

Austere times are here

Govt puts on hold frill expenses, less important projects

REJAUl KARIM BYRON

In the end, it was not just lip service. Yesterday, on the first working day of the new fiscal year, the government rolled out a cocktail of austerity measures for its own administration that can conserve about Tk 60,000 crore – for now.

The instructions, which came in three separate notices from the finance ministry, come after Prime Minister Sheikh Hasina on June 29 urged everyone to practice austerity from their own positions and buy local.

The sombre stance comes in the face of strained foreign currency reserves, elevated global and domestic inflation, low fiscal space and continued jitters surrounding the Russia-Ukraine war.

No vehicles, aircraft, helicopters, ships, boats or barges can be purchased by the government, semi-government, autonomous and statutory bodies as well as state-owned enterprises and financial institutions or under any development projects until further notice.

Even the old ones cannot be replaced as per the notice yesterday.

In the budget for fiscal 2022-23, Tk 8,080

crore has been allocated for this overhead, down 1.6 percent from the just-concluded fiscal year.

Only for emergency and essential needs that the institutions can spend their allocations for entertainment, travel, training, stationery, electrical equipment and furniture.

Even then, they can spend at most 50 percent of the amount allotted.

About Tk 17,000 crore can be conserved as a result, according to the budget document.

No honorarium can be given for attending meetings of project implementation committee, project steering committee, departmental project evaluation committee and departmental special project evaluation committee.

In the budget for this fiscal year, Tk 619 crore has been allocated for honorarium and special expenses, down 27.3 percent from fiscal 2021-22.

The austerity has been implemented in the annual development programme too.

Projects have been classified into A, B and C categories.

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REASONS FOR AUSTERITY

- » Global inflation veering towards historic highs
- » Uncertainty over the end of Russia-Ukraine war
- » Foreign reserves in a delicate position
- » Remittance slowing down
- » Exports expected to contract
- » Revenue base shrinking

» About **Tk 18,000cr** will be conserved from austerity measures for administration

» Around **Tk 40,000cr** will be conserved from putting projects on hold



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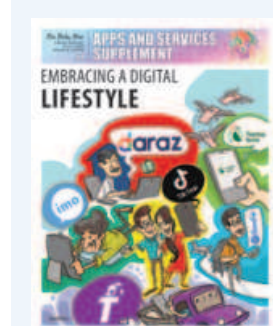
OECD countries tell EC

STAFF CORRESPONDENT

The OECD countries will be happy if next general polls are held in an inclusive, acceptable, and free and fair manner, said Chief Election Commissioner Kazi Habibur Awal.

The Organisation for Economic Co-operation and Development is an intergovernmental organisation with 38 member-countries, founded in 1961 to stimulate economic progress and world trade.

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China wants to build Dhaka-Ctg expressway

Proposal sent to PMO, road ministry; govt may revive the plan discarded last year

TUHIN SHUBHRA ADHIKARY

China has proposed to build the Dhaka-Chattoogram Expressway under a government-Public Private Partnership (G2G-PPP) framework, bringing the project cancelled last year back into focus.

State-owned China State Construction Engineering Corporation Ltd (CSCEC) recently sent a proposal to the principal secretary to the prime minister to this effect.

A copy of the letter, sent by Liu Bingquan, authorised representative of CSCEC, was also sent to the personal secretary of the Road Transport and Bridges Minister Obaidul Quader, ministry sources said.

The development comes at a time when road transport and bridges ministry is considering reviving the expressway plan, which was cancelled formally in October last year.

On Wednesday, the ministry's road transport and highways division will hold a meeting to take opinions from officials concerned for reviving the expressway plan, ABM Amin Ullah Nuri, secretary of the division, told The Daily Star yesterday.

He said a Chinese company has sent a proposal to implement expressway project to the principal secretary and they also received a copy.

"However, we did not get any directive from the PMO. So, the particular proposal is not on our discussion list. But we will take opinions of experts [within the ministry and agencies] at the meeting to revive the expressway plan."

Indecision, short-sightedness and piecemeal measures have long been plaguing the government's plan to upgrade the Dhaka-Chattoogram corridor, considered the economic lifeline of the country.

The government took the expressway project in 2013 but the prime minister ordered to drop it in

2019, deciding instead to build a rather expensive high-speed railway between Dhaka and Chattogram, which is now on the backburner.

According to experts and business leaders, as much as 80-90 percent of the country's trade is carried out using the Dhaka-Chattoogram highway, and so the government should first develop the expressway for the sake of economic growth.

Talking to this newspaper earlier this year, Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, said the average speed of vehicles on major highways

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is around 30 kilometres per hour.

Bangladesh's competitiveness in export will rise by six to seven percent if the average speed on the Dhaka-Chattoogram highway reaches 80kmph, which can best be achieved with an expressway, he added.

RHD officials at a recent meeting with the chief executive officer of Public Private Partnership Authority requested to reconsider the expressway plan before taking any project to add more lanes on the existing Dhaka-Chattoogram highway, RHD sources said.

THE FLIPFLOP

The government in 2004 decided to build a limited-access road. Four years later, the ADB financed a

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With floodwaters receding in many areas in Sylhet division, a trail of devastation is becoming visible. These rail lines in Chhatak upazila of Sunamganj, which had been under water for days, appear to be warped as the gravel underneath got washed away.

PHOTO: SHEIKH NASIR

Covid positivity rate rises to 15.53pc

1,902 more infected
STAFF CORRESPONDENT

The transmission of coronavirus has increased as the positivity rate yesterday increased to 15.53 percent from 13.22 percent.

Yesterday, the number of new cases also increased as the health directorate reported 1,902 cases.

The previous day, the Directorate General of Health Services (DGHS) reported 1,105 cases.

Two Covid-19 patients died in the last 24 hours till 8:00am yesterday.

Meantime, 307 Covid-19 patients recovered from their illness taking the

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