



WR1 Sitakunda people are living in death trap



P5 Bhadra river silts up in 2yrs of re-excavation



P6 Trump accused of 'coup attempt' in Capitol riot



P10 Booters face Turkmenistan today

'Don't oppose it'

Kamal defends proposed amnesty to legalise offshore assets

STAFF CORRESPONDENT

Finance Minister AHM Mustafa Kamal yesterday defended his budgetary proposal allowing people to bring back money from abroad and legalise it without facing any question, saying the move is aimed at including it in the mainstream of the economy and reaping benefits.

Money laundered out of the country can be legalised in exchange for 7 to 15 percent tax under a new proposal meant to boost revenue and mobilise foreign currencies.

But economists as well as Transparency International Bangladesh have called the scope unethical as it would encourage more money laundering.

In his post-budget media briefing at the Osmani Memorial Auditorium in the capital, Kamal said the initiative should not be opposed.

"The people of the country have the right to the money that has



"The people of the country have the right to the money that has gone out. Don't oppose it. If you oppose, it will not come back. What is your benefit if it doesn't come back? You may rebuke me, but there will be no benefit."

Finance Minister AHM Mustafa Kamal

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According to the finance minister, there is no guarantee that people who have built houses in other countries with ill-gotten money from Bangladesh or laundered money will not face any questions after 10 years.

He says the international community is increasingly becoming tough against undisclosed incomes.

"So, people should avail this amnesty. I think this is the opportune moment to bring back the money," said Kamal, adding that the money has to be brought into the mainstream economy.

The finance minister said PK Halder, allegedly involved in more than Tk 10,000 crore loan scam in Bangladesh, is now in trouble. The Indian government has said it would send back Halder and the money he had laundered to India.

In a statement, TIB Executive Director Dr Iftekharuzzaman called the proposal unconstitutional, immoral, discriminatory to current taxpayers, and contrary to the country's existing law.

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Stamp duties to increase up to 300pc

AKANDA MUHAMMAD JAHID

The rate of stamp duty, which has been unchanged for a decade, is going to increase by up to 300 percent from the next fiscal year as the government aims to boost revenue collection from this source to finance part of its Tk 678,064 crore budget and keep borrowing within its target.

As part of the initiative, Finance Minister AHM Mustafa Kamal in the Finance Bill-2022 proposed changes to the stamp duties on 46 types of functions.

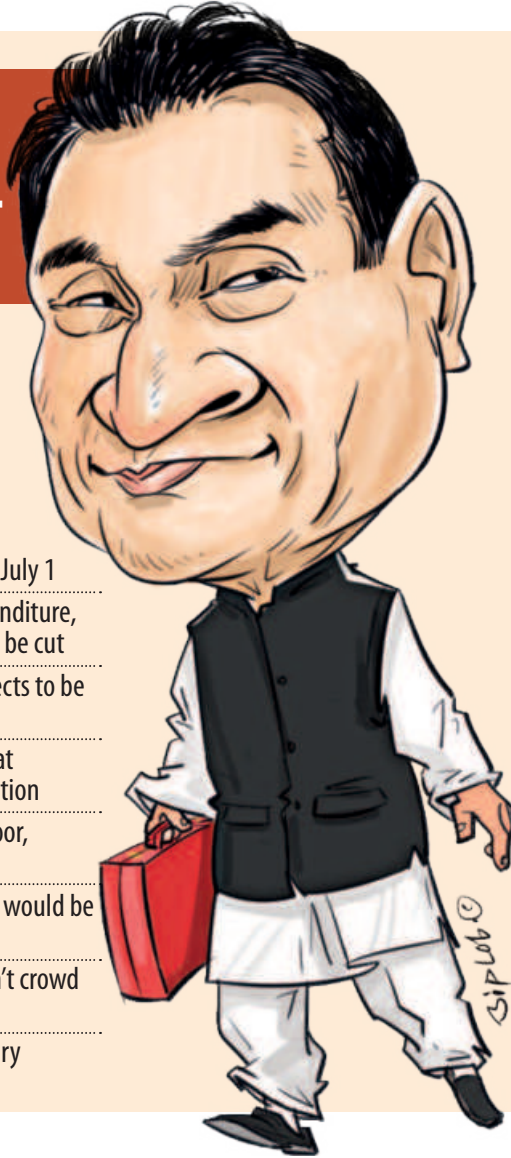
The government wants to collect Tk 13,879 crore from the sale of stamps, which is 12 percent higher than the revised target of the outgoing fiscal year. The new target is more than four times higher than the actual collection of Tk 2,906 crore in FY2020-21.

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TAKEAWAYS from finance minister's POST-BUDGET BRIEFING



- ➔ More austerity from July 1
- ➔ Less important expenditure, foreign purchases to be cut
- ➔ Less important projects to be put on hold
- ➔ Tax rates cut aimed at employment generation
- ➔ Budget to benefit poor, businesses alike
- ➔ Revenue generation would be closer to target
- ➔ Govt borrowing won't crowd out private sector
- ➔ Budget contractionary



CPD OBSERVATIONS

WELCOMING IN TERMS OF

- Better identification of contexts and challenges
- Expressing accountability by delineating the progress of past promises
- Continuation of fiscal measures to protect domestic industries
- Harmonisation of tax structure in case of export-oriented industries
- Relatively less election-focused

THE BUDGET FAILS TO

- Address inflationary issues
- Assure citizens regarding keeping prices of petroleum, fertiliser, gas and electricity unchanged
- Expand social safety net allocations in view of rising demand

WORSE IN TERMS OF

- Welcoming illicit income and capital flight
- Providing more support to higher income group while keeping the low and middle-income groups at bay

OVERALL

- INSUFFICIENT** in terms of needed measures
- INCOMPLETE** in terms of outlining strategies and
- INADEQUATE** in terms of addressing the present macroeconomic challenges

AMNESTY TO LAUNDERED MONEY

"Allowing money launderers to legalise their ill-gotten assets was completely unacceptable and illogical from the economic, political and ethical perspectives."

Mustafizur Rahman distinguished fellow of CPD

"No matter how the finance minister explains, the opportunity to bring back money laundered abroad by paying a nominal tax, it is clearly unethical protection and a reward for money launderers."

Dr Iftekharuzzaman TIB Executive Director

Budget offers no cure for price shocks

CPD says allocation for safety net inadequate

STAFF CORRESPONDENT

The government in its proposed budget has failed to devise ways to cushion common people from the shock of skyrocketing commodity prices, while the allocation for social safety net schemes was inadequate given the rising demand, the Centre for Policy Dialogue (CPD) said yesterday.

The government has considered two issues – welcoming illicit income and providing more support to the rich, while keeping the low- and middle-income groups at bay, the independent think tank said in its reaction to the proposed national budget for fiscal 2022-23.

"The government has not mentioned clearly how to protect the commoners from the ongoing inflationary pressure," Fahmida Khatun, executive director of the CPD, said at a press conference at the Lakeshore Hotels in the capital.

The latest inflation data compiled by the Bangladesh Bureau of Statistics (BBS) has not represented the actual problem of the ordinary people, she said.

"Prices of some essential commodities have

increased by 40-45 percent, as per the Trading Corporation of Bangladesh," Fahmida said, adding that there was a mismatch between the original price hike of commodities in the market and the inflation rate in April.

Inflation in Bangladesh shot up to 6.29 percent in April – highest in 18 months – amid persistently high food and non-food prices, according to BBS data released on May 18. Overall inflation was 6.22 percent a month ago.

The government has set the inflation target at 5.6 percent for the next fiscal year, which also contradicts the reality, Fahmida said.

The government claims that global factors are largely responsible for the runaway inflation in Bangladesh, but its projection does not conform to its stance, she said.

"We don't know when the Russia-Ukraine war will end. On top of that, the latest wave of the coronavirus pandemic in China has dealt a fresh blow to the global supply chain," she said.

"So how is it possible to bring down the inflation rate to 5.6 percent?"

Fahmida thinks the government can still withdraw or bring down taxes on at least 29

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Businesses upbeat over tax measures

Say the steps will attract investment in private sector

STAFF CORRESPONDENT

Business chambers and trade bodies welcomed the business-friendly measures in the proposed budget for the next fiscal year as the country's economy strives to recover from the fallouts of the pandemic, the Russia-Ukraine war and high inflation.

Some tax measures proposed by the government will help attract investment in the private sector, they said.

Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said bringing all exporters under the uniform tax rate, which is currently available only to the garment sector, had long been a major demand of businesspeople.

In the budget proposal presented in parliament on Thursday, the government proposed making the uniform tax rates of 12 percent for non-green factories and 10 percent for green factories applicable to all exporters.

He said controlling inflation will be the biggest challenge in the implementation of the budget.

He also criticised the finance minister's proposal to give amnesty to laundered money by allowing black money to be legalised by paying 7 to 15 percent tax.

The Metropolitan Chamber of Commerce and Industry (MCCI) is happy to see that this year's budget proposal is not like other conventional budgets and that ensuring a stable livelihood has received due focus, MCCI President Md Saiful Islam said in a statement.

"We know that future economic disruptions besides the current ones caused by the pandemic can actually increase the final budget deficit," Islam said suggesting for effective financial management to limit expenditure on the financing of government projects.

The MCCI also believed that the priority of the government will be to ensure the health and economic security of citizens as much as possible. Simultaneously, given the current backdrop of global crises and price hikes, government support is even more important to keep energy, food and fertilisers prices under control.

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Rickshaw vans, with CNG cylinders installed on them, wait to enter the BSCIC Industrial Estate in Gazipur's Tongi. Refilled at a nearby CNG filling station, the cylinders are used to supply gas to some factories there. Such a risky method of supplying gas exposes people to accidents. The photo was taken recently.

PHOTO: ANISUR RAHMAN

PADMA BRIDGE inauguration 14 DAYS TO GO