

VAT on pvt universities worries guardians

UNB, Dhaka

The government's rigid stance not to remove the value added tax (VAT) on the private university tuition fees has worried students and parents because they have to bear the additional cost.

Talking to the news agency, a number of students and guardians said the decision would hamper the private sector's role in higher education in the country.

They said the government should encourage the growth of private universities across the country since the existing public universities could not accommodate the rising number of students seeking to pursue higher education.

The government imposed a 7.5 percent VAT on the tuition fees of private university students from this fiscal year. Soon after the announcement, the students started movement demanding the removal of the VAT.

But on August 14, at a programme in Sylhet, Finance Minister AMA Muhith said, "It cannot be accepted that they (private

university students) cannot give 7.5 percent VAT while they pay Tk 30,000-Tk 50,000 as tuition fees."

There are currently 84 universities in the country where 328,736 students study.

They said if the government stuck to its decision, students from middle-income families would be deprived of higher education due to the high costs.

However, an education expert supports the government's step to impose VAT on private university tuition fees but suggested that it should be realised from the profits of the university authorities, not from the students.

Siddikur Rahman, a professor of the Institute of Education and Research at Dhaka University, said it was a good decision because private universities were doing business in the name of imparting higher education.

Fazle Rabby Khan, coordinator of "No Vat on Education", a platform which has been demanding removal of the VAT on

SEE PAGE 5 COL 2

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FROM PAGE 3

tuition fees of private universities, said education was people's basic right, not a commodity for which the government should impose VAT.

"The decision will surely create a pressure on the middle-class students in continuing their university education. I hope the government would withdraw the decision for the sake of promoting higher education," he added.

Smrity Sultana, a third-year BBA student

of a private university, said, "We'll surely fall in financial trouble if the government sticks to its decision."

"Education is a basic right of people... the government alone cannot promote higher education, private sector initiatives are also required," she added.

Syed Mohammad Al Hossain, a student of electrical and electronic engineering of a private university, said this was the worst of the decisions the government took in this tenure.