



IMF to crank up pressure to boost tax collection

Move comes as govt consistently failing to meet revenue target

REJAUL KARIM BYRON

The International Monetary Fund is set to tighten the noose on the Bangladesh government over its dismal revenue mobilisation by making the remaining fund disbursement under a \$4.7 billion loan conditional on meeting the tax collection target.

Until now, the tax collection target has not been a Quantitative Performance Criteria (QPC), mandatory benchmarks that the country must meet to unlock instalments under the loan programme.

The IMF staff mission on their last visit to Dhaka indicated that they would make tax collection target a QPC. The Daily Star has learnt from finance ministry officials involved with the negotiations.

The staff mission was in Dhaka last month to assess the country's performance before the release of the fourth tranche of the loan.

"Bangladesh's low tax-to-GDP ratio calls for urgent tax reforms to establish a fairer, more transparent system and sustainably increase revenue, focusing on rationalising exemptions, improving compliance and separating tax policy from administration," said the staff mission on the conclusion of the visit.

The IMF's emphasis on ramping up tax collection comes after recommendations for measures to boost revenue were not reflected in the budget for fiscal 2024-25.

The measures include scaling back corporate income tax exemptions and depletion allowances, raising previously reduced VAT rates on several products to the full 15 percent statutory rate, introducing an additional personal income tax bracket for high-income earners and increasing the tax rates on tobacco and select products.



A DISMAL TAX SCENARIO

IMF's tax collection target for FY25: Tk **478,050cr**

29pc growth needed from FY24 collections

IMF's half-year target: Tk **215,120cr**

Collection in five months: Tk **130,185cr**

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Mirpur Diabari Agricultural Product Market remains mostly empty since its construction in 2019 as traders say the market is located far from the city centre, while there are other markets in the area. Locals allege the empty sheds are often used for criminal activities. This photo was taken recently.

PHOTO: RASHED SHUMON

VAT, SD hike 'suicidal' for economy

Says DCCI; Nagorik Committee urges govt to withdraw decision

STAFF CORRESPONDENT

The decision to hike value-added tax (VAT), corporate tax and supplementary duty (SD) midway through the fiscal year would be 'suicidal' for the economy amid an ongoing economic slowdown, said the Dhaka Chamber of Commerce and Industry yesterday.

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Airborne superbugs lurk in Dhaka hospitals

Finds study published in the science journal Nature

MOHAMMAD MASUM MOLLA

Amid the bustling corridors of Dhaka's hospitals, an invisible danger wafts silently through the air -- drug-resistant bacteria.

A recent study, published in the renowned British weekly scientific journal "Nature", has uncovered alarming levels of multidrug-resistant microorganisms in the air of several hospitals in greater Dhaka,

exposing the dangers in healthcare settings.

Speaking to The Daily Star, Abdus Salam, lead researcher of the study, said, "This is very alarming. The bacteria in the air could infect both patients and staffers, leading to hospital-acquired infections [HAIs]. It's especially concerning because these infections are harder to treat with antibiotics."



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Won't stand communal attacks: govt

UNB, Dhaka

The interim government yesterday reiterated its zero-tolerance policy towards communal attacks, stressing that the police have been ordered to arrest culprits responsible for these incidents.

"The government has also announced that it would compensate the victims [of communal attacks]. The interim government attaches the highest importance to the establishment of human rights irrespective of creed, colour, ethnicity, sex, or gender," said Chief Adviser's Deputy Press Secretary Abul Kalam Azad Majumder while sharing a police report.

Police have set up a WhatsApp group to receive allegations of communal violence, he said, adding that they maintain continuous contact with the minority community leaders.

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