

Budget proposals only 'fairy tales without realistic measures'

Experts tell Brac Business School-organised post-budget dialogue

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Dr A B Mirza Azizul Islam (second from left), former advisor to a caretaker government, addressing the event while Dr Akbar Ali Khan (extreme left), also a former advisor to a caretaker government, Dr Salehuddin Ahmed (2nd from right), former governor of Bangladesh Bank, and Mominul Islam (extreme right), Managing Director and CEO of IPDC Finance Limited, seen — FE Photo

Neither target of revenue and non-revenue income, nor target of expenditure will be met of the proposed budget for the fiscal year 2019-20 due to its bigger size and poor capacity of implementation, the country's noted economists said on Friday at a post-budget discussion.

They said the size of national budget is getting bigger while the capacity of implementation of the budget is becoming weaker.

They also said some of the proposals might be good for the short term but there is no visible development in the latest budgetary proposals which would have long term positive impact.

The distinguished economists said the budget proposals also have failed to address many issues which required immediate attention.

Brac Business School organised the post-budget dialogue at Brac Centre Inn in the city.

Speaking at the programme, former advisor to a caretaker government Dr A B Mirza Azizul Islam said from the experience of past, it can be said that none of the target and income of budget proposal will be implemented like previous years.

"History will repeat itself this year also," he said.

Mr Islam said there should have been special proposal to boost the private sector investment.

"Private sector investment has increased only 1.2 per cent in last 10 years, this is not good for long term sustainable growth," he said.

He expressed his doubt on the government's commitment to stop the increase of classified loans in the banking sector.

He said there will be "arbitrariness" in defining defaulter and willful defaulter of loans as the budget proposal said, willful defaulters will be punished but real defaulter of loans will get assistance.

"Who and how they will decide who are wilful defaulters," he raised question.

Mirza Azizul Islam said the rate of poverty is increasing day by day.

"The country's 22 per cent people are still below poverty line and there is also regional disproportion of poverty. Inequality and income discrepancy are also increasing."

"There should have been special directions on the budget proposal in this regard," he said.

Echoing Mirza Azizul Islam, former advisor to a caretaker government Dr Akbar Ali Khan expressed his doubt on the government's seriousness to tackle the soaring classified loans in the bank.

He said there must be strong determination and positive mindset to check the looming crisis due to rising classified loans.

"But I have doubt on this as the finance minister has facilitated many benefits to the loan defaulters before budget," he said.

Mr Khan said the future growth of 8.5 per cent or 10 per cent, as proposed in the budget, will never be possible without realistic measures to achieve so.

These are only fairy tales without realistic measures," he said.

He said budget is full of unrealistic numbers and most the things in the proposed budget are not transparent and trust-worthy.

"The budget proposal should clearly mention the amount of new taxes the government is going to impose," he said adding that the proposal doesn't do this to hide the amount of new taxes from the people of country.

Former governor of Bangladesh Bank Dr Salehuddin Ahmed said prices of necessary commodities will increase as taxes on few items will have impact on others.

He said inequality in the country is increasing alarmingly; the budget did not address this issue.

"Growth without addressing inequality will not ensure sustainable development," he said.

He also said the proposed budget should take measures on export diversification.

"Incentive allocation only on readymade garments sector will not ensure export diversification", he said.

Criticising the central bank's role in checking scams and classified loans in banking sector, he said Bangladesh Bank is not doing enough.

He said the central bank only talks tall, but doesn't do what they need to do.

Managing Director and CEO of IPDC Finance Limited Mominul Islam also spoke at the programme