



WITH TODAY'S ISSUE

Star
Showbiz



'TODAY WILL BE DIFFERENT'

Film actress Julia Roberts is making her TV series debut at HBO

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'SNOWDEN NO TRAITOR'

Putin says the ex-NSA contractor was wrong to leak secrets, but is no traitor

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New VAT system won't hurt people

No possibility of rise in prices due to exemptions, concessions, Muhith tells post-budget briefing

STAFF CORRESPONDENT

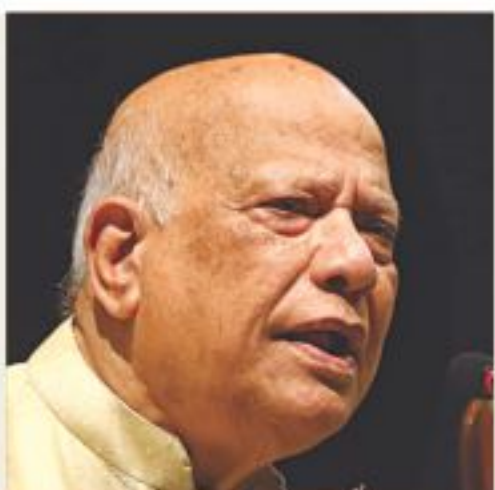
The new VAT system will not cause prices of goods to rise as a host of concessions and exemptions have been given in the new budget, Finance Minister AMA Muhith said yesterday.

"Many have got exemptions and will not pay VAT [Value Added Tax]. Small and medium-sized businesses have got concessions," he told reporters at a post-budget media briefing in the capital's Osmani Memorial Auditorium.

At the briefing, Planning Minister AHM Mustafa Kamal said 536 items are exempted from tax under the existing VAT Act, while the new law extends the exemption to 1,043 items.

"Prices of the goods will not go up. The economy will not come under pressure," he said.

In the proposed budget for fiscal 2017-18, a business entity with yearly turnover of less than Tk 36 lakh has been exempted from



"This is my best budget... I see no weakness in it. Everything is bright."

AMA MUHITH
FINANCE MINISTER

turnover tax. But if its yearly turnover is between Tk 36 lakh and Tk 1.5 crore, it has to pay 4 percent turnover tax.

Industries Minister Amir Hossain Amu said there is no shortage of supply of essential commodities.

He further said a section of unscrupulous traders is hiking prices of goods without any reason. "Businesspeople have a tendency to increase prices of essentials during the Ramadan. We need to enact laws to prevent them from raising prices of items without any valid reason."

On the new VAT law, Amu said whenever a new system is introduced, there would be criticism. "It would be okay after a few days."

The proposed budget has drawn criticism from businesses, economists and political parties.

Muhith, however, said, "This is my best budget... I see no weakness in it. Everything is bright."

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Vehicles stuck in a huge traffic jam on a road by the Mayor Hanif flyover in the capital's Jatrabari around 12:30pm yesterday. Illegally parked trucks and rainwater-filled trenches dug for the development work of Dhaka-Chittagong highway have narrowed down the road, causing severe congestions even on the weekend.

PHOTO: ANISUR RAHMAN

Fresh taxes may fuel inflation: CPD

Investment, economic growth may be affected, says the think-tank about proposed budget

STAFF CORRESPONDENT

The proposed taxes for fiscal 2017-18 might fuel inflation and deal a blow to investment and economic growth, the Centre for Policy Dialogue said yesterday.

"The cost of doing business and living will go up, which will affect the middle-class and the lower middle-class," said Debapriya Bhattacharya, distinguished fellow of the CPD.

The government resorted to the easiest ways to boost its revenue collection, such as raising the levies on bank accounts and air tickets, and in so doing, continued to create pressure on honest taxpayers, he said.

Debapriya's comments came at a press briefing to present the think-tank's analysis on the proposed budget for the upcoming fiscal year.



"Cost of doing business and living will go up which will affect middle class and lower middle class."

DEBAPRIYA BHATTACHARYA
DISTINGUISHED FELLOW, CPD

The CPD criticised the allocation of Tk 2,000 crore to shore up state banks' capital base, as the performance of most of the lenders did not improve despite injection of funds for the last several years.

Terming the situation in state banks "unexposed bankruptcy", Debapriya said public money was being used to make up for the losses inflicted by loan defaulters.

"He [finance minister] kept mum on the troubled banking sector. Was it because of the powerful quarters in the sector?"

The think-tank's observations came a day after Finance Minister AMA Muhith proposed a 26 percent bigger budget of Tk 400,266 crore for fiscal 2017-18 compared with the outgoing fiscal year.

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Hike in source tax a fresh blow

Say RMG exporters

REFAYET ULLAH MIRDHA

The one percent source tax on apparel exports will have a negative impact on the sector as the shipment of apparel items has been facing the challenges of a volatile global economy.

The government is collecting 0.70 percent source tax from the garment sector at present. The new budget has proposed to raise it to 1 percent.

At the current rate, \$196.14 million was collected, while the country exported apparels worth \$28.02 billion last fiscal year. If the government imposes 1 percent source tax, the revenue income would stand at \$280 million.

"We had not expected the government to propose a continuation of the source tax. We had been demanding its withdrawal for at least next two years since we are going through

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Many houses torched in Rangamati

Attack made after Jubo League leader killing; many indigenous families flee home; section 144 imposed

STAR REPORT

Bangalee settlers unleashed a series of arson attacks on the Chakma community in Rangamati's Longadu yesterday over the death of a local Jubo League leader, police and victims said.

Indigenous people said over 200 homes and shops were vandalised and burned to

ashes after they were looted, although an official of Longadu upazila put the figure at 110.

Pulin Mitra Chakma, chairman of Longadu sadar union, said an elderly Chakma woman was hacked to death by the attackers. He identified the victim as Gunamala Chakma, 70, of Tintila village.

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An image posted on Facebook shows indigenous people in Longadu fleeing homes while smoke billowing far behind.

PHOTO: COLLECTED



CHAMPIONS TROPHY
Second game washed out

AFF, Birmingham

New Zealand captain Kane Williamson made exactly 100 before rain saw his side's Champions Trophy opener against Australia at Edgbaston on Friday end in a no-result washout.

This was an identical outcome to when the teams met at the Birmingham ground in the last edition four years ago.

Australia, who were left needing a revised target of 235 to win in 33 overs, were 53 for three off nine when the players left the field for the final time.

A minimum of 20 overs had to be bowled in Australia's innings for a result to be declared but the last downpour was so severe there was no chance of the

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