budgetary support to reduce pressure on the domestic credit market," said Mustafiz.

The CPD observed that political risks are growing at a time when the economy faces uncertainties and challenges including high inflation, pressure on balance of payments for rising import costs and falling remittance inflows.

"The political risk is undoubtedly increasing," said Debapriya.

"We have already said that 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 pledges."

He said the government needs to maintain economic and social stability through negotiation with political parties to allow the economy grow further, alleviate poverty and help Bangladesh become a middle-income country.

If the lending rates continue to rise and affect investments, it may impact the government's revenue generation and also shrink investments.

"It could squeeze the government's ability to spend. So, the risk on the macroeconomic front remains a major concern."

The CPD observed that the

main prayers, many chanting slogans against President Bashar al-Assad and in support of Jisr al-Shughur residents.

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

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

Addressing the briefing at Jamaat's Moghbazur office, Azharul Islam said most of the 51-point recommendation of the special committee goes against the national interest.

He slammed the special body mainly for suggesting inclusion of secularism as one of the fundamental principles of the charter.

However, The Daily Star has got a copy of the committee report on the constitutional amendment.

The House body has proposed to insert secularism as one of the principles in the charter, keeping Islam as the state religion ensuring equal rights also for the Hindus, Buddhists, Christians and people of other religions.

Azharul also said "The government is conspiring to abolish the caretaker government system as they are sure about their defeat in the next election."

Asked about the proposed national budget for the fiscal year 2011-12, BNP leader Alamgir said they are still reviewing it while Jamaat leader Azharul said the budget would not solve the financial woes of the people.

government needs to maintain the pace in revenue collection, fortify farm output, work on improving remittance inflows and ensure receipts of foreign financing in large amount to offset challenges in the upcoming fiscal year.

"It will be tough for the finance minister to steer the economy, if he cannot get these things right," said Debapriya.

On the proposed budgetary measures, CPD hailed the increased allocation for the power sector but said the allocation for energy sector remains low compared to the demand.

It, however, feared that the burden of subsidy will increase and may create a macroeconomic risk.

"The proposed Tk 16,000 crore subsidies make up 2.3 percent of GDP. We fear that it may go up to three to four percent," said Debapriya.

"It will definitely put a huge pressure on government income and expenditure, and disrupt macroeconomic stability."

The CPD lauded the move to impose 10 percent surcharge on incomes of over Tk 2 crore and increase tax on cigarettes and cars. But it warned that reduction of export duty on tobacco will encourage use of farmland for tobacco cultivation.

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) programme.

Maoists kill 10 Indian policemen

OUR CORRESPONDENT, New Delhi

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

AL to face

FROM PAGE 1 outstanding issues. She asked the lawmakers to drum up support for the government initiatives.

Last night, during a meeting 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 will take its own course," Awami League presidium member Obaidul Quader told The Daily Star.

The BNP and its ally Jamaat-e-Islami yesterday simultaneously called for a countrywide 36-hour hartal from tomorrow morning demanding continuation of the caretaker government system and protesting a 51-point recommendations made by the parliamentary special committee on constitutional amendment.

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, Obaidul said there is still time to do so.

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.

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.

"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 Bahauddin.

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

Three killed

FROM PAGE 20 locals said.

The incident came three weeks after four UPDF activists were killed in an attack by PCJSS men at Barkal of neighbouring Rangamati district.

EXTRADITION ROW

Italy recalls Brazil envoy

AFP, Rome

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.