

BREAD, BISCUIT
Breakfast blues

BIDI
Made costlier to save lives

AIR COOLER
Pay more to stay cool

LPG CYLINDER
Good news for homemakers

MILK PRODUCTS
More protein with less money

LOCALLY ASSEMBLED MOTOR CYCLE
Hurrah, bikers!

Big dream, grim reality

Muhith unwraps fat budget; plagued by poor project implementation, he counts on export, remittance, VAT

INAM AHMED

Finance Minister AMA Muhith has really dreamt of a big budget in every respect -- from expenditure to revenue generation. And he no longer wants to live in the 6 percent GDP class to push beyond 7 percent.

But his big dream promises to put extra pressure on people across the board, as he plans through his VAT and other tax proposals to extract that extra penny from every pocket.

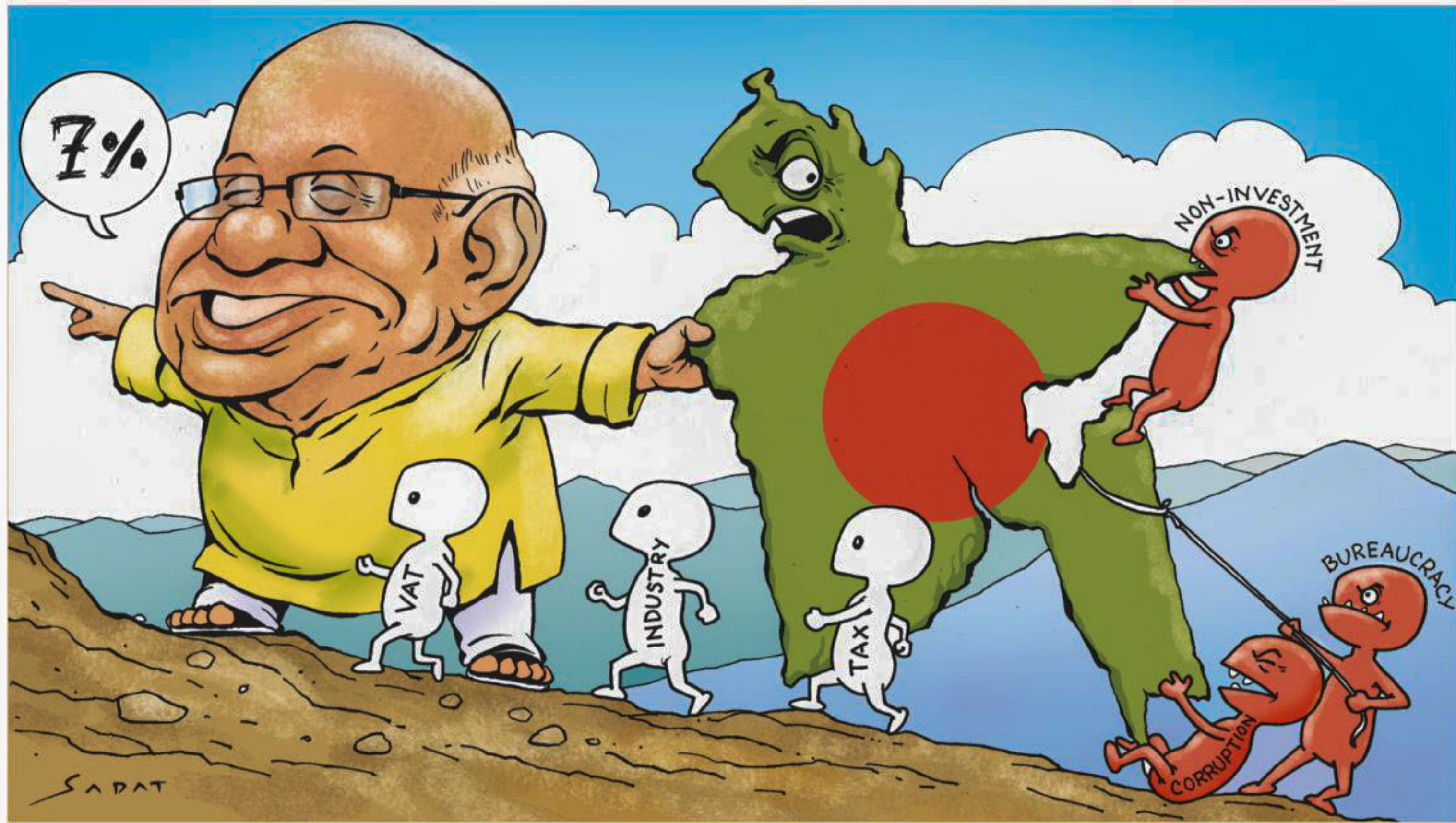
Muhith has rightly said he needs more jobs through growth and so has thought of an industrial spark through various duty measures. He has proposed to substantially reduce tax rate on the garment industry, increase tax-exempted turnover limit for small and medium enterprises and also support the real estate sector.

Industries that need protection and support have got it from him either through new measures or through extension of prevailing benefits.

But his growth recipe still looks feeble and may therefore falter, making his 7 percent growth vision difficult to come true. He wants to create jobs through growth but he has not been able to show any real promise to improve governance and other bottlenecks that bring business competitiveness.

He has seen a higher ADP spending as key to growth, but

SEE PAGE 7 COL 2



Mobile bills to go up

Supplementary duty on services increased

MUHAMMAD ZAHIDUL ISLAM

The cost of using a mobile phone would go up by more than two percent as the proposed budget looks to hike the supplementary duty on SIM usage.

Senior executives of carriers said they had already brought supplementary duty into effect early today.

The National Board of Revenue (NBR) yesterday evening issued a Statutory Regulatory Order (SRO) to this effect, shortly after the finance boss's budget speech was over.

Carriers complied with the SRO and have started

SEE PAGE 13 COL 6



Education gets a big boost

WASIM BIN HABIB

The government broke with its tradition in education by boosting the allocation 32 percent year-on-year to Tk 49,009 crore for the next fiscal year.

The amount is 2.4 percent of the GDP (gross domestic product) and 14.38 percent of the total outlay.

SEE PAGE 7 COL 5

Focus on fast-track projects

HASAN JAHD TUSHER

The government has given top priority to eight fast-track mega projects in the upcoming budget, setting aside Tk 18,727 crore for them.

For the first time, a special booklet titled "Mega Projects in Transforming Infrastructure: New Dimension in Accelerating Growth" was placed in parliament, along with the proposed budget.

The booklet outlined different

aspects, financing and implementation of the "economy transforming projects" which will cost a total of Tk 161,268 crore.

The mega projects are the Padma bridge, metro rail,

SEE PAGE 7 COL 5

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



BUDGET SIZE
Tk **3,40,605**cr

Development Budget
Tk **1,10,700**cr

Non-development Budget
Tk **2,29,905**cr

DEFICIT
5% of GDP or
Tk **97,853**cr

Bank borrowing
Tk **38,938**cr

Foreign source
Tk **36,305**cr

Non-bank borrowing
Tk **22,610**cr

TOTAL REVENUE
Tk **2,42,752**cr

NBR earnings
Tk **2,03,152**cr

VAT **35.8%**

Income tax **35.4%**

Import duty and others **28.8%**

Non-NBR earnings
Tk **39,600**cr

PROPOSED BUDGET
FY16-17

GDP GROWTH
7.2%

INFLATION
5.8%

TOP!
QUOTE

"In reality, we have made remarkable strides in realising the dream of the vision 2021. Now, making further progress hinges on favourable political environment."

FINANCE MINISTER
AMA MUHITH
SAID IN HIS BUDGET SPEECH

Middle-class hit by tax burden

SOHEL PARVEZ

Ariful Islam has been paying taxes regularly for the last several years on the income from his employment as a banker.

After providing for his five-member family, the 36-year-old tries to invest in savings instruments or buy primary shares to safeguard his future.

But his investment decision does not depend only on his family budget; it also depends on the tax measure. And the one in the upcoming fiscal year is set to squeeze his investment scope.

Islam will get 15 percent tax rebate on 20 percent investment of his total income, down from 30 percent this year.

SEE PAGE 16 COL 1

Revenue target very ambitious

Say economists

While economists have praised the proposed budget's emphasis on mega projects, skill development and job creation, they have termed the revenue generation target very ambitious.

"The emphasis on mega projects is appropriate and timely. But the success will hinge on their implementation,"

SEE PAGE 16 COL 1

Tobacco tax to benefit multinationals

Low-end products get costlier

STAFF CORRESPONDENT

Multinational tobacco companies will benefit from the proposed budget as the finance minister has not increased the prices of medium and high segment cigarettes.

This goes against public

New jobs to stay elusive

SARWAR A CHOWDHURY

The parameters of employment generation show it would be a tough task for the government in the next fiscal year to create adequate jobs, which is a key element for higher economic growth.

A slowdown in private investment, checking declining trend in remittance and transforming potential workforce into skilled manpower will be major challenges for the government.

In this situation, experts say, the government should formulate a proper plan for the future employment

generation and figure out how it will be done and in which sector.

The finance minister identified inadequate employment generation as a major concern in his budget speech yesterday.

"Answer to this problem is ensuring higher growth and in tandem, ascertaining fair distribution of income growth to establish an equitable society. This is, by no means, an easy task."

The minister also stressed employment generation growth in various sectors to attain the targeted 7.2 percent

GDP growth in the coming fiscal year.

But he did not elaborate or mention any specific plan how to accelerate sector-wise employment generation, especially focusing on the youth group.

The unemployment rate stood at 4.3 percent at the end of September last year, according to Bangladesh Bureau of Statistics (BBS) Labour Force Survey.

Rushidan Islam Rahman, research director of Bangladesh Institute of Development Studies, said the budget

SEE PAGE 6 COL 2

3 TIMES THE SPEED & POWER

P6 PRO 3GB

3 times more processing power

Run 5 times more background APPs

• 5.5" HD IPS Display • 1.3 GHz Quad Core (64bit)

• 3GB RAM • 16GB ROM • 13 MP + 5 MP Camera

Price: Tk 10,490

NUMBER 1 SYMPHONY BANGLADESH BRAND

ONE YEAR WARRANTY

A Product of Group

www.symphony-mobile.com

www.facebook.com/symphonymobile

SYMPHONY
new experience