

Your newspaper goes green on the World Environment Day today. Published on 100% recycled green paper, The Daily Star urges all to rally behind its longstanding environment campaigns that include 'SAVE RIVERS'.



UP

- Supplementary duties on four-stroke motorcycles to increase 15%
- Customs duty on both the raw and refined sugar will double from August
- 10 percent VAT on fees of private universities and medical colleges

DOWN

- VAT on small and medium flats to come down to 1.5% from 3% and to 2.5% from 3%
- Supplementary duties on all types of clothes to drop by up to 15%
- Supplementary duties on jam, jelly, marmalade, fruit or nut puree to fall 10%

Goal high on hopes

Muhith unwraps lofty budget, dwells on problems, gives no solution



Modi due tomorrow
Sees Dhaka visit with a sense of delight

DIPLOMATIC CORRESPONDENT

Indian Prime Minister Narendra Modi said he would go to Bangladesh with "a great sense of enthusiasm and delight" for a visit that will see the signing of a host of agreements and the announcement of

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Riyad blow for Tigers

SPORTS REPORTER

Key Bangladesh batsman Mahmudullah Riyad has been ruled out of the India series after fracturing his index finger while training at the Sher-e-Bangla National Stadium on Thursday.



Mahmudullah joined the casualty list of the injury-hit Tigers hours after inspirational ODI captain Mashrafe Bin Mortaza

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INAM AHMED

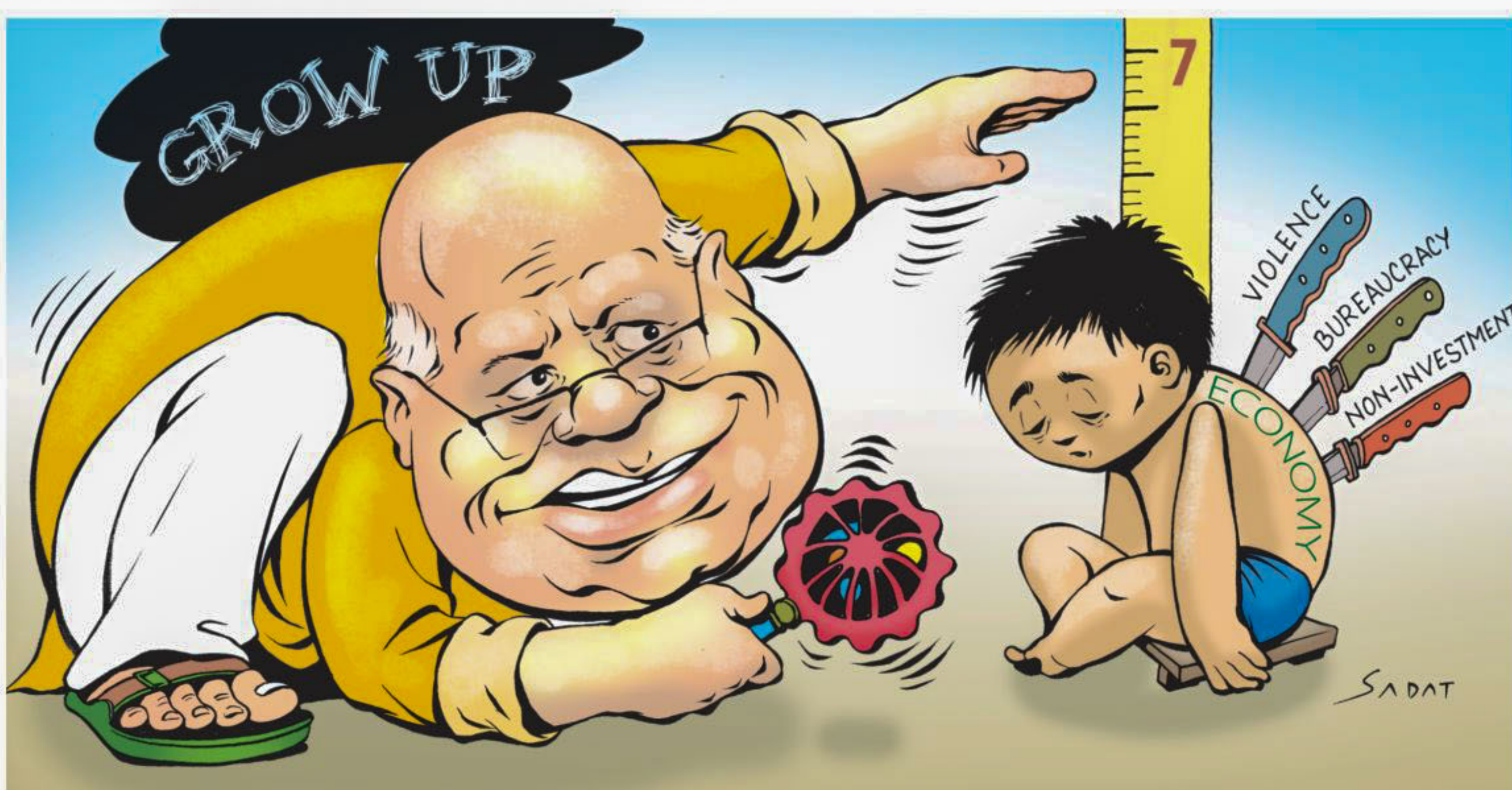
For Finance Minister AMA Muhith, it was a moment of reality check, strategizing and some shifting of blame for failure when he proposed the budget for the next fiscal year yesterday. But he fell way short in actually proposing or visualising what big things he wants to do to achieve his growth target of 7 percent next year.

He was candid and truthful when he said his plans did not gather "expected momentum" during this year and private investment was not forthcoming. But then he put political uncertainties as a scapegoat of non-achievement of targets for this year and also for possible shortcomings next year too as he mentions "making further progress hinges on favourable political environment".

In his proposed budget he did not show us how he was going to solve some of the nagging problems like easing land acquisition process, diversifying exports, goading the lethargic bureaucracy into action or increasing the inflow of foreign assistance in projects to get the elusive 7 percent growth.

His budget is stuck in the usual quagmire of big expenditure and big revenue earning. Much of the spending will be on the increase in government sector salary -- from this year's Tk 29,350 crore to Tk 45,153 crore -- and interest payment -- a sign that the government's internal borrowing is soaring rapidly (26 percent this year) as foreign funds dry up.

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TAX-FREE CEILING TK 2.5 LAKH Relief for individuals

STAFF CORRESPONDENT

Individual taxpayers, from lower income group to the super rich, are likely to get some relief in the next fiscal year as the proposed budget has eased up their tax burden.

After keeping it unchanged for two consecutive fiscal

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Be HAPPY, admin!

SHAKHAWAT LITON

In an effort to keep government employees happy, the finance minister yesterday announced a few proposals in addition to a new pay scale for them

from next month.

He, however, didn't focus on reforms in the public administration.

In his budget speech, AMA Muhith proposed setting up a commercial and development bank for the welfare of

government staffs.

According to the proposal, the "Samridhhi Sopan Bank" would be owned by public employees, and it would operate with an initial

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SCAN THIS QR CODE TO READ THE FULL TEXT OF BUDGET SPEECH



BUDGET SIZE Tk 2,95,100 cr Development Budget Tk 97,000 cr Non-development Budget Tk 1,98,100 cr		TOTAL REVENUE Tk 2,08,443 cr NBR earnings Tk 1,76,370 cr VAT 36.5% Income tax 36.8% Import duty and others 26.7% Non-NBR earnings Tk 32,073 cr
DEFICIT 5% of GDP or Tk 86,657 cr Bank borrowing Tk 38,523 cr Foreign sources Tk 30,134 cr Non-bank borrowing Tk 18,000 cr		PROPOSED BUDGET FOR FY15-16 GDP GROWTH 7% INFLATION 6.2%

TOP! QUOTE

"It is evident that the tobacco or cigarette industry pays the least amount of taxes but this industry causes extensive harm to public health."

FINANCE MINISTER **AMA MUHITH**
IN HIS BUDGET SPEECH IN PARLIAMENT

Inspiring tax-tweaking Hard to achieve

Aims to buck up stock market, investment; perks of govt staff to be taxed

Say top economists

SOHEL PARVEZ

The budget brings good news to listed and prospective listed financial institutions and companies, but not such great news for listed cigarette makers and non-listed banks, insurance and financial institutions.

Bank, insurers and other financial institutions listed with the stock exchanges are going to enjoy 40 percent corporate tax for the next fiscal, down from 42.5 percent in the outgoing fiscal year.

But non-listed banks, particularly foreign banks and insurance companies, are going to pay the usual tax rate of 42.5 percent.

For listed companies, the corporate tax rate is going to come down to 25 percent in fiscal 2015-16 from 27.5 percent at present.

However, cigarette makers listed with the bourses will have to pay a much higher tax rate at 45 percent than their non-listed counterparts, on the grounds of harming public health.

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MD FAZLUR RAHMAN

The government is likely to face mounting challenges in implementing its new budget as economists, while welcoming some new initiatives, were unconvinced about the country's capacity to execute the finance minister's ambitious plans.

"The budget targets are quite impressive, and if realised, they will do justice to the development demands of Bangladesh," said Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue (CPD).

He welcomed the cut in corporate tax, and hailed the introduction of the first-of-its-kind children budget and the continuation of the gender budget.

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Talking costs you! 5pc supplementary duty in effect already

MUHAMMAD ZAHIDUL ISLAM

Hours after the finance minister yesterday in his budget speech proposed to slap 5 percent supplementary duty on services through SIM or RUIM cards, operators brought it into effect early today.

Mobile users will have to pay the extra supplementary duty from now on while using data, making phone calls, sending SMS or MMS and taking different other

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Bad news for smokers

SAJJADUR RAHMAN

Cigarette prices are set to go up as the government yesterday proposed tax hikes aimed at reducing consumption of tobacco and maximising revenue collection from the sector.

The government proposed the floor price of Tk 19 for a low-end 10-stick

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