



**MINISTRY OF FINANCE**  
**ANNUAL BUDGET**

**2001-02**

**BUDGET SPEECH**  
**SHAH A. M. S. KIBRIA**  
**FINANCE MINISTER**

**(PART I)**

**DHAKA**

**24<sup>th</sup> Jayistha, 1408**  
**7<sup>th</sup> June, 2001**

*In the name of Allah*  
*the Beneficent and Merciful*

Mr. Speaker,

I seek your leave in accordance with the Rules of Procedure of the Parliament to place before this august House the budget for the FY 2001-2002 and the supplementary budget for the FY 2000-2001.

2. This indeed is a memorable occasion in the history of parliamentary democracy in Bangladesh. Never before had a Parliament in Bangladesh the opportunity to approve six consecutive budgets. By approving this sixth budget, the seventh Parliament will leave a remarkable instance of uninterrupted political stability. I express my gratitude to Almighty Allah for giving me the unique opportunity to place six consecutive budgets before the Parliament. I would also like to express my sincerest gratitude to daughter of the Father of the Nation and the Hon'ble Prime Minister Sheikh Hasina. But for her guidance, dynamic leadership and extraordinary political acumen, I could not have shouldered this heavy responsibility for last five years.

**Mr. Speaker,**

3. Today is the 7th June. On this very day was unfolded a new epoch-making chapter in the long history of the liberation struggle of the Bengali nation. The announcement of the six points programme symbolizes the first revolutionary step in our struggle for independence. While tabling the budget on this historic day, I would like to pay homage to Sheikh Mujibur Rahman, the great hero of our history and the architect of independent and sovereign Bangladesh. His role was unique and ubiquitous in imparting a new meaning to history and tradition of Bangladesh, in moulding secular national sense and nationalism and in establishing their

identity and a nation-state of their own. Unfortunately, the assassins did not realize that they have struck a harsh blow to the softest corner of the Bengali heart; they did not have the sense to appreciate the enormity of this dastardly action. The brutal murderers did not know that their sharp weapons could never silence the voice of Bangabandhu; his thunderous voice will reverberate forever in this land and will continue to shake the hearts of the Bengali people. Despite the concerted efforts of last two decades to distort history, Bangabandhu's life and philosophy continues to provide guidance and inspiration in every sphere - in political ideals of Bengali nation, in economic emancipation, in evolution of democratic spirit, in education and culture and in the triumph of liberated intellect. He will forever be the very source of all achievements and inspiration of the Bengali nation. Indeed all Bengalees who are animated by the ideas, ideals and consciousness of the noble Liberation War are eagerly waiting for the day when the verdict of Bangabandhu's murder case would be implemented, thereby ending a shameful episode of our history. It may be recalled that in my budget speech of 11th June last year, I had stated that this trial process should be completed at the earliest if we want to establish the rule of law in this country. The unholy and antiliberation forces who were defeated in 1971 are still continuing with their subversive efforts to delay the process of justice. The conscience of this anguished and agitated nation will be

assuaged only when the verdict of the court is implemented.

4. I would also like to pay homage to four national leaders Shahid Syed Nazrul Islam, Shahid Tajuddin Ahmed, Shahid Mansur Ali and Shahid Kamruzzaman. The nation will forever recall with reverence their contributions to glorious liberation struggle. Hon'ble Prime Minister Sheikh Hasina has earned the gratitude of the entire nation by initiating the legal process for trial of these cruel and tragic murders. The nation is eagerly waiting for the early conclusion of this trial. I also recall with reverence the contribution of the valiant freedom fighters, the sacrifices of thirty lakh martyrs and two lakh women whose lives were devastated by the war. Their contribution will shine forever in the history of our liberation struggle. The "Eternal Flame" lighted by Bangabandhu's daughter Sheikh Hasina and the illuminated Freedom Tower which is under construction will remain everglowing - , symbolizing the hopes and aspirations of the independent Bengali nation.

**Mr. Speaker,**

5. I would like to remind today the Hon'ble members of the House of my observations in the budget speech of 1996-97 at the very commencement of the seventh Parliament. In that speech, I informed the nation through this august House

that "the present government has inherited a sluggish and fragile economy from its predecessor". Indeed, we inherited stagnation in agriculture, dependence on foreign sources for food, major dislocation in the electricity sector owing to failure in providing adequate investment, a large deficit in international trade, anarchy and massive fraud in the financial sector, an intransparent administration characterized by lack of accountability and a frustrated private sector. In the context of the prevailing situation, I stated in my budget speech in FY 1996-97: "The greatest challenge before today's government is to accelerate growth by infusing new life in a sluggish economy". At the twilight of the seventh Parliament, I would like to inform this House with pleasure that we have successfully redeemed the pledge of accelerating economic growth during last five years. According to latest estimates, in FY 2000-2001 GDP in constant price (base year 1995-96) grew at the rate of 6.04 percent. If the estimation procedure used by the previous government (using 1984-85 as base year) is applied, growth rate will stand at 6.6 percent. On the basis of new estimation procedure, GDP, on an average, grew annually at the rate of 5.35 percent during the period FY 1996-97 to 2000-2001. This remarkable growth was achieved despite the meltdown of South Asian economies in 1997-98 and the longest and devastating flood of this century in FY 1998-99. By contrast the average annual growth rate during the period 1991-92 to 1995-96 which coincided with the rule of the BNP government stood at 4.5 percent only. The contrast becomes all the more striking in respect of per capita income. During five years of

BNP rule, per capita income in (FY 1995-96 constant price) grew on an average at the rate of Tk. 28 per month. During last five years which coincides with the rule of the present government, per capita income grew on an average at the rate of Tk. 48 per month (in the same constant price).

**Mr. Speaker,**

6. It may be mentioned here that old estimation procedure based on 1984-85 constant price is more appropriate than the new procedure based on 1995-96 price for comparing the achievements of the present government with the previous governments because prior to 1999-2000, GDP estimates were calculated on the basis of the old procedure. If the old procedure is used, the annual average growth of GDP during the period FY 1996-97 to 2000-2001 turns out to be 5.83 percent which has been estimated at 5.35 percent on the basis of new procedure. According to the old estimation procedure based on the constant price of 1984-85, per capita income in Bangladesh increased by only 23.1 percent during the period 1984-85 to 1995-96 whereas per capital income in the same constant price increased by 24.3 percent during the period 1995-96 to 2000-2001. In other words, increase in per capita income during five years under the present government exceeds the growth of per capita income in long ten years under former governments.

**Mr. Speaker,**

7. An increase in per capita income is undoubtedly necessary for development, but it is not sufficient. Economic growth does not always yield benefits unless accompanied by equitable distribution of income and social justice. The present Awami League government as the inheritor and transmitter of the spirit of the Liberation War not only encouraged economic growth but also undertook effective measures for establishing social justice. According to estimates of Bangladesh Bureau of Statistics, Gini Coefficient (the index of income inequality) stood at 42 percent in rural Bangladesh for the year 1994-95, it declined to 36 percent in the year 1998-99. Similarly, Gini Coefficient for urban areas for the corresponding period declined from 49 percent to 43 percent. On the basis of headcount index, the share of the poor in rural areas in 1995-96 was 47.9 percent, it declined to 44.9 percent in 1998-99. The share of the poor in rural areas has further declined in the last two years. Life expectancy at birth in Bangladesh in 1995-96 stood at 58.7 years; according to latest estimates it has edged upto 61.8 years. The per capita intake of calorie has increased during last five years. During the period April 1996 to May 1999, per capita calorie intake in rural areas increased from 2206.1 kilo calorie to 2274.2 kilo calorie and in urban areas from 2220.2 kilo calorie to 2280.3 kilo calorie. Social development in Bangladesh during last five years proceeded faster than growth of per capita income owing to the fact that the benefits of

government activities were delivered direct to the target group. UNDP uses mainly two types of indices for measuring social development: Human Development Index and Human Poverty Index. The preliminary estimates of both indices suggest a significant improvement in social development during last five years. Human Development Index increased from 42.6 in 1995-96 to 48.5 in 1998-99. Furthermore, Human Poverty Index declined from 41.6 to 34.8 percent in 1998-2000. On the whole, there is no doubt that there has been not only a quantitative shift in growth in Bangladesh but also a qualitative change in growth itself. Under skilful leadership of Prime Minister Sheikh Hasina, economic and social development under the present government has not only given a taste of a better life to the poor and the vulnerable but also ensured significant empowerment of these groups.

**Mr. Speaker,**

8. During last five years the happy blending of economic growth with social justice was not created by the invisible hand of the market. Such growth has to be attributed directly to policies and strategy pursued by the government of Prime Minister Sheikh Hasina. There are five discernible ingredients in this strategy. First, effective measures have been taken for increasing agricultural production. Second, social security system was established to ensure social justice for the



destitute and the implementation of innovative poverty reduction programmes was undertaken. Third, there has been a significant increase in investment in education and health. Fourth, macro economic stability was ensured. Finally, reforms were undertaken to encourage investment in the private sector. I would now like to highlight the implementation of these policies.

**Mr. Speaker,**

9. Growth in agriculture sector is essential not only for economic development but also for social justice. The increased agricultural production ensures additional supply of food for the poor and promotes stability of prices. Furthermore, it reduces the dependence on foreign sources for the supply of food. Unfortunately, stagnation prevailed in the agriculture sector in Bangladesh owing to insufficient investment and the neglect of the government. During five years of BNP rule, annual growth rate in agriculture was less than half (0.5) percent. In fact during this period of nightmare for agriculture and farmers in Bangladesh, agricultural production declined in two out of five years. By contrast, agriculture in Bangladesh during last five years of Sheikh Hasina's rule registered a growth of 4.2 percent per annum (at constant price). Compared to performance of the previous government, average annual growth in agriculture under the present government increased by more than eight times. When the present government took over, total foodgrain production in

the country stood at about 19 million metric tons. The new record of foodgrain production in 2000-2001 is estimated to exceed 26.4 million metric tons. During last five years foodgrain production increased by at least 7.4 million tons. Total foodgrain production in the country in 1975-76 was 13 million metric tons. During the period 1975-76 to 1995-96 total foodgrain production increased by 6 million metric tons in two decades. What the previous governments could achieve in agricultural production in twenty years was exceeded by the present government in only five years.

10. The revolutionary change in the agricultural sector could be attributed to timely supply of inputs at a fair price. It may be mentioned here that agriculture sector experienced distress owing to the failure of the previous government to supply agricultural inputs and the overall neglect of the agriculture sector. Eleven farmers were gunned down by the police during BNP rule for demanding supply of fertilizer. Despite the commitments of the previous governments to donors to eliminate subsidy on fertilizer and defying all pressures, the present government has continued direct subsidy for fertilizer. During last five years, subsidy to the tune of Tk. 511 crore was provided for fertilizer only. Similarly, hidden subsidy has been provided for electricity used in irrigation equipment and for diesel. During the current fiscal year, cross subsidy on electricity and fertilizer was 26.6 percent and in case of diesel 27 percent. In order to encourage mechanization of agriculture,

import duty on irrigation equipment, power tiller and other agricultural equipment has been withdrawn. There has been an unprecedented expansion of agricultural credit. The average annual disbursement of agricultural credit during BNP rule stood at Tk. 1195 crore. During first four years of the present government it increased to Tk. 2395 crore - which is more than 200 percent higher than the previous average. In FY 1998-99, agricultural credit from the institutional sources stood at Tk. 3245 crore. Furthermore, facility of agricultural credit has been extended to sharecroppers in 1998-99. The procurement of foodgrain from the internal sources has been significantly expanded with a view to ensuring fair price. In 1995 internal procurement of foodgrain stood at 2.4 lakh metric tons, in 2000 it has been raised to 10.47 lakh metric tons. In 1995, internal procurement price of wheat per quintal was Tk. 750, it was raised in 2000 to Tk. 890 - an increase of 18.6 percent. Similarly procurement price of Boro rice was increased by 15 percent and in case of Aman by 18 percent. I would like to express my gratitude to Almighty Allah for this remarkable success in raising foodgrain production. I would like to congratulate the dedicated peasants whose hard work has won for Bangladesh the distinction of food autarky. This rare and glorious success was achieved by the coordinated response on a priority basis by the concerned ministries under the farsighted leadership of Prime Minister Sheikh Hasina.

**Mr. Speaker,**

11. Bangladesh contains a significant share of the ultrapoor in the world. The percolation effects of economic growth failed to evoke any response in this invincible fortress. Unfortunately, the previous governments lacked clear vision on poverty alleviation. There is, therefore, no worthwhile record of their involvement or achievement in this area. They had no elaborate programme and their activities were limited to donor assisted relief and scattered micro credit projects. Poverty in Bangladesh is both widespread and complex. Poverty in Bangladesh is not homogenous. There are various dimensions of poverty in Bangladesh whose origin, nature and solutions are different. The present government has, therefore, adopted separate programmes for different target groups.

12. First, there is a large number of ultrapoor in the country who could not escape from the vicious cycle of poverty without social safety nets. Before the assumption of office by the Awami League government, there was no system of social security for the elderly in Bangladesh. The programme for paying allowance to the elderly was launched in FY 1997-98. Under this programme, more than 4 lakh elderly persons receive a regular monthly allowance of Tk. 100 per month. Since 1998-99, a new programme was launched to provide similar monthly allowance to about 2 lakh destitute women, widows and abandoned wives. A

National Foundation for the handicapped has been established with an initial allocation of Tk. 10 crore for the training and rehabilitation of the handicapped. Six homes for the care of the elderly have been set up at a cost of Tk. 10 crore. Furthermore, a welfare trust at a cost of Tk. 5 crore has been established for destitute women and children. The previous governments failed to undertake such meaningful measures for the amelioration of the lot of the ultrapoor.

13. Secondly, housing for the poor was totally neglected by the previous governments. Since the assumption of office by the present government, two types of projects for providing shelter to the poor were undertaken. *Asrayan* (Provision of Shelter) project has been undertaken under the personal initiative and supervision of Prime Minister Sheikh Hasina for solving housing problems of those ultrapoor who do not own any homestead. Houses have already been constructed under this project for 29 thousand ultrapoor and microcredit to the tune of Tk. 17.2 crore has been distributed for their self-employment. Furthermore, construction of additional 18 thousand houses is under construction. The Housing Fund has been established for those poor who lack suitable accommodation but own homestead. Already 66 crore taka has been disbursed as loan under this programme for the construction of house for 33 thousand families. The construction of eighteen thousand houses have been completed. No other previous government has provided housing loan on easy terms to the rural poor. Indeed by funding these projects for assisting the shelterless

poor, the government of Sheikh Hasina has set a new standard for public service and good governance.

14. Furthermore, the present government has recast the existing poverty alleviation programmes by expanding and consolidating them. Food for Works Programme, Test Relief, Vulnerable Group Feeding and Vulnerable Group Development programmes were significantly expanded with a view to providing adequate food for the poor. During the period 1991-92 to 1995-96, on an average, 8.33 lakh metric tons of foodgrain per year were distributed. It increased to 12.27 lakh metric tons per year during the period 1995-96 to 2000-2001. The distribution of foodgrain has been increased by about 47 percent and the expanded programmes were mainly funded from the domestic sources.

15. The present government introduced new income generating programmes and expanded the existing micro credit programmes. "One House One Farm" project was launched under the personal initiative of Prime Minister Sheikh Hasina with a view to organizing every family in rural Bangladesh on the basis of cooperatives and by using unutilized resources through training to make such houses developed self-sufficient farms. The estimated cost of the project is Tk. 141 crore. We expect that this revolutionary programme will assume the character of a social movement which will augur a silent revolution in the rural areas. With a

view to providing credit for profitable and productive employment, Karma Sangsthan Bank was established on 22nd September, 1998. The Bank has meanwhile disbursed credit to the tune of Tk. 40 crore to 12 thousand educated and unemployed youth. The average size of loans in the bank is about Tk. 33 thousand. The cumulative disbursement of fourteen ministries in various micro credit projects stands at Tk. 3445 crore, while the cumulative disbursement of micro credit from nationalized banks so far totals Tk. 7005 crore. Palli Karma Sahayak Foundation (PKSF) has been strengthened for lending funds to the NGOs and a credit of \$ 181 million has been lined up from the IDA for ensuring continuous funding by PKSF. According to a survey, 10.2 million members have so far borrowed about Tk. 10900 crore from the NGOs. Never before in the history of Bangladesh, projects on such a wide scale were ever undertaken for the alleviation of poverty. Because of the efforts of the Government, the benefits of development could be delivered to poorest segment of the population.

**Mr. Speaker,**

16. Neither its natural resources nor its physical capital but its people constitute the greatest asset for Bangladesh. Human resource development is both a means and end of development in Bangladesh. Bangladesh has an enviable record in respect of human resource development in last five years. The adult literacy for

persons of 15 and above stood at 47.3 percent in 1995, it has increased to 64 percent in 2000. The percentage of students in the age bracket of five to twenty four years was 50.1 in 1996, it has increased to 55.9 percent in 1998. The infant mortality rate per thousand has decreased from 67 in FY 1995-96 to 57 in FY 1997-98. Average life expectancy has increased by 3.1 years during last five years. The Government has taken three noteworthy measures for development of human resources during last five years. First, expenditure in social sectors has been expanded rapidly. In FY 1995-96, the combined allocation in revenue and development budget for health and education sectors was Tk. 5133 crore; in the revised budget for FY 2000-2001, the allocation has jumped to Tk. 8469 crore. Secondly, Education Policy and Health Policy were approved by the Government. The previous governments failed to finalize two such vital policies. The phased implementation of these policies has already commenced. Finally, special programmes have been undertaken for training and application of information technology with a view to promoting human development. The import duty and other levies on computer were withdrawn for encouraging widespread use of information technology in the country.

**Mr. Speaker,**

17. The proper macroeconomic management is an essential precondition for



sustainable development. Inflation is not merely an impediment to development, it also leads to unemployment and erosion of purchasing power of the poorer segments of the population. The distinguished economist John Maynard Keynes rightly said, "There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency". Bangabandhu also identified it as the principal enemy of three major enemies in Bangladesh. In the budget speech of 1996-97, I pledged: "Appropriate macro policies will be pursued in order to stabilize the economy". After five years of macro management, I am glad to inform this august House that despite high growth and natural calamities, we have succeeded in maintaining economic stability. During the period July 1996 to March 2001, the average annual inflation rate was 4.5 percent. However, the rate of inflation has significantly decreased during last two years. The inflation rate for the first nine months of the current fiscal year calculated on the basis of average monthly rates stand at 1.59 percent. By contrast, the average inflation rate of all developing countries, according to estimates of IMF, was 6.2 percent for the year 2000 and is expected to stand at 5.2 percent in 2001. The average inflation rate in Bangladesh for FY 1999-2000 was 3.41 percent. Thanks to appropriate monetary and fiscal policies, inflation rate was significantly curbed during last two years despite sudden rise in petroleum products, economic meltdown in Southeast Asia and the devastating flood in 1998.

18. Low inflation rate is not sufficient for macroeconomic stability, it is also essential to augment the foreign exchange reserves. The Government has pursued a three-fold policy for maintaining balance in the external sector. First, different assistance schemes including subsidy were undertaken with a view to stimulating exports. Total subsidy in FY 2000-2001 for industries using domestic raw materials in RMG industry, selected leather products, manufactured jute products, flower and artificial flower etc. stood at Tk. 797 crore. This has considerably strengthened the competitiveness of our exporters. Secondly, flexible exchange rate policy has been pursued with a view to encouraging exports. The exchange rate is determined on the basis of Real Effective Exchange Rate (REER) which is calculated on the basis of daily data. In the current year, Bangladesh currency was devalued twice and the rate of devaluation was 10.5 percent. In FY 2000-2001, Equity and Entrepreneurship Fund was set up with a view to encouraging the export of nontraditional products. The participation of this fund in the equity of export-oriented industries will reduce the risk and cost of the entrepreneurs.

**Mr. Speaker,**

19. In the very first budget of this government, we promised that private sector shall be the engine of growth in the economy and the role of the government will

be limited to promotion of environment and opportunities for development. With this aim in view, a number of measures were undertaken during last five years for stimulating private investment. All sectors except four sensitive sectors have been opened to domestic and foreign entrepreneurs. Foreign direct investment has been attracted to infrastructure sector. According to estimates of World Bank, Bangladesh has already attracted foreign investment to the tune of \$ 1.9 billion in electricity, telecommunication, gas and port during the last five years. Furthermore, a number of reform programmes were undertaken to promote investment in the private sector. First, Capital Market Development Programme has been implemented with the assistance of Asian Development Bank. Five Laws have been amended and rules and regulations have been promulgated. Owing to these reforms and application of information technology to securities market, a solid base has been laid for the development of capital market.

20. Secondly, banking reforms were consolidated during last five years. By establishing separate money loan courts, promulgating Bankruptcy Law, strengthening central bank supervision, amending laws and establishing good governance we have succeeded in stemming the anarchy which we inherited from the previous governments. According to latest estimates of Bangladesh Bank, gross default rate in scheduled banks of Bangladesh stood at 41 percent in December 1999, it has declined to 34.9 percent in December 2000. In fact the net default rate

(which is usually quoted in international banking), which excludes provisions already made and the dues from the government on account of state-owned enterprises, would be much lower.

21. Thirdly, reforms in the commercial sector were undertaken keeping into account the interests of domestic industry. The average effective rate of import duty was 17 percent in 1995-96, it has declined to 13.7 percent in FY 1999-2000. Specially, the reduction of duty on raw materials has stimulated industrialization in the country. Fourthly, measures have been taken for administrative reforms. A project with the assistance of World Bank at a cost of Tk. 229 crore has been undertaken for judicial reforms. The Administrative Reforms Commission has submitted its report to the government. The recommendations of this commission are now being scrutinized by relevant authorities.

22. Finally, development financing has been arranged from domestic and international sources for industrial credit. The implementation of Financial Institutions Development Project with the assistance of World Bank is already in progress. With direct government support, Agrani Bond and Equity and Entrepreneurship Fund have created special windows for financing export-oriented industries. In the meanwhile, the problem of sick industry has been solved on a permanent basis by implementing the recommendations of a committee appointed

for this purpose. The present government had to resolve satisfactorily the problem of sick industries which was created by myopic and inappropriate policies of the previous governments. Furthermore, privatization programme has been recast in the light of experience. On the whole, a suitable climate has been created for investment in the country. We are already receiving the dividend of business-friendly policies in the form of increased private sector investment.

**Mr. Speaker,**

23. The experience of last five years indicates that the policies pursued by the present government have been fruitful in both accelerating growth and in establishing social justice. It is, therefore, incumbent on us to intensify and consolidate the implementation of these policies. It is also obvious that Bangladesh has the distinct potentialities to attain more than what has been achieved in last five years. With a view to moving in tandem with the rest of the world, we will have to recast our old and outdated administrative system in the light of ideals and policies of our constitution. We will have to reduce the gap between the potentialities and actual achievement through rapid implementation of reforms. If reelected, we plan to initiate second phase of reforms which would include effective reforms in administration, state-owned enterprises, banking system and commercial sector. A Revenue Commission will be set up to suggest ways and means for mobilization of

additional resources to meet the requirements of long term development.

Furthermore, a Public Expenditure Review Commission will be appointed to submit recommendations to the government for best utilization of resources in the public sector. Necessary reforms will be undertaken in economic management on the basis of the findings of these two commissions. However, all reforms must be consistent with our experience. We will never accept reforms imposed from outside. We will commence second phase of reforms after creating necessary public opinion and public support.

**Mr. Speaker,**

24. I would now like to present the main economic trends of FY 2000-2001. From the GDP estimates it appears that in FY 2000-2001, Agriculture and Forestry sector grew by 4 percent, the corresponding growth rate was 6.92 percent in the previous fiscal year. Indeed four percent increase in agricultural production in the current year despite extraordinary growth in agriculture in the previous year is an enviable achievement. Industry in FY 2000-2001 will register a growth of 9.1 percent. This is the highest growth rate in last five years. The growth rate in the industrial sector plummeted to 3.19 percent in the wake of devastating flood in FY 1998-99. It edged upto 4.76 percent in FY 1999-2000. The acceleration of growth in industrial sector in the current year may be mainly attributed to reduction of duty

on raw materials and business-friendly policies. Growth in the construction sector in FY 2000-2001 was 7.93 percent which is slightly less than previous year's growth rate (8.48 percent). In fiscal year 2000-2001, fisheries grew by 8.4 percent; mineral resources by 10.55 percent; power and gas by 7.02; wholesale and retail trade by 6.25 percent; transportation by 6.25 percent, bank and insurance by 5.68 percent and health sector by 4.91 percent. All sectors registered positive growth in FY 2000-2001 and the lowest rate of growth for a sector was 3.09 percent. The provisional estimates indicate that domestic and national saving rate for FY 2000-2001 was 17.88 and 23.1 percent respectively. The corresponding rates for FY 1995-96 was 14.9 percent and 20.17 percent respectively. The latest estimates suggest that 23.63 percent of GDP was invested in FY 2000-2001. The share of investment in GDP in 1995-96 stood at 19.99 percent. High growth rates in last five years may, therefore, be directly attributed to remarkable expansion of investment.

**Mr. Speaker,**

25. A cautious expansionary monetary policy was pursued in FY 2000-2001. In the previous fiscal year, expansionary monetary policy was followed to counteract the recessionary effects resulting from the flood in 1998. The annual growth of broad money during the period April 1999 to March 2000 was 19.18 percent. It has declined to 15.38 percent during the period April 2000 to March 2001. However,

this growth is limited to only 10.31 percent in first nine months of the current fiscal year. Furthermore, government borrowing has significantly decreased during first nine months of current fiscal year and borrowing by the private sector went up. During the period July 1999 to March 2000 government borrowing increased by 39.42 percent, the corresponding rate for the current fiscal year has decreased to 14.93 percent. During the period July 1999 to March 2000, private sector borrowing increased by 5.78 percent, in the corresponding period in the current year it increased by 10.63 percent. With the acceleration of industrial growth, private sector borrowing has picked up.

26. In FY 2000-2001, exports during first nine months of the fiscal year increased by 15.92 percent in dollar terms. In FY 1998-99, export growth came down to 3.2 percent in the wake of 1998 flood. It increased to 8.2 percent in FY 1999-2000. Exports of frozen food, leather products, tea and knitwear registered significant increases. However, the export of jute and jute products fell in view of insufficient demand in the international market. Despite the fluctuations in monthly growth rates of remittance by expatriate citizens, total remittance is estimated to be around \$ 1.9 billion. The growth of imports in the first six months of current fiscal year is estimated at 17.82 percent. Though foodgrain imports decreased, imports of machinery, petrol and petroleum products and industrial raw materials registered significant growth. With a view to promoting growth of exports, Bangladeshi taka



was devalued by 5.26 percent on 24th May, 2001. Furthermore, it has been decided that the existing subsidy on exports will continue on the same terms and conditions in FY 2001-2002. The expatriate nationals have significantly contributed to foreign exchange earnings. As a token of recognition of their contribution, I propose to issue special V.I.P. card, gold card and silver card respectively to those who remit more than one lakh, fifty thousand and twenty thousand dollars in a year. The cardholders will be entitled to encash travellers cheques without commission, will be allowed to special facilities in the airport and will be given priority in booking seats in internal flights, railway ticket and bus tickets in the BRTC. The detailed rules will be issued shortly by Bangladesh Bank.

**Mr. Speaker,**

27. I would now like to present the salient features of the revised budget for FY 2000-2001. In the original budget of this fiscal year, total revenue receipts were estimated at Tk. 24,198 crore, of which Tk. 18,000 crore was the target for taxes controlled by the NBR and the receipts of other taxes and non-tax revenues were estimated at Tk. 6,198 crore. Thanks to satisfactory increase in imports and administrative improvements, actual collection of the NBR for the first nine months has exceeded the target. Taking into account the trends of revenue collection of the NBR in the current year, I propose to refix the target for NBR at Tk. 18,300 crore.

In view of the losses in the state-owned enterprises and shortfall in NBR taxes, estimates for receipts of other taxes and non-tax revenues have been reduced from Tk. 6,198 crore to Tk. 5,873 crore. On the whole, there will be a revenue shortfall of Tk. 25 crore only. In the current fiscal year, the sale of saving certificates has increased dramatically. In FY 2000-2001, the gross sale target of saving certificates was Tk. 4799 crore and the net target was fixed at Tk. 2400 crore. In the first nine months of the current fiscal year, total gross sale of saving certificates stood at Tk. 4559 crore and the net receipts already totalled Tk. 2822 crore against target of Tk. 2400 crore. Taking into account, the actual trends in sale of saving certificates the net receipts under this head is estimated to increase by Tk. 1129 crore. Considering the reduction of expenditure under capital head and additional sale of saving certificates, total receipts under capital and non-bank borrowing head will increase by Tk. 1397 crore. Excluding shortfall of Tk. 25 crore in revenue receipts, net additional resources will stand at Tk. 1372 crore.

**Mr. Speaker,**

28. In FY 200-2001, total revenue expenditure is proposed to be raised from Tk. 19633 crore in the original budget to Tk. 20,662 crore in the revised budget. The main reasons for the increase in revised budget are as follows: increase in the rate of government subvention for teachers in private schools (Tk. 243 crore),

increase in subsidy on exports (Tk. 200 crore), increased expenditure for disaster management and relief (Tk. 190 crore), increase on account of interest on domestic loans (Tk. 378 crore) and the purchase of arms, equipment for peacekeeping operations by Bangladesh armed forces (net Tk. 114 crore) and pension on revised salary (195 crore). The original target for ADP was 17500 crore. It is proposed to be raised to Tk. 18200 crore in the revised budget. Despite the increase in the saving certificates, total additional resources for the revenue budget could not be met from borrowing from non-banking sources alone and total borrowing from the banking system is estimated to stand at Tk. 3764 crore. In the original budget, total bank borrowing was estimated at Tk. 3514 crore. The experience of last two years indicates that the likelihood of inflationary pressures from such bank borrowing is very slim. On the contrary, such deficit will be helpful for providing essential resources for development.

29. Total revenue receipts for FY 2001-2002 have been estimated at Tk. 27239 crore. This target is 12.6 percent above the original target of FY 2000-2001. The total target for taxes controlled by the National Board of Revenue has been fixed at Tk. 20730 crore. This target is 15.2 percent above the original budget estimate and 13.3 percent above the revised budget estimate for FY 2000-2001. It may be mentioned here that in first ten months of the current fiscal year, actual receipts of

the NBR increased by 22.48 percent above last year's actual receipts in the corresponding period. The target for non-NBR taxes and non-tax revenues has been fixed at Tk. 6509 crore for FY 2001-2002 which is 5 percent above current year's original target and 10.8 percent above revised target.

**Mr. Speaker,**

30. Total revenue expenditure for FY 2001-2002 has been estimated at Tk. 22038 crore. This represents an increase of 12.2 percent above the original allocation for FY 2000-2001 and 6.7 percent above the revised allocation. The continuous increase in interest payment on cumulative loans of the government, the absorption of development staff in revenue budget and the cost for operation and maintenance of development projects contribute to swelling of revenue budget every year. However, in the budget for FY 2001-2002, special provisions of Tk. 200 crore for the NAM Conference and Tk. 160 crore for national and Upazila election have also been proposed. Excluding the special allocations, revenue budget for FY 2001-2002 would increase by 10.4 percent compared to the original estimate in FY 2000-2001.

31. The size of Annual Development Programme (ADP) for FY 2001-2002 has been proposed to be fixed at Tk. 19000 crore. In addition to ADP, a sum of Tk. 622

crore has been allocated for FFW in the development budget. ADP allocation for 2001-2002 is 8.6 percent higher than the original target of the previous year and 4.39 percent higher than the revised target. About 51.3 percent resources for the proposed allocation will come from foreign sources while 48.7 percent will come from domestic sources. Of 9251 crore taka earmarked as domestic resources, Tk. 5201 crore is estimated to be provided by revenue surplus and the rest will come from the income of government departments and statutory public authorities, sale of saving certificates and other investments and borrowing from Bangladesh Bank and other commercial banks.

**Mr. Speaker,**

32. In line with the election manifesto of Awami League, highest priority in sector-wise allocation has been given to poverty alleviation programmes. In the ADP for FY 2001-2002, total allocation for poverty alleviation programmes including Food for Work has been fixed at Tk. 6432 crore. In the original ADP for FY 2000-2001, total allocation for these programmes stood at Tk. 6006.1 crore. In other words, allocation for these programmes has been increased by 7 percent. In the revenue budget for FY 2001-2002, total allocation for poverty alleviation (such as Gratuitous relief, Test relief, VGF, VGD, Housing, allocation for elderly, distressed women, freedom fighters and health and primary education in rural areas) is proposed to be fixed at Tk. 3813 crore. There is also an allocation of Tk.

622 crore for FFW in the development budget as stated earlier. The combined allocation for poverty alleviation in development and revenue budget for FY 2001-2002 is proposed to be fixed at Tk. 10867 crore which stand at 26 percent of total budget of the government.

**Mr. Speaker,**

33. I would like to highlight first the allocation for the agriculture sector. Though the share of agriculture in GDP is gradually declining with economic development, agriculture still continues to be the engine of growth and the main source of employment and nutrition for the rural poor. Total allocation for the Agriculture Ministry in FY 2000-2001 in the original revenue budget for FY 2000-2001 was Tk. 289 crore. In FY 2001-2002, I propose to raise this allocation by 11 percent and fix it at Tk. 322 crore. In addition to this allocation, a separate allocation of Tk. 100 crore has been provided for subsidy on fertilizer. Three new measures aimed at development of agriculture have been proposed in the revenue budget for FY 2001-2002. First, accurate soil analysis is essential for development of agriculture. An analysis of soil is needed for prescribing the dose for different types of fertilizer. So the provision of the results of soil analysis to farmers would contribute to reduction of fertilizer wastage, decrease in cost and to preservation of soil quality in the long run. Unfortunately, soil analysis in Bangladesh is mainly

conducted in permanent laboratories. If plot to plot soil analysis is to be conducted, the facility of soil analysis will have to be delivered at the doorstep of the farmers through mobile laboratories. I propose to allocate Tk. 13.50 crore in the revenue budget for launching on a priority basis ten mobile laboratories. Secondly, there has been an unprecedented expansion of agricultural credit since the assumption of office by the present government. However, adequate capital in proportion to their requirements could not be provided to two state-owned agricultural banks. With a view to augmenting agricultural credit, I propose to allocate Tk. 50 crore in FY 2001-2002 budget for recapitalization of two agricultural banks. Thirdly, exports of vegetables will have to be expanded fast with a view to raising the income of the farmers. Lack of proper packaging facilities impedes export of vegetables. With a view to providing assistance for packaging through Hortex Foundation, I propose an allocation of Tk. 4 crore. In the revenue budget for FY 2000-2001, total allocation for Fisheries and Livestock Ministry was Tk. 134 crore. I propose to raise this allocation to Tk. 152 crore in the budget for FY 2001-2002.

**Mr. Speaker,**

34. A sum of Tk. 937.1 crore has been earmarked for agriculture sector in the ADP for FY 2001-2002. The corresponding allocation for the previous year was Tk. 883.9 crore. New agricultural extension policy has been implemented. In the

light of national seed policy, Seed (Amendment) Act 1997 have been promulgated and new seed rules have been issued. With a view to maintaining the quality of fertilizer and prevention of import and sale of adulterated fertilizer, Fertilizer Control Order 1999 has been promulgated. The project for innovative service and reform in agriculture sector is being implemented with the assistance of IDA at a cost of Tk. 125 crore. Another project for diversification and intensification of agriculture at a cost of Tk. 145 crore is being implemented with the assistance of IFAD. A project for agricultural research management at a cost of Tk. 152 crore is also under implementation. In the Fishery sector, IDA assisted Fourth Fishery Project at a cost of Tk. 300 crore deserves special mention. A sum of Tk. 53 crore has been earmarked for this project in the development budget for FY 2001-2002. A project for the development of fishery at a cost of Tk. 109 crore has been undertaken with the assistance of IFAD and I propose to allocate a sum of Tk. 40 crore for this project in FY 2001-2002. A project for the protection and management of baby Shad (Jhatka) at a cost of Tk. 51.64 crore has been undertaken. At present 5 percent of GDP and 6 percent of country's total export originate in the fisheries sector. Emphasis has also been laid on the development of Livestock sector. A participatory livestock development project at a cost of Tk. 151 crore has been launched with the assistance of Asian Development Bank. Allocations have also been provided in the ADP for the development of four



veterinary colleges.

35. So far the driving force behind food management in Bangladesh was food security. A new dimension has been added to food management system in view of food self-sufficiency resulting from extraordinary success in agricultural sector. The provision of fair price of agricultural products will have to be ensured through public food management system. With this end in view, food imports with government's own resources have been discontinued for last two years and food reserves have been built through domestic procurement. The target for internal food procurement in FY 2000-2001 was fixed at 13.68 lakh metric tons. Furthermore, the procurement price of foodgrains is fixed above the market price in each season. Four projects have been included in the ADP for FY 1991-92 for construction of new food godowns and repairs and maintenance of existing food godowns. In the ADP for FY 2001-2002, a sum of Tk. 26 crore is proposed to be allocated for food subsector. The closing stock of foodgrains on 30th June 2000 was 10.92 lakh metric tons, on 30th June 2001 it is estimated to stand at 8.42 lakh metric tons. According to programme contained in the budget, the closing stock of public food distribution system is likely to be about 9.66 lakh metric tons on 30th June, 2002.

36. Bangladesh is the sixth biggest source of fresh water in the world.

Moreover, the entire country consists of environmentally sensitive wetlands. Numerous rivers have formed the terrain of this deltaic Bangladesh and are continuously changing its configuration. The capricious rivers regulate the hopes and aspirations, sorrows and sufferings of the people of this country. With the variation of seasons, water in this country, turns out to be either a blessing or a curse. In Bangladesh, these mysterious natural problems are compounded by international politics. The failures of the previous Governments to conclude a long-term water sharing agreement with the neighbouring country appeared to be an insurmountable barrier to the development water resources in Bangladesh. Immediately after assumption of office, the Government of Sheikh Hasina successfully concluded a long term water-sharing agreement with India opening, thereby, a new vista for development of water resources. I propose to fix total allocation at Tk. 1061 crore for development and revenue budget of Ministry of Water Resources for FY 2001-2002. As many as 90 projects will be implemented by Bangladesh Water Development Board during FY 2001-2002. To achieve the objectives of the National Water Policy, preparation of a modern water management plan is underway. Haor and wetland Development Board has been set up with Hon'ble Prime Minister as its Chairperson for harnessing and development of haors (extensive marshland) and swamps. Special projects, for the purpose, will be undertaken by the Board.

37. In conformity with declared policy of Awami League, revolutionary changes have been initiated in rural infrastructure during past 5 years. Local Government Engineering Department was allocated Tk. 9382 crore for implementing various projects in rural areas during FY 1996-1997 to FY 2000-2001. The department has during last 5 years, constructed 22159 kilometres of dirt road, 9177 kilometres of metalled road and set up 728 growth centers in the rural areas of the country. I propose to allocate Tk.. 1160 crore for the department in the ADP for FY 2001-2002. Tk. 158.8 crore has been earmarked in the ADP of 2001-2002 for Rural Development Board for implementing 11 projects. This includes Tk. 40 crore for "One House, One Farm" project which is being implemented under personal guidance of Hon'ble Prime Minister. I propose total allocation of Tk. 1644 crore for rural development sector as a whole in the ADP of 2001-2002. This amount constitutes 8.68 percent of total size of ADP for the coming financial year.

38. Daniel Bell, an American social scientist, has rightly observed that in today's globalised economy, national Governments have become too small to address big problems and too big to solve the small problems. It is not possible for a national Government to reach out to the grass-roots level. It is, therefore, imperative to strengthen the local government to effectively address the problems that beset the grass-roots level. The Awami League Government is committed to

"democratization of democracy" by improving the local government system. The election of Union Councils have already been held. The legal framework for Upazila and Zila Parisad has been promulgated. Steps will be taken to set up elected local government at all levels after the ensuing national election. I propose to allocate Tk. 225 crore for the development for Upazila, Tk. 130 crore for development of Zila Parisad and Tk. 85 crore for Chittagong Hill Tracts.

Considering the financial conditions of union councils, I propose to increase the share of government contribution as salary support for the secretaries of the Union Councils from 50% to 75% and for this purpose an additional amount Tk. 5.9 crore has been provided in the revenue budget of the next fiscal year. Pursuant to commitment of the Hon'ble Prime Minister, I propose to allocate an additional amount of Tk. 10.4 crore as government grant in next year's revenue budget for increasing the honorarium of UP-chairmen and members. Besides, an allocation of Tk. 1 crore is proposed as government contribution to the Welfare trust for chairmen and members of the union councils. The Awami League Government has been actively supporting the supplementary and complimentary development initiatives of NGO's and civil society organizations during past five years. This support will continue in future.

39. About seventy years ago, the Great poet Rabindranath Tagore ruefully said, "Our motherland has been eulogized for her abundant sweet water and high

productivity. But water which purifies is itself impure and muddy - one who cures illness is itself a den of diseases. Misfortune has struck the very foundations of our lives, our water bodies and our crop fields. The whole country appears thirsty, pale, sick and starved". As a result of rapid growth of population, urbanization and industrialization, the problem of environmental degradation has become more acute in innumerable distressed localities in Bangladesh. For protecting the environment, special emphasis in the budget has been laid on three areas. First, two projects have been undertaken in the Sundarbans and Saint Martin's Island for preserving biodiversity. I propose to allocate a sum of Tk. 44.30 crore for these projects in the ADP for 2001-2002. Secondly, three projects have been undertaken at a cost of Tk. 318 crore for mitigation of arsenic contamination. I propose to allocate Tk. 75.63 crore for these projects in FY 2001-2002. Thirdly, two projects have been undertaken for reduction of air pollution. I propose to allocate in FY 2001-2002 Tk. 6.78 crore for World Bank supported Air Quality Management Project and Tk. 7 crore for CNG Project aimed at reducing air pollution. Furthermore, I propose to allocate a sum of Tk. 15 crore in FY 2001-2002 revenue budget for implementing a special programme aimed at reduction of air pollution caused by auto rickshaws. Under this programme the financial support will be given to auto rickshaws for conversion into CNG system and for financing supply of CNG.

40. In the Annual Development Programme for financial year 2001-2002, the highest allocation has been proposed for transport sector. Development in communication system accelerates the pace of economic growth and creates employment opportunities for the poor. Substantial public investment during last five years has ushered in revolutionary changes in the arena of physical infrastructure. By successfully completing the construction of Bangabandhu Jamuna Bridge, the Government of Sheikh Hasina has translated into reality the long cherished dream of integrating the two geographically separate regions of the country into one. During past five years, the Department of Roads & Highways completed construction of 3,720 kilometers of metalled road, 2,160 kilometers of brick-road and 3,766 kilometers of embankment road. The total length of permanent bridges constructed during the period is 13,813 metres and that of bailey bridges is 26,375 metres. Long cherished Buriganga Bridge spanning 1479 meters, opened to traffic on 20th May this year, has been built using our own resources and indigenous technology. By successfully completing such a huge work, the local engineers have indeed, set a laudable example which testifies to their competence. Besides, the present Government has initiated construction of a number of important bridges. These include, "Shahid Captain M. Mansur Ali Bridge over the river Padma at Pakshi with the assistance of Japan costing about Tk. 410.13 crore, Shahid Nazrul Islam Bridge over river Meghna at Bhairab Bazar with DFID

assistance at an estimated cost of Tk. 453 crore, Rupsha Bridge at Khulna with Japanese assistance, Gabkhan Bridge at Barisal with Chinese assistance, Shikarpur-Duarika Bridge on the Faridpur-Barisal highway with assistance from Kuwait, Dharala Bridge at Kurigram financed from own source and Shangu bridge at Tailardip. Initiatives are afoot for lining up assistance for construction of Padma Bridge. I propose to allocate Tk. 3408 crore in the ADP for FY 2001-2002 for transport sector. The proposed allocation includes Tk. 2290 crore for Roads & Highways Department, Tk. 100 crore for Jamuna Multipurpose Bridge Authority, Tk. 696.5 crore for Bangladesh Railway and Tk. 105.25 crore for Civil Aviation Authority. Furthermore, a sum of Tk. 342.8 crore has been allocated to shipping sub-sector. I propose to allocate Tk. 51.8 crore for World Bank supported Dhaka Urban Transport Project aimed at improving the transportation system of Dhaka. I propose the allocation of a sum of Tk. 300 crore in the revenue budget for FY 2001-2002 for repair and maintenance of roads under Roads and Highways Department.

41. A sum of Tk. 656 crore has been proposed for communication sector in the ADP for 2001-2002. Out of the proposed allocation, Tk. 644 crore will be utilized in telecommunication sector. The rest will be spent for Postal Department and for Meteorology Department. Tk. 373.7 crore has been allocated for the extension of digital telephone in district town project in the ADP of FY 2001-2002. A new

National Telecommunication Policy has been declared in 1998. New opportunities have been opened for private sector investment in telecommunication sector. Presently, four private sector cellular telephone companies have been permitted to market their services. About 278 thousand users have been provided with new telephone connections. Besides, two more private telephone companies are operating in the rural areas. Private sector initiatives in telecommunication sector have resulted in tariff reduction. As a result of dramatic improvement in telecommunication technology, tariff rate has dropped throughout the world. In line with recent trends of tariff reduction in the international market, the Government has decided to reduce BTTB's tariff on Nation Wide Dialing system and as well as international call charges for local users. I am happy to announce that the reduced tariff will be effective from 1st July 2001. The reduction of tariff for the local callers will range from 7.4% to 14.29% for the Asia and the Africa region. In case of America and Europe the call charge will be reduced by 16.67% while that for SAARC countries by 14.29%. Presently, there are 5 different rates for NWD dialing. These tariff structures will be reduced to 3 slabs from 1st July 2001 resulting in tariff reduction ranging from 13.4% to 36%. Detailed notification in this regard will be issued separately by T&T Board. It is expected that despite reduction of tariff the gross receipts of T&T Board will not be affected as a result of increase in number of calls.



**Mr. Speaker,**

42. Awami League government inherited a devastated power sector. Effective production capacity of power in the country was 2,105 megawatt in FY 1995-96. After untiring efforts of last five years, the effective power production capacity has been raised to 3,100 megawatt which is sufficient to meet present demand. Per head power production capacity in 1994-95 was 92 kilowatt hours, which has been raised to 120 kilowatt hours in 2000-01. In the mean time, agreement with private sector has been signed for generation of 1188 megawatt electricity out of which 578 megawatt electricity is being produced at present. In the private sector, 17 power generation projects are being implemented at a cost of Tk. 8,198 crore. Furthermore, as a result of withdrawal of import duty and VAT on the import of electric generator, 500 megawatt of captive power is now being generated in the private sector. I propose to allocate Tk. 2,249.99 crore for power sector in FY 2001-2002. Out of this, Tk. 559 crore will be earmarked for rural electrification sub-sector. Rural Electrification Board is providing new electricity connections to 7 villages per day. Since the assumption of office by the present government, 13,713 villages have already been provided with electricity and 32,000 new power connections have been given to irrigation pumps. Necessary reform programmes are being implemented for running the power sector on commercial basis.

43. The present Government has undertaken massive initiative in exploring oil, gas, coal and other natural resources and in ensuring their maximum use. With a view to accelerating the exploration and development of gas resources, the government has divided the country into 23 blocks and invited bids for domestic and foreign investment under Production Sharing Contract (PSC). Negotiation has already been completed for 15 blocks. It is expected that as a result of foreign investment the production of gas will increase rapidly. In FY 1999-2000 the actual gas production was 332.30 billion cubic feet. During July-January half year period of FY 2000-2001, the quantity of gas production was 213 billion cubic feet. In the development budget of FY 2000-2001, the revised allocation for oil, gas and natural resources sector was Tk. 440.02 crore which has been proposed to be increased to Tk. 653.25 crore in the development budget of FY 2001-2002. Out of this Tk. 169 crore is earmarked for Madhyapara Hard Rock project; Tk. 99.6 crore for Bara Pukuria Coal Mine and Tk. 118 crore for Third Natural Gas Development project.

**Mr. Speaker,**

44. The greatest asset of Bangladesh is her industrious and innovative people. Only through appropriate education it is possible to transform this vast work force

into an instrument for rapid development. With this end in view, highest allocation has given in the combined revenue and development budget for education sector in FY 2001-2002. In the FY 2001-2002, I propose to allocate Tk. 6028 crore which is 14.69% of total expenditure in the combined revenue and development budget. In FY 1995-96, the combined allocation for education was Tk. 3,522 crore only. During last 5 years, allocation in education has been increased by 66% .The teachers are the moulders of human beings. The salary support to teachers has, therefore, been increased rapidly. In the budget for FY 2001-2002, I propose to allocate Tk. 1,477 crore as the salary support to the teachers and employees of schools, colleges and madrasas. In Annual Development Programme of FY 2001-2002, it has been proposed to allocate Tk. 1,405 for Primary and Non-formal Education, Tk. 718 crore for Secondary and Higher Secondary Education, Tk. 107 crore for Technical Education and Tk. 81.5 crore for University Education. In comparison with the allocation in the original ADP of last year, the increase in Primary Education is 4.8% in Technical Education, 27.9% and in University Education, 2.8%. Special emphasis has been laid on the expansion of Technical Education. The work on establishment of twelve Science and Technology Universities in old district headquarters is progressing fast. Tk. 17 crore have been allocated in FY 2001-2002 for the establishment of three new women polytechnic institutes in three divisional headquarters. A sum of Tk. 21 crore has been

earmarked in FY 2001-2002 for the modernization 20 existing polytechnic institutes and for the establishment of 15 new polytechnic institutes. The work of establishing 13 Vocational Training Institutes and introduction of vocational courses in selected non-government schools in each upazila are in progress. For these two projects a sum of Tk. 32 crore has been allocated. It has been proposed to allot a sum of Tk. 200 crore for stipend of the female students in Secondary schools . I propose to allocate Tk. 112 crore for the stipend in Primary education sector. Moreover, it is proposed to allocate Tk. 18.60 crore for the development projects under the Ministry of Religions Affairs in next year's budget. Out of this allocation, Tk. 14.28 crore will spent for mosque-based children and mass education.

**Mr. Speaker,**

45. The present Government has taken up an integrated programme to deliver the health services at the doorsteps of the people. Under this programme an epoch making project at a cost Tk. 15,500 crore has been undertaken. I propose to allocate Tk. 1,252 crore for Health Ministry in the non-development budget of FY 2001-2002. This is 12.59 % higher than the original allocation of FY 2000-2001. In the ADP of FY 2001-2002, I propose to allocate Tk. 1621.4 crore which is 2.8 % higher than the original allocation of the current year. In the revised budget of FY 1995-96, the allocation for Health and Family Planning was Tk. 1611 crore. In the

FY 2001-2002, I propose to increase it to Tk. 2873.4 crore. During last five years, hospital beds have been increased by 5405, 1322 doctors have been recruited, and the recruitment process of 1182 doctors is at the final stage. Forty four thousands officers and employees of Family Planning Programme were working in the development budget on temporary basis. They are being brought in phases under revenue budget on permanent basis. In the meantime 4000 new nurses have been recruited. National Nutrition project at a cost of Tk. 643 crore is now under implementation with World Bank assistance. The main goal of the programme is to reduce the existing malnutrition of children and pregnant women. Moreover, a project at a cost of Tk. 330 crore for the prevention of AIDS has been taken up.

**Mr. Speaker,**

46. I propose to allocate Tk. 1466.30 crore in the ADP for FY 2001-2002 for Physical Planning, Water supply and Housing sector. This includes an amount of Tk. 316.85 crore for Public Health Engineering Department. The construction work of International Conference Center in Sher-e-Bangla Nagar at a cost of about Tk. 180 crore is progressing very fast. I propose to allocate Tk. 25 crore for the successful completion of Special Apartment project undertaken at a total cost of Tk. 205 crore for the NAM conference. In the budget, I also propose to allocate Tk. 347.30 for Dhaka City Corporation. Out of this an amount of Tk. 192 crore is

earmarked for Dhaka Urban Transport Project.

47. In industrial sector, a programme for building 3 new fertiliser factories, rehabilitation of 2 fertiliser factories and one paper mill has been undertaken. The estimated expenditure of these 6 projects, to be implemented by Bangladesh Chemical Industries Corporation, is Tk. 3,073.71 crore. Four export processing zone projects at Mongla, Ishurdi, Comilla and Syedpur are being implemented at an estimated cost of Tk. 275 crore. In FY 2001-2002, Tk. 50.69 crore was allocated against these projects. In Annual Development Programme for 2001-2002, an allocation of Tk. 356.72 crore for the industrial sector has been proposed of which Tk. 45.75 crore is earmarked for the projects of Bangladesh Small and Cottage Industries Corporation. By providing allocation for these projects, income-generating programmes would be implemented. Funds have been allocated for Sirajganj and Narshingdi Industrial Park, Hosiery Industrial City at Narayanganj and for fish and agriculture-based industries at Chokoria. In Annual Development Programme 2001-2002, allocations of Tk. 91 crore for Science and Technological Research sector, Tk. 74.10 crore for Mass Communications and Tk. 207 for Public Administration have been proposed. Tk. 19.70 crore has been allocated for labour and manpower sector primarily for technical training and development.

48. Thanks to continuous patronage of Awami League government, an

unprecedented and lively surge is now visible in the arena of youth and sports. In last 5 years Bangladesh achieved extra-ordinary success in international sports. On 26 June 2000, Bangladesh achieved test-playing status and emerged as the 10th test-playing nation of the world. A team of physically and mentally retarded sportsmen and sportswomen, who attended the Special Olympiad 1999 in the USA on the personal initiative of the Prime Minister, brought noteworthy laurels. The present Government is making tireless efforts in building sports infrastructure, expansion of sports activities and competitions, and in raising the standards of sports to international levels through intensive training and practice.

49. The youth constitutes the majority of population in Bangladesh. With a view to involving these youth in national development process, the government has undertaken programmes to encourage them to undertake income-generating self-employment activities and provision of soft term loan and training. I propose a combined allocation of Tk. 171 crore for youth and sports sector in revenue and development budgets. Of this amount, Tk 16.91 crore is proposed in Annual Development Programme for the development of sports training programme in BKSP, while Tk. 2.00 crore is included in the revenue budget for expenditure relating to the training, preparation and participation in the SAF games.

**Mr. Speaker,**

50. A rich and ancient culture delineated and shaped our national identity. In recognition of the supreme sacrifice of Bangalees for mother tongue, UNESCO declared 21st February as the International Mother Tongue Day. The historic Mujibnagar Cultural Complex is almost completed. As a mark of respect to the Father of the Nation and to immortalise his memories in our hearts, a monument has been erected over his tomb at his paternal homestead at Tungipara. Furthermore, Begum Rokeya Memorial Monument and Shaheed Matiur Memorial Centre are being implemented. Work is underway for establishing libraries and academies for arts and culture at district and upazila levels. A programme has been undertaken to preserve the glories of our ancient history and traditions through restoration, rehabilitation and maintenance of old mosques, temples and other historic sites. In current fiscal year, 37 development projects at a cost of Tk. 47.00 crore are being implemented under the Ministry of Cultural Affairs. In the FY 2001-2002, a programme for 42 development projects at the cost of Tk. 47.00 crore has been proposed in the budget.

51. Protecting the interest of the weak and the neglected segment of society is a constitutional responsibility on the part of the Government. Immediately after assumption of office the present Government raised the allocation of the ministries of Social Welfare and Women and Children affairs. The total allocation in the



revenue and development budget of FY 1995-96 for Social Welfare Ministry stood at Tk. 106.72 crore. I propose to raise this allocation to Tk. 279 crore in the FY 2001-2002. The total allocation in the revenue and development budgets for the Ministry of Women and Children affairs for FY 1995-1996 was fixed at Tk. 45.62 crore. I propose to increase this allocation to Tk. 90 crore for the FY 2001-2002. The budget allocation for the Ministry of Social Welfare includes 3 special allowances for the vulnerable segments of the society. Tk. 50 crore is proposed for old age allowance; Tk. 25 crore for the distressed women's allowance and Tk. 28.8 crore as allowance for distressed freedom fighters. No Government in the past provided such extensive financial support in the budget to the disadvantaged segments of the society. The Ministry of Women and Children Affairs co-ordinates different programme aimed at empowerment of women and providing legal aid to them. Nonetheless almost all development ministries & divisions undertake separate projects for women development. A survey reveals that the Ministries of Women and Children Affairs, Education, Social Welfare, Rural Development and Co-operatives, Information, Disaster Management and Relief, as well as a Health & Family Planning are implementing as many as 37 projects at the total estimated cost of Tk. 1,778 crore for the direct welfare of women.

52. To fulfil the commitment made by Awami League in its election manifesto,

the Government has taken appropriate initiatives for modernisation and improvement of efficiency of our defence forces - the ever vigilant sentinels of our sovereignty and independence. With this end in view, the present government has set up organizations like National Defence College, Military Institute of Science and Technology and Armed Forces Medical College. Necessary arrangement has been made to enable these institutions to impart education and training of international standards. In recognition of efficiency and dedication of our Armed Forces under the able leadership of the present Government, Bangladesh today, is the second largest source of troops in UN peace keeping missions. Presently, 8622 members of defence forces are working for the UN peacekeeping missions. This international recognition of our defence forces has, on the one hand, contributed to country's image-building and on the other hand to an increase in foreign exchange earnings. Besides, participation of the Army in *Asrayan* Project, road construction, relief and rescue operations during national disasters and traffic control in aid of civil administration, indeed deserves appreciation. Considering the overall role and legitimate needs of national defence, I propose to raise current year's original allocation of Tk. 3,207 crore to Tk. 3,320 crore in the revised budget and to Tk. 3,460 crore in FY 2001-2002 budget.

**Mr. Speaker,**

১১. Experience of many countries suggests that the responsibility of law and order administration assumes more complex and wider dimension with economic development. This is why on assumption of office the Awami League Government initiated the process of development and modernisation of the police force in the country. In FY 1995-96, the revised allocation for the police force in non-revenue budget (except police ration) was Tk. 518.67 crore. This allocation for police in FY 2001-2002 is proposed at Tk. 845.33 crore. For the ever-vigilant frontier sentinels, BDR, I propose an allocation of Tk. 353.8 crore for the FY 2001-2002. The allocation is 5 % higher than the current year's original allocation. The total allocation in the revenue budget for all the departments under the Ministry of Home is Tk. 1,618 crore. Besides, additional allocations of Tk. 11 crore for Fire Service and Civil Defence Departments, Tk. 11.5 crore for Police and Tk. 21.30 crore for Department of Prison have been proposed in the Annual Development Programme for the FY 2001-2002.

**Mr. Speaker,**

54. In the last five years, remarkable success has been achieved under the able leadership of Prime Minister Sheikh Hasina in the diplomatic front, leading to a new chapter in the diplomatic history of

Bangladesh. A new environment of friendship and co-operation has been created among the neighbouring countries. The Ganges Water Sharing Agreement and the Chittagong Hill Tracts Peace Agreement have opened up a new horizon for expanding economic development in the region. Bangladesh has been elected as a member of the Security Council and has earned the distinguished status of Co-ordinator of the Less Developed Countries, has played a pioneering role in the establishment of 5-member BIMSTEC and 8-member D-8, aimed at promoting regional economic co-operation. Our Prime Minister Sheikh Hasina was awarded the UNESCO Peace Prize for her personal initiative in promotion of world peace. The 13th Non-aligned Movement (NAM) Conference will be held at the historic city of Dhaka next year. For FY 2001-2002, I am proposing a total allocation of Tk. 370 crore for Ministry of Foreign Affairs, including a lump allocation of Tk. 200 crore for organising the NAM Conference.

**Mr. Speaker,**

55. Our Great Poet Rabindranath Tagore aptly said: "Mere birth does not make a country your own. A country remains alien until one knows the country, until one wins it with one's own might". The valient freedom fighters by fighting a life and death struggle against the demonic forces have made Bangladesh our own country.

Their supreme sacrifice and glowing patriotism will continue to inspire Bangalee nation. Unfortunately, before the present government's assumption of office, little effort was made to establish the freedom fighters in the society in a befitting manner. A programme was taken up in FY 2000-2001 at a cost of Tk. 15 crore to provide monthly allowance to 42,000 freedom fighters. In FY 2001-2002, I propose to expand the programme to 80,000 freedom fighters and their dependants at a cost of Tk. 28.8 crore. Furthermore, the allocation for the wounded freedom fighters has been substantially increased. In FY 1995-96, the total allocation for the Freedom Fighters' Welfare Trust was only Tk. 6.6 crore, in FY 2001-2002, I propose an allocation of Tk. 16.25 crore for the Trust. In FY 2001-2002, total allocation for the welfare of the freedom fighters would stand at Tk. 45.05 crore.

**Mr. Speaker,**

56. Our War of Liberation was an ideology-based struggle. Humans die, nations rise and fall but ideology is eternal. Ideals never die. The war of liberation is, therefore, a never-ending struggle --- it will never cease. The eternal flame of this spirit would continue to inspire us for the emancipation of the oppressed people. We have achieved our political freedom under the leadership of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman. But heinous conspiracies of internal and external enemies stand in the way to our economic freedom. We have

to carry forward this struggle for economic emancipation under the able leadership of Bangabandhu's daughter Sheikh Hasina. In the past 5 years we have achieved remarkable success but we must not be complacent. Inspired by the spirit of the War of Liberation, we have to resist time and again the internal and external enemies. Echoing the language of the late American statesman John F. Kennedy, I therefore, summon all of you for joining this struggle, "Now the trumpet summons us again, not as a call to bear arms, though arms we need, ... but as a call to bear the burden of a long twilight struggle, a struggle against the common enemies of man-, tyranny, poverty, disease and war itself".