

FUNDING CUTS Education of 2.3 lakh Rohingya children under threat Says UNICEF, seeks urgent action to mitigate disaster

STAFF CORRESPONDENT

The education of nearly 230,000 Rohingya refugee children in Cox's Bazar is under threat due to an acute and deepening funding crisis, UNICEF warned in a press release yesterday.

The UN agency said that without immediate and sustained financial aid, it may be forced to scale back or suspend critical educational services in the world's largest refugee settlement – potentially leaving an entire generation of Rohingya children behind.

In recent months, UNICEF has faced a significant decline in humanitarian funding for its operations in the Rohingya refugee response, affecting the education of 83 percent of school-age children in the camps, who are enrolled in UNICEF-supported learning centres.

Despite exhaustive efforts to attract new resources and reprioritise activities, funding gaps have forced UNICEF to take painful decisions, including suspending support for host community volunteer teachers working with kindergarten to grade 2 learners.

A total of 1,179 host community volunteer teachers will see their contracts end with UNICEF's implementing partners by June 30, 2025.

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High officials of the government receive Chief Adviser Professor Muhammad Yunus upon his return at the Hazrat Shahjalal International Airport from Japan early today.

PHOTO: CA PRESS WING

19 more pushed in thru two border districts

OUR CORRESPONDENT, Kusthia

At least 19 more Bangladeshi nationals were detained after they were pushed in, reportedly by the Indian Border Security Force (BSF), through different border points in Chuadanga and Kusthia, said Border Guard Bangladesh (BGB).

In Kusthia, BGB detained nine Bangladeshis in the Bhagiot Bazar area of Ramkrishnapur union in Daulatpur upazila yesterday morning.

The BSF pushed them in through an unfenced char area of the border in Daulatpur, according to a press statement signed by Lt Col Mahbub Murshed Rahman, commander of BGB-47 Battalion.

According to the statement, around four years ago, the detainees had illegally entered India through the Bamonhat border in Kurigram and had been working at a brick kiln in New Delhi.

Meanwhile, in Chuadanga, BSF pushed back 10 Bangladeshis through the Jibannagar border, according to a press statement signed by Mohammad Saiful Islam, acting quartermaster and assistant director of BGB-58 Battalion in Maheshpur.

According to the statement, a patrol team from the Benipur Border Outpost (BOP), led by BGB Nayek Md Moshir Rahman, detained five women and five children who had illegally entered Bangladesh near Border Pillar 61/14-S – about 10 yards inside Bangladeshi territory – at Achhor Ali's Mahogany Garden around 1:00am on Friday.

Jibannagar Police OC Mamun Hossain Biswas said the detainees were handed over to their families.

Investor confidence

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hesitant," he said while addressing a pre-budget debate for the 2025-26 fiscal year, organised by Debate for Democracy at the Film Development Corporation in the capital yesterday.

Expressing regret over the lack of dialogues between the interim government and political parties regarding the national budget, Debapriya said, "Such discussions could have assured investors of a long-term policy continuity."

According to him, the government should pursue fiscal discipline, restore stability in the banking sector, and engage in cross-party dialogue to assure investors of a predictable policy environment.

"Only then can the budget become a tool for recovery, not mere survival."

Debapriya's comments come at a time when the interim government is preparing to announce the national budget for the next fiscal year on Monday amid economic uncertainty and political transition.

He criticised the interim government's reliance on borrowing from local banks and noted that high interest rates and a weak banking system are undermining private investment.

"Investment and employment are interconnected," he said, adding that macroeconomic stability will falter if confidence in long-term policy continuity is not ensured.

Expressing concern over the present state of revenue mobilisation, Debapriya said Bangladesh's tax-to-GDP ratio has dropped below eight percent, which is among the lowest globally.

He highlighted the case of the neighbouring nation Nepal, which collects more tax than Bangladesh despite having a lower per capita income.

Debapriya cautioned against over-reliance on indirect taxes, saying it fosters inequality and disproportionately affects the poor.

To build a fairer system, he called for a shift toward direct taxation, particularly targeting luxury spending and wealth.

"Two-thirds of our taxes come from indirect sources. This must change," he said, suggesting new tax measures on second cars, high-value services, and digital transactions.

Debapriya also urged reforms in tax administration, including digitisation and the integration of tax identification numbers with national IDs, bank accounts, and social benefit cards to curb evasion.

"Tax compliance is not just the government's job. Citizens must also demand receipts, avoid cash deals, and stop enabling the culture of evasion."

He criticised the Implementation Monitoring and Evaluation Division (IMED)'s narrow focus on financial expenditure rather than performance-based outcomes, stating, "Budget accountability must shift from inputs to impacts. Otherwise, taxpayers lose faith."

Regarding budget financing, Debapriya proposed seizing and monetising illicit assets to fund next year's budget.

"This could be a breakthrough – using laundered, untaxed, and defaulted funds as a source of budgetary finance."

Despite some achievements, like repaying \$5 billion in foreign debt and maintaining exchange rate stability, he warned that the upcoming budget risks being a "repackaged version of the past" without structural change.

While moderating the pre-budget debate, Hasan Ahmed Chowdhury Kiran, chairman of Debate for Democracy, said, "Corruption, inequality, and weak tax management will hinder budget implementation."

Kiran warned that political instability could deter investment and disrupt trade.

He urged the interim government to expose and prosecute corrupt officials and loan defaulters.

Without tax reform and increased allocations for health, education, agriculture, and social security, he said, the upcoming 2025-26 budget will be just "old wine in a new bottle."

A politically neutral tax structure is essential to restoring fiscal balance, he added.

Tax-free income ceiling to stay the same

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account balances from Tk 1 lakh to Tk 3 lakh. Penalties for import-related misdeclarations are expected to be reduced to 200 percent from the current 400 percent.

As part of broader reforms, the budget will propose withdrawing or reducing supplementary duties on 622 products and grant duty-free access for 110 items. This step is aimed at enhancing trade competitiveness and expanding market access.

Officials at the finance ministry say these measures are needed for enhancing Bangladesh's global competitiveness after LDC graduation.

To enhance revenue collection while preparing the economy for LDC graduation, VAT on services rendered by construction firms has been increased from 7.5 percent to 10 percent while the VAT on commissions from online sales platforms has been sharply raised from 5 percent to 15 percent.

The VAT at the production stage of self-copy paper, duplex boards, and coated paper has been increased from 7.5 percent to 15 percent.

Similarly, all types of plastic tableware, kitchenware, household goods, hygiene products, and toilet items will now see 15 percent VAT, up from 7.5 percent.

The VAT on blade production has been raised from 5 percent to 7.5 percent, while wire cutters, screws, connectors, nuts, bolts, electric line hardware, and pole fittings will also

see their VAT increased to 7.5 percent from 5 percent.

On the taxation front, the specific tax on mild steel products is set to rise by approximately 20 percent. Additionally, the specific tax on cotton yarn has been raised from Tk 3 to Tk 5 per kg, and the same rate will apply to yarn made from man-made fibres or fibre blends. To support local industries, the AIT on raw material imports by manufacturers will be reduced from 3 percent to 2 percent.

US TARIFF RESPONSE

To meet trade challenges, the National Board of Revenue (NBR) is set to propose zero import duties on an additional 110 products. The move is intended to mitigate the impact of a proposed 37 percent tariff on Bangladeshi exports by the US, following policy changes introduced by the Trump administration.

The list includes raw materials for the textile sector, military equipment, and industrial machinery. The government aims to expand duty-free imports to offset the impact of new tariffs and safeguard market access.

PHARMACEUTICAL INDUSTRY

To reduce healthcare costs, the budget is expected to expand duty exemptions on raw materials and medical equipment. An additional 79 items may be added to the duty-free list, particularly benefiting manufacturers of drugs for cancer, kidney, and vascular diseases.

Besides, the government plans to exempt duty on cold storage

machinery, including compressors, to stabilise food prices and reduce post-harvest losses.

Duty cuts are also likely for raw materials used in toy and cricket bat production. The tariff value of imported toys may be set at \$4 per kg, while duty on willow wood, used in cricket bats, may be lowered from 37 percent to 26 percent.

CUTS FOR PUBLIC TRANSPORT

In an effort to ease traffic congestion, the import duty on buses with 16-40 seats is expected to fall from 10 percent to 5 percent and supplementary duty on microbuses with 10-15 seats from 20 percent to 10 percent.

The government is also likely to reduce the specific duty on refined sugar imports from Tk 4,500 to Tk 4,000 per tonne.

BOOST FOR SOFTWARE EXPORTERS

The government may reduce import duty on development tools, operating systems, databases, and security software from 10 percent to 5 percent.

Tariffs on lipstick and face wash may be doubled to \$40 per kg. A similar increase is expected for chocolates.

The duty on import of helicopters is expected to rise from 1 percent to 10 percent.

The government wants to lower energy costs for power generation and industrial operations by doing away the 15 percent VAT on its import.

Misery persists in coastal areas

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Sylhet, Sunamganj, Moulvibazar, and Netrokona districts within the next two days.

The BMD has advised loweringsignals at the maritime ports of Chattogram, Cox's Bazar, Mongla, and Payra.

The Bangladesh Inland Water Transport Authority (BIWTA) also lifted the restriction on inland water transportation yesterday.

Meanwhile, a trawler on the Meghna river near Noakhali's Hatiya capsized around 3:00pm yesterday, leaving a cop dead.

The trawler was carrying 39 passengers. Of them, 30 were rescued alive, and eight people, including a police officer, remain missing, said AKM Azmal Huda, officer-in-charge of Hatiya Police Station.

Four Dhaka-bound flights were diverted to Chattogram yesterday afternoon due to bad weather. Engineer Ibrahim Khalil, a spokesperson for the airport, said the flights would return to Dhaka once conditions improve.

"Based on preliminary data, approximately 378 unions and municipalities were affected by the deep depression, leaving 259 houses completely damaged and 8,901 partially damaged," said Netai Chandra Dey Sarker, director of monitoring and information management at DDM.

He added that the final data would be compiled soon, and relief will be disbursed accordingly.

In Cox's Bazar, residents of St Martin's Island are facing acute food and water shortages and power outages, as boat services remained suspended for the sixth day due to inclement weather.

Teknaf Upazila Nirbahi Officer (UNO) Sheikh Ehsan Uddin said aid had been sent to tackle the crisis, and more relief would be dispatched once boat services resume.

In Patuakhali, a newly built section of Marine Drive near Kuakata beach collapsed due to tidal surges on Thursday.

Md Robiul Islam, UNO of Kalapara, said two-thirds of the 1,350m road was washed away, and a probe committee was formed amid allegations of substandard construction.

In Barishal, floodwaters have been receding in most southern rivers.

Budget to set 10 priorities

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dearness allowances of 10 to 20 percent for government employees, adding further to recurring costs.

Subsidy expenditure, led by electricity and fertiliser, is projected to hit Tk 1,16,000 crore, inflated by rising arrears. Officials say the government will use the budget to outline a gradual subsidy reduction plan in line with IMF advice. Meanwhile, interest payments will account for around 22 percent of the revenue budget, a burden the government aims to reduce in phases.

To ease fiscal pressure, the government will lean more on foreign loans, especially for budget support, given their longer repayment periods – typically 20 to 30 years – compared to five years for domestic loans.

Still, limited fiscal space means large increases in spending on health, education, or social protection are unlikely. Even so, those sectors remain among the 10 priority areas, with the budget expected to protect core social programmes, including food subsidies for low-income groups.

Of the 58 ministries and divisions, the top 10 are expected to receive Tk 2,96,000 crore, roughly 38 percent of the total outlay. The largest share will go to the Secondary and Higher Education Division. The Local Government Division, which previously topped the list, will see a reduced allocation this year.

However, the Meghna is flowing above danger levels at Tajumuddin and the Lohalia at Katipara. Parts of Monpura upazila remain inundated.

The fisheries sector in Barishal has suffered Tk 45 crore in losses, according to local officials.

In Khulna, at least 15,000 residents in Harinkhola, Koyra 2, Gobra, Ghatakhal, Madinabad, and parts of Koyra upazila sadar are living in fear after around 300 metres of embankment near Harinkhola collapsed.

In Bagerhat, tidal surges submerged five freshwater ponds in the Sundarbans, contaminating drinking water sources for wildlife and forest staff. Two deer died, and one fawn was rescued.

Officials said embankments in Sharankhola upazila were breached, flooding the homes of over 100 families. No damage was reported to houses or fish enclosures.

In Rangamati, heavy rain and strong winds damaged five bamboo-thatched homes in the New Thangnang area of Baghaichhari's Sajek union yesterday morning. No injuries were reported.

In Habiganj, thousands of locals are fearful as parts of the Khowai river embankment collapsed in the Bhadai area, due to continuous rain and unreinforced embankments.

In Sylhet, heavy monsoon rain caused severe waterlogging, submerging major roads and key areas. Though the Surma stayed below the danger level, clogged drains and canals worsened the situation.

The Sylhet City Corporation has opened a control room to manage the crisis.

The situation in the Sylhet region has been worsened by heavy upstream rainfall. India's Cherrapunji recorded 410mm of rain, and Mawsynram recorded 397mm in the 24 hours up to 9:00am yesterday. Both areas are located uphill from Sylhet's Companiganj and Sunamganj's Chhatak upazilas.

According to the FFWC, the Surma at Kanaighat was flowing 29cm below the danger level yesterday, the Someshwari was 46cm below at Kalkamanda in Netrokona, the Sari was 57cm below at Sarighat in Jaintiapur, and the Gowain was 74cm below at Gowainghat in Sylhet.

Allocations for defence, primary and mass education, power, and social welfare may see marginal reductions. Health services and public security are set for modest increases, while allocations to agriculture and road transport are likely to remain flat.

Officials say the budget will take a conservative approach to revenue targets, aiming to collect Tk 5,64,000 crore, up 4.25 percent from the original target and 8.8 percent from the revised estimate. The National Board of Revenue's goal has been set at Tk 4,99,000 crore, marking a 3.95 percent rise from the original figure and 7.65 percent above the revised target. The numbers reflect cautious optimism amid weak collection performance this year.

To boost collections, the government is rolling out several tax reforms. These include curbing exemptions, introducing a uniform VAT rate of 15 percent, and widening the digital net for tax filings. A medium- and long-term revenue strategy is also on the cards to modernise the system.

Among the proposals are an electronic platform for tax deduction at source and tighter VAT registration rules. Businesses with annual turnover above Tk 50 lakh will now be eligible for enlistment, down from the previous Tk 3 crore threshold, as part of an effort to broaden the tax base.