



ILLUSTRATION: KAZI TAHSIN AGAZ APURBO

# Wringing out the penny-pinchers

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One thing is apparent from the budget promises of this year—the “tide of development” that the country seems to be surfing on will be bankrolled by the middle class and even the low-income population.

It is like reverse Robin Hood. Taking from the poor instead of the rich, with the promise of making conditions better for all involved.

There has been a huge deficit of the Annual Development Programme (ADP) that funds all major development projects during fiscal year 2018-2019 (like all years, really). Time and again economists have warned about how we have not been able to mobilise enough funds to reach our ADP spending targets.

A report, published in *Star Business* this week, said that in order to reach its ADP

spending target, the government will have to spend five times more its average monthly expenditure, during whatever is left of the month of June. The average expenditure per month was Tk 10,913 crore, and the government will have to spend a whopping Tk 56,577 crore.

Will the target expenditure be attained? Economists say no, since the target revenue mobilisation has not been achieved. How will they spend the money, when there is none?

In another report published last week titled “State of the Bangladesh economy and Budget Challenges”, Centre for Policy Dialogue (CPD) stated, “Following the trend of first six months, it is now obvious that the targets of revenue mobilisation for fiscal year 2019 will not be attained.”

The report went on to say that both tax

revenue and non-tax revenue collection had missed their targets during the first half of fiscal year 2018-19. Let’s put a pin on non-tax revenue collection and focus on tax revenue for a moment, because that is precisely where the general populace stands to be squeezed in the upcoming fiscal year.

During the first half of the fiscal year 2018-19, tax revenue collection saw only an 8.8 percent growth. Know that the growth rate targeted by the government? 57.4 percent. That was the breadth of the mismatch. In monetary terms, the think-tank put the shortage at Tk 85,000 crore.

“Sixty-eight percent of the eligible taxpayers did not pay income tax in 2017. Income quartile-wise analysis revealed that more than one-third of the top-earners did

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