

Overall deficit of Tk 12,027 crore

Tk 34,292 crore budget plan

Finance Minister SAMS Kibria placed the national budget for the fiscal 1999-2000 in Parliament on Thursday with a total outlay of Taka 34292 crore. The budget leaves on overall deficit of Taka 12027 crore.

According to the budget summary, the revenue receipts have been estimated at Tk 24151 crore, foreign grants Taka 3269 crore, foreign loans Taka 5091 crore, net domestic capital Taka 1360 crore, earning from T&T Board Taka 171 crore and self-financing by autonomous bodies Taka 250 crore.

The expenditures have been shown at Taka 17800 crore as non-development budget, Taka 15500 crore as Annual Development Programme, Taka 571 crore as non-ADP, and FFW included development budget, Taka 224 crore as net outlay for food accounts operation and Taka 197 crore for non-ADP projects.

The revenue receipts of Taka 24121 crore as proposed in the national budget for the fiscal 1999-2000 is 22.5 per cent higher than the revised budget target. The revenue expenditure for fiscal year has been estimated at Taka 17800 crore. This allocation is 11.7 per cent higher than the original allocation in FY 1998-99 budget and 6.2 per cent higher than the revised allocation.

Total allocation for Annual Development Programme (ADP) in FY 1999-2000 has been proposed at Taka 15500 crore. The allocation is 13.9 per cent higher than the previous year's original target and 10.7 per cent higher than the revised target. Domestic resources will provide 50.5 per cent of the total outlay in ADP while 49.5 per cent will come from the external resources. Total external assistance has been estimated at Taka 7667 crore, 83.8 per cent of aid will be provided in the form of project assistance, 12 per cent as commodity assistance and 4.2 per cent as food aid compared to the original target in the last year's budget, external

aid has been projected to increase by about 3.8 per cent. The Finance Minister in his budget speech said that in line with Bangladesh Awami League's election manifesto, highest priority has been given to education with Taka 5149.28 crore in the FY 1999-2000. The allocation in the education sector has been raised by Taka 1627 crore in the proposed budget compared to the allocation in the budget of 1995-96.

The Finance Minister proposed to raise the combined allocation for health sector in the revenue and development budget to Taka 2519.53 crore. He said 4000 posts of nurses were created to improve the standard of health services. Of the total 2000 nurses have already been appointed and the rest will be

appointed. The govt already has 1000 nurses in the health sector. The power rose from 2 to 3 in the

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crore in the FY 1999-2000. He said because of the policies pursued by the government, total private sector investment in power sector during the period 1997-98 to 1999-2000 is expected to be around 566 million dollars or about Taka 2700 crore. According to him total foreign investment in gas sector will stand at 632 million US dollars in 1994-95. He proposed to raise the allocation in the gas sector to Taka 670 crore in the FY 1999-2000. Similarly in the telecom-munication sector, the Finance Minister proposed to provide an allocation of Taka 398.49 crore in 1999-2000 development budget. The Finance Minister said the revenue estimate for NBR has been fixed at Taka 17500 crore in FY 1999-2000, because of the adjustment of the personal income tax rates and slabs and various measures to support health service, industry, export and capital market, there will be revenue loss of Taka 48 crore. On the other hand, due to expansion of tax base there will be a revenue gain of Taka 253 crore. He said, consequently, there will be a net increase of Taka 205 crore under this head.

Kibria said implementation of the proposals for reduction of customs duty is expected to result in a revenue loss of Taka 166 crore and there would be gain of Taka 650 crore for the introduction of compulsory pre-shipment inspection and other measures under Customs account. Consequently, there will be a net gain of Taka 253 crore. He said, consequently, there will be a net increase of Taka 205 crore under this head.

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Overall deficit

quently, there would be net gain of Taka 484 crore. Expansion of VAT and several proposed procedural reforms would raise an additional revenue of Taka 361 crore, net increase in revenue due to expansion of tax base, rationalisation of tax rates and procedural improvement will be Taka 1050 crore. The remaining Taka 1600 crore will come from autonomous growth of revenue, the Finance Minister elaborated.

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