

No remedy

FROM PAGE 4

When he became the finance minister in September 2019, Kamal said the amount of default loans won't increase anymore.

In June 2019, default loans stood at Tk 112,619 crore. It rose to the highest-ever of Tk 134,396 crore in September 2022 before falling to Tk 131,621 in March this year.

According to the World Bank, the extent of troubled assets is obscured by lax regulatory definitions and reporting standards, extended forbearance, as well as weak supervisory enforcement.

"The finance minister did not mention how he will address the major problems in the financial sector like weak balance sheet and corporate governance," Zahid Hussain said.

Higher borrowing

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"If the government can't manage its required funds from abroad, it will be compelled to take loans from the banking system," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

If the government fails to pull off the revenue generation target in 2023-24, it will have to cut expenditures. Otherwise, the deficit will widen further, Mansur said.

But a massive cut in spending may not be possible ahead of the general election.

Current trends hint that the government may continue its reliance on the central bank's money in FY24 since the interest rates on such loans are lower compared to the funds from other sources.

"But such borrowing will worsen the ongoing foreign exchange crisis," said Mansur.

This is because a higher money supply will accelerate demand for goods and services, which may raise imports, whose escalated level has been one of the key factors behind the economic crisis in Bangladesh since purchases from the overseas markets required US dollars.

An increase in imports will bring down the foreign currency reserve level, which has already fallen by 29 percent in the past one year.

"It seems that the overall macroeconomic situation is going to face a haphazard situation," Mansur said.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, says that the budget deficit may be likely to increase in the coming fiscal year given the election year.

If the government borrows from commercial banks, the private sector, particularly micro and small businesses, will not get adequate loans. Then attaining the economic growth target will be difficult."

"If the government keeps its current trend of borrowing from the central bank, inflation will go up further and the current macroeconomic instability will worsen."



A man falls as protesters clash with French gendarmes during a demonstration against the pension reform on the sidelines of the 25th Conference of the Small Towns in Millau, southern France, yesterday.

PHOTO: AFP

Hardly any mention of yawning inequality

FROM PAGE 2

In his budget speech, the finance minister hardly mentioned the issue of growing inequality even though recent data released by the Bangladesh Bureau of Statistics demonstrates a rising trend of inequality.

Economists think that the government's tax system is not progressive because it depends more on indirect tax than on direct tax. Indirect tax is levied on goods and services while direct tax is imposed on income.

"Growing inequality is a normal tendency in a growing economy, but the government should put in place mechanisms to counter it," said Zaid Bakht, a former Research Director of the Bangladesh Institute of Development Studies (BIDS).

Mechanisms to counter inequality include increasing direct tax and widening the tax net, added Bakht, also chairman of Agrani Bank.

The share of indirect tax on the government's total revenue rose from 65 percent in 2021-22 to 69 percent till February 2022-23.

In the budget for the next fiscal, the government has proposed increasing indirect tax by imposing value added tax on many necessary goods, which, economists believe, would further deepen the inequality.

The government has proposed increasing VAT from 5 percent to 7.5 percent on plastic tableware and kitchenware, housekeeping products and sanitary ware. It has also proposed imposing higher VAT on toilet and facial tissues.

Most of these products are used by low income people, say economists, adding that although the number of people filing tax returns has

increased, the gap between registered tax payers and tax return filers is still a matter of concern.

Until April in the current fiscal, the National Board of Revenue received 31.7 lakh tax returns from taxpayers, whereas the total number of registered taxpayers is around 88 lakh, according to the NBR.

According to recent data released by the BBS, Bangladesh's Gini coefficient, the economic measure of equality, stood at 0.499 in 2022, which is alarmingly high. The Gini coefficient is measured on a scale of 0 to 1. The closer it is to 1, the higher the inequality in society. If it is closer to 0.50, it is considered as manifesting high rates of inequality.

From 1973 to 1996, the Gini coefficient ranged from 0.36 to 0.39. It has since started to rise, according to BBS.

The reasons for growing inequality involve policy-making, tax regulations and corruption, said Prof Rashed Al Mahmud Titumir, chairman of the Department of Development Studies at the University of Dhaka.

Prices of utilities rose several times last year, which means people in lower-income groups will need to spend more on them. The government could provide relief to the low-income groups by announcing a minimum threshold of utility use free of charge, explained Titumir.

"Price hikes of many products are aligned with the world market but when things come back to normalcy in the global market, prices in our country do not drop," said Titumir.

Besides, land registration may also become costlier as the finance minister proposed incasing property transfer tax.

The prices of optical fiber cables, non-mass-produced biscuits, sweetmeats, animal feed, agricultural products, aircraft engines and their parts, aircraft parts, and anti-malarial and anti-tuberculosis drugs are likely to come down.

the implementation phase.

Rizwanul Islam, an economist and former special advisor at International Labour Office, Geneva, said increasing indirect taxes like VAT and import duty badly affects low-income consumers because they are paying these taxes at the same rate as the rich.

Reduction in corporate tax is another example of measures that are designed to help the rich, he said.

The government has proposed reducing corporate tax for all companies by 2.5 percentage point in the current fiscal year.

This kind of policy not only increases inequality, they help exacerbate it, Islam added.

What gets costlier

FROM PAGE 3

Mobile phones, gold bars, bicycle parts, LGP cylinders, lifts, escalators, cement, ballpoint pens, and software are also likely to become costlier.

The prices of cigarettes, e-cigarettes, imported cashew nuts, non-fortified basmati rice, processed nuts, fruits and dates may also increase.

People will have to pay more for travelling abroad as the finance minister proposed increasing travel tax. Domestic air travels may also become costlier as the minister proposed imposing an air travel tax of Tk 200.

Besides, land registration may also become costlier as the finance minister proposed incasing property transfer tax.

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French NGOs sue state over pesticide use

AFP, PARIS

the state,

The rapporteur suggested ordering the government "to put an end to all the shortcomings that we have identified and take all useful measures to repair the resulting ecological damage".

The conclusions of the rapporteur are often -- but not always followed by the judges -- and it will be some two weeks before their final ruling.

Similar action against the French state for failing to prevent air pollution or respect its own climate change targets have been successful in recent years, with environmental groups turning to legal activism across Europe to hold governments to account.

Subsidy benefits

FROM PAGE 4

a lease and expected a yield of 24 maunds of paddy per bigha.

According to the present market price, Rouf was hoping to sell per maund paddy (BRRI-29) for Tk 960. According to that estimation, he is expected to make a profit of Tk 5,000 only, yielding him a total profit of Tk 20,000 for his cultivation of the four-bigha land.

Rouf has to run his family of six for the next six months with this amount.

"We expected the government to decrease the prices of agricultural inputs. However, they did the opposite. The price of electricity and gas have increased every month, which has adverse effects on our lives and livelihood," said Rouf.

Another farmer Rezaul Hasan from Naogaon said, "I heard about these subsidies that the government is providing. However, farmers do not benefit from them. For example, the government provided farmers with imported machinery, which we could not use as our lands went under water."

"The government's subsidies for Aus paddy are not reaching the farmers who need them. The benefits mostly go to those with political influence and their subordinates," he alleged.

Ali Hossain, a farmer of Chalan Beel in Natore's Shingra area, said many farmers, who use diesel for irrigation in remote beel areas, stopped cultivating Boro after the rise of diesel prices early this year.

"They shifted to producing maize as it requires less irrigation," he said.

MA Sattar Mandal, an emeritus professor at Bangladesh Agricultural University, said paddy prices should be Tk 1,500 per maund. Otherwise the small and marginal farmers would lose interest in the cultivation.

"If increasing paddy prices is not

an option, the government must ensure the availability of seeds, fertilisers, fuel, and electricity at lower prices to minimise the production costs," he added.

He also said the government should import grains with proper calculations to ensure fair prices for the farmers.

"It should also monitor the market of agricultural products closely," he added.

According to the farmers, although the price of rice was appropriate in the last few years, jute prices have not improved. It went below Tk 3,000 per maund in 2021.

Prof Saidur Rahman of Bangladesh Agricultural University, said the government should take agricultural products to foreign niche markets. Currently, Bangladeshis and Indians are the main consumers of Bangladeshi agro-products, he said.

"If our agricultural products find access to the export market, the farmers would be more interested in producing them. The rise in domestic production will ensure food security," he added.

During his speech at the parliament yesterday, the finance minister mentioned that Bangladesh globally ranks third in rice production, second in jute, fourth in tea, second in fish, third in vegetable and onion production, and seventh in potato and mango production.

However, for this fiscal, he only proposed 3.50 percent of the total budget for the agriculture sector. He proposed a total allocation of Tk 35,374 crore for the sector that covers agriculture, food, fisheries and livestock for the 2023-24 fiscal.

In the previous fiscal (2022-23), the budget allocation for the agriculture sector was Tk 33,698 crore -- 4.97 percent of that year's total budget.

Government of the People's Republic of Bangladesh

Office of the Director
Chittagong Medical College Hospital
www.cmch.gov.bd

Date: 01-06-2023

Invitation for Tender

Sealed tenders are hereby invited from experienced Importers/Contractors/Suppliers/Distributors of Motor Vehicle repair for CMCH in the fiscal 2022-2023. As per PPA-2006 & PPR-2008 (Including all corrigendum); terms and conditions are as follow(s):

KEY INFORMATION

1	Ministry/Division	Ministry of Health and Family Welfare.						
2	Agency	Chittagong Medical College Hospital, Chattogram.						
3	PE name, designation & contact details	Brigadier General Md. Shamim Ahsan; Director, Chittagong Medical College Hospital, Telephone: +8802333360179 E-mail address: cmch@hospidgbs.gov.bd						
4	Procuring entity code & district	GOB, Chattogram.						
5	Invitation for	Procurement of Motor Vehicle Repair for Chittagong Medical College Hospital in the fiscal year 2022-2023.						
6	Tender Ref. No & date	Memo No. CMCH/Tender/2022-2023/Motor Vehicle Repair/6147 Date: 01-06-2023.						
7	Procurement method	Open Tender Method (National). Item-by-item.						
8	Budget and source of funds	GOB, economic code: 3258101.						
9	Tender publication date	01-06-2023.						
10	Tender schedule selling starting date and time	01-06-2023 During office hours.						
11	Pre-tender meeting	06-06-2023, 11:00am.						
12	Tender last selling date and time	15-06-2023, 12:00pm.						
13	Tender dropping & closing date and time	Dropping date: 17-06-2023, Dropping time: from 09:00am to 12:00pm Closing time: 12:01pm.						
14	Tender opening date and time	17-06-2023 at 01:00pm.						
15	Name and address of the offices	<table border="1"> <tr> <td>(a) Selling tender documents</td> <td>Cashier, Office of the Director, Chittagong Medical College Hospital.</td> </tr> <tr> <td>(b) Receiving tender documents</td> <td>Cashier, Office of the Civil Surgeon, Chattogram District.</td> </tr> <tr> <td>Tender documents opening place</td> <td>Office of the Director, Chittagong Medical College Hospital.</td> </tr> </table>	(a) Selling tender documents	Cashier, Office of the Director, Chittagong Medical College Hospital.	(b) Receiving tender documents	Cashier, Office of the Civil Surgeon, Chattogram District.	Tender documents opening place	Office of the Director, Chittagong Medical College Hospital.
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Tender documents opening place	Office of the Director, Chittagong Medical College Hospital.							

INFORMATION FOR TENDERER

16	Bidders eligibility	Details in Tender Booklet.	
17	Description of Group, Price of Tender Document, Tender Security etc.	Price of tender document in BDT (Only in Cash, non-refundable)	Tender Security in BDT (Bank Draft/Pay Order to be submitted with the tender booklet in favor of The Director, CMCH). Bank guarantee is not acceptable.
A	Motor Vehicle Repair	Tk 500.00 (five hundred only)	Tk 13,000.00 (thirteen thousand only)
18	Description of related services		Details in Tender Booklet.
Note:		<p>(a) Corrigendum if necessary in future will be a part of this notice. The competent authority reserves the right to accept or reject any or all tender without assigning any reason whatsoever.</p> <p>(b) If the date of selling, receiving & opening of tender is disturbed under any unavoidable circumstances, the next working day will be applicable for the same respectively.</p>	

Dr. Rajib Palit

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