

Ambitious targets set deliberately

Muhith says big budget planned as implementation capacity rises

STAFF CORRESPONDENT

Finance Minister AMA* Muhith yesterday said he deliberately set an ambitious revenue generation target in the upcoming budget, hoping for more tax collection by the National Board of Revenue.

"I have said in the budget speech that it is deliberately ambitious," he told reporters at a post-budget briefing in the capital's Osmani Memorial Auditorium.

Muhith said the NBR's revenue generation performance was "unfortunate" in the outgoing fiscal year.

"I think this institution has the capacity to move further up the ladder," he said, justifying the revenue generation growth target of 30 percent in the fiscal 2016-17.

Muhith was confident that the revenue target would be achieved.

The NBR's capacity had increased in the



last seven years, as its workforce rose by several thousands and it opened many offices at the upazila level, he said.

"I think the NBR has the capacity to deliver on the targets. I have set the target on the basis of NBR's strength."

The government formulated a plan so the revenue target could be reached, and the plan's

implementation would start next month, said the minister.

In order to boost revenue collection, more NBR offices would be set up in phases at the upazila level. The NBR now has offices in 96 upazilas, according to him.

At 10.3 percent, Bangladesh has one of the lowest tax-to-GDP ratios in the world.

"Only one or two countries are below Bangladesh. We have to change our habit and pay taxes instead of making a hue and cry about the services the government

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provides," said Muhith.

"The government needs revenue for providing services."

About the Centre for Policy Dialogue's criticism that the budget is big but its implementation rate would be low, the minister said, "One could set a small budget deliberately so one can perform better."

Muhith said the implementation rate of budget averaged 95 percent in the last seven years, compared to 80 percent in the previous budgets.

He made it clear that the existing provision of allowing legalisation of

of both domestic and foreign investment. The country received \$2 billion in foreign investment last year, the highest in its history.

"But the important thing is the increase in investment: it has gone up significantly, thanks to the boost in confidence among people in the last one and a half years."

The minister said the pension scheme for the private sector has to be incorporated in the National Social Safety Net strategy.

"We are thinking about introducing contributory pension scheme at least in the organised sector.

to be reduced.

Commerce Minister Tofail Ahmed said the budget is pro-people given the huge allocations for the social safety net.

"If we don't set ambitious budgets how will we reach the desired goals?" he said, shrugging off criticism from the BNP.

Tofail mentioned that some of the proposals in the budget might be changed after consultation with the prime minister.

Planning Minister AHM Mustafa Kamal said it would not be impossible to achieve the GDP target of 7.2