



B1 Islamic banks post higher profit



P10 Only Connect: The Radical Empathy of Mrinal Sen



P7 Thai opposition in early election lead



P6 Wanted to explore the criminal, not the crime



With a five-year-old somehow clinging on to his mother, this family of three, along with their poultry and other valuables, fought strong winds on their way to a shelter from Shahpori Dwip in Teknaf. *Top left*, The wreckage left by Cyclone Mocha in Saint Martin's Island. *Bottom left*, Winds getting stronger and the Naf River roughening up after Cyclone Mocha made its landfall on the Myanmar coast yesterday afternoon.



PHOTO: COLLECTED



PHOTOS: PRABIR DAS

Economic troubles won't clear without reforms

Says PRI in its pre-budget analysis

STAFF CORRESPONDENT

Without any fundamental reforms in policies, the precarious state of the economy will get worse, said the Policy Research Institute of Bangladesh yesterday.

The performance in different economic arenas – such as exports, imports, remittance and revenue mobilisation – is not satisfactory, said Ahsan H Mansur, executive director of the think-tank.

"That will badly impact the growth in the days ahead," he said at an event styled "Pre-Budget Press Briefing and Discussion" organised by the PRI at its office in Dhaka.

Given the current state of affairs, a GDP growth target of 7.5 percent for the next fiscal year is unrealistic, he said.

If the expected GDP growth is not achieved, the revenue collection target will not be fulfilled, which in turn will widen the budget deficit.

Expansion of the tax net is important to increase revenue collection, said Mohammad A Razzaque, director of the PRI Study Centre on Domestic Resource Mobilisation.

A lucky escape

Mocha makes landfall in Myanmar, weakens; causes no serious damage in Bangladesh

STAR REPORT

It's a sigh of relief for Bangladesh.

Cyclone Mocha veered towards Myanmar and eventually made landfall there a few hours earlier than forecast and it did not cause massive damage that many in Bangladesh feared.

Around 13,500 houses were affected by the cyclone in Cox's Bazar, including St Martin's Island, and the Rohingya refugee camps. And some 15 to 20 people had minor injuries, said officials concerned.

Mocha hit Myanmar with windspeeds of around 209kmph.

Around 1:00pm, St Martin's Island in Bangladesh saw windspeeds of around 100kmph, Nazmul Haque, a meteorologist at Bangladesh Meteorological Department (BMD), told The Daily Star.

The storm crossed the Myanmar coastline by evening and weakened into a deep depression over Sittwe, Myanmar, a BMD bulletin said.

The Met office advised "cautionary signal number 3", which means ships at ports could be in harm's way and the windspeeds will be between 40kmph and 50kmph, for port authorities of Cox's Bazar.

THE DAMAGES

Around 1,000 houses and 100 cottages for tourists were damaged on St Martin's Island, said Mujibur Rahman, chairman of St Martin's union parishad.

The cyclone unleashed havoc on the island, he

said. There is a severe crisis of drinking water.

A woman was injured after a tree fell on her, he said.

People started returning home in the evening. But the children and the elderly people were still at the cyclone shelters, he said.

However, Cox's Bazar's Additional District Magistrate Abu Sufian said some 700 houses were damaged on the island.

Around 13,500 houses were affected by the cyclone in Cox's Bazar, including St Martin's Island, and the Rohingya refugee camps. And some 15 to 20 people had minor injuries, said officials concerned.

In the Rohingya refugee camps of Cox's Bazar, a total of 2,826 shanties were affected by Mocha, said Refugee Relief and Repatriation Commissioner (RRRC) Mizanur Rahman.

Among those, 278 shanties were destroyed while 2,548 were damaged, according to a report from the office of RRRC around 11:00pm.

Seven Rohingyas were injured, the report said. Besides, 32 learning centres, one healthcare centre and 29 mosques were also affected, the report said.

There were landslides in 120 places inside the camps, the report said, adding that 5,386 Rohingyas had been relocated to safety.

SEE PAGE 2 COL 1

3 killed as Mocha lashes Myanmar

Floods, destruction reported

AGENCIES

Cyclone Mocha slammed into the coast of Myanmar tearing the roofs off buildings and killing at least three people.

Myanmar appears to have borne the direct impact of the cyclone, as winds of up to 210 kph (130 mph) ripped through settlements and brought down a communications tower.

The center of the cyclone made landfall in the afternoon in Rakhine state near Sittwe township, Myanmar's Meteorological Department said.

Ahead of the cyclone's landfall, thousands of people hunkered down in monasteries, pagodas and schools, seeking shelter, reports AP.

Parts of Sittwe, the capital of Rakhine state, were flooded and the ground floors of several buildings were underwater, a video posted on social media by a witness in the city showed.

Myanmar's military information office said the storm had damaged houses, electrical transformers, cell phone towers, boats and lampposts in Sittwe, Kyaukpyu, and Gwa townships. It said the storm also tore roofs off of buildings on the Coco Islands, about 425 kilometers southwest of the country's largest city, Yangon.

More than 4,000 of Sittwe's 300,000 residents were evacuated to other cities and more than 20,000 people are sheltering in sturdy buildings such as monasteries, pagodas and schools located on the city's highlands, said Tin Nyein Oo, who is volunteering in shelters in Sittwe.

Yesterday morning, at least 3 deaths caused by wind and rain were reported in Myanmar.

A rescue team from the country's eastern Shan state announced on its Facebook social media page that they had recovered the bodies of a couple who were buried when a landslide caused by heavy rain hit their house in Tachileik township. Local media reported that a man was crushed to death when a banyan tree fell on him in Pyin Oo Lwin township in the central Mandalay Region.

SEE PAGE 2 COL 2

PRI'S PRESCRIPTION FOR ECONOMIC STABILITY

- Remove interest rate cap
- Market-determined exchange rate
- Expand tax net
- Get the wealthy to pay correct taxes
- Reform VAT system

The NBR should give extra efforts to ramp up tax collection from the affluent class, he said.

If all households in the top 10 percentile of income were subjected to a 1.0 percent tax, the tax-GDP ratio could be increased by 1.6 percentage points.

Reducing tax exemptions, which are estimated to be 2.3 percent of GDP, should be considered as well, he said.

As the government plans to increase the size of the upcoming budget, it is vital to acknowledge the expected substantial shortfall in overall revenue receipts for the current fiscal year, he said.

Short-term VAT reforms could increase the tax-GDP ratio by up to 0.6 percentage points, he said, adding that additional reforms could increase this further in the medium to long term, Razzaque added.

The economy has been in crisis for the last 15 months, but the government has not addressed the issue with urgency, said Mansur, also a former economist of the International Monetary Fund.

For instance, the central bank has not withdrawn the interest rate ceiling of 9 percent on loans.

At the IMF's urging, it would be rolling out an interest rate corridor, which will be set by the average yields of treasury bills.

SEE PAGE 6 COL 4

Don't increase tax burden on ordinary people

PM tells finance minister, NBR

REJAUL KARIM BYRON and MAHBUBUR RAHMAN KHAN

Prime Minister Sheikh Hasina has directed the National Board of Revenue not to increase the ordinary people's tax burden as it looks to improve its revenue collection by 16 percent in the upcoming fiscal year.

She gave the instruction at a meeting with Finance Minister AHM Mustafa Kamal and senior NBR officials at the Gono Bhaban yesterday.

The tax-free income ceiling may be raised to Tk 320,000-350,000 in the next fiscal year, up from the current ceiling of Tk 300,000, to ease the suffering of the low and middle-income people who are struggling to cope with the soaring prices of essentials, said finance ministry officials.

She also suggested continuing tax exemption on commodities and levying more taxes on products that are harmful to public health.

Hasina's directives come as the finance ministry sits to draft the budget for fiscal 2023-24 with the conditions of the International Monetary Fund hanging over its head.

As per the IMF's conditions for the \$4.7 billion loan

SEE PAGE 2 COL 4



PHOTO: AMRAN HOSSAIN

A stretch of the Dhaka-Narayanganj road in the capital's Shyampur is covered with a cloud of dust, which is accumulated on the surface of the road due to a lack of sweeping. This reduces visibility of motorists and raises the chances of accidents. The photo was taken yesterday.

AL mulls expelling Zahangir for life

PARTHA PRATIM BHATTACHARJEE

Zahangir Alam, the suspended mayor of Gazipur City Corporation, is likely to be expelled for life from the Awami League.

A secretary-level meeting of the ruling party, held at the party president's Dhanmondi office yesterday with General Secretary Obaidul Quader in the chair, recommended the action against Zahangir, said sources.

AL Joint General Secretary Bahauddin Nasim proposed Zahangir's permanent expulsion and the meeting unanimously supported it.

Nasim said even after getting the party's amnesty, Zahangir was working against the party and so he should be expelled for life. Nasim then mentioned the terms and conditions of the amnesty.

SEE PAGE 6 COL 4