

Contain violence

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Muhith, however, said protests and criticisms were the essence of democracy and those would be allowed. "But it deeply disappoints us when this is marred by vendetta and violence."

But political analysts say Muhith's comment is a veiled threat to government's critics and that the threat means the government will not tolerate any criticism.

In this regard, they cited the government's reaction to the criticism against the making and purchasing of subpar crests awarded to foreign friends and organisations and AL lawmaker Shamim Osman's alleged link with Nur Hossain, prime suspect of the seven-murder in Narayanganj.

They also made a mention of the dozen or so conditions that the BNP-led alliance is to meet for holding any public rallies or gatherings.

So it is difficult to believe that the government will allow criticisms or protests, the analysts added.

"It has already been proved that the government cannot tolerate any criticism. And I fear it will go tough on its critics," M Hafizuddin Khan, a former caretaker government adviser, told The Daily Star.

Prof Nizam Ahmed, a parliamentary affairs expert, echoed his view and said the finance minister's warning seemed to be a "fresh threat".

Nizam, also a teacher at Chittagong University, said the AL itself resorted to violence in the past when it had waged street agitations.

"This is the nagging political culture. So, the government needs to take

steps to change this culture," he added. To issue his warning, Muhith used the issue of economic damage caused by political violence ahead of the one-sided polls boycotted by the BNP-led alliance.

"In the run up to the 10th national election there had been a serious political unrest in the first six months of the current financial year.... These hartals and blockades were not limited to 12 or 24 hours, rather at times even continued for a week," he said.

As a result, he added, communication was disrupted, port activities came to a halt, retail and wholesale buying-selling came down to almost zero which had a debilitating effect on revenue collection.

Also, around 200 lives were lost to such violence last year, with at least 18 dying on the polling day alone.

Due to such political unrest, the target of tax revenue had to be revised downward at Tk 1,30,178 crore in the outgoing fiscal year by slashing Tk 11,000 crore, which is 1 percent of the GDP, Muhith added.

"Despite the destructive activities of the opposition, the revised estimate will be only 2.8 percent less than the original estimate determined at the beginning of the current fiscal. It means that even in adverse situation, we could sustain the momentum of ADP implementation and maintain effective cooperation with our development partners," he said.

Muhith also boasted that his party assumed power for a straight second time and thanked people for their "unflinching trust" in the AL.



Prime Minister Sheikh Hasina handing over an award for outstanding contribution to tree plantation during a programme held to mark the World Environment Day 2014 at the Bangabandhu International Conference Centre yesterday.

PHOTO: BSS

Bane, boon for consumers

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at the local production stage in order to help patients avail the expensive treatment.

Besides, especially capable and mentally challenged people will be able to receive medication services free of VAT, it says.

Muhith also wants to withdraw VAT on contraceptives at retail level to keep the price within the capacity of the common people.

The existing 10 to 25 percent duties on 41 essential raw materials of ayurvedic medicines are proposed to be reduced to 5 percent.

Hard-pressed consumers are expected to find some comfort in paying less for some food and non-food items as the budget proposes significant cuts in supplementary duties (SD).

Muhith has this time recommended a reduction of SDs on fish, frozen fish,

frozen shrimps, tomatoes, chocolates, sweet biscuits, potato chips, ice cream, perfumes, cosmetics, soap, detergents, mosquito coil, aerosol and mosquito repellents, silk fabrics, woven fabrics, track suits, brassieres, handkerchiefs, shawls, scarves, mufflers, mantillas, veils, ties, bow ties and cravats and gloves, imitation jewellery and tooth brushes.

The prices of edible oil may remain unchanged in the local market, as the minister has proposed continuing with the VAT concession on crude and refined palm, soybean and sunflower oil at the import stage until June next year. The concession was due to expire on June 30.

Locally produced diapers will also become cheaper.

The finance minister also proposed the withdrawal of the 15 percent supplementary duty on locally produced

filament bulbs to encourage their use.

Duties on multiplexer and grand master clocks used in high-speed internet connection will go down, as the budget has proposed decreasing the existing 25 percent customs duty to 5 percent.

People owning saving certificates and wage earners bonds worth up to Tk 5 lakh will not have to pay taxes on their interest incomes.

At present, savers with tax identification number pay 10 percent tax at source on their interest incomes, while those without TIN pay 15 percent tax.

Muhith has also planned to introduce some changes that may not be in favour of end consumers.

For example, the prices of mobile phones, which are not assembled locally, will go up since he has proposed imposing 15 percent VAT on them at the import stage, which is 10 percent now.

The budget proposes levying Tk 100

on a piece of replacement SIM (subscriber identity module) card.

The price of gold will also go up as the minister proposes to allow passengers to bring 100 grams of gold ornaments free of taxes under the Passenger Baggage Rules. Now a passenger can bring up to 200 grams (about 17 tolas) of gold ornaments duty-free.

Another 200 grams of gold bars are allowed on payment of Tk 150 specific duty for each tola. Muhith put forward a proposal in the budget to increase this duty to Tk 3,000 for each tola of bullion.

In a victory for anti-tobacco campaigners, the prices of all imported and locally produced tobacco products are set to increase as the minister has proposed imposing 1 percent "Health Development Surcharge".

Apart from that, medium to low range cigarettes will be costlier by two to four percentage points.

However, no tax rise has been suggested regarding high-end cigarettes.

As per the budget, the prices of 25 sticks of non-filtered bidis will be Tk 6.14 from Tk 5.35 and 20 sticks filtered bidis will be Tk 6.94 from Tk 6.05.

The finance minister proposed to double the existing 30 percent supplementary duty on Jarda and Gul.

He suggested unifying the existing two slabs of 1,501cc to 1,750cc and 1,751cc to 2,000cc motor cars into one slab of 1,501cc to 2,000cc, and proposed 100 percent SD on them along with other duties and taxes unchanged.

Likewise, the existing 250 percent SD on motor cars having capacity between 2,001cc and 2,750cc will be reduced to 200 percent, according to a proposal, decreasing their end prices.

The prices of microbuses and double cabin pickups are expected to go up, as the minister plans to increase SDs on

them to discourage import.

He proposed cancelling the truncated base value system on air-conditioned launch, bus and railway services, and instead impose the standard 15 percent VAT.

The VAT on motor garage, workshop, dockyard, photo lab, English medium school, immigration consulting service and transport contractors (except petroleum products carrying contractor) will go up to 7.5 percent from the existing 4.5 percent.

The budget also proposes to increase VAT on land development and building construction and jewellery services from 1.5 percent and 2 percent to 3 percent.

Eating out will be costlier, as Muhith has proposed raising VAT to 7.5 percent from the existing 6 percent on restaurant service (not air-conditioned).

Delay trap

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allocation for the communications infrastructure from Tk 14,226 crore to Tk 23,136 crore but did not have any new or specific long-term mass transport proposals for improving ever-deteriorating traffic situation.

Although Muhith spoke of all-out efforts to develop the transport sector and improve road safety, he said nothing about how the daunting task could be done.

Of the old projects, expansion of the narrow Dhaka-Chittagong Highway into double-carriageway is the vital one, work of which began in 2010 and was supposed to be completed last year. The Tk 3,190-crore project got extension twice and is expected to be finished in a year now.

Expanding the Dhaka-Mymensingh Highway into a four-lane one should have been completed by June last year. The project, already extended by one year, is halfway now and set to get another one-year extension.

As of 2012, Muhith claimed expansion of the highways was going on in full swing.

He was happy to name some completed flyovers, Hatirjheel project and upgrading Nabinagar-DEPZ-Chandra Road into four lanes that he said had helped mitigate traffic congestion. He however did not mention the delay in construction of the Padma Bridge, Dhaka Elevated Expressway, Bus Rapid Transit (BRT) and Metro Rail

projects.

The Tk 8,900-crore elevated expressway project is clogged in utility lines shifting, alignment complexity, land acquisition and rehabilitation even after inauguration of the work in 2012 when the cost was Tk 7,600 crore.

The first part of 20km BRT from Airport to Joydebpur is expected to begin next year while its remaining part from Airport to Sadarghat is undergoing feasibility study.

Although the 20.1km metro rail from Uttara Third Phase to Motijheel seems right on track, its construction would begin in 2016 with a completion target by 2020. Of the total Tk 21,985 crore of the metro rail cost, Japan is providing Tk 16,595 crore as soft loan, while the Bangladesh government would bear the rest.

A tunnel connecting Jahangir Gate with Rokeya Sarani would be useful, but the plan was scrapped last year after a feasibility study spending Tk 10 crore.

A tunnel under the Kamaphuli river in Chittagong would hugely benefit traffic movement and trade, but it has been shelved for a year. A Chinese firm did feasibility studies and proposed for construction. A Memorandum of Understanding is expected to be signed in this regard during the prime minister's visit to China.

The Padma Bridge that will have both road and railway links has finally been in shape with the government going to ink a deal with a Chinese firm

after a delay of four years due to corruption charges.

Like the previous years, Muhith put top priority to it as it will create a direct linkage between 19 southwestern districts with the capital, reducing journey hours and enhancing trade. The minister expressed the hope that construction of the bridge would be completed by 2018.

Upgrading the major highways into four-lane ones and construction of circular road-rail network around the capital have been talked about for years.

Terming Muhith's infrastructure plan 'old wine in new bottle', urban planner Khandker Neaz Rahman cast doubts if metro rail, elevated expressway and BRT would help ease traffic movement, saying their cost would go up further for many reasons including delay in implementation.

Prof Shamsul Hoque of Buet said he was very disappointed at not seeing anything specific about the mass transport sector and its allocation.

"I have found nothing about strategic use of existing roads to increase their operational capacity and construction of ring roads to ease traffic movement," he added.

Both of them said the budget should outline execution of the 20-year Strategic Transport Plan (STP), which was a complete solution to the city's transport system.

Tax net widens

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Advertisement on website would involve 3 percent tax at source, while travel agencies will also see 3 percent tax deduction on commission earnings and incentive bonus.

Mobile operators will have to deduct 10 percent tax during payment as revenue sharing, licence fee and spectrum fees to the authorities.

Moreover, the revenue authority will increase the rates in some of the 50-odd areas from which it already collects tax at source.

Owners who rent vehicles such as bus and truck will have to pay more tax at source during registration and fitness renewals. Higher source will be imposed on rental water vessels such as cargo and coaster during registration and fitness renewals.

Quick rental power plant operators will see their deduction of tax increase from 4 percent to 6 percent

against the sales of electricity to Bangladesh Power Development Board.

Petrol pump dealers will see 1 percent cut in earnings at the time of receiving bills from petroleum distribution companies, while petroleum refiners will see 5 percent tax deduction.

Some 3 percent tax will have to be deducted during payment of bills over Tk 5 lakh against local letters of credit.

However, some areas will also get rate cuts. The government has waived tax deduction on income of up to Tk 5 lakh for pensioner's savings certificates or wage earners development bond.

The government also raised tax-free income from dividend earning to Tk 15,000 from present Tk 10,000.

Allowances

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semi-government and autonomous bodies," said Muhith.

"We hope to implement the new pay scales gradually from 2014-15 fiscal year as per the declaration made by the prime minister," he added.

However, the minister has not mentioned any allocation in the budget to bear the additional costs once the new pay scale becomes effective.

Public servants now enjoy 20 percent of their basic salaries as dearness allowance. This might be increased by another 10 to 15 percent in the next fiscal year, said a finance ministry official, requesting anonymity.

The increase will be adjusted when the new pay scale is announced, he added.

Muhith also told parliament that a separate pay structure for employees of Bangladesh Bank and state-owned

Not enough yet

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three percent."

Bangladesh had committed to spend six percent of its GDP on education which may not be possible overnight. But it should spend at least four percent of the GDP as laid out in the

national education policy, mentioned Rasheda, also the executive director of Campaign for Popular Education.

"If we continue to increase the budgetary allocation in such an ad hoc basis, we will not be able to realise our commitments," she noted.

Education, according to experts, is a major driving force of development in any country. It has a significant role in reducing poverty in various ways, and therefore, the allocation for this sector should be hiked proportionately.

A top Rab official ordered 7-murder

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They said Masud Rana testified that after they had abducted the seven, the car headed towards Narsingdi. At one point, one of the Rab personnel called Nur Hossain over the phone from the car and asked him to clear his sand-trading post near Kanchpur Bridge as the bodies would be taken there.

Immediately after the abduction, they also contacted murder accused Lt Col (ret'd) Tareque Sayeed Mohammad, then commanding officer of Rab-11. They kept in touch with Tareque until he joined them near Kanchpur Bridge.

They reached the bridge area around 11:00pm on April 27. From there, the bodies were put in a trawler

and dumped in the Shitalakkhya river.

The sources, who wished to remain anonymous on grounds of professional and personal safety, said apart from a few minor details, the confessions made by the two former Rab officials were almost identical.

Like Maj (ret'd) Arif, Rana also said he had received directives from a top-ranked Rab official during the abduction and killing mission. "Those who work in disciplined forces such as Rab and army are obliged to follow the orders of their superiors," a source quoted Rana as saying in the statement.

Despite the confessions of the former Rab officials, none of the progress reports on the investigations,

submitted to the High Court by four agencies probing the case, mentions Rab personnel's involvement.

Attorney General Mahbubey Alam, at a press briefing at his office on Wednesday, said, "I have read out before the High Court the important portions of four progress reports of the investigations, but I have found no mention of any Rab personnel's involvement in the incident."

On Wednesday, he submitted before the HC the reports prepared by the inspector general of police, the director general of Rab, the Criminal Investigation Department of police and the seven-member committee headed by an additional secretary of the public administration ministry.

Rana was taken to court around 8:00am yesterday. He took three hours to decide whether to confess.

Around 11:00am, he was taken to the room of Senior Judicial Magistrate KM Mahiuddin where he spent the next three hours testifying. He was sent back to jail after the recording of his statement.

His five-day remand for questioning expires today.

Rana, Arif and Tareque were sent into forced retirement from their respective forces on May 6 in connection with their involvement in the gruesome abduction and killing. They were accused in the murder case on May 25 and arrested a week later at Dhaka Cantonment.

PM flies

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assistance amounting to around \$4 billion for six projects. Besides, Bangladesh would also ask for China's major role, side by side with other countries, in building the \$14 billion Sonadia deep-sea port.

Hasina will lead a 130-member delegation, which includes ministers for commerce and foreign affairs, a 70-member business team, eight secretaries of the government, and high civil and military officials.

This will be her second official visit since the premier first visited China in March 2010.

A special flight of Biman Bangladesh Airlines carrying the PM will depart Dhaka for Kunming around 7:30am.

On the way to Beijing, Hasina is expected to inaugurate the 2nd China South Asia Exposition in Kunming today at an invitation of the Governor of Yunnan Province, Li Jiheng.

She will also address a gathering of China-South Asia Business Forum in Kunming on Saturday.

During the visit, the PM would hold official talks with the Chinese Premier Li Keqiang and meet Chinese President Xi Jinping on June 9.

She will also meet Chairman of the Chinese People's Political Consultative Conference Yu Zhengsheng and hold a meeting with the Vice-Premier of China, Wang Yang.

The premier will leave Beijing for Dhaka in the morning of June 11.