

Budget surreal,says CPD

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the last caretaker government and on some occasion during the present government's tenure when commodity prices were very high on the international market.

"Is it possible this year?" Debapriya questioned.

He said the financial structure of the budget is very weak because of its poor connection with reality, and the projection of earnings made in the budget is inconsistent with the reality, historical trends and possibilities.

The government received \$2 billion foreign aid in the outgoing fiscal year and has set the target at \$3.8 billion for the next year, which the CPD thinks would be impossible to get.

"Expenditure projection is also inconsistent with the implementation capacity of the budget," Debapriya said.

Everyone, including the executives, knows that there will be no spending from the allocated fund for the public private partnership and Padma bridge projects, he said.

So, there would be no need for an additional Tk 10,000 crore allocated for these projects, and if the government misses the revenue target, it will not be a big problem, he added.

The CPD also focused on the overall budget implementation as political uncertainty centring the next general election is growing.

"Polls-related uncertainty, political violence and shutdowns will take a toll on the economy," Debapriya said.

As the current government is not getting a full year to implement the budget, what actions it will take to complete the work in advance remain unclear, he added.

The CPD said the current political uncertainties will likely to continue till a compromise is reached on how the next parliamentary elections will take place and this will seriously undermine the possibility of taking advantage of various proposals to speed up investments.

The think-tank also termed the GDP growth target "radical", citing the present scenario of faltering investment and domestic demand, low industrial productivity, a weak international economy and declining domestic savings.

"Overall, we think a revision of the budget will be a necessity in light of the political and economic reality, global economic scenario and institutional capacity to implement the budget," Debapriya said.

The CPD said the proposed budget aims to boost investment and give benefits to local industries by adjusting duties.

"It should be helpful in stimulating private investment."

CPD Executive Director Mustafizur Rahman hailed the duty and tax measures.

Replying to a query on the withdrawal of concession on newsprint import, Fahmida Khatun, research director of the think-tank, said, maybe the decision has been taken to please a vested group.



Distinguished fellow Debapriya Bhattacharya of Centre for Policy Dialogue speaks to the media about the proposed budget at the Brac Centre Inn in the capital yesterday.

Ambitious but achievable

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"In fact, all of my five budgets have been ambitious and have targeted to make the public happy," he told a post-budget press briefing at Osmani Memorial Auditorium in the capital.

"But this ambition is not for the sake of ambition. This ambition is one that is achievable."

His comments are seen as an attempt to counter claims from the opposition parties and research groups that the budget for 2013-14, presented in parliament on Thursday, is ambitious and could not be implemented.

According to Muhith,

implementation of any budget is a challenge.

Muhith said in the past years the government had increased the budget size by up to 24 percent and implemented it. "This time, we have raised it by about 16 percent [from the original budget of the outgoing fiscal year]."

The revenue target also came under criticism from the country's top economists.

But Muhith said the capacity and manpower of the National Board of Revenue (NBR) have been increased to realise higher revenue.

He added there was no problem between the

finance ministry and the NBR over fixing the target of revenue earnings.

"In the last four and a half years, I have tried to make the budget formulation process as transparent as possible. Initially, the NBR had objected to our revenue target.

"When I asked it to come up with its expected reduction in target, the NBR, however, said that the revenue target is achievable."

The minister refuted claims that the new budget did not clearly spell out the financing issue.

"These are confusing statements. There is no problem in financing. The

budget clearly states the sources that will mobilise funds."

He said the country would receive more foreign aid in the coming year, as there had been a major change in the flow of money from the development partners.

Muhith said he had increased the corporate tax on listed telecommunication companies to narrow the gap between them and their non-listed peers in paying taxes.

NBR Chairman Ghulam Hussain said the cut in import duties for SIM cards would not affect the revenue earning from the sector, as sales would go

up.

The minister also defended the country's investment climate, although the government could not achieve its target of raising the investment-GDP ratio to 30 percent.

The finance minister said a lot of work could be done in the first six months of the fiscal year.

"In the first month of the new fiscal year we will do the planning," he said, adding that the government would do 10 percentage points more work in the first six months of the next fiscal year compared to the same period of the outgoing fiscal year.

He said he hoped Bangladesh would see higher economic growth even if the next fiscal year was an election year, as the character of economy has changed over the years.

"The economy has now placed itself in another height, where anybody who tries to disrupt the economy will face resistance."

Muhith also claimed high-level corruption did not exist in the country, as the government had cracked down on graft, taken action against it and even sent corrupt people to jail. "There is, however, corruption at local level."

Education Minister

Nurul Islam Nahid said the government was not indifferent to the teachers of non-MPO (monthly payment order) educational institutions.

Bangladesh Bank Governor Atiur Rahman said nobody should worry about inflation as the country would be able to attain its target on containing inflation in the current fiscal year.

Ranjit Kumar Chakraborty, additional secretary of the finance division, said the government would try to limit its borrowing from the banking system as much as possible and borrow more from other sources.

7 children

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three other 10 year old boys Wakil Ahmed, Mohammad Shakil and Mustakim were taken to the Chapainawabganj Adhunik Sadar Hospital immediately after the blast, said the OC.

Emergency Medical Officer Dr Shafiqul Islam said that Shakil was in a critical state as he received splinters to the left leg, right hand, chest and head. They had to send him to Rajshahi Medical College and Hospital as his condition deteriorated.

Rabeya and Hasan were admitted to the sadar hospital due to their serious injuries, while the rest were given first aid, he added.

OC Bazlur said police rushed to the spot as soon as they heard of the incident.

An investigation has been launched to find the culprits who had dumped the bomb in the paddy field, he added.

Net users under watch

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Congress obliged with the Protect America Act in 2007 and the FISA Amendments Act of 2008, which immunised private companies that cooperated voluntarily with US intelligence collection.

PRISM recruited its first partner, Microsoft, and began six years of rapidly growing data collection beneath the surface of a roiling national debate on surveillance and privacy.

Late last year, when critics in Congress sought changes in the FISA Amendments Act, the only lawmakers who knew about PRISM were bound by oaths of office to hold their tongues.

The court-approved programme is focused on foreign communications traffic, which often flows through US servers even when sent from one overseas location to another.

Between 2004 and 2007, Bush administration lawyers persuaded federal FISA judges to issue surveillance orders in a fundamentally new form. Until then the government had to show probable cause that a particular "target" and "facility" were both connected to terrorism or espionage.

In four new orders, which remain classified, the court defined massive data sets as "facilities" and agreed to certify periodically that the government had reasonable procedures in place to minimise collection of "US persons" data without a warrant.

In a statement issued late Thursday, Director of National Intelligence James R Clapper said "information collected under this programme is among the most important and valuable foreign intelligence information we collect, and is used to protect our nation from a wide variety of threats. The unauthorised disclosure of information about this important and entirely legal programme is reprehensible and risks important protections for the security of Americans."

Clapper added that there were numerous inaccuracies

in reports about PRISM by The Post and the Guardian newspaper, but he did not specify any.

Several companies contacted by The Post said they had no knowledge of the programme, did not allow direct government access to their servers and asserted that they responded only to targeted requests for information.

"We do not provide any government organisation with direct access to Facebook servers," said Joe Sullivan, chief security officer for Facebook.

"We have never heard of PRISM," said Steve Dowling, a spokesman for Apple.

An internal presentation of 41 briefing slides on PRISM, dated April 2013 and intended for senior analysts in the NSA's Signals Intelligence Directorate, described the new tool as the most prolific contributor to the President's Daily Brief, which cited PRISM data in 1,477 items last year.

The technology companies, whose cooperation is essential to PRISM operations, include most of the dominant global players of Silicon Valley, according to the document. They are listed on a roster that bears their logos in order of entry into the program: "Microsoft, Yahoo, Google, Facebook, PalTalk, AOL, Skype, YouTube, Apple."

PalTalk, although much smaller, has hosted traffic of substantial intelligence interest during the Arab Spring and in the ongoing Syrian civil war.

Google, like the other companies, denied that it permitted direct government access to its servers. "Google cares deeply about the security of our users' data," a company spokesman said.

Microsoft also provided a statement: "We provide customer data only when we receive a legally binding order or subpoena to do so, and never on a voluntary basis."

Yahoo also issued a denial.

Rajshahi

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city. He blamed bureaucratic obstacles for the deferment.

Law makers Fazle Hossain Badsha and Shahriar Alam were present, among others.

Sources at PGCL said the company has sold around 10,000 application forms for gas connections till Thursday. About 6,000 consumers have already submitted their forms.

Back in 1994, people of Rajshahi had waged a movement demanding the authorities give gas connections to households.

Over the years, local social, voluntary and community organisations have enforced around 50 hartals to press home the demand.

ELECTORAL LAW 'VIOLATED'

Just an hour after the opening of gas connections, 18-party opposition alliance-backed RCC mayoral aspirant Mosaddek Hossain Bulbul complained that the PGCL started providing gas connections in violation of electoral rules.

Speaking at a press conference at a local community centre, Bulbul said gas connections to consumers just seven days ahead of the Rajshahi City Corporation (RCC) election would greatly influence the polls results in favour of ruling alliance-backed mayoral hopeful Khairuzzaman Liton.

He demanded removal of the Petrobangla chairman.

BNP leader and former RCC mayor Mizanur Rahman Minu alleged that those who got gas connections on the first day are supporters of local Awami League stalwarts.

The election to RCC is billed for June 15.

Asked about the complaint, the Petrobangla chief said extension of gas network is part of the government's continuous development initiative and it was not related to the RCC election.

Financing a challenge

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MCCI strongly urged the government to limit its borrowing from banks with the projected amount of Tk 25,993 crore, as it could result in crowding out the private sector credit growth.

The trade body welcomed the proposal to extend tax holiday facilities up to June 2015. However, it is worried over not extending the same facility for the power sector after June 30 this year.

MCCI is particularly happy to see that a stimulus package has been announced to strengthen the capital market by withdrawing AIT on premium over face value of shares and on bond sale, 15 percent tax rebate on investment in private mutual fund, and exemption of income tax on dividend up to Tk 10,000.

The statement said the chamber was disappointed on allowing whitening of undisclosed

income.

"Such a provision may discourage the tax payers from paying taxes," said MCCI.

The Federation of Bangladesh Chambers and Commerce and Industry (FBCCI) termed the budget business- and investment-friendly.

The apex trade body also said the money flow in private sector would be less due to higher bank borrowing by the government.

The Chittagong Chamber of Commerce and Industry termed the budget ambitious. It suggested that the government be cautious in taking loans from internal sources to fill the budget deficit.

According to Dhaka Chamber of Commerce and Industry (DCCI), the budget lacks visionary investment plan.

It said the flow of investment should be 31 percent of total GDP in accordance with the current per

capita income in Bangladesh.

In 2012-13, investment increased to 26.85 percent of the GDP mainly due to government investment. The private investments were not coming largely for gas and power crises and higher bank borrowing by the government, said DCCI.

Welcoming the budget, Bangladesh Knitwear Manufacturers and Exporters Association said GDP growth at 7.2 percent and export growth at 15 percent were a bit ambitious, but the Tk 2,592 crore incentives on export would boost the garment sector.

The Foreign Investors' Chamber of Commerce and Industry termed the proposed budget "somewhat challenging" given the current economic situation.

It appreciated the measures, especially allocation for transport and

communication, but expressed concern about relatively lower allocation for education, technology and healthcare sectors.

The projected bank borrowing by the government would impact the private sector credit and might aggravate ongoing liquidity problem, said the body, adding, "However the Chamber feels that it will require strong monitoring to achieve the goals set in the budget."

The Exporters Association of Bangladesh praised the proposal to establish five Special Economic Zones in the country.

Bangladesh Frozen Foods Exporters' Association has termed the budget "industry- and export-friendly".

The trade body welcomed the budget for not increasing the tax at source and retaining cash incentive for the export sector.

Newsprint

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Yesterday, he said the move aimed at protecting the local newsprint industry.

Local manufacturers annually produce 1.2 lakh tonnes of newsprint against the consumption of 50,000 tonnes by the country's newspaper industry, said the minister.

"There is no point to import newsprint paper at the same price as in the local market," he said.

In the budget, Muhith also proposed increasing the customs duty on printing plate, which is used to carry the image to be printed, to 5 percent from the existing 3 percent.

To encourage the local paper and pulp industries, Muhith also proposed an exemption of the 12 percent customs duty on bamboo, the main raw material for producing pulp.

Wal-Mart faces more criticism

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corporate responsibility, and music was provided by Kelly Clarkson and Jennifer Hudson.

Wal-Mart's \$15 billion buyback plan, which followed the near completion of a previous \$15 billion buyback programme authorised in 2011, helped to lift its share price by 1 per cent to \$76.39 on Friday morning.

Presenting a proposal to let investors call special meetings on important issues, Kalpona Akter, a former garment worker who is executive director of the Bangladesh Centre for Worker Solidarity, said factory safety warranted such a meeting given Wal-Mart's influence as a buyer from the country.

"For years, every time there is an accident, Wal-Mart officials have made a promise to improve the terrible conditions, but the tragedies continue," she said.

Addressing Rob Walton, Wal-Mart's billionaire chairman and the son of its founder, Sam Walton, she said: "I'm sure you know that fixing these buildings would cost a tiny fraction of your family wealth, so I implore you to please help us."

Walton is the world's 17th wealthiest person with a net worth of \$26 billion, according to Forbes. His sister Alice is in 16th position on the rich list and his brother Jim is at number 14. Together the Waltons own nearly half of

Wal-Mart's shares.

While Wal-Mart has declined to join a binding accord to improve Bangladeshi factory safety signed by over 30 mostly European retailers, it has joined an alternative initiative with Gap that labour activists criticise for being non-binding.

Wal-Mart also faced criticism from Hermes Equity Ownership Services, which represents 40 big pension funds and presented a proposal demanding that Wal-Mart's chairman should be "independent" of management.

While its proposal did not mention Walton by name, Hermes said the corruption allegations at its Mexican subsidiary

"highlight the need for enhanced oversight of Wal-Mart's corporate culture and behaviour".

Tim Goodman of Hermes told the meeting: "While we are not questioning the board's integrity, we are questioning some of what has happened within the company."

Wal-Mart rejected the proposal, saying Walton's stake in the company "provides unparalleled alignment with the interests of his fellow shareholders".

Wal-Mart is investigating the bribery allegations, as are the US justice department and the Securities and Exchange Commission.

Emphasising integrity,

Mike Duke, Wal-Mart's chief executive, encouraged the crowd of several thousand to applaud a co-worker from a Chile store who had refused a bribe from suppliers who wanted better placement for their products.

He stressed that Wal-Mart offered workers good career opportunities.

John Liu, a candidate for mayor of New York City who has been critical of Wal-Mart as the city's comptroller, said: "Concerns over Wal-Mart's global compliance practices are rising, but the board today is even less independent than it was a year ago, when shareowners called for reform."