

VAT on private univs to fall on students

Mohiuddin Alamgir

THE 10 per cent VAT on private universities, as proposed in the budget speech on June 4, will eventually have to be borne by students and guardians, opined experts.

The move is also essentially anti-education, they further said.

Students, guardians

and owners of the private universities and medical colleges demanded the proposed value added tax be scrapped.

At least two members of the owners association of private universities feared street movement of the students. The Awami League-led government in 2010 imposed a 4.5 per cent VAT on private universities but was

forced to backtrack from the decision in a month following demonstration by students.

Finance minister Abul Maal Abdul Muhith in his budget speech on June 4 proposed the imposition of 10 per cent value added tax on private universities, private medical colleges and private engineering colleges.

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There are over four lakh students at 85 private universities and over 20,000 students at 64 private medical colleges in the country, according to the University Grants Commission and Bangladesh Private Medical College Association.

A private university student need to spends Tk 3 to 7 lakh to complete a four-year graduate course while the government had fixed tuition fees at Tk 13.90 lakh for a private medical student to complete his or her course.

Guardians claim many private medical colleges charge more than 20 lakh for the course.

At present, a numbers of students from middle class background go to private institutions because there

is a shortage of seats in public universities and medical colleges. Besides, session jams and unhealthy political atmosphere on campuses also keep students away from public universities and medical colleges.

It will be a huge burden on guardians if tuition fees go up further, said Nazmul Ahsan, a guardian whose son is a student of United International University.

Public universities cannot ensure seats for thousands of students who pass the HSC exams each year which is why they turn to the private. But the government now wants to increase the financial burden of these students, he added.

The proposed VAT will have a negative impact on guardians and students as these guardians will have

to bear the additional cost of education,' said Association of Non-Government Universities of Bangladesh president, Sheikh Kabir Hossain.

The decision will further create hurdles in expansion of higher education in the country. Many guardians will lose interest in admitting their children to the tertiary level of education, he added.

Kabir pointed out a private university now pays 9.5 per cent VAT on space rent.

Bangladesh Private Medical College Association treasurer Ikram Hossain said many private medical colleges do not get enough students, and several hundred seats remain vacant each year. 'VAT will create more trouble,' he

said.

He said that students will have to bear the increasing cost through VAT.

A leader of Association of Non-Government Universities of Bangladesh said the government had taken a contradictory stand by declaring private universities as non-profit organisations and at the same time imposing VAT on them.

'In 2010, many students had taken to the street against the proposed VAT. We fear a similar movement again,' he said.

Students from different private universities took part in a human chain in front of National Press Club demanding the VAT proposal be scrapped and threatened tougher movement if their demand was not met.