

Economic targets not realistic: CPD

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And the National Board of Revenue (NBR) would be required to collect 87 percent of the revenue. The tax collector is far away from achieving its revised collection goal of Tk 300,500 crore for the current fiscal.

Until April, the NBR collected only Tk 175,000 crore during the July-April period of the current fiscal year as revenue declined for the COVID-19-induced shutdown.

The CPD said the overall revenue collection, including the NBR's collection, would be nearly Tk 253,000 crore by the end of this fiscal year.

And the NBR and the other government agencies would require the collection of an additional Tk 125,000 crore the next fiscal year to achieve the goal of gathering a total of Tk 378,000 crore in revenue -- an impossible feat.

So, there will be pressure on the banking sector to finance the deficit as the government aims to borrow 79 percent higher from the banking sector in the next fiscal year.

The CPD said the economy was under pressure and COVID-19 has aggravated the performance of the economy and a number of its indicators -- negative export and import growth -- show worrying signals.

Against this backdrop, the government has set the target of 8.2 percent GDP growth the next fiscal year, envisaging a 'V-shaped' recovery of the economy.

"However, the underlying trends of private investment, productivity, private sector credit, export, import and remittances pose serious questions as regards the predicted recovery path," Fahmida said.

The CPD's reactions came as an increasing number of people is reported to be coronavirus-positive and the number of deceased is

growing every day and the curve is showing no sign of flattening.

"We are in health crisis but we have no plans to flatten the curve and on how we will battle the crisis," said CPD Distinguished Fellow Mustafizur Rahman.

The CPD said it had urged to give priority to health, social safety net, agriculture and employment generation in its budget recommendations and the government has rightly emphasized these sectors.

"However, its promises and priorities have not been translated into actions through innovative approaches and the allocation of adequate resources."

The CPD said allocation transport, physical planning, water supply & housing, power education and religious affairs as well as science, information & communication technology increased in the annual development programme (ADP).

"Priority sectors in view of COVID-19 have not received due attention. Surprisingly, the share of health, nutrition, population and family welfare in the ADP for fiscal 2020-21 remained the same as in fiscal 2019-20 despite this being the most important sector given COVID-19."

The agency said risk mitigation and economic recovery in the backdrop of COVID-19 should have been the twin overarching objectives of next fiscal year's budget.

It said the COVID-19 situation is an evolving one; there are significant uncertainties regarding its duration and the extent of the impact.

Yet, the government has framed the budget on the assumption that the fallout from COVID-19 would be managed in a very short period and the economy will bounce back the next fiscal year.

Private investment has been estimated to be 25.3 percent of GDP

in fiscal 2020-21, which is a 12.6 percentage point increase from the finance ministry's estimate of private investment for fiscal 2019-20.

The think-tank said the government should have tried to get out of the GDP growth-centric philosophy and have focused more on poverty, inequality and employment to save lives and livelihoods to come out of the national emergency.

"But the issue of growth came time and again," said Fahmida, adding that the main objective should be supporting the poor and affected people, instead of being much too concerned with GDP growth during a crisis such as the pandemic.

The focus should be on coping, adjustment and mitigation to subsequently get on the recovery track, it said, adding that the rising number of new poor and the increasing income and consumption inequality require differentiated measures that the budget has not adequately addressed.

Analysing tax measures, the CPD said the lowest segment of income earners, whose monthly income is between Tk 30,000 and Tk 60,000, will gain the most -- from 28 percent to 67 percent -- for the change in tax measures.

However, the benefit will start to increase again for monthly income earners of Tk 4 lakh and above, so it is not promoting tax justice, it added.

Tax measures will also benefit individuals who earn a very high level of income, said CPD Senior Research Fellow Towfiqul Islam Khan.

The think-tank also criticised the scope to legalise undisclosed money, saying it discourages honest taxpayers and undermine the cause of transparency and good governance.

CPD Research Director Khondaker Golam Moazzem also spoke among others.

Anwar Hussain passes away

STAR REPORT



Anwar Hussain, a retired deputy chief engineer of Biman Bangladesh Airlines, passed away at Interfaith Hospital in New York yesterday, said a press release. He was 78.

Anwar, who hailed from Barguna's Bamna upazila, left behind his wife and three daughters to mourn his death. His family members have requested all to pray for the salvation of his departed soul.

Doctor

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A top official of Gulshan police, who was closely involved in the probe, told this newspaper that they were suspecting that the patients died from suffocation as the unit was filled with toxic gas soon after the fire originated from the AC. They got burnt probably after that, he added.

As the patients had already breathing problems, they died soon after smoke filled the unit, the official said.

DC Sudip said Arafat attempted to fight the fire as long as he could, adding that the cleaner should be awarded for his bravery.

The police officer also mentioned that after the unit was filled with smoke, the other hospital staffers tried to extinguish the blaze with expired fire extinguishers, but to no avail.

Five people who died in the fire were Vernon Anthony Paul, 75, Riyajul Alam, 45, Khadeja Begum, 70, Monir Hossain, 75, and Md Mahabub, 50.

Of them, Vernon Paul and Khadeja tested negative for coronavirus, and they were to be shifted to another section of the hospital.

On June 3, Ronald Ricky Gomez, son-in-law of Anthony Paul, filed a case against the United Hospital authorities and some staffers.

Contacted, Dr Shagufta Anwar, director of communications and business development at United Hospital, declined to comment on the police investigation report.

She said a case was filed in this connection, and the counsel for the hospital was working on this.

"We are not saying anything officially as it may influence the ongoing investigation and the judicial process."

ফ্রাট শেয়ার বিক্রয়

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Debt burden gets heavier

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amount was \$999 million in the same period a year ago.

The country paid back \$1.6 billion of its foreign loans in fiscal 2018-19 -- a surge by 33 percent from the amount a year ago, according to an ERD report titled "Flow of external resources into Bangladesh."

Since Bangladesh's independence in 1971 till June 30 last year, foreign borrowing ran into \$58.04 billion of which the government repaid \$23.58 billion so far.

The government aims to borrow Tk 70,502 crore from external sources to implement its annual development programme in the upcoming fiscal year.

A senior ERD official, however, said there was no possibility of falling in a debt trap within the next eight years as per their calculations though the government would have to make big repayments in the next four years as some large loans would mature by then.

"The debt obligations will definitely create pressure on the government in the next fiscal year as the coronavirus pandemic is taking a toll on the economy," said Zahid Hussain, former lead economist of the World Bank's Dhaka office.

Bangladesh economy stands to lose a staggering \$13.3 billion for the coronavirus outbreak, according to the Asian Development Bank, which is 4.9 percent of the country's gross domestic product (GDP).

Hussain said the government had an option to reduce the debt burden by at least \$320 million for the next two years under the Debt Service Suspension Initiative of the G20 countries.

Bangladesh has decided not to enjoy the privilege, according to government officials, as the country is capable of meeting its current debt obligations.

Hussain said the government should have utilised the facility during this crisis as export may not look up anytime soon and remittance will plunge due to the global

impact of the novel coronavirus.

In the middle of April, the G20 nations agreed to freeze bilateral government loan repayments for low-income countries until the end of the year as part of a plan to tackle the health and economic crises triggered by the pandemic and prevent an emerging markets debt crunch.

Hussain said the repayment of high-cost suppliers' credit will start soon making the debt burden even heavier.

However, Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue, said the rising amount of external debt repayment is still not a matter of big concern.

But in the next fiscal year, the government will face pressure in making debt repayment as export and remittance will go down significantly due to the global economic meltdown, he said.

"Apart from that, the flow of external assistance may decline."

External debt is good for the economy if it can be utilised properly in the projects that would yield long-term return, Moazzem said.

The government should not take foreign loans against less important projects, he said, adding that external debt creates a bigger burden on the economy than domestic loans as the country has to make repayment in dollar putting a strain on the foreign exchange reserves.

The CPD research director suggested the government apply to the development partners to relax conditions and interest rates of the loans.

Ahsan H Mansur, executive director of Policy Research Institute, said Bangladesh will remain in a comfortable position in making debt repayment in the upcoming fiscal year as the government will receive more than \$2 billion from development partners to fight the fallout of the pandemic.

"But the country will face challenges after the next fiscal year as these types of funds might not be available then."

Loss for Covid-19 effect

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Kamal said educational institutions have been closed since March 17, causing discontinuation of the regular academic activities of around 40 million students across the country.

"Our most important task in education for the next fiscal year would be to bring back the continuity in the curriculum and cover the loss caused by the long study break. We are allocating sufficient resources to this sector in the next fiscal year to achieve this objective," Kamal said, without giving any guidelines on how the losses would be made up.

According to a recent survey conducted by the Campaign for Popular Education (CAMPE), the coronavirus pandemic might increase the dropout rate in schools which may give rise to child marriage.

Of the 126 respondents consist of NGO workers and teachers, 84 percent said dropouts will increase at schools, 71 percent forecast an increase in child labour while 58 percent predicted a rise in early marriage.

Against this backdrop, the educationists called for at least 15 percent of the budget to be allocated for the education.

"We are frustrated. This is a traditional education budget. With the allocation, it will not be possible to recover the learning loss caused by the Covid-19," said Rasheda K Chowdhury, executive director at the CAMPE.

She hoped that the government would address the issue in the revised budget and education, health and human resource development would get their due priorities.

Brac University Professor Emeritus Manzoor Ahmed proposed that the

government should allocate Tk 5,000 crore exclusively for upazila-based education recovery plan.

Mohibul Hassan Chowdhury, deputy minister for education, said, "We will take steps to make up the education loss due to the coronavirus situation. We will take extra classes. For that we do not need to look at the budget."

Bangladesh Teachers Association President Nazrul Islam Rony said non-MPO teachers were frustrated as there was no separate allocation for enlisting non-government educational institutions under the MPO scheme.

"The teachers have been suffering financial hardship due to the coronavirus situation," he said.

Mohibul said they would include new educational institutions after they fulfil the criteria. "We have a plan to assist the teachers who have been in hardship in the time of Covid-19," he added.

The education sector's share in the budget has been falling for the last few years. In the revised budget of 2010-11 fiscal year, for example, the figure was 14.3 percent, although Unesco recommends spending 6 percent of GDP and 20 percent of the national budget in the education sector.

Kamal in the budget speech announced that the government would provide internet connectivity two laptops and two multimedia projectors to all primary schools.

Aiming to enhance the contribution of renewable energy, the government will install solar panels on the roof-top of every educational institution in the country, he said.

Virus strikes

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Another doctor Prof AKM Fazlul Haq died of Covid-19 at ICU of Kurmitola General Hospital around 7:30pm, Nirupam Das said.

He was shifted to ICU of the hospital on Thursday as the saturation of the Ophthalmologist fell. But yesterday afternoon, his hypoxia surmounted and he went through massive cardiac arrest and thus he could not be revived, Nirupam added.

He had a successful career in public service under the health ministry and later ended his career as a teacher of Shikder Medical College.

The doctor, also a freedom fighter, was captured and endured torture by the Pakistani army during the Liberation War in 1971.

An assistant professor was also succumbed to the highly contagious virus yesterday.

Dr Mahmud Manowar, an assistant professor of National Institute of Cardiovascular Diseases (NICVD), died of Covid-19 at its ICU at 9:30am. He was 43, Nirupam Das said.

"IRREPARABLE LOSS"
Dr Moyeen Uddin, an assistant professor of Sylhet MAG Osmani Medical College Hospital, was the very first doctor to sacrifice his life. He died on April 15, around a month after the virus hit Bangladesh.

Prof Col (retd) Md Moniruzzaman, a Hematologist involved with three major private hospitals in the country, was the second. He died on May 3.

Prof Maj (retd) Abul Mokarim Md Mohsin Uddin, chief consultant (radiology) at Ibn Sina Diagnostic and Imaging Centre, was the third. The medical professional, also a freedom fighter, died on May 12.

After that 32 doctors, including 14 more professor-lever doctors died of Covid-19 or with symptoms in last one month.

It takes more than 20 years for a doctor at medical college to be a professor after completing his or her post doctorate degree. It takes at least 15 years to be professor in country's lone medical university -- Bangabandhu Sheikh Mujib Medical University, doctors said.

"This is an irreparable loss for the country," Prof Ridwanur Rahman, an infectious diseases specialist, said.

At least three senior doctors died who were involved in providing ICU facilities to patients while rest of the doctors were dying while giving treatment to patients at Covid-19 units

Aviation sector gets cold

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relations at US-Bangla Airlines, the country's leading air-operator having 13 aircraft in its fleet.

Instead, Finance Minister AHM Mustafa Kamal proposed to increase supplementary duty on chartered flights from 25 percent to 30 percent in the budget.

This will significantly increase the cost of operating chartered aircraft and helicopter flights which people and different groups are opting for on an emergency basis amidst the suspension of regular flight operations for the pandemic.

In the current budget of fiscal 2019-20, the government had increased supplementary duty from 5 percent to 25 percent. Earlier in fiscal 2018-19 it was nil.

Operation of chartered flights increased significantly following the outbreak of Covid-19 in early March as people in groups alongside different organisations started hiring aircraft to repatriate people stranded in different countries.

In the budget, Kamal has proposed to allocate Tk 3,688 crore for the civil aviation and tourism ministry.

As airlines offer a critical lifeline to the economy by providing one of the fastest and most essential means of

or other patients, he said.

"We have scarcity of doctors and mostly the scarcity of senior and skilled doctors. They are dying. This is very unfortunate... They are getting infected due to widespread infection of Covid-19," he told The Daily Star yesterday.

He said when a young doctor got infected with Covid-19, he or she may be recovered but it becomes tough for senior doctors to do so.

A BSMMU doctor said the role of a senior doctor does not end with giving treatment to serious patients, they also give advice to their juniors and guide them to grow as skilled physicians.

Besides, they play important roles in different policy making positions related to the health sector, the doctor said.

WHY IS THE NUMBER OF INFECTED DOCTORS INCREASING?

The number of infection among doctors was high at the first stage mainly due to lack of "poor quality" personal protective equipment (PPE), and patients' concealment of Covid-19 symptoms.

When the total number of Covid-19 patients was 7,667 on April 30, the number of infected doctors was 500. A total to 81,523 people got infected with Covid-19 as of yesterday while the number of infected doctors is 1,169.

Although the rate of infected doctors comes down, but a significant number of doctors are being infected, Nirupam Das said.

Doctors, who are involved in "aerosol generating process" that include intubation and nebulisation to patients are more prone to infection.

Another doctor said many doctors were getting infected as they fail to put on and discard PPEs properly.

Besides, doctors often get exposed to different types of virus and that in many cases, reduce their immunity power, so they, especially senior doctors, are more vulnerable to Covid-19 infection, she said wishing not to be named.

Prof Ridwanur Rahman said doctors working at the hospitals are exposed to "high doze" infection compared to the community level. And, as a result, they often have to take treatment at hospitals being infected severely.

Nirupam Das also echoed him. "Our observation is the number of doctors has to take treatment at hospital, especially taking ICU facility, is relatively more than general patients due to high doze infection," he added.

communication, many countries have come forward with rescue packages for their aviation industry, said Mofizur Rahman, managing director of domestic carrier Novoair.

Different airlines demanded that the government waive various aeronautical and non-aeronautical charges for the time being, he said.

"But in the proposed budget, we didn't see any such measures to rescue the industry although this industry is grappling with strong headwinds and may drift further towards the verge of collapse without substantial financial support from the government," he said.

In the middle of March, Bangladesh banned passenger flight operations with all countries except China, causing the sector to incur mounting losses.

Limited scale flight operations on domestic routes resumed from June 1 while flights on international routes are scheduled to resume on a very limited scale from June 16.

The pandemic could erode passenger volumes in Bangladesh and wipe \$190 million or Tk 1,615 crore off the revenues of airline operators in 2020, according to an estimate by International Air Transport Association.

There is no specific proposal in the budget for building the foundation of a suitable economy by overcoming the corona crisis, he added.

The BNP leader also said that the allocations for health, education, social safety net and food security were not adequate.

The GDP growth and revenue collection targets which have been set in the budget amid the coronavirus pandemic is tantamount to a deception, he said.

"The target of 8.2 percent GDP growth is imaginary and attaining such a goal is too difficult and impossible."

Donors pledge various

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country. This is the first agreement signed between the two countries. The loan is payable in 25 years with seven years' grace period. Denmark will supply dairy products, generators, dryers, dredgers and electric equipment under this agreement.

BRITAIN PLEDGES 90 LAKH POUND
The UK Foreign Minister Richard Wood declares today that the country will provide 90 lakh pounds to Bangladesh as aid. The country will also provide extensive support to repair damaged roads and rail bridges including Hardinge Bridge and King George VI Rail Bridge, he adds. Bangladesh will get 48 lakh pounds from Britain for economic development. Britain will also help salvage sunken vessels from rivers and reactivate river communication across Bangladesh.

SOVIET UNION HANDS OVER COASTERS
The Soviet Union today hands over two coasters to Bangladesh. Civil Aviation and Shipping Minister General MAG Osmany was present at the handover ceremony. Earlier, Bangladesh got another coaster from the Soviet Union.

150 POWS WILL BE BROUGHT TO BANGLADESH
It is reported that 150 prisoners of war (POWs) will be brought to Bangladesh from India for interrogation by the end of this month. Most of these POWs belong to ranks between Lt Colonel and Lt General. Their names are included in the list of war criminals prepared by the Bangladesh government. The trial will begin within two months following completion of the interrogation.

SOURCES: June 14, 1972 issue of Purbodesh.

Businesses

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according to the Metropolitan Chamber of Commerce and Industry (MCCI).

The chamber said the budget might be based on four main strategies: prioritising government spending on essential sectors while discouraging luxury expenditure; creating loan facilities to help enterprises get back onto their feet; expanding coverage of the social safety net; and increasing the money supply to the economy.

The measures should strike the right balance among multiple vital issues from raising aggregate domestic demand to health, education, growth, social safety and many other requirements.

The chamber praised the finance minister for giving priority to agriculture, food security and the health sector and expanding the coverage of the social safety net programmes.

The MCCI thinks there should have been more focused indications in the budget for recovering jobs that have been lost due to the pandemic and creating new jobs, according to a statement.

The chamber also called for measures to create means of livelihood opportunities for expatriate Bangladeshis who have been forced to return from abroad.

Revenue mobilisation will be a daunting task given the various tax concessions and administrative forbearance that will have to be allowed to individuals and institutions in these very difficult times, it said.

The government should offer waiver of advance tax for the apparel, leather, jute and jute goods, and agro-processing sectors, said Shams Mahmud, president of Dhaka Chamber of Commerce and Industry.

Amid plunging export orders, the government's intention to raise source tax for apparel shipment from 0.25 percent to 0.5 percent will further weaken the sector.

Mahmud, however, welcomed the proposal for providing 1 percent cash incentive on garment exports.

Given the prospect of non-cotton apparel in the global market and the trade advantages, the exemption of artificial fibre production from tax will directly incentivise investment in the country, said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association.

This will help diversify the export basket and ship more value-added items, she added.

"Considering the ongoing COVID-19 pandemic and the continuing uncertainty around the crisis, we feel that the GDP growth target of 8.2 percent will be highly challenging," said the Foreign Investors' Chamber of Commerce and Industry (FICCI).

The chamber, however, said the reduction of the corporate tax rate for non-publicly traded companies from 35 percent to 32.5 percent will deepen industrialisation and bring more foreign direct investment to Bangladesh.

"While this is a welcome change, this reduction should be extended to companies and sectors like bank, telecom and tobacco."

It expressed concerns over the proposal of introducing 2 percent withholding taxes on local supply of essential commodities, such as rice, flour, potato, garlic and onion through domestic letters of credit, it added.

M Shahadat Hossain Sohel, chairman of the Bangladesh Terry Towel and Linen Manufacturers and Exporters Association, stressed the need for manufacturing more medical clothing items as the demand for these goods has gone through the roof because of the pandemic.

The European buyers are showing interest in importing hospital garment and other items such as towels, isolation fabrics and bedsheets from Bangladesh, he said.

The government should raise cash incentive on export receipts to 10 percent from existing 4 percent at least for the next six months, said Mohammad Ali Khokon, president of Bangladesh Textile Mills Association.

Syed Ershad Ahmed, president of the American Chamber of Commerce in Bangladesh, urged the government to improve the efficiency of the Chattogram port.

Efficient port management is important for attracting foreign direct investment, he said, adding that the government should expedite the VAT refund process.

The government should bring down corporate tax to 12 percent from the proposed 32.5 percent for the garment accessories sector, said Md Abdul Kader Khan, president of the Bangladesh Garment Accessories and Packaging Manufacturers and Exporters Association.

The accessories factories fall under the small enterprise category and hence they cannot survive after paying 32.5 percent corporate tax.

Although the garment exporters enjoy an additional 1 percent cash incentive, the accessories sector is not entitled to such benefit, Khan added.

Mahbubul Alam, president of the Chittagong Chamber of Commerce and Industry, called for quick completion of the projects pertaining to container terminal, overflow yard, bay terminal and bulk terminal at the Chattogram port such that the country's premier port can run more efficiently.

Lawsuits

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infected over 7.5 million.

Fears of a second wave of the virus in the United States plagued markets on Thursday after a spike in new infections in key states including Texas, California, Arizona and Florida, which fanned concerns as the nation slowly reopens.