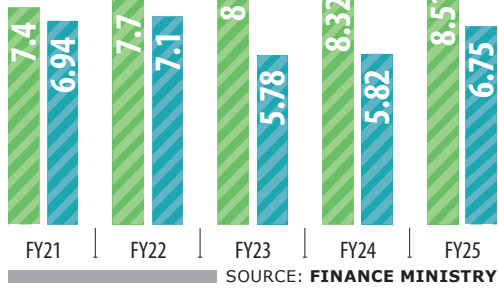
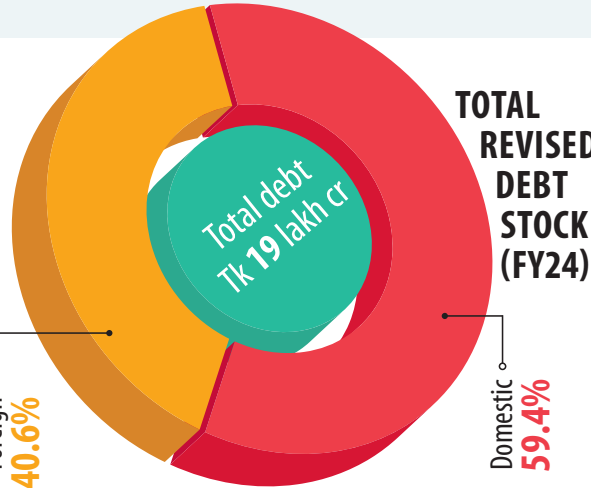
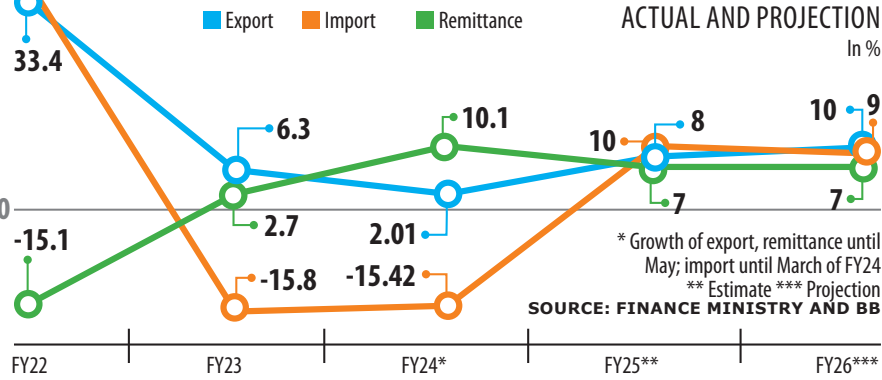


## ECONOMIC GROWTH

TARGET VS REALITY (In %)  
8th Five Year Plan target  
Achievement

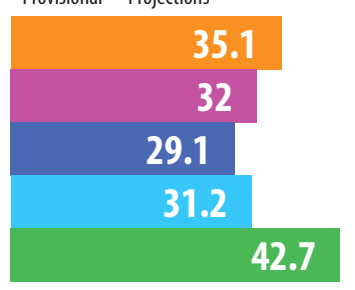


## MAJOR INDICATORS ACTUAL AND PROJECTION



## FOREX RESERVES

Actual and projection  
In billion \$  
\* Provisional \*\* Projections



# Govt measures will tame rising inflation

Says finance minister at post-budget briefing

REJAUL KARIM BYRON

Finance Minister Abul Hassan Mahmood Ali yesterday expressed hope that the government would be able to curb high inflation on the back of budgetary measures and the central bank's steps.

"I would like to remind you that after we assumed power in 2009, inflation was at a high level, but we brought it under control. I want to assert that inflation will fall this time too."

"We have taken several steps to control inflation through the tax structure. For example, duties have been reduced for the import of daily necessities."

The minister was speaking at the post-budget media briefing at the Osmani Memorial Auditorium

in Dhaka.

Bangladesh has been seeing more than 9 percent inflation for the past two years. Though many countries have successfully brought it down, Bangladesh is struggling to contain it owing to a lack of adequate measures at the right time.

Mahmood Ali tried to allay fears that higher bank borrowing, targeted for the upcoming fiscal year, will stoke inflation.

"There is nothing to worry about," he said, adding that the government did not go for a bigger budget with an aim to rein in inflation.

"Since controlling inflation is our top priority now, contractionary policy remains the focus for a while. However, we will keep an eye to ensure our growth does not suffer too much from this."

In the budget speech, the finance minister said the goal is to increase government spending gradually in the second half of 2024-25, and this will be possible if the revenue collection increases.

Md Khairuzzaman Mozumder, secretary of the finance division, said there is distortion in the

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## WHITENING BLACK MONEY

The scope for whitening black money is a very sad step, which is not acceptable legally and morally.

Mustafizur Rahman, a distinguished fellow of CPD

There has been a demand from the business community and the public for the legalisation of undeclared money.

Abu Hena Md Rahmatul Muneem, chairman of NBR

# No concrete steps to address inflation, low reserves: CPD

STAFF CORRESPONDENT

The proposed national budget for fiscal 2024-25 lacks concrete measures for addressing the current economic concerns, such as runaway inflation and depleting foreign exchange reserves, the Centre for Policy Dialogue (CPD) said yesterday.

Besides, the government will not be able to reach its projections on reducing the inflation rate and increasing economic growth and investment, the think-tank said.

The CPD made these observations in its analysis of the government's

proposed budgetary measures for the upcoming fiscal year at a media briefing at the Bangabandhu International Conference Centre in Dhaka.



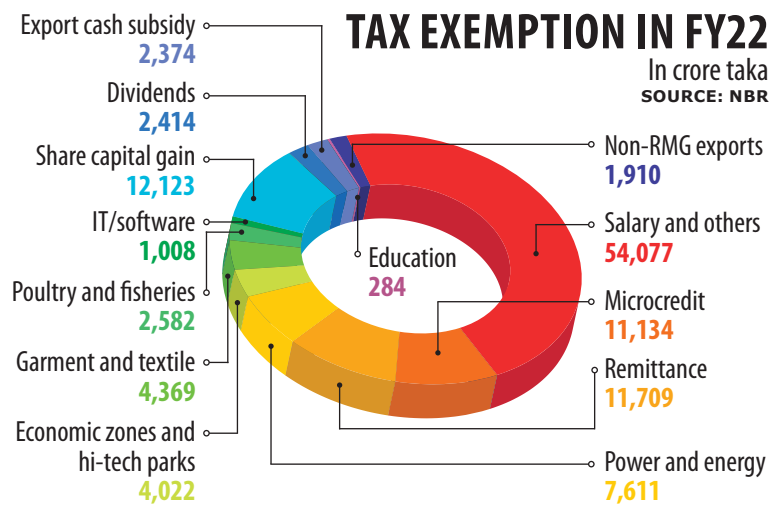
Overall, this is an ordinary budget during an extraordinary time.

Fahmida Khatun, Executive Director, CPD

Fahmida Khatun, executive director of the CPD, said the government's target of bringing

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# Tax exemption in FY25 rises to Tk 163,000cr



SUKANTA HALDER and MD ASADUZZAMAN

Tax exemptions provided by the National Board of Revenue (NBR) are estimated to rise to Tk 163,000 crore in fiscal 2024-25 as the tax administration looks to ease the pressure on individuals and facilitate higher economic growth.

If the amount of exemption, also termed direct tax expenditure, were added to the total tax collection, the tax-GDP ratio would have increased. Then it would have cut the state's dependence on borrowing to finance expenses.

Direct tax expenditure is a form of tax subsidy that includes rebates, discounts, exemptions and reduced rates of taxation while excluding untaxable income when calculated.

The estimated tax expenditure for FY25 is 11 percent higher from roughly Tk 147,000 crore in 2023-24, which accounted for 2.91 percent of gross domestic product (GDP).

This is the second year the NBR has provided an estimated tax expenditure as part of its exercise to measure the volume of revenue forgone to promote industrialisation, create jobs and foster economic growth.

The tax authority took the

initiative after the International Monetary Fund (IMF) asked Bangladesh to calculate its revenue expenditure as a part of the conditions for its \$4.7 billion loan.

The IMF also advised rationalisation of tax exemptions targeting Bangladesh's graduation from the list of least-developed countries (LDCs) in November

**The estimated tax expenditure for FY25 is 11 percent higher from roughly Tk 147,000 crore in 2023-24, which accounted for 2.91 percent of gross domestic product (GDP).**

2026.

Economists have also been recommending the government estimate the amount of tax and duty benefits given to various sectors and assess the impact of the tax waiver.

In its first attempt, the NBR estimated the amount of income, direct tax expenditure or revenue forgone stood at Tk 125,813 crore in 2020-21.

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# PM defends scope for money whitening

UNB, Dhaka

Supporting the budgetary provision for legalising black money, Prime Minister Sheikh Hasina yesterday said black money should be brought into the legal channel first.

"The money should be brought into an appropriate place [banking channel] first with payment of a nominal amount [tax]. Then they [black money holders] will have to pay tax regularly.... If you want to catch fish, you have to use bait," she said.

The premier was addressing a discussion, organised by Awami League at its Dhaka district office in the capital's Tejaon, marking the historic Six-Point Day.

Hasina, also the AL president, said many raised questions regarding the budgetary provision for legalising black money and argued that it would discourage those who pay taxes legally.

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# IMPLEMENTING BUDGET FOR 2024-25 It'll be challenging

Says MCCI; FICCI hails comprehensive fiscal plan in proposed budget

STAFF CORRESPONDENT

Implementation of the new budget will be highly challenging in the current context of the Bangladesh economy, Metropolitan Chamber of Commerce and Industry (MCCI) said in a post-budget reaction yesterday.

"MCCI has consistently recommended significant structural reforms in tax administration to enhance effective revenue collection. In the present framework, a considerable number of qualified entities with high income remain outside the scope of taxation."

"On the other hand, there is a growing imposition of tax burden on individuals and businesses who fulfill their tax obligations regularly. MCCI strongly emphasises the need for a proper resolution of the matter," said MCCI President Kamran T Rahman.

According to him, the final budget deficit is likely to widen because of ongoing tax reform

prescribed by the International Monetary Fund (IMF).

Under the IMF loan conditions, the tax-GDP ratio is expected to rise by 0.5 percent to 8.8 percent, potentially increasing the tax burden on taxpayers, he added.

He also expressed concerns over the potential impact of growing inflation on future business expansion.

However, he hailed the government's decision to reduce the corporate tax rate by 2.5 percentage points for unlisted companies and one-person companies.

Meanwhile, the Foreign Investors' Chamber of Commerce and Industry (FICCI) has lauded the government's efforts in crafting a comprehensive fiscal plan in the proposed budget.

The budget will foster a conducive environment for business growth, it said in a press release yesterday.

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Some students have to go home by a boat due to flooding in Baishitila area of Sylhet Sadar upazila. Flash flood triggered by heavy rains and onrush of water from upstream inundated the area about a week ago. The photo was taken on Thursday.

PHOTO: SHEIKH NASIR

# Eid-ul-Azha on June 17

STAFF CORRESPONDENT

The holy Eid-ul-Azha, the second biggest religious festival of the Muslim community, will be celebrated across the country on June 17.

The National Moon Sighting Committee announced the date at a meeting held at the Baitul Mukarram National Mosque in the capital after the moon of the holy month Zilhaj was sighted yesterday.

As the moon was sighted, the holy Zilhaj month will begin today, according to a press release of the Islamic Foundation.

The Eid-ul-Azha is celebrated on the 10th of Zilhaj month of the Hijri calendar as Hazrat Ibrahim (AS), on this day, some 4,500 years ago, offered to sacrifice his beloved son Hazrat Ismail (AS) who willingly submitted to the will of his father to please Allah.