

Star BUSINESS

DHAKA FRIDAY JULY 1, 2016

Education gets highest outlay

Tk 340,605cr budget passed in parliament

STAR BUSINESS REPORT

The parliament yesterday passed the budget of Tk 340,605 crore for fiscal 2016-17, with the highest allocation given to the education ministry, bucking the trend of the previous years.

Usually, the local government division or the defence ministry get highest allocation. For instance, in the outgoing fiscal year the local government division received highest allocation.

The education ministry got Tk 26,857 crore, followed by the primary and mass education ministry at Tk 22,162 crore.

The defence ministry got the third highest allocation of Tk 22,115 crore and the local government division Tk 21,326 crore.

Among other significant ministries and divisions, the home ministry received Tk 19,285 crore, health ministry Tk 17,516 crore, agriculture Tk 13,678 crore and the power division Tk 13,062 crore.

Finance Minister AMA Muhith brought in some changes to the budget he proposed on June 2 in his concluding remarks on Wednesday.

In his wrap-up speech, Muhith said many described the budget as an ambitious one and

BUDGETARY ALLOCATION	
Ministry/Division	Allocation in crore tk
Education	26,857
Primary & Mass Education	22,162
Defence	22,115
Local Government	21,326
Home	19,285
Health & Family Welfare	17,516
Agriculture	13,678
Power	13,062
Food	12,097
Railway	12,052
Road Transport & Highways	10,910
Bridge	9,288

expressed doubts about its implementation.

"These criticisms and doubts are baseless -- the country has been progressing and its implementation capacity rising."

He said the government will take several steps from next fiscal year to ensure that the allocations for the ministries and divisions are properly utilised.

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Most garment workers receive Eid bonus

Industrial police say

REFAYET ULLAH MIRDHA

More than 75 percent of the garment factories have paid Eid festival bonus to their workers, while 20 percent have also given the salaries for the month of June, said the industrial police yesterday.

"This year the payment system is better for the workers -- we do not see any possibility of untoward incident. Every factory owner is paying the workers ahead of Eid," said Abdus Salam, director general of the industrial police department.

The industrial police targeted 150 factories that they felt might fail to pay the bonuses and salaries to their workers ahead of Eid.

"However, all of them have started paying," Salam said, adding that he is hopeful all factories will clear their dues to workers by July 4, the last working day before Eid-ul-Fitr.

Sirajul Islam Rony, a former member of the minimum wage board for garment workers, reiterated the same.

"Workers are saying that they are receiving the bonus timely and their factory owners have assured them of full pay and bonus on July 4."

Since the issue of bonus is not mentioned in the labour law, the factory owners are taking the liberty and paying whatever amounts they like, he said.

The issue of bonus got a mention in the rules for the labour law, where it is stated that the bonus for garment workers cannot be more than their basic salaries.

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Loftier target for NBR

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The revenue authority is all set to chase a mammoth tax collection target in fiscal 2016-17, which starts today, after making improvements in the pace of collection in the just concluded year.

Taxmen collected Tk 154,783 crore in fiscal 2015-16, up 14 percent year-on-year or Tk 4,783 crore more than the target, according to preliminary data by the National Board of Revenue.

Revenue collectors now have a target of Tk 203,152 crore for fiscal 2016-17, meaning they have to post 31 percent growth over the amount collected in the outgoing year.

"You may log 15 or 20 percent higher collection growth. But it will not be possible to attain more," said Ahsan H Mansur, executive director of the Policy Research Institute, a private research organisation.

The collection might fall Tk 20,000 crore short of the target, according to his estimates. "There was a higher revenue collection prospect from some sectors, but that faded after tax cuts in those sectors," he said, citing the cutback of source tax to 0.7 percent on export receipts from the proposed rate of 1.5 percent for fiscal 2016-17.

Mansur said some Tk 2,500 crore would have come had the government fixed the lowest slab of cigarettes at Tk 27 in line with their

TREND OF REVENUE COLLECTION



proposal, instead of Tk 23 for every 10 sticks.

A reduction in the source tax rate would also deprive the state of additional revenue.

Taxmen earlier predicted that imposing 1.5 percent source or withholding tax on exports would allow them to get nearly Tk 4,000 crore in tax receipts in the new fiscal year, up from about Tk 1,500 crore last year.

A lot depends on the implementation of the annual development programme, Mansur said. "A higher execution of ADP will bring in more revenue."

However, NBR Chairman Md Nojibur Rahman, in a statement on June 29, expressed hope that it would be possible to hit the target.

Finance Minister AMA Muhith, at a post-budget briefing on June 3, also said the revenue target would be achieved.

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BTRC inks deal with Microsoft for cyber threat info

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The government yesterday signed a deal with Microsoft Corporation to get free real time information about cyber threat, which will allow it to protect its entities and combat dangers.

Shahjahan Mahmood, chairman of Bangladesh Telecommunication Regulatory Commission (BTRC), and Sonia Bashir Kabir, managing director of Microsoft Bangladesh, signed the agreement on behalf of their respective parties at the telecom division in Dhaka.

Under the three-year nonbinding and nondisclosure agreement, the US-based technology company will share real time information with the government about cyber threats.

"Now it will be easy for us to detect probable cyber threats targeted at Bangladeshi establishments," said Tarana Halim, state minister for telecom, who was also present at the event.

Initially, Microsoft will provide information about potential threats to government offices, Tarana said.

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People crowd a bank branch in Dhaka yesterday as the rush for cash withdrawals begins ahead of Eid.

WB gives \$200m to help improve health systems, living standards

STAR BUSINESS DESK

The government yesterday signed two financing agreements worth \$200 million with the World Bank to improve health systems and delivery of health services and the living standards of the urban poor in selected municipality areas.

The \$150 million additional financing to the Health Sector Development Programme will continue to support the government to mitigate health sector challenges, the multilateral lender said in a statement.

The programme will also help in sustaining and improving immunization coverage; further improving deliveries for pregnant women at public health facilities; tackling multi-drug resistant tuberculosis and strengthening health systems.

"These two financings will help Bangladesh improve the lives and living standards of its population," said Zahid Hussain, acting World Bank country director for Bangladesh.

The additional financing for the Health Sector Development Programme will contribute to building a healthy nation, in particular, the financing will enable the poor access better health services.

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Wheat imports hit a record high

SOHEL PARVEZ

Wheat imports crossed the 40 lakh-tonne mark for the first time in the outgoing fiscal year, buoyed by low international prices and increased demand from food manufacturers, said operators.

Wheat arrivals rose 11 percent year-on-year to 42 lakh tonnes in fiscal 2015-16 -- the highest in the last three decades -- with the private sector accounting for 88 percent of the imports, according to data from the food ministry.

"This is because wheat consumption is going up," said Tariq Ahmed, director of operation and marketing of TK Group, a large commodity importer and processor based in Chittagong.

The expansion of bakery and confectionary industries has raised the demand for wheat. "The food sector is growing by 15-20 percent a year, so consumption will go up further," he added.

"Expansion of fast food restaurants and a growing export-oriented food processing sector suggest that Bangladesh is an emerging market for higher protein wheat," said the US Department of Agriculture in a report on wheat milling in Bangladesh.

For the last four years, local farmers have been growing the cereal on more lands, raising total production to 13 lakh tonnes on an average.

But local production could meet only one-fourth of the annual demand of nearly 50 lakh tonnes, according to industry analysts.

The domestic demand for wheat has been growing by 2-3 lakh tonnes a year, said Md Badrul Hasan, additional director general of the Directorate General of Food.

The daily per capita wheat consumption grew 116 percent to 26 grams in 2010 from 12 grams in 2005, according to Bangladesh Bureau of Statistics' Household Income and Expenditure Survey 2010.

Consumption of the grain has soared both in urban and rural areas during the period, with the rural areas recording 192 percent surge, it said.

Hasan said the private sector has been taking advantage of the low prices in the global market and importing large quantities of wheat.

"The higher arrival of wheat has created a downward pressure on the prices of wheat and rice," he added.

For instance, yesterday, wheat flour -- both packaged and unpacked -- traded 9 percent lower at Tk 25-Tk 34 each kilogram at the retail level in Dhaka from a year ago, according to Trading Corporation of Bangladesh.

The current lowest price of wheat flour is Tk 5 less than the lowest price of rice at Tk 30 per kilogram, according to TCB.

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TREND OF WHEAT IMPORTS
In lakh tonnes



GP employees allowed to form union

STAR BUSINESS REPORT

Employees of Grameenphone can now form trade union to protect their labour rights, according to a court order.

The Labour Appellate Tribunal in Dhaka yesterday allowed an appeal of Grameenphone Employees' Union to this effect.

"Allowing the appeal of Grameenphone Employees' Union means the Labour Directorate must register the trade union now so that it can operate its activities officially," Tapos Kanti Baul, a lawyer for the union, told The Daily Star yesterday.

The employees' union applied for registration in 2012 with the Labour Directorate but it rejected the application. When the union challenged the decision, Labour Court-1 upheld the Labour Directorate's decision, said AKM Nasim, another lawyer for the union.

The union then challenged the order with the Labour Appellate Tribunal, and the two-member bench of the tribunal led by its Chairman Justice Md Shamsul Huda yesterday granted the union's appeal.

"The timeframe to give registration to Grameenphone Employees' Union by the Labour Directorate can be known after the release of the full verdict."

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Goethe-Institut Bangladesh sucht für sein Büro in Dhaka eine/n

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Bewerbungsfrist: 22.07.2016

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