



Bangladesh on a Pathway to Prosperity
Time is Ours, Time for Bangladesh

Budget Speech 2019-20

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In the name of Allah, Most Gracious, Most Merciful
Bangladesh On A Pathway To Prosperity
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Madam Speaker

01. I seek your kind permission to place before this august House the proposed budget for FY 2019-20 and the supplementary budget for FY 2018-19.

Chapter I

Madam Speaker

02. Bangladesh is now well poised to celebrate the golden jubilee of our glorious independence and the 100th birth anniversary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, **which is a rare occasion in our national history**. We are committed to the nation to realize fully the *Vision 2021* and implement the agenda for 2030 for building a happy and prosperous future for the nation, and thus materialize the Father of the Nation's cherished dream of establishing *Sonar Bangla* (Golden Bengal), which is the fundamental premise of our current election manifesto too.

Madam Speaker

03. First of all, **I pay my profound tribute and deepest gratitude to the Father of the Nation**, Bangabandhu Sheikh Mujibur Rahman, the man with colourful political personality, the possessor of a magical voice, the greatest Bengalee of all times and the architect of independent Bangladesh; I remember with profound respect all the martyrs of the fateful night of August 1975. I also pay tribute to the four most competent comrades of the Father of the Nation who were killed in jail, thirty lakh

martyrs in the war of liberation, all the valiant freedom fighters and two lakh women who were brutally persecuted during the war. I pray to the Almighty Allah for the salvation of their souls.

Madam Speaker

04. At this auspicious moment for the nation, on behalf of our people, I would like to humbly dedicate, through you, the proposed national budget for FY2019-20 to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman and to those who stood by him in response to his clarion call for independence.

Madam Speaker

05. I feel myself proud and most fortunate for getting the opportunity to present this budget for the first time before the august House. I express my profound gratitude to the Almighty Allah. I again pay my tribute to the Father of the Nation who imbued with the national consciousness embedded in him the vision of a prosperous Bangladesh. I would not have got the opportunity to present today's budget before this august House had he not freed our beloved motherland. Alongside, I convey my gratitude to our beloved leader Jananetri Sheikh Hasina, the worthy successor of the Father of the Nation, the most successful and widely acclaimed statesman in the country after the Father of the Nation. Had she not reposed trust on me and given me the portfolio of the Finance Ministry, I would have never got this rare opportunity to present the national budget for FY 2019-20 before this august House. **And, my life would have remained unfulfilled.**

06. **Hon'ble Prime Minister**, for you, I have a lot of respect, a lot of gratitude. May the Almighty Allah bless you. May your life dedicated to the cause of our people be strewn with many successes.

Hon'ble Prime Minister, I am committed to repay all my debt to you and

to the Father of the Nation, by working for our beloved motherland with full dedication.

Madam Speaker

07. I would like to inform the countrymen that the proposed national budget for FY2019-20 has been **structured around the spectacular achievements of our government** during the last 10 years, which surpass even the fairy tales. While recounting all these successes achieved under the leadership of our successful Prime Minister is a huge task; I would like to highlight some of the major successes before the nation, especially to the young generation through this august House.

08. You are aware that all our successes during the last 10 years did not begin only in 2008; rather the seeds of development of the country were sown in 1972 under the leadership of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. After the glorious liberation war, the Father of the Nation Bangabandhu took up the task of transforming this war-ravaged country into the ‘Golden Bengal’. Unfortunately the anti-liberation forces temporarily halted that effort in 1975 by killing Bangabandhu, his family, and the jailed four national leaders in the worst killing spree in the history of Bangladesh.

09. Jananetri Sheikh Hasina, the daughter of the Father of the Nation, came back to her own people on 17th May 1981 spending long six years in exile with endless miseries after 1975. The people of the country became leaderless after the brutal murder of Bangabandhu. Her return from exile was, therefore, a great source of jubilation for the people. Indeed, this was a great boon for the nation.

10. Following a series of struggles for long 15 years, Hon’ble Prime Minister Sheikh Hasina took up the task of revitalizing the nation after winning the National Elections in 1996.

Madam Speaker

11. Under the leadership of Hon'ble Prime Minister the country witnessed many revolutionary changes during the period from 1996 to 2001. The economy was also growing during this time. Inflation went down to 1.9 percent, the lowest in the history of Bangladesh, GDP growth rose to 5 percent, and power generation increased from 1,600 to 4,300 megawatts. Incentive system was introduced for farmers for the first time in the history of the country. The country achieved self-sufficiency in food by raising foodgrains production to 2 crore 68 lakh metric tons.

Community clinics were established throughout the country in rural area to provide healthcare to the doorsteps of the people, telephone service was made cheap and easily available for the people. **Unfortunately, the people could not enjoy uninterrupted delivery of these basic services. Progress in Bangladesh was again halted in 2002.**

12. After Jananetri Sheikh Hasina's assumption of office following the 2008 elections, Bangladesh again began to rise from the ashes like the phoenix bird in Greek mythology. The whole world was then reeling with the 2009 recession. Even the developed world lost an average of one-fourth of employment, the capital market and their economies were in total disarray. Bearing in mind the daunting challenge of global meltdown, Hon'ble Prime Minister declared the charter for change - '*Vision 2021*', wherein she set a number of ambitious targets. These include, among others, cent percent boys and girls will go to school by 2021. Electricity will be available for every household in the country. Healthcare will be taken to the reach of all people. Poverty will be reduced to a great extent. Bangladesh will be made digital, and will be elevated to the status of a Middle Income Country.

Madam Speaker

13. Hon'ble Prime Minister has fulfilled her pledges to the nation. Almost cent percent boys and girls in the country go to school, the rate of drop-outs has also reduced. Electricity has reached almost every household long before 2021. Community clinics have been established across the country. The poverty line has dropped from 40 percent in 2005 to 21 percent. Extreme poverty dropped from 25 percent to 11 percent. Inflation has been kept at a tolerable level despite the sustained high growth rates in our economy. We have been able to attract the attention of the world community by achieving Millennium Development Goals (MDGs) surpassing the performance of other countries. We have elevated ourself from the status of a poor, least developed country to that of a lower middle income country. We share the glory of achieving the same level of development with countries like Brazil, South Africa, Russia, India, Malaysia, Indonesia, and China.

Madam Speaker

14. I would like to inform the fellow countrymen about the outstanding achievements of our government during the last ten years in some basic areas of macroeconomic management by comparing our achievements with that of the previous government, achieved during their tenure in FY 2005-06.

15. **Please allow me to present first the performance of our import-export trade:** Our imports in FY2005-06 was US\$ 14.7 billion, which has risen now to US\$ 58.9 billion. Our exports in FY2005-06 was US\$ 10.5 billion, which grew 3.0 times to reach US\$ 37 billion in FY2017-18.

16. **Remittance receipts:** Our remittance receipts in FY 2005-06 was US\$ 4.9 billion, which grew 3 times to reach US\$ 15 billion in 2018.

17. **Foreign exchange reserve:** Foreign exchange reserve stood at US\$ 3.5 billion in FY2005-06, which by now grew 9 times to reach US\$ 33 billion.

18. **Investment:** Investment is one of the determinants of economic growth. In FY2005-06, our investment was 26 percent of GDP. In FY2018-19, it rose to 31.5 percent of the GDP. Private sector investment grew from US\$ 14.8 billion to US\$ 70.8 billion.

19. **Debt-GDP ratio:** The debt to GDP ratio was 44 percent in FY2005-06, which has declined to 32 percent, which is a proof of the strength of our economy and our self-dependence.

20. **Health sector:** The health sector has also witnessed remarkable progress. Infant mortality (per 1,000 live births) has gone down from 45 to 24. The number of medical colleges has increased from 46 to 111. Life expectancy at birth was 65 years in 2006, which is currently 72.8 years. In almost all the indicators in the social sector, Bangladesh has fared much better than other South Asian countries.

21. **Education sector:** The literacy rate was 53.7 percent in 2006, which is currently 72.9 percent. Cent percent enrollment in primary education has been achieved. The drop-out rate has gone down from 50 percent to 18 percent. The rate of people receiving technical education was 2 percent, which has now risen to 17 percent. The number of universities has increased from 80 to 148. Our achievements in the social sector are presented in **Table 1 of Annexure A**.

22. **Power sector:** The power generation capacity was 4,385 megawatts in 2005, which has now increased to 21,629 megawatts. When we began our journey in 2009, the amount of power in the national grid was 3,200 megawatts, against which the generation today is 12,893 megawatts. The share of the population enjoying electricity connection

was 47 percent, which has now gone up to 93 percent. Gas supply was 1,443 million cubic feet, which has now increased to 2,746 million cubic feet per day..

23. **Digital Bangladesh:** 5,000 digital centers have been established in all the unions and municipal areas in the country. About 23,500 km optical fibre cable was installed throughout the country. The number of internet users has crossed 9 crore. Tele-density has crossed 93 percent. Twenty eight High Tech Parks are being established in the country. Bangladesh became the 57th satellite member country last year by launching its first satellite *Bangabandhu Satellite-1* successfully into the space. This achievement has taken Bangladesh to a newer height in the global arena.

24. **National revenue:** National revenue earning in FY2005-06 was Tk. 42,000 crore, which has increased to Tk. 3,16,000 crore. Revenue has seen seven times growth.

25. **Growth in GDP:** The size of our GDP was US\$ 72 billion in FY2005-06, which has now increased 4.5 times to US\$ 302.4 billion.

26. **Per Capita Income:** Per capita income in Bangladesh in FY2005-06 was around US\$ 543, which has grown 3.5 times and now stands at US\$ 1,909. Our achievements in the economic sector in the last 10 years are provided in **Table 2 of Annexure A**.

Madam Speaker, Hollis B. Chenary, an American Professor of Economics, commented in 1973 that Bangladesh's per capita income will take 125 years to reach US\$ 900. But we did not take 125 years. It reached US\$ 928 in 2011; that is, in only 40 years of independence. And it has become double in the next 8 years to reach US\$ 1,909 by 2019.

According to a recent estimate by the World Bank, in terms of growth in per capita income, Bangladesh remained among the top countries in the world during the last five years.

27. **Size and volume of the budget:** The size of our budget in FY2005-06 was Tk. 64,000 crore, and the size of the proposed budget for FY2019-20 is Tk. **5,23,190 crore**, which is eight times higher than that in FY2005-06.

Madam Speaker

28. Bangladesh played the role of a trailblazer in many respects. Once we were used as an example to explain the differences and gaps between a developed country and the poorest country. We used to be labelled as a backward country with abject poverty frequented by floods, cyclone and other natural calamities. By the grace of the Almighty Allah, Madam Speaker, we have turned around. According to the latest GDP ranking based on PPP published by the IMF, Bangladesh is now the 30th largest economies in the world. **In South Asia, Bangladesh is now the second largest economy after India.** Even the World Bank agrees, the way a small country with a large population of 16 crore and within a limited span of time has spearheaded development is now **a wonder to the people of the world.** Ban Ki Moon, ex-Secretary General of the United Nations, commented, “Bangladesh can, Bangladesh is a Role Model in the area of economics”. Kaushik Basu, ex-Chief Economist of the World Bank, said, “Today’s Bangladesh is wholly a tale of success”. Jim Yong Kim, ex-President of the World Bank, said, “The progress in Bangladesh is exemplary for the entire world”. Asian Development Bank observed, “Bangladesh is an example for other Asian countries”.

29. Implementation of verdicts of the Father of the Nation Bangabandhu murder case, and the cases on war crimes and crimes against humanity signaled the end of the long-prevailing culture of impunities; the nation has become free from the liability. Bangladesh’s visible success in tackling militancy has been praised internationally.

Madam Speaker

30. After working tirelessly for the last 10 years, Hon'ble Prime Minister Sheikh Hasina, garnering the support of the people of all strata, has brought Bangladesh to this level. We are now enjoying a respectable position in the world arena only due to her dynamic, intelligent and effective leadership. The United Nations, its different organizations and various international organizations have conferred Hon'ble Prime Minister with prestigious awards for her commendable role in economic and social development.

31. Madam Speaker, in one word, Bangladesh is known today to the whole world by the Prime Minister's name. She is now a world leader. A survey conducted by *Fortune*, the magazine of the Time Corporation in the United States, has placed Hon'ble Prime Minister among the top ten world leaders. *Time*, the New York-based famous weekly, has included our Hon'ble Prime Minister Sheikh Hasina in its 2018 list of 100 most influential world leaders, along with US President Donald Trump and Japan's Prime Minister Shinzo Abe.

Hon'ble Prime Minister, we the countrymen are grateful to you for taking Bangladesh to such a great height.

Chapter II

The Supplementary Budget

Madam Speaker

32. At this stage, I am going to present the Supplementary Budget for the current FY2018-19 and the proposed Budget Framework of the FY 2019-20.

The Supplementary Budget for the current FY2018-19

33. The targets for revenue earning and expenditure of the current fiscal year 2018-19 was determined on the assumption that there will be impending reforms in the structure of manpower and work procedures in the National Board of Revenue (NBR) and the nation's economy will continue to grow. The amount of revenue collected upto March, 2019 of the current fiscal year was 54.90 percent of the original annual target. At the same time, government expenditure was 44.40 percent of the annual allocation. A brief description of amendments and adjustments made in the budget of FY 2018-19 has been shown in **Table 3 of Annexure A**.

34. **Revised Revenue Income:** The target of revenue collection for FY 2018-19 was set at Tk. 3,39,280 crore. After reviewing the revenue collection in July-March of the current fiscal year, the target was reduced by Tk. 22,668 crore, and re-fixed at Tk. 3,16,612 crore.

35. **Revised Expenditure:** The total government expenditure in the current fiscal year was estimated at Tk. 4,64,573 crore. In the revised budget, the expenditure was reduced by Tk 22,032 crore, and re-fixed at Tk 4,42,541 crore. The size of the annual development program has been reduced by 6,000 crore taka, from the original allocation of Tk. 1,73,000 crore, and set at Tk. 1,67,000 crore. On the other hand, the estimation of other expenditures, including operating expenditure, was reduced by Tk. 16,032 crore.

36. **Revised Budget Deficit and its Financing:** The budget deficit for the current fiscal year was estimated at Tk. 1,25,293 crore. However, the deficit in the revised budget has been set at Tk.1,25,929 crore, which is 5.0 percent of GDP. Against the original budget deficit, the estimation for external financing was Tk. 54,067 crore, which has been reduced to Tk. 47,184 crore in the revised budget. From domestic sources, the revised estimation of financing from savings instruments and other sources is Tk. 47,850 crore.

Chapter III

Proposed Budget Structure of FY 2019-20

Madam Speaker

37. The budget of FY2019-20 is for all citizens of Bangladesh. No area is left out, neither the Hill Tracts nor the plain lands; neither from north-south nor from east-west. This budget has been prepared keeping in mind the need of farmers, blacksmiths, potters, fishermen, businessmen, *bedes*, various tribes, third genders, teachers, doctors, engineers and all professionals. Sufficient allocation has been made to satisfy the needs of all Ministries or Divisions.

Madam Speaker

38. I will now present an estimate of the proposed income and expenditure of the next fiscal year 2019-20, which has been presented in details in the **Table-4** of **Annexure-A**.

39. I will first speak on our national revenue and annual probable income receipts. The basic principle of tax revenue collection by our government is **boosting revenue mobilization not by increasing the tax rate but by widening the tax net and coverage**. To do that, we will establish revenue offices in every Upazilas and Growth Centers in the country. These will have necessary manpower and other logistics to facilitate revenue collection. **I would like to inform the august House that we have not included any component in the budget of FY2019-20 that may cause a price spiral for essential commodities.**

40. There is a slur on our revenue performance that the ratio of our national revenue collection to GDP is lower than that of other countries. From now on, we are determined to raise the ratio from its current 10 percent to 14 percent in next two years.

41. A culture has been established in our revenue domain for a long time; that is, those who pay taxes to the government, only continue to do so every year. Others, despite having taxable income, continue to evade payment of taxes. **We also want to get out of this bad culture. All eligible taxpayers will be brought under the tax net.**

Madam Speaker

42. There are 4 crore people in our country who are included in the middle income group. However, the number of taxpayers is only 21-22 lakh. **We will take the number to one crore at the earliest possible time InshaAllah. And as part of the ongoing process, efforts to bring the rest of the citizens under the tax net will continue.**

43. I observe from long experience that our citizens are willing to pay tax, but we fail to collect it for various reasons. Inshallah we will now pay a special attention to that.

Madam Speaker

44. You will be happy to know that **we are going to implement our long-awaited Value Added Tax Act, 2012 from the coming fiscal year (2019-20).** To ensure effective implementation of this Act, we will provide all types of logistical support including necessary manpower. Further, a Joint Working Group will be constituted comprising officials from the government and the private sector, which will oversee the implementation of the law.

Madam Speaker

45. In this budget, we are proposing massive reforms in the revenue administration. All tax laws (income tax, VAT and customs) will be **formulated in a simplified and transparent manner so that these are easily comprehensible to all.**

46. **The policy decision of our government is that we are against imposing tax as a burden on taxpayers in any way.** Our policy in tax collection will somewhat follow a statement by Jean-Baptiste Colbert, the Finance Minister in the court of King Louis (XIV) of France:

“The art of taxation consists in so plucking the goose as to obtain the largest [number] of feathers with the least possible amount of hissing.”

47. We will gradually transform all types of tax rates into fully business-friendly ones. **We believe we will be able to take our tax revenue collection to the optimum level when we will be able to prevent all types of mismanagement, corruption and misuse in the tax revenue management.** For that purpose, the revenue management will be fully automated. We will also ensure transparency in bonded warehouse management and stop any clearance of goods through mis-declaration.

48. Therefore, we are taking measures so that all the imported and exported goods must go through scanning machines. We will also thoroughly examine whether goods are imported through over-invoicing or under-invoicing. For this purpose, a Special Wing will be established. Special efforts will be made to enhance the efficiency and skills of the employees at the NBR. With all these measures, our revenue collection will be enhanced and money laundering or similar activities, of which we hear often times, will be stopped. Consignments intercepted due to offenses of overinvoicing or underinvoicing will be confiscated and punishments will be meted out to the wrongdoers. To effectively implement these measures, necessary legal reforms will be made.

49. Tax exemptions to different sectors will be avoided as much as possible. We will also avoid issuing SROs unless there is an emergency. This will bring transparency in revenue management, and enhance confidence among businessmen about the government.

50. Depending on these planned tax management steps, total revenue collection has been estimated to be Tk. 3,77,810 crore in the FY2019-20. Out of this, Tk. 3,25,660 crore will be collected through the National Board of Revenue. Tax revenue from non-NBR sources have been estimated at Tk. 14,500 crore. Besides, non-tax revenue is estimated at Tk. 37,710 crore.

Madam Speaker

51. In the FY2019-20, the size of the budget of the total expenditure is estimated to be Tk. 5,23,190 crore, which is 18.1 percent of GDP. Total allocation for operating and other expenditures is Tk. 3,20,469 crore, and allocation for the annual development program is Tk. 2,02,721 crore.

52. Regional parity, human resource development, infrastructural development and quality of expenditure have been given priority in the allocation for the annual development program. The allocation of the annual development program for the coming FY is presented in **Table 5** of **Annexure A**. I propose to allocate, from the annual development programme, 27.4 percent for human resource (education, health and related others), 21.5 percent for the overall agriculture sector (agriculture, rural development, water resources, and related others), 13.8 percent for power and energy sector, 26 percent for communication (roads, rails, bridges, and related other communications), and 11.3 percent for other sectors.

53. The overall budget deficit will be Tk. 1,45,380 crore, which is 5.0 percent of GDP. It is to be noted that we had the same ratio last year. In financing the deficit, Tk. 68,016 crore will come from external sources and Tk. 77,363 crore from domestic sources. Amongst the financing from domestic sources, Tk. 47,364 crore will come from the banking system and Tk. 30,000 crore from savings certificates and other non-bank sources.

Madam Speaker

54. **Overall expenditure structure:** I will now present the overall expenditure structure (Development and Operating) of the proposed budget. As per the allocation of business among ministries/divisions, we have categorized various activities into three main groups, namely: social infrastructure, physical infrastructure, and general services.

55. Allocation proposed for the social infrastructure sector in the proposed budget is Tk 1,43,429 crore, which is 27.41 percent of total allocation, in which allocation for human resource (education, health and other related sectors) will be Tk 1,29,056 crore. Allocation proposed for the physical infrastructure sector will be Tk. 1,64,603 crore or 31.46 percent, in which Tk. 66,234 crore will go to overall agricultural and rural development, Tk. 61,360 crore to overall communications, and Tk. 28,051 crore to power and energy. Total Tk. 1,23,641 crore has been proposed for general services, which is 23.63 percent of total allocation. Tk. 33,202 crore is proposed for public-private partnerships (PPP), financial assistance to different industries, subsidies and equity investments in nationalized corporations, banks, and financial institutions, which is 6.35 percent of total allocation. Tk. 57,070 crore for interest payment, which is 10.91 percent of total allocation. Tk. 1,245 crore for net lending and other expenses, which is 0.24 percent of total allocation. Detailed information about the allocations has been presented in **Table 6** of **Annexure A**. A ministry/division-wise proposal for budget allocation has also been provided in **Table 7** of **Annexure A**.

Chapter IV

A Journey towards a Prosperous Future

Sectoral Strategies, Action Plans and Resource Mobilization

Madam Speaker

56. At this stage, I would like to dwell upon our important policy-strategies, work plans and budget allocation for the medium-term including that for the next fiscal year. Through this budget, we will make efforts to implement the pledges made in our Election Manifesto of 2018 and achieve Sustainable Development Goals and their targets. Next year will be the terminal year of our 7th Five Year Plan; hence its implementation will get priority in this budget. Given the resource availability, we are actively considering those expenditure programmes that fulfill the basic needs of the people.

Medium-Term Policy Strategy

57. Our GDP grew consistently at a very high rate in the last decade. We expect a GDP growth of 8.13 percent in FY2018-19. Our commitment is to achieve a growth rate of 10 percent by FY2023-24, and maintain that rate until 2041 so that we can lay a solid foundation for becoming a high income country by that time. To achieve this objective, GDP growth rate has been projected at 8.2 percent for FY2019-20. The inflation rate during this year is forecasted at 5.5 percent. Alongside, our goal will be to enhance the competitiveness of all our business sectors, including agriculture, industry, commerce, exports, real estate and services sectors. The purpose is to reduce poverty, generate employment, and attract foreign investment. Bringing the marginal people into the mainstream of development, special measures will be adopted for small and medium enterprises, and steps will be taken to reduce income inequality.

58. The main source of our growth is the strong domestic demand. Our main attention will be on increased domestic demand through consumption and investment, and increased external demand by enhancing exports. Growth in remittances will continue to be our focus in the medium term as well. We also aim to build a modern transportation system through government investment, and ensure power and energy security.

59. To accelerate GDP growth and generate employment we need enhanced growth in the industrial sector. This objective will be achieved by establishing Economic Zones across the country. However, in order to ensure sustained and balanced growth, development of the services sector, especially tourism and real estate sub-sectors, and the agriculture sector will also be given priority.

Madam Speaker

60. The main thrust of our budget is to create an investment-friendly environment for the private sector, expand export trade, ensure business-friendly tax management, bring about required reforms in the financial sector, and increase public sector investment to take our GDP growth to a higher trajectory. Furthermore, we are aiming to achieve the double digit growth as quickly as possible through timely implementation of all nationally important infrastructure projects including mega projects such as the Padma Bridge, Padma Rail Link Project, Dohajari-Cox's Bazar rail line, Rooppur Nuclear Power Plant, Rampal Power Plant, Payra Sea Port, Matarbari Power Plant at Moheshkhali, and Dhaka Metro Rail, etc.

61. Madam Speaker, our government's principal commitment is not only to achieve growth, but also to ensure sustainable and inclusive development. Our objective is to bring a qualitative change in the lives of the people through poverty alleviation and reduction in inequality. To meet this objective, we will attach more importance to expanding the coverage

of the social protection programme, creating employment opportunities in home and abroadt, providing microcredit and imparting efficiency enhancement trainings. Following the practice of every year, I have presented this year, along with the budget speech, a 'Medium-Term Macroeconomic Policy-Statement (MTMPS)' which contains details of our medium-term policies and strategies.

62. In the next section, I will present sector-based specific action plans.

Action Plans and Resource Allocation

Education, Health and Human Resource Development

63. I would like to begin with our education system and let me share a good news for the Ministry of Education.

Bringing dynamism in education through new enlistment of MPOs

Madam Speaker

64. You are aware, the MPO (Monthly Pay Order) enlistment in the Ministry of Education remained suspended for a long time. Upon request from the Ministry of Education and under the special directive of the Hon'ble Prime Minister, necessary funds have been earmarked in the budget for this year for enlistment of new schools in the MPO list. I, on behalf of the people of Bangladesh and on your behalf, extend sincere thanks to our Hon'ble Prime Minister.

Madam Speaker

65. While giving my reflection on education, I would like to present a memorable example from Japan. Japan was totally a backward country in education and science before the Meiji restoration during the later part of the 18th century. Emperor Meiji urged on acquiring western education and

technological knowledge and sent the Japanese students, even the prince, to western countries, including the United States. He realized that in Japan there was a dearth of teachers, not of students. He therefore brought several thousand teachers, trained in different technologies, from the western world to upgrade and update the Japanese education system. By dint of such pragmatic and farsighted policy, Japan not only became equal to the western world, it also achieved the glory of becoming the first country which achieved 100 percent literacy. Our Hon'ble Prime Minister Sheikh Hasina has also laid the highest importance on education. With the aim of creating skilled human resource, targets have been set for the overall improvement of education, reducing discrimination in education, achieving quality, excellence, and expansion of education.

66. We do not have any scarcity of students now; but there is a dearth of suitable and trained teachers. In all areas of education beginning with the primary level, we want to engage our competent and trained teachers. Much of our future depends on how we manage our education system. It is now the demand of the time to ensure selection of competent teachers in all areas of education, provide them with training, and ensure selection of appropriate and timely academic subjects. Our government will take necessary measures from this year to ensure their implementation.

Madam Speaker

67. The world is witnessing a transition from the Third Industrial Revolution to the Fourth Industrial Revolution. We will have to prepare ourselves to remain at par with the rest of the world. Otherwise, our future will be at stake. Therefore, our classrooms will have to be subject-specific where Nano Technology, Bio-technology, Robotics, Artificial Intelligence, Material Science, Internet of Things, Quantum Computing, Block Chain Technology and other similar technologies will be taught. Receiving education in these subjects is now the demand of the time. We have no

shortage of students. We lack trained teachers. In order to teach these subjects, we may, as Emperor Meiji of Japan did, have to bring in teachers from abroad, if necessary, in order to meet present day demand. We would like to start these activities from this year, and therefore, adequate budget has been allocated for the education sector in FY2019-20.

Madam Speaker

Quality education, not the numbers, is the Priority of Coming Days

68. As we kept on laying emphasis on increasing the student enrollment, Bangladesh achieved a great success in enrolling students both at primary and secondary levels maintaining gender parity. Now, the main challenge for us is to improve the quality of education and expand primary education. Various measures have been adopted to ensure quality and universal primary education. Included among them are- nationalization of 26,193 private primary schools, enactment of the Non-Formal Education Act, distribution of stipends through mobile banking, improvement of infrastructures in the newly nationalized and existing primary schools, distribution of free text books, supplying computers and multimedia to schools, and improvement of various education related infrastructures.

69. The Fourth Primary Education Development Project (PEDP-4) is ongoing for the expansion and quality enhancement of primary education. Stipends and school-feeding programmes will continue so as to ensure that education of primary school students is not hampered. The government will build infrastructures for schools, conduct basic literacy program throughout the country to build a fully literate Bangladesh, and expand digital primary education through the use of ICT. The capacity of primary school teachers will be enhanced by providing practical and modern trainings home and abroad to meet the standard of modern education.

70. To increase the involvement of private institutions including local

elites in the school feeding program and expansion and coordinated implementation of the overall program, a process is underway to formulate the National School Feeding Policy will be formulated in FY2019-20. A pilot project titled 'Digital Primary Education' will be undertaken to facilitate qualitative improvement in education by enhancing the capacity of primary education together with the use of ICT. Under the project, interactive classrooms will be established in 503 model primary schools. The following programmes will continue in FY2019-20 to ensure the ongoing development of primary and mass education, such as construction of classrooms in schools on the basis of prioritized requirements; demand-driven repair and refurbishment of schools; construction of wash-blocks and tube wells in schools; providing budget for implementation of school level improvement plan (SLIP) and upazila primary education plan (UPEP) in all government primary schools; recruitment of teachers; providing Dip-in-Ed and subject-specific trainings to teachers; supplying computers and ICT equipment to schools, offices and training institutes; distribution of free text books; and the stipend programme.

71. I propose to allocate a total of Tk. 24,040 crore for the primary education sector, which was Tk. 20,521 crore in the budget for current FY2018-19.

Madam Speaker

Science and Technology-based Secondary and Higher Education

72. The government has undertaken various programmes for the expansion of quality secondary education, among which trainings for secondary school teachers, construction of classrooms in academic institutions in underdeveloped areas, providing stipends among poor and meritorious students, etc., are the important ones. To facilitate the qualitative improvement in secondary education, a five year Secondary

Education Development Programme will be implemented. Under this programme, providing education service for Science, Technology, Engineering and Mathematics will be given priority.

73. A total of 2 lakh 67 thousand secondary school teachers have already been provided with trainings during the last two fiscal years, and 1 lakh 3 thousand secondary school teachers and 3 lakh 13 thousand ICT teachers will be given trainings in the current fiscal year. As many as 580 classrooms were built in the schools in underdeveloped areas, and the process of building another 350 classrooms in the current fiscal year is ongoing. The government has introduced e-books, established upazila ICT training and resource centers, transformed 1 private school in each upazila into a model school, and established multimedia classrooms in 32,667 schools.

74. We are actively engaged in removing disparity and ensuring qualitative excellence in the education sector. Tuition fee up to degree (pass) and equivalent students is being provided from the Prime Ministers Education Assistance Trust Fund to ensure education for the poor and meritorious students who are otherwise deprived of education. Stipends in this sector are provided to 2 lakh 21 thousand students in FY2018-19. Besides, 18 crore 13 lakh free text books are being distributed to 1 crore 25 lakh students at the secondary level.

Enhanced Salary and Baishakhi Bonus for Teachers

75. To enhance financial benefits and facilities for teachers, an annual increment of 5 percent on the basic salary is being provided from July 2018 to teachers/ employees of MPO-enlisted non-government schools under the Secondary and Higher Education Division. Besides, a Baishakhi Bonus amounting to 20 percent of the basic salary is being provided from the FY2018-19. The introduction of the online system for enrollment,

registration, changing institutions, and publication of the results as part of the innovative program in education management have largely reduced harassment. From FY2018-19, special grants for academic institutions, teachers and students are being provided through the online system, and payments are made through mobile banking.

Construction of Secondary Educational Infrastructure and Supply of Education Materials

76. The government has allocated Tk. 9,000 crore in FY2019-20 for development projects in the secondary and higher education sector, which is 54 percent higher than that in FY 2018-19. Construction of physical infrastructure in 1,500 non-government colleges, 3,000 non-government schools under the Secondary and Higher Education Division will be completed by June 2019. Steps have been taken to construct 48,947 multimedia classrooms, 200 language-cum-ICT labs, 1,000 science labs, 2,120 smart classrooms and 46 hostels, and supply of furniture, office materials and ICT equipment in 26,200 educational institutions throughout the country. ICT training and resource centers have been established in 125 upazilas in the country, and the process for establishing the same in another 160 upazilas is underway.

77. Stipends and other assistance amounting to Tk. 883.54 crore was provided in FY2017-18 to about 41 lakh 44 thousand students from Class VI to Degree (pass) levels, of which 75 percent were female students. An amount of Tk. 1,900 crore was allocated in FY2018-19 against 42 projects to develop physical infrastructure and other facilities at the public universities in the country. Of these, development projects for 18 universities will be completed in FY2019-20. Besides, based on the promise of Hon'ble Prime Minister Shiekh Hasina, 5 new universities have been established as part of the program for setting up new public universities.

78. I propose to allocate a total of Tk. 29,624 crore for the secondary and higher education sector, which was Tk. 25,866 crore in the current fiscal year.

Madam Speaker

Employment-friendly Technical and Vocational Education

79. Steps have been taken to expand technical and vocational education to meet the growing demand for technical manpower. In addition, the government has also undertaken measures to diversify the technical and vocational education programmes. To reduce discrimination in technical and vocational education, stipends are being provided to students from the Dakhil, Technical and Ebtadayee levels. Again, the government is providing one time grants as allowances to the poor and meritorious students and hapless teachers, distributing free textbooks, and providing special trainings to teachers of English and Mathematics. Information and Communication Technology (ICT) has been included as a textbook subject from Class VI to expand technical education and improve its quality.

80. With a view to establishing one technical school at each upazila to create skilled manpower in Bangladesh, construction of technical schools in 100 upazilas at a cost of Tk. 2, 281.69 crore in the preliminary phase is underway. Necessary budget has been allocated to develop land survey education in Bangladesh, construct polytechnic institutes in 23 districts, and implement projects to enhance the capacity of 64 technical schools and colleges under the Directorate of Technical Education. Besides, polytechnic institutes for women are being established in 4 divisional towns (Sylhet, Barishal Mymensingh and Rangpur).

Madrasa Education

81. The government has taken numerous steps for the development and modernization of madrasa education. Infrastructures of Madrasas will be developed and multimedia will be set up in classrooms. Free text books are being distributed at Dakhil and Ebtedaayee levels to remove discrimination in education. A total of 1,800 new madrasas are being established in the country.

82. I propose to allocate Tk. 7,454 crore in FY 2019-20 for technical and madrasa education, which was Tk. 5,758 crore in FY2018-19.

83. It is worth mentioning here that currently 28 ministries and divisions are implementing programs related to education and training. The allocation for this purpose in FY 2019-20 is Tk. 87,620 crore, which is 3.04 percent of GDP and 16.75 percent of total budget allocations.

Health and Family Welfare

Madam Speaker

84. The government has been working with dedication and sincerity to develop a healthy and energetic population by ensuring quality health services, nutrition, affordable and quality family planning. Following the government interventions, the maternal mortality rate, infant mortality rate, child (under-5 years) mortality rate, malnutrition, stunting rate, low-weight rate, etc., are constantly reducing, and the average life expectancy rate is increasing. The Fourth Health, Population and Nutritional Sector Programme (4th HPNSP) is being implemented in the health service sector at an estimated cost of Tk. 1,15,486 crore over a period from January 2017 to June 2022. Nested on 29 operational plans, the programme is providing health and family planning services and improved medical education throughout the country. It is worth to note that 84 percent of the HPNSP programme is being financed by the government.

Ensuring Health Service

85. The projects undertaken by the government to ensure health service include modernization and expansion of the Dhaka Medical College Hospital, establishment of nephrology units and kidney dialysis centers in government medical college hospitals and all district headquarters hospitals, and establishment of cancer treatment units in all medical college hospitals at the divisional level. Besides, steps have been taken to establish medical college hospitals at Hobiganj, Nilphamari, Netrokona, Magura and Naogaon districts. Alongside, steps have been taken to undertake projects to construct hostels with modern facilities, establish medical waste treatment, and create child cardiac units in each divisional hospital.

Improving Maternal and Child Health

86. Various priority programmes have been undertaken to improve maternal and child health. Of them, the main activities related to the improvement of maternal health include providing training to physicians on emergency maternity services, providing ‘community based skilled birth attendant’ training to field level health workers, providing safe MR service, providing coordinated medical treatment to pregnant mothers, encouraging the receipt of institutionalized child delivery services, expanding maternal health voucher schemes, and advance identification of cervical and breast cancer. On the other hand, to expand the neo-natal medical service, Special Care Newborn Units (SCANU) have been established in 10 district hospitals and 61 upazila hospitals. The government has undertaken steps to recruit as many as 9,792 medical officers to address the growing needs among citizens for health services.

Expansion of Health Services to the Grassroot Level

87. Bangladesh has achieved notable success in the health sector by providing free health services to different strata of people starting with those from the grassroots. Community clinic is the first service center to provide primary health services to the rural people. Currently, 13 thousand 779 community clinics are operational in the country, in each of which about 40 service recipients are getting services every day and 80 percent of them are women and children. About 4 thousand community clinics throughout the country are providing normal delivery service. Besides, the 'Health Protection Programme' is currently underway as a pilot project in Kalihati, Ghatail and Madhupur upazilas in Tangail to lessen the financial burden of the poor people.

Incentive to Encourage Expansion of the Pharmaceutical Sector

88. As part of the government's effort to facilitate the development of the pharmaceutical sector, a cash incentive at the rate of 20 percent is being provided to encourage exports from the producers of pharmaceutical raw materials and laboratory reagents. Construction of a Active Pharmaceutical Ingredient Industrial Park is underway at Gazaria in Munshiganj. Again, unani, ayurvedic and homeopathic medical services are also being provided alongside allopathic medical services, and relevant guidelines and pharmacopeia have been prepared. A separate testing laboratory for traditional medicine is being established to ensure quality and standards of traditional medicines (unani, ayurvedic, homeopathic and herbal) produced in the country.

89. To ensure protection of mental health of citizens, provide universal mental health service, and ensure overall welfare, the *Mental Health Act, 2018* has been passed in Parliament abolishing the Lunacy Act of 1912. Among other approved laws, *Transplantation of Human Organs*

(Amendment) Act, 1918, and Community Clinic Health Assistance Act, 2018 are worth noting. Besides, the drafting of the ‘Health Services Protection Act, 2019’ by repealing the Medical Practice and Private Clinics and Laboratories (Regulation) Ordinance of 1982 (amended in 1984) is currently underway.

Modernizing Medical Education System

90. The government will construct a 1,000-bed super specialized ward and a one-point check up center, introduce afternoon health services, and construct a cancer building to modernize the Bangabandhu Sheikh Mujib Medical University. A world class bone-marrow transplant unit will be established at the University, together with vertical expansion of OPD Bhaban-1 and OPD-Bhaban-2 to enhance the scope of services for general patients. Besides, drafting of the law on alternative medicine systems, the law on the establishment and operation of private medical colleges and dental colleges, and the law on Bangladesh paramedical education board are also progressing.

Health Services for Autistic and People with Special Needs

91. The government attaches priority to the medical treatment and other social benefits for the autistic people and people with special needs. They will be made fit to work by providing specialized trainings in activities they are adept in and can perform.

Employment of Midwives and Nurses for Family Welfare

92. To fulfil the promise by the Hon’ble Prime Minister, 3,000 posts for midwives have been created with a view to reducing the maternal mortality rate. 5,100 senior staff nurses were recruited in 2018. Three nursing colleges and five nursing hostels for boys will be established in FY2019-20 to expand nursing education.

Madam Speaker

Advancement in Health Education

93. Under the directives of the Hon'ble Prime Minister, the government has undertaken a plan to establish a medical university in each division in the country to improve the quality of health education. Of these, Chattogram, Rajshahi and Sylhet Medical Universities have already started functioning. The government has undertaken various activities including offers for fellowships and donations to modernize the medical system through the use of new inventions in science and high end technology. The number of medical colleges in the country and the number of seats in the MBBS course have seen a notable increase during the last 10 years. The number of medical colleges has risen from 46 in 2006 to 111 at the moment. Similarly, the number of seats in the MBBS course has increased from 2,050 in 2006 to 10,300 in 2018.

Expansion of Science-based Medical Care

94. The government has taken initiatives to develop and expand science-based medical care system. For example, 3 nuclear medical physics institutes with ultramodern laboratory facilities have been established to promote cancer treatment management. 5 Institutes of Tissue Banking and Biomaterial Research with ultramodern laboratory facilities have been established to enable processing for use in animal/human tissue rehabilitation surgery treatment. Fifty two designated reference institutes for chemical measurement have been established to enable world class measurement and calibration in the country.

95. The government has established an Institute of Nuclear Medicine and Allied Science, a Newborn Screening Central Laboratory in Dhaka, and a Nuclear Medicine Centre and a Sterile Insect Unit in Cox's Bazar to diagnose the hypothyroid disease among the newborn babies. Besides,

research and medical care facilities in nuclear medicine centres at Mitford (Dhaka), Comilla, Faridpur, Bogura, Barishal, Khulna, Mymensing and Rangpur have been expanded and modernized. The government plans to establish a mobile laboratory, a scientific and technological information and research center and an applied industrial research laboratory in the BCSIR and a BSCIR research centre in Gopalganj. In FY2019-20, Institutes of Nuclear Medicine and Allied Sciences (INMAS) will be established at the campuses of 8 medical college hospitals in the country. Besides, and capacity of the existing 6 INMASs will be enhanced. The laboratory facility in the Institute of Electronics will be developed and modernized; a Standard Laboratory will be established for the purpose of radiotherapy, diagnostic radiology, neutron calibration and control of standards.

International Recognition for Achievements in HR Development

96. The benefits of various activities undertaken by the government in education, health and human resource development sectors are now visible as in different social indicators Bangladesh has made major advancements. The average life expectancy in Bangladesh is now 72.8 years. On the other hand, infant mortality of less than 5 years per thousand live births has gone down to 31, infant mortality rate of less than 1 year has gone down to 24, and maternal mortality rate per thousand is now only 1.72 persons. This remarkable success of the government has been duly reflected in the new *Human Capital Index 2018* of the World Bank, where Bangladesh has secured 106th position out of a total of 157 countries surveyed. To keep this momentum, we will continue our activities in FY 2019-20.

97. I propose to allocate Tk. 25,732 crore for the Health Services Division, and the Health Education and Family Welfare Division, which was Tk. 22,336 crore in FY2018-19. It is worth mentioning that currently 12 ministries and divisions are implementing programs related to health

and family welfare. The allocation for this purpose in FY 2019-20 is Tk. 29,464 crore, which is 1.02 percent of GDP and 5.63 percent of total budget allocations.

Employment Generation

Madam Speaker

98. While the government has taken up seriously the issue of entry of a huge number of active population in the labour market, in one hand, there is the reduction in demand for workers due to the adoption of modern technology, on the other. The government has taken various steps to resolve this dilemma. A three-year programme has been taken up to increase the job creation rate in the industrial sector through improvement of business and investment environment, ensure protection of workers, and reform the legal and regulatory framework, and policy--strategies to make them conducive for the entry of the backward population into the job market in larger numbers. As many as 10 laws/rules, policies-strategies were either formulated or amended in this financial year. The government will facilitate qualitative employment for the growing population by effecting reforms in the rest of the laws/rules and policies/strategies within the next 2 years. I propose to allocate Tk. 100 crore for the training and employment of specific group of people. The government will strive to eliminate unemployment by 2030 by generating employment for 3 crore people.

Demographic dividend: Power of Youths and Prosperity for Bangladesh

99. We will have to exploit the full potential of the demographic dividend that is available for Bangladesh. Acting under the slogan of 'Power of Youth: Prosperity for Bangladesh', the government is taking necessary steps to transform youths, one-third of the total population in the

country, into well-organized, disciplined and productive forces. To create jobs for the unemployed youths and generate self-employment opportunity, skill development trainings in different subjects are being provided to youths through 111 formal training centres across the country, and 498 training centres at the upazila level. Extensive employment opportunity will be created in the Economic Zones. Tk. 100 crore will be allocated in the coming budget to provide start-up capital to promote all types of startup enterprises among youths.

Madam Speaker

Skill Development

100. The government has been working sincerely for human resource development by enhancing the skills of our growing population. Steps have been taken to train 15 lakh people. Skill development contributes to the increase in labour productivity. This leads to the rise in labour wage, which in turn contributes to poverty reduction. Alongside, there is an ongoing special programme to create 1 lakh skilled and professional drivers for the transport sector. Under the Prime Minister's Office, there is a National Skills Development Authority (NSDA) to undertake various skills development activities of the government in a coordinated manner. There is also a 'National Human Resource Development Fund' to finance the activities for the development of human resources.

Overseas Employment: Promising Destination for Bangladeshi Workforce

101. Considering the fact that 'a huge workforce is entering the job market every year', sincere efforts have been made to expand overseas labour market alongside the domestic market. Overseas employment in Malaysia and South Korea has increased significantly owing to our successful diplomatic efforts. We have been striving to develop skills of

our workers to make them competent for foreign labour markets. As a result of our time bound plans and their proper implementation, the rate of overseas employment has increased which in turn enhanced our image and also played a role in increasing the remittances. The 'Free Malaysia Today' report in 2018 on skilled foreign workers in the Malaysian labour market revealed that Bangladeshis holds 37 percent of foreign workforce in Malaysia in the category of managerial posts.

102. To explore new and prospective labour markets, the Ministry of Expatriates Welfare and Overseas Employment has already completed a survey titled 'Demand Analysis of Employment of Bangladeshi Migrant Workers in the International Labour Market' on labour markets in 53 countries. The survey has made recommendations for enhancing the scope of overseas employment. Moreover, we have reformed the legal framework by formulating the *Overseas Employment and Immigration Management Rules, 2017* and the *Wage Earners Welfare Board Act, 2018* to regulate migration costs, ensure transparency and accountability of legitimate recruiting agents and ensure safe migration.

Increase in Foreign Remittance

103. To mitigate the burden of increased expenses in sending foreign remittances and to encourage bringing in foreign remittance through legal channels, an incentive at the rate of two (2) percent on money remitted by expatriate Bangladeshi will be provided from this financial year. For this purpose, I propose to allocate Tk. 3,060 crore in this year. This will significantly increase the remittance flow through legal channels and discourage the 'hundi' business.

104. The expatriate Bangladeshi workers and their families often face financial losses and risks due to accidents and various other cause as there are no insurance facilities available to them. Preparations have been taken to bring the expatriate workers under the insurance scheme, which will be

implemented shortly.

Madam Speaker

Safe Workplace, Workers Welfare and Labor Inspection Apps

105. The government has given special emphasis on ensuring the appropriate workplace in mills and factories. With this aim in view a database containing useful information of 4,808 ready-made garment factories has been created. Preparation of a database containing information of another 27,000 factories is underway. A complete Inspection Checklist, based on labor law and labor rules in Bangladesh, has been formulated, which will enable labor inspectors to ensure compliance while inspecting factories and establishments at the field level. Compliance of 8,261 factories and establishments has been ensured from FY2015-16 to February 2019. Further, with a view to improving health, safety and workplace environment for garment workers a toll free hot line has been introduced through which workers can make complaints, free of costs, on different issues.

106. To promote a worker-friendly atmosphere in mills and factories, a piece of legislation called *Bangladesh Labour Act (Amendment), 2018* has been enacted in line with standards of International Labour Organization (ILO). In addition, the government promulgated the *EPZ Labour Ordinance 2019*, which introduced provisions for the recruitment of workers in industries, owner-worker relationships, determination of the minimum wage rate, payment of wages, compensation for injuries to workers due to accidents during working hours, introduction of provisions on health, safety, etc. of workers, formation of Workers' Welfare Associations, and formation of the EPZ Workers' Welfare Association. Besides, the Labour Inspection Management Application (LIMA) has been implemented nationwide by the Department of Inspection for Factories and Establishments under the Ministry of Labour and Employment to

ensure a safe workplace, sound work atmosphere and high living standards for workers. This web portal offers the scopes for online trade union registration, publication of inspection reports, and submission of opinions by workers. In order to facilitate the employment of female workers 4,706 day-care centers have been set up in different factories till February 2019 under the supervision of the Department of Inspection for Factories and Establishments.

107. The present government has been working relentlessly to ensure economic growth through industrialization as well as safeguard the overall welfare of workers. As of February 2019, a total of 2,262 'Safety Committees' have been formed under the *Bangladesh Labour Rules, 2015* in different factories to ensure a safe workplace. Minimum wage rates for workers of all categories employed in a total of 31 factories and establishments were re-fixed during FY2008-2009 to FY 2017-18. In December 2018 of the current fiscal year, minimum wages were fixed in 8 industrial sectors including ready-made garments. The 'Bangladesh Labour Welfare Foundation Fund', formed to ensure the welfare of workers employed in both formal and non-formal sectors, have provided assistance amounting to Tk. 28.05 crore to a total of 6,052 workers from FY2012-13 till date. A sum of Tk. 57.05 crore has been provided to 2,981 workers employed in 100-percent export oriented garment industries from the aforementioned fund from FY2016-17 till date.

Physical Infrastructure

Power and Energy

Madam Speaker

Power is the Pathway to Prosperity

108. Bearing in mind the slogan of Hon'ble Prime Minister Sheikh Hasina for ensuing electricity in all households, the government has set

targets to generate 24,000 megawatts by 2021, 40,000 megawatts by 2030, and 60,000 megawatts by 2041 respectively. To meet the demand of electricity in short, medium and in long term, the projects for generation, distribution and transmission are in different phases of implementation. The benefits of these initiatives are already visible. Currently, the power generation capacity has increased to 21,169 megawatts, and we have succeeded to provide access to electricity to approximately 93 percent of population. Besides, projects for construction of 53 power plants with capacity to generate 14,202 megawatts of electricity are underway. Alongside signing contracts for the establishment of 18 new power plants with a capacity to generate 5,801 megawatts of electricity is in progress (LOI and NOA has been given). It is expected that the plants will begin to function shortly. Moreover, invitation for tender for 7 power plants with a capacity to generate 1410 megawatts of electricity is in process. Plans have been taken to establish 17 power plants with a capacity to generate 19,650 megawatts of electricity in the near future. Besides, there are plans to generate extra electricity through BMRE of the existing old power plants.

Madam Speaker

Enhancement of Energy Security and Energy Efficiency

109. In order to ensure energy security and sustainable energy supply system, we have plans to reduce the use of fuel to 15 percent by 2021 and to 20 percent by 2030. Fuel diversification has been adopted as a strategy to reduce dependency on natural gas for electricity generation and for energy security. The present government has implemented various projects to set up coal based power plants as an alternative for natural gas. Some mega projects are being implemented at Paira, Moheshkhali and Materbari classifying these areas as power hub. We selected these areas considering the land availability, transport facilities and load centers. The mega

projects that are worth mentioning include 1,320 megawatts Maitree Super Critical Thermal Power Plant, Rampal, 1200 MW Ultra Super Critical Coal Project, Materbari and Payra 1320 MW Thermal Power Plant Project. Steps have been taken to establish 10,000 megawatts coal based power plant at Moheshkhali through Joint Investment. Besides the natural gas and coal based power plants, setting up of a nuclear power plant at Rooppur with a power generation capacity of 2,400 megawatts is in progress. In order to import Liquefied Natural Gas (LNG), an alternative to indigenous natural gas, to ensure energy security in the country, two Floating Storage and Regasification Unit (FSRU) with a daily capacity of 1000 million cubic feet have been installed, which currently adds around 650 million cubic feet LNG daily to the national grid.

110. Power system master plan 2016 is targeting about 9000 MW installed capacity by 2041. Under this long term plan Bangladesh government is working with neighbouring countries for regional and sub-regional cooperation. As a result, power is being imported from India since 2013. A Memorandum of Understanding (MOU) has been signed between Bangladesh and Nepal for bilateral cross border trade of electricity and negotiation is going on to import 500 MWs of electricity from an IPP. The signing of an MOU between Bangladesh, India and Bhutan to import hydro power from Bhutan is underway.

Renewable Energy and Energy Savings System

111. There are targets to generate 10 percent of the total electricity from renewable sources by 2020. In order to promote electricity generation at the roof-tops of private buildings using solar home system, a “Net Metering Guideline” has been prepared. Steps have been taken to install solar sytem panels at the rooftops of all educational institutions.

Expansion of Power Transmission and Distribution System

112. Our government has taken a series of actions in the last two terms to improve the transmission infrastructures and to support the additional generation capacity of the nation. As a result, the total transmission line has now increased to 11 thousand 493 circuit kilometers and the distribution line to 5 lakh 8 thousand kilometers. To ensure uninterrupted power supply, the government has been implementing a plan to install 28,000 circuit km. transmission lines and 6 lakh 60 thousand km distribution line through different projects by 2030. By next year, each upazila of the country will have 100 percent access to electricity.

Oil and Gas Exploration Program and Expansion of the Distribution System

113. We have undertaken short, medium and long term plans to explore and extract unexplored gas and oil in land and sea areas. By now, the excavation work of 24 oil wells has been completed by BAPEX. After gaining new maritime boundary from India and Myanmar, Production Sharing Contracts (PSCs) have been signed with international oil companies for 4 offshore blocks to explore oil and gas in the sea areas of Bangladesh. To accelerate oil and gas exploration and extraction, new bidding rounds will commence after the approval of the model PSC for both offshore and onshore.

114. I propose an allocation of Tk. 28,051 crore for the Power Division and the Energy and Mineral Resources Division in FY2019-20, which was Tk. 26,502 crore in FY2018-19.

Communication Infrastructure

Madam Speaker

115. A modern, safe and environment-friendly transportation and

communication infrastructure is required to sustain economic development, and achieve a higher growth for the country. Bangladesh ranked 103 out of 140 countries in *The Global Competitiveness Index, 2018* published by the World Economic Forum. Making a massive investment in the communication infrastructure sector is extremely important if we are to ensure our current advancement towards higher growth. Considering communication infrastructure, especially the railway, as one of the priority sectors, the government has taken up and is implementing numerous projects.

Development of Sustainable and Safe Roads and Highways

116. To transform our country into a developed one by 2041, we have taken steps to develop and repair roads and highways, build new roads, construct flyovers/overpasses and bridges/culverts. Steps have been taken to gradually upgrade all national highways into four lanes or above in order to modernize the road transport system. In this respect, 509 km national highway has been upgraded into four lanes while upgradation of another 507 km highways is ongoing. Narrow and damaged bridges and culverts are being rebuilt. Rehabilitation, development and repairs of zone-based district highways are ongoing. SASEC Road Connectivity projects 1 and 2 are being implemented in order to be connected with the global transport network so as to reap the benefits of globalization. Steps will be taken to replace the risky bailey bridges with concrete bridges.

Construction of Bridges-Tunnels and Establishment of an Uninterrupted Communication Network

117. To establish an integrated and uninterrupted communication network in Bangladesh, we are implementing the Padma Bridge, the Tunnel under the Karnaphuli riverbed, the Dhaka Elevated Expressway from Hazrat Shahjalal International Airport to Kutubkhali of Dhaka-Chattogram highway, and many other mega projects. About 2 km structure

of the Padma Bridge, being constructed entirely with our own resources, has now become visible, and the overall physical progress of the project is 67 percent. The 2nd Kanchpur, 2nd Gomoti and 2nd Meghna Bridge have been opened for traffic after completing their construction ahead of the stipulated time. Hon'ble Prime Minister has opened these bridges for traffic.

Development of an Integrated and Modern Urban Transport System

118. To develop internal road networks in the Dhaka metropolitan area, reduce traffic congestion at the entry and exit points of Dhaka, and establish a planned and integrated modern public transport system in Dhaka and the adjacent areas, we are implementing the Revised Strategic Transport Plan (2015-35). Under this plan, the construction of the first Metro Rail in Bangladesh, MRT Line-6 from Uttara to Motijheel is in progress. Alongside, the implementation of Bus Rapid Transit or BRT from Hazrat Shahjalal International Airport to Gazipur is underway.

Modern IT-based Safe Road Transport System

119. Steps to build a safe, environment-friendly and modern IT based road transport and control systems are underway. We have identified 121-black spots in national highway and taken preventive steps. A plan has been taken up to install directional sign-signal and kilometer posts in 8,100 spots. Steps have been taken to build a separate lane for slow moving vehicles. As part of enhancement of road safety, measures have been taken to create a pool of skilled drivers. Apart from this, mass awareness programs, namely seminar, sticker and leaflet distribution activities are going on. Four automated vehicle inspection centres have been set up in Dhaka, Chattogram, Rajshahi and Khulna divisions. This service will be expanded gradually to district headquarters. And meanwhile steps have been taken to set up vehicle inspection centres in 17

districts. Electronic toll collection system has been introduced at the Meghna Bridge.

Madam Speaker

Development of Passenger- friendly Railway System

120. The present government is attaching a top priority to the railway sector in order to make railway an economical, safe and environment-friendly mode of transport. For the overall development of railway, the government has undertaken a 30-year master plan spanning from 2016 to 2045 at a cost of Tk. 5,53,662 crore. As many as 230 projects have been identified under this plan for implementation by 2045. I express my firm belief that implementation of the projects undertaken to develop the railway transportation system will ease the public transport, largely reduce transport costs, expand business and commerce, create new employment opportunity and improve the socio-economic condition of the people.

121. Activities, such as expansion of the railway service, construction of new railway lines and rehabilitation of rail tracks, conversion of rail line into Dual Gauge, opening of new rail stations and reopening of closed stations, launching of new trains, improving the quality of railway services and procurement of train coaches are underway. Steps have been taken to construct 1,110.50 km dual gauge double rail track (km) and 52 new rail track (km), procure 100 locomotives, construct 2 ICDs, procure locomotive simulators, construct 3 major bridges, procure 1,120 passenger coaches, modernize/construct 3 railway workshops, and modernize the signaling system under various development projects. The introduction of e-ticketing has not only eased railway travel for passengers, but also made it possible for them to easily learn the location of trains. The feasibility study to construct Dhaka-Chattogram high speed trains is in progress.

Development of Trade-friendly Waterways and Port

122. Considering the significance of infrastructure related to sea-river-land ports, and their efficient operational system in expanding international and domestic trade, the government is implementing a massive work plan to conduct capital dredging of our rivers, and to develop standards and modernize our ports. Dredging activities are in progress to restore navigability of 10 thousand kilometer long river ways. Alongside the river ways, development of necessary infrastructure and facilities at sea ports are also in progress. A plan for construction of the Bay-Terminal at the Chattogram port at a cost of Tk. 17,000 crore has been undertaken. The handling capacity of the Chattogram port will be enhanced in the next financial year from 2.8 million TEUs to 3 million TEUs. Projects are being implemented to build necessary infrastructure and facilities at the Pyara sea port.

Development and Expansion of Airports

123. To facilitate fast and standard international and domestic aviation, the government has taken various steps for the infrastructural development at airports and ensuring easy and safe air travel for passengers. Construction of the third terminal at the Hazrat Shahjalal International Airport is in progress to enhance its passenger handling capacity to 12 million. Besides this, the work for expanding the runways and enhancing capacity of the Cox's Bazar Airport and the Osmani Airport is underway with a view to upgrading them to international standards. The feasibility study to improve the Syedpur Airport to the international level has been completed. Works for the site selection and feasibility study on the construction of Bangabandhu Sheikh Mujib International Airport is in progress.

124. I propose to allocate Tk. 61,455 crore for the communication

infrastructure sector in the next FY2019-20, which was Tk. 53,081 crore in the current FY2018-19.

Madam Speaker

Bangladesh Delta Plan: Water Resource Management and Tackling Climate Change

125. Bangladesh has been placed at the 6th position among the countries vulnerable to natural disasters due to climate change. Therefore, the government has formulated an adaptive, long-term, integrated and macro-level mega plan '*Bangladesh Delta Plan 2100*' with the vision of 'achieving a safe, climate change resilient and prosperous delta'. The main objectives of the plan is to ensure sustainable use of water resources and prevent natural disasters.

126. Implementation of this mega plan will require a huge investment of 2.5 percent of total GDP of which 2.0 percent would have be met from public sector and the rest 0.5 percent from the private sector. 35 percent of the total investment will be spent in flood control, preventing river erosion, river excavation, dredging, river training and navigation. In the first phase, a total of 80 projects have been proposed under the Delta plan, whose implementation will begin in phases.

Flood, Drought, River Erosion and Land Reclamation

127. Steps have been taken for managing water resource, land use, and mitigating effects of the environment and climate change by re-excavating small rivers, canals and wetlands in 64 districts and assimilation of Climate Smart Integrated Coastal Resource Database (CSICRD). We have undertaken various plans to increase navigability of rivers, dredging of 510 km of rivers by 2022 to prevent river erosion and ensure supply of water during the lean season, digging and reexcavation of 4,883 km of irrigation canals, construction and repair of 200 irrigation structures to

extend irrigation facilities, construction of 3 barrages and rubber dams, construction of 250 km flood protection and coastal embankment to reduce flood, salinity and water logging, renovation of 1,040 km flood protection embankment and coastal embankment, construction and renovation of 590 flood protection and drainage infrastructure, excavation and re-excavation of 1,325 km drainage canals, and conservation work of 195 km border river banks and 6 cross-dams.

128. A 20-year *Haor Development Master Plan and Database* has been prepared for development of Haor areas. Under this, steps have been taken in the haor areas to develop infrastructure, re-excavate rivers, canals, and haors, and fostering socio-economic development of the people of the concerned areas.

129. In recent times, human habitations, schools, government and private installations, business enterprises, bazars, etc. are being devastated by river erosion, and people in the affected areas are losing everything. To facilitate rehabilitation of the people affected by river erosion, I propose to allocate Tk. 100 crore in the budget.

Water Resources Management of Cross-Border Rivers

130. In view of the Framework Agreement on Cooperation for Development signed between Bangladesh and India in 2011 for water resource management and development of cross-border rivers through sub-regional cooperation, we have undertaken a plan to form an organization based on Ganges-Brahmaputra-Meghna river basins, such as the River Basin Organisation/River Basin Commission.

Agriculture sector: Agricultural Development, Prosperous Country

Madam Speaker

131. Before I speak on the Agriculture Sector, I would like to present to you a quote from our Father of Nation, which is relevant to this sector. The Father of Nation Bangabandhu said-

“When people have food to their hearts’ content, have a respectable life in this independent country, only then souls of thousands of martyrs will be satisfied”.

Madam Speaker

132. **You know.** Agriculture is vital to our national economy; 40.62 percent of total labour force is employed in this sector. Despite a gradual reduction in cultivable land, the average growth of agriculture sector stood at 3.7 percent over the last 10 years owing to sincere efforts from the government and relentless hard work of the farmers. Today, Bangladesh has secured the fourth position in rice production and the third position in vegetable production. In addition, we are in the 7th position in mango production and 8th in potato production.

133. We will continue successful interventions, such as agricultural subsidies, other agricultural input incentives and support cards including those for fertilizers and seeds, support for agricultural rehabilitation, agriculture credit at easy terms, etc. For agricultural development, a 20 percent cash incentive for exports of agricultural products is being provided in addition to general investment made for agricultural development, and a 20 percent rebate on electricity bills is provided for the electricity use in irrigation pumps. The number of farmers holding agricultural support cards now is 2 crore 8 lakh 13 thousand 477.

134. As many as 15 new varieties of different crops and 10 climate-resilient technology have been innovated in the current fiscal year. A total of 329 high yielding variety of different crops tolerant to salinity and water submergence have been innovated since 2009. Activities for innovation of crop varieties tolerant to flood, drought, salinity and high temperature by conducting applied research will get priority in the next fiscal year in order to adapt to adverse effects of climate change. Besides,

extension of crop diversification, popularizing organic pest management activities and mechanization of farming will be reinforced. Research activities to develop diversified jute products will continue.

135. Providing subsidies to control the price of fertilisers in agriculture has been in practice for many years, and this has contributed to the price stability of agriculture produce through the reduction in costs of production. A total of Tk. 5,201 crore was spent for this sector in FY2017-18. The present government has kept the sales price of fertilisers unchanged in the domestic market with a view to protecting farmers' interests even though the import price of major chemical fertilisers increased at times, which has indirectly assisted in checking consumer price inflation. The sales price for chemical fertilisers will be kept unchanged in the next fiscal year irrespective of their import costs, and incentives for the agriculture sector will continue.

136. Mechanization of harvesting and the follow up activities will be encouraged and subsidies will be provided to farmers to buy machinery for this purpose.

Madam Speaker

Fisheries and Livestock

137. Madam Speaker, you know, we secured the fourth position in the world in sweet water fish production. After the determination of Bangladesh's sea area in the Bay of Bengal, the government has developed a Plan of Action to develop the marine resources. Considering the importance of marine sea resources, the government has enforced a 65 day fishing ban this year in the sea area. However, it provided 65 kg rice to 4 lakh 15 thousand fishermen during this time as food support.

138. Bangladesh is almost self-sufficient in livestock, especially cattle and goat, production. According to a report published in 2017 by the Food

and Agricultural Agency of the United Nations, Bangladesh secured the fourth position in the production of goat meat. Research are being carried out jointly by local and international institutions for fisheries and livestock development. We have formulated a plan of action for: (i) innovation of four livestock related technologies and their transfer through research and extension of effective models for the cure of foot-and-mouth disease and PPR diseases, (ii) extension of dole (airtight storage) system for preservation of fodder, (iii) completion of 35 research projects in different subjects, (iv) setting up laboratories in three regional centres, and (v) providing training in FY2019-20.

139. The government has taken strong steps to ensure food security. Apart from introducing the *Food Safety Act, 2013*, we have formulated 6 sets of regulations and 2 sets of rules for implementation of the law. In addition, a new food and nutrition policy is being formulated.

Combatting Climate Change and Protection of Environment

140. To ensure sustainable development through the protection of environment, containing pollution, protection of bio-diversity and tackling the adverse impact of climate, government has formulated the 'National Environment Policy 2018'. It has allocated tasks among different ministries/divisions and departments to ensure their implementation. Steps have been taken to conduct research for projection of sea level rise in coastal areas of Bangladesh and its impact on agriculture, water resources and infrastructure. The government has enacted *Brick Making and Kiln Establishment (Control) Act, 2019* to reduce air pollution. Steps will be taken in the coming days for the protection of Halda river including declaration of the river as an Ecologically Critical Area (ECA), and introduction of eco-tourism in various protected areas. The allocation for climate financing was 5.37 percent of the development budget in FY2014-15, which has risen to 8.26 percent (0.75 percent of GDP) in FY2018-19.

I am presenting in this august House the Climate Budget Report for 25 ministries for FY2019-20.

Local Government and Rural Development

Madam Speaker

141. Immediately after independence, the Father of Nation Bangabandh Sheikh Rahman shared his vision about the local go overnance and rural development. This has been enshrined in Article 16 of the Constitution of People’s Republic of Bangladesh. The Article articulates how the local government system would work. It reads as follows:

“The State shall adopt effective measures to bring about a radical transformation in the rural areas through the promotion of an agricultural revolution, the provision of rural electrification, the development of cottage and other industries, and the improvement of education, communications and public health, in those areas, so as progressively to remove the disparity in the standards of living between the urban and the rural areas”

Following the path shown by the Father of the Nation, a number of initiatives have been implemented under the leadership of Hon’ble Prime Minister. These have brought a sea change in the local governance system, and made the rural economy vibrant. Activities in all sectors - both agricultural and non-agricultural - have been multiplied.

My Village, My Town

142. The present government has focused on rural development by setting up the slogan- ‘Village will be Town’. Following the concept of ‘**My Village My Town**’ as described in the Election Manifesto, 2018, we will ensure **establishment of agricultural machinery service centers and workshops**, generation of productive employment, manufacturing of

light machinery, and credit facility for marketing at the village level retaining all the rural characteristics. Civic amenities and facilities of the town will be made available in the villages. These include- modern transport infrastructures, creation of opportunities for modern health care and education, ensuring safe drinking water and sanitation, increasing electricity and fuel supply, and computers and high speed internet access. We will make necessary allocation for the relevant ministries.

My House My Farm

143. At present 60 lakh poor families are organized through 1 lakh 1 thousand 42 village co-operative societies under the project of ‘My House, My Farm (Amar Bari Amar Khamar)’, a dream venture of Hon’ble Prime Minister Sheikh Hasina, to alleviate poverty permanently by 2020. Around 95 thousand 386 co-operatives have been organized until March, 2019, under which the total number of direct and indirect beneficiaries is 2 crore 12 lakh 33 thousand.

144. There is a target for construction of 5,500 km new roads and 30,500 metre bridge/culvert, maintenance of 13,000 km pucca road and 3,700 metre bridge/culvert, development of 190 growth center/markets, construction/expansion of 64 Upazila Complex building and 130 cyclone shelter along with different development activities in rural areas in FY2019-20. Furthermore, steps have been taken for the construction of roads/footpaths, drainage, expansion of sewerage facilities, repair of roads, construction of bus/truck terminal, community centre, setting up of dustbin and waste management and construction of flyovers in important sites to reduce traffic jam in urban areas. Alongside, Bangladesh has been efficiently doing massive work of providing health and other emergency services including provisioning of residential facilities, supply of drinking water, installation of sanitary latrines and building roads for more than 10 lakh Rohingya population who took refuge from Myanmar for more than

two years. Moreover, implementation of a modern innovative housing program, namely 'Palli Janapad', is in progress along with the construction of roads, bridges and culverts, growth centres, hat-bazars, cyclone centres, the development of swamps, construction of sources of clean water and of drains, expansion of sewerage facilities, etc. in rural areas across the country as well as in three Hill districts.

145. I propose to allocate Tk. 66,234 crore for the agriculture and rural development sector in FY 2019-20, which was Tk. 59,677 crore in the current fiscal year 2018-19.

Industrialization and Trade

Madam Speaker

Science-technology based Industry in Knowledge Society

146. The government has been emphasizing on labour intensive small and medium enterprizes (SMEs) development strategies to generate greater employment opportunities and develop entrepreneurship. Heavy and basic industries are getting importance as well, as these will contribute to the growth of multi-dimensional backward and forward linkage industries. The agroprocessing sector will be given priority in the provision of special facilities. Science-technology based industries in a knowledge society will be encouraged. The contribution of the industrial sector rose to 31.31 percent in the GDP of FY 2018-19.

Madam Speaker

Secured Position in World Trade

147. To encourage the export sector, all kinds of support will be provided and all obstacles will be removed so that the sector can remain competitive. All types of facilities will be provided for those products that have high export potential. Our ICT, leather, medicine, furniture,

jewellery, especially jems and stone cutting, could be important sectors.

148. In FY2017-18, Bangladesh earned US\$ 41 billion by exporting 744 products and services to 202 countries. Responding to the persuasive efforts from Bangladesh, the WTO extended the pharmaceutical patent waiver rights for LDCs upto 1 January 2033, which has opened up a new horizon for export of Bangladeshi pharmaceutical products. Under the WTO, the duration of waiver on Preferential Market Access given to developing countries for LDCs' services has been extended to 2030. Services exports from Bangladesh has increased significantly in recent years, and it is expected that the benefits of LDC services waiver will lead to a further increase in our exports.

Madam Speaker

Leather and Footwear Industries

149. You know, we are now in the 8th position in the world in footwear exports. In future, more incentives will be provided by the government to facilitate further advancement of this potential sector. In the meantime, a *Social and Environmental Compliance Handbook of Leather, Leathergoods and Footwear Industry* has been formulated. Giving priority to the leather sector, the government will take all the steps that are necessary for the development of the sector. Exports of leather and leather products will be increased manifold, by ensuring environment-friendly waste treatment.

150. On the other hand, to ensure safety of citizens, all chemical warehouses are being transferred temporarily from the residential areas in the Dhaka city to Shampur and Keraniganj of Dhaka. In future, this temporary chemical village will be shifted permanently to Shirajdikhan in Munshiganj.

Golden Future of Golden Fibre

151. The *Jute Act, 2017* and the *National Jute Policy, 2018* have been formulated to resolve the problems that exist in the jute sector. With assistance from the government, scientists have cracked genome of jute, and invented golden bag as an alternative to polyethene bag. Steps have been taken to enhance the use of golden bags made of jute.

152. In FY2018-19, export incentives have been offered against 35 categories of products. Export incentives provided in FY2008-09 amounted to Tk. 1,500 crore, which stood at Tk. 4,481 crore in FY2017-18, and these incentives have contributed to the efforts of enhancing export earnings.

Fast Growing Textile Industry

Madam Speaker

153. You know, we have acquired the 2nd position in the world in exporting of ready-made garments. In the current context of international trade, it is considered as a growing and promising sector. Keeping this in mind, our government has kept on providing all types of facilities to this sector including the existing incentives. Currently, four sectors of ready-made garments are receiving export incentives at 4 percent. I propose to provide an export incentive of 1 percent in the next fiscal year to the rest of the sectors of ready-made garments. An allocation of additional Tk. 2,825 crore will be made in the budget for FY2019-20 for this purpose.

Promising Eco-Tourism

154. Bangladesh has many tourist spots, including the world's largest unbroken sandy sea beach at Cox's Bazar, which are yet to be fully introduced to the world. Work on establishing an Exclusive Tourist Zone is underway at Sabrang, Cox's Bazar, for foreign tourists. All the potential

tourist spots in the country will be gradually made suitable for both local and foreign tourists.

Madam Speaker

Blue economy - the new horizon of opportunities

155. Through the conquest of the sea in the historic judgement by the International for the Law of the Sea (ITLOS), under the dynamic leadership of the Prime Minister, Bangladesh received exclusive rights to 1 lakh 18 thousand 813 sq. km of sea from neighboring Myanmar and India, which is almost equivalent to the size of Bangladesh. There are more than 13 heavy mineral resources in the coastal areas of the Bay of Bengal which are very valuable. In addition, there are 475 species of fish, and 36 species of prawn, and sea algae, etc. By utilizing these resources, it is possible to increase our GDP by two percent. The proposed strategies for proper utilization of this resources with immense potential are- quick completion of multi-dimensional survey of marine resources; increase of coastal ships and modernization of sea ports and their capacity enhancement; intensify fishing in both deep-sea and shallow coastal waters; introduction of sea eco-tourism and boat tourism in the private sector; and keeping sea coasts and sea ports pollution-free.

Digital Bangladesh: Achievements and Prospects

Madam Speaker

156. Establishing 'Digital Bangladesh' is one of the key commitments of the Government. Work on necessary infrastructural development and extensive expansion of the information communication technologies has been undertaken with a view to providing easy public service to the doorsteps of the people in the country. Broadband internet access facilities have been extended up to the union level. Already all districts and

divisions in the country have been brought under the 4G network, and mobile networks have been established in inaccessible upazilas. The government is taking necessary preparations to quickly rollout fifth generation (5G) mobile services.

157. Around 18 thousand 434 government offices under the ministries, divisions, directorates, districts and upazilas have been connected through an integrated network. About 28 high-tech parks/ software technology parks are being set up in the country. Meanwhile, work on three high-tech parks has been completed. The setting up of 'Bangabandhu High-tech City on 355 acres of land in Kaliakoir of Gazipur is progressing well. The government has set up the National Data Center (Tier-3 Certified). Steps have been taken to ensure all types of information security across the country to avoid security risks for the nationwide information technology network.

Bangabandhu Satellite-1 in the space

158. The successful launch of Bangabandhu Satellite-1 in the space, draped in red-green flag colour, has been completed. Bangabandhu Satellite-1 has eased the expansion of broadcast-based services in the remote areas. It has also ended our dependency on global telecommunications services. There has been a lot of improvement in the case of communications for defense and disaster management.

Strong Management Information System (MIS) in Government Offices

159. We are giving priority to increasing the contribution of the ICT sector in the GDP to ensure that the high growth trend remain integrated and sustainable in the future. Steps have been taken to ensure all types of information security across the country to avoid security risks for the nationwide information technology network. A strong Management

Information System (MIS) will be set up in all government offices to facilitate collection and collation of updated data, and exchange of information, as per requirements of international organizations, among various activities and services of the government.

Madam Speaker

Development of ICT-based Skilled Human Resource: We Are in the Era of Fourth Industrial Revolution

160. The whole world is poised to enter into the age of the Fourth Industrial revolution, which relies on the fullest use of digital technology. The fourth industrial revolution is going to make massive changes in industrial production, business, employment, administration, and on all fronts. We cannot afford to lag behind. We will have to march forward keeping pace with the world. ICT-based human resource will be the driving force in our dream of attaining higher economic growth. To consolidate the growth trend in the coming days, the ICT sector's contribution to GDP will have to be increased. If we can increase productivity through ICT, our GDP growth will reach two-digit figure soon. Therefore, our dependence on ICT will have to increase further in the coming days.

Blockchain: Internet of Value

161. Blockchain technology is becoming an inseparable and secure medium of global information exchanges. In addition to financial transactions, its application has also begun in the areas of business, commerce, intellectual property, healthcare, preservation and sharing of proprietary data. Time has come for Bangladesh to adopt the blockchain technology to keep pace with the new trend. We will use the blockchain technology next year on an experimental basis.

Innovations

162. Effective application of innovation, i.e. new work or activity, has created a new wave of global change in the field of technology, business, management, etc. To nurture a culture of innovation in Bangladesh, the government will work in the future, especially with the youth to harness their creative talents. And necessary budget allocation will be made for this sector.

Research and Development

163. Scientific research and development (R&D) is one of the prerequisites for increasing productivity and maintaining long-term economic growth. Opportunities will be created to encourage research and development activities in the country. In the next FY2019-20, we are proposing to allocate an additional Tk 50 crore for **the research and development sector**.

Digital Land Management

164. Quarrels, affrays, and litigations in rural parts of Bangladesh mostly originate from land disputes. The only way to get rid of this situation is to automate the land management. Online delivery of reports, e-mutation and e-settlement activities have already been started. Digital land data banks and land zoning activities have also been taken. Necessary budget allocation will be made for this purpose. *Acquisition and Requisition of Immovable Property Act, 2017* has been enacted to ensure satisfactory compensation to landowners for acquiring land for public interest. Digital land survey is in progress for modernization of land use. Work is underway to automate the land related services delivery system throughout the country to simplify the delivery of land related services.

Poverty Reduction and Social Safety Net Programmes

Ensuring Equal Opportunity through Elimination of Poverty and Discrimination

Madam Speaker

165. According to Article 19 (6) of the Constitution, it is an obligation of the State to eliminate social and economic inequality among humans, to ensure equitable distribution of resources among citizens and to attain an equal level of economic development throughout the Republic. The Father of the Nation Bangabandhu started the struggle for independence from this urge to free the people from poverty and exploitation. The Prime Minister, the worthy successor of the Father of the Nation, has been continuing that struggle to emancipate people from poverty. She sincerely believes that poverty is our main enemy.

166. In the last decade, Bangladesh has made significant progress in poverty reduction through a coordinated approach efforts of various initiatives including the overall government development programmes, private investment, and social security programmes. The poverty rate was 40.0 percent in 2005, which has been brought down to 21.8 percent in 2018. The government has declared to reduce poverty to 12.30 percent and the extreme poverty rate to 4.50 percent by 2023-24.

Social Safety Net Programmes

167. The *National Social Security Strategy Paper 2015* has been formulated for reducing poverty and discrimination. *Action Plan 2016-2011* for its implementation has been approved. We are increasing the allocation for the social safety net sector every year to ameliorate the condition of the poor. By now, nearly a quarter of the families in the country has been covered under the social safety net programmes. As per our Election Manifesto, 2018, budget allocation in this sector will be

doubled in the next five years. The government has allocated Tk. 74,367 crore in the sector, which is 14.21 percent of total budget and 2.58 percent of GDP in FY2019-20. In the revised budget of FY2018-19, the allocation was Tk. 64,404 crore. We are also implementing various programmes for the marginal communities besides helping the people with disabilities.

Madam Speaker

168. We are presenting before this August House a set of proposals to widen the remit of social safety net programmes in FY2019-20:

- State honorarium for the valiant freedom fighters to be increased from Tk. 10,000 to Tk. 12,000;
- The number of recipients of adult allowances to be increased from 40 lakh to 44 lakh;
- The number of recipients of allowances for widows and victims of domestic violence to be increased from 14 lakh to 17 lakh;
- The number of beneficiaries of allowances for all insolvent persons with disabilities to be increased from 10 lakh to 15.45 lakh;
- The number of recipients of stipends for disabled students to be increased from 90 thousand to one lakh; and the rate of stipends to be increased from Tk. 700 to Tk. 750 for primary students, from Tk. 750 to Tk. 800 for secondary students, and from Tk. 850 to Tk. 900 for higher secondary students;
- To bring all third gender people under the net, the number of beneficiaries of Third Gender Livelihood Development programmes to be increased to 6 thousand;
- Additional 20 thousand beneficiaries from the gypsies and disadvantaged communities to be included in the current list of 64 thousand persons;

- The number of beneficiaries of the financial assistance programme for patients suffering from cancer, kidney, liver cirrhosis, paralyzed due to stroke and congenital heart diseases to be increased from 15 thousand to 30 thousand;
- The number of beneficiaries of livelihood development programmes for tea-garden workers to be increased from 40 thousand to 50 thousand;
- The number of beneficiaries of maternity allowances for poor mothers to be increased from 7 lakh to 7 lakh 70 thousand;
- The number of beneficiaries under lactating mothers' assistance programmes to be increased from 2 lakh 50 thousand to 2 lakh 75 thousand.

169. Priority is given for ensuring the selection of genuine beneficiaries to enhance the effectiveness of social safety net programmes. For this purpose, steps have been taken to establish MIS for all programmes and database for all beneficiaries. Payments are being made directly from the government to the beneficiaries through the G2P system.

Development of Disabled People

170. We are providing disability allowances, stipends for disable students, disability support services and financial assistance to schools for disable students, as well as increasing budget allocation. The National Disability Development Foundation has been providing various types of services for the empowerment and economic development of the backward, deprived, helpless, autistic and disabled people of the country. These include- small loans and grants-in-aid, establishment of Mobile One Stop Therapy Service, organizing Disability Job Fairs in remote areas, and skills development training. A separate plan will be made, and separate budget will be allocated to engage the disabled people in businesses and productive activities.

Interest-free Microcredit for Poverty Reduction

171. In 1974, the Father of the Nation Bangabandhu Sheikh Mujibur Rahman for the first time started the rural social service programme for the purpose of reducing poverty of the disadvantaged and backward population in the rural areas. Through the Department of Social Services, families of the extreme poor people in villages have been receiving interest-free microcredit in the range of Tk. 5,000 to Tk. 30,000 under four microcredit programmes, namely- rural social services (RSS) activities, rural maternity center (RMC) activities, rehabilitation of the people affected by the burn injuries and disabled people and urban society development activities. About 50 percent of people involved in these activities are women. In the budget estimation for FY2019-2020, I propose to allocate Tk 64.5 crore for this purpose.

Madam Speaker

Welfare of Freedom Fighters

172. The government is working relentlessly to preserve the memory of the liberation war and the welfare of the freedom fighters. In order to ensure the overall welfare of the freedom fighters, state honorariums are being given to freedom fighters and their successors. The amount of this allowance has been increased many times in the last ten years. Besides, two festival bonuses, Glorious Victory Day allowance, and Bengali New Year allowance are also being provided. Their allowances are now being sent electronically to their bank accounts. A piece of legislation titled *Bangladesh Freedom Fighters Welfare Trust Act, 2018* has been enacted to ensure the welfare of the freedom fighters. Besides, to provide housing facilities to the freedom fighters, single-storied buildings are being constructed for 15,000 destitute freedom fighters in the country, either in their own land or through settlement in Khas lands, if necessary.

Empowerment of Women and Focus on Children

173. Bangladesh is rapidly progressing in terms women's involvement in political empowerment, education and economic affairs. Bangladesh has secured the top position in South Asia in reducing gender disparity. Bangladesh is very much ahead in reducing gender disparity in the Muslim world, and even among the developed countries such as the United States and China. In accordance with Articles 19, 27, 28 and 29 of the Constitution, we are committed to establish equal rights and dignity of women and men, and ensure participation of women in all spheres of national lives. The government has taken appropriate programmes to ensure education, health, employment, and women empowerment. At the same time, the government will strengthen programmes to mitigate and prevent violence against women and also undertake effective measures to create a gender-friendly environment in all spheres of lives. The gender budget, containing budget allocation for women in 44 ministries/divisions in FY2019-20, is submitted herewith. Increasing investment for children is a priority of the government. The allocation for the children in the last fiscal year was Tk. 65,600 crore. For the next fiscal year, Tk. 80,200 crore will be allocated, which is 15.33 percent of the national budget.

Planned Urbanization and Housing

Madam Speaker

174. Bearing in mind the slogan of Hon'ble Prime Minister Sheikh Hasina 'Housing for all, there will be no homeless', and the SDG targets, the government has launched various programmes for planned urbanization, which will continue.

175. The real estate sector in our country has remained almost stagnant for a long time. The main reason behind its slow expansion is the existence of an exorbitant level of stamp duty and registration fee. As a

result, the government is losing revenue, and the volume of un-disclosed income is also rising. We will take steps to bring down these fees at a reasonable level. This will facilitate the expansion of the real estate sector on the one hand, and augment our revenue collection on the other. There is a plan to build 60 thousand flats under the PPP system in Purbachal new city of Dhaka. About 39 km of canals has been excavated in Hatirjheel, Gulshan, Banani, Uttara, Kuril and Purbachal areas to reduce water-logging and enhance beautification of the Dhaka city, and there is a plan to excavate another 55 km of canals in the future. Besides, there is another plan to reserve 62 percent of the 9,125 acres of area in the flood-flow zones of the Turag River as reservoirs, and to build compact townships in the remaining areas.

Sports, Culture and Religion

Madam Speaker

176. Our government is playing an important role in the development of nationwide infrastructures for sports and culture to organise different types of competitions and events at national and district/ upazila levels. Talented players in various sports are being hunted and provided with long-term training. In the budget for FY2019-20, I propose to make a **special allocation of Tk. 20 crore to Bangladesh Football Federation** for the development of football in the country.

177. Steps have been taken for modernization, digitization and automation of the broadcasting system of Bangladesh Television and Bangladesh Betar. We have also taken steps to launch nationwide digital terrestrial broadcasting and establish Bangabandhu Sheikh Mujib Film City. To provide support to the insolvent journalists, we allocate resources to the Journalist Welfare Trust from the budget.

178. In the coming fiscal year, the country will celebrate the 100th birth

anniversary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. Massive preparations are now afoot involving people from all walks of life to celebrate the day at both home and abroad. For this, adequate budget will be allocated for the next fiscal year.

179. We have formulated our *National Hajj-Umrah Policy 2019* in alignment with the e-Haj system of Saudi Arabia. As a result, Hajj pilgrims can now complete pre-registration and registration through hassle-free online system in 2019. The Hajj calendar was prepared for the first time in 2018 following which the performance of Hajj was conducted. At the same time, the inter-ministerial committee has, for the first time, hired accommodation in Saudi Arabia for the Hajj pilgrims. Meanwhile, constructions of 560 model mosques and Islamic cultural centers for the development of religious education and promotion of Islamic culture are underway in all districts and upazilas of Bangladesh. Alongside, funds are being channelled to the Hindu, Buddhist and Christian Religious Welfare Trust for the development of monasteries/temples/churches/cremation grounds, and for providing financial assistance to the residential monks and the destitutes.

Sustainable Development Goals (SDGs)

Madam Speaker

180. You are aware, the Sustainable Development Goals (SDGs) were adopted in the historic UN Summit in 2015 to implement them over a period from 2015 to 2030, in continuation of Millennium Development Goals (MDGs). Bangladesh's performance in achieving various goals and indicators of MDGs has been remarkable. We are fully committed to achieve similar success in implementing the SDGs. Meanwhile, 82 percent of SDGs has been incorporated in the 7th Five Year Plan, which is currently being implemented. SDGs Action Plans for ministries and

divisions have been formulated under which various ministries and divisions are adopting projects/programmes. Regular monitoring of SDGs implementation is being conducted and the ‘*Sustainable Development Goals: Bangladesh Progress Report 2018*’ has been prepared covering all the goals and targets. For localization of SDGs, about 40 priority indicators have been approved for implementation at the district and upazila levels. In the priority list, targets, such as reducing the rate of poverty below 10 percent and extreme poverty below 3 percent by 2030 have been included.

181. We will need a huge amount of financial resources till 2030 to implement SDGs. The role of the private sector, in addition to the government, will be crucial to meet this resource gap. Besides, the government is also emphasizing implementation of PPP project as an alternative source of financing.

Providing Shelter and Humanitarian Assistance to Displaced Rohingyas from Myanmar

182. The displaced Rohingya refugees, who escaped from Myanmar to save their lives from torture, oppression and ethnic cleansing, have been given shelter in Bangladesh as a humanitarian gesture. Bangladesh has been providing all necessary physical support services, including food, housing, health and other emergency services, to over 1.1 million Rohingyas. Following the directions of Hon’ble Prime Minister, bilateral discussions have been continuing to ensure safe, dignified and permanent repatriation of Rohingyas to their homeland.

Chapter V

Reform and Good Governance

Madam Speaker

183. Reform is a continuous process. In the past, we took and implemented a range of reform initiatives to improve the profile of governance. In continuation of these initiatives, I would like to highlight some of the important reforms initiatives undertaken by our Government.

Improvement of Investment Climate

Establishment of 100 Economic Zones to Generate one crore Employment

184. Establishment of 100 Economic Zones accross the country is in progress for employment generation through increased investment. Almost one crore new jobs will be created in these Economic Zones. Construction work of ‘Bangabandhu Sheikh Mujib Industrial Area’ the largest, planned and modern industrial area on 30,000 acres of land at Mirsharai, Sonagazi and Shitakunda Upazila is progressing in full swing. Investment proposals worth US\$ 15.1 billion has been received so far for these Economic Zones.

Public Private Partnership

185. As an alternative of public financing, we will encourage approval and implementation of projects under the Public Private Partnership initiative for infrastructure construction. *Rules for Viability Gap for PPP Project, 2018* and *Rules for PPP Technical Assistance Financing, 2018* have been issued for simplification of the government's financial involvement process. A policy has been formulated for implementation of PPP projects under G2G agreement. Implementation of 3 PPP projects is

underway at a cost of US\$ 2.7 billion. At present, 61 projects have been selected for implementation under PPP model. A good number of projects are also in the pipeline.

Improvement of Ease of Doing Business Index

186. Rapid industrialization and employment generation will be possible, if we can reduce the cost of starting business. To attain this objective, reform activities have been strengthened to improve in the Ease of Doing Business Index of Bangladesh within two digits. Amendment of *Companies Act, 1994* has been initiated for improvement of business environment. Various registration fees applicable for companies have already been significantly reduced. There will be no fee for companies having capital of less than Tk. 50,000.

187. One Stop Service (OSS) has been introduced so that investors can get different kinds of investment related services easily and quickly. Provision of investment related services as One Stop in 64 districts will be monitored, and investment related services will be gradually provided to all districts through One Stop Service.

Reforms in Financial Sector

Setting up financial institutions on strong base

188. The government has initiated and implemented various activities for the reform and development of banking, capital market, insurance and other financial sectors.

Madam Speaker

189. We did not observe any mentionable reform initiative in some areas, especially in the banking sector from the beginning. There was no exit route for the loan recipient if he/she fails to repay the bank loan. This

time around, we have arranged an exit for the loan recipient through effective insolvency and bankruptcy laws. We have heard for long about establishing a Bank Commission for bringing discipline in the banking and financial sector. We would discuss with all concerned in this matter and do the needful.

190. We have observed that, no mentionable instruments were used in our financial sector. This has led banks to give long term loans by collecting short term deposits. This creates a mismatch. It may turn out to be critical sometimes. We will take necessary measures to remove such kind of mismatch. We will encourage instruments like Wage Earners' Bond, venture capital, treasury bond including a vibrant bond market.

We are also thinking the following reforms:

- We will increase capital (authorized and paid up) of banks gradually.
- Bank Company Act will be amended so that our bank management, all components of revenue management (VAT, Customs and Income Tax) can function as usual, without facing any conflict with other laws.
- Bank Company Act will be amended so that amalgamation, merger and absorption of banks can be legally processed, if required.
- Stern measures will be taken against the willful defaulters of bank loans
- We have been working to bring down the interest rates of bank loans to single digits with a view to making our industries and businesses more competitive.
- Necessary ammendments will be brought to the Bank Company Act to modernize the functions of holding companies and subsidiary companies.

Good Governance in Capital Market

Madam Speaker

191. You know, a strong capital market is required for any strong economy. If an economy is strong, it means that its capital market is also strong. As we want a strong economy, we would like to see the existence of a strong, vibrant and well-functioning capital market. Capital market is the ideal platform to collect fund for long term industrial investment. However, there is a trend in Bangladesh to provide long term bank loans from short term deposits, which is not evident in other countries. It creates mismatch. The banks and loan recipients become the loser eventually. We will take effective measures to encourage investors to collect long term fund/finance from the capital market. Under the supervision of Bangladesh Bank, an amount of Tk. 856 crore has already been released under the incentive scheme, which shall be reused on a revolving basis for the protection of small investors' interest. Training will be provided to potential investors for clear understanding on share market before their investment in the market. Vigilance has been strengthened to ensure compliance of the capital market. We shall offer numerous incentives for the capital market in coming years. Dividend income from the listed companies shall be tax-free upto Tk. 50,000. Double taxation on dividend from listed companies will also be removed. Special incentives will continue for encouraging investment in the capital market.

192. If a financially solvent company wants to merge/amalgamate with the financially sick company, we will create the scope for that. We believe that if this can be done even allowing for investment allowance, if needed, through negotiation, it will lead to a strong capital market. Through the process, the depth and stability of the capital market will be enhanced.

Reforms for maintaining discipline in the financial sector

193. Necessary reform initiatives have been taken so that the loan recipients can repay their loan in time, for establishing improved loan culture in the country. Central database for large credit (CDLC) has been established for close monitoring of large loans and strengthening the monitoring system of banks and financial institutions. Instruction has been given to keep the weighted average spread of interest rates limited within 4 percent except for credit cards and consumer loans.

Insurance for encountering risk

194. Loss of crops due to natural calamities is quite frequent in our country. In order to save the farmers from the financial loss caused by this, a pilot project for 'crop insurance' will be introduced. In addition, insurance of properties generated from large projects will be covered by the local insurance companies. Measures will be taken to arrange group insurance with more than one company, if necessary. Insurance for 'loss of profit' will also be introduced. Accident insurance for factory workers will be implemented.

195. The government is planning to introduce livestock insurance, small insurance for poor women and health insurance for government employees and common people. Digitization of the insurance sector and its high rate of penetration have been planned. I believe, the use of life insurance is not prevalent in our country; popularization of life insurance may contribute to our economy to a great extent.

Public Financial Management (PFM)

Madam Speaker

Application of IBAS++ Software Developed by Local Experts

196. Our public financial management system has been elevated to

international standard from current fiscal year through the introduction of new Budget and Accounting Classification System (BACS). In addition to civil administration, we are going to apply IBAS++ (Integrated Budget and Accounting System), a fully automated system developed by our local experts, in defense and railway budget and accounting process.

Radical Transformation of Project Fund Release Process

197. Project fund release process has been simplified. Project Director (PD) has been fully authorized to utilize project fund including 4th installment without seeking approval from any authority. As a result, 1-2 months time will now be saved in the fund release process of any project. Thus, the pace of implementation of development projects will be accelerated.

Payment of Social Safety Allowances through G2P

198. Social safety net MIS has been established in the Finance Division for bringing transparency and improving efficiency of social safety net payments. With this MIS, selection process of beneficiaries has now become easier after verification of information from the National ID server. By using this MIS, payments from the government exchequer to the beneficiary's bank or mobile bank account are now being processed through the G2P method. All cash transfers will be gradually brought under this G2P payment procedure.

Digitalization of Savings Scheme

199. Real time information is available now on sale, profit and encashment of national savings schemes from the 'National Savings Scheme Online Management System', introduced with the initiative of the Finance Division for modernizing the management system of national savings schemes transactions. Maximum purchase limit of savings scheme

can now be easily controlled and monitored through NID linked digitized system. Payment of the principal amount and profit of the client can now be automatically made through EFT. It will ensure discipline in public financial management, and interest payment for this purpose will be reduced gradually.

(4) Reform of Pension

Payment of Pension through EFT

200. The process of pension payment through EFT has started to reduce the hassle of pensioners in getting their pension. System has been introduced so that pensioners can automatically get their pension in their bank or mobile account without any physical presence in any accounts office or any bank. Payment of pension in pensioner's bank accounts through EFT has already been made to 27,000 pensioners. All pensioners will be brought under this system in the next fiscal year.

Bringing all Government Employees under Group Insurance Scheme

201. Although there is a group insurance system for government employees but in reality it is not an insurance. With the assistance of Jiban Bima Corporation, the existing system will be reformed and converted into an integrated insurance system for bringing all government employees under the insurance coverage.

Introduction of Universal Pension Scheme

202. Government pensioners are only a small fraction of the total population in the country. A 'Universal Pension Authority' will be formed soon for gradual introduction of the universal pension for everyone including all employed in formal and informal sectors of the economy.

Public Administration for Public Service

Madam Speaker

People Friendly and Efficient Public Administration

203. Provision of quick service for implementing the commitments made in the Election Manifesto of 2018, training and improvement of efficiency, institutional reforms and strengthening as well as bringing field administration within the scope of information technology have been identified as priorities. The *Public Service Act, 2018* has been passed by the Parliament. Public servants are now promoted and posted on the basis of merit and efficiency.

Governance Innovation Unit

204. Under the Prime Minister's Fellowship program, Masters, PhD and other fellowship programs in renowned universities of the world (such as, Oxford, Cambridge, Harvard) has begun for creating government's own expert panel on SDG goals.

Transparency and Accountability in Government's Service Delivery

205. Online Grievance Redress System (GRS) has been introduced in all Ministries and Divisions of the government for improving quality of service delivery, strengthening good governance and ensuring accountability of the public administration. Decisions in government offices are now taken through e-filing system for providing speedy services to the citizens at a low cost.

House Building Loan for Government Employees

206. *Provision of House Building Loan through the Banking System Policy, 2018* has been formulated with the intension of increasing house building loans of government employees to a realistic level. In this case,

state owned banks and Bangladesh House Building Finance Corporation will operate the loan as implementing agencies. I believe, with the introduction of this system, government employees would be more enthusiastic, and will further their efforts to establish good governance at all levels of administration.

Use of ICT in Case Management

Digitization of Judicial Management

207. Steps have been taken, to bring all courts of the country within the ICT network through e-judiciary process to accelerate the disposal of cases. In addition, a cyber tribunal has been established in Dhaka for ensuring speedy and effective judgment of the offences committed under the *Information and Communication Technology Act*. Establishment of 7 more tribunals in 7 divisional towns is underway. Renovation and construction work of 4 chambers in the Appellate Division and 30 chambers including e-judiciary will be completed for enhancing the capacity of the Appellate Division. All activities of the Supreme Court and subordinate courts will be brought under the automated networking system. Present status, hearing date, result and complete judgment of all trial cases in the jurisdiction of sub-ordinate courts will be published in the website regularly.

Prevention of Corruption

‘Bandha hole durnity, unnayoney ashbe goti’ (Stop corruption, accelerate development)

208. Our government has adopted a policy of ‘zero tolerance’ against corruption. The number of divisional offices has been increased to 8 from 6, and the number of integrated district offices has been increased to 36 from 22 for increasing administrative capacity of Anti-Corruption

Commission (ACC). An Intelligence Unit has been established and 1 platoon armed police has been attached with the ACC for speeding up the activities of the commission. An web based software will be made for proper monitoring of all activities of the commission starting from lodgement of complaint, investigation, filing and follow up of corruption cases. For effective use of this software 200 officers will be trained.

Chapter VI

Revenue Collection Activities

Madam Speaker

209. A large part of our total budget expenditure is financed from the internal resources collected by the National Board of Revenue (NBR). Generally, the internal revenue collection target is made on the basis of the size of the budget. There are mainly three sources of revenue: NBR- Tax, Non-NBR Tax and Non-Tax Revenue. About 85 percent of our revenue is collected by the NBR. The growth trend of NBR tax collection in the last decade was quite good. In FY2017-18, the growth rate of NBR tax revenue was 20.24 percent. **Table 1 of Annexure-B** provides a set of statistics of revenue collection during the last 10 years. Though the tax to GDP ratio is comparatively low, the growth in revenue collection is continuing.

210. Our goal is to increase revenue collection in line with GDP growth. We have taken many reform initiatives in the field of direct and indirect taxes with a view to increasing revenue collection. A large number of taxpayers will be brought under the tax net by conducting survey, bringing administrative reforms, making TIN compulsory for receiving different utility services, encouraging TIN holders to submit their tax returns. To ensure efficient and effective tax administration, NBR is in the process of automating and digitizing all operations of Income Tax, VAT and Customs departments. We are expecting the number of our income taxpayers will be more than one crore by the next few years. Income tax department has taken a number of initiatives to create a taxpayers'-friendly environment for building taxpayers trust in the revenue department.

211. The implementation of the *Value Added Tax and Supplementary Duty Act, 2012*, which was supposed to start in FY2017-2018, but was

postponed for two years in response to the request from the business community. This act will be implemented in this year. The NBR has already reached a consensus informally with the business community. For smooth implementation of the new VAT Act, proposal is being placed in the Parliament for updating the Act by rearranging VAT rates. Our government is implementing VAT Online project with a view to making the VAT system completely automated. The NBR is working to set up Electronic Fiscal Device (EFD) in every business organization to make VAT collection more transparent. NBR is now in the process of procuring these EFD machines.

212. The existing Customs Act 2019 is in English. While contemporary issues of the Customs Department are updated every year through Finance Acts, it was felt that the Act should be in Bangla. Following the international best practices and the kind instruction of Hon'ble Prime Minister, the Customs Act, 2019 in Bangla has been prepared, and the process for placing it before Parliament is finalized. This law will replace the existing Customs Act, 1969. Meanwhile the process of formulating the new Income Tax Act following the international best practices has begun. I hope that this new law will be placed before the Parliament next year.

213. Use of information and communication technology began in the Customs Department a long ago with the introduction of ASYCUDA. As part of the ongoing reforms, steps have been taken to introduce legal provisions concerning scanning of imports and exports. Steps have been taken to set up latest scanning systems in all customs ports and customs stations. Likewise developed countries, the National Single Window (NSW) project has been undertaken to connect all the stakeholders associated with import-export to the customs software. It will provide the facilities of One Stop Service in all activities related to imports and exports. The current law has been amended with a view to introducing Authorized Economic Operator (AEO), Risk Management, and Advance

Passenger Information System (API) to facilitate the clearance of goods and quick handling of passengers. Furthermore, provisions to establish the process of customs assessment of import consignments before their arrival at the port as in developed countries, known as Pre-Arrival Processing (PAP), and creation of a Special Functional Unit under the NBR have been included in the law. These will contribute to improving the business and passenger facilities and reducing tax evasion.

Chapter VII

Income Tax, Value Added Tax and Import-Export Duty

Madam Speaker

214. NBR officials work relentlessly to achieve the revenue target set by the government every year. NBR tax revenue is basically collected from Income Tax, Value Added Tax (VAT) and Import & Export Duty. Except Income Tax, the other two are indirect taxes. Supplementary duty and regulatory duty are also collected as indirect taxes. I am now submitting revenue proposals one after another.

Direct Tax: Income Tax

215. Income tax is considered as an effective taxation system because it ensures social justice and equity through redistribution of income. The income tax system in Bangladesh will be made more effective to ensure the reduction of income inequality so that the benefit of economic growth and development can be distributed to all the citizens equally. We have set a target of collecting 50 percent of total NBR tax revenue from income tax by FY2021-22. By now we have made some headway in collecting income tax. Even a decade back, the contribution of income tax was only 20 percent of total NBR tax revenue; the contribution has increased to 35 percent during the tenure of our government.

216. Our main principle is to collect more income tax by broadening the tax base without increasing the tax rate. For this purpose, we have taken an initiative to bring new taxpayers under the tax net instead of burdening the existing taxpayers with more tax. During the last ten years of our government, a large number of peoples are eligible to pay income tax; thanks to the unprecedented economic growth and development that took place in our country. To bring these people into the tax net, expansion of

income tax department is necessary. Effective initiatives have already been taken to expand the Income Tax department. With this expansion program, tax offices will be set up in every upazila in Bangladesh. At the field level, the number of Taxes Zone will be increased to 63 from existing 31. For making the tax administration more goal-oriented, job-oriented and taxpayers-friendly, the tax intelligence, investigation and enforcement unit; digital tax management unit; tax deduction management unit; tax information unit; international tax unit; taxpayer service, public relations and infrastructure unit; and tax dispute resolution unit will be set up. I hope, with successful implementation of these initiatives, revenue on average will grow by 25 percent in the coming years, and the Tax-GDP ratio will increase to 15 percent by 2021.

217. To achieve Sustainable Development Goals (SDGs) by 2030 and fulfill the dream of raising the status of Bangladesh to a developed nation by 2041, we have to scale up revenue collection, in particular, income tax collection significantly. However, we have to ensure that revenue augmentation efforts do not affect adversely our businesses and investments. We believe that, increase in investment will result in increased business, increased production, increased exports, more employment, increased income, increased profit of business, and accumulate more capital for entrepreneurs, which in turn will be re-invested. This virtuous cycle will result in more income of the taxpayers and more tax revenue. Our principle is to increase revenue collection by strengthening and accelerating this virtuous cycle. We need to generate a large amount of revenue for the development and progress of our country. We will collect this revenue in such a manner so that the taxpayers are not unnecessarily harassed, and their business is not hampered. We want to promote voluntary and spontaneous payment of taxes by ensuring a taxpayers-friendly atmosphere. Now I am presenting the key proposal relating to direct taxes -

Madam Speaker

Tax Exemption Threshold and Tax Rates

218. General tax exemption threshold of income of taxpayers, other than company, for the last few years was Tk. 2,50,000/-. The threshold for female taxpayers was Tk. 3,00,000/-. In addition, this threshold is higher for other special classes of taxpayers. The criteria for keeping the threshold unchanged for the last few years have remained same this year as well. In developed countries, tax exemption threshold of income is generally less than 25 percent of per capita income. Some countries even do not have any threshold limit. In developing countries, it is mostly equal to or below per capita income. In Bangladesh, the tax exemption threshold is almost 1.5 times above the per capita income. Moreover, any increase in the tax exemption threshold will push a significant number of taxpayers out of the tax net, which will eventually erode the tax base. The tax rates for all types of taxpayers except company have remained unchanged during the last few years. The taxpayers got habituated with this rate of tax. Considering all these, I propose that the tax exempted income threshold and tax rate for all taxpayers except for company will remain unchanged for the next year. Tax rates for non-company taxpayers have been shown in **Table 2 of Annexure-B**.

219. Existing minimum tax for a taxpayer, except company taxpayer, residing in Dhaka North City Corporation, Dhaka South City Corporation and Chittagong City Corporation, any other city corporation, and other areas is Tk. 5,000, Tk. 4,000, and Tk. 3,000 respectively. I propose to maintain this structure of minimum tax for the next year as well.

Company Tax Rate

220. Currently multiple corporate tax rates are in existence for different corporate sectors. For publicly traded company, tax rate in Bangladesh is

25 percent and for publicly non-traded company tax rate is 35 percent. Besides, a good number of corporate sectors are enjoying reduced tax rates and tax exemptions. When these facts are taken into consideration, we find the effective corporate tax rate in Bangladesh is below 5 percent. In addition, the tax rate for banks and financial institutions was reduced by 2.5 percent from last year, which resulted in significant reduction of tax collection from this sector. Considering the facts, I propose to continue with the existing corporate tax rate structure for the next year. The proposed tax rate for company taxpayers has been presented in **Table 3 of Annexure-B**. Nonetheless, in view of reality, I propose to raise the minimum tax for mobile companies to 2% of their turnover from 0.75%.

Madam Speaker

Equity and Fairness

221. **Surcharge.** At present, wealth tax law does not exist in Bangladesh. Instead of paying wealth tax, wealthy individual taxpayers in Bangladesh pay surcharge at certain rates based on their income tax. This provision of surcharge has been in force for the last few years. We have observed that a large number of wealthy people show little income in their tax returns despite they possess huge amount of wealths. Consequently, they pay an insignificant amount of surcharge because their revealed little income. Considering all these facts, I propose an individual taxpayer having a net wealth of Tk. 50 crore or above shall pay higher of 0.1% of net wealth or 30% of his income tax payable as surcharge. Currently surcharge applies to taxpayers having net wealth above Tk. 2.25 crore. I propose to raise the limit of surcharge to Tk. 3 crore. Details on these are presented in **Table 4 of Annexure-B**.

222. I propose a minimum surcharge amounting to Tk. 3,000, where net wealth of an individual exceeds Tk. 3 crore and a minimum surcharge

amounting to Tk. 5,000 for individuals who have net wealth exceeding Tk. 10 crore. In addition, 2.5 percent surcharge on the profit of the business of the manufacturers of cigarette, bidi, zarda, gul and other tobacco products will remain unchanged.

Facilitating business and growth

223. The income generated through production of goods and services in Economic Zones and High-Tech Parks has been given tax exemption facilities at different rates for 10 years. With a view to driving up more investment and create more employment, I propose a new provision in the income tax law, to accept investment in Economic Zone and High-Tech Parks, without any question on the sources of invested fund, by the income tax department, if the taxpayer pays 10 percent income tax on such invested amount. At present, Income Tax department does not raise any question about the sources of fund invested in the purchase or construction of any apartment or flat, and building if tax is paid at certain rates on such investments. Taxpayers are not availing this opportunity due to the higher tax rates. I propose to decrease existing tax rates to encourage the taxpayers for voluntary disclosure of purchase or construction of any apartment or flat, and building in their tax returns. I hope that taxpayers will avail this opportunity and will voluntarily reveal their undisclosed investment on purchase or construction of apartment or flat, and building in their tax files to include them into the tax net.

224. Under the existing law, 21 industrial sectors and 19 physical infrastructure development sectors have been enjoying tax holidays on the basis of geographical locations at different rates for different periods of time. This benefit will expire on 30 June of this year. With a view to promoting business and investment, augmenting export and creating employments, I propose the facilities of tax holiday to continue and also to include some potential manufacturing sectors such as agricultural

machinery; furniture; home appliance – rice cooker, blender, washing machine etc.; mobile handset; toys; leather and leathersgoods; LED television; plastic recycling.

Madam Speaker

225. Many people think that the tax deduction rates at source on the bill of contractors and suppliers are high. We have examined this issue and considering all aspects, I propose to decrease the maximum tax deduction rate at source on the bill of contractors and suppliers from 7% to 5%. Details on these are presented in **Table 5 of Annexure-B**.

226. A taxpayer has to pay tax in advance if the taxpayer's last assessed income is above Tk. 4 lakh. I propose to raise this to Tk. 6 lakh. On the other hand, currently small and medium enterprises (SMEs) are not required to pay income tax if the yearly turnover of the business is up to Tk. 36 lakh. To promote SMEs, I propose to raise this yearly turnover limit to Tk. 50 lakh. In the existing law, income derived from the export of handicrafts is also exempted from tax. This exemption will expire on June 30, this year. To promote this sector, I propose to extend this exemption facility for the next five years.

227. The tax rate for readymade garments is 12%. The rate is 10% if there is green building certification. Besides, for textile sector tax rate is 15%. These sectors are enjoying reduced rates of taxes for a long period of time. This advantage will expire by 30 June of this year. Considering the contribution of these sectors to our economy, particularly in boosting export and generating employment opportunities, I propose to continue this provision of reduced rate of taxes for these sectors.

Social Welfare

228. Our government is doing its best to protect the interest of the

physically challenged people. We want to reflect this principle in taxation as well. Study shows 10 percent of our population has some sort of disability. Considering this fact, I am proposing a 5 percent rebate on total tax of a tax payer if the taxpayer employs at least 10 percent of total work force from physically challenged people.

229. For ensuring services to the persons with disability, imposition of 5 percent additional tax on a medical service provider who fails to ensure special accessibility for physically challenged persons was introduced last year. This year, I propose to extend its scope by imposing the application of this provision on schools, colleges, universities and NGOs. However, this provision shall come into force from the assessment year 2020-21 for schools, colleges, universities and NGOs so that they have enough time for the installation of necessary facilities for this purpose.

Incentives for the share market

230. Investors expect cash dividends from their investment in the shares of a company. From that point of view cash dividend play an important role in increasing the value of the share and also strengthening the share market. But we observed that the companies are generally distributing stock dividend instead of cash dividend. As a result, investors are deprived of their well deserved return. In order to encourage the distribution of cash dividend, I propose imposition of 15 percent tax on stock dividend distributed to the shareholders by any listed company.

231. It is also observed that, some companies retain or reserve the net profit instead of distributing dividend to the investors. For this reason, investors are deprived of getting dividend from their investment and this in turn is adversely affecting our share market. For the sake of smooth operation of capital market this tendency has to be addressed. Therefore, I propose imposition of 15 percent additional tax on so much of retained

earnings and reserves as it exceeds 50 percent of the paid up capital of the company.

232. At present, dividend up to Tk. 25,000 received from the publicly traded company is exempted from tax. With a view to incentivizing the small investors and strengthening the capital market I propose to enhance this limit up to Tk. 50,000. However, this exemption will only be applicable for the individual taxpayers.

233. A provision was made in the income tax ordinance last year to avoid the multilayer taxation on dividend income. However, the application of the provision was limited only to the resident companies. To promote foreign investment, I propose to extend the application of this provision to the non-resident companies as well.

Madam Speaker

International Best Practice

234. The volume and the nature of cross border transactions have significantly increased in the wake of progression of economic globalization, import and export, investment and business. Therefore, the issue of transfer pricing is becoming more and more significant in the collection of tax. The provisions of transfer pricing have already been incorporated in the Income Tax Ordinance. To operationalize the provisions of transfer pricing, I propose that companies shall, in their income tax returns, declare whether they have any international transactions, and if they have any, they shall submit the details of such transactions.

235. Currently, many non-resident taxpayers are doing business through permanent establishments. Home countries of many of such non-resident taxpayers have double taxation avoidance treaties with Bangladesh. According to the treaties, Bangladesh has the right to tax the business income of a non-resident taxpayer earned through a permanent

establishment in Bangladesh. At present most of the non-resident taxpayers are not submitting their return of income even though they are earning business income through permanent establishments. I am proposing to insert a provision of submitting the return of income for the non-resident taxpayers who are doing business in Bangladesh through permanent establishments.

Value Added Tax

Madam Speaker

236. Value Added Tax (VAT) is a modern indirect tax system. It is the single highest contributor to the NBR tax revenue. Reform initiatives, positive mindset of the taxpayers and hard work of the NBR officials have contributed to this achievement. Considering the growth of the national economy, demand, interest of the business community and the consumers I am now placing before this august House the VAT related proposals for creating taxpayer-friendly, revenue-friendly and development-friendly tax structure:

Madam Speaker

237. The new Value Added Tax and Supplementary Duty Act, 2012 has been formulated in line with the international best practices. It will make a significant improvement in the “ease of doing business” index. Now, I am presenting some of the salient features of the new law:

- a) Taxpayers will have the opportunity to get online service for VAT and Turnover Tax registration, tax payment, return submission, refund etc;
- b) The existing price declaration system before the supply of goods will be abolished. The taxpayers will pay VAT on the basis of fair market price;

- c) Currently there is a provision to maintain sufficient balance in the Account Current Register while supplying the goods. However, according to the new law, there is no such provision and the businessmen will be able to pay tax at the end of the month through the VAT returns;
- d) Wherever 15 percent VAT is applicable, the input tax credit can be obtained through the VAT return;
- e) Return will be treated as the application of refund.

Madam Speaker

238. As a gesture of our respect to the demands of our investors and business community, I am now proposing few reforms and simplifications in the new law to make it more time-befitting and business-friendly:

- a) Exempt the small and marginal traders with an annual turnover up to Tk. 50 lakh to keep them out of the VAT net;
- b) Encourage the small and medium sector (SMEs) by giving opportunity to pay turnover tax at 4 percent rate in the case of annual turnover from Tk. 50 lakh to Tk. 3 crore;
- c) The VAT registration threshold has been increased to Tk. 3 crore from Tk. 80 lakh;
- d) There are 3 schedules in the existing law. Exempted goods are listed in the first schedule, exempted services are listed in the second schedule and goods on which supplementary duty is leviable are listed in the third schedule. Whereas, under the new law, exempted goods and services are listed in the first schedule, goods on which supplementary duty is leviable are listed in the second schedule and goods and services on which either reduced rate of VAT is applicable or specific tax is imposed are listed in the third schedule;

- e) Along with the standard VAT rate of 15 percent, there will be reduced rates of 5 percent , 7.5 percent and 10 percent for specific goods and services;
- f) Considering the possibility of inflation, specific taxes have been fixed for some specific products and services;
- g) The VAT rate has been fixed at 5 percent for the local traders;
- h) As a special measure, considering the sensitivity of the product, the rate of VAT at the trading stage of pharmaceutical and petroleum products shall be 2.4 percent and 2 percent respectively;
- i) As the new law is online-based, it will be mandatory for the shop owners and business entity to keep records of VAT challan/invoice during sales/supply through Electronic Fiscal device (EFD) and Sales Data Controller (SDC);
- j) To make the new law easy, simple and more business-friendly, several amendments, corrections and additions to the Value Added Tax and Supplementary Duty Act, 2012 have been proposed;
- k) In line with the changes in the law, some necessary amendments and modifications of the Value Added Tax and Supplementary Duty Rules, 2016 have also been proposed.

Madam Speaker

239. I am proposing to continue the existing VAT exemption facility in the case of government's priority and fast track projects, such as the Bangladesh Economic Zone (BEZA) and the Public-Private Partnership (PPP) projects. In addition, I am also proposing to continue existing VAT and supplementary duty exemptions given to the heavy industries like automobiles, refrigerators, freezers, air conditioners, motorcycles, mobile industries, etc. for the growth and development of heavy domestic industry and export sector.

Madam Speaker

240. The government is following the principle of increasing the VAT net, reducing the exemptions gradually, keeping inflation under control and developing the local industry. For the sake of public interest and for the development of our local industry now I am placing a few proposals before this august House for VAT exemptions for FY2019-20, which are as follows:

- a) Considering the interest of poor and marginalized people, I am proposing to provide VAT exemption on the production and supply of bread, hand-made biscuits and hand-made cakes up to the value of Tk. 150 per kg;
- b) For incentivizing the agricultural sector, I am proposing to give exemptions on the local supply of agricultural machineries such as Power ripper, Power tiller operated seeder, Combined harvester, Low lift pump, Rotary tiller etc.;
- c) Providing VAT exemption on the rent of a business showroom run by women entrepreneurs;
- d) Providing VAT exemption on suppliers and electricity in Bangladesh Hi-Tech Park;
- e) Providing VAT exemption on the supply of natural gas, suppliers and electricity in the case of investment in Bangladesh Economic Zone (BEZA);
- f) VAT exemption for the investors of Public Private Partnership (PPP) projects on the procurement of services from construction firm, consultancy and supervisory firm and legal advisor;
- g) VAT exemption for Rooppur nuclear power plant project on the procurement of services from freight forwarders, clearing and forwarding agencies, insurance companies, suppliers and banking services.

Madam Speaker

241. I am proposing to impose VAT on the products such as plastic and aluminum items, soybean oil, palm oil, sunflower oil, mustard oil etc. which have been enjoying the exemption benefit for a long time. I am also proposing to impose VAT on astrologists, marriage media services and on supply of entertainment programmes, serials, drama, telefilms etc to be broadcasted in the television channels and online media like YouTube and Facebook. In addition, I am also proposing to impose VAT at the import stage on telecom equipment as they have been enjoying exemptions for a long time.

Madam Speaker

242. To reduce the use of non-essential commodities and to protect the interest of the domestic industry I am proposing to impose supplementary duty on the following products and services:

(a) In order to improve the traffic congestion situation and develop the public sector transport system, 10 percent supplementary duty on issuance or renewal of all kinds of vehicles registration, route permit, fitness certificates, ownership certificate etc. except for passenger buses, trucks, lorries, three wheeler, ambulances and school buses may be imposed;

(b) Chartered aircrafts and helicopters have become popular means of transportation among the very rich people. Therefore, I am proposing to increase the existing supplementary duty from 20 (twenty) percent to 25 (twenty five) percent on this service;

(c) Imposition of 5 percent supplementary duty on ice-cream;

(d) To increase the supplementary duty from 5 percent to 10 percent of the services provided through mobile phone SIM / RIM card.

243. Considering the health-risk and harmful effects of tobacco

products and to maintain compliance with global anti-smoking policy, we are committed to reduce the use of tobacco and maximize revenue collection from this sector:

(a) I am proposing to fix the price of every 10 sticks of low segment cigarette at Tk. 37 and the supplementary duty rate at 55 percent. I am also proposing to fix the price of every 10 sticks of the medium segment cigarette at Tk. 63 and the supplementary duty rate to 65 percent while fixing the price of every 10 sticks of high segment and premium segment cigarette at Tk. 93 and Tk. 123 respectively and keep the supplementary duty rate to existing 65 percent.

(b) I am proposing to fix the price of 25 sticks of non-filter bidi at Tk. 14 and supplementary duty rate at 35 percent and to fix the price of 20 sticks filter bidi at Tk. 17 and supplementary duty rate at 40 percent.

(c) Smokeless tobacco like Zarda and Gul are another two health-hazardous items like cigarette and bidi. The detrimental impacts on health from consuming these items are even greater since these items are directly consumed. In order to reduce the consumption of smokeless tobacco products, I am proposing to fix the minimum retail price at Tk. 30 per 10 grams from zarda and Tk. 15 per 10 grams for gul and fix the supplementary duty rate at 50 percent.

Import-Export Duty-Taxes

Madam Speaker

244. In addition to collect correct revenue, simplification of trade is also very important. In accordance with the previous steps taken by the present government for the sake of continuing growth of our domestic economy, we have invited budget proposals from all stakeholders for liberalization and more rationalization of duty-tax structure for strengthening the worldwide ongoing trade liberalization and the role of local industry in our

economy. With a meticulous scrutiny of 2,125 proposals received from different stakeholders and evaluation of these suggestions, I am placing the proposals through you before this august parliament for the protection of local industry, trade and consumers interest.

Madam Speaker

245. Following factors have been reviewed in considering the proposals received from the stakeholders regarding import duty, regulatory duty, supplementary duty and Value Added Tax:

- Assist the investors and businessmen for creating investment friendly environment;
- To provide incentives for export oriented backward & forward linkage industries;
- To provide policy support for the development of ICT sector;
- To maintain consumer's right and to keep the price of the essential goods at reasonable level;
- To develop and protect local industries in agriculture, health, leather, textile, fishery and livestock;
- To rationalize tariff structure by following the principle of equity and justice;
- To formulate policy for Sustainable Development Goals (SDG) and to increase internal revenue collection;
- To upgrade Bangladesh's position in Ease of Doing Business index;
- To prevent smuggling, mis-declaration and misuse of bond facilities.

Madam Speaker

246. I propose existing 06 (six) slabs of Customs Duty (0%, 1%, 5%, 10%, 15%, and 25%), 3% Regulatory Duty on goods having highest import duty, and existing 12 (twelve) slabs of Supplementary Duty (10%, 20%, 30%, 45%, 60%, 100%, 150%, 200%, 250%, 300%, 350%, and 500%) on import stage to continue in FY2019-20. Besides, existing 0% import duty will remain unchanged for importing essential goods like lentils, wheat, onion, edible oil, fertilizer, seed, raw cotton and raw materials for some industries. Existing 0% rate will also remain same for importing life savings drugs and medical equipment. However, for the protection of local farmers, existing highest rate of customs duty at 25% and recently imposed 25% regulatory duty will remain unchanged on rice import.

247. Now, I would like to present sector-wise elaborated proposals in this august Parliament:

(A) Agriculture sector:

Madam Speaker

248. Agricultural sector is a priority sector in Bangladesh. Zero rates are proposed to be unchanged for the prime ingredients of agricultural sector, especially for fertilizer, seeds, insecticides. Concessionary rate of duty will be continued for agricultural equipment and spareparts.

249. **Fish, Poultry and Dairy:** Fish, Poultry and Dairy is one of the most important subsectors of agriculture. Government has been providing some tax benefits and incentives to this sector for the last few years. To ensure sustainable development in this sector, I propose these tax incentives and exemptions should continue and extend this benefit to some new raw materials and equipment. (**Table-6 of Annexure-B**).

(B) Industrial sector:

Madam Speaker

250. Industry is now the second largest sector in terms of contribution to the GDP. This contribution of the industrial sector is increasing day by day. Moreover, this sector is highly contributing to employment generation and investment. Our present development strategies comprise of the following elements: driving up industrial investment, maximizing utilization of the installed capacity of the existing industries, making export-oriented industries more competitive through its diversified expansion. Considering these aspects, our proposals of import duties and taxes on industrial sector are (**Table-7 of Annexure-B**):

(1) **Milk Powder:** At present, milk powder is importable on a concessionary Customs Duty (CD) rate which is 5%. To protect local dairy industry, I propose to increase this 5% CD to 10% on milk powder import.

(2) **Sugar:** I propose to increase existing specific duty from Tk. 2000.00/MT to Tk. 3000.00/MT on import of raw sugar. For refined sugar the specific duty will be increased from Tk. 4,500.00/MT to Tk. 6,000.00/MT. Regulatory duty will be 30% instead of 20% for both refined and raw sugar import.

(3) **Medicine:** The quality of medicine produced in Bangladesh is internationally acclaimed. It is one of the highly prospective export sectors in Bangladesh. We have a steep growth in medicine exports and that has been possible as the sector gets necessary facilities and required protection from the government. Exemptions and concessionary rate of duties of some pharmaceutical raw materials including that of cancer medicines, have been proposed. Moreover, I propose to decrease regulatory duty from 20% to 10% on import of liquid Oxygen, Nitrogen, Argon and Carbon Dioxide for making these lifesaving gases available to the poor patients at low cost.

(4) **Other Industries:** To protect domestic industries, I propose to increase regulatory duty on Maize (corn) starch, Manioc (Cassava) starch and gypsum board import. I also propose to increase supplementary duty on import of particle board and domestic electrical articles. Moreover, I also propose to allow import of some essential raw materials of lift, refrigerator, compressor, air conditioner, electric motor, mold and footwear industries at a concessionary rate.

(5) **Export Duty:** Rice bran is the prime raw material of rice bran oil. As there is a huge demand from local rice bran industries, I propose to increase export duty of rice bran from 10% to 25% to discourage exports. I also propose to withdraw existing 10% export duty on unmanufactured tobacco and to decrease existing export duty of building bricks from 25% to 15%.

(C) Transport sector:

Madam Speaker

251. **Motorcycle:** In the transport sector, motorcycle manufacturing and assembling is a rapidly growing industry in Bangladesh. The government is facilitating motorcycle manufacturing sector since FY2017-18 by allowing concessionary duties on raw material import. I propose to continue this concessionary duty benefits and inclusion of 3 new raw materials in the concessionary list. To protect domestic tyre & tube industry, I propose to increase regulatory duty from 3 percent to 5 percent on the importation of 16-inch tyre, motorcycle tyre and tube used in CNG baby taxi and light vehicles (**Table-8 of Annexure-B**).

(C) ICT sector:

252. Most of the products of ICT sector have been enjoying a reduced rate of duties and taxes since 1996. As a result, ICT sector developed significantly by this time. One of the main elements of the ICT sector is

cellular phone which is enjoying concessionary duty benefits on import of some raw materials and parts. Some (5-6) local manufacturers have already started manufacturing and assembling cell phones in Bangladesh. 10 percent customs duty is applicable on import of smart and feature phone. As smart phone is used by affluent people, I propose to increase customs duty of smart phone to 25 percent. However, customs duty of feature phone will remain unchanged as it is used by relatively poor people (**Table-9 of Annexure-B**).

Madam Speaker

253. Lightning has become a natural disaster to us. A number of people have been killed and many important electrical equipment have been destroyed because of lightening. To prevent these damages, I propose to reduce the duty of lightning arrester from 10 percent to 5 percent.

254. We have experienced some fire incidents of huge scale recently. At present, only VAT registered industries can import firefighting equipment at a concessionary rate. To combat the rise of fire incidents, this facility should be extended to all and I propose to allow this facility to all VAT registered service oriented organizations like hotels, hospitals, educational institutions, etc. I also propose to include a few more fire fighting equipment in the concessionary list (**Table-10 of Annexure-B**).

Madam Speaker

255. I propose necessary amendments in Customs Act, 1969 for introducing automated customs risk management system in accordance with international best practices, for ensuring national and international security and trade facilitation. In addition, for implementation of automated customs risk management system, I propose to establish a separate Customs Risk Management Department (CRMD) under NBR.

256. According to Customs Act, 1969, duty-tax is not leviable where

value and total duty tax is less than BDT 2000.00 of an import consignment. In order to make this provision effective, I propose to form a *de minimis* rule to expedite import of samples with a simplified process.

257. To prevent gold smuggling, a reduction of duty of gold under Passenger (non-tourist) and Baggage (import) Rules-2016 and for commercial import, from BDT 3000.00/11.664 gm to BDT 2000.00/11.664 gm has been proposed (**Table-11 of Annexure-B**).

Madam Speaker

258. **Amendments in First Schedule of the Customs Act:** We have observed that there are mistakes and inconsistencies in the existing structure of the tariff headings and H.S Code. In order to simplify international trade process, I propose to rationalize the inconsistent duty rates, creation of new H.S Code where necessary, deletion of wrong one and correction of H.S Codes and notifications. (**Table-12 of Annexure-B**).

259. To combat under-invoicing, reduce consumption of luxury and socially undesirable goods and to protect goods produced by local industries minimum value and tariff value of some high duty imported goods have been restructured.

Madam Speaker

260. The economic progress and development of Bangladesh are visible now. Bangladesh has become a role model for economic development. Revenue administration has to play a vital role to expedite this development. We expect more vigorous efforts in revenue mobilization if the reforms initiatives undertaken by the National Board of Revenue are implemented effectively. The economy will reach a new height and Bangladesh will be a middle-income country by 2021 and a developed one by 2041.

Conclusion

Madam Speaker

261. The present government led by Hon'ble Prime Minister Sheikh Hasina has expanded the horizon of our dream and at the same time enhanced the capacity to translate it into reality. Assuming the responsibility of office in 2009, the present government declared the *Vision 2021* to establish Bangladesh as a poverty-free, prosperous middle income country. The government's enviable capacity to realize this socio-economic vision within the quickest possible time has already been proven. Through the implementation of the planned and inclusive development strategies of the government, the country has achieved a sustained and high rate of growth with an unprecedented speed. The positive changes in all sectors of the economy are quite visible. In tandem, the rural economy has also become vibrant. No disparity exists between north-south and east-west region of the country.

262. As a sequel of the *Vision 2021*, the present government brings before the nation a new Perspective Plan '*Vision 2041*'. We are determined to elevate Bangladesh from the status of a middle income country, and become a peaceful, happy and prosperous developed country by 2041.

263. In our long enduring journey towards development, we have come to a stage from where, if we look back, we will come across those hurdles and obstacles that came in the way. We have to go a long way still which is fraught with so many challenges. Madam Speaker, you are aware, a nation's journey towards the future can never be easy and linear. However, we have enormous vigour to stand tall against all odds. Even amidst any deep crisis, we, the Bangalees time and again found out the way forward. Under the leadership of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, the brave heroes of this soil gifted us this country. We got a dream of establishing *Sonar Bangla* (Golden Bengal) from the Father of the Nation who invigorated the nation to rebuild the war-ravaged

economy and began the arduous journey with an amazing vision. Hon'ble Prime Minister Sheikh Hasina following the footsteps left behind by the Father of the Nation is taking us to the newer heights of achievements.

Madam Speaker

264. We are still unrelenting in materializing the dream of establishing Sonar Bangla which will continue from one generation to another. This journey will be inspired by our national flag with red and green, our symbol of pride. Our future generation, our youth, the children of our liberation war heroes shall put the nation in the highest seat of glory and dignity among the nations of the world.

Madam Speaker

265. The Father of the Nation Bangabandhu Sheikh Mujibur Rahman since the emergence of Bangladesh, has been our constant source of inspiration and will remain so forever. He will be shining among us as the sun. Bangladesh will move forward following his dream. As people in thousands came forward in response to his clarion call, so will they do in the future – at all times. They will come forward to repay what they owe to their parents, kith and kin and build Sonar Bangla what the Father of the Nation dreamt of and hoist atop our flag with red and green, which symbolizes our integrity, solidarity and sovereignty.

Salamun alal mursalin, o al hamdulillahe rabbil alameen.

Madam speaker, thank you very much.

**Jai Bangla
Jai Bangabandhu
Long Live Bangladesh**

Annexure-A

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Table 1: State of Socio-economic Progress

Year	Life Expectancy (Year)	Population Growth Rate (%)	Poverty Rate (%)	Extreme Poverty Rate (%)	Literacy Rate (%)	Infant Mortality Rate (per thousand live birth)
2006	65.4	1.49	38.4	24.2	52.3	45.0
2007	66.6	1.47	36.8	22.6	53.3	43.0
2008	66.8	1.45	35.1	21.0	54.4	41.0
2009	67.2	1.36	33.4	19.3	55.5	39.0
2010	67.7	1.36	31.5	17.6	56.8	36.0
2011	69.0	1.37	29.9	16.5	55.8	35.0
2012	69.4	1.36	28.5	15.4	56.3	33.0
2013	70.4	1.37	27.2	14.6	57.2	31.0
2014	70.7	1.37	26.0	13.8	58.6	30.0
2015	70.9	1.37	24.8	12.9	63.6	29.0
2016	71.6	1.37	24.3	12.9	71.0	28.0
2017	72.8	1.37	23.1*	12.1*	72.3	24.0
2018	-	-	21.8*	11.3*	-	-

Source: Bangladesh Bureau of Statistics, General Economic Divisions *Estimate

Table 2: Progress in a Decade

Fiscal Year	GDP Growth (%)	Investment (As % of GDP)			Per Capita Income (US\$)	Power Generation Capacity (Megawatt)	Food Grain Production (Lakh Metric Ton)	Average Inflation
		Public	Private	Total				
2010-11	6.46	5.26	22.16	27.42	928	7,264	360.7	10.9
2011-12	6.52	5.76	22.50	28.26	955	8,716	368.8	8.7
2012-13	6.01	6.64	21.75	28.39	1,054	9,151	372.7	6.8
2013-14	6.06	6.55	22.03	28.58	1,184	10,416	381.7	7.4
2014-15	6.55	6.82	22.07	28.89	1,316	11,534	384.2	6.4
2015-16	7.11	6.66	22.99	29.65	1,465	14,429	388.2	5.9
2016-17	7.28	7.41	23.10	30.51	1,610	15,379	386.3	5.4
2017-18	7.86	8.0	23.26	31.23	1,751	18,753	404.03	5.8
2018-19	8.13 ^P	8.2 ^P	23.4 ^P	31.6 ^P	1,905 ^P	21,629 ^b	429.93*	5.4 ^a
2019-20 (Projection)	8.2	8.6	24.2	32.8	2173	-	-	5.5

Source: Bangladesh Bureau of Statistics and Power Division, P= Provisional, a= Upto March 2019, b= 30 May 2019, *Estimated from Department of Agricultural Extension, Ministry of Agriculture.

Table 3: Supplementary Budget for 2018-19

(Crore Tk.)

Sector	Budget 2018-19	Revised 2018-19	Actual 2018-19 Up to March
Total Tax Revenue	3,39,280 (13.4)	3,16,612 (12.5)	1,86,304 (7.3)
NBR Tax	296201	280000	162054
Non-NBR Tax	9727	9600	5420
Non Tax Receipt	33352	27013	18830
Total Expenditure	4,64,573 (18.3)	4,42,541 (17.4)	2,06,340 (8.1)
Non-Development Revenue Expenditure	251668 (9.9)	247747 (9.8)	140961 (5.6)
Development Expenditure	179669 (7.1)	173449 (6.8)	47275 (1.9)
In which, Annual Development Programme	173000 (6.8)	167000 (6.6)	46860 (1.8)
Other Expenditure	33,236 (1.3)	21,345 (0.8)	18,104 (0.7)
Budget Deficit	-125,293 (-4.9)	-125,929 (-5.0)	-20,036 (-0.8)
Financing			
External Source	54067 (2.1)	47184 (1.9)	722 (0.03)
Domestic Source	71226 (2.8)	78745 (3.1)	24407 (0.96)
In which, Banking Source	42029 (1.7)	30895 (1.2)	1710 (0.1)
GDP	25,37,849^a	25,36,177^b	25,36,177^b

Source: Finance Division; Figures in parenthesis indicate percent of GDP; a= Projected Nominal GDP at the time of budget preparation; b= Provisional estimate of nominal GDP

Table 4: Proposed Budget Structure for FY 2019-20

(Crore Tk.)

Sector	Budget 2019-20	Revised 2018-19	Budget 2018-19	Actual 2017-18
1	2	3	4	5
Total Tax Revenue	3,77,810	3,16,613	3,39,280	2,16,555
	(13.1)	(12.5)	(13.4)	(9.6)
In which,				
NBR Tax	3,25,600	2,80,000	2,96,201	1,87,103
Non-NBR Tax	14,500	9,600	9,727	7,223
Non Tax Receipt	37,710	27,013	33,352	22,229
Total Expenditure	5,23,190	4,42,541	4,64,573	3,21,862
	(18.1)	(17.4)	(18.3)	(14.3)
Non-Development Revenue Expenditure	2,77,934	2,47,747	2,51,668	1,78,879
	(9.6)	(9.8)	(9.9)	(7.9)
Development Expenditure	2,11,683	1,73,449	1,79,669	1,22,154
	(7.3)	(6.8)	(7.1)	(5.4)
In which,				
Annual Development Programme	2,02,721	1,67,000	1,73,000	1,19,538
	(7.0)	(6.6)	(6.8)	(5.3)
Other Expenditure	33,573	21,345	33,236	20,829
	(1.2)	(0.8)	(1.3)	(0.9)
Budget Deficit	-145,380	-125,929	-125,293	-105,306
	(-5.0)	(-5.0)	(-4.9)	(-4.7)
Financing				
External source (including grants)	68,016	47,184	54,067	26,489
	(2.4)	(1.9)	(2.1)	(1.2)
Domestic source	77,363	78,745	71,226	79,076
	(2.7)	(3.1)	(2.8)	(3.5)
In which, Banking source	47,364	30,895	42,029	11,731
	(1.6)	(1.2)	(1.7)	(0.5)
GDP	28,85,872 ^a	25,36,177 ^b	25,37,849 ^a	22,50,479

Source: Finance Division; Figures in parenthesis indicate percent of GDP; a= Projected Nominal GDP at the time of budget preparation; b= Provisional estimate of nominal GDP

**Table 5: Annual Development Programme (Sectoral Allocation)
for FY 2019-20**

(Crore Tk.)

Ministry/Division	Budget 2019-20	Revised 2018-19	Budget 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
1	2	3	4	5	6	7	8
(a) Human Resource							
1. Ministry of Primary and Mass Education	9,270 (4.6)	6,427 (3.8)	8,312 (4.8)	6,545 (5.5)	5,452 (6.0)	4,924 (6.0)	3,994 (6.2)
2. Ministry of Health and Family Welfare	9,937 (4.9)	8,261 (4.9)	9,041 (5.2)	5,339 (4.5)	3,540 (3.9)	3,362 (4.1)	3,288 (5.1)
3. Directorate of Secondary and Higher Education	8,927 (4.4)	6,149 (3.7)	6,006 (3.5)	3,375 (2.8)	5,003 (5.5)	3,659 (4.5)	3,785 (5.8)
4. Others	27,481 (13.6)	21,336 (12.8)	23,093 (13.3)	8,187 (6.8)	8,192 (9.1)	5,064 (6.2)	5,153 (7.9)
Sub Total	55,615 (27.4)	42,173 (25.3)	46,452 (26.9)	23,446 (19.6)	22,187 (24.6)	17,009 (20.8)	16,220 (25.0)
(b) Agriculture and Rural Development							
5. Local Government Division	29,777 (14.7)	26,620 (15.9)	25,338 (14.6)	15,030 (12.6)	17,995 (19.9)	15,285 (18.7)	13,983 (21.5)
6. Ministry of Water Resouces	6,257 (3.1)	6,018 (3.6)	5,606 (3.2)	4,660 (3.9)	3,671 (4.1)	2,718 (3.3)	2,061 (3.2)
7. Ministry of Agriculture	1,823 (0.9)	1,807 (1.1)	1,844 (1.1)	1,398 (1.2)	1,637 (1.8)	1,733 (2.1)	1,406 (2.2)
8. Others	5,632 (2.8)	4,484 (2.7)	4,864 (2.8)	3,904 (3.3)	3,095 (3.4)	2,650 (3.2)	2,626 (4.0)
Sub Total	43,489 (21.5)	38,929 (23.3)	37,652 (21.8)	24,992 (20.9)	26,398 (29.2)	22,386 (27.4)	20,076 (30.9)
(c) Energy Infrastructure							
9. Power Division	26,014 (12.8)	24,176 (14.5)	22,893 (13.2)	26,552 (22.2)	13,447 (14.9)	15,864 (19.4)	8,305 (12.8)
10. Energy and Mineral Resources	1,916 (0.9)	2,209 (1.3)	1,820 (1.1)	862 (0.7)	1,099 (1.2)	1,056 (1.3)	1,014 (1.6)
Sub Total	27,930 (13.8)	26,385 (15.8)	24,713 (14.3)	27,414 (22.9)	14,546 (16.1)	16,920 (20.7)	9,319 (14.4)
(d) Communication Infrastructure							
11. Ministry of Railway	12,599 (6.2)	7,847 (4.7)	11,155 (6.4)	9,701 (8.1)	2,053 (2.3)	4,093 (5.0)	3,281 (5.1)
12. Road Transport and Highways Division	25,163 (12.4)	19,803 (11.9)	20,817 (12.0)	15,882 (13.3)	7,954 (8.8)	6,507 (8.0)	4,298 (6.6)
13. Bridges Division	8,561 (4.2)	6,344 (3.8)	9,112 (5.3)	3,220 (2.7)	3,738 (4.1)	5,266 (6.5)	5,299 (8.2)
14. Others	6,482 (3.2)	4,606 (2.8)	4,366 (2.5)	2,756 (2.3)	2,299 (2.5)	1,362 (1.7)	757 (1.2)
Sub Total	52,805	38,600	45,450	31,559	16,044	17,228	13,635

Ministry/Division	Budget 2019-20	Revised 2018-19	Budget 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
	(26.0)	(23.1)	26.3	(26.4)	(17.8)	(21.1)	(21.0)
Total	1,79,839 (88.7)	1,46,087 (87.5)	1,54,267 (89.2)	1,07,411 (89.9)	79,175 (87.7)	73,543 (90.1)	59,250 (91.3)
15. Others	22,882 (11.3)	20,913 (12.5)	18,733 (10.8)	12,127 (10.1)	11,134 (12.3)	8,069 (9.9)	5,669 (8.7)
Total ADP	2,02,721	1,67,000	1,73,000	1,19,538	90,309	81,612	64,919

Source: Finance Division; Figures in parenthesis indicate percent of total ADP allocation.

Table 6: Sectoral Allocation in Budget

(Crore Tk.)

Ministry/Division	Budget 2019-20	Revised 2018-19	Budget 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
(a) Social Infrastructure	1,43,429 (27.41)	1,23,524 (27.91)	1,27,022 (27.34)	87,914 (27.31)	83,088 (29.97)	72,878 (30.26)	55,857 (26.74)
Human Resource							
1. Ministry of Education	29,623 (5.66)	25,867 (5.85)	24,889 (5.36)	20,144 (6.26)	21,081 (7.60)	17,429 (7.24)	13,259 (6.35)
2. Ministry of Primary and Mass Education	24,041 (4.60)	20,521 (4.64)	22,466 (4.84)	18,344 (5.70)	17,330 (6.25)	16,240 (6.74)	11,898 (5.70)
3. Ministry of Health and Family Welfare	19,944 (3.81)	17,269 (3.90)	18,159 (3.91)	13,036 (4.05)	10,341 (3.73)	10,251 (4.26)	8,392 (4.02)
4. Others	55,448 (10.60)	46,119 (10.42)	47,694 (10.27)	28,891 (8.98)	27,247 (9.83)	20,904 (8.68)	16,816 (8.05)
Sub Total	1,29,056 (24.67)	1,09,776 (24.81)	1,13,208 (24.37)	80,415 (24.98)	75,999 (27.41)	64,824 (26.92)	50,365 (24.11)
Food and Social Safety							
5. Ministry of Food	4,502 (0.86)	4,031 (0.91)	4,156 (0.89)	1,748 (0.54)	352 (0.13)	1,269 (0.53)	735 (0.35)
6. Ministry of Disaster Management	9,871 (1.89)	9,717 (2.20)	9,658 (2.08)	5,751 (1.79)	6,737 (2.43)	6,785 (2.82)	4,757 (2.28)
Sub Total	14,373 (2.75)	13,748 (3.11)	13,814 (2.97)	7,499 (2.33)	7,089 (2.56)	8,054 (3.34)	5,492 (2.63)
(b) Physical Infrastructure	1,64,603 (31.46)	1,41,081 (31.88)	1,43,981 (30.99)	1,12,728 (35.02)	81,806 (29.51)	81,984 (34.05)	65,167 (31.20)
Agriculture and Rural Development							
7. Ministry of Agriculture	14,049 (2.69)	12,788 (2.89)	13,910 (2.99)	9,237 (2.87)	7,626 (2.75)	10,740 (4.46)	10,345 (4.95)
8. Ministry of Water Resources	7,932 (1.52)	7,679 (1.74)	7,093 (1.53)	6,026 (1.87)	4,636 (1.67)	3,646 (1.51)	2,843 (1.36)
9. Local Government Division	34,240 (6.54)	30,695 (6.94)	29,150 (6.27)	18,623 (5.79)	20,731 (7.48)	17,701 (7.35)	16,060 (7.69)
10. Others	10,013 (1.91)	8,515 (1.92)	8,776 (1.89)	6,812 (2.12)	7,151 (2.58)	5,682 (2.36)	5,054 (2.42)

Ministry/Division	Budget 2019-20	Revised 2018-19	Budget 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
Sub Total	66,234 (12.66)	59,677 (13.49)	58,929 (12.68)	40,698 (12.64)	40,144 (14.48)	37,769 (15.68)	34,302 (16.42)
Power and Energy	28,051 (5.36)	26,503 (5.99)	24,920 (5.36)	28,561 (8.87)	14,621 (5.27)	16,984 (7.05)	9,359 (4.48)
Communication Infrastructure							
11. Road Transport and Highways Division	29,274 (5.60)	23,486 (5.31)	24,380 (5.25)	19,298 (6.00)	10,498 (3.79)	8,900 (3.70)	6,460 (3.09)
12. Ministry of Railway	16,263 (3.11)	11,231 (2.54)	14,542 (3.13)	12,406 (3.85)	3,489 (1.26)	6,334 (2.63)	5,093 (2.44)
13. Bridges Division	8,564 (1.64)	6,346 (1.43)	9,114 (1.96)	3,242 (1.01)	3,769 (1.36)	5,297 (2.20)	5,299 (2.54)
14. Others	7,259 (1.39)	5,285 (1.19)	5,045 (1.09)	3,346 (1.04)	2,849 (1.03)	1,826 (0.76)	1,036 (0.50)
Sub Total	61,360 (11.73)	46,348 (10.47)	53,081 (11.43)	38,292 (11.90)	20,605 (7.43)	22,357 (9.28)	17,888 (8.56)
15. Other Sector	8,958 (1.71)	8,553 (1.93)	7,051 (1.52)	5,177 (1.61)	6,436 (2.32)	4,874 (2.02)	3,618 (1.73)
(c) General Services	1,23,641 (23.63)	1,07,613 (24.32)	1,17,325 (25.25)	68,642 (21.33)	70,228 (25.33)	48,626 (20.19)	41,469 (19.85)
Public Order and Safety	27,637 (5.28)	28,068 (6.34)	26,594 (5.72)	22,052 (6.85)	20,646 (7.45)	16,474 (6.84)	13,161 (6.30)
16. Others	96,004 (18.35)	79,545 (17.97)	90,731 (19.53)	46,590 (14.48)	49,582 (17.88)	32,152 (13.35)	28,308 (13.55)
Total	4,31,673 (82.5)	3,72,218 (84.1)	3,88,328 (83.6)	2,69,284 (83.7)	2,35,122 (84.8)	2,03,488 (84.5)	1,62,493 (77.8)
(d) Interest Payments	57,070 (10.91)	48,745 (11.01)	51,340 (11.05)	41,765 (12.98)	35,337 (12.75)	33,117 (13.75)	30,973 (14.83)
(e) PPP Subsidy and Liability	33,202 (6.35)	19,214 (4.34)	22,416 (4.83)	2,578 (0.80)	1,334 (0.48)	3,770 (1.57)	4,281 (2.05)
(f) Net Landing and Other Expenditure	1,245 (0.24)	2,364 (0.53)	2,489 (0.54)	8,235 (2.56)	5,443 (1.96)	432 (0.18)	11,127 (5.33)
Total Budget	5,23,190	4,42,541	4,64,573	3,21,862	2,77,236	2,40,807	2,08,874

Source: Finance Division; () indicates % of total budget

Table 7: Ministry/Division-wise Budget Allocation

(Crore Tk.)

Ministry/Division	Budget 2019-20	Revised 2018-19	Budget 2018-19
President's Office	24	23	23
National Parliament	328	299	332
Prime Minister's Office	3,528	2,818	2,801
Cabinet Division	241	155	147
Supreme Court	195	213	180
Election Commission Secretariat	1,921	4,343	1,895
Ministry of Public Administration	2,938	2,854	2,624
Bangladesh Public Service Commission	102	128	77
Finance Division	1,30,810	95,682	1,17,142
Office of the Comptroller and Auditor General of Bangladesh	238	217	215
Internal Resources Division	2,899	2,320	2,427
Financial Institutions Division	3,042	2,237	2,622
Economic Relations Division	4,560	3,730	3,219
Planning Division	1,231	513	1,380
Implementation Monitoring & Evaluation Division	149	145	135
Statistics and Informatics Division	375	741	599
Ministry of Commerce	632	486	556
Ministry of Foreign Affairs	1,621	1,402	1,250
Ministry of Defense	32,520	30,670	29,066
Armed Forces Division	38	34	35
Law and Justice Division	1,651	1,577	1,522
Public Security Division	21,920	22,099	21,424
Legislative and Parliamentary Affairs Division	35	38	35
Ministry of Primary and Mass Education	24,040	20,521	22,465
Secondary and Higher Education Division	29,624	25,866	24,895
Ministry of Science and Technology	16,439	12,391	12,201
Health Service Division	19,944	17,269	18,166
Information and Communication Technology Division	1,930	1,737	2,681
Ministry of Social Welfare	6,881	5,582	5,591
Ministry of Women and Children Affairs	3,749	3,457	3,490
Ministry of Labour and Employment	313	271	227

Ministry/Division	Budget 2019-20	Revised 2018-19	Budget 2018-19
Ministry of Housing and Public Works	6,603	6,146	4,963
Ministry of Information	989	928	1,166
Ministry of Cultural Affairs	576	625	509
Ministry of Religious Affairs	1,338	1,495	1,168
Ministry of Youth and Sports	1,485	1,519	1,498
Local Government Division	34,241	30,696	29,153
Rural Government and Co-operatives Division	2,449	2,266	2,208
Ministry of Industries	1,556	1,572	1,352
Ministry of Expatriates Welfare and Overseas Employment	591	596	595
Ministry of Textiles and Jute	800	1,614	738
Energy and Mineral Resources Division	1,986	2,290	1,984
Ministry of Agriculture	14,053	12,792	13,914
Ministry of Fisheries and Livestock	2,932	1,782	1,868
Ministry of Environment, Forest and Climate Change	1,495	1,339	1,269
Ministry of Land	1,943	1,760	2,114
Ministry of Water Resources	7,932	7,679	7,093
Ministry of Food	4,814	4,316	4,524
Ministry of Disaster Management and Relief	9,871	9,718	9,658
Road Transport and Highways Division	29,274	23,485	24,380
Ministry of Railway	16,277	11,246	14,557
Ministry of Shipping	3,833	4,214	3,537
Ministry of Civil Aviation and Tourism	3,426	1,071	1,508
Posts and Telecommunications Division	3,456	2,835	3,379
Ministry of Chittagong Hill Tracts Affairs	1,194	1,360	1,309
Power Division	26,065	24,212	22,936
Ministry of Liberation War Affairs	4,453	3,848	4,261
Anti Corruption Commission	140	123	117
Bridges Division	8,564	6,346	9,114
Technical and Madrasha Education Division	7,454	5,758	5,702
Security Services Division	3,694	4,025	3,350
Ministry of Health and Family Welfare	5,788	5,067	5,227
Total	5,23,190	4,42,541	4,64,573

Source: Finance Division

Annexure-B

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Table 1: Revenue Collection Scenario in Last Ten Years

Fiscal Year	Target (Crore Tk.)	Collection (Crore Tk.)	Growth Rate
(1)	(2)	(3)	(4)
2008-09	53000	52527.25	10.73%
2009-10	61000	62042.16	18.11%
2010-11	75600	79409.11	27.98%
2011-12	92370	95059	19.72%
2012-13	112259	109152	14.83%
2013-14	125000	120820	10.69%
2014-15	135028	135701	12.32%
2015-16	150000	153627	13.21%
2016-17	185000	171656	11.74%
2017-18	225000	206407	20.24%

Source: National Board of Revenue

Table 2: Tax rates for taxpayers other than companies

(a) Tax Exemption threshold		
Status	Existing (in BDT)	Proposed (in BDT)
General taxpayers	2 lakh 50 thousand	Unchanged
Women and senior citizen aged 65 years and above	3 lakh	
Person with disability	4 lakh	
Gazetted war-wounded freedom fighters	4 lakh 25 thousand	
(b) General Tax Rate		
Total Income		Tax Rate
On first Taka 2 lakh 50 thousand	Nil	Unchanged
On next Taka 4 lakh	10 percent	
On next Taka 5 lakh	15 percent	
On next Taka 6 lakh	20 percent	
On next Taka 30 lakh	25 percent	
On the balance of total income	30 percent	
(c) Special Tax Rate		
Cigarette, bidi, zarda, chewing tobacco, gul or any other tobacco product manufacturer	45 percent	Unchanged
Income of non-resident	30 percent	
Income of Co-operative society	15 percent	

Table 3: Company tax rate

Types of Company	Rate of taxes on profit	Proposed rate (Unchanged)
Publicly traded Company	25 percent	25 percent
Non-publicly traded Company	35 percent	35 percent
Publicly traded bank, insurance and financial institution and bank, insurance and financial institutions approved by the Government in 2013	37.5 percent	37.5 percent
Merchant bank	37.5 percent	37.5 percent
Non-publicly traded bank, insurance and financial institutions	40 percent	40 percent
Cigarette and tobacco product manufacturing Company	45 percent	45 percent
Mobile operator Company	40 percent	40 percent
Publicly traded Company	45 percent	45 percent
Non-publicly traded Company		
Dividend	20 percent	20 percent

Table 4: Rates of surcharge

Amount of net wealth	Rates of surcharge (as % of income tax)
(1) Net wealth upto BDT 3 crore	Nil
(2) (a) Net wealth exceeding BDT 3 crore but not exceeding BDT 5 crore; or (b) Ownership of 2 motor cars; or (c) Ownership of house property having an aggregate area of 8 thousand square feet in a city corporation	10 percent
(3) Net wealth exceeding BDT 5 crore but not exceeding BDT 10 crore; or	15 percent
(4) Net wealth exceeding BDT 10 crore but not exceeding BDT 15 crore	20 percent
(5) Net wealth exceeding BDT 15 crore but not exceeding BDT 20 crore	25 percent
(6) Net wealth exceeding BDT 20 crore	30 percent

Table 5: TDs rate on the bill of contractors and suppliers

Sl	Base value	Rates of deduction
(1)	Up to BDT 25 lakh	2%
(2)	Above BDT 25 lakh but below BDT 50 lakh	3%
(3)	Above BDT 50 lakh but below BDT 1 crore	4%
(4)	Above 1 crore	5%

Table 6: Agriculture Sector

- **Reduction of duty and taxes of feed ingredients used Poultry/Dairy/Fish feed**

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	2309.90.19	Ammonia Binder (Feed grade)	5	0
2	2309.90.19	Liver Protector, renal protector, respiratory protector	5	0
3	2832.30.00	Vaccine stabilizer (Thiosulphates)	10	0

- **Reduction of customs duty on Harvesting machinery by creating new H.S. Code.**

Table 7: Industrial Sector

- a) **List of items on which duty is increased to protect domestic industry**

Sl. No.	H.S. Code	Description	Existing Duty	Proposed Duty
(1)	(2)	(3)	(4)	(5)
1	0402.10.91 0402.21.91	Milk Powder	CD-5	CD-10
2	1701.12.00 1701.13.00 1701.14.00	Raw sugar	BDT 2000/MT RD-20%	BDT 3000/MT RD-30%
3	1701.91.00 1701.99.00	Refined sugar	BDT 4500/MT RD-20%	BDT 6000/MT RD-30%

- b) **Raw materials of cancer medicine**

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1.	2903.99.00	Mitotane	10	0
2.	2925.19.90	Thalidomide	5	0
3.	2932.99.00	Brigatinib	10	0
4.	2933.29.00	Dacarbazine	5	0
5.	2933.39.00	Acalabrutinib INN	0	0
6.	2933.39.00	Cobemitinib	0	0
7.	2933.59.90	Dacometinib	5	0
8.	2933.59.90	Nilotinib HCl Monohydrate	5	0
9.	2933.59.90	Vandetanib	5	0
10.	2933.79.90	Neratinib Malate	5	0

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
11.	2933.99.00	Atatinib Dimaleate	0	0
12.	2933.99.00	Pazopanib HCl	0	0
13.	2937.23.99	Fulvestran	5	0
14.	2939.80.00	Vinorelbine Tartrate	10	0
15.	2941.90.90	Idarubicin HCl	0	0
16.	2941.90.90	Idelalisib INN	0	0
17.	2941.90.90	Niraparib Tosylate Monohydrate	0	0
18.	2942.00.90	Apalutamide INN	5	0
19.	2942.00.90	Durvalumab	5	0
20.	2942.00.90	Nintedanib Esylate	5	0
21.	3002.19.00	Denosumab	0	0
22.	3002.19.00	Eculizumab	0	0
23.	3002.19.00	Ipilimumab	0	0
24.	3004.49.90	Linalidomide	5	0
25.	3004.90.91	Letrozole	0	0
26.	3004.90.99	Abemaciclib	5	0
27.	3004.90.99	Alectinib HCl	5	0
28.	3004.90.99	Atezolizumab	5	0
29.	3004.90.99	Cabozantinib	5	0
30.	3004.90.99	Daratumumab	5	0
31.	3004.90.99	Enasidenib mesylate	5	0
32.	3004.90.99	Enzalutamide	5	0
33.	3004.90.99	Larotrectinib	5	0
34.	3004.90.99	Olaparib	5	0
35.	3004.90.99	Panitumumab	5	0
36.	3004.90.99	Pembrolizumab	5	0
37.	3004.90.99	Ponatinib HCl	5	0
38.	3004.90.99	Remucirumab	5	0
39.	3004.90.99	Ribociclib Succinate	5	0
40.	3004.90.99	Rucaparib Camsylate	5	0
41.	3004.90.99	Trametinib Dimethyl sulfoxide	5	0
42.	3004.90.99	Tretinoin	5	0
43.	3004.90.99	Vemurafenib	5	0

c) Regulatory duty increased/decreased

Sl. No.	Heading	H.S. Code	Description	RD Rate (Existing)	RD Rate (Proposed)
(1)	(2)	(3)	(4)	(5)	(6)
1	28.04	2804.21.00	Argon	20%	10%
		2804.30.00	Nitrogen	20%	10%
		2804.40.00	Oxygen	20%	10%
2	28.11	2811.21.00	Carbon dioxide	20%	10%
3	11.08	1108.12.00	Maize (corn) starch	10	20
		1108.14.00	Manioc (cassava) starch	10	20

• **Export duty increased/decreased**

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	2302.40.10	Rice bran	10	25
2	Heading 24.01 (All H.S. Code)	Unmanufactured tobacco; tobacco refuse.	10	0
3	6904.10.00	Building bricks	25	15

• **Lift Industry**

a) Components for lift manufacturing on which duty-taxes are exempted except 1% custom duty:

TABLE-I

Heading	H.S. code	Description
(1)	(2)	(3)
40.10	4010.12.00	Conveyor belts/belting of vulcanised rubber reinforced only with textile materials
40.16	4016.99.90	Rubber pad
72.16	7216.10.00	U, I or H sections of iron/steel, hot-rolled..., <80mm high
	7216.21.00	L sections of iron/steel, hot-rolled..., <80mm high
	7216.22.00	T sections of iron/steel, hot-rolled..., <80mm high
	7216.31.00	U section of iron/steel, hot-rolled..., >=800 high
	7216.32.00	I sections of iron/steel, hot-rolled..., >=80mm high
	7216.33.00	H sections of iron/steel, hot-rolled..., >=80mm high
	7216.40.00	L or T sections of iron/steel, hot-rolled..., >=80mm high
84.25	8425.31.00	Winches, capstans, powered by electric motor
84.31	8431.31.00	Guide shoe
	8431.31.00	Overspeed governor
	8431.31.00	Fishplate
	8431.31.00	Door vane
	8431.31.01	Lift overload device
	8431.31.00	Door contact
	8431.31.00	Sustainer
	8431.31.00	Hydraulic buffer

Heading	H.S. code	Description
(1)	(2)	(3)
	8431.31.00	Pollyurithin buffer
	8431.31.00	AC choke coil
	8431.31.00	Pit box
	8431.31.00	Safety gear
84.83	8483.50.00	Pulley
	8483.90.00	Door roller
85.01	8501.52.00	Motor
85.04	8504.40.90	ARD or UPS
85.05	8505.20.00	Electromagnetic brake
85.34	8534.00.00	PCB board
85.41	8541.50.00	Semiconductor device
90.31	9031.80.00	Photo sensor
90.32	9032.89.00	Controlling apparatus
	9032.89.00	Lift hand terminal

b) Components for lift manufacturing on which duty-taxes have been exempted except 5% customs duty:

TABLE-II

Heading	H.S. code	Description
(1)	(2)	(3)
38.19	3819.00.00	Hydraulic brake fluids and similar liquids with <70% petroleum oil
40.10	4010.39.10	Rubber belt round not exceeding 10 in dia/flat
72.09	7209.26.00	Flat/Cold-Rolled iron/steel, not in coils, width \geq 600mm, $>$ 1mm but $<$ 300 thick
	7209.25.00	Flat/Cold-Rolled iron/steel, not in coils, width \geq 600mm, \geq 3mm thick
72.19	7219.33.00	Cold-Rolled stainless steel, uncoiled, \geq 600mm by 1-3 mm
	7219.34.00	Cold-Rolled stainless steel, uncoiled, \geq 600mm by 0.5-1 mm
	7219.35.00	Cold-Rolled stainless steel, uncoiled, \geq 600mm by $<$ 0.5mm
72.23	7223.00.00	Wire of stainless steel
73.18	7318.14.90	Threaded self-tapping screw
	7318.21.00	Non-Threaded spring washes, nes of iron/steel
84.82	8482.10.00	Ball or roller bearings (incl. combined ball/roller bearings), nes
85.01	8501.20.99	Universal AC/DC motors of an output $>$ 37.5 w
85.31	8531.20.00	LCD panel or LED panel or TFT panel or touch LCD panel
	8531.80.00	Dot matrix indicator or seven segment indicator
85.36	8536.20.00	Electrical circuit breaker
	8536.41.00	Relays for a voltage \leq 60 V
	8536.49.90	Relays for a voltage 60-1000 V
85.37	8537.10.99	Control panel
96.06	9606.29.00	Other buttons, nes

- **Compressor Industry**

a) Components for compressor manufacturing on which all duty-taxes are exempted except 1% customs duty:

TABLE-I

Heading	HS Code	Description
(1)	(2)	(3)
25.05	2505.10.00	Silica sand
25.06	2506.10.00	Quartz grit
25.08	2508.10.00	Bentonite
27.09	2709.00.00	Petroleum base anti rust oil or preparation
34.03	3403.99.10	Compressor oil
38.16	3816.00.10	Coil protection grout / refractories
38.24	3824.10.00	Coal dust / lubricant, binder chemicals or preparation
40.16	4016.93.00	Vulcanized rubber parts for sealing, rubber plug for sealing
40.16	4016.99.90	Rubber grommet, rubber plug, rubber protection cap, rubber bush, vulcanized rubber parts
68.14	6814.10.00	Mica sheet
72.02	7202.19.00	Ferro-manganese alloy
72.02	7202.99.00	Ferro alloy
72.05	7205.10.00	Sintered iron, steel shots, steel granules, sintered iron of alloy steel
72.11	7211.19.10	Hot rolled steel (thickness less than 4.75mm, width less than 600mm)
72.25	7225.19.00	Silicon-electrical steel sheet (width 600mm or more)
72.26	7226.19.00	Silicon-electrical steel sheet (width less than 600mm)
76.01	7601.10.90	Aluminum ingot
84.14	8414.90.20	Parts and components of compressor
85.32	8532.29.10	Capacitor
85.34	8534.00.00	Printed circuit board
85.36	8536.30.10	Overload protector, motor protector
85.44	8544.11.10	Copper winding wire

b) Components for compressor manufacturing on which all duty-taxes are exempted except 5% customs duty:

TABLE-II

Heading	HS Code	Description
(1)	(2)	(3)
25.05	2505.90.00	Resin coated sand / core sand
27.08	2708.20.00	Carburizer, pitch coke
27.10	2710.20.00	Petroleum base lubricating oil
	2710.20.00	petroleum base leak test oil
28.49	2849.20.00	Silicon carbide
34.03	3403.99.90	Mineral oil/ Petroleum
48.11	4811.90.90	Paper base gasket material, syntheseal n-8092, lexide NI 2085
72.02	7202.21.00	Ferrosilicon alloy(>55%silicon), flux material (>55% silicon)

Heading	HS Code	Description
(1)	(2)	(3)
	7202.29.00	Flux material (< 55% silicon)
72.08	7208.26.90	Hot rolled steel pickled (thickness from 3mm to 4.74 mm) in coil
	7208.27.90	Hot rolled steel (thickness less than 3mm) in coil

- **Footwear Industry: Components/Inputs for footwear Industry on which Regulatory duty and Supplementary duty are exempted:**

Heading	H.S. Code	Description of goods
(1)	(2)	(3)
39.17	3917.23.90	Tubes, pipes and hoses of plastics
39.26	3926.90.99	PVC Screen
59.03	5903.10.90	Textile fabrics, impregnated, coated, covered or laminated with PVC
	5903.90.90	Other Textile fabrics, impregnated, coated, covered or laminated with plastics
60.06	6006.90.00	Other knitted or crocheted fabrics

- **Mold Industry: Components/Inputs for mold manufacturing which are included in SRO:**

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1.	7408.21 .00	Brass wire	10	1
2.	7409.19.00	Copper plate	10	1

Table 4: Transport Sector

- **Components/Inputs in the transport sector included in SRO and on which duty tax Reduced /Enhanced:**

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1.	8409.99.90	Carburator	CD-5	CD-5
2.	8421.31.00	Air filter	CD-25	CD-15
3.	8714.10.90	Brakes	CD-25	CD-15
4.	4011.20.10	Tyre of rim size of 16 inch	RD-3%	RD-5%
5.	4011.40.00	Tyre of a kind used on motorcycles	RD-3%	RD-5%
6.	4013.90.90	Other Inner tubes	RD-0%	RD-5%

Table 9: ICT Sector

- **Components/Inputs in the ICT sector included in SRO and on which duty tax Increased/Reduced:**

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1.	8541.40.90	Trasistors	5	1
2.	8541.60.00	Crystal diods	5	1
3.	8538.90.90	Charger connector pin	25	10
4.	7319.90.00	SIM slot ejector pin	25	10
5.	8517.12.11	Smart phone	10	25
6.	8517.12.19	Other phone	10	10

Table 10: Firefighting equipment

- **Components/Parts of Firefighting Equipments which are included in SRO and on which duty Increased/Reduced:**

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1.	2520.20.00	Promaspray-300 (Plaster/Cement)	5	5
2.	3208.10.90	Bondseal paint	25	5
3.	3208.90.90	Fire retardant paint	25	5
4.	6806.90.00	Fendolite MII (Mixture)	10	5
5.	8535.40.10	Lightning arresters	10	5

Table 11: Gold import

- **Reduction of specific duty in gold import:**

Sl. No.	H.S. Code	Description	Existing Duty	Proposed Duty
(1)	(2)	(3)	(4)	(5)
1.	7108.12.00	Gold (Unwrought)	BDT 3000.00 per 11.664 gm	BDT 2000.00 per 11.664 gm
2.	7108.13.00	Gold (semi- manufactured)	BDT 3000.00 per 11.664 gm	BDT 2000.00 per 11.664 gm
3.	9801.00.29	Gold bar (upto 234 gm)	BDT 3000.00 per 11.664 gm (For Baggage)	BDT 2000.00 per 11.664 gm (For Baggage)

Table 12: Tariff Rationalization

- Duty increased/decreased:

a) List of items those duty tax have been reduced:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1.	0712.90.92	Dihydrated chives imported by VAT registered biscuits and bakery products manufacturing industry	25	15
2.	2306.10.00	Cotton seeds	5	0
3.	2306.60.00	Palm nuts or kernels	5	0
4.	2517.49.00	Pebbles broken stone	25	5
5.	2711.14.10	Ethylene/propylene imported by VAT registered PVC/PET resin manufacturing industry in economic zone	5	0
6.	2905.31.20	Ethylene glycol Imported by VAT registered PVC/PET resin manufacturing industry in economic zone	10	0
7.	2917.36.20	Terephthalic acid imported by VAT registered PVC/PET resin manufacturing industry in economic zone	25	0
8.	3812.39.20	Anti-oxidising preparations and other compound stabilizers imported by VAT registered plastic goods manufacturing industry	10	5
9.	3917.23.20	FEP/Teflon tube imported by VAT registered medical equipment manufacturing industry	10	5
10.	5305.00.10	Coco substrate; coco pellet; growing media	5	0
11.	7210.49.10	Flat-rolled products of a thickness of 0.4 mm or more imported by VAT registered pre-fabricated building manufacturing industry	25	10
12.	9018.39.18	Fistula needle	10	5
13.	4810.99.10	Single or double side coated release paper imported by VAT registered refrigerator or freezer manufacturing industry	25	15
14.	7212.50.10	Steel plate imported by VAT registered refrigerator manufacturing industry	10	5
15.	4009.11.10	Tubes without fittings imported by VAT registered medical equipment manufacturing industry	25	5
16.	4802.57.10	Uncoated paper and paper board weighing 40 g/m ² or more but not more than 150 g/m ² imported by VAT registered medical equipment manufacturing industry	25	5
17.	7408.19.10	Copper wire Imported by VAT registered electric fan motor or water pump motor	10	5

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
		manufacturing industry		
18.	7601.10.10	Aluminium ingot imported by VAT registered electric fan motor or water pump motor manufacturing industry	5	0
19.	7318.22.10	Rotor washers imported by VAT registered electric fan motor or water pump motor manufacturing industry	25	15
20.	7227.90.10	M.S. rod/shaft imported by VAT registered electric fan motor or water pump motor manufacturing industry	10	5
21.	4821.90.10	Sticker imported by VAT registered electric fan motor or water pump motor manufacturing industry	25	15
22.	4811.90.21	Insulated paper imported by VAT registered electric fan motor or water pump motor manufacturing industry	10	5
23.	3901.10.10	TPMC imported by VAT registered electric fan motor or water pump motor manufacturing industry	5	0
24.	8503.00.30	Rotor/Motor bush imported by electric fan motor or water pump motor manufacturing industry	1	0
25.	8532.22.10	Capacitor imported by VAT registered electric fan motor or water pump motor manufacturing industry	10	5
26.	2524.90.10	Chrysolite fibre imported by VAT registered cement sheet manufacturing industry	10	5

b) List of items those duty tax have been increased:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1.	0402.10.91	Milk and cream in powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5%, other than retail packing of upto 2.5 kg imported by VAT registered milk and milk products manufacturing industry	5	10
2.	0402.21.91	Milk and cream in powder, granules or other solid forms, of a fat content, by weight, exceeding 1.5%, other than retail packing of upto 2.5 kg imported by VAT registered milk and milk products manufacturing industry	5	10
3.	0409.00.90	Natural honey in bulk	10	15
4.	1509.10.10	Olive oil wrapped/canned upto 2.5 kg	10	25
5.	1509.90.10	Other olive oil	10	25

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
6.	1901.90.20	Dry mixed ingredients of food preparations in bulk imported by VAT registered food processing industries	10	15
7.	3921.90.20	Multilayer extruded sheet for plastic laminated collapsible tube imported by VAT registered plastic tube manufacturing industries	15	25
8.	7011.10.00	Glass envelopes for electric lighting	15	25
9.	7008.00.00	Multiple-walled insulating units of glass.	10	25
10.	8501.10.90	Other motor not exceeding 37.5 W	5	10
11.	8501.20.91	Universal AC/DC motor of an output exceeding 37.5 W but not exceeding 750 W	5	10
12.	8501.31.90	Other DC motor not exceeding 750 W	5	10
13.	8501.40.10	AC motor single phase of an output not exceeding 750 W	1	10
14.	8501.51.00	AC motor multy phase of an output not exceeding 750 W	5	10

c) List of items those Regulatory Duty have been imposed/increased/decreased:

Sl. No.	Heading	H.S. Code	Description	Existing RD Rate	Proposed RD Rate
(1)	(2)	(3)	(4)	(5)	(6)
1.	13.01	All H.S. Codes	Lac; natural gums, resins, gum-resins and oleoresins (for example, balsams).	0	5%
2.	23.06	2306.10.00	cotton seeds	0%	5%
		2306.60.00	palm nuts or kernels	0%	5%
3.	27.11	2711.14.10	Ethylene/propylene imported by VAT registered PVC/PET resin manufacturing industry in economic zone	0%	3%
4.	29.05	2905.31.20	Ethylene glycol Imported by VAT registered PVC/PET resin manufacturing industry in economic zone	0%	3%
5.	29.17	2917.36.20	Terephthalic acid imported by VAT registered PVC/PET resin manufacturing industry in economic zone	0%	3%
6.	85.44	8544.70.00	Optical fibre cables	0%	5%

d) List of items those Supplementary Duty have been imposed/increased/decreased:

Sl. No.	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1.	1702.30.10	Dextrose anhydrous/ monohydrate BP/USP Pyrogen free imported under blocklist	0	20
2.	2517.49.00	Pebbles broken stone	0	30
3.	7005.29.10	Ultra clear glass imported by VAT registered refrigerator or freezer manufacturing industry	45	0
4.	3307.20.00	Personal deodorants and antiperspirants	20	30
5.	4410.11.00	Particle board	10	20
6.	6808.00.00	Panels, boards, tiles, blocks and similar articles of vegetable fibre, of straw or of shavings, chips, particles, sawdust or other waste, of wood, agglomerated with cement, plaster or other mineral binders.	0	10
7.	7010.90.00	Carboys, bottles, flasks, jars, pots, phials and other containers, of glass, of a kind used for the conveyance or packing of goods; preserving jars of glass	0	20
8.	8536.69.10	Plug terminal imported by VAT registered electric fan motor or water pump motor manufacturing industry	20	0
9.	8516.60.00	Other ovens; cookers, cooking plates, boiling rings, grillers and roasters	0	20

- **List of items those tariff description, H.S. Code have been amended, split, merged and created:**

a) List of items those H.S. Code have been changed/amended:

Sl. No.	H.S. Code	Existing Description	Changed Description
(1)	(2)	(3)	(4)
1.	3812.39.20	--- Anti-oxidising preparations and other compound stabilizers imported by VAT registered tyre-tube manufacturing industry	--- Anti-oxidising preparations and other compound stabilizers imported by VAT registered tyre-tube or plastic goods manufacturing industry
2.	7210.49.10	--- Of a thickness of 0.4 mm or more imported by VAT registered refrigerator manufacturing industry	--- Of a thickness of 0.4 mm or more imported by VAT registered pre-fabricated building or refrigerator manufacturing industry

b) List of items those H.S. Code have been Split:

Sl. No.	Existing H.S. Code	Split H.S. Code	Description
(1)	(2)	(3)	(4)
1.	1509.10.00	1509.10.10	--- wrapped or canned upto 2.5 kg
		1509.10.90	--- Other
2.	1509.90.00	1509.90.10	--- wrapped or canned upto 2.5 kg
		1509.90.90	--- Other
3.	2711.14.90	2711.14.10	--- Ethylene/propylene imported by VAT registered PVC/PET resin manufacturing industry
		2711.14.90	--- Other
4.	3901.10.00	3901.10.10	--- TPMC imported by VAT registered electric fan motor or water pump motor manufacturing industry
		3901.10.90	--- Other
5.	4009.11.00	4009.11.10	--- Imported by VAT registered medical equipment manufacturing industry
		4009.11.90	--- Other
6.	4802.57.00	4802.57.10	--- Imported by VAT registered medical equipment manufacturing industry
		4802.57.90	--- Other
7.	4810.99.00	4810.99.10	--- Single or double side coated release paper imported by VAT registered refrigerator or freezer manufacturing industry
		4810.99.90	--- Other
8.	4811.90.00	4811.90.21	---- Insulated paper imported by VAT registered electric fan motor or water pump motor manufacturing industry
		4811.90.29	---- Other
9.	4821.90.00	4821.90.10	--- Sticker imported by VAT registered electric fan motor or water pump motor manufacturing industry
		4821.90.90	--- Other
10.	5305.00.00	5305.00.10	--- Coco substrate; coco pellet; growing media
		5305.00.90	--- Other
11.	7005.29.00	7005.29.10	--- Ultra clear glass imported by VAT registered refrigerator or freezer manufacturing industry
		7005.29.90	--- Other
12.	7212.50.00	7212.50.10	--- Steel plate imported by VAT registered refrigerator manufacturing industry
		7212.50.90	--- Other
13.	7227.90.00	7227.90.10	--- M.S. rod/shaft imported by VAT registered electric fan motor or water pump motor manufacturing industry
		7227.90.90	--- Other
14.	7318.22.00	7318.22.10	--- Rotor washers imported by VAT registered electric fan motor or water pump motor manufacturing industry
		7318.22.90	--- Other
15.	7408.19.00	7408.19.10	--- Copper wire Imported by VAT registered electric fan motor or water pump motor manufacturing industry
		7408.19.90	--- Other

Sl. No.	Existing H.S. Code	Splited H.S. Code	Description
(1)	(2)	(3)	(4)
16.	7601.10.00	7601.10.10	--- Aluminium ingot imported by VAT registered electric fan motor or water pump motor manufacturing industry
		7601.10.90	--- Other
17.	8433.59.00	8433.59.10	--- Harvesting machinery
		8433.59.90	--- Other
18.	8501.40.00	8501.40.10	--- Of an output not exceeding 750 W
		8501.40.20	--- Of an output exceeding 750 W but not exceeding 75 KW
		8501.40.90	--- Of an output exceeding 75 kW
19.	8517.12.11	8517.12.11	---- Smart phone
		8517.12.19	---- Other
20.	8532.22.00	8532.22.10	--- Imported by VAT registered electric fan motor or water pump motor manufacturing industry
		8532.22.90	--- Other
21.	8535.40.00	8535.40.10	--- Lightning arresters
		8535.40.90	--- Other
22.	8536.69.00	8536.69.10	--- Plug terminal imported by VAT registered electric fan motor or water pump motor manufacturing industry
		8536.69.90	--- Other

c) List of items those H.S. Code have been created:

Sl. No.	New H.S. Code	Description
(1)	(2)	(3)
1.	0712.90.92	Dihydrate chives imported by VAT registered biscuits and bakery products manufacturing industry
2.	9018.39.40	Fistula needle
3.	2905.31.20	Ethylene glycol Imported by VAT registered PVC/PET resin manufacturing industry in economic zone
4.	2917.36.20	Terephthalic acid imported by VAT registered PVC/PET resin manufacturing industry in economic zone
5.	8503.00.30	--- Rotor/Motor bush imported by electric fan motor or water pump motor manufacturing industry

d) Restructuring of H.S. Codes of Heading 27.10:

Existing (FY 2018-2019)		Proposed (FY 2019-20)	
H.S. Code	Description	H.S. Code	Description
	-- Other		-- Other
	--- Fuel oils		--- Fuel oils
2710.19.11	---- Furnace oil	2710.19.11	---- Furnace oil
2710.19.19	---- Other	2710.19.19	---- Other
	--- Lubricating oils		--- Base oils
2710.19.21	---- Lubricating oil, that is oil such as is not ordinarily used for any other purpose than lubrication, excluding, any mineral oil which has its flashing point below 220 ⁰ F by Abel's close test	2710.19.21	---- Base oil imported in bulk by VAT registered petroleum products processing or blending industry
2710.19.22	---- Lube base oil imported in bulk by VAT registered blenders	2710.19.22	---- Recycled lube base oil
2710.19.23	---- Recycled lubricating oil	2710.19.29	---- Other
2710.19.24	---- Recycled lube base oil		--- Lubricating oils
	--- Other heavy oils and preparations:	2710.19.31	---- Lubricating oil is that oil which is not ordinarily used for any other purpose than lubrication and excludes any mineral oil which has its flashing point below 220 ⁰ F by Abel's close test
2710.19.31	---- Mineral oil which has its flashing point at or above 200 ⁰ F and is ordinarily used for the batching at jute or other fibre	2710.19.32	---- Recycled lubricating oil
2710.19.32	---- Mineral oil for the manufacture of insecticides	2710.19.39	---- Other
2710.19.33	---- Partly refined petroleum including topped crudes		--- Heavy normal paraffin
2710.19.34	---- Greases (mineral)	2710.19.41	---- In Drum
2710.19.35	---- Heavy normal paraffin	2710.19.49	---- Other
2710.19.36	---- Liquid paraffin		--- Liquid paraffin
2710.19.37	---- Transformer oil	2710.19.51	---- In Drum
2710.19.39	---- Other	2710.19.59	---- Other
			--- Transformer oil
		2710.19.61	---- In Drum
		2710.19.69	---- Other
			--- Greases (mineral)
		2710.19.71	---- Wrapped/canned up to 2.5kg
		2710.19.79	---- Other

Existing (FY 2018-2019)		Proposed (FY 2019-20)	
H.S. Code	Description	H.S. Code	Description
			--- Other heavy oils and preparation
		2710.19.91	---- Mineral oil which has its flashing point at or above 200°F and is ordinarily used for the batching at jute of other fibre
		2710.19.92	---- Mineral oil for the manufacture of insecticides
		2710.19.93	---- Partly refined petroleum including topped crudes
		2710.19.99	---- Other