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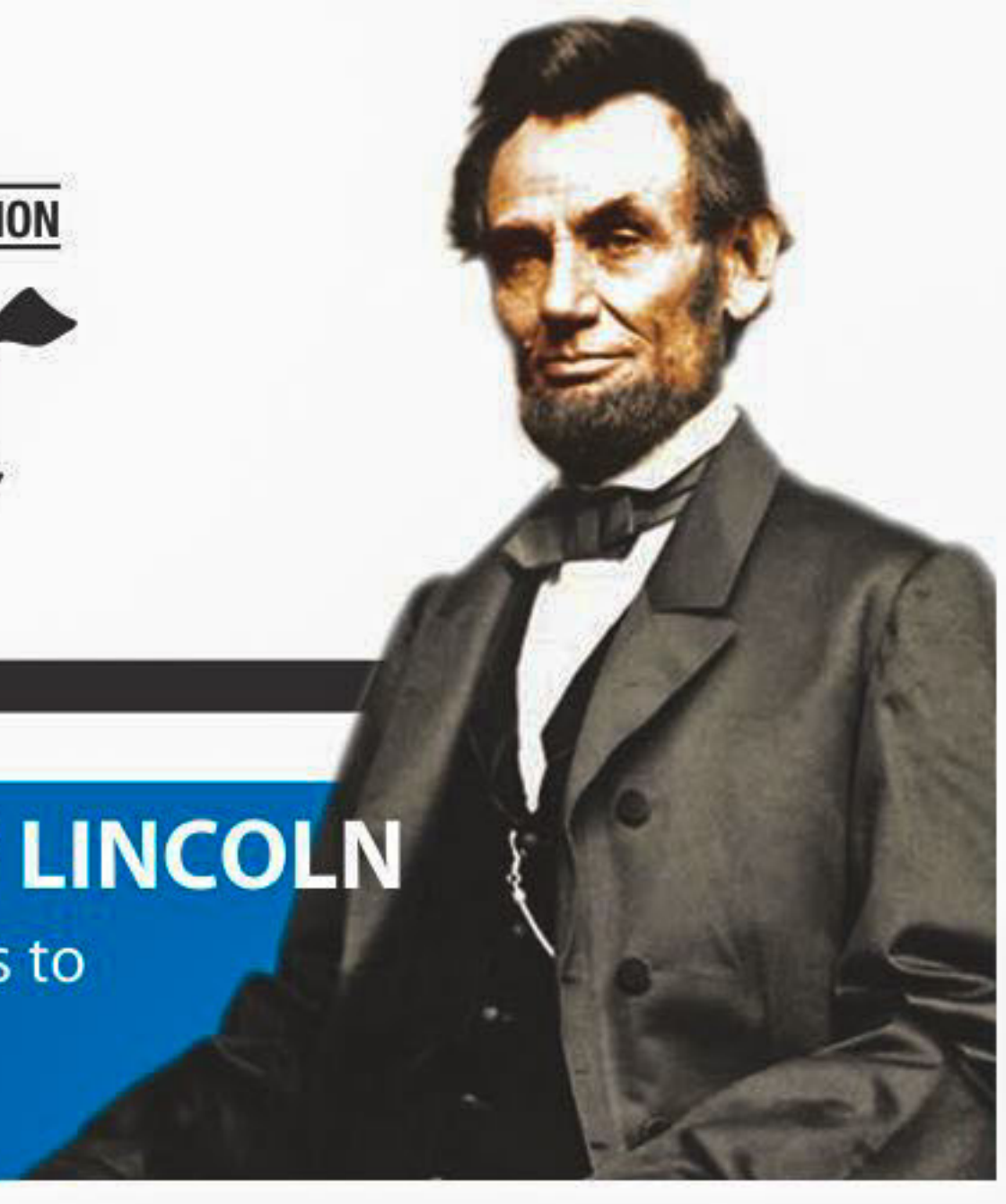
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YOUNG STILL YOUNG
Singer-songwriter Neil Young is busy with album, film and book
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Stories of Siachen Glacier, the world's highest battlefield
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LAST MINUTES OF LINCOLN
A doctor's account of efforts to save the dying president
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PADMA BRIDGE
Work from next budget year
Govt shores up the financing from budget

Budget not big

Muhith moves on to his back foot; claims implementation capacity has grown extraordinarily; slates outage critics

Black money for investment
Defends Muhith

REJAUL KARIM BYRON

Collecting money from several budgetary areas, the government could start construction of the Padma bridge in the upcoming fiscal year.

A finance ministry official said the government could free up Tk 5,000 crore from various sources in the proposed budget and start the largest infrastructure project of the country.

The official said the government high-ups held several meetings and agreed to fix an alternative funding arrangement for the bridge after the World Bank backed off from financing the project following corruption allegations.

Finance Secretary Mohammad Tareque yesterday said if need be the government would use the Tk 3,000 crore set aside for Public Private Partnership in the proposed budget.

The government has, however, allocated Tk 805 crore for the bridge in the Annual Development Programme.

His comments came at the post-budget press briefing at the Osmani Memorial Auditorium in Dhaka yesterday.

The secretary also said there were other budgetary

BUDGET 2012-2013

STAFF CORRESPONDENT

Finance Minister AMA Muhith yesterday said the budget for the upcoming fiscal year is not a big one and that it has been prepared in line with political promises.

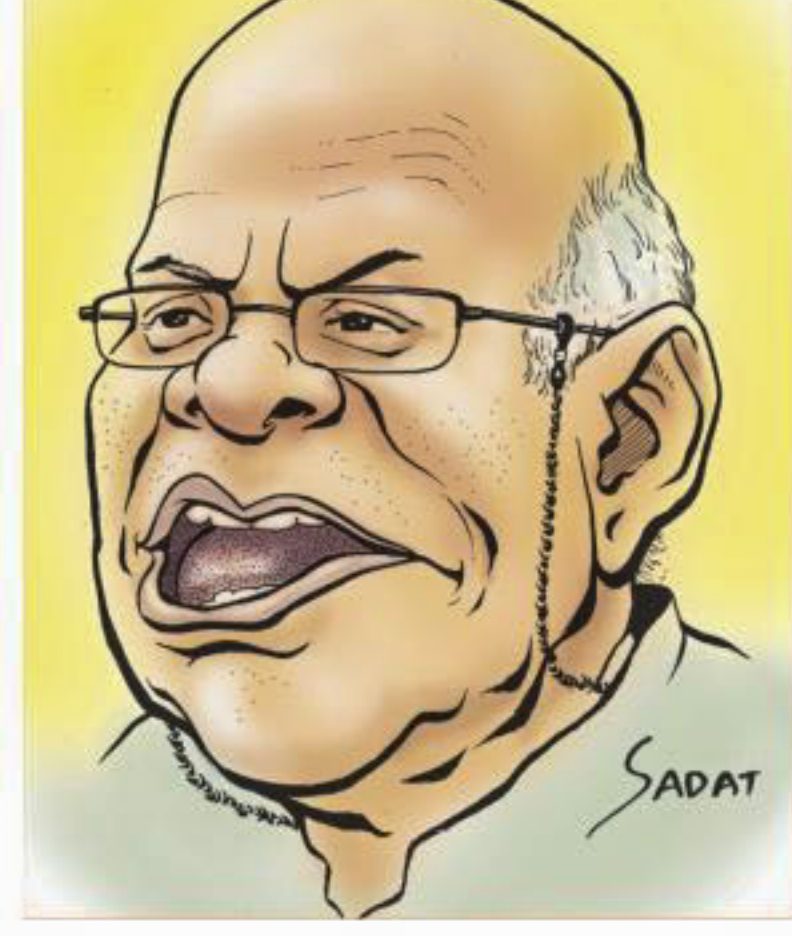
"I don't admit the budget is big. It is a small budget for a country like Bangladesh," he said. "In terms of GDP, our budget is the smallest in South Asia."

The size of the budget for 2012-13 is Tk 1,91,738 crore, which is 18.4 percent of gross domestic product.

The minister was addressing a post-budget press briefing at the Osmani Memorial Auditorium in the city.

After the unveiling of the budget on Thursday, analysts in their reaction said the government would face formidable challenges in implementing the budget.

Muhith said questions always arise about the implementation of a budget.



"Our implementation capacity has grown extraordinarily. When we came to power three years ago we used to spend Tk 19,000 crore for Annual Development Programme. Now we are spending Tk 40,000 crore."

The minister defended his decision to nearly double the tax at source for the export-oriented sectors including garment industries.

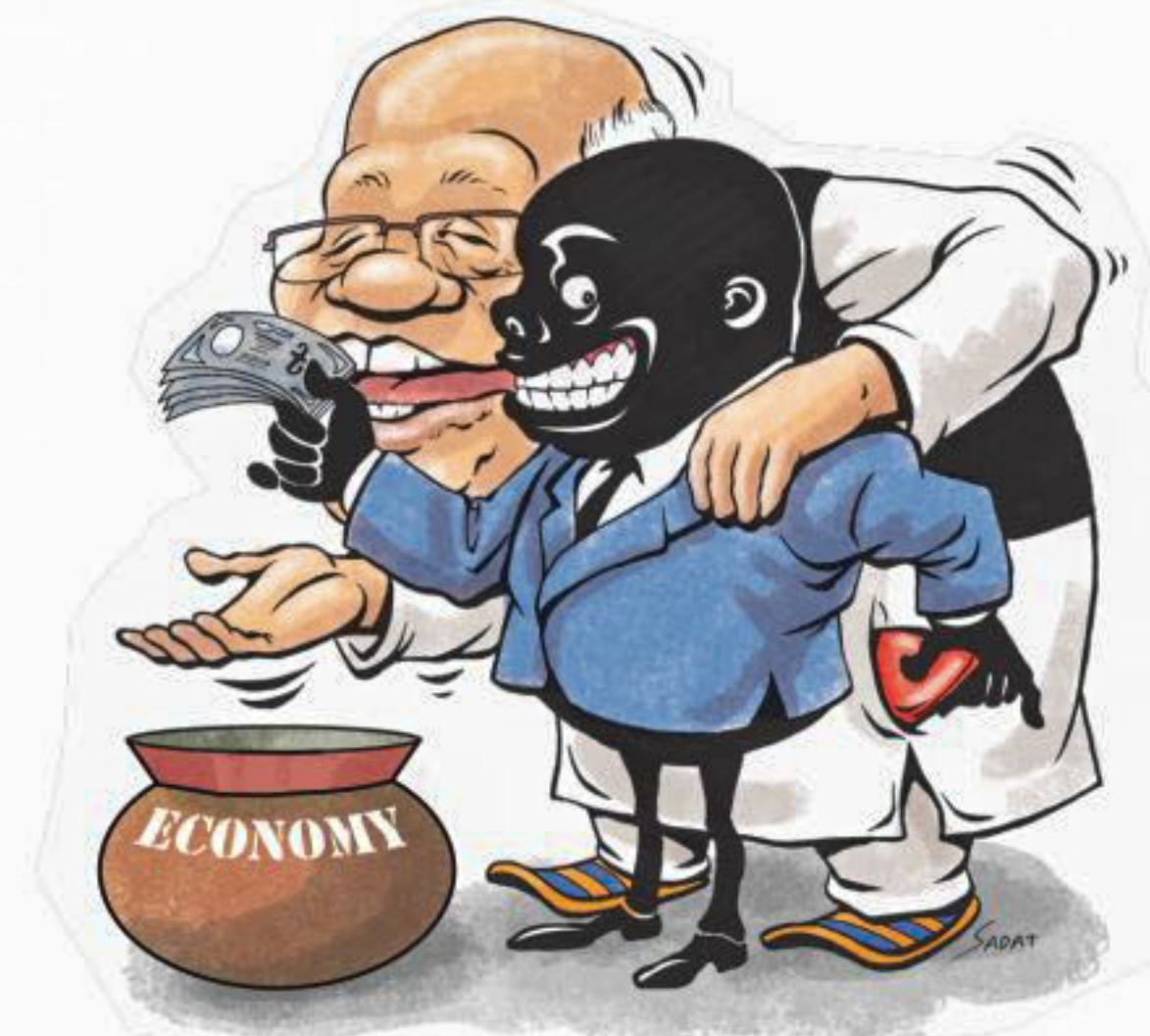
People having more wealth in the country pay less tax, he said. "Sectors like garment industries are making huge money, but they are not high taxpayers like the Square Group. We are showing them too much sympathy. We've retained stimulus packages for them."

National Board of Revenue Chairman Nasiruddin Ahmed, who was also present at the briefing, said garment exporters make 10 percent operating profit, whereas they pay as low as 0.6 percent in taxes.

Finance Minister AMA Muhith yesterday defended provisions for legalising undisclosed money in the proposed budget saying it would bring investment and prevent cash going out of the country.

Muhith said the amount of undisclosed money in the

SEE PAGE 19 COL 4



Govt opts for 'easy tax'
Reacts CPD; says injustice done to taxpayers; critical of subsidy shift from farm sector to energy

MOBILE BILL TAX
Govt may review proposal

Govt borrowing is the concern
Top businesses find credit growth of private sector at stake

It's political bankruptcy
Says TIB; MCCI disapproves amnesty; CPD wants end to it

STAFF CORRESPONDENT

The government has done injustice to taxpayers by increasing the minimum individual tax without raising the tax-free income threshold and also by imposing new tax on mobile phone users, the Centre for Policy Dialogue said yesterday.

The research organisation's comment came a day after the finance minister placed the national budget for fiscal year 2012-13 in parliament.

The CPD has also identified a shift in subsidies from agriculture and food sec-



tor to power and energy, which may create disparity between the rich and the poor. The think-tank is also against the scope for whitening undisclosed money.

"We are sorry to see no change in personal income tax threshold, which remains at Tk 1,80,000. But the minimum tax has been raised to Tk 3,000 from Tk 2,000," Debapriya Bhattacharya, CPD's distinguished fellow, said at a press briefing at Brac Centre Inn in the capital yesterday.

CPD Executive Director Prof

STAFF CORRESPONDENT

Finance Minister AMA Muhith has hinted at reversing a plan to impose 2 percent tax at source on mobile phone bills.

Responding to a query on whether he would review the fact that the tax

STAFF CORRESPONDENT

The country's apex trade body and other leading chambers yesterday warned the government against over-borrowing from the banking system, saying such dependence will create a liquidity crunch and thwart private investment.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) said the government could instead widen the tax net further and introduce automation in tax payment to increase collection.

"The government will be able to collect a significant amount of revenue if it introduces an automation system

STAR REPORT

Transparency International Bangladesh has termed the provision for legalising undisclosed money in the proposed budget "unconstitutional" and "immoral" and demanded its withdrawal.

Meanwhile, Metropolitan Chamber of Commerce and Industry expressed disappointment with the provision and think-tank Centre for Policy Dialogue said it wants an end to such amnesty to illegal money.

Anti-graft watchdog TIB said the government was



With blatant disregard for the safety of self and others on the road, trucks travel on the wrong side of Dhaka-Aricha highway. The photo was taken near Amin Bazar on the outskirts of the capital recently. PHOTO: SK ENAMUL HAQ

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Heartiest congratulations to Mr. A. Rouf Chowdhury, Chairman of Rangs Group for receiving the "Mercantile Bank Foundation Award 2012" in recognition of his immense contribution in the fields of commerce and industry. The Bank Asia family feels proud to be associated with this visionary personality.

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