

# Financing biggest challenge: CPD

FROM PAGE 16  
 Implement it," said CPD Distinguished Fellow Debapriya Bhattacharya at a press briefing at Brac Centre in the capital.

The civil society think-tank shared its analyses a day after Finance Minister AMA Muhith unveiled the national budget for 2015-16 fiscal setting a target of collecting Tk 2.08 lakh crore in total revenue, which is 27.6 percent higher than the revised collection goal for the outgoing fiscal year.

Debapriya made the presentation on behalf of the CPD.

The National Board of Revenue (NBR) will have to generate 84 percent of the total targeted revenue in the form of VAT, income tax, customs and supplementary duty.

The CPD said there is no doubt that investment has to be increased to accelerate the pace of the economy and revenue collection as percentage of GDP has also to be raised. There is also no disagreement about the need for higher expenditure for the economy, it added.

The revenue target set for the next year would not be achieved, Debapriya said.

Citing past trends of revenue collection, he said collection target will fall short of Tk 30,000 crore in the outgoing fiscal. Annual Development Programmes (ADP) targets will also remain unachieved by the end of the current fiscal.

"Similarly, a large portion of reve-

nue collection goal will remain unachieved in the next fiscal year," said Debapriya, adding that revenue collection should be increased by 35 percent to attain the next year's target.

He also said the projections Muhit made are based on the revised budget, rather than on real achievements, which will be clear when the outgoing fiscal's actual data in different sectors such as revenue collection will be available.

Talking about the lack of transparency in specifying various sources of revenue collection, he said, "In the past, we saw that every finance minister shared break-up of revenue collection or loss against the budgetary measures. Why do we not get that break-up now?"

He said the government will have to depend on borrowing mainly from banks and non-banking sources to finance the coming fiscal year's budget due to deficit in revenue collection target. This will increase the interest payment burden unless the government pays attention to utilise foreign aid.

In the proposed budget, the net bank borrowing has been projected at 44.5 percent of the total deficit, up from 41.6 percent in the revised budget of the outgoing year. The flow of foreign aid was also projected to grow but the target of foreign aid flow is "almost impossible" to achieve because of slow pace of implementation, he reflected.

On tax measures, the think-tank

hailed the slash in corporate tax rate and a hike in the source tax for exporters. However, it stated that the Tk 4,000 uniform minimum tax for all taxpayers is 'unfair'.

On sector-based allocations, the CPD said allocation for the transport and communication, and power and energy sectors was expected but lamented the drop in allocation for the agriculture and health sectors. Allocation for education also remains below 2 percent of GDP.

Debapriya said increased use of foreign aid might pave the way for making use of more resources in education and health sectors, which remain neglected for lack of fund.

The think-tank believes that sufficient initiatives have not been taken in the budget to boost private investment in the country, which has remained sluggish over the past two years.

The CPD welcomed the children budget but inquired about the schemes that were shared by the finance minister in his previous budget proposals, including district budget, Audit Act for budget implementation and creation of a database for genuine fishermen.

"We are disheartened. We thought district budget is a promising initiative to strengthen local government bodies," he said.

CPD Executive Director Mustafizur Rahman and its additional research director Khondaker Golam Moazzem also spoke at the programme.

# Salahuddin

FROM PAGE 16  
 secretary general, from leaving the Shillong East Khasi Hills district and make it mandatory for him to appear before superintendent of police S Kharkrang every week.

"The order came during a hearing at the court of Additional Deputy Commissioner (Judicial) B Mawrie on acceptance of the charge-sheet submitted by police," SP Mahanta, a counsel for Salahuddin, told The Daily Star.

Subrata Acharjee, India Bureau chief of Somyo TV, told The Daily Star that during the hearing Mahanta made the case that his client, who has been sick, should be granted bail for better treatment.

On May 27, a Shillong court placed the BNP leader in judicial custody. Two days later, another court rejected his bail prayer. He had sought bail for seeking better treatment in a third country.

Later, on Wednesday, Shillong police pressed charges against him 23 days after the case was filed under the foreigners act.

Mahanta also confirmed that the court accepted the charge-sheet against the BNP leader for trespassing.

Salahuddin, 54, is now receiving treatment at North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences (Neigrihms) under judicial custody.

Police arrested him on May 11, around two months after he had gone missing in Dhaka.

Salahuddin's family members and the BNP complained that law enforcers had picked him up from a house in the capital's Uttara on March 10.

The arrestee was first admitted to a mental hospital in Shilling as police found him "mentally unstable". Later, he was shifted to Shillong Civil Hospital. On May 20, he was taken to Neigrihms for better treatment.

# Mamata in town

FROM PAGE 1  
 It is not clear whether Mamata will attend all official programmes with Modi. According to the schedule, she will hold a meeting with the Indian PM today at the Pan Pacific Sonargaon Hotel for 15 minutes from 3:15pm.

Foreign ministry officials said the West Bengal chief minister was due to attend flagging off Kolkata-Dhaka-Agartala bus service by Prime Minister Sheikh Hasina and her Indian counterpart Narendra Modi at 3:45pm.

She would also be present during exchange of Instrument of Ratification of the historic Land Boundary Agreement.

Officials said Mamata is likely to join Modi at the delegation level official talks and depart for Kolkata in the evening.

Diplomatic sources in Dhaka and New Delhi said the West Bengal CM's decision not to travel with Modi clearly shows that she was still not ready to sign the Teesta water-share deal with Bangladesh.

She is not only staying in a separate hotel in Dhaka but will also return in advance though her name on top of the official delegation list of Modi.

A couple of days ago, Mamata had said she was going to Dhaka to attend exchange of LBA instrument and claimed that the Teesta issue is not on the agenda of Dhaka talks.

Earlier, on her arrival at the Dhaka airport, Mamata told media, "Let's we all pray that relations between the two countries is further strengthened and long lasting."

"In future, the two countries will work together for the betterment of people of both countries."

She made similar comments at the NSC Bose International airport prior to leaving Kolkata for Dhaka on a regular Air India flight.

Immediately after landing, Mamata in a twitter message said, "Happy to be here and send my first tweet from here. My greetings to all my brothers and sisters in Bangladesh. The Land Boundary Agreement between India and Bangladesh is historic."

# 'Water wife'

FROM PAGE 16  
 second wife fell sick and was unable to fetch water, I married a third."

The government estimated last year that more than 19,000 villages had no access to water in Maharashtra.

# Dhaka summons

FROM PAGE 16  
 not just the current time."

Additional Secretary Mizanur Rahman reportedly told the Myanmar envoy that such remarks may make the ongoing efforts for ending the boatpeople crisis fruitless.

# Change in the air

FROM PAGE 1  
 Narendra Modi's Dhaka visit starting today.

Some more agreements are expected between the two governments, which will pave the way for regional connectivity and contribute to economic development.

Bangladesh, according to the Land Boundary Agreement of 1974 and protocol, will receive 111 enclaves with 17, 160 acres of land and cede 51 enclaves with a land mass of 7,110 acres to India.

The enclaves in Bangladesh have a population of around 14,000 while the Indian enclaves are home to around 37,000.

Those living in the Indian enclaves can either stay on their land as Bangladeshis or move to India while those in the Bangladeshi enclaves can live there as Indians or move to Bangladesh.

Centring on the exchange of enclaves and the visit of the Indian leader, politics has taken a new look in both countries.

In Bangladesh, anti-Indian politics seems to have died down ahead of Modi's visit. It is because of BNP's dramatic shift from its anti-Indian stance, one of its core political philosophies.

Instead, the party now wants to build friendly relations with India. Its high command has made hectic efforts to arrange a meeting between Modi and party chief Khaleda Zia and has eventually been successful (Modi will meet Khaleda tomorrow).

The party's senior leaders have refrained from publicly criticising the Land Boundary Agreement and the recent amendment to the Indian constitution made to implement the agreement. The party rather thanked India for doing so.

Also, BNP leaders are not blasting the Hasina government's move to sign agreements with India for connectivity.

All this makes Modi a fortunate Indian leader because during his visit he will have on his side the main force in politics that usually banks on anti-India politics.

After Indira Gandhi's Dhaka visit in 1972, he is set to be the first Indian PM to draw huge attention and generate high hopes.

But politics seems to have changed in India too, particularly in Modi's own party, BJP.

While in opposition, his party strongly opposed the Congress-led government's move to amend the

constitution to ratify the Land Boundary Agreement.

BJP government's External Affairs Minister Sushma Swaraj, the then leader of the opposition in the Lok Sabha, warned on August 24, 2013, against introduction of the constitution amendment bill.

Describing the land boundary agreement with Bangladesh as an emotional issue, Swaraj had said the BJP was firmly opposed to it.

Modi himself, in the run up to the general election last year, spoke against alleged migration of Bangladeshis to India and announced that they would be sent back. His remarks drew sharp criticisms.

But things started to change after Modi led the BJP to an overwhelming victory against the Congress.

Political analysts say Modi has realised the importance of having a good relationship with Bangladesh for India's own interest. He wants to see India as an economic powerhouse and increasingly an important player in global politics.

In this direction, India needs taking steps to ensure regional peace and harmony. Modi made a bold move in this regard by inviting all the South Asian heads of states to his oath-taking ceremony.

He focused on the implementation of long-pending land boundary agreement to remove a potential bone of contention and to turn Bangladesh into a real friend who would support India in regional politics, observed political analysts.

It is his charisma that has changed dramatically the political stance of BJP on the land boundary agreement.

And it is none but Sushma Swaraj who piloted the constitutional amendment bill in parliament. In her speech, Swaraj this time said unity on the bill sent a very positive message to Bangladesh.

When in November 1974 the Bangladesh parliament amended the constitution in order to ratify the land swap agreement, 261 MPs voted for it and seven against. Some opposition MPs even went on to describe the amendment bill as "against the country's sovereignty," according to the parliamentary proceedings.

After 41 years, the House on Tuesday unanimously passed a motion thanking India and Modi for clearing the way for the land swap.

Now it depends on the leaders of the two countries how they will work together to strengthen relations to resolve all the outstanding issues for the betterment of the two peoples.

# Shelve Rampal

FROM PAGE 16  
 Sundarbans cannot be harmed in the name of development," he said.

Prof Anu Muhammad of Jahangirnagar University said, "In every research it has been proved that implementation of the Rampal project would lead to an environmental and humanitarian crisis in the Southwest region.

"I hope the prime ministers of both the countries [Bangladesh and India] would agree on cancelling the Rampal power plant [project] to save the environment of the region and announce their decision to cancel the project now," he said.

According to experts, the 1,320MW coal-fired plant's construction in Bagerhat would turn out to be catastrophic for the ecological balance of the forest and leave people there vulnerable to natural disasters.

Indian Prime Minister Narendra Modi arrives in Dhaka on a two-day visit today.

# RMG makers slate tax hike

FROM PAGE 16  
 Manufacturers and Exporters Association (BGMEA), at a post-budget press meet at the association's office in Dhaka.

"The export-oriented textiles and garment sector is the worst affected sector by the proposed budget. The proposed 233 percent export tax hike will only hamper growth of the sector," Atiqul told journalists.

The proposed tax hike goes against the proposed GDP growth target of 7 percent, as it would hamper expansion, productivity, industrialisation and investment.

Many entrepreneurs would feel discouraged to either expand their existing operations or establish new factories due to the proposed hike in tax, he said.

Although the garment export target was set at 10 percent, it grew by 2.98 percent in the first 11 months of the current fiscal year, he added.

The apparel sector in other countries like Pakistan registered growth at

8.75 percent, India at 10.58 percent and Vietnam at 13.28 percent, he said.

Moreover, the garment exporters also have to face the challenges of major currencies falling like the Euro, US dollar and the ruble.

At the joint press conference, Tapan Chowdhury, president of Bangladesh Textile Mills Association, said the apparel sector was able to flourish to its current position mainly due to the government's support that began in the late 80's.

"With the government's support, we not only generated employment for 4.4 million workers, but we have also identified Bangladesh as the second largest garment exporter in the world," Tapan added.

Bangladesh's garment sector has been passing through a bad time due to the prolonged political crisis in the first three months of this year and the Rana Plaza collapse in 2013; as a result, the country's export growth was lower compared to other countries in the first eleven months on the current fiscal year, he said.

# Target high, but can be reached

FROM PAGE 16  
 "But I don't know what they are saying about a specific plan. The issue of implementation has been mentioned everywhere in my budget speech, since it is the main challenge."

The finance minister said the average realisation of annual development programme was 95 percent in the last five fiscal years. This year's realisation would be about 96 percent.

"So, we have made progress in the realisation due to various reforms and rules and regulations."

Special measures have been taken for the projects that are slow moving and these are reviewed every month, he said.

Despite repeated questions on defence budget and on implementation of salary hike of monthly pay order-listed teachers from this July, the finance minister said: "It is not possible to answer all questions all time. I hope you will accept it."

Replying queries on amnesty to black money, he said there are provisions in the Income Tax Ordinance that allows a person to declare illegal wealth and legalise the sum after paying penalty.

"This was there last year, is present

this year and will continue in the coming years. That's why I didn't mention it separately in my budget speech."

About the 5 percent supplementary duty on mobile phone talk time, Muhith said such duty is in practice in other countries around the world.

"The mobile industry has grown and it is matured at the moment. The industry has the capacity to give the duty."

Planning Minister AHM Mustafa Kamal hoped that the development outlay of Tk 97,000 crore is implementable with equal expenditure in every quarter.

It has become a tradition to spend around half of the development budget in the first three quarters, but the pace accelerates in the fourth quarter when 40 to 45 percent of the development outlay gets implemented, he said.

"But we are trying to get out of the practice and spend the total development outlay equally in every quarter, and if we can do it the annual development programme can be implemented properly," he said while replying to queries.

Furthermore, several reform measures have been taken to facilitate full implementation of ADP, he added.

Agriculture Minister Matia Chowdhury said farmers are getting 30 percent cash incentives on export, enjoying 20 percent tax rebate on electricity bills for irrigation, receiving agri-loans at 8 percent interest and seed loans at 4 percent interest.

"Ambitious thinking is not a bad thing to move the nation forward. Those who don't want development will think like this," said Industries Minister Amir Hossain Amu.

Information Minister Hasanul Haq Inu said it is not a "dream-budget" but it is certainly implementable.

Bangladesh Bank Governor Atiur Rahman said the government bank borrowing target will not crowd out the private sector from credit as there is enough liquidity in the banking system.

Mahbub Ahmed, senior secretary to finance division, said though budgetary allocation to the education sector in terms of GDP has been reduced for next fiscal year, the absolute figure has been increased year-on-year.

Mohammad Mejbahuddin, senior secretary to economic relations division, said per capita foreign loan is now \$160.

# Widen tax net

FROM PAGE 16  
 chambers, as it would drive some sectors to financial crises.

The garment, textiles and other export sectors are currently facing the twin challenges of the Eurozone crisis and the increased costs of compliance, MCCCI President Syed Nasim Manzur said in a statement.

Subsequently, he urged the government to reconsider its decision and push back the hiking of tax at source until the industries are on a stronger footing.

"We must recognise the state of specific sectors and their ability to pay."

The chamber welcomed the government's decision to increase the salary of government employees and expects the move will result in commensurate improvements in efficiency and service quality.

It also welcomed the budgetary proposal to reduce the corporate tax rates in some instances -- a long-standing demand of the private sector.

The proposed increase in value-added tax from 2 percent to 4 percent for superstores would be economically damaging to this emerging but struggling industry with high employment potential, Manzur said.

The chamber is also opposed to the idea of imposing VAT on tuition fees at any level, as it would take quality edu-

cation beyond the reach of the wider population.

The allocation to education and health sectors, according to MCCCI, is very low relative to the country's needs and also compared to public sector allocation in neighbouring countries. Subsequently, it called for the highest emphasis on primary and secondary education.

The Dhaka Chamber of Commerce and Industry welcomed the government move to increase the minimum individual tax-application slab to Tk 250,000, seeing the rise in living costs in recent times.

However, this could have been made Tk 275,000 to increase the number of taxpayers and the tax collector's takings, it said in a statement.

The moves to levy a 45 percent tax on cigarette makers and cut taxes related to the stockmarket were appreciated by the chamber.

DCCI expressed concern about the government's decision to borrow Tk 38,523 crore from the banking sector to finance the budget deficit, as it will impede the flow of funds into the private sector and ultimately affect growth.

The Bangladesh Chamber of Industries hailed the government move to reduce the tax on import of raw materials, as it will be helpful for industrialisation.

It also lauded the move to make cigarettes more expensive, but said steps must be taken to ensure the youth do not get attracted to cheaper but more harmful and easily available drugs.

Bangladesh Frozen Foods Exporters Association's acting president Md Golam Mostafa said the proposed 1 percent tax at source on export proceeds would create a financial crisis for the sector.

The sector has been experiencing negative growth for the last eight to nine months due to lower prices of shrimp in the global market.

Subsequently, he urged the finance minister to impose a minimum tax at source for now and gradually raise the amount.

The Foreign Investors' Chamber of Commerce & Industry said the proposed budget is somewhat challenging.

It, however, appreciated the plan to increase allocation for social security and welfare programmes. But the chamber expressed concern about the declining allocation in the health sector.

The chamber feels the proposed budget with necessary amendments will accelerate investment, and improve the business environment and socio-economic condition of the country.

**Government of the People's Republic of Bangladesh**

Directorate General of Food  
 Directorate of Food  
 Inspection, Development & Technical Services Department  
 16, Abdul Gani Road, Dhaka-1000  
[www.dgfood.gov.bd](http://www.dgfood.gov.bd)

**Invitation for Tender (Works)**  
**Tender No: 11/2015-2016**

1. Ministry/Division	: Ministry of Food.				
2. Agency	: Directorate General of Food.				
3. Procuring entity name	: Director General of Food.				
4. Procuring entity district	: Dhaka.				
5. Invitation for	: Re-Construction of Boundary Wall and RCC Road with Retaining Wall at Narayanganj CSD, Narayanganj.				
6. Invitation Ref. No. & date	: 13.01.0000.111.55.101.15.999 Dated: 04/06/2015.				
7. Procurement method	: Open Tendering Method (OTM).				
8. Budget and source of funds	: Government of Bangladesh.				
9. Tender No.	: 11/2015-2016.				
10. Tender name	: Re-Construction of Boundary Wall and RCC Road with Retaining Wall at Narayanganj CSD, Narayanganj.				
11. Tender publication last date	: 06/06/2015.				
12. Tender last selling date & time	: 21/06/2015 5.00pm				
13. Tender closing date & time	: 22/06/2015 1.00pm				
14. Tender opening date & time	: 22/06/2015 2.00pm				
15. Name & address of the office:					
(a) Selling of tender documents	: Cashier, Accounts and Finance Department (Room No. 419, 4 <sup>th</sup> Floor) of Directorate General of Food, 16, Abdul Gani Road, Dhaka-1000.				
(b) Receiving of tender document	: Everyday on office hour from publication date to 21/06/2015 and at closing date & time mentioned in Sl. No. 13 to be received: (i) In the box kept at the room No. 531, 5 <sup>th</sup> Floor, Directorate of Food, 16, Abdul Gani Road, Dhaka-1000.				
(c) Opening tender document	: The tenders will be opened on the corridor in front of the office of the Director (IDTS), Room No: 531, 5 <sup>th</sup> Floor, Directorate of Food, 16, Abdul Gani Road, Dhaka-1000.				
16. Eligibility of tenderer	: As per TDS & qualification criteria given in the tender documents.				
17. Brief description of works	: 1. Re-Construction of Boundary Wall. 2. Re-Construction of R.C.C Internal Road. 3. Construction of Retaining Wall with Bricks.				
18. Brief description of related service	: As per tender schedule.				
19. Price of tender document (Tk.)	: Tk. 1,000.00 (one thousand) only (non-refundable).				
20. Identification of lot:					
Lot No.	Name of works	Location	Tender security amount (Tk in lakh)	Liquid Asset (Tk in lakh)	Completion time (in day)
01.	Re-Construction of Boundary Wall and RCC Road with Retaining Wall at Narayanganj CSD, Narayanganj.	Narayanganj	2.00	45.00	120
21. Name of official inviting tender	: Pradip Kumar Sinha.				
22. Designation of official inviting tender	: Director (IDTS).				
23. Address of official inviting tender	: Directorate of Food, 16, Abdul Ghani Road, Dhaka-1000.				
24. Contact details of official inviting tender	: 02-9559988.				
25. The procuring entity reserves the right to accept any or reject all tenders.					