

## Ramadan prices up as usual!

### No one to look after consumers

REGULAR as clockwork, prices of essentials started to rise well before the month of holy Ramadan. This time round, the question is what the authorities have been doing all this time as prices started their unnatural spiral upwards? Everything across the board from chickpea, sugar, garlic and khesari pulse are up. According to what has been printed in this paper, sugar is trading at a price that is 20 per cent higher than a month ago, chickpea price rose by 14.20 percent and so on and so forth. It has become the norm for market syndicates to manipulate prices and raise them ahead of the month that has everything to do with frugality and charity.

Not so in Bangladesh, especially in the capital city where people have become resigned to the fact that they have to tighten their belts once again. So where are the authorities? It is not as though that this news is a bolt from the blue. Indeed, a market analysis by the commerce ministry in mid-May found supply of common iftar items was enough to last the month. So, what exactly happened to that supply? Even a blind man on the street knows of these powerful syndicates that control demand and supply of food items who have gotten so good at their game that retail prices rise at the same level across kitchen markets in the city.

How many more Ramadans must the faithful endure where prices skyrocket for no good reason? Is it impossible to ask for a month of reprieve for the faithful so that they may break their fast in peace with their loved ones where there is enough to feed everyone.

## Khasis in fear of eviction

### Ensure their right to land

WE are outraged by the government notice that demands the Khasis of Nahar Punjee in Moulvibazar to vacate the hillocks in which they have been living for generations within a week. The members of this ethnic minority have been paying the government taxes for the acres of government land they occupy to run betel gardens. In Khasi society the land belongs to the collective, because of which they might have never thought of registering the land they inhabit. The government's decision will effectively evict 700 Khasis, among which are women, children and the elderly. The children's educational life will be hampered and the sick among them might witness their health deteriorated. On top of it all, it will render them homeless as the Khasis in the area have never called any place home other than the Punjee. The government seems to have no plans for their rehabilitation. Where, we ask, are they supposed to go?

We must not forget that Bangladesh is home not only to the Bengali people. From Khasis to Biharis, Santals to Murongs, the country is rich and diverse both ethnically and linguistically. It is disquieting to see that Khasis and other ethnic communities are increasingly falling victim to eviction and land grabbing.

The government should ensure access of landless and marginalised communities to government-owned khas land, rather than evict them from the land in which they have lived for generations, and as such, are entitled to. Failure to do so would only aggravate the plight of these communities and add to their socio-economic marginalisation.

# The 10th Surprise



**KNOT SO TRUE**  
RUBANA HUQ

WHEN you go to a Chinese mall, you haggle to the last cent. I remember being rudely pulled aside and being told by a Chinese vendor at a mall in Shanghai that I had no right to bargain any further and that I would have to take the little bag that I had picked. Shocked, I walked away with the item at his initial price. When the 10th budget of our Honourable Finance Minister was being announced, I felt like what I had felt in the Shanghai mall years ago. The only exception was that our honourable Finance Minister was not a Chinese vendor and all I hope is that he will have more empathy for the average readymade manufacturers than what he reflects in his 10th plan. If he expects the manufacturers to begin pleading with him to bring down the source tax from 1.5 percent, then we have no steam to do so. It is impossible to bargain for life when the death sentence has already been announced. And in order to enter into a plea bargain for a life sentence is not a rational expectation.

A little detail will help clear the scene. Currently, the source tax stands at 0.6 percent. In case a small factory of four lines sells shirts for US\$4.00 per piece, and makes 100,000 pieces a month, then on a yearly basis, the source tax for that small factory used to come to around Tk. 23 lakhs on a yearly basis. Today, if the source tax is increased to 1.5 percent, it will automatically become Tk. 57 lakhs. The extra \$42,000 would impact the CM (cutting and making) charges and per piece cost would have to increase by at least 5 cents. Does the honourable

finance minister really think that an average factory will be able to afford or negotiate this? My guess is that most of us from the sector may have risen our voices against the irrational corporate tax of 35 percent. Having done that, the FinMin has very kindly considered that and as a result, most of the big manufacturers will be able to save on taxes. But for those who don't have huge exports and do not have bigger factories, will bleed to death.

### Why should source tax be lessened to 0.3 percent now?

1) **Exports not growing as expected:** Bangladesh's RMG sector is facing serious uncertainty, as our exports are not growing at the rate we expect it to grow. As for the US, the latest figures from the US' Department of Commerce's office of Textiles and Apparel (OTEXA) indicates that the volume of US apparel imports from all sources has declined by 1.6 percent year-on-year in April. As for the individual suppliers, China has registered a 10.2 percent growth and export to US with Vietnam recording a 5.9 percent to 244m SME (square metre equivalent), and Bangladesh ranked third with a decline of 7.4 percent to 140m SME. Overall US import was down by 4.2 percent in April on a year-on-year basis.

2) **Still not competitive when it comes to supply base and skills:** Bangladesh has a long way to go to achieve standards that China has when it comes to product efficiency and capacity. Betting on 4,322 factories to take Bangladesh to a \$50 billion mark by 2021 is a long shot, especially when no new entrepreneur will be encouraged to invest in RMG with taxes soaring as they are, whereas China will maintain its lead over world manufacturing for the next two

years, as the latest Caixin China Manufacturing Purchasing Manager's Index (PMI) rose to 49.7 percent in March from 48 percent in February.

### 3) Costs of production increasing in Bangladesh:

Every factory has been experiencing additional production costs because of the compliance requirements. Even a small factory of four production lines is incurring at least half a million dollars to implement the bare minimum requirements of compliance. This will directly impact the manufacturer's pocket. To put it simply, in a year, a manufacturer of the four lines factory is having to take a hit of 41 cents per piece for only remediation. Where is this extra money going to come from?

### 4) The sector needs to diversify into value added products:

For this, Bangladesh needs a Technological Upgradation Scheme (TUF) set up by the government so that the sector transitions to a better manufacturing phase. Instead of providing assistance to skill and product up-gradation, if the sector is slapped with taxes that impact average manufacturing units, then exporters would lose their zeal, and there would be no further incentive to either enter or sustain in this business.

The Honourable Finance Minister needs to be kindly told that the year on year costs of RMG has gone up and while the big exporters (maximum 200 factories out of total 4,322 in number) enjoy the cut in the corporate tax, the manufacturers of the next tier and the smaller ones will suffer the most. We all need to remember that it is not the big factories that support the economy, rather it is the toil of many small manufacturing units that keeps the economy alive.

The readymade garments sector is always being showcased as the perfect poster child of Bangladesh. All the talk about three million women being employed by the sector and the 80 percent contribution to national export figure and all that have become a staple content of an international conversation. But when it comes to real promotion and incentives, the sector is given the least consideration and attention.

As a part of the promotion, there was a trade expo in Bangkok just a week ago. With the trade deficit soaring between the two countries, it was an initiative that nevertheless deserves mention. The current trade volume stands at \$27.10 million in 2015, which can easily be quadrupled if in case there is direct coastal link and if, just if, the import tariff on apparel in Thailand is slashed with consideration. The expo also featured a beautiful fashion show by designers from Bangladesh who flaunted silk and muslin. While I watched the show and took pride in our heritage, a part of me sank to new levels as when on one hand Bangladesh was being promised as the next land of choice for apparel sourcing, on the other, unfriendly and unforgiving policies will finally kill the goose that at least has been laying silver eggs till date. The readymade garment sector needs to be nursed back to health and not be put on a crucifix at a budgetary altar of sacrifice. A sector that has grown from an export of \$35 million in the 80s to \$25 billion today, a sector, which has grown from 384 factories to 4322 in less than four decades, can perform miracles if only the government stands by its side.

The writer is Managing Director, Mohammadi Group.

# New Education Budget: To fit the purpose

MANZOOR AHMED

THE Tk. 49,000 crore or US\$ 6.3 billion allocated for education, when divided by the estimated 40 million students in the country, amounts to Tk. 12,000 per student public spending for a year or about US\$ 150 on average for all levels of education.

The allocation for the Ministry of Primary and Mass Education means that the government may spend about US\$ 120 for each primary level student, which is one-third of the average for South Asia. Per student primary school spending in the US is \$11,700 and the average for OECD countries is \$9,000.

While the increase in education allocations from the previous years is welcome, the positive trend must continue with a medium term plan to significantly increase education spending. The benchmarks recommended for the Sustainable Development Goal (SDG) 2030 and Education 2030 are 4 to 6 percent of GDP and/or 20 percent of the national budget.

The Minister of Finance listed various government achievements - formulation of curriculum, printing of books, recruitment of about 35,000 teachers, and introduction of pre-primary education in all primary schools. He has also mentioned a plan to recruit another 3,000 teachers and provide them with training. The budget speech reported an increase of primary education stipend-recipient to a total of 1.3 crore children.

Recruitment of 3,000 teachers would not make up for the annual turnover of teaching personnel leaving the system. Stipends to attract students can be helpful to the extent schools and teachers perform. It does not help when substantial spending on stipends undercuts essential inputs for teaching quality.

Although the minister admitted that there was a significant gap between the need to build more classrooms (he mentioned 63,000) and the initiatives taken with many schools in dilapidated conditions, a paltry sum of Tk. 200 crores was allocated along with a plea that private sector initiatives were urgently required to meet this deficit.

He further states that to achieve "illiteracy-free Bangladesh," the

government is "planning to formulate a sector-wide programme for the non-formal education sector with a view to imparting basic literacy and life skill training to illiterate people of 15-45 age group." This is a topic that has been much talked about, but the concerned authorities, wedded to a conventional campaign approach and reluctant to build partnerships with NGOs and communities, have failed to get it off the ground.

In order to extend quality education and inculcate creativity in students, the minister proposed the continuation of the creative question-based examination system, introduction of ICT training and establishment of resource centres and multimedia classrooms. But there was

continuation of the status quo with some expansion within the existing structure.

A hint of imagination and vision can be found in parts of the Finance Minister's speech, not specifically within the education sector, where he expounds on some ideas he espouses, which may not necessarily be vigorously endorsed by the line ministries.

Mr. Muhiith spoke about a child-focused budget and introduced a report titled 'Blooming Children: Prosperous Bangladesh', based on expenditures of seven ministries which have programmes for children. Whether this initiative will bear fruit will depend on what is being done by the concerned ministries to critically look at their budgets and realign them towards addressing children's

competencies in language, math and science. Secondly, the skill training providers must meet basic standards in quality and relevance. Bangladesh faces great challenges in both of these areas.

The Finance Minister was blunt in saying that the existing local government system seems to be the main impediment to progress today. He advocated the devolution of power, not just decentralisation, and reforms in the local government system to make the transition to the district government system easier. But, not much by way of practical steps in budget making is evident for even a pilot initiative to move towards a district budget and government. Could a beginning be made in the education sector with district and upazila-based planning and management of primary and secondary education?

How can the logjam be broken in the concerned ministries which remain bogged down with day-to-day housekeeping, with little time and capability to look at the structural issues and take a longer term view? This basic limitation is reflected in the budget statement and the allocation proposals.

The Finance Minister noted that the formulation of an action plan to implement the SDGs is underway, adapting and aligning these to national priorities.

Mr. Muhiith mentioned aligning SDGs with ministry/division performance indicators within the Medium Term Budgetary Framework with such performance indicators being included in the Annual Performance Agreements of ministries/divisions. The Principal Secretary at the Prime Minister's Office has been put in charge of this process, the minister informed the Parliament.

This process can be a routine bureaucratic exercise within the government agencies, quite within the existing pattern and structure. It could also be a way of looking ahead to the future and thinking creatively, if the process is opened up with the active participation of civil society, NGOs and academics who are all stakeholders in the future of the nation. Resources and energy of people then can be directed to fit the national agenda.

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PHOTO: STAR

little recognition here of the misgivings among experts and academics about how these are actually working.

In respect to higher education, the minister spoke about a number of specialised public universities that have already been established and more new technical universities which are to be set up. Expansion, without tackling the problem of serious quality deficits and management problems generated by out-of-control politicisation, obviously cause more harm than good.

It can be argued justifiably that a budget statement is not a manifesto of change and reforms, unless the implementing ministries and government policies put these high on their agenda. We, therefore, essentially see a

needs.

The Finance Minister noted that the working age population in Bangladesh is steadily rising and will keep growing till 2043. He mentioned the initiative to set up a National Human Resource Development Fund (NHRDF) and processes for setting up the National Skills Development Authority (NSDA) to be completed this year. Skill development ideas and programmes have been placed with the Parliament in a booklet titled 'Skill Development: A Priority Agenda for Accelerated Growth'.

Two preconditions have to be met for these initiatives to bear fruit. The quality of basic education at primary and secondary level has to be such as to enable students to acquire basic general

## COMMENTS

### "SP's Wife Killed In Ctg"

(June 6, 2016)

**Nazrul Islam**

We strongly condemn the killing of an honest and brave police officer's wife. The killers must be traced and punished immediately.

**Sajid Rashid**

We are speechless. Nobody is safe in the country anymore. We want the maximum punishment under law for each and every murder.

## LETTERS TO THE EDITOR

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### Long term Indian visa

We thank the Indian High Commission at Dhaka for relaxing visa requirements to some extent. We request the consular section to extend the co-operation further to strengthen relationship, increase trade and commerce and promote tourism. Senior

citizens, frequent visitors to India, persons holding US, UK, Canada, Australia and Schengen visas may be given long term visas preferably for 5 years. The move will contribute greatly to the economy of India. **Dr. SN Mamoon Dhaka**

### Safety should be the top priority

The deaths of so many mountaineers attempting to scale the Mount Everest is unfortunate and sad. However, we have to dig beneath the surface to identify the real causes behind such unfortunate loss of lives. It is important that mountaineers go through adequate training and they use high quality gear. The oxygen cylinders provided by

agencies need to be checked and made sure that the volume of oxygen provided in not less than what is being advertised on the cylinder tag/label. Last but not the least, it should be made sure that these agencies have proper licenses and permission to operate. **Saikat Kumar Basu AB, Canada**

### Apps should be used wisely

Facebook, Skype, Twitter, Whatsapp, Imo, Messenger and various other apps help us to communicate with our kith and kin home and abroad. But excessive use and abuse of these applications bring negative effects on the user as well as others. Excessive use can lead to

eyesight problem, depression, etc. Also, there are people who abuse these apps and commit various crimes by using fake IDs. Users should be more prudent in using them. **Md. Selim Reza Student Jahangirnagar University**