

Watch out

Finance Division advises govt over macroeconomic pressures stemming from Ukraine war; next budget to be Tk 6,77,874cr

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The Finance Division has recommended that the government avoid hard-term loans and discourage import of luxury goods to cope with macroeconomic pressures arising from the Russia-Ukraine war.

It has also suggested gradual and slight increase in the prices of power, energy and fertiliser to keep the government subsidies at a reasonable level.

The recommendations came at a meeting of the Fiscal Coordination Council, presided over by Finance Minister AHM Mustafa Kamal, as part of preparations for the budget for fiscal 2022-23. The meeting also evaluated the current economic situation and outlined the next course of action.

The Division proposed that the size of the next budget would be Tk 6,77,874 crore or 15.4 percent of the GDP. It would be 12 percent bigger than the current budget of Tk 6,03,681 crore, which is 17.5 percent of the GDP.

The revenue collection target would be Tk 4,33,000 crore, of which Tk 3,70,000 crore would be collected by the NBR, said sources.

State Minister for Planning Shamsul Alam said import of luxury and unnecessary items should be discouraged to reduce pressure on foreign exchange reserves.

He said agricultural subsidies would continue but subsidies may be slashed for several other sectors.



Floodwater flowing over an embankment and entering Gurmar Haor in Tahirpur upazila of Sunamganj yesterday. Due to heavy rains upstream, waters from swollen rivers in the Sylhet region have been causing floods. Story on page 12.

PHOTO: COLLECTED

RECOMMENDATIONS	SUBSIDIES FY23
Adjust oil, power, gas and fertiliser prices gradually	POWER TK 18,000 CRORE
Raise LC margin up to 100% for luxury items	FERTILISER TK 15,000 CRORE
Withdraw Covid-time special loan facility gradually	LNG IMPORT TK 12,300 CRORE
Avoid hard-term loans	

The Russia-Ukraine war is putting pressure on the global economy and also that of Bangladesh. And if the war rages on, the government will have to take some measures, he said.

Outlining the budget for fiscal 2022-23, the Finance Division proposed keeping the subsidy allocation below 1 percent of the GDP. It also suggested gradual adjustment of subsidies for oil, energy, gas and fertiliser.

If price is not adjusted, around Tk 18,000 crore will be required for power, Tk 15,000 crore for fertiliser and Tk 12,300 crore for import of LNG in the next fiscal year.

In the current fiscal year, subsidies for power stand at Tk 9,000 crore, for import of LNG Tk 6,000 crore and for fertiliser Tk 9,500 crore.

The prices of these items have gone up due to the Covid pandemic and the Russia-Ukraine war. Additional Tk 50,000 crore has been set aside for these sectors.

The Division also suggested avoiding hard-term loans given that

SEE PAGE 2 COL 3

Mariupol will 'fight to the end'

Says Ukraine as Russian deadline to surrender passes; evacuations halted; missiles hit Kyiv, Kharkiv

AGENCIES

Ukraine yesterday vowed to 'fight to the end' as a Russian ultimatum for the last remaining Ukrainian forces in Mariupol to surrender expired yesterday.

"The city still has not fallen," Ukraine's Prime Minister Denys Shmyhal told BBC. "There's still our military forces, our soldiers. So they will fight to the end."

Moscow on Saturday issued an ultimatum to the fighters, urging them to lay down their arms by 6:00 am Moscow time (0300 GMT) and to evacuate before 13:00 pm.

Several hours after the deadline, there was no sign of compliance by Ukrainian fighters held up in the smouldering Azovstal

steelworks overlooking the Sea of Azov.

Russia said its troops had cleared the urban area of Mariupol, the main port in Donbas. The city has seen some of the fiercest fighting and worst civilian suffering since the Feb. 24 invasion, with bodies littering destroyed streets and thousands hunkered down in atrocious conditions underground.

The steelworks, one of Europe's biggest metallurgical plants with a maze of rail tracks and blast furnaces, has become a last stand for the outnumbered defenders.

It was not known how many soldiers were in the steelworks.

Having failed to overcome Ukrainian

SEE PAGE 2 COL 7

First Rab crossfire since US sanctions

OUR CORRESPONDENT, Cumilla

A man was shot dead in what Rab said was a gunfight between officers and armed gang members in Golabari area of Cumilla early yesterday.

This is the first such incident since the US government imposed sanctions on Rab in December last year over allegations of rights violations.

But before the sanctions were announced on December 10, law enforcers used to report deaths in such gunfights quite frequently.

Raju, 35, the man shot dead between 1:45am and 2:00am yesterday, was main accused in a case filed over the murder of a journalist last week, said Major Mohammad Sakib Hossain, company commander at Rab-II.

"A Rab-II team was raiding the area based on a tip-off when the miscreants sensed the presence of Rab officers and started shooting at them. As Rab men retaliated, the miscreants fled the scene, leaving an injured man," he told reporters, adding that the man was taken to Cumilla Medical College Hospital.

SEE PAGE 2 COL 1

EID RUSH HOME

Forecast: a bumpy ride

STAFF CORRESPONDENT

Transport experts have warned that there could be a dreadful situation on roads if traffic movement is not properly managed during the rush of people travelling to their home towns before the Eid.

With the daily positivity rate of Covid-19 among the lowest it has been in the country, a greater number of people are expected to leave the capital and other cities after two years of pandemic-induced lull, they said.

They estimated that around 1.2 crore people will leave Dhaka ahead of the Eid-ul-Fitr, which will be on May 2 or 3. They said the entire transport system -- comprising

is managed properly," Mozammel Hoque Chowdhury, secretary general of Bangladesh Jatri Kalyan Samity, said at a press conference yesterday.

The organisation arranged the press conference at Dhaka Reporters' Unity seeking authority's steps to reduce traffic jams, passengers' hassles, overcharging by transport operators and road crashes during Eid rush.

Traffic congestion on major highways and ferry terminals is a common phenomenon ahead of Eid-ul-Fitr -- the biggest festival for the Muslim community -- when tens of thousands of people go back to their ancestral homes.

be leaving every day, but the entire transport system has the capacity to handle 16 lakh people per day, he said.

On a daily basis, he estimated that buses would be able to cater to 8 lakh passengers, trains would be capable of transporting 1 lakh, launches 1.25 lakh, and motorcycles and private cars 3 lakh each.

In that case, people have to use illegal small vehicles, rooftops of trains, launches and other vehicles like trucks and lorries to go home, he said.

"It can be assumed that there is a possibility that road management will go into a coma."

Traffic management will not be fruitful and road crashes



- Over 1 crore people expected to leave Dhaka ahead of Eid
- Average of 30 lakh per day over 4 days
- Daily capacity of transport system: 16 lakh
- Traffic congestion likely at capital's entry and exit points
- Development work on Dhaka-Mymensingh and Tangail-Rangpur highways could cause severe jams
- Ferry terminals may also see congestion
- Proper traffic management, early exit from Dhaka city may be a solution

road, rail and water transport -- does not have the capacity to cater to that many people.

So, authorities must manage traffic properly while family members who are not working should leave Dhaka before the Eid rush, they said.

"Due to traffic congestion and various mismanagement, people may have to endure dreadful situations to make their Eid journeys, unless public transport

Transport expert Prof Hadiuzzaman, citing different sources, said around 1.15 crore people left Dhaka in 2019 while around 60 lakh people in 2020 and 2021 amid Covid restrictions.

So, with the drop in Covid cases, the number of people leaving Dhaka this year would be at least 1.2 crore, he said.

If that many people go home over the four days before Eid, then on an average 30 lakh people will

will increase, he said. So, traffic management plans should be made keeping the Eid rush in mind.

He said educational institutions will be declared closed 10 days before Eid, so family members who are not working or can leave work early should start leaving Dhaka from 20th Ramadan, and the rest just before Eid.

Mozammel Hoque said apart from Dhaka, around five crore

SEE PAGE 2 COL 3

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