

DEBT BURDEN RISING
Debt obligations will create pressure on the government in the next fiscal year
SEE PAGE 12

The Daily Star

www.thedailystar.net

REGD. No. DA 781

Vol. XXX No. 144

JAISHTA 30, 1427 BS

Your Right to Know

SHAWWAL 20, 1441 HJRI

12 PAGES PRICE : Tk12.00



Budget flexible, implementable

Says Kamal, sets sights on spending first



- Agriculture to get more attention
- Govt simplifying rules to attract foreign investment
- Govt to make, amend laws to stop money laundering
- No liquidity shortage in banking sector
- Health sector must improve services

STAFF CORRESPONDENT

Finance Minister AHM Mustafa Kamal yesterday remained defiant that he would be able to save both lives and livelihoods and steer the economy on to the path to recovery along the way by way of the budget he has prepared for fiscal 2020-21.

"We will have to give food to the people. People have lost jobs and we have to arrange employment for them," he said in his post-budget media briefing yesterday.

But how he would manage the funds for the purpose is one question he does not have the answer for yet.

"In the past, we earned first and then went for expenditure. This time, we are

doing the opposite. We have to protect the people first, so it is not the main concern where the money is and where will the money come from."

From that perspective, this is not a normal and traditional budget, he said.

He acknowledged that he lacked complete macroeconomic data owing to the coronavirus pandemic and this forced him to rely on the government's past achievements and experiences, aspirations of the people, and inputs and opinions from local and international think-tanks, the International Monetary Fund and the World Bank and other development partners to formulate the budget.

SEE PAGE 2 COL 3



Economic targets not realistic: CPD

The think tank says budget should have been more innovative given pandemic

KEY POINTS

- Impact of pandemic has been largely ignored
- Business as usual budget
- Lack of adequate actions for health, social safety net, agriculture and employment generation
- Issues of rising number of new poor and increasing inequality have not been adequately addressed
- Additional Tk 125,000 crore revenue may need to be collected
- Undisclosed income whitening scope to discourage honest taxpayers
- High-income individuals will get higher benefit for tax reduction

STAFF CORRESPONDENT

The government has forgotten about the ongoing pandemic and subsequently failed to be innovative enough to frame fiscal measures to take the economy on to the path of recovery, said the Centre for Policy Dialogue (CPD) yesterday.

The independent think-tank said economic targets -- GDP growth, private investment and revenue collection -- set for the next fiscal year do not reflect the ground reality.

Sectors that warrant the highest priority to tackle the growing health emergency have not received due attention.

"COVID-19 induced health, economic, humanitarian and social crises are unprecedented, and the budget for fiscal 2020-21 needed to be more innovative to address this multidimensional crisis," said CPD Executive Director Fahmida Khatun at a virtual media briefing.

The civil society body organised the briefing to share its analysis on the proposed Tk 568,000 crore-budget for fiscal 2020-21, which is an increase of 9 percent from the original budget of the outgoing fiscal year.

The government aims to collect 67 percent, or Tk 378,000 crore of its total expenditure plans, from revenue collection.

SEE PAGE 4 COL 1

Heavy bank borrowing to be counter-productive

STAFF CORRESPONDENT

The government's designs to fund a large chunk of next fiscal year's budget by borrowing heavily from the banking sector will leave the pandemic-stricken economy in a tight spot, said the Centre for Policy Dialogue yesterday.

The exercise will crowd out the private sector from funding, which can be counterproductive for a recovering economy.

The CPD came up with the remark at a discussion styled "An Analysis of the National Budget for 2020-21".

Finance Minister AHM Mustafa Kamal on Thursday in his budget speech said the government would borrow a record Tk 84,980 crore from banks, which is about 45 percent of the total deficit financing for the next fiscal year.

SEE PAGE 2 COL 1

EDUCATION SECTOR BUDGET

Loss for Covid-19 effect ignored

No special allocation for recovery

MOHIUDDIN ALAMGIR

When many students are on the verge of dropping out due to the discontinuation of their academic activities during the coronavirus pandemic, the traditional allocation for education in the proposed budget with no specific plan to recover the learning loss has frustrated the country's educationists.

They also criticised Finance Minister AHM Mustafa Kamal for not keeping separate allocations for enlisting the new educational institutions under the Monthly Pay Order (MPO) scheme.

The education budget for fiscal 2020-21 remains almost unchanged in terms of size and the percentage of Gross Domestic Product (GDP), compared to the current budget.

There have been expectations that the allocation for education will go up significantly in the next fiscal year to contain the possible increase of dropouts in schools which will eventually cause a rise in child marriage, early pregnancy and child labour.

Kamal allocated a total Tk 66,401 crore for education -- Tk 24,940 crore for the primary and mass education ministry, Tk 33,117 crore for secondary and higher education division and Tk 8,344 crore for technical and madrasa education division -- in the next fiscal year.

The amount is 11.69 percent of the total budget and 2.09 percent of the GDP.

In the current budget, the allocation for education is Tk 61,118 crore, which is 11.68 percent of the total budget and 2.10 percent of the GDP, according to budget documents.

SEE PAGE 4 COL 2

MOBILE USE TAX HIKE

Users hurt, telcos irked

MUHAMMAD ZAHIDUL ISLAM

Telecom companies and other stakeholders of the industry yesterday slammed the spike in supplementary duty on mobile data usage, calls and any service that requires a SIM card.

The finance minister in Thursday's speech announced 15 percent supplementary duty, a significant rise from last fiscal year's 10 percent. The decision came into effect yesterday.

Even Telecom Minister Mustafa Jabbar said the decision would thwart the process of "digitalisation" of services.

Industry insiders said the government was hoping to earn over Tk 1,000 crore in addition to the previous revenue from the sector. But the goal might not be achieved, because people are likely to limit their usage to avoid paying the extra.

"People are going through a difficult time, and we need to think about the times when we increase taxes on essential services like this... I think we needed a little more foresight," Minister Jabbar told this correspondent about the additional supplementary duty.

Top executives of different operators also said people would rather curb usage

SEE PAGE 2 COL 3

BANGLADESH UPDATE



3,471

New cases in 24hrs



81,523

Total cases



1,095

Deaths



17,249

Recoveries

GLOBAL UPDATE



421,863

Deaths



7,548,669

Total cases

Situation getting worse as deaths, infections surge

Country sees record 46 deaths, 3,471 cases in a day; experts call for aggressive measures by govt

STAFF CORRESPONDENT

The Covid-19 situation is gradually going from bad to worse with the death toll and number of new patients rising every day.

The authorities yesterday reported 46 deaths and 3,471 new cases, the highest in a single day.

These take the officially recorded death toll to 1,095 and the number of positive cases to 81,523, the Directorate General of Health Services (DGHS) said in its daily briefing.

Prof Nasima Sultana, additional director general (administration) at DGHS, said she got the results of 15,990 tests done in the 24 hours until 2:30pm yesterday. Data shows one out of each 4.6 tests have returned positive.

According to the Institute of Epidemiology, Disease Control and Research (IEDCR), about 71 percent of infected persons are male.

Younger people have a higher prevalence of infection as 54.7 percent of the infected are aged between 21 and 40 years. Eighteen percent are over 50, although the mortality rate is higher among senior citizens.

IEDCR shows that 68.6 percent of people who died from the coronavirus were over 50.

Addressing the online briefing yesterday, Nasima said among the 46 deceased, 37 were male.

Of them, one was aged between 21 and 30, six were between 31 and 40, three between 41 and 50, 12 between

SEE PAGE 2 COL 3



An eight-year-old cancer patient waits anxiously in a three-wheeler outside the city's Mugda General Hospital yesterday to give samples for Covid-19 testing. Inset, another cancer patient, aged 13, in black scarf, awaits her turn to give samples. Their guardians said they cannot undergo chemotherapy unless they are shown to be coronavirus negative.



PHOTO: ANISUR RAHMAN

Virus strikes frontline docs

16 out of 35 deceased doctors were senior, experienced

TUHIN SHUBHRA ADHIKARY

An increasing number of experienced doctors at the frontline in the fight against Covid-19 are falling victim to the virus, creating vacuum in the healthcare system that is already strained by the pandemic.

At least 16 professor-level doctors died of Covid-19 or with symptoms so far with two such senior physicians adding to the list yesterday.

With the two professors, a total of 35, including five with coronavirus symptoms, died so far, according to Bangladesh Doctors' Foundation (BDF).

As many as 1,169 doctors got infected and of them 629 recovered as of yesterday, according to the foundation that updates the number of deaths and infected doctors on a regular basis.

Although the rate of doctors getting infected came down slightly, the number of deaths went up lately. Among the dead, most are senior physicians, Nirupam Das, chief administrator of BDF said.

"This is a great loss for the country," he told The Daily Star yesterday.

Dr Gazi Zahirul Hasan, a professor of the Pediatric Surgery department at Bangladesh Sheikh Mujib Medical University, died at the intensive care unit (ICU) of Dhaka Medical College Hospital earlier yesterday.

Zahirul Hasan began showing symptoms of Covid-19 more than a week ago and he went into self-isolation at home soon after, his colleague Shoheli Alam said.

His first test result came negative but he went through a second test as his had symptoms and result of the second test showed that he had tested positive for the virus, she said.

SEE PAGE 4 COL 4