



No cushion for MIDDLE CLASS

ZYMA ISLAM

One story that went viral last month was that of Narayanan's Farid Ahmed, who had called the national hotline seeking relief but was deemed "too rich" to get any government aid.

The upazila nirbahi officer took one look at Farid's clean-pressed clothes, his parental building of four storeys shared among seven siblings, and decided that he was attempting to swindle the government out of relief he was not entitled to.

Farid, who has a monthly salary of Tk 15,000, was asked to feed a hundred people for his "crime". He had to borrow Tk 65,000 to follow the order and avoid being sent to jail.

Humiliated and feeling like the rug was pulled out from beneath him, the man twice attempted to die by suicide.

It was a story that resonated across millions of households in an economy that saw the labour force shrink as the pandemic raged on into a second year.

But just like last year, this year too, the middle-class -- the class that's too rich to be poor, and financially stretched too thin to ever be rich -- has once again been left out of any budget considerations.

The proposed expansion of the social safety net programmes from Tk 95,574 crore to Tk 1,07,614 crore for the next fiscal year means little to a class which does not economically fall under the purview of "extreme poor".

For them, unemployment benefits are still a foreign concept even though there was a 49 percent decline in the income of salaried workers as per World Bank's figures.

The only form of unemployment benefits mentioned in the budget is the Tk 2,500 one-time direct cash transfer to the "selected poor families nationwide who faced sudden

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INDIVIDUAL INCOME TAX

TAXABLE INCOME EXEMPTION LIMIT (TAKA)

Person	Taxable Income Limit (20-21)	Taxable Income Limit (21-22)
General Taxpayer	300,000	300,000
Woman Taxpayer	350,000	350,000
Senior citizen-65 Years & above	350,000	350,000
"Person with disability"	450,000	450,000
Gazetted Freedom Fighter	475,000	475,000
"Parents with Physically Challenged Child"	Normal Exemption +50,000	Normal Exemption +50,000
Transgender Person		350,000

TAXABLE INCOME RANGE	TAXABLE INCOME	CUMULATIVE TAX-ABLE INCOME	TAX RATE- 20-21	TAX RATE- 21-22
0-Tk 300,000	300,000	300,000	0%	0%
Tk 300,001-Tk 400,000	100,000	400,000	5%	5%
Tk 400,001-Tk 700,000	300,000	700,000	10%	10%
Tk 700,001-Tk 1,100,000	400,000	1,100,000	15%	15%
Tk 1,100,001-Tk 16,000,000	500,000	1,600,000	20%	20%
Tk 16,00,001- -->			25%	25%

PERSON	Taxable Income Limit- 2021-2022	Taxable Income Limit- 2021-2022
Dhaka and Chittagong City Corporation	Tk 5,000	Tk 5,000
Others City Corporation Area	Tk 4,000	Tk 4,000
All Area other than City Corporation	Tk 3,000	Tk 3,000

SURCHARGE ON NET TAX LIABILITY BASED ON NET WEALTH

FISCAL YEAR-2020		FISCAL YEAR-2021	
NET WEALTH	RATE	NET WEALTH	RATE
Up to Tk 3cr	0%	Up to 3 Crore	0%
Over Tk 3cr to Tk 5cr, or one more motor car or over 8000 SFT house property in city corporation	10%	Over 3 Crore to 10 Crore, or one more motor Car or Over 8000 SFT House Property in City Corporation	10%
Over Tk 5cr to Tk 10cr	15%	Over 10 Core to 20 cr	20%
Over Tk 10cr to Tk 15cr	20%	Over 20 Core to 50 cr	30%
Over Tk 15cr to Tk 20cr	25%	Over 50 cr	35%
Over Tk 20cr to less Tk 50cr	30%		

POVERTY REDUCTION Pandemic eats away 30 years' progress

AKM ZAMIR UDDIN

Poverty steadily reduced for 30 years until 2019. Then came the pandemic.

Achievements made in three decades have almost been wiped out in just one year and three months after the first cases of Covid-19 were detected in Bangladesh in March 2020.

Different organisations working on poverty alleviation and economists have repeatedly demanded wider social safety net programmes (SSNPs) and expanded direct cash support that reach the new poor.

But the demands are hardly reflected in the proposed budget for the coming fiscal year.

The government, however, has plans to

reduce the poverty rate to 12.3 percent by fiscal 2023-2024, but has yet to announce how that target will be reached.

According to the Bangladesh Bureau of Statistics, the country's poverty rate was 20.5 percent in 2019, down from 21.8 percent the previous year.

In 1991, the rate was 56.07 percent, and in 2010, it was 31.5 percent.

The World Bank's "Bangladesh Development Update: Moving Forward: Connectivity and Logistics to Strengthen Competitiveness" released in April estimated that the poverty rate has jumped to 30 percent.

The proposed budget allocates Tk 1,07,614 crore to materialise the SSNPs in

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Reintegration neglected

Returnee migrants get no good news; priory on remittance boost

JAMIL MAHMUD

Migrant worker Shahidul Islam, 38, returned home in January this year after injuring his right leg in a workplace accident while employed as a domestic worker in Saudi Arabia's capital Riyadh.

Father-of-three Shahidul, who had been earning up to Tk 30,000 a month in Riyadh, had to give up his job. He found himself unemployed back at home in Munshiganj, still recovering from his injury.

"After coming home, I tried to work as an auto-rickshaw driver but could not continue it because such work triggered pain in my fractured leg," he told this newspaper over the phone yesterday.

Shahidul has been in distress as he is bearing the double burden of providing for his poor family and bearing treatment costs.

Like him, many returnee migrants who came home amid the pandemic have been facing financial hardships

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FOOD GRAINS FROM LOCAL SOURCES Govt to buy less despite low stock

PINAKI ROY

In a surprising move, the government has reduced the internal procurement target of food grains for the coming year, even though it had reached its lowest just two months ago in the current year.

It has also failed to control food prices, especially that of rice -- a staple in every Bangladeshi household.

Experts believe the government did not put enough thought on wellbeing of poor and marginal farmers -- the community that has been producing food for the people during the pandemic.

For the upcoming fiscal, the government set the procurement target at 20.44 lakh metric tons, while it was 25.06 lakh metric tons for the ongoing 2020-21, according to the food account.

"The government will take all possible measures to achieve the target and ensure food security," Finance Minister Mustafa Kamal said in his budget speech.

He, however, did not elaborate on how the government would attract farmers and millers to sell their produce to

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EDUCATION BUDGET Yawning digital gap glossed over

MOHIUDDIN ALAMGIR

Amidst a clamour to ensure digitalisation of all educational institutions and to get digital devices in the hands of all students, yesterday's proposed budget for a Covid-battered education sector appeared to have glossed over those needs.

The allocation for the education sector in the proposed budget for the 2021-22 fiscal year remains almost unchanged in terms of size and percentage of gross domestic product (GDP) compared to the current budget.

With traditional classroom learning coming to a complete halt since March 17,

2020 due to the pandemic, the government and the educational institutions took measures like introducing TV and online education to make up for educational losses.

These efforts have achieved more success in urban areas but a lack of digital devices and poor internet connectivity disrupted the learning process of a large number of rural students.

In a memorandum submitted to Finance Minister AHM Mustafa Kamal on May 24, Campaign for Popular Education (CAMPE) demanded that digital devices be ensured for each mainstream primary and

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Big push for mega projects

TUHIN SHUBHRA ADHIKARY

The mega projects, whose completion are expected to raise Bangladesh's GDP by as much as 4 percent, got about 48 percent more allocation in the upcoming fiscal year, as part of the government's push to ensure their timely implementation.

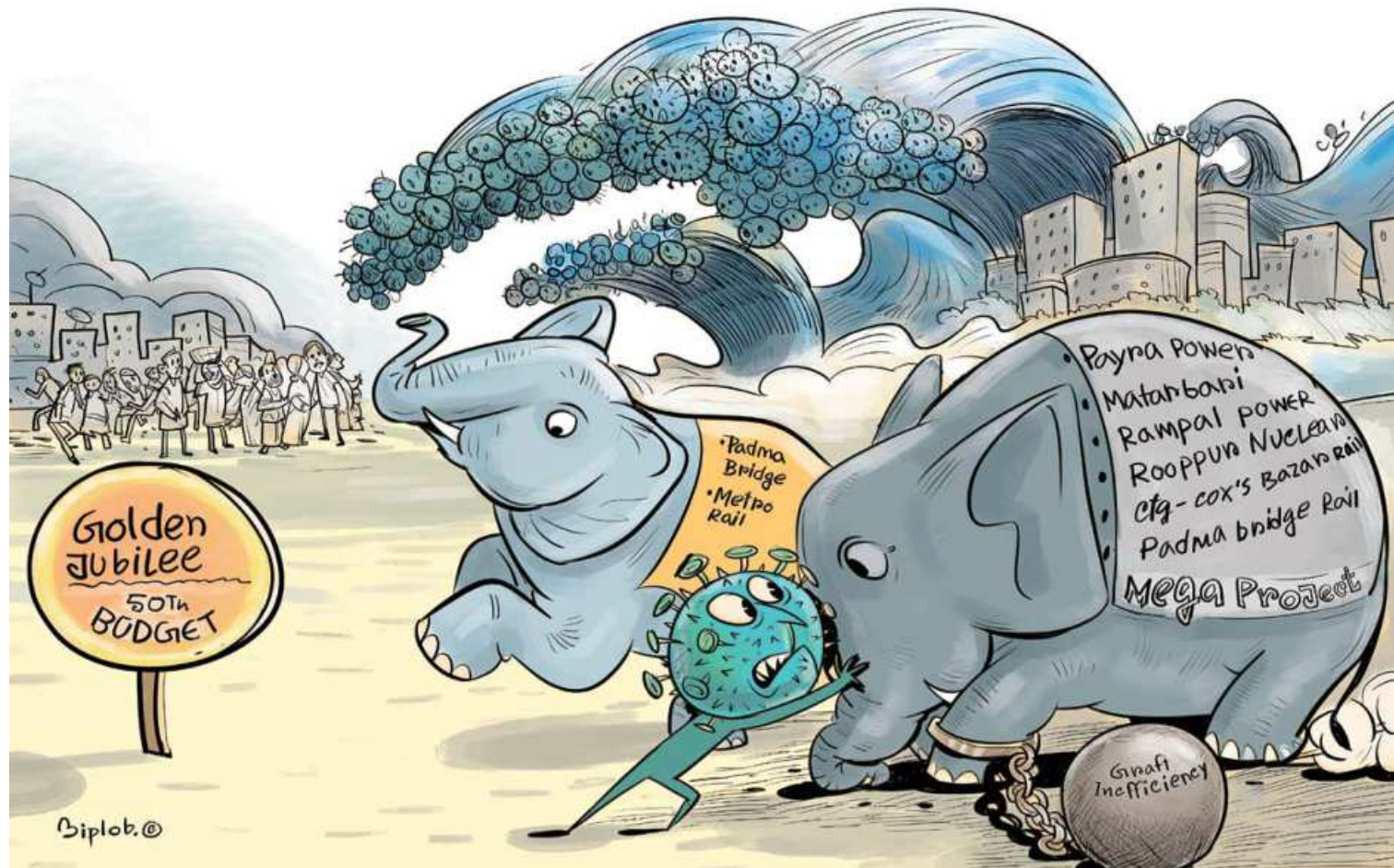
Seven of the eight mega projects -- Padma bridge, Padma bridge rail link, Dhaka mass rapid transit line-6 (Metro Rail), Chattogram-Cox's Bazar rail link, Rooppur nuclear power plant, Matarbari 1,200MW coal-fired power plant and the Payra deep seaport -- will get Tk 37,000 crore in fiscal 2021-22, in contrast to Tk 25,473.6 crore this fiscal year.

"Another important goal of the government will be to strive for timely implementation of all nationally important projects including mega projects in the infrastructure sector to sustain the higher growth rate," Finance Minister AHM Mustafa Kamal told the parliament in his budget speech.

After the Awami League government came to power in 2009, it took up several monumental development projects with the view to transforming the country's communication, transport and power infrastructure.

A total of 10 mega projects, which would have a substantial impact on the economy and wellbeing of the population, were singled out for fast-tracking.

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A boost for ICT

6 services, hardware manufacturing get tax breaks

MAHMUDUL HASAN and SHAHID BAPPY

The government is going to bolster the country's expanding ICT sector with tax exemptions in six more services and VAT waiver on hardware manufacturing as it looks to prepare the nation for the fourth industrial revolution.

With the new tax breaks in cloud computing, system integration, e-learning platform, e-book publication, mobile application development and IT freelancing until 2024, now 28 services in total would enjoy the benefits.

Finance Minister AHM Mustafa Kamal also offered tax exemption, subject to

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