



“China is credibly preparing to potentially use military force to alter the balance of power in the Indo-Pacific.”

Pete Hegseth
US secretary of defense
at Shangri-La Dialogue

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In 2002, Shah Cement began its operations on a small piece of land in Mukterpur, a riverside village in Munshiganj Sadar Upazila. Two decades later, at least 24 acres of Dhaleshwari and Shitalakkhya river land are under the occupation of this massive industrial complex. The photo was taken in March this year.

PHOTO: RASHED SHUMON

Budget to set 10 priorities

Govt puts inflation control, revenue reform, fiscal restraint at the heart of its economic plan

REJAUL KARIM BYRON

Facing inflation fatigue and fiscal strain, Bangladesh's interim government is betting on discipline over expansion in a new budget built around 10 priorities to stabilise the economy.

To be unveiled tomorrow, the budget gives top billing to inflation control, with a target of 6.5 percent in the fiscal year beginning July 1. That restraint is matched by a modest growth projection of 5.5 percent, reflecting a shift away from the expansionary stance of recent years as the government responds to prolonged economic pressures and warnings of rising poverty from global organisations.

This time, the budget steers clear of ambitious promises and outsized projections. In contrast to past years, the overall size of the budget will be slightly smaller – Tk 7,90,000 crore, down 0.87 percent from the current fiscal year. The development budget will be reduced by Tk 35,000 crore to Tk 2,30,000 crore, while the revenue budget will go up by Tk 28,000 crore to Tk 5,60,000 crore.

Fiscal policy will prioritise tighter coordination with monetary policy, and the budget is expected to reflect recommendations from key reform commissions and task force reports. Crucially, securing external budgetary support, particularly from the International Monetary Fund, will hinge on the government's willingness to meet conditions, including a lower deficit, better subsidy targeting and more transparency.

A large chunk, 57 percent, of the revenue budget is earmarked for salaries, subsidies, incentives, and debt servicing. Allowances and salaries alone are expected to reach Tk 82,000 crore. The budget may also introduce

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A BLATANT RIVER GRAB

Confluence of Dhaleshwari and Shitalakkhya under siege from Shah Cement

SAJJAD HOSSAIN

Piles of sand are stacked high, excavators are busy dumping loads, and trucks move in and out. The land is enclosed by towering concrete walls and fences. The skyline across the Dhaleshwari and Shitalakkhya turns hazy, as clinker dust first spirals into the air and then settles on the rivers, polluting both the air and water.

This sprawling complex, with its towering structures standing ominously at the confluence of the two rivers in Munshiganj, is a stark reminder of unchecked river grabbing in Bangladesh.

Much of this patch of land belongs to the Dhaleshwari and Shitalakkhya, but Shah Cement has occupied parts of the two rivers affecting the ecosystem and the natural flows of the two rivers, according to four separate government reports.

The Munshiganj district administration and the National River Conservation Commission (NRCC) identified the cement factory as an “encroacher” in 2018, 2019 and 2023, documents show.

However, the government has yet to take any action to save the rivers.

Govt reports in 2018, 2019 and 2023 say the company grabbed river land

Shipping adviser, Munshiganj district admin vow actions

Shah Cement denies grabbing river land

In a written statement, Shah Cement, a concern of Abul Khair Group, denied that it grabbed any river land, but declined to share proof of its “ownership” of the land in the middle of two rivers.

ILLEGAL OCCUPATION
Shah Cement built the factory in 2002

and has expanded its operations deep into the two rivers over the years, according to documents and current and former officials.

According to the company's website, Shah Cement is one of the largest cement factories in Bangladesh, with a capacity to produce 10 million tonnes per year.

During multiple visits in February, March and April 2025, The Daily Star found that parts of the massive structures, heavy equipment and a storage facility stand at the mouth of the two rivers.

Munshiganj Sadar Assistant Commissioner's (Land) Office also confirmed that Shah Cement has occupied a huge swath of river land in Mirersharai Mouza in RS Dag No. 184 and in Purbo Mukterpur Mouza across RS Dag No. 301-308.

“We have already completed the survey and will serve a notice [on Shah Cement] upon completion of the investigation,” Md Rezaul Karim, additional district magistrate of Munshiganj, told The Daily Star last night.

The Daily Star obtained the Revisional Survey (RS) records from the Munshiganj

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“When I visited the Dhaleshwari and Shitalakkhya rivers [in December 2024], I saw that Shah Cement has encroached on the rivers. I immediately instructed the officials concerned to take effective measures.”

BRIG GEN (RETD)
M SAKHAWAT HUSSAIN,
Shipping Adviser

Tax-free income ceiling to stay the same

Govt set to bring a slew of tax reforms to help growth, smoothen LDC graduation

MD ASADUZ ZAMAN and MOHAMMAD SUMAN

The interim government is set to introduce a wide range of tax and duty reforms in the upcoming fiscal year to facilitate the country's smooth graduation from Least Developed Country (LDC) status and drive economic growth.

Finance Adviser Salehuddin Ahmed is likely to present the national budget for 2025-26 on June 2, outlining measures to ease the cost of doing business.

The tax-free income threshold of Tk 3.5 lakh will be unchanged in the next fiscal year.

In order to increase revenue, the government is likely to reintroduce a 30 percent tax rate for high-income earners.

Value Added Tax will be raised for construction firms, online businesses, plastic goods, duplex boards, synthetic fibres, cotton yarn, blades and several other items. In addition, advance income tax (AIT) on commercial imports is set to increase, along with higher customs duties on mild steel products.

To encourage the use of essential and environmentally friendly products, VAT exemptions have been proposed for eco-friendly utensils, liquefied natural gas (LNG), diapers, liquid milk packages, and ballpoint pens.

Manufacturers and importers of cold storage equipment, paper products, buses, newsprint, cancer treatment devices, and raw materials for pharmaceuticals and “green industries” will benefit from these measures.

To provide relief to small depositors, the government may raise the threshold for excise duty exemption on bank

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Political divide deepening over polls timing

SAJJAD HOSSAIN and RASHIDUL HASAN

Bangladesh's political landscape is becoming increasingly polarised over the timing of the next election, with some parties aligning with the BNP to push for polls by December, while others are willing to wait until key reforms are implemented.

The BNP accuses the government of deliberate delay.

In a virtual address to a youth rally in Nayapaltan on Wednesday, its acting chairman Tarique Rahman said, “The national election must be held by December.”

Framing the deadlock as a government tactic to cling to power, Tarique called the delay a betrayal of promised reforms and national unity.

His remarks drew sharp responses from across the political spectrum.

Around the same time, Chief Adviser Dr Muhammad Yunus, during his visit to Japan, said that only one party was demanding polls in December.

Though he had previously floated the idea of a December election, the interim government has since settled on a broader timeline, suggesting polls would be held anytime between December 2025 and June 2026.

For the BNP, that window is vague – and far too distant.

Despite several high-level meetings between Yunus and the political parties, the government has not budged.

A spokesperson for the chief adviser recently reaffirmed June 2026 as the cut-off time for elections – a response that has further entrenched political fault lines, especially

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A toddler bursts into tears as his father bids him farewell at Kamalapur Railway Station. While the rest of the family departs for their hometown to celebrate Eid, the man will remain in the city for a few more days.

PHOTO: AMRAN HOSSAIN