

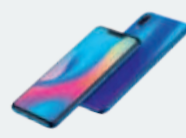
FRIDGE
Keeping cool
not so cheap



LAPTOP
Higher price tag
on the portable PC



CARS
Driving to
lighter pockets



MOBILE PHONES
Staying connected now
costlier



COVID-19 EQUIPMENT
Being safe
now dearer

Not for respite, but for restraints

Kamal tries to paint a bright picture against a gloomy background; tells inflation-hit people to hold tight



head heading head heading head

TAX MEASURES

Relief for the rich, burden for others

SOHEL PARVEZ

Over the last couple of months, various sections of society called upon the government to raise the tax-free income limit amid rising cost of living.

Their argument is an upward revision of the ceiling will protect the buying capacity of low-income people to some extent from spiralling inflation and prevent erosion of their living standard.

The demand, as it seems from the proposed tax measures for the next fiscal year, is likely to remain unmet with the tax-free income limit staying unchanged for another year.

This means a person with a monthly income of more than Tk 25,000 will have to pay tax even if he or she cannot afford basic commodities to lead a decent life.

The initial tax rate and corresponding slabs of income are to remain unchanged. For example, a taxpayer, who earns up to Tk 7 lakh annually (Tk 58,333 monthly) will have to pay up to 10 percent tax. Moreover, the limit of eligible investment for an individual has been reduced as the National Board of Revenue seeks to cut it to 20 percent from 25 percent of a taxpayer's total income.

It wants to do away with the slabs and introduce a uniform rate of 20 percent for eligible investment and a uniform rate of 15 percent in case of tax credit.

According to NBR officials, there were claims that too many slabs on tax rebates create complexity in tax credit calculation, prompting

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A fillip to 'Made in Bangladesh'

All export goods may get VAT exemption, tax holiday

MOHAMMAD SUMAN, Ctg

The government plans to extend VAT exemption and offer tax holiday to all export-oriented goods and services in order to create new export sectors, diversify goods and explore new markets.

The move aims at making 'Made in Bangladesh' a global brand.

The proposal of the finance minister is targeted to give a major boost to the domestic manufacturing industries, including those making automobiles (three-wheelers and four-wheelers), refrigerators, freezers, and compressors.

The manufacturers of ocean-going vessels, carrying the Bangladeshi flag, will enjoy the tax holiday until 2030. They will, however, have to bring in their income to Bangladesh through the banking channel.

In Bangladesh, the prevailing tax rate for the export-oriented garment sector stands at 12 per cent for general factories and 10 per cent for green factories. The finance minister has proposed to make the same facility available for all other exporting goods and services.

Mega industries such as automobiles with investments amounting to at least Tk 100 crore would be eligible for a 20-year tax holiday.

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Job creation: an empty promise

AHSAN HABIB

Although Bangladesh is witnessing a golden hour in terms of demographic dividend, a lack of decent employment opportunities in the country is leading to rising unemployment among educated youths, according to experts.

Besides, the pandemic dampened opportunities in the local job market as most non-essential economic activities were put on hold for the past two years due to Covid-19, they said.

In addition, Bangladesh Bank recently tightened the money supply to contain runaway inflation but the move may slow private investment and subsequently impact job creation as loans will become costlier.

Considering the circumstances, Finance Minister AHM Mustafa Kamal yesterday focused on employment generation in his budget proposal for fiscal 2022-23.

However, he did not include any new steps in this regard and instead opted for continuing the previous training and skills development projects.

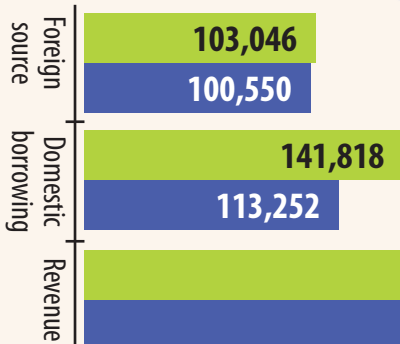
There are mainly three ministries working for training and skills development in the country, namely the Ministry of Youth and Sports, Ministry of Industries, and Ministry of Labour and Employment.

And although the allocation for the Ministry of Youth and Sports increased by 1.42 per cent compared to the revised budget for fiscal 2021-22, the other two ministries saw their funding slashed by 31 per cent and 0.83 per

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PROPOSED BUDGET

FY2022-23



SOURCES OF FINANCE

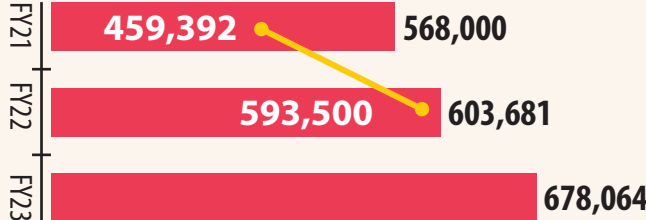
In crore taka

FY23
FY22

BANGLADESH'S NATIONAL BUDGET

In crore taka

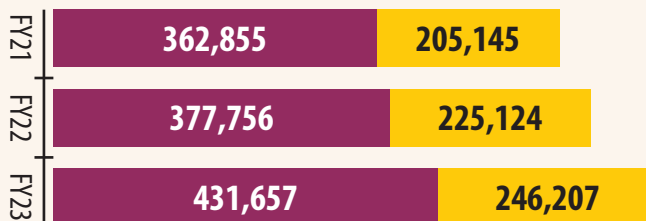
Proposed Revised/Actual



EXPENDITURE BY CATEGORIES

In crore taka

Operating expenses Development expenditure



SOURCE: FINANCE MINISTRY