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MEGA PROJECTS

Go slowly, get costly

M ABUL KALAM AZAD and HASAN JAHID TUSHER

Be it construction of a road, a sea port or a power plant, almost all projects go through delays and cost escalations, a problem that does not only hold back economic growth, but create scope for corruption as well.

The core reason behind this is said to be the inefficiency of those involved from planning to implementation. In most cases, budget allocations for these projects could not be spent.

Still, the government proposed Tk 30,614 crore (one-fifth of total ADP) for six mega projects in 2017-18.

Over the last several years, the government took up development projects but failing to implement many of them on time.

With a view to implement projects quickly, the government took up 'Fast Tract Projects' in 2014 and primarily listed six mega projects for quick implementation.

Most of these projects, however, are far behind schedule. And the exception is Padma Bridge.

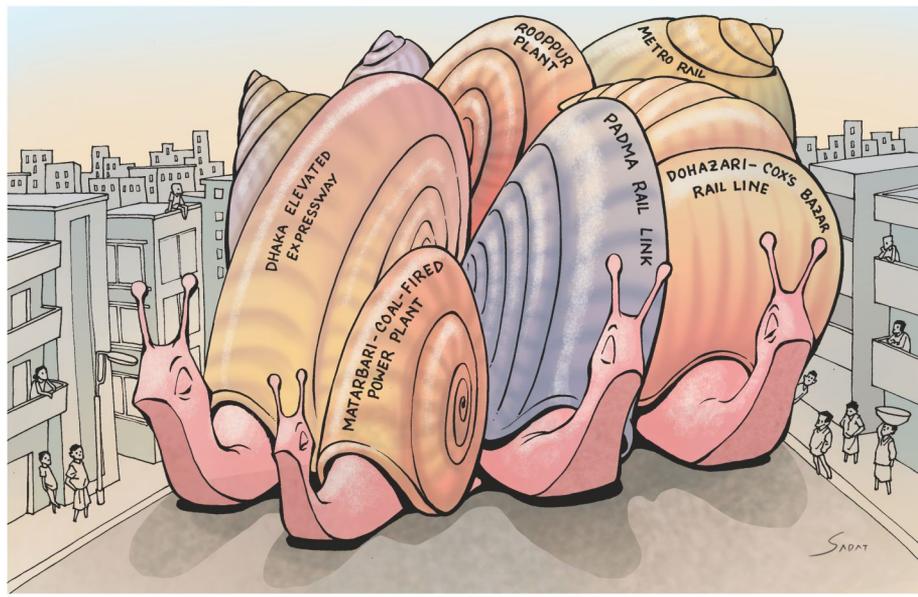
Forty-three percent of the total work of the bridge has so far been completed and when all is done, the bridge is expected to add 1 percent to the GDP.

The other projects have seen less than 10 percent progress.

President of Dhaka Chamber of Commerce and Industry (DCCI) Abul Kasem Khan believes implementation of the mega projects would hugely improve the country's infrastructure, increase energy and export-import that will significantly boost the GDP.

"Considering this potential, the government must give

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PROBLEM IN EDUCATION

Quality not priority

WASIM BIN HABIB

Although the government has increased budgetary allocations for the education sector over the years attaching top priority to it, the allocation is still inadequate for ensuring quality education.

It is because a large portion of the education budget is spent on non-developmental purposes, mainly for teachers' salaries, leaving little scope for investing in quality education.

In his budget speech, Finance Minister AMA Muhih proposed an allocation of Tk 50,432 crore in the budget for 2017-18 fiscal

year for education sector, raising the allocation by around 14 percent from the outgoing fiscal year.

The amount is 2.2 percent of the GDP (gross domestic product) and 12.6 percent of the total outlay.

In the revised budget of the previous fiscal year, the allocation for education was Tk 44,260 crore.

The finance minister yesterday set aside an allocation of Tk 28,410 crore for the two newly created divisions under the education ministry and another Tk 22,022 crore for the primary and mass education ministry.

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Ambitious, populist with eye on polls

WAHIDUDDIN MAHMUD

If the past record of budget implementation is any guide, the proposed budget definitely looks ambitious in terms of both revenue targets and development spending. There are obviously some elements of macroeconomic populism given the prospect of upcoming general elections, but there seems to be also some genuine concerns regarding the need for higher social spending on health, education and social safety nets. It is for meeting the larger allocations for such spending, along with the self-imposed discipline of keeping the budget deficit within 5 percent of GDP, that the budget arithmetic had to be based on an ambitious target for revenue mobilisation.

For the last few years, total investment in the economy, private and public combined, has lagged behind domestic savings.

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Stick to basics

Middle class requires new survival plan amid aggressive tax plan

MOHAMMAD AL-MASUM MOLLA and MAHRUBUR RAHMAN KHAN

Razin Rahman, a school teacher, returned home yesterday full of despair. He could not figure out how to cover his family expenditure. His hopes of the newest budget easing some of his burden also disappeared quickly. It now seems that his sufferings have instead

increased even more.

Razin was planning to build a house in his ancestral home but as the prices of construction materials go up, his dream house, where he would live out his retirement, seems no longer possible. This is a tale many can relate to after the new budget was revealed.

Finance Minister AMA Muhih's measures will affect real estate

construction which would make homeownership a far off dream for many if not something impossible. Of course's Razin's aspirations aren't the only one the latest budget has shattered.

Beginning his day with the news of a gas price hike, Shafiq Ahmed hoped to find some solace when the finance minister was reading out

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ALLOCATION BY SECTORS FY 2017-18

In Crores of Taka: 400,266

Industrial & Economic Services 4,281 37.79%	Defence Services 25,771 10.94%
Agriculture 24,430 21.93%	Health 20,679 39.18%
Housing 3,734 27.84%	Local Gov. & Rural Development 27,708 11.60%
Transport & communication 50,099 38.08%	Public Order & Safety 22,881 10.33%
Recreation, Culture & Religious Affairs 3,609 30.57%	Education & Technology 65,450 30.13%
Energy & Power 21,119 45.02%	Social Security & Welfare 24,489 12.63%
Interest 41,431 17.25%	Public Administration 64,585 48.35%

NOTE: PERCENTAGE CHANGE BETWEEN FY16 AND REVISED FY17. SOURCE: MINISTRY OF FINANCE

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Mobile sets to get costlier

MUHAMMAD ZAHIDUL ISLAM

Customers will have to pay more for buying mobile handsets as the finance minister has proposed doubling the customs duty on import of handsets to 10 percent.

Buyers will have to spend around Tk 1,300 more for a Tk 20,000 handset, according to importers.

Under the duty structure of the 2016-17 national budget, there were 24.40 percent tax on handset imports. The tax has been increased to 30.61 percent.

The new duty structure came into force yesterday afternoon, said Ruhul Alam Al Mahubub Manik, president of Bangladesh Mobile Phone Importers Association (BMPIA).

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ALLOCATION UP IN HEALTH SECTOR

Result lies in how govt spends

PORIMOL PALMA

The proposed health budget is an increase, from the preceding one and in terms of its percentage in the total budget, but the plans do not specify where the money would be spent.

The proposition for 2017-18 is Tk 20,679 crore a Tk 3,163 crore increase from last fiscal year. It is 5.2 percent of the total budget. The previous one was 5.1 percent.

Experts take this yearly rise, though small, as a good sign. They, however, say there is room for augmentation as World Health Organisation (WHO) recommends the allocation be 15 percent of the total budget.

They say allocation increases and efficient spending are crucial as the government's National Health Account 2011 states that high healthcare costs yearly push 4 to 5 million Bangladeshis into poverty while many fail to avail it.

Finance Minister AMA Muhih said a five-year Health, Population, and Nutrition Sector Development Programme taken up this year would address, among others, communicable or non-communicable diseases, nutrition, food safety and human resource development.

He plans to establish 392 community clinics, while 13,339 already exist.

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HEALTH BUDGET % OF TOTAL BUDGET

2012-13 4.8	2015-16 4.3
2013-14 4.6	2016-17 5.1
2014-15 4.8	2017-18 5.2