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# BUDGET 2014-2015 SPECIAL



## Text of Finance Minister's speech

Following is the full text of budget speech by Finance Minister Abul Maal Abdul Muhith at Jatiya Sangsad on June 5, 2014

In the name of Allah,  
Most Gracious, Most Merciful  
Progress Uninterrupted:  
A Promising Future Beckons Bangladesh

### Madam Speaker

1. I seek your kind permission to present the Supplementary Budget for the Fiscal Year 2013-14 and the Budget Estimates for the Fiscal Year 2014-15 before this august House.

### Chapter I

#### Introduction and Background

2. This is the first time in the history of Bangladesh that an elected Government has stepped into its second term in office having successfully completed the first one. This bears testimony to the unflinching trust that the people have chosen to bestow on us. We believe that this continuity will enable the Government to take forward its development initiatives to a higher trajectory. The Honourable Prime Minister Sheikh Hasina took steps to hold the national election under an all-party government despite not being bound by any constitutional obligation. However, I have to say with deep regret that a large political party, by boycotting the election, vainly tried to disrupt our democratic process.

3. **Tribute:** At this historic moment, as I stand before you in this august House, I remember with profound respect the greatest Bengalee of all time, Bangabandhu Sheikh Mujibur Rahman, the Father of the Nation. I respectfully recall our four martyred national leaders, the illustrious aides of Bangabandhu. I pay homage to the martyred freedom fighters for laying down their lives at the altar of our freedom. I also recall with deep respect the supreme sacrifice of countless other martyrs who were killed at the brutal hands of autocratic regimes and undemocratic communal forces working against the trial of war criminals. We draw inspiration from their selfless sacrifices in the march towards realizing our dreams of building a prosperous Bangladesh. I thank all the civil and military officials who put their lives at peril by effectively performing their duties during the last national election.

4. **Acknowledgements:** I am grateful to the Honourable Prime Minister Sheikh Hasina for having confidence in me once again and entrust upon me with the responsibilities of Finance Minister even at the twilight of my career. I am committed to devote my utmost efforts to live up to the unwavering trust placed on me by the Honourable Prime Minister.

5. Like the previous years, I had several rounds of consultation with the honourable members of parliamentary standing committees, eminent citizens, renowned economists, professionals, businessmen, NGO leaders, journalists and secretaries to the government while setting this budget. I also travelled to Sylhet to be present in an open discussion session with the farmers in a bid to have their perspective on budget. I am grateful to all for providing me useful insights. I have tried to accommodate their suggestions as far as I could. I take this opportunity to thank all officers of the Finance Division, NBR and other ministries who have worked hard for accomplishing the arduous task of preparing this budget.

### Chapter II

#### Future Roadmap: Building on the Successes of the Past

### Madam Speaker

6. At the outset of our last term, we formulated the Perspective Plan (2010-2021) with the goal of elevating Bangladesh to a knowledge based and technology driven middle-income country by 2021. This is the first long term plan in the history of Bangladesh with elaborate programmes for development. Here, I want to assert unequivocally that all the development initiatives of our last term will continue in the present tenure as well.

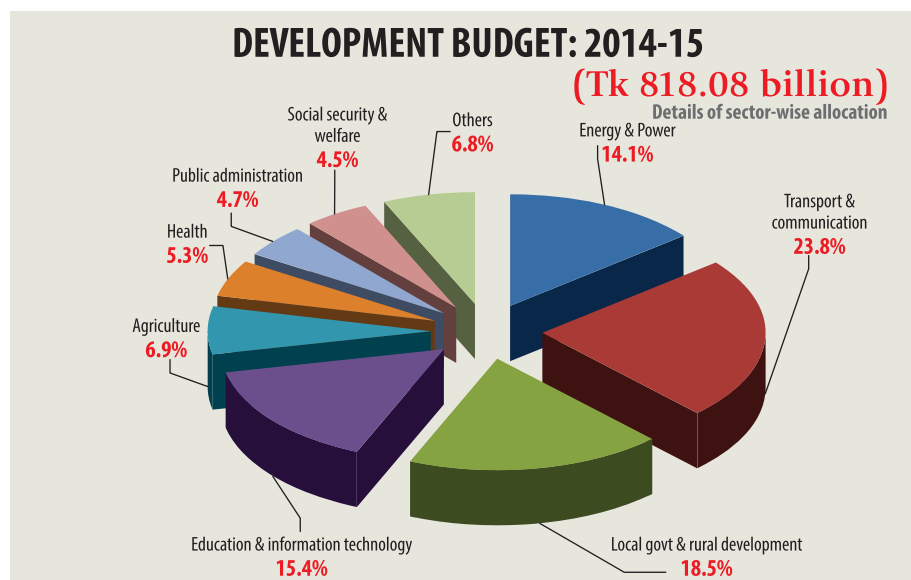
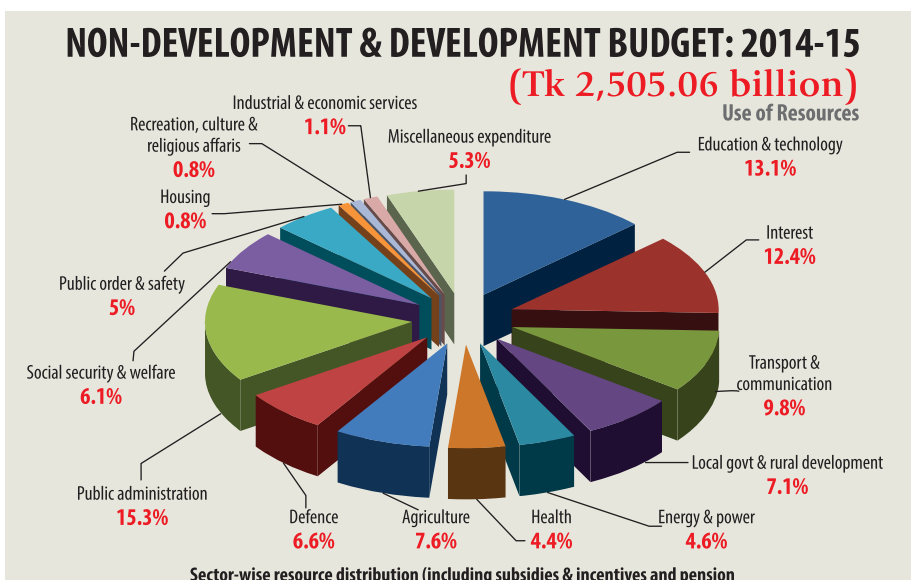
7. In the last term, our aim was to put the economy on a firm footing. With that end in view, we laid emphasis on building of infrastructure, development of power and energy sectors, improvement of information technology and creation of an investment-friendly environment. Our concerted reform initiatives beginning from 2009 made the economy so resilient that even the violence unleashed by the opposition parties prior to the 10<sup>th</sup> parliamentary election could not destabilise it. We have successfully mitigated the pre-election damages and the economy, now, is back to its robust best.

8. Now, let me give you a brief description of what we have achieved in our last term. I would not claim that all that we committed have been met, rather I have categorized the plans, policies and programmes which have been implemented, those which are under implementation and those which are yet to be implemented and they have been presented in three appendices.



Finance Minister Abul Maal Abdul Muhith along with Prime Minister Sheikh Hasina enters Jatiya Sangsad yesterday to place the budget for fiscal 2014-2015.

## DETAILS OF NON-DEVELOPMENT AND DEVELOPMENT BUDGET (IN PERCENTAGE)



9. **Facing Recession:** One of the major achievements of our Government is tackling the impact of recent recession that swept through the whole world. Our action agenda to combat the possible impact of recession were widely acclaimed. Steady economic growth over the last five years (6.2 percent), tolerable inflation, macro-economic stability, robust export growth, favourable current account balance , record buildup of foreign exchange reserve, sustaining sovereign credit rating - all are glaring examples of our success in managing the impacts of recession.

10. **Establishing the Rule of Law:** We have implemented the judgment of the highest Court for the brutal killing of the Father of the Nation and most of his family members. In implementing our pledge of trying the war criminals, we have made commendable progress by establishing International Crime Tribunals. So far, ten war criminals have been tried and the death sentence of one has been executed.

11. **Elevating Living Standards:** The real income and purchasing power of people have increased substantially following introduction of new pay scales and dearness allowance for the government employees, income generating activities, increase of minimum wages, expansion of social safety nets and many other interventions. At the same time, there has been significant improvement in social indicators like education, health and sanitation. Per capita income has increased to USD 1190 in 2014 from USD 843 in 2009. The rates of poverty and extreme poverty have gone down to 26.4 percent and 11.9 percent respectively in 2013 from 33.4 percent and 19.3 percent in 2009.

12. **Power and Energy:** Our persistent endeavours over the last few years to improve the power situation in the country have paid off greatly. Power generation capacity has now gone up to 10341 MW which was only 4931 MW in 2009. The people are now free from sufferings caused by terrible load shedding. However, the power production capacity could not be utilized fully due to deficiency of transmission and distribution lines and a drop in effective power generation capacity of a few very old power plants. We are taking special measures to get rid of this adverse situation soon. We have made remarkable strides in the energy sector too. Thanks to our earnest endeavours, we have been able to add 895 million cubic feet gas to the national grid.

13. **Digital Bangladesh:** Over the last five years, we have created an enabling environment and infrastructure for ICT. Following this, Bangladesh has already reached the threshold of becoming a technology driven modern state. Every day, on an average, 40 lakh people are getting e-services from 4 thousand 526 union information centres. Tele-density and internet-density have gone up to 77.8 percent, and 23.7 percent respectively. The coverage of e-commerce, e-payment and e-governance has expanded substantially. Moreover, Bangladeshi software and ICT services are being exported to 30 countries including USA, Canada, Japan, Australia and several European countries. In addition, a report on digital land zoning map of 152 upazilas of 21 districts has been prepared and the land zoning operation in other 40 districts is well in progress.

14. **Agriculture and Food Security:** We took a number of steps for the development of agriculture sector. Included among them are: keeping the fertilizer price within the affordability of farmers, ensuring adequate budget provision for agriculture subsidy, providing facilities for opening bank account with a deposit of Tk.10 only, introducing agriculture input assistance card and distributing fertilizer through union and block level sales representatives. All these integrated efforts have culminated into self-reliance in food. Storage capacity of food go-downs has been enhanced. Distribution of food is continuing at a minimum price or free of cost through TR, VGF, VGD, FFW etc. These programmes have saved people of northern region from recurrent *monga*. We have formulated the ‘National Agriculture Policy 2013’ with the targets of sustaining the achievements in agriculture, commercializing this sector and ensuring food and nutrition security.

15. **Education:** At the very outset of the last term, we formulated ‘Education Policy 2010’.Our fundamental aim was to eradicate illiteracy, expand quality education and develop skilled human resources. A law titled ‘Education Assistance Trust Act, 2012’ was enacted to facilitate the poor but meritorious students. We also formulated a policy called ‘Creative Talent Hunt Policy 2012’ to hone and recognise the creative faculties of students. We are distributing text books free of cost among all students from primary through secondary levels and providing stipends from Class VI to graduate levels. Public examination has been introduced in Class V and VIII where students are evaluated under uniform grading system. At the primary level, as many as 26 thousand 193 schools have been nationalised while 1 lakh 4 thousand 776 teachers have been absorbed. Besides, 3 thousand 901 headmasters and 83 thousand 392 assistant teachers have been recruited. Under non-formal education system, as many as 1 lakh 66 thousand working children (of 10-14 age group) have been imparted basic education through 6 thousand 646 learning centres in 7 divisional towns. Following the recruitment of huge number of teachers, the teacher-student ratio has improved to 1:49. In order to recruit additional teachers at the pre-primary level, as many as 37 thousand 672 posts have been created. Apart from primary and secondary levels, adequate infrastructural work was undertaken to facilitate expansion of higher education. I appeal to the private sector to come forward and invest, not only in providing stipends, but also in building school infrastructure and improving the conditions of teachers.

16. **Health:** In fulfillment of our pledge to expand health facilities to the grass-root level, we have established new hospitals, increased the number of hospital beds and recruited nearly 40 thousand employees to infuse vitality in this sector. We have established 12 thousand 577 community clinics, 5 medical colleges, 12 nursing institutes, 5 institutes of health technology and 149 union health and family welfare centres. In addition, there has been considerable penetration of information technology in the health sector. People living at union and upazila level can now avail more advanced and specialized health care through telemedicine and internet service. Child mortality (under 5) rate has fallen

to 41 (per one thousand live births) and maternal mortality rate to 1.94 (per thousand live births). You will be heartened to know that, Bangladesh now exports medicines to 91 countries of the world after meeting nearly 97 percent of domestic demand.

17. **Communications:** We are making all out efforts to develop transport sector and improve road safety. National Integrated Multimodal Transport policy 2013, 20 year Road Master Plan and National Road Safety Strategic Action Plan 2011-2013 have been formulated for proper management of communication and safe transportation. Last few years have been quite productive in terms of construction and renovation of roads and other communication infrastructure. A number of fly-overs have been built in and around Dhaka and Chittagong; a few notable ones are: the flyover at the *Bishwa road –Airport* intersection, *Mirpur-Airport flyover*, *Banani flyover* and *Mayor-Mohammad Hanif flyover*. The Begunbari *Hatirjhil*project, with all its splendour and aesthetics, not only reduced traffic congestion but also has added to the beauty of the capital city. *Nabinagar-DEPZ-Chandra* road has already been upgraded to four lanes, while upgradation of Dhaka-Chittagong highway into four lanes is going on in full swing. In addition, we have completed the construction of *Teesta* Bridge. As you all know, we have decided to construct the *Padma* Bridge with our own resources and have already completed some preliminary work. We have created a new Ministry for Railways considering the importance of railway communication. New train services have been added while existing services and networks are being expanded. A circular river route has been built around Dhaka city and some water buses have been introduced.

18. **Social Protection:** We have widened the coverage of social protection programmes and also increased the rates of different allowances to alleviate poverty, reduce social disparity and establish social justice. A country-wide survey is being conducted to identify people with disability of all forms. We have re-fixed the monthly labour wage from a paltry sum of Tk. 1600 to Tk. 5300 and also amended the Labour Policy. However, we must understand that in a poor country like ours, we need more time to ensure overall social security.

19. **Women and Children Welfare:** We are making continuous efforts to improve the living condition of women and children. Our commitment to their advancement is expressed in Women Development Policy, 2011 and National Children Policy 2011. In order to prevent violence against women and children a new law titled Domestic Violence Act (Prevention and protection) 2010 has been enacted. We understand the intricacies associated with gender and the need for creating gender sensitivity. Therefore, we are preparing Gender Budget for 40 ministries. Measures have been taken to prohibit child labour in industries. Autism Trust Fund has been established for the welfare of autistic children. Alongside, a number of programmes have been undertaken at the national and international levels. Our intention to empower women has been manifested in the increase of the number of reserved seats for women in the national parliament and raising the number of women reserved seats in the local government institutions to one-third of the total seats under direct election.

20. **Expatriate Welfare and Employment:** Over the last five years, nearly 1crore people have got overseas employment. As a result of our successful diplomatic efforts, it has been possible to export manpower to 159 countries including 62 new ones, more than 8 lakh Bangladeshis have been legalized in Saudi Arabia. Now we are exporting labour in many countries at a reasonable cost on G to G basis. Moreover, digitisation of immigration management facilitates completion of all immigration formalities online. Introduction of Expatriate Welfare Bank has made life much easier for the expatriate workers. They can avail themselves of expatriate loan at a minimum interest and can also safely remit their earnings. A new law titled ‘Overseas Employment and Expatriate Welfare Act 2013’ has been enacted repealing the ‘Immigration Ordinance 1982’ for more meaningful protection and welfare of expatriate workers.

21. **Public Administration:** Public administration is now more people-centric and modern. A number of measures have been taken to instill confidence and a sense of security in public servants. Raising retirement age to 59 years, extending maternity leave from four to six months, construction of a hospital, establishment of Pay and Services Commission—are all directed towards the welfare of government officials. We have fulfilled our constitutional obligation by separating the judiciary from the executive and introduced a separate pay scale for the judiciary. We have created independent Human Rights Commission and Information Commission. The Right to Information Act has been enacted. Furthermore, we have drawn up the National Integrity Strategy to establish integrity at all levels of the society. We are expecting that pay and services commission will be able to provide valuable recommendations on administrative reforms. Additional reforms will be initiated in this area after receiving the report of the commission.

22. **International Recognition:** Our achievements over the last five years have transcended the length and breadth of Bangladesh and got huge appreciation from abroad. Bangladesh and her Prime Minister earned the distinction of achieving the MDG Award, Indira Gandhi Peace Award, UNESCO Cultural Diversity Award, FAO Diploma Award and South-South Co-operation Award for advancement in relevant spheres.

**Madam Speaker**

23. **Our Targets:** Our policy is to enhance public expenditure in the next five years and to this end domestic resource mobilization has to be scaled up. Over the past 5 years, revenue collection has increased from 10.7 percent to 13.3 percent of GDP. At the same time, the size of public spending has increased from 15.7 percent to 18.3 percent of GDP. The target over the next 5-years would be to augment resource mobilization to 17 percent and increase the size of the budget to 22 percent of GDP. Side by side, it would be our core objective to transform Bangladesh into a middle-income country by 2021 through structural and other reforms, especially in the areas of strengthening local government, land

management, institutional development and good governance. In the current tenure, human development will be high on our priority agenda. I shall provide a run-down of our policy strategies and action plans to attain these goals. I hope the proposed budget will represent a significant milestone in our journey towards establishing a prosperous Bangladesh.

#### Reorganization of Local Government and Decentralization

24. We want to ensure participation of people of all strata into the mainstream of nation building. Decentralization of local government has always been our priority and one of the election pledges. In compliance with the constitutional obligations, we have taken many initiatives to strengthen local government institutions. In our last term, we had widened the responsibilities and jurisdictions of Union Parishad, Upazila Parishad and Zila Parishad. After being elected to office this time, Upazila Parishad elections were held throughout the country amid fervor and festivity with the participation of all major political parties. I firmly believe that this trend of holding local government election will continue and that of Zila Parishads will take place very soon.

25. We will take a holistic approach encompassing all relevant issues to make the local government institutions more powerful and equally responsible. Establishing good governance with transparency and accountability at all levels is our motto. We want to shift the seats of power to the local levels, as far as possible, doing away with the heavily centralised administration. ZilaParishad, UpazilaParishad and Union Parishad will be vested with more power and authority.This will require us to revamp the present shape of local government which we will do gradually. We will try to make an effective hierarchical division among local government bodies and will leave issues like education, health, law enforcement, social safety in their hands to take care of. We will also expand the scope of e-governance for enhanced accountability and transparency.

#### Administrative reform and strengthening local government

26. With the decentralisation of power, we will have to take appropriate measures for administrative reforms. Having said that, we have to keep it in mind that it will require massive administrative reforms to introduce decentralisation in its truest meaning in our country, because of the fact that here centralised administration is so deeply rooted that it is quite hard to dismantle. It is not enough to just to arm the local government bodies with more power and responsibility; it will also require an efficient bureaucracy to make proper policies so that the people can enjoy the fruits of decentralisation. On the whole, the following issues will have to be carefully looked into to make the local government more effective:

- A careful scrutiny has to be made to decide what subjects of the central government can be transferred to the local authority and in what manner

- A clear division of work among Zila, Upazila and Union Parishads

- A specialised bureaucracy suited for the local government has to be created with provision for imparting appropriate training

- A fair system of revenue sharing between the central and local government institutions has to be established.

27. I have shared my ideas on these issues earlier in this august House. There should be wider deliberations on these issues both in the Parliament and beyond. The administrative system of a country gradually develops within the framework provided by its society, history and political system. Therefore, administrative reform process is not only slow, but also difficult. However, I am optimistic that we will be able to formulate and implement a strategy for decentralisation, administrative reforms and strengthening of local government system through national consensus.

#### Madam Speaker

28. **Authoritative Land Records:** There is no alternative to proper land management system for attracting investment in agriculture and industry sectors. I must admit that we are trailing behind in this sector. I have always maintained that we want to ensure food security together with rapid industrialisation. To fulfill this goal, our main task would be to implement scientific land management and digitise the land records of our country. In the case of land management, our core targets would be to carry the land-related services to the doorstep of the common people and make the whole process business-friendly. Accordingly, we want to introduce Authoritative Land Records (ALR). Steps have already been taken to provide Authoritative Land Records in 3 upazilas by establishing networks in the Assistant Commissioner (Land) offices, Settlement Offices and Sub-register’s offices. Gradually, we will extend this programme countrywide. We are actively considering the use of PPP for rapid implementation of this initiative.

29. **Land Survey and Record:** You may know that we took the initiative in our last term to digitalise land settlement and record keeping. Land zoning process is underway in another 40 districts. Besides, the process of digital surveys and record updating has begun in 5 mouzas of Savar upazila in Dhaka district and 48 mouzas of Palash upazila in Narsingdi district. Implementation of Digital Land Management System (DLMS) in 45 upazilas of 7 districts and operationalisation of 20 land information service centres in 20 upazilas are underway. Computerisation of existing records of right in 55 districts will be completed by the next fiscal year.

#### Madam Speaker

30. **Rural Infrastructure:** We laid emphasis in our last term on building rural infrastructure to improve the livelihood of the rural people.





# BUDGET SPECIAL 2014-2015

We built approximately 25 thousand km road and 1 lakh 51 thousand meter bridges and culverts during this period. We ensured the maintenance of existing 48 thousand km metal road. Besides, 1 thousand 137 km canals were re-excavated to efficiently manage the surface water and to expand the irrigation system. Consequently, irrigation can now be extended to 91 thousand hectares area of agricultural land.

31. **Pure Water and Sanitation:** We have established 1 lakh 37 thousand arsenic-free water sources and also introduced water supply through pipe line in 86 villages. Our success in increasing the sanitation facilities in the country is commendable as well. Thanks to our constant efforts, more than 95 percent of the families in Bangladesh use sanitary latrine which is the highest in the SAARC region.

32. **Growth Centre:** We have completed the process of developing as many as 1414 growth centres and rural bazaars to revamp the rural economy. Ninety five percent growth centres are now connected with the district headquarters through upazila, rural and other roads. As many as 484 cooperative markets have been established so that necessary items reach the consumers at a fair price. 9 milk cooling centres have been established to increase the production of domestic milk through cooperatives.

## Chapter III

### Budget for FY 2013-14: Adjustments and Revisions

#### Madam Speaker

33. **Political Instability and Revision of Budget for FY 2013-2014:** Now I would like to reflect on the adjustments and revisions in the budget for FY 2013-14. In the run up to the 10th national election there had been a serious political unrest in the first six months of the current financial year. Various political parties and alliances observed a total of 45 days hartal and blockade during July 2013 to January 2014. These hartals and blockades were not limited to 12 or 24 hours, rather at times even continued for a week. Communication was disrupted, port activities came to a halt, retail and wholesale buying-selling came down to almost zero which had a debilitating effect on government revenue collection. Frenzied destruction of government properties was another salient feature of these hartals and blockades. The main targets of attack were Bangladesh Railway and government and non-government transports. Government offices and educational institutions were not spared either. Alongside the mass destruction of properties there had been a number of death incidents as well. According to the World Bank, this political vandalism caused loss of Tk. 11,000 crore in the national economy which is around 1 percent of GDP.

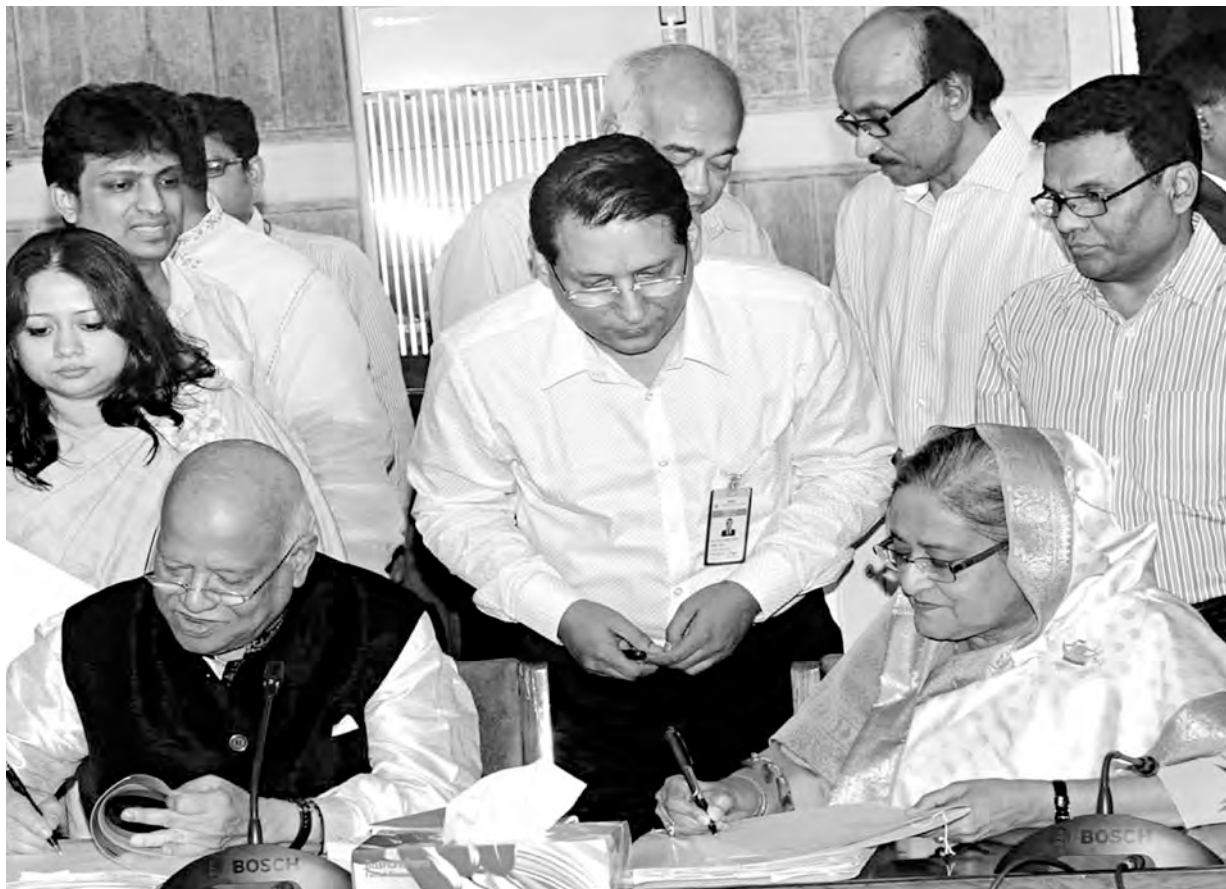
34. It is important at this stage to give some reflections on how negatively political instability affected revenue collection. The target of tax revenue collection was set at Tk. 95 thousand 785 crore in the budget of FY 2011-12 and was increased by Tk. 500 crore in the revised budget. It was Tk. 1 lakh 16 thousand 824 crore in the original budget of FY 2012-13, which remained unchanged in the revised budget. On the other hand, due to political unrest, the target of tax revenue had to be revised downward at Tk. 1 lakh 30 thousand and 178 crore in FY 2013-14 by reducing Tk. 11 thousand crore. Taking these factors into consideration, I am presenting the revised budget separately in Table 1 below. Now, I am presenting an analysis of the overall revenue, expenditure and deficit of the government along with the implementation of Annual Development Programmes (ADP):

Table 1: Revised Budget 2013-14

(In Crore Taka)			
Sector	Revised 2013-14	Budget 2013-14	Actual 2013-14 (March)
<b>Total Revenue Income</b>	<b>1,56,671</b>	<b>1,67,459</b>	<b>98,531</b>
	(13.3)	(14.1)	(8.3)
of which			
NBR Tax	1,25,000	1,36,090	77,254
Non-NBR Tax	5,178	5,129	3,132
Non-Tax Revenue	26,493	26,240	18,145
<b>Total Expenditure</b>	<b>2,16,222</b>	<b>2,22,491</b>	<b>1,15,180</b>
	(18.3)	(18.7)	(9.8)
(a) Non-development Expenditure	1,15,998	1,13,471	69,828
	(9.8)	(9.6)	(5.9)
(b) Development Expenditure	65,145	72,275	25,642
	(5.5)	(6.1)	(2.2)
of which			
Annual Development Plan	60,000	65,870	24,735
	(5.1)	(5.5)	(2.1)
(c) Other Expenditure	35,079	36,745	19,710
	(3.0)	(3.1)	(1.7)
Budget Deficit	-59,551	-55,032	-16,649
	(-5.0)	(-4.6)	(-1.4)
Financing			
(a) Foreign	18,569	21,068	1,426
	(1.6)	(1.8)	(0.1)
(b) Domestic	40,982	33,964	15,231
	(3.5)	(2.9)	(1.3)
Banking Source	29,982	25,993	13,233
	(2.5)	(2.2)	(1.1)
<b>GDP</b>	<b>11,81,000</b>	<b>11,88,800</b>	<b>11,81,000</b>

\*Figures in parentheses are expressed in percentage of GDP

- **Revised Revenue Receipts:** In the budget of FY 2013-14, the target for revenue income was set at Tk. 1 lakh 67 thousand 459 crore (14.1 percent of GDP). In the revised budget, the target for revenue receipts was reset downward at Tk. 1 lakh 56 thousand



Prime Minister Sheikh Hasina signs the proposed budget for fiscal 2014-2015 after the cabinet meeting at Jatiya Sangsad Bhavan yesterday.

671 crore by reducing Tk. 10 thousand 788 crore from the original target. I hope the revenue collection target of this fiscal year will be achieved. At the same time, it would also be possible to have an increase in revenue income (1 percent of GDP) as against the actual collection of the previous fiscal year.

- **Revised Expenditure Estimates:** The total government expenditure was estimated at Tk. 2 lakh 22 thousand and 491 crore in the current fiscal year's budget (18.7 percent of GDP). Now, it has been revised downward to Tk. 2 lakh 16 thousand 222 crore (18.3 percent of GDP) by reducing Tk. 6 thousand 269 crore. Due to reduction in project aid, the allocation of ADP now stands at Tk. 60 thousand crore. However, the overall revised ADP of FY 2013-14 will actually amount to Tk. 63 thousand 705 crore taking into account the self-financed projects of the autonomous bodies and corporations amounting to Tk. 3 thousand 705 crore. On the other hand additional allocations have been made for meeting expenditure against newly introduced dearness allowances, pensions and gratuities of government employees, supplies and services, construction and public works and honorarium of the freedom fighters. These additional allocations were made by re-appropriating funds from the allocation of PPP, investments in share and equities, ongoing development programme under non-development budget and unexpected heads of expenditure.
- **Budget Deficit:** In the original budget, deficit was estimated at 4.6 percent of GDP, which has been marginally increased to 5.0 percent of GDP in the revised budget. Of which, 1.6 percent of GDP will be financed from external sources and the rest 3.5 percent from domestic sources. Out of the domestic financing, 2.5 percent will come from the banking system.
- **Implementation of Revised ADP:** Since assumption of office, we have been diligent in speeding up the ADP implementation processes by enhancing our absorptive capacity of project aid. As part of this, the Planning Commission has been closely monitoring the progress of project implementation of 10 large ministries. I personally met the officials of all ministries and divisions on different occasions. Tripartite meetings were held between Economic Relations Division, project implementing ministries and development partners. Field monitoring of projects facing implementation problems is going on. Besides, the Economic Relations Division has identified 50 projects with slow implementation progress and has taken an initiative to physically inspect them. First Track Project Monitoring Committee headed by the Honorable Prime Minister is regularly monitoring the progress of important projects. We shall continue our endeavour to scale up the use of project aid. During the last tenure of our government we achieved remarkable success in implementing ADP. In FY 2008-09 actual expenditure of ADP was TK 19 thousand 438 crore (3.2 percent of GDP). And this time, it will be Tk. 63 thousand 705 crore (5.4 percent of GDP).

35. I would like to inform the citizens that despite the destructive activities of the opposition, the revised estimate will be only 2.8 percent less than the original estimate determined at the beginning of the current fiscal. It means that even in adverse situation, we could sustain the momentum of ADP implementation and maintain effective cooperation

with our development partners.

36. Smooth implementation of revised budget will depend, to a great extent, on stable political situation that is prevailing after the election held on 5th January. I would like to call upon everyone through this august House: Let us resist collectively all nefarious activities that damage the economy of the country.

## Chapter IV

### Our Economy in the Global Context

#### Madam Speaker

37. Now, I want to say a few words regarding our economic development and probable growth in the context of the global economy.

38. **Global Economic Trend:** Following the adoption of accommodative monetary policy and fiscal consolidation, global economy, especially, advanced economies have been showing signs of progress since the fourth quarter of the last year. As a result, not only unemployment has gone down in these countries but consumer and investor confidence has been restored as well due to higher aggregate demand. Over all, economies of USA, Japan and Euro area have been experiencing a solid recovery. This is reflected in the latest IMF forecast of the world economic growth of 3.6 percent and 3.9 per cent respectively in 2014 and 2015. In 2014 and 2015, this growth would be 2.2 percent and 2.3 percent in the advanced economies and 6.7 percent and 6.8 percent in the developing Asian economies.

39. **Domestic Economic Scenario:** We have maintained satisfactory economic growth amidst global economic slowdown. Despite political tension in the second half of the FY 2012-13, we could achieve 6.01 percent growth (base year 2005-06). Attainment of 10 percent growth in the industry sector contributed significantly to this achievement. On the other hand, due to adverse weather condition and lower crop price, growth in broad agriculture sector was rather low. While there was significant growth in forestry, fisheries and livestock sectors, growth in the crop sector was relatively small. At the same time, due to interference in the transport sector because of strike, blockade and political violence, service sector growth stood below expectation. From the demand side perspective, despite increase in personal consumption expenditure due to inflow of remittances, investment did not show up any significant growth. In comparison, public investment registered substantial growth. On the other hand, while there was robust growth in export, it was not matched by import growth. A table containing macro-economic indicators on economic situation of Bangladesh is given below.

Table 2: A Glance of Recent Performance of Bangladesh Economy\*

Sector	Indicator	Unit	2009-10 (Actual)	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Actual)
Real	Real GDP	Growth (%)	6.07	6.71	6.23	6.03
	Agriculture	Growth (%)	5.24	5.13	3.11	2.17
	Industry	Growth (%)	6.49	8.20	8.90	8.99
	Services	Growth (%)	6.47	6.22	5.96	5.73
	Investment	As % of GDP	24.41	25.15	26.54	26.84
	Private	As % of GDP	19.40	19.51	20.04	18.99



	Public	As % of GDP <sup>a</sup>	5.01	5.64	6.50	7.85
	Per capita Income	US\$	751	816	840	923
	Inflation	Growth (%)	7.3	8.8	10.6	7.7
Fiscal	Total Revenue	As % of GDP	10.9	11.7	12.4	12.4
	Tax Revenue	As % of GDP	9.0	10.0	10.4	10.4
	Total Expenditure	As % of GDP	14.6	16.1	16.3	16.8
	ADP <sup>b</sup>	As % of GDP	3.7	4.2	4.0	4.7
Monet ary	Money Supply	Growth (%)	22.4	21.4	17.4	16.7
	Domestic Credit	Growth (%)	17.6	30.8	18.8	11.0
	Private Sector Credit	Growth (%)	24.2	25.8	19.7	10.8
External	Remittances	Billion US\$	10.9	11.6	12.8	14.5
	Export	Billion US\$	16.2	22.9	24.3	27.0
	Import (C&F)	Billion US\$	23.7	33.6	35.5	34.1
	Exchange rate	Taka/US\$ (average)	69.18	71.17	79.10	79.93
	Foreign Exchange reserve	Billion US\$	10.7	10.9	10.3	15.3

Source: BBS, Bangladesh Bank and Finance Division

\*Data from 2009-10 to 2012-13 (1995-96 base year)

40. You are aware that at the outset of FY 2013-14, our GDP growth target was set at 7.2 per cent. However, due to political unrest that continued from the previous year different sectors of the economy were adversely affected. As a result, achieving 7.2 percent growth will not be possible in this year. According to the preliminary estimate of Bangladesh Bureau of Statistics (BBS) GDP growth in FY 2013-14 will be 6.12 percent. Resurgent political stability following the national election combined with government's complementary policy support have encouraged investment and export trade. As a result the industry and service will be able to make good the losses caused in the first half of the current fiscal year. Moreover, there has been a bumper production of *Aus* and *Boro* this year because of favourable weather condition and our continued policy and input support. I foresee a prospect of substantial growth in agriculture sector in this fiscal.

41. **Growth Target and Assumptions:** Now, I want to reflect on the growth target for FY 2014-15. We hope that in the next fiscal, investment, export and remittance flows will increase as it is expected that the global economy will experience accelerated growth. During this period, food and energy prices in the international market are likely to decline slightly. Besides, an investment-friendly monetary policy will be maintained ensuring uninterrupted credit flows to the productive sectors. Government initiatives for developing physical infrastructure in the power, energy and communication sectors will continue. Different initiatives will be undertaken for the development of skills and human resources. Fiscal, monetary and stock market reforms will go on. Foreign investment and assistance are expected to increase. Credit and input support will continue in the broad agriculture sector. Above all I am expecting favorable weather and political stability. Based on these assumptions and expectations, we have set the GDP target at 7.3 percent for FY 2014-15.

42. **Inflation:** We have been quite successful in containing inflation. At the end of June in the last fiscal year, point to point inflation was 8 percent that came down to 7.4 percent at the end of April in the current fiscal year. During this time, non-food inflation declined to 5.2 percent. But food inflation sneaked up as there was disruption in supply due to continued strikes and blockades at the beginning of this fiscal year. However, I hope that the declining trend in food price in the neighboring as well as other countries will pull down the price of food grains in the coming days. Factoring in the declining trend in food and energy price in the international markets along with satisfactory domestic agricultural production and supportive monetary policy, I believe that the general inflation in Bangladesh will be hovering around 7.0 percent by June 2014 and will reduce further at the end of the next fiscal year.

**43. Money and Credit:** We are continuing our efforts to enhance efficiency in banking sector. As a result, the deposit and lending interest rate spread has come down to around 5 percent by February 2014. We are also seeking to ensure uninterrupted credit flows to the agriculture sector, and small and medium enterprises together with other important sectors. Over the first nine months of current fiscal, 78.4 percent of the total agricultural and rural credit target of Tk. 14 thousand 595 crore has been distributed. Credit flow to the small and medium enterprises up to December 2013 increased by 14.9 percent, year on year. Term loan in the industrial sector has increased by 3.7 percent in the second quarter of the current fiscal year. In the latest Monetary Policy Statement (MPS), broad money and reserve money growth target till June 2014 has been set at 17.0 percent and 16.2 percent respectively. At the end of February 2014, annual broad money and reserve money growth has increased by 15.8 percent and 13.3 percent respectively, which is within the MPS target. I think, it would be possible to achieve the money and credit supply targets with the improvement in external sector. We hope that broad money and domestic credit will increase in consistency with the growth and inflation targets.

44. **Import and export:** Export has increased by 13.2 percent till April 2014, year on year. On the other hand, imports of goods and services though declined in the last fiscal year, it has posted a growth of 17.5 percent till March 2014, year on year. We expect that import and export growth will accelerate thanks to a positive trend in the global economy. We are assuming that export earnings and import expenditure may increase by approximately 15 percent.

45. **Remittance and manpower export:** Remittance has declined by 4.8 percent till April 2014 of the current fiscal against last fiscal year's growth of 12.6 percent. In this context, I should add that it has declined not only in our country; rather there is a global downward trend of remittance flows. According to the World Bank, remittance growth in the South Asian countries was only 2.3 percent in 2013 while it was only 1.7 percent in India. Presently the significant spending by expatriate workers for legalization of their employment in Saudi Arabia brought this decline in remittance in Bangladesh. We are taking different measures to increase manpower export taking into cognizance the current trend in this sector. To create employment opportunities in potential markets and to expand

employment opportunities in the traditional markets, we are opening new labour wings while taking diplomatic initiatives. We are also providing financial assistance for manpower export and encouraging manpower export on G to G basis. We are keeping an eye on manpower export through private channels so that it is not discouraged. Moreover, we already have taken up a number of initiatives to develop skilled human resources consistent with the demands of overseas labour market. As a result, I hope, remittance will be back to its normal growth trend in the next fiscal year. I fervently call upon our expatriate workers not to engage in any unlawful activities in foreign land. This not only lands you in trouble but also tarnishes the image of the country and impedes manpower export.

**46. Foreign Exchange Reserve and Exchange Rate:** Foreign exchange reserve stood at US\$ 15.3 billion at the end of the last fiscal year. In the current fiscal year with the decline in trade deficit together with an inflow in the capital and financial account till February 2014, foreign exchange reserve has increased consistently and stood at US\$ 20.2 billion on 27<sup>th</sup> May 2014 which is sufficient to foot the import bills of approximately 6 months. The value of Taka is stable against US Dollar as well. Remittance, aid flow and foreign investment will be at the satisfactory level as both domestic and external fronts are showing positive developments. As a result, I hope, though trade deficit may widen, foreign reserve will remain at a comfortable level while the exchange rate will remain stable.

## Chapter V

## FY 2014-15 Budget Structure

**Madam Speaker**

47. **Medium Term Macroeconomic Framework:** In the light of the global perspective and also what I reflected on our future agenda, we have prepared the budget for next fiscal year. The main objective of the proposed budget will be to maintain continuity of existing monetary and fiscal policy strategies being pursued and to ensure macroeconomic stability. As you all know, we have undertaken a range of legal, regulatory and structural reforms in the revenue sector. Moreover, additional manpower has been sanctioned to revamp the activities of this sector. Efforts to strengthen revenue collection in the next budget will continue through these ongoing reforms. Alongside, steps to widen fiscal space through public expenditure control will also continue. Its worth mentioning that all data used in setting the budget taking 1995-96 as base year although BBS has already rearranged their data using 2005-06 as the base year. In fact budget setting process starts around the middle of the fiscal year. There we could not present our data using new base year. Only in table 4 the provisional estimate has been presented using 2005-2006 as base year because BBS could not provide them using previous base year. In Table 3 an outline on budget structure has been presented.

### Table 3: Budget Structure

		(In Crore Tk.)						
Sector		Budget 2014-15	Revised 2013-14	Budget 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
Total Revenue Income		1,82,954	1,56,671	1,67,459	1,28,128	1,14,693	92,993	75,905
		(13.7)	(13.3)	(14.1)	(12.3)	(12.5)	(11.8)	(11.0)
Of which								
NBR Tax		1,49,720	1,25,000	1,36,090	1,03,332	91,595	76,225	59,742
Non-NBR Tax		5,572	5,178	5,129	4,120	3,633	3,323	2,743
Non-Tax Revenue		27,662	26,493	26,240	20,676	19,465	13,445	13,420
Total Expenditure		2,50,506	2,16,222	2,22,491	1,74,013	1,52,428	1,28,249	1,02,977
		(18.7)	(18.3)	(18.7)	(16.8)	(16.7)	(16.3)	14.9
(a) Non-development Expenditure		1,28,231	1,15,998	1,13,471	99,376	89,299	77,488	67,013
		(9.6)	(9.8)	(9.5)	(9.6)	(9.8)	(9.8)	(9.7)
(b) Development Expenditure		86,345	65,145	72,275	53,172	40,672	35,734	28,115
		(6.4)	(5.5)	(6.1)	(5.1)	(4.4)	(4.5)	(4.1)
Of which								
Annual Development	Plan	80,315	60,000	65,870	49,474	37,508	33,284	25,553
		(6.0)	(5.1)	(5.5)	(4.8)	(4.1)	(4.2)	(3.7)
(c) Other Expenditure		35,930	35,079	36,745	21,465	22,457	15,027	7,849
		(2.7)	(3.0)	(3.1)	(2.1)	(2.5)	(1.9)	(1.1)
Budget Deficit		-67,552	-59,551	-55,032	-45,885	-37,735	-35,256	-27,072
		(-5.0)	(-5.0)	(-4.6)	(-4.4)	(-4.1)	(-4.5)	(-3.9)
Financing								
(a) Foreign		24,275	18,569	21,068	12,691	7,193	5,079	9,254
		(1.8)	(1.6)	(1.8)	(1.2)	(0.8)	(0.6)	(1.3)
(b) Domestic		43,277	40,982	33,964	33,193	30,543	30,211	15,820
		(3.2)	(3.5)	(2.9)	(3.2)	(3.3)	(3.8)	(2.3)
Banking Source		31,221	29,982	25,993	27,464	27,191	25,210	-2,092
		(2.3)	(2.5)	(2.2)	(2.6)	(3.0)	(3.2)	(-0.3)
GDP		13,39,500	11,81,000	11,88,800	10,37,987	9,14,784	7,87,495	6,90,571

\*Figures in parentheses are expressed in percentage of GDP

\*\*Contribution of autonomous bodies in RADP is Tk. 3,705 crore, thus the size of RADP stands at Tk. 63,705 crore

48. In the overall budget proposals for the next fiscal year (Development and non-development combined) sector-wise allocation and priorities has been presented in Table-4 below.

Table 4: Sectoral Allocation in the Budget

	(In Crore Tk.)						
Ministry/Division	Budget 2013-15	Revised 2013-14	Budget 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
(a) Social Infrastructure	63,036 (25.16)	54,329 (23.13)	51,555 (23.17)	42,974 (24.70)	38,677 (25.37)	36,219 (28.24)	30,984 (30.52)
Human Development							
1. Ministry of Education	15,540 (6.20)	14,363 (6.64)	13,163 (5.92)	11,334 (6.51)	10,579 (6.94)	10,079 (7.86)	8,712 (8.58)
2. Ministry of Primary and Mass Education	13,673 (5.46)	11,964 (5.53)	11,930 (5.36)	9,413 (5.41)	8,157 (5.35)	8,304 (6.47)	6,838 (6.74)

Ministry/Division	Budget 2014-15	Revised 2013-14	Budget 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
3.Ministry of Health and Family Welfare	1,146	9,955	9,470	8,549	7,667	7,287	6,271
	(4.45)	(4.60)	(4.26)	(4.91)	(5.03)	(5.68)	(6.18)
4. Others	13,706	10,462	9,052	7,626	6,869	6,118	4,987
	(5.47)	(4.84)	(4.07)	(4.38)	(4.51)	(4.77)	(4.91)
Sub-total:	54,065	46,744	43,615	36,922	33,272	31,788	26,808
	(21.58)	(21.62)	(19.60)	(21.22)	(21.83)	(24.78)	(26.41)
<b>Food and Social Safety</b>							
5. Ministry of Food	1,685	1,225	1,417	814	1,122	1,194	353
	(0.67)	(0.57)	(0.64)	(0.47)	(0.74)	(0.93)	(0.35)
6. Ministry of Disaster Management	7,286	6,360	6,523	5,238	4,283	3,237	3,823
	(2.91)	(2.94)	(2.93)	(3.01)	(2.81)	(2.52)	(3.77)
Sub-total:	8,971	7,585	7,940	6,052	5,405	4,431	4,176
	(3.58)	(3.51)	(3.57)	(3.48)	(3.55)	(3.45)	(4.11)
(b) Physical Infrastructure	75,533	61,768	67,147	58,974	44,447	38,814	31,014
	(30.15)	(28.57)	(30.18)	(33.89)	(29.16)	(30.26)	(30.55)
<b>Agriculture and Rural Development</b>							
7. Ministry of Agriculture	12,390	12,279	12,270	14,822	9,760	8,438	7,350
	(4.95)	(5.68)	(5.51)	(8.52)	(6.40)	(6.58)	(7.24)
8. Ministry of Water Resources	3,619	2,771	2,593	2,481	2,134	2,040	1,838
	(1.44)	(1.28)	(1.17)	(1.43)	(1.40)	(1.59)	(1.81)
9. Local Government	15,464	13,322	12,961	12,314	9,442	9,037	7,653
	(6.17)	(6.16)	(5.83)	(7.08)	(6.19)	(7.05)	(7.54)
10. Others	5,337	4,722	4,448	4,217	4,385	3,648	2,766
	(2.13)	(2.18)	(2.00)	(2.42)	(2.88)	(2.84)	(2.72)
Sub Total:	36,810	33,094	32,272	33,834	25,721	23,163	19,607
	(14.69)	(15.31)	(14.50)	(19.44)	(16.87)	(18.06)	(19.31)
<b>Power and Energy</b>	11,540	9,902	11,351	10,280	7,969	7,233	3,469
	(4.61)	(4.58)	(5.10)	(5.91)	(5.23)	(5.64)	(3.42)
<b>Communication Infrastructure</b>							
11. Road Division	6,858	5,741	5,550	5,369	7,278	5,584	4,828
	(2.74)	(2.66)	(2.49)	(3.09)	(4.77)	(4.35)	(4.76)
12. Railway	6,359	5,258	5,589	4,557	1	0	0
	(2.54)	(2.43)	(2.51)	(2.62)	(0.00)	(0.00)	(0.00)
13. Bridge Division	8,737	2,090	7,000	784	418	385	331
	(3.49)	(0.97)	(3.15)	(0.45)	(0.27)	(0.30)	(0.33)
14. Others	1,182	1,137	1,121	797	558	503	890
	(0.47)	(0.53)	(0.50)	(0.46)	(0.37)	(0.39)	(0.88)
Sub Total:	23,136	14,226	19,260	11,507	8,255	6,472	6,049
	(9.24)	(6.58)	(8.66)	(6.61)	(5.41)	(5.05)	(5.96)
15. Others Sector	4,047	4,546	4,264	3,353	2,502	1,946	1,889
	(1.62)	(2.10)	(1.92)	(1.93)	(1.64)	(1.52)	(1.86)
(C) General Service	59,058	49,489	49,947	27,409	26,995	25,160	20,590
	(23.58)	(22.89)	(22.45)	(15.75)	(17.71)	(19.62)	(20.28)
<b>Public Order and Safety</b>	12,557	12,027	10,537	9,685	8,737	7,819	6,582
	(5.01)	(5.56)	(4.74)	(5.55)	(5.73)	(6.10)	(6.48)
16. Others	46,510	37,462	39,410	17,717	18,258	17,341	14,008
	(18.57)	(17.33)	(17.71)	(10.18)	(11.98)	(13.52)	(13.80)
Total:	197,627	165,586	168,649	129,357	110,119	100,193	82,558
	(78.9)	(76.6)	(75.80)	(74.34)	(72.23)	(78.11)	(81.35)
(d) Interest Payments	31,043	26,540	27,743	23,915	20,351	15,622	14,904
	(12.39)	(12.27)	(12.47)	(13.74)	(13.35)	(12.18)	(14.68)
(e) PPP Subsidy and Liability	8,447	4,868	7,318	2,417	5,211	1,899	3,199
	(3.37)	(2.25)	(3.29)	(1.39)	(3.42)	(1.48)	(3.15)
(f) Net Lending and Other Expenditure	13,389	19,228	18,781	18,324	16,759	10,554	825
	(5.34)	(8.89)	(8.44)	(10.53)	(10.99)	(8.23)	(8.81)
Total Budget:	250,506	216,222	222,491	174,013	152,448	128,268	101,521

\*Figures in parentheses are expressed in percentage of Budget

49. **Estimates of Revenue Collection:** The revenue receipts for FY 2014-15 has been estimated at Tk. 1 lakh 82 thousand 954 crore which is 13.7 percent of GDP, of which NBR tax revenue is Tk. 1 lakh 49 thousand 720 crore (11.2 percent of GDP). Revenue from Non-NBR sources has been estimated at Tk. 5 thousand 572 crore (0.4 percent of GDP). In addition, Tk. 27 thousand 662 crore (2.1 percent of GDP) will be collected as Non Tax Revenue (NTR).

50. **Estimates of Expenditure:** The total expenditure for FY 2014-15 has been estimated at Tk. 2 lakh 50 thousand 506 crore (18.7 percent of GDP). The allocation for non-development and other expenditure has been estimated at Tk. 1 lakh 70 thousand 191 crore (12.7 percent of GDP). Expenditure for ADP has been estimated at Tk. 80 thousand 315 crore (6 percent of GDP).

51. **Budget Deficit and Financing:** The overall budget deficit will be Tk. 67 thousand 552 crore, which is 5 percent of GDP. Of this amount, Tk. 24 thousand 275 crore (1.8 percent of GDP) will be financed from external sources and Tk.43 thousand 277 crore (3.2 percent of GDP) from domestic sources. Of the domestic financing, Tk. 31 thousand 221 crore (2.3 percent of GDP) will come from the banking system and Tk. 12 thousand 56 crore (0.9 percent of GDP) from savings certificates and other non-banking sources.

52. **Annual Development Programme:** Following our usual practice, we have determined the size of ADP by taking into account the critical issues like regional parity, improved infrastructure and quality of expenditure. We laid emphasis on overall development of the country rather than tackling the on rush of demand of an election year. In the ADP for FY 2014-15, human resource sector (education, health, and other related sectors) will receive 24.3 percent, overall agricultural sector (agriculture, rural development and rural institutions, water resources and other related sectors) 25.8 percent, power and energy sector 14.3 percent, communication (road, railway, bridges, and other related sectors) 23.3 percent and other sectors 12.25 percent of total allocation.

**Table 5: Annual Development Programme (sectoral allocation)**  
(In Crore Tk.)

Ministry/Division	Budget 2014-15	Revised 2013-14	Budget 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
(a) Human Resource							
1. Primary and Mass Education	5778 (7.2)	4529 (7.5)	5278 (8.0)	3683 (7.4)	2408 (6.4)	3151 (9.5)	2700 (10.6)
2. Health and Family Planning Affairs	4349 (5.4)	3816 (6.4)	3602 (5.5)	3316 (6.7)	2612 (7.0)	2551 (7.7)	2468 (9.7)
3. Ministry of Education	3647 (4.5)	3148 (5.2)	3100 (4.7)	2206 (4.5)	1867 (5.0)	1598 (4.8)	1352 (5.3)
4. Others	5745 (7.2)	3948 (6.6)	3160 (4.8)	2205 (4.5)	1683 (4.5)	1236 (3.7)	790 (3.1)
<b>Sub-Total:</b>	<b>19519 (24.3)</b>	<b>15441 (25.7)</b>	<b>15140 (23.0)</b>	<b>11410 (23.1)</b>	<b>8570 (22.8)</b>	<b>8536 (25.6)</b>	<b>7310 (28.6)</b>





# BUDGET SPECIAL 2014-2015



The agriculture sector may get Tk 9,000 crore in subsidy.

Ministry/Division	Budget 2014-15	Revised 2013-14	Budget 2013-14	Actual 2012-13	Actual 2011-12	Actual 2010-11	Actual 2009-10
(b) Agriculture and Rural Development							
5. Local Government Division	13467 (16.8)	11405 (19.0)	11195 (17.0)	10425 (21.1)	7989 (21.3)	7573 (22.8)	6444 (25.2)
6. Ministry of Water Resources	2831 (3.5)	2025 (3.4)	1850 (2.8)	1756 (3.5)	1442 (3.8)	1349 (4.1)	1138 (4.5)
7. Ministry of Agriculture	1524 (1.9)	1332 (2.2)	1364 (2.1)	1111 (2.2)	997 (2.7)	1025 (3.1)	905 (3.5)
8. Others	2924 (3.6)	2405 (4.0)	2323 (3.5)	1968 (4.0)	1882 (5.0)	1246 (3.7)	807 (3.2)
Sub-Total:	20746 (25.8)	17167 (28.6)	16732 (25.4)	15260 (30.8)	12310 (32.8)	11193 (33.6)	9294 (36.4)
(C) Energy Infrastructure							
9. Power Division	9273 (11.5)	7951 (13.3)	9053 (13.7)	8840 (17.9)	7248 (19.3)	6028 (18.1)	2098 (8.2)
10. Energy and Mineral Resources	2223 (2.8)	1909 (3.2)	2255 (3.4)	1295 (2.6)	679 (1.8)	987 (3.0)	1260 (4.9)
Sub-Total:	11496 (14.3)	9860 (16.4)	11308 (17.2)	10135 (20.5)	7927 (21.1)	7015 (21.1)	3358 (13.1)
(d) Communication Infrastructure							
11. Railway Ministry	4485 (5.6)	3549 (5.9)	3878 (5.9)	2993 (6.0)	0 (0.0)	0 (0.0)	0 (0.0)
12. Road Division	4608 (5.7)	3646 (6.1)	3457 (5.2)	3605 (7.3)	4475 (11.9)	2952 (8.9)	2546 (10.0)
13. Bridge Division	8735 (10.9)	2090 (3.5)	7000 (10.6)	785 (1.6)	418 (1.1)	384 (1.2)	331 (1.3)
14. Others	884 (1.1)	857 (1.4)	881 (1.3)	532 (1.1)	286 (0.8)	295 (0.9)	176 (0.7)
Sub-Total:	18712 (23.3)	10142 (16.9)	15216 (23.1)	7915 (16.0)	5179 (13.8)	3631 (10.9)	3053 (11.9)
Total:	70473 (87.7)	52610 (87.7)	58396 (88.7)	44720 (90.4)	33986 (90.6)	30375 (91.3)	23015 (90.1)
15. Others	9842 (12.25)	7390 (12.32)	7474 (11.35)	4754 (9.61)	3522 (9.39)	2909 (8.74)	2538 (9.93)
*Total ADP:	80315	60000	65870	49474	37508	33284	25553

Figures in parentheses are expressed in percentage of Budget

\*Contribution of autonomous bodies in this budget is Tk. 5,685 crore, thus the size of ADP stands at Tk. 86,000 crore

53. **Overall Expenditure Structure:** Now, I would like to present a brief outline of the overall expenditure (development and non-development) structure of the proposed budget. We have classified different ministries/divisions into three groups based on their functions. These are social infrastructure, physical infrastructure and general service sectors. In the proposed budget, 25.16 percent has been allocated to social infrastructure sector, of which 21.58 percent has been proposed for human resource (education, health, and other related sectors). 30.15 percent of total allocation has been proposed for physical infrastructure sector, of which 14.69 percent has been proposed for overall agriculture and rural development, 9.24 percent for overall communication sector and 4.61 percent for power and energy sector. 23.58 percent of total allocation has been proposed for general services sector, 3.4 percent of total allocation has been proposed for Public-Private Partnership (PPP), financial assistance for different industries, subsidy, and equity investment in nationalized banks and financial institutions; 12.39 percent has been proposed for interest payments. Remaining 5.34 percent will be spent for net lending and other expenditures. Hopefully, the budget framework proposed in view of the domestic and global perspectives will support growth as well as contain inflation. People will find their aspirations reflected in it.

## Chapter VI

### Important Policy-Strategy of the Government

#### Madam Speaker

54. We do not measure the development with the yardstick of economic growth alone. That is why, along with higher growth, we have been working relentlessly to ensure equitable distribution of resources, to reduce poverty and to remove social, economic, regional and gender disparities. We think that our growth strategy should be inclusive and our real success lies in ensuring that the fruits of development reach all.

#### Overall Growth Target and Strategy

55. You may know that, in the light of the ‘Vision 2021’ we want to transform Bangladesh into a middle income country by 2021. A little while ago I have said that the target of growth for the next fiscal year would be 7.3 percent, and in 2021 it would be 10 percent. Now I will present before you our policies and strategies to achieve this target:

- In continuation of our past strategy, we will attach priority to the power, gas and port development. We will increase power generation from the present 10,000 MW to 24,000 MW and ensure that the real supply does not fall below 80 percent of actual generation.
- We will increase the share of industrial sector in the overall national growth from 25 percent to 40 percent. We will attach high priority to small and medium enterprises and take necessary steps to enhance the skills of the workers to increase industrial productivity
- In order to attract private investment for infrastructure development, we will encourage implementation of project through Public Private Partnership (PPP).
- In the meantime as many as 34 projects under six sectors have been approved on principle and advisors/consultants have been engaged for 33 projects. In fact, this is the first step towards project implementation. A list of approved PPP projects has been given in table 6. I expect the legislation on PPP will be laid before the parliament shortly.

Table 6: List of PPP projects

(million USD)			
SL.No.	Sector	Name of the Project	Estimated Cost
1	Transport	Dhaka-Elevated Expressway	1,200
2	Transport	2 Jetties at Mongla port through PPP	50
3	Health	40 beds Hemodialysis Centre at Chittagong Medical College Hospital	2
4	Health	Hemodialysis Centre at National Institute of Kidney Diseases and Urology	1
5	IT	Hi-tech Park at Kaliakoir	-
6	IT	It Village at Mohakhali	20
7	IT	Hi-tech Park at Sylhet	20
8	Health	Obosor: Senior Citizen Health Care and Hospitality Complex	6
9	Transport	Multi- Mode Surveillance System(Rader, etc) at Hazrat shahjalal International Airport	25
10	Transport	Fly-over from shantinagar to Mawa Road via Sth (new) Bridge over Buriganga River	300

11	Transport	Dhaka Ashulia Elevated Expressway	1,500
12	Transport	Upgrading of Dhaka By Pass to 4 lane ( Joydevpur- Debogram-Bhulta-Madanpur	100
13	Civil Accommodation	NHA Housing Satellite Project at Mirpur	60
14	Civil Accommodation	Construction of BSS Bhaban under PPP	6
15	Transport	Dual gauge Double line Bangabandhu Bridge	1,000
16	Transport	Fulchhari bahadurabad MG Railway Bridge	1,500
17		Fisheries and Livestocks ppp Projects	2
18	Transport	Hemayetpur- Singair-Manikgank PPP Road	85
19	Transport	Dhaka- Chittagong Access controlled Highway	1,500
20	Transport	Jatrabari-Sultana Kamal Bridge- Tarabo PPP Road	50
21	Transport	Construction of Laldia Bulk Terminal	60
22	Tourism	Development of Tourism and Entertainment Village in Cox bazar	150
23	Education	Medical College & Nursing Institute and Modernization Railway Hospital of Kamlapur	100
24	Tourism	5 Star Hotel at Zakir Hossen Road, Chittagong	100
25	Education	Medical College and Modernization Railway Hospital at CRB in Chittagong	75
26	Transport	Construction of a New Inland Container Depot (ICD) in Dhirasram Railway Station	200
27	Civil Accommodation	Shopping Mall with Hotel-cum-Guest House on the unused Railway land in Comilla	35
28	Civil Accommodation	Shopping Mall with Hotel-cum-Guest House on the unused Railway land in Chittagong	12
29	Transport	Construction & Operation of inland Container Terminal (ICT) at Khanpur	30
30	Health	Medical College and Modernization Railway Hospital at Saidpur in Nilphamary	75
31	Health	Medical College Modernization Railway Hospital at paksey in Pabna	75
32	Health	New Modern Medical College & Hospital of 250 beds on the unused land in Khulna	100
33	Transport	2nd Padma Multipurpose Bridge at Paturia-Goalundo	1,500
34	Transport	3rd Sea port	1,200
Total:			11,138

- We will create investment-friendly environment and continue essential institutional reforms in an attempt to bring down the cost of doing business. Effective measures will be taken to reduce interest rates with a view to increase private sector credit flows that will eventually enhance investment
- The scarcity of land is a major impediment to the development of industrial sector. Special allocation has, therefore, been proposed in the budget for the next fiscal year for land acquisition for large projects
  - A number of measures including stimulus packages will be taken for readymade garments, pharmaceuticals, ship building, leather, and IT sectors to add further momentum to the export sector. Besides, steps will be taken for product and market diversification in the export sector
  - We will continue to provide incentives for agricultural sector and take initiative to increase production of milk, meat and egg
  - We will take measures to enhance skills of workers and continue the process of generating employment and increasing remittance by way of exporting skilled manpower.
  - A fund of Tk. 50 crore will be created to implement our commitment for skill development.
  - Over the last several years, we have been allocating funds for the development of rural infrastructure, rural housing, sanitation, land and water, fisheries and livestock, rural electrification and rural non-agricultural small and medium enterprises (SMEs) by bringing them under a comprehensive plan to make the rural economy vibrant. We will take necessary steps to make these sectors more dynamic in future.
  - The problems of *haor* areas are a bit different. Protection of life in these areas is a major concern and added to this is the difficulties in establishing communication. **I propose an allocation of Tk. 50 crore for the development of these areas in the budget for the next fiscal over and above the allocation for regular projects.**
  - Aside from the coastal belts, there are many *char* areas in different parts of the mainland. The main difficulty that the char dwellers face is one of marketing their produces due to lack of communication facilities, once they start farming activities. **I also propose an allocation of Tk. 50 crore for char areas.**

#### Reduction of Poverty and Inequality: Trends, Targets and Strategies

56. **Poverty and Inequality:** We have already achieved the targets meant for a hunger and poverty-free society under the Millennium Development Goals (MDGs). Our success in poverty reduction has been well-acclaimed by the international community. You all may know that when the grand alliance Government took office in 2009, around 5 crore people of the country were poor, of which 2 crore 88 lakh were in the clutch of extreme poverty. During our previous term, though population growth rate was 1.16 percent on an average, the number of poor and ultra-poor came down to around 3 crore 85 lakh and 1 crore 57 lakh respectively. Many of the ultra-poor crossed poverty line over the last 22 years. It is worth mentioning that 45 percent of those ultra-poor were pulled out of poverty within the last 5 years.

57. We had set the target to bring down poverty to 13.5 percent by 2021. The way we are progressing, InsAllah, poverty will be reduced to



10.2 percent by 2021. Not only that, extreme poverty will be totally eliminated from this country by 2018. Budget proposal contains various programmes worth Tk. 1,500 crore to eradicate extreme poverty. It could be observed that, as the rate of poverty has reduced, poverty gap has also significantly narrowed during our term. The share of income of poor people in the gross national income has increased while that of the rich people has decreased. As regional inequality has reduced, so has the gap between urban and rural areas.

58. Our success in reduction of poverty and inequality lies in the adoption of policies and strategies that support inclusive growth. In an open market system, economy is mostly driven by the private sector. We have, therefore, played a supportive role in the development of the private sector, on one hand and ensured balanced redistribution of wealth under social protection programmes on the other. We have taken various social safety net programmes by categorizing them into the following 4 broad groups:

- Enhancing capacity of the ultra-poor to face poverty by providing them with special allowances
- Creating employment and self-employment opportunities for the hardcore poor through micro-credit operations
- Ensuring food security for the hardcore poor by providing food assistance free of cost or at a nominal cost
- Creating capacity of the hardcore poor to deal with poverty by providing them with education, training and healthcare services.

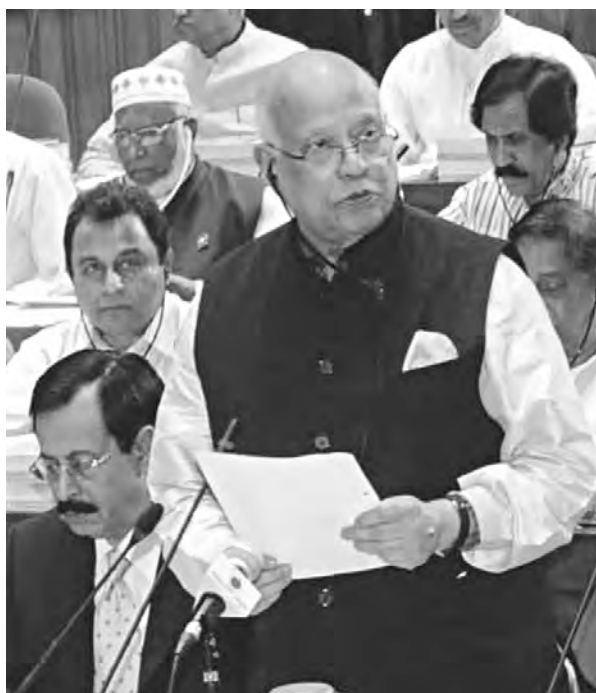
59. **Social protection:** The Household Income and Expenditure Survey (HIES) 2010 reveals that 24.57 percent families of the country have been brought under the coverage of social safety net programme. In this coverage, the share of beneficiary families in the rural area is 30.12 percent. Over the last 5 years, we implemented a number of safety net programmes, namely, stipend program, special stipend programme for physically challenged students, allowances for insolvent disabled persons, old age allowances, allowances for expecting and lactating mothers, allowances for widows and divorced women, one house one farm project, Ashrayan project, food for works program, test relief, gratuitous relief, food assistance for destitute mothers, char livelihood project etc. Moreover, we provided special allowance, employment generating training and stipend to socially and economically excluded *hizra*, *dalit*, *horizon* and *bede* communities with a view to mainstreaming them. We also arranged food assistance programmes for the poverty-stricken tea-garden labourers.

60. Besides, we have taken initiatives to address the housing problems of the neglected segment of our society. As of now, construction work of houses for accommodating the cleaning staff of Dhaka City Corporation is underway. In order to take up similar programme in the divisional and district towns, a special allocation of Tk. 50 crore has been proposed in the budget for next fiscal.

61. **Social Protection Strategy:** I would like to reaffirm that these poverty reduction initiatives will continue in future. Moreover, we will lay special emphasis to make safety net programmes more target oriented with a view to accelerating the poverty eradication process. We have almost finalized the 'National Social Protection Strategy' (NSPS). At the same time, steps have been taken to prepare a list of hard-core poor and a 'National Population Register' for proper identification of beneficiaries of social safety net programmes.

62. **Poverty Reduction Policy and Strategy:** So far, I have tried to give you an idea about our strategies and programmes formulated for addressing poverty and inequality. At the moment the social safety net coverage is quite comprehensive. Basically, each of our policies is growth supportive as well as pro-poor. I believe that only the expansion of safety net coverage is not enough for effective eradication of poverty and inequality. Success in this area requires galvanising the inherent power of the poor. We have to create a congenial atmosphere, where the poor can develop themselves by dint of their own capabilities. Now, I would like to present some of our future plans for eradication of poverty and inequality:

- We will keep on maintaining a favourable macroeconomic environment to ensure pro-poor-growth. Steps will be taken for administrative decentralisation. We will continue to allocate resources on a priority basis for education, health and family welfare and science and technology.
- Activities relating to employment generation in manufacturing and service sectors as well as encouraging women participation in the labour force will continue. At the same time we will encourage industrialisation in different regions of the country
- More initiatives will be undertaken to eliminate regional disparity through expansion of trade and commerce. To this end, construction of quality roads and telecommunication infrastructure will continue. Besides, we plan to transform all the unions into planned rural settlement and the upazila headquarters and growing industrial centres into modern towns and satellite towns
- An increasing number of labour intensive and agro-based industries will be established in poverty stricken areas to generate employment and income. We have already ensured easy access of the poor to the institutional credit facilities, fertilizer, seed, irrigation, power and rural infrastructure. This will continue in future as well
- We will lay special emphasis on socio-economic development of the small ethnic communities living in Chittagong hill tracts and protecting their distinct culture



**Finance Minister Abul Maal Abdul Muhith placing budget for 2014-2015 at Jatiya Sangsad yesterday.**

- We will institutionalize the facilities for disabled people. To this end, the National Foundation for the Disabled will be converted into a Directorate immediately. The rate and coverage of stipends for insolvent disabled and disabled students will be enhanced. A decision has been taken to increase the number of disabled beneficiaries to 4 lakh and that of disabled students to 50 thousand in FY 2014-15
- Besides, I propose to allocate Tk.20 crore to the trust established for the disabled with neuro-developmental disorder and Tk.5 crore to the trust for the welfare of the physically challenged
- Above all, we will take appropriate steps to enable the endangered poor in coping with the adverse effects of climate change.

### Target of Employment Generation and Strategies

#### Madam Speaker

63. The main objective of our employment policy is the generation of productive employment and transforming unskilled population into semi-skilled and skilled. Experts have identified three main obstacles to achieving the investment and GDP growth target. These are: (1) underdeveloped communication infrastructure (2) power and energy deficit and (3) lack of skilled manpower.

64. **Skill Development:** You might have noticed our remarkable success in achieving electricity generation target. The construction work of rail, sea and land port infrastructure and roads and bridges including the Padma Bridge are progressing fast. I can say with certainty that the main contract for the construction of the Padma Bridge will be signed in this month. We now need to concentrate on building skilled manpower and therefore, human resource development is our topmost priority. It is my great pleasure to inform this august House that we have undertaken a 10-year comprehensive programme with the support of our development partners which will cover different national institutions including private institutions and industrial organisations.

65. **Skill Development Training:** In the first phase, training of international standard will be imparted to a total of 2 lakh and 60 thousand individuals over a period of three years using 32 institutes of three ministries, SME department of Bangladesh Bank, PKSf and 9 industrial organisations. At least 70 percent of these trained individuals will have the assurance of employment in different industries. Considering the demand of the day we have identified six priority sectors in the first phase, which include (1) garment industry (2) construction sector (3) information technology (4) light engineering (5) leather and footwear industries and (6) ship building.

66. We have set a goal for creating skilled and trained manpower of around 15 lakh by the next ten years. Successful implementation of this plan will enable us to export skilled manpower besides meeting our domestic demand. Remittances, in tandem, could be increased by more than three times during this period.

### Strategy for Women Empowerment and Children Welfare

#### Madam Speaker

67. It is our firm belief that if we want to ensure faster pace of development, the cause of our women folk – the backward segment of the society has to be advanced by all means. To this end, we enacted a number of important pieces of legislations and formulated policies during our last

tenure to eliminate all sorts of discrimination against women and ensure women rights in all spheres. Going forward with the legal and policy regime already established, we will enforce all relevant laws to protect and prevent violence against women, sexual harassment and sufferings and women and child trafficking. Besides, in order to involve the women in the nation building activities, we will ensure safety of women in educational institutions and at work places. In addition, we will ensure social, political and legal protection against all kinds of propaganda and social barriers imposed against women in the name of religion. In order to make our womenfolk self-reliant, we will expand microcredit programmes, and continue to provide special incentives to women entrepreneurs. A special allocation of Tk.100 crore will be provided in the budget for the next year for development of women.

68. **Women Empowerment:** We are proud to have three renowned ladies as our honorable Speaker, Prime Minister –Leader of the House and Leader of the Opposition in our parliament. You already know that the number of reserved seats for women in the parliament have been raised to 50 during our last tenure. Moreover, one third of the seats of the local government institutions have been reserved for women representatives. You will be glad to know that according to the 'Global Gender Gap Report' Bangladesh has been placed 7<sup>th</sup> in the world in terms of political empowerment of women. Not only in the political arena, we have also appointed a number of women in the top positions of different institutions including public administration during our last tenure. This practice will continue in future as well.

69. **Women Development Policy:** Women Development Policy, 2011 will remain our guiding document for women empowerment and their overall development. You will be happy to know that our government in the last tenure laid down the foundation of this undertaking. In August 2013, Ministry of Women and Children Affairs formulated a national work plan for implementing the **Women Development Policy, 2011**. This policy clearly stated the responsibilities of each ministry/division regarding women development. They have also been asked to incorporate these issues into their budget plan.

70. I think, now a days women development issue should not be considered in isolation of overall social and national development. Rather, the women rights issue is addressed in each development plan all around the world today. We will also take initiative to make all our development plans and policies gender responsive. It will enable the ministries to implement most of the women development related programmes within the medium term budget framework. Following the previous year, we have yet again prepared gender responsive budgets for 40 ministries.

71. **Children Welfare:** Our future lies in our children and we, therefore, are committed to guarantee their overall development. With a view to ensuring their physical and mental development and fulfilling the nutritional requirement, we will enhance the scope of their participation in education, sports, entertainment and creative cultural activities. We will also update the 'National Children Policy' in accordance with the UN convention on the rights of the children. Moreover, we have banned the use of child labour in all small and medium industries including the garments and all informal sectors. Appropriate measures will also be there to stop violence and discrimination against children. Hence, I would like to draw your attention to a particular issue. We noticed with great concern that in the run up to the last national parliamentary election, several religious groups and opposition political parties used innocent children in political violence and hostility. I would like to state firmly that we strongly oppose using children in violent activities and we will crush any such attempt in future.

72. There are demands being raised from various quarters for separate child budget. Some concrete recommendations are there as well to make it operational. We expect to implement it on pilot basis from FY 2015-16. I propose to allocate Tk. 50 crore for the projects for children welfare in the budget for FY 2014-15.

## Chapter VII

### Allocation of Resources in Major Sectors of the Economy

#### Human Resource Development

##### Education

#### Madam Speaker

73. **Implementing Education Policy:** It is our fundamental commitment to continue with the policies we pursued in the education sector and sustain the achievements we made during our last tenure. Inshallah, we will succeed in implementing most of our plans set out in the **Education Policy, 2010** in this tenure. To this end, we will lay highest emphasis on improving the quality of education; adopting modern technology based teaching methods and continuing adequate infrastructure building. There will also be an initiative to improve the teacher-student ratio to an acceptable level. Madrasa education will be modernised to make them amenable to the mainstream education. In these institutions, courses on IT will be introduced including Honours courses.

74. **Expansion of Technical and Vocational Education:** In a market economy environment, the main objective of education is to turn students into skilled manpower according to their merit and ability. In order to realize this objective, we will put special emphasis on vocational and technical education. Steps will be taken to enhance co-operation and co-ordination among all the government and private vocational and technical institutions. The on-going construction work of technical schools in each upazila will be completed soon. Besides, vocational training courses will be introduced at secondary and higher secondary levels.





# BUDGET SPECIAL 2014-2015

The Daily Star 7  
DHAKA FRIDAY JUNE 6, 2014

75. **Educational Environment:** We are committed to maintain proper environment for education at any cost. We will undertake all out measures to eliminate violence, corrupt politics, and session jam in the academic sphere. Moreover, we will exert our highest efforts to make school and college management system more democratic, participatory, accountable, transparent and free from partisan interests.

76. **Creative Talent Hunt:** We have already started promoting originality in thinking by exposing our students to creative questions. Difficult though it was, thanks to the sincere efforts of teachers, students and guardians we could accomplish this task. We are aiming at setting creative questions for all the subjects. Besides, last year for the first time, we launched a programme titled 'Creative Talent Hunt' to recognize and reward the young talents. This practice will continue in future.

77. **Higher Education:** To fulfill our election pledge, we will continue to establish public and private universities in all the districts of the country. At the same time, the pursuit of science research will be encouraged in those institutes.

## Madam Speaker

78. **Eradication of Illiteracy:** By now, we have ensured almost 100 percent enrolment at the primary level. Now our goal will be to eradicate illiteracy. With this end in view, we have undertaken some important steps, which include formulating Primary Education Policy, reorganising school management committees and upazila and city education committees as well as implementing Non-formal Education Policy. Within the broad coverage of Basic Literacy Programme throughout the country, we are planning to provide 45 lakh illiterate adolescent and people belonging to the age group of 15-45 years with basic literacy and livelihood training.

79. **Primary Education up to Class VIII:** As part of National Education Policy, we have taken up a number of programmes to upgrade the primary education level up to class VIII by 2018. In the meantime, we have started class VI and class VII in 754 primary schools. Gradually all other primary schools will be brought under this process.

80. **Pre-primary and Inclusive Education:** We have introduced pre-primary education programme at all primary schools. By this time, a curriculum has been developed and books have been printed. Side by side, we have formulated an inclusive education manual for the retarded children and people living in inaccessible areas. The relevant teachers have also been trained on the manual.

## Health and Family Welfare

### Madam Speaker

81. **Community Clinic:** Our success in the health sector has already been recognized both at home and abroad. We will be continuing with our efforts for further development of this sector. Earlier we took an initiative to build 13 thousand and 500 community clinics, one each for every 6 thousand people, with a view to extending the health care facilities to the grass root level. As of now, service delivery has begun at 12 thousand and 557 community clinics while 943 clinics are still under construction. We will deliver maternal health care services through these clinics. Our ultimate goal is to reduce maternal mortality rate down to 143 per lakh live births. Although our progress in reducing child mortality rate is satisfactory, we want to bring it down further.

82. **Telemedicine and Health Insurance:** We are aiming at raising average life expectancy to 72 years by 2021. At the same time, we will be trying to provide easy access to reproductive health service delivery system to reduce the birth rate. This time, as soon as we assumed office, we laid much emphasis on ensuring the presence of the doctors at the field level. Besides, we are working on expanding tele-medicine service. Moreover, we are going to take special attempt to introduce social health insurance programme, as early as possible, in order to bring down the medical expenses within the affordability of the poor. Preliminary attempts have already been made to initiate social health insurance for those working in the formal sector.

83. **Improving the Quality of Medical Education:** Aided by the supportive government policy and environment a number of government and private medical colleges, nursing institutes and medical technology institutes have been established. Along with the expansion of medical education, we will make sure that the standard of education is maintained. In order to fulfill that objective, attempts will be made to enhance the skill of healthcare institutions and healthcare regulatory agencies. We will also work on the development of Homeopathic, Unani and Ayurvedic medicines. Moreover we will take initiative to build appropriate regulatory framework and enhance institutional and technical facilities for controlling the quality of herbal medicine. You will be happy to know that **National Drug Policy, 2005** is at the final stage of updating. We are also working to modernize the drug testing laboratory.

## Power and Energy

### Madam Speaker

84. **Electricity:** The ongoing progress in power generation will continue during our current tenure as well. InsAllah, with the implementation of medium and long term plans electricity will reach every household within the next five years. You might be aware that we had set a target of generating 20,000 MW of electricity by 2021. Considering the growing demand and increasing generation capacity, we have re-fixed this target at 24,000 MW. Several milestones have been identified to achieve the changed target. I am providing you the estimates of the year 2017 because the centres for which contract has been made will go for generation by that time.



## New banks have entered the market to tap the potential of country's economy.

- To take initiatives, apart from increasing domestic production, to generate and allocate power through bilateral, multilateral and regional agreements with neighboring India, Bhutan and Nepal
- To raise generation capacity to 18,162 MW of electricity by 2017
- To establish coal based power plants with a generation capacity of 1426 MW by 2017 which will shift the burden from gas which contributes to 78 percent of power generation in the country
- To establish two nuclear power plants at Ruppur with a total generation capacity of 2000 MW of electricity
- To produce 800 MW of electricity by 2015 using renewable energy. A special fund has been established to finance renewable energy based power plants. The size of the fund will stand at TK.400 crore with this year's allocation
- To install more than 60,000 pre-paid metres to ensure efficiency, transparency, and accountability in power management.

85. **Energy:** We will ensure reasonable extraction and utilization of natural gas. Steps are underway to enhance the capacity of BAPEX. Special emphasis will be laid on discovery of new gas and oil fields. In addition, scope of assistance and cooperation with international organisations to explore new gas and oil fields in the coastal and deep sea areas will be widened. Alongside, we will take necessary steps to dig 21 wells in order to enhance gas generation capacity by 2015-16.

86. We will take initiatives to reduce the misuse of gas by enhancing managerial efficiency in this sector. Import of LNG from abroad will continue. We are, however, considering the establishment of an LNG terminal and necessary infrastructure in *Maheshkhali Island*.

87. A separate booklet with updated status of power and energy sector has been placed before this august House.

## Agriculture, Water Resource and Rural Development

### Madam Speaker

88. **Agriculture:** Bangladesh achieved outstanding success in agriculture sector during our last term. We are committed to continue this trend in future. I firmly believe that Bangladesh will become a major exporter of agricultural products in the near future. I want to assure everyone associated with agriculture that all our policies and strategies to revitalise this sector will continue in future. Let me now present a brief account of the major steps that we are planning to undertake for the development of this sector

- Subsidies for fertilizer, seeds, irrigation and other agricultural inputs will continue. I propose an allocation of TK. 9,000 crore for this sector in FY 2014-15.
- Share-croppers will continue to be provided with collateral-free agricultural loan. Moreover, agricultural loan and input assistance will continue. In addition, a database containing all information of farmers will be established
- Agricultural Rehabilitation Assistance and Incentive Programme will continue as before

- Supply of high yielding seeds to the farmers will be increased further.
- Special emphasis will be given on innovation and use of organic technology and genetic engineering
- Development of agro- based industry will be encouraged with right incentives
- Agricultural research will be given highest priority as before. Like jute, steps will be taken to decode genome sequence of other cash crops. Again, research for inventing drought, salinity and water logging resistant high yielding varieties will be intensified. Special attention should be given to minimize the adverse effect of climate change while conducting agricultural research and emphasis should be laid on faster innovation of technology.

89. **Fisheries and Livestock:** The fisheries and livestock sector plays an important role in removing malnutrition by way of meeting the protein demand of our people. Side by side this sector, apart from contributing substantially to the GDP, is making remarkable contribution towards poverty reduction through employment generation. This sector is making substantial contribution to export sector as well. We have taken various steps for the overall development of this sector which will continue in future as well. Let me enumerate the policies that we will adopt for the development of this sector:

- Programs for increasing commercial production of egg, fish, meat, milk etc. will continue
- Ongoing integrated actions to increase the production of national fish *Hilsha* will continue
- The National Shrimp Policy, 2014 will be formulated as soon as possible
- Steps will be taken to ensure sustainable management of aquatic resources in the newly earned 1 lakh 11 thousand 631 square kilometers of territorial sea at the Bay of Bengal. For this purpose we will take initiatives to identify fishing grounds, take stock of various species and set the maximum acceptable limit of fishing
- Genuine fishermen will be registered and provided with identity cards
- Cooperative pisciculture will be encouraged
- Manufacturing vaccine for domestic animals, providing veterinary treatment, developing species through artificial insemination will continue.

### Madam Speaker

90. **Food Security:** We have been attaching priority to food security since assumption of office. Necessary allocations have been made to this sector to operationalise the National Food Policy and Bangladesh Country Investment Plan, CIP, 2009. There was adequate supply of food at fair price in the market throughout our last term because of our efficient management which we want to continue in future as well. In the present term, our aim will be to ensure food safety and its equitable distribution. A piece of legislation titled The Pure Food Act, 2013 was enacted last October. Framing of rules under this new law and the establishment of

Pure Food Authority are underway. We expect your active support to our crusade against food adulteration.

91. While ensuring stable food price we ensured fair price of agricultural products. Procurement of food at fair price will continue in future as well. In the last term, we had a plan to enhance the storage capacity of food go-downs to 20 lakh MT by 2015 to tackle any emergency. The storage capacity of food go-downs has, by now, gone up to 19.38 lakh MT which will, InsAllah, stand at 25 lakh MT by 2020.

Madam Speaker

92. **Water Resource Management:** Appropriate water resource management is vitally important for the agro-based riverine Bangladesh. We are also highly vulnerable to the risks of climate change because of the fact that Bangladesh is situated at the downstream of the big rivers. This makes proper water management all the more important for the very existence of ours. A number of projects have been taken up to restore the navigability of big rivers with special emphasis on capital dredging, flood control, enhancing the water retention capacity of the rivers, extending irrigation facilities, prevention of saline water intrusion, desertification and land reclamation from sea. Now I lay before the House our future action plans on water resources management

- The on-going negotiations in regional and international forums to ensure a proper and equitable share of 54 common rivers flowing between Bangladesh and India will continue. In the meantime, a framework for water sharing of Teesta and Feni Rivers has been prepared. The joint water resources management activities along with generation of hydro-electricity by making reservoir at the Ganges and Brahmaputra basins are well on course. We have a plan to preserve and maintain nearly 52 km of river banks by FY 2015-16 to protect our valuable lands, border outposts and important infrastructures from river erosion
- We will make 1.63 lakh hectares of land free from flood and expand irrigation facilities to 54 thousand hectares of land in the next five fiscal years
- We will excavate 192 km and re-excavate 2,111 km of irrigation canals. In addition, 204 irrigation structures will be built along with the repair of an additional 279 structures. Furthermore, 6709 km of discharge canals will be excavated and, where necessary, re-excavated.
- We will construct 1,209 km of embankment, repair and maintain over 15,358km, construct and repair over 4,540 flood control structures and preserve, repair and maintain, as per necessity, 1,443 km of embankment
- We will carry out capital dredging in the major rivers like the Ganga-Padma, the Brahmaputra- Jamuna and the Meghna. Side by side, regular dredging will continue in the Buriganga, the Turag, the Pungliand the Dhaleshshari rivers
- Steps will be taken to reclaim land from sea by constructing Swandip-Urirchar –Noakhali cross dam, infrastructure and circular dams around char Alexander, char Mainka –char Islam-char Montaj cross-dam to prevent intrusion of saline water. We will also build cross dam in the coastal areas to reclaim 20,000 hectares of land
- We have installed modern equipment at 38 points which can forecast weather three days in advance. In future we will be able to provide weather forecast 7 days in advance
- Efforts to build the Ganges barrage will continue
- All necessary measures to develop the haors of Sylhet, Moulvibazar, Sunamganj, Habiganj, Brahmanbaria, Kishorganj and Netrokona under the stewardship of the Haor Development Board will be taken. We will also take up dredging in baors to increase fish production, irrigation facilities and thereby generate employment.

93. We have undertaken a long term Sector Development Plan 2011-2025 for sustainable development of water and sanitation sector. Once the projects are completed, pure drinking water coverage in rural areas will go up to 93 percent from its present 88 percent. In addition, we will lay more emphasis on increasing dependency on surface water than on underground water.

Madam Speaker

94. **Rural development:** We believe in equitable development in all parts of the country. We want to narrow the existing gap between rural and urban areas in terms of development which will stem the tide of urban migration. Each union parishad will be transformed into a vibrant habitat with all modern civic amenities. We will connect 2 thousand 51 growth centres with district headquarters. Modern education, electricity, health care, pure drinking water, sanitation, agro-based industry will be made available in rural areas that will facilitate establishment of small township and suburbs.

95. We want to remain true to the pledges that we have made to the nation in our election manifesto. We are moving forward with a master plan spanning up to 2021 to develop a rural road network. We will build five thousand kilometres of new road, repair and maintain ten thousand km of pucca road, build, repair and maintain thirty thousand metres of bridges and culverts. All these initiatives, we believe, will widen road network coverage from 32.15 percent to 33.80 percent.

Climate Change and Environment

Madam Speaker

96. **Action Plan for Climate Change:** Bangladesh is one of the most vulnerable countries exposed to global climate change. We are leading the least developed countries in international negotiations on mitigation of adverse impacts of climate change. We will sincerely take forward all our initiatives to combat the impending dangers of climate change and preserve environment.

97. We will take initiatives to evaluate and update Bangladesh Climate Change Strategy and Action Plan, 2009 on the basis of our need. To implement this Action Plan, we allocated Tk. 2,555 crore in the last five fiscal years. However, this allocation will be reduced in future and instead steps will be taken to increase Bangladesh Climate Change Resilience Fund (BCCRF) established with the assistance of our development partners. Our development partners have already provided a total amount of US Dollar186.9 Million in BCCRF fund. Besides, we have started working on the implementation of Road Map for National Adaptation Plan as well as Road Map for Nationally Appropriate Mitigation Action, NAMA. We have formulated a Climate Fiscal Framework to ensure transparency and accountability in climate change related public spending.

98. Industrial effluent and waste from urban sewage is severely contaminating our river water and taking heavy toll on the aquatic environment and its surroundings. The level of pollution in rivers surrounding Dhaka is severe. That’s why we declared the Buriganga, Shitalakshya, Balu and Turag as ecologically critical water bodies to protect them from pollution. We have prepared a draft instruction manual with the guidelines to protect environment and control pollution of the rivers. Eco-tax will be imposed on the polluters to get rid of this situation. Arrangements have already been made to transfer the tanneries from *Hajaribagh to Savar* by March 2015.

99. We will continue our all-out support to the programme for converting wastes to compost fertilizer with the wastes collected from all city corporations and municipalities in an eco-friendly waste management system. The action of conversion of existing brick kilns to hi-tech environment-friendly brick-kilns will be carried on within a specified period of time. To reduce the severity of air pollution, 11 Quality Air Monitoring Stations (QAMS) will continue to monitor the quality of air in the atmosphere.

100. **Afforestation and preservation of bio-diversity:** As we did in the previous term, we are attaching considerable importance to the expansion of afforestation and preservation of bio-diversity. Emphasis will be laid on sustained afforestation in the coastal and char areas. Internal communication and storage of agricultural produces pose serious problems the people of char areas together with the scarcities of other civic amenities. To overcome the situation I have proposed to allocate TK.50 crore as block allocation a little while ago. We have taken initiatives to harmonise our National Biodiversity Strategy and Action Plan, 2020 with the Strategic Plan for Biodiversity 2011-2020 drawn up under the United Nations Biodiversity Charter.

101. **Combating Disaster:** During our last tenure, besides laying emphasis on inclusive growth we undertook programmes for rescuing the victims of different natural disasters and providing them with assistance for rehabilitation. Under this programme construction of cyclone shelters, cyclone resistant buildings and flood shelters is well in progress. We are sending warning messages to the inhabitants of flood-prone Shirajganj and cyclone-prone Cox’s Bazar with the help of Grameen Phone and Teletalk. People can now access latest weather forecasts and bulletins from any mobile operator via Interactive Voice Response (IVR).

102. We have started buying necessary equipment to run rescue programme during earthquake and other natural disasters. Besides, efforts are going on for determining the disaster and calamity risks. We are also working to formulate practical guide and local action plan to reduce these risks. In the meantime, we have published a countrywide earthquake risk map. Contingency plan for Dhaka, Chittagong and Sylhet City Corporations has been drawn up to mitigate the possible damages in the event of an earthquake.

Physical Infrastructure

Madam Speaker

103. **Development and Expansion of Communication Infrastructure:** Thanks to collective efforts, our economy has made commendable progress in the last five years. In tandem, the necessity of roads, railway and water ways communication has gone up high. Existing road infrastructure is insufficient to keep pace with the growing economic activities. We will, therefore, continue to repair, maintain, improve and expand existing roads on a priority basis. Our priorities for this tenure are:

- Contract signing for the construction of Padma Multipurpose Bridge will be done this month and construction will be completed by 2018
- Construction of a tunnel underneath the Karnaphuli river in Chittagong
- Conversion of nationally important highways into four lanes gradually
- Continuation of investment to reform and modernise railways
- Construction of circular rail road track around Dhaka city.
- Construction of the 3<sup>rd</sup> Sea port at *Payra* in Patuakhali.

- Construction of a sea port and an LNG terminal at Moheshkhali
- Making Biman a profitable organisation by improving its management and enhancing the capacity of passenger transport.

104. **The Padma Bridge:** The construction of Padma Multipurpose Bridge is our topmost priority. It will create a direct road link between 19 districts of south-west region and Dhaka along with northern region of Bangladesh. Once completed, this will induce a growth to the tune of 1.2 percent of GDP per year. Let me inform the House that the construction of Padma Bridge is underway despite myriads of difficulties. In the meantime, the land acquisition and rehabilitation activities of the project is about to finish. The construction of approach roads from both directions is progressing well. I hope the construction of main bridge will kick-start this month and the engagement of contractors for river training will take place in July-August.

105. **Prevention of Traffic Congestion:** At the very outset of my speech, I mentioned about the construction of flyovers along with other initiatives to mitigate traffic congestion in Dhaka city. Now, I would like to share with you some other issues in this regard. We have taken proper initiatives to implement the MRT Line-6 project from *Uttara to Motijheel* under the supervision of Dhaka Transport Coordination Authority (DTCA) as per plan. Meanwhile, the Metro Rail Act, 2014 has been sent to the cabinet for its approval. A contract has been signed with the investment partner to construct the 46.73 km. long Dhaka elevated express way from Hazrat Shah Jalal International Airport to Kutubkhali of Dhaka-Chittagong highway. Besides, pre-feasibility study for 42 km long Dhaka-Ashulia elevated express way from Hazrat Shah Jalal (Ra) International Airport to Chandra under PPP has been completed. We have a plan to construct an international convention centre on the other side of the Buriganga and a fly-over starting from Shantinagar, crossing over the Buriganga to ensure faster communication with the convention centre.

106. **Railway:** We always laid special emphasis on railway communication as it is cheaper, safer and fuel efficient and this will continue in future. In recent times, groups working against the trial of war criminals went on a rampage to destroy this public property acquired with the tax payers money. We took proper steps to make good the damage done so far. However, I would like to say firmly that it is our bounden duty to protect and maintain this public property and we will not hesitate to take any stern legal action to protect our public properties in future.

107. Construction and reconstruction of 441 km rail line is under way. In order to make railway communication between the two cities more punctual, we have taken initiatives to upgrade Dhaka-Chittagong corridor into double lines. Side by side, the construction of 2<sup>nd</sup> Bhairab and 2nd Titas Rail Bridge is in progress. The Dhaka-Sylhet railway communication is extremely delicate and we have taken up a plan to revamp it. The feasibility of establishing a container terminal either at Shayestagonj or Srimangal will be assessed by conducting a survey. In this respect, the prospect of growing trading activities with Tripura and Karimgonj will be taken into consideration. We will construct in phases the Dhaka-Mongla and Chittagong-Cox’s Bazar rail lines.

108. Alongside the activities relating to making the railway commercially viable, we have a plan to take the general mass on board and to construct medical college, five star hotel, shopping mall etc. to ensure the proper utilization of railway land. We have taken up the task of constructing an ISD in the vicinity of *Dhirashram*.

109. **Water Transportation:** During our last tenure, we have taken proper steps to rescue dried up rivers and river routes together with maintaining navigability. A River Protection Commission has been formed under the **River Protection Commission Act, 2013** to prevent illegal encroachment, river pollution, illegal construction and other unlawful activities. These initiatives to develop water transport paid off as trade and commerce went unhindered during recent political unrest and blockade.

110. **Port Infrastructure:** In order to expand trade and commerce, development of Chittagong and Mongla Sea ports as well as land ports will continue. In the past, I talked about an initiative to construct a deep-sea port in Sonadia of Cox’s Bazar under PPP. Due to lack of response from the private sector, steps have been taken to implement the project under Government to Government (G2G) arrangement. Besides, the **Payra Port Authority Act, 2013** was enacted to establish a port at Payrain Patuakhali District.

111. **Civil Aviation:** In order to improve passenger service, two Boeing 777-300 aircrafts have been procured. Procurement of two Boeing 737-800 aircrafts is underway. Hopefully, another four Boeing 787-800 aircrafts will be added to the Biman fleet by 2019. However, in the management of Biman commercial interest should get precedence over other considerations. Appropriate steps have to be taken to reduce its losses. Alongside, the work for expansion and upgradation of other airports including Hazrat Shahajalal International Airport will continue. In the meantime construction of the second runway in Hazrat Shahjalal Airport has been taken up. The airport at Cox’s Bazar will be upgraded to an international one soon.

Housing and Planned Urbanisation

Madam Speaker

112. **Planned Urbanisation:** Planned urbanisation has become a big challenge for us because of the acceleration of population growth. Realizing the importance of planned urbanisation our government formulated Dhaka, Khulna and Chittagong Metropolis Detailed Area Plan (DAP) and Sylhet, Chittagong and Barisal Divisional Area Structural Plan in the last tenure. In our current tenure, we will modify Dhaka Detailed





# BUDGET SPECIAL 2014-2015

The Daily Star 9  
DHAKA FRIDAY JUNE 6, 2014



## Tax on import of pre-fabricated building materials for export-oriented garment factories is proposed to be withdrawn.

Area Plan (DAP) to make it more realistic and modern. To this end, we have started drafting DAP (2016-2035). The principal means of solving the problem of urbanisation is to build rural habitats encompassing a number of developed or densely populated villages and to create townships by linking them with the national highways. At the same time, ongoing project of building growth centres should be strengthened.

113. **Ensuring Safe Drinking Water:** Our government took the initiatives to increase the use of surface source of water instead of using underground water in urban areas. Recently, the second phase of Saydabad Water Treatment Plant project has been completed. With this, over 22.5 crore litres of water have been added to Dhaka WASA. At present, production capacity of pure water of Dhaka WASA has been increased to 242 crore litres. Now, Dhaka WASA has taken initiatives to implement the third phase of Padma (Jashaldia) Water Treatment Plant and Saydabad Water Treatment Plant. After completion of the third phase of water treatment plant project, we will ensure the use of 70 percent of water from surface sources and 30 percent from underground sources. Special attention is being given to the use of surface water sources while implementing the water supply projects in Sylhet, Barisal and Rajshahi.

114. **Extension of Housing Facilities:** We are committed to ensure 'Housing for All'. Accordingly, we have started developing around 44,316 plots and also constructing 32,258 flats in Dhaka City as well as in different divisional and district towns. I hope, in the near future, the government will adopt and implement a Comprehensive National Urban Policy. Side by side, for the implementation of planned urbanisation and for ensuring the civic amenities, the government will take appropriate steps to reduce traffic jam, enhance urban beautification and put in place improved sewerage system.

## Digital Bangladesh

### Madam Speaker

115. **Digital Infrastructure and Information Technology Services:** At the beginning of my speech, I mentioned about our commitment for building digital Bangladesh. In the present tenure of our government, we will accelerate the development work for building the infrastructure of Hi-tech Park, Software Technology Park, ICT Incubator and Computer Village. At present, the programme for transforming 8000 rural post offices and 500 union post offices to E-centres is underway. Bangladesh is going to be connected soon with the second Submarine Cable Consortium as its member. Besides the massive expansion of the use of information technology in our education system, Bangladesh is holding the highest position in South Asia in terms of using information technology in the banking, medical, business and commerce and mass media sectors. A booklet containing the progress made so far in this sector and future programmes have been placed before this august House separately.

116. **Science and Technology:** Our government provides grants to encourage researchers to carry out research in science and technology. We will continue to provide scholarships and grants in this sector in the coming fiscal year. We have started establishing a National Marine Research Institute with a Marine Aquarium of international standard at Ramu in Cox's Bazar for carrying out marine research. However, for expansion of science education and its quality, it is most important to reinvigorate science education at the secondary level.

## Industrialization and Commerce

### Madam Speaker

117. We all know that there is no alternative to industrialization if we mean to earn the status of a middle income country by 2021. Here, I would like to enumerate the strategies that the Government will consider as priority for employment generation and investment in the next five years as it did in its last term:

- Expanding physical infrastructure facilities
- Simplifying the rules and regulations
- Making One-Stop Service operational
- Creating investment-friendly political and social environment
- Diversifying export products
- Providing reasonable financial incentives to the investors
- Providing tax benefits and financial assistances to the entrepreneurs of industries like food and agro-processing, ship building, light engineering, pharmaceuticals, plastic, toy industry, household appliances, IT, leather and chemicals. At the same time, special tax benefits will be provided to the entrepreneurs for establishing industries outside the jurisdictions of city corporations.
- Providing a grant of Tk. 10 crore for establishing an Institute of Plastic Engineering and Technology considering the potential of plastic based industry.

118. **Minimum Wages:** Since the day of its inception, Bangladesh Awami League has been working for the greater welfare of the under-privileged farmers and workers in the society. Considering the contribution of garment workers to the national economy as well as the escalating costs of living, our government has re-fixed the minimum wages by raising it to Tk. 5,300. To award minimum wages in line with the costs of living, inflation and GDP growth as well as to ensure safety and security in garment industry, a tripartite work plan has been initiated with the participation of the representatives from the government, owners and workers association. In this regard, the Accord signed between the BUET and EU at the initiative of ILO and the Alliance established at the initiative of the importers from the western hemisphere are helping us in identifying the factories with deficient facilities. We have strengthened the Department of Inspection for Factories and Establishments and we should take this initiative forward.

119. **Small and Medium Enterprises:** We will continue our support in terms of providing credit and refinancing facilities at a low rate of interest to help develop labour intensive small, medium and cottage industries. We will extend the credit facilities to women entrepreneurs as well. Side by side, we will encourage the expansion of internal and international markets of this industry.

120. **Trade expansion:** We have always laid emphasis on the improvement of the trade relation with the neighboring countries. Meanwhile, India has given us duty free and quota free access to its market for all commodities except for 25 items related to tobacco and liquor. We have sent an offer list of 476 commodities under an agreement to the TPS-OIC of the OIC member countries. Once the Agreement is

implemented, Bangladesh will be able to increase its export to those member countries. We have also finalised the 4<sup>th</sup> round of tariff negotiation under Asia Pacific Trade Agreement (APTA).

121. **Tourism Industry:** For the development of the tourism industry, we are taking necessary steps to improve and renovate tourism facilities of different areas of the country. Steps have been taken to develop exclusive tourist zones under the PPP initiative. A separate booklet containing detailed information on present initiatives and future plans for the development of tourism industry has been presented before this august House.

### Madam Speaker

122. **Overseas Employment:** Employment generation is one of the key elements of the total endeavours that are in place for eradicating poverty. With our whole-hearted efforts, around 24 lakh 50 thousand workers got overseas employment from January 2009 to December 2013. In order to develop skilled manpower to be sent abroad, 27 training centres and 5 institutes of marine technology are being established. The model of sending manpower abroad at low cost using Government to Government (G2G) method has already created a huge enthusiasm in other countries.

123. The system of migration management has been digitised to ensure security of life and livelihood of the migrant workers. For this, online registration has been made compulsory. In addition, the facilities for providing smart cards with finger prints, online visa revision and online lodgment of complaints by the deceived workers have been created. The draft Overseas Employment Policy, 2014 by amending the existing one is at the final stage.

124. We have taken several initiatives to expand the overseas labour market. During the last BNP led coalition Government, workers used to be sent to only 97 countries. Thanks to our successful labor diplomacy, we are now sending our workers to 159 countries in the world. Now-a-days around 87 lakh Bangladeshi workers are working abroad. So far we have opened 12 labour wings in our missions abroad and another 11 will be opened soon to expand our labour market.

## Culture

### Madam Speaker

125. We are committed to establish a non-communal and liberal democratic Bangladesh. In furtherance of this commitment, we have been patronising all efforts pertaining to the preservation of our traditional Bengali culture and heritage. And we will continue to do so in future as well. We will keep supporting all institutional endeavours meant to nourish Bangla language and literature, art and craft, music, open air opera, drama, movie, folk art and creative pursuits. Adequate allocations have already been given for archeological excavation, renovation and preservation of archeological sites in different parts of the country to showcase the glorious history and heritage of Bangladesh to the rest of the world. At present preservation and renovation work is going on in Buddha Bihar at Paharpur, Shatgumbuz Mosque at Bagerhat, the Kantajeu Temple at Dinajpur and Mahasthangar at Bogra. We have a plan to establish cultural centres in some selected foreign cities to introduce our cultural heritage, art and craft and literature. **In order to infuse dynamism into the development activities in our cultural front, I propose a block allocation of TK.100 crore in the budget for the next fiscal year.**

## Religion

### Madam Speaker

126. As enunciated in the Election Manifesto, we are committed to ensure religious freedom of all citizens and to remain deeply respectful to the teachings and ideals of each religion. With the support from all quarters we will march ahead maintaining communal harmony by eradicating militancy at any cost. Strict enforcement of law will be ensured alongside generating mass awareness to combat this evil. We will direct our endeavours towards building a forward looking humane society imbued with the true spirit of religion. At the same time, all programmes for construction and renovation of all religious establishments will continue. Moreover, we will continue to patronise all establishments bearing the heritage of different religions. At the behest of the Honorable Prime Minister, we have introduced 'Al-Quran Digital Website'. Hajj management system is being modernized by penetrating information technology. Our Hajj management has been applauded by the Government of Saudi Arabia. InsAllah, this year a total of 1 lakh 1 thousand and 758 pilgrims will travel to Saudi Arabia for performing Hajj.

## Sports

### Madam Speaker

127. We have received wide acclamation for our success in sports management and hosting international tournaments. Having successfully organised the World Cup Cricket 2011, we have hosted Asia Cup Cricket 2014 and ICC World Cup T-20, 2014 immediately after assuming office this year. We will continue to organise such major tournaments in future with a view to building a healthy nation imbued with the spirit of sports. We will give special attention to upgrading the skills of our sportsmen so that they can make their mark in international arena. Skilled trainers will be appointed for all kinds of sport. Distribution of sports materials to different districts together with establishment of stadiums will continue for promotion of sports. We will put in our all-out endeavours to maintain a congenial atmosphere in sports management. Stern actions will be taken against corruption and mismanagement in sports organisations. The task of identifying play grounds at the upazilla level will be taken up. However, construction of stadium involving high cost will be discouraged. I propose an allocation of TK. 50 crore for this purpose.

## Spirit of Liberation War

### Madam Speaker

128. **Preserving Memories of Liberation War:** We have been implementing various programmes to preserve the glorious history of our great Liberation War and to ensure welfare of the freedom fighters. We have built a glass tower at the historical premise of Suhrawardy Udyan from where Father of the Nation Bangabandhu Sheikh Mujibur Rahman declared independence of Babangladesh on the 7<sup>th</sup> of March 1971. In this tenure we plan to implement the following agenda:

- To continue ongoing programmes to identify every battle field, slaughter ground and mass grave that bear memories of the war of liberation and to build mausoleums on those sites
- To establish museums and libraries at the memorials of liberation war

129. We have raised the freedom fighters’ honourarium to ensure their welfare. At the behest of the Hon’ble Prime Minister, monthly honouraria of freedom fighters have been raised to Tk. 5,000 which will take effect from July, 2014. We have extended government facilities for the children and grandchildren of the freedom fighters. Alongside, we are taking initiatives to ensure housing facilities for the landless and insolvent freedom fighters throughout the country.

## Chapter VIII

### Reforms and Good Governance

### Madam Speaker

130. **Public Expenditure Management:** Thanks to our prudent fiscal management, both revenue mobilization and government expenditure have more than doubled in the last tenure of our government. We are continuing the reform initiatives to gradually increase revenue mobilization and to ensure optimal use of public money. In this part of my speech, I would like to reflect briefly on the progress of these reform initiatives and the future plans to carry those forward.

131. We have brought all the ministries/divisions under Medium Term Budget Framework (MTBF) by which a link can be established between government’s policies and priorities to resource allocation and resource allocation to performance. We have taken steps to formulate government expenditure and procurement plan for successful budget implementation. I believe this will ensure quality of public expenditure and minimize rush of expenditure towards the end of a fiscal year. We have completed the revision of existing Budget Classification Framework to make it consistent with the existing international standards and practices. This will go into operation in the next fiscal after completion of necessary training for relevant officials building required infrastructure.

132. We have started incorporating the self-financed projects being implemented by the autonomous bodies in our ADP from the current fiscal year. This step was taken to disclose the allocation of public funds from all sources to establish enhanced transparency and accountability in the budget setting process. It came to our notice that some of the autonomous bodies do not submit financial statements showing their income and expenditure to the government which is contrary to the financial discipline. To stop this practice, we plan to bring about reforms in the current practice of maintaining their books of accounts.

133. **Revenue Sector:** There is an ongoing reform agenda to streamline the revenue collection process and procedures. Automation and infrastructure development along with taxpayer-friendly programmes and motivational campaigns have resulted in a higher growth of revenue collection especially of income tax collection. I will discuss the matter at length while presenting the revenue proposals.

134. **Financial Sector:** We have strengthened the monitoring and supervisory role of Bangladesh Bank to maintain discipline in the banking and financial sector. To make the banking system more dynamic, Bank Companies (Amendment) Act, 2013 has been enacted by amending the earlier act. Relevant rules have been framed under the Grameen Bank Act, 2013 with a view to making the selection procedure of directors more transparent and representative.

135. In FY 2013-14 we approved the establishment of 9 banks in private sector including 3 under the ownership of non-resident Bangladeshis all of which are now in operation. In the meantime these banks have opened 71 branches across the country. These banks have been asked to channel 5 percent of their total credit to the agriculture sector in order to bolster investment in this sector.

136. We have started mobile banking to facilitate financial inclusion of the poor. Financial Action Task Force (FATF) has lauded our initiatives in anti-money laundering and anti-terrorism drives. Our initiatives have helped us graduate from the Grey List of risky countries to the list of risk free countries.

137. **Insurance Sector:** We want to end the prevailing mess of the insurance sector and to make it business- friendly. To attain this goal we are working on the formulation of a time-befitting insurance policy. Insurance Development and Regulatory Authority has been established to facilitate legal and structural reforms.

138. **Capital Market:** In FY 2010-11, our capital market suffered a major setback and the small investors became the worst victims of the situation by losing their investment. The Government appointed an inquiry

commission and also took up a comprehensive reform programme. The Securities and Exchange Commission was reorganized which ensured good governance in the capital market by reforming the legal and regulatory framework within 2 years. Above all, it is at their initiative with support from Dhaka and Chittagong Stock Exchanges that demutualisation of ownership and management from trading rights have almost been completed in these two stock exchanges under the Exchanges Demutualisation Act-2013. As a result of the initiatives taken from time to time the price index and market capitalization of DSE has been quite stable since the beginning of 2013.

139. **Business Environment:** In order to remove legal hassles and its possible consequences in business we have introduced Alternative Dispute Resolution (ADR) and incorporated necessary rules and regulations in Income Tax, VAT and Customs Acts. In addition, relevant sections of the Code of Civil Procedure are being amended. We have introduced automation in the judicial system and also in the delivery of services for processing exports and imports to infuse momentum in trade and business. We have also decided to establish economic zones in 5 different places of the country under the Economic Zone Act, 2010.

140. **Formation of Pay and Services Commission:** A Pay and Services Commission, 2013 has been constituted to recommend an appropriate salary structure for government employees commensurate with the price level and their living standard. The commission is expected to submit its report by December this year. We hope to implement the new pay scales gradually from FY 2014-15 as per the declaration made by the Hon’ble Prime Minister. Besides, introduction of a separate pay structure for the employees of Bangladesh Bank and state owned banks is at the final stage. Income tax would be imposed on all pay and allowances once the new pay scale is implemented.

### Madam Speaker

141. **Parliamentary Activities:** We believe in the sovereignty of our parliament. All necessary measures have been taken to make the parliament more effective. Modern data centre and digitally controlled precedence of questions have been introduced. Foreigners with an entrance fee and students of schools, colleges and universities without fees can now watch the proceedings of the parliament, use library, move around and enjoy the beauty of the premises and the vicinity. We have introduced Children Gallery for children below 12 years. We hope these initiatives will provide the general mass a better understanding of the parliament and its functions.

142. A committee has been formed to strengthen parliamentary oversight over budget setting process and to ensure transparency and accountability in public spending. Three different websites have been launched to inform the general public of the committee’s functions. We are working on developing Management Information System (MIS) to infuse dynamism in the activities of the parliamentary committees. Moreover, we are working out an IT strategy paper to provide an added touch of modernity to the activities of the parliament.

### Madam Speaker

143. **Rule of Law:** We are committed to uphold the dignity and independence of the judiciary. Various steps have been taken for quick disposal of cases that include enhancing efficiency of the judges through training, forming new courts and tribunals, developing new infrastructure and renovating the old ones. Salaries and other benefits of the judges have been raised to elevate their living standards.

144. We have enacted Cyber Crime Act, 2013 to prevent cybercrime and constituted a Cybercrime Tribunal in Dhaka. A special tribunal for Bangladesh Securities and Exchange Commission, Dhaka has also been established in the current fiscal year. Alternative Dispute Resolution has been made compulsory to avoid legal hassles. A set of rules to implement this has been finalised which is now awaiting circulation by the Rules Committee of Supreme Court. On the other hand, Code of Criminal Procedure (Amendment) bill will be placed before the cabinet soon.

145. Combating Corruption: Combating corruption has always been our priority. We, however, believe that laws alone cannot eliminate corruption from the society. It will require strong political will, social commitment and institutional drive. Required amendments have been made in the Anti-Corruption Commission Act, 2004 and the Commission is equipped with adequate manpower and logistics to be able to work more efficiently and independently. To raise mass awareness about the evils of corruption, Corruption Prevention Committees have been formed in towns, districts and upazilas comprising respected citizens. We are focusing on students and trying to imbue them with the spirit of honesty and morality and therefore have formed 20,886 Honesty Clubs drawing students from all levels of institutions. Campaigns are being organised throughout the country displaying posters and billboards to raise mass awareness about the stigma of corruption. Above all, we are gradually increasing the use of ICT in government offices to provide more transparency in government activities.

146. **Public Order:** We want to eliminate militancy, terrorism and communalism from our country and establish peace, discipline and stability at every sphere of the society. To this end, we have strengthened every branch of our law enforcing agencies which are now working more efficiently with the aid of modern training and equipment. These initiatives for development will continue in future as well. Not only their financial benefits package has been raised; training needs, healthcare and other relevant facilities are also well taken care of.

147. We want to make police and other law enforcing agencies more people centric and free them from political influence. As declared in the Election Manifesto, we will take steps towards the decentralisation of police. Steps have been taken to improve the capacity of Fire Service and

Civil Defense through training and by putting in place modern equipment so that they can handle any eventuality on their own. The BDR has been completely overhauled and emerged with a new name Border Guard Bangladesh in a bid to efface the trauma of the BDR carnage and instill a sense of confidence in them. They are also being provided with further training to improve their skills. Besides, we are investing heavily to increase efficiency of the Department of Narcotics Control, Ansar, VDP, Prison guard and Coastguard.

### Madam Speaker

148. **Right to Information:** We believe that freedom of press and free flow of information are the basic elements of any democracy. We want to make the Information Commission more efficient and effective and raise public awareness about their right to know. We have included Right to Information Act in the secondary school curriculum. This Act has been published in braille too for the visually impaired people.

149. All will agree that in our tenure the highest number of radio, television and newspaper entrepreneurs have been granted licences and been working without any pressure and intimidation. Furthermore, due to the penetration of ICT facilities, use of online news portal and social media has increased considerably. This trend will gain further momentum in future, Insh Allah. While media is allowed to work freely, we will also guard against its improper use designed to jeopardise communal harmony and freedom of others.

### Madam Speaker

150. **Foreign Policy:** We revisited our foreign policy in the last term to instill the spirit of our liberation war. Bangladesh is dead against any interference in the affairs of other countries. We believe that relations among the states should be based on equity and justice. We followed this principle objectively in last tenure and will follow it in future.

151. **Regional, Sub-regional and Bilateral Cooperation:** We have earned remarkable success in forging regional, sub-regional and bilateral cooperation. In our last tenure, there had been visible achievements in terms of bilateral cooperation with India in the areas of security, electricity import and duty free access of Bangladeshi commodities in Indian market. In this tenure, we will work more expeditiously to reach agreement on water sharing of common rivers, demarcation of land boundary and solve the problems of enclaves with India. We will continue diplomatic efforts to send back the Rohingyas to their homeland and stop their further influx.

152. **Maritime Boundary:** In the ongoing negotiation with India, our claim regarding our right in the Bay of Bengal will be firmly argued. We will also uphold our interest in the Indian Ocean through active participation in Indian Ocean Rim Association (IORA). Moreover, we will remain actively engaged in the initiative for creating Economic Corridor between Bangladesh, China, India and Myanmar.

153. **Empowering People and Development Model:** Our role in the negotiation on climate change and international migration issues and our participation in the discourse on Post 2015 Development Agenda have been acclaimed internationally. ‘Empowering People and Development Model’ proposed by the Honourable Prime Minister Sheikh Hasina also received global recognition. Our agenda will be to highlight the relevance of this model in poverty alleviation, reduction of regional disparity and world peace and development in preparing Post 2015 Development Agenda and to implement them. Besides, we will continue to consolidate our relation with Muslim Ummah, D-8 and OIC.

### Madam Speaker

154. **National Defence:** We are committed to build a strong and efficient defense force capable of meeting the challenges of the 21<sup>st</sup> century. We have already added modern war equipment to the armoury of our army, navy and air force and extended their training facilities. This process of modernising armed forces will continue. I am delighted to inform this august House that for the first time we have added a home-grown battle ship to our naval fleet. Our armed forces, apart from serving the country, are serving as members of the UN peace keeping force with distinction. In terms of numbers, Bangladesh holds the first position in sending soldiers to the UN peace keeping missions.

## CHAPTER IX

### Resource Mobilization Activities

### Madam Speaker

155. I have mentioned at the beginning that one of our principal objectives is to strengthen and expand the government activities. Now let us focus on the means of financing the activities I have elaborated so far.

156. We want to raise the revenue as a percentage of GDP from existing 13.5 percent to 17 percent in the next five years. This, however, requires adoption of appropriate strategy as well as increased manpower for collection of more revenue. Meanwhile around 9 thousand new positions have been created to strengthen NBR. Recruitment in these positions is expensive and lengthy. The recruitment process, however, is in progress. During our last tenure, we have enacted an important revenue related law (Value Added Tax Act), which will come into force in FY 2015-16. The draft Income Tax law is in the website of NBR for quite some time. The reform agenda to revise Income Tax law and the Customs Act will be accomplished during the tenure of this Parliament. Meanwhile, a set of draft Value Added Tax Rules 2014 has been prepared. We are attaching highest priority to the use of modern technology for collection of different taxes. Our objective is to bring all revenue activities under automation.





# BUDGET SPECIAL 2014-2015

The Daily Star 11  
DHAKA FRIDAY JUNE 6, 2014



## Imported mobile phones will be costlier if the proposed 15 percent VAT is imposed.

157. Although NBR collects the lion share of the domestic revenue with as many as 24 thousand employees, it does not have any administrative building of its own. I am pleased to inform you that after long 34 years, the possession of the land allocated for Rajshaw Bahaban in Agergaon, Dhaka has recently been taken over from illegal occupation. The construction work of the 12-storied Rajshaw Bhaban on 2 acres of land at a cost of Tk. 146 crore will begin soon.

158. The revenue target for NBR in FY 2014-15 has been set at Tk. 1 lakh 49 thousand 720 crore. The share of four major taxes in the total amount of target are shown in Table 7 below. These revenue will be mobilized from following source of taxes and duties.

Table 7: Distribution of 2014-15 Revenue Target among Sources

(in crore Tk.)								
Income Tax and Corporate Tax				Excise, VAT & Turnover Tax				
Income tax	Corporate tax	Travel tax	Total	Excise	Import VAT	Local VAT	Turnover tax	Total
25,480	31,120	900	57,500	1,150	16,850	37,570	7	55,580
Customs duty		Supplementary duty (SD)			Grand total			
		Import SD	Local SD	Total				
14,580		4,275	17,785	22,060	1,49,720			

159. Of the total target, 38.40 percent will come from income tax, 37.74 percent from Value Added Tax (VAT) and the rest 23.86 percent from custom duty. There are around 8 lakh VAT registered business entities in the country. The number of registered TIN holders is close to 18 lakh with roughly 12 lakh regular taxpayers. Many believe that the actual number of potential taxpayers would be much higher than that. In order to mobilise domestic resources for development, we have a plan to organize training and awareness programmes for both the taxpayers and tax collectors. We are working to transform the revenue department into a business and tax-friendly organization by laying emphasis on risk management and monitoring rather than relying on traditional audit system. Steps have been taken to take up a comprehensive programme towards creating a tax friendly environment by implementing the VAT Online Project funded by the World Bank. Over and above, emphasis has been laid on automation to scale up cooperation among the three wings of NBR viz., customs, income tax and VAT. It is expected that these efforts will help NBR achieving its revenue target in the coming years.

160. In order to develop a taxpayers' friendly revenue administration, besides motivating the taxpayers to pay more taxes, it is imperative to have the mentality of delivering better services to the taxpayers. As a consequence to rationalization of duty structure under ongoing trade liberalisation regime, revenues from import are decreasing gradually. This would mean attaching added importance to domestic VAT and income tax. In this situation, taking the advantage of advanced technology, we are working to transform NBR into a modern service-oriented organisation. Now, I would like to briefly discuss some of the steps taken so far to this end.

- Simplification of Income tax return form:** A new two-page simple income tax return form has been introduced to simplify tax payment system. It can be downloaded easily from the website of National Board of Revenue ([www.nbr.bd.gov](http://www.nbr.bd.gov));
- e-Payment System:** Using the Q-Cash network under the platform of e-payment of NBR, income tax, customs duty and VAT can be paid. To make this system speedier and more user-friendly, the system of paying taxes directly from taxpayers' bank account has been added;
- e-TIN Registration System:** NBR has launched a platform with facilities of registration online for the taxpayers with

the objective of generating TIN automatically from 1<sup>st</sup> July 2013. This platform has been created by NBR with the financial and technical supports of IFC. Meanwhile, more than 12 lakh taxpayers have obtained their TIN from this system;

- e-TDS System:** With the financial assistance of IFC, an initiative has been taken to introduce Electronic Tax Deduction at Source (e-TDS) system with the objective of establishing discipline in management of Tax Deducted at Source and augmenting revenue collection;
- Tax Administration Retrieval System:** Tax information retrieval System is being created at the Central Survey Zone under the project 'Tax Administration Capacity and Tax Payers Service' (TACTS). Once implemented, it would be feasible to collect information from Bangladesh Road Transportation Authority (BRTA); land registration offices and other related offices. This will eventually expand tax network and prevent tax evasion attempts substantially;
- e-Filing:** In order to automate the work of the income tax wing, a project titled 'Strengthening Governance Management Project' (SGMP) has been taken up with the assistance of Asian Development Bank (ADB). Under this project, procurement and installation of software, hardware, networking, server etc. will be completed by the end of 2015;
- Tax Payers Service Centre:** In order to intensify self-compliance of the tax payer through better services, 'Taxpayers Information & Service Centres' have been opened in Dhaka, Chittagong, Sylhet, Khulna, Comilla and Rajshahi. Three more taxpayer service centres will be opened in Rangpur, Bogra and Barisal very soon. More Taxpayers Information & Service Centres will be opened in other important places of the country in phases;
- Transfer Pricing and Anti money Laundering:** Transfer Pricing Cell will start working from 1<sup>st</sup> July 2014 at the National Board of Revenue. This cell will be effective in preventing money laundering and tax evasion;
- Implementation of VAT Online Project:** The Value Added Tax and Supplementary Duty Act, 2012 will be implemented from 1<sup>st</sup> July 2015. In order to reach the target, a time-bound implementation plan has been prepared with the assistance of IMF. Moreover, to support this initiative, a project costing TK 551 crore has also been taken up. This includes 60 million dollar financial assistance from the World Bank. Procurement work under the project is in progress;
- Paperless Customs Procedure:** ASYCUDA World system of customs clearance is in operation at all major Custom Houses of the country. The coverage of this system will be extended soon to other Land Customs stations. It is expected that by the end of this year, paper less custom management will be introduced in all customs station/housed across the country;
- Following policy and procedure of WCO:** In the international arena, Bangladesh Custom is playing increased active role in the WTO than any time before. In

the meantime Bangladesh has ratified International Convention on Simplification and Harmonisation of Customs Procedure of WCO or Revised Kyoto Convention (RKC). Accordingly Bangladesh customs will follow WCO standards and procedures. To this end, a four year strategy paper has been prepared.

- Alternative Dispute Resolution (ADR):** NBR's ADR cell has started working since 1<sup>st</sup> July 2012. Till date, ADR cell has received 295 applications involving Tk. 878 crore. Out of these, 251 cases involving Tk. 601 crore have already been resolved;
- Recognition of Highest Income Taxpayers:** CIP status along with tax cards is given each year to 10 persons and 10 companies paying highest income tax nationally in order to encourage and give recognition to their contribution. In addition, 3 top taxpayers and 3 persons paying taxes for longest time are recognized at the district level with a certificate and a crest';
- Recognition of Highest VAT Payers:** Similar recognition is also given to highest value added tax (VAT) payers in the fields of manufacturing, trade and services to 3 taxpayers in each category at national level and one in each category in district level. The recognition goes in the form of certificates and crests.
- Income Tax Fair and Tax Days:** Income Tax Day is celebrated on 15<sup>th</sup> September every year and this event is followed by 'Income Tax Fair' organised during 16-22 September throughout the country. Besides, VAT day is celebrated on 10 July and International Customs day on 26 January every year.

## Madam Speaker

161. For many years, the bulk of the domestic revenue in Bangladesh used to be collected at the import stage. This dependency, however, is on the decline. Now we are envisaging a free world market resulting in extensive decline of import based revenue. The tax proposals that we are going to place would cover 23.86 percent import duties and the share of VAT from imported goods would be only 13 percent. Direct tax will therefore, be the principal source of revenue in our proposals. Now I would like to present the proposals on direct taxes, customs duties and supplementary taxes and value added taxes by turn.

## Direct Tax

## Income Tax

## Madam Speaker

162. At the very outset, I would like to place the proposals on income tax slabs for individual taxpayers and rates applicable for all taxpayers for the FY 2014-2015. Table 8 below contains individual income tax and corporate tax proposals for the forthcoming fiscal year:

Table -8: Proposals		
(a) Threshold of Taxable Income of Individual Tax Payer		
Types of Tax payer	Threshold of Taxable Income	
	Existing	Proposed
General Tax Payer	Tk. 2 lakh 20 thousand	Tk. 2 lakh 20 thousand
Women tax payer and tax payers of 65 years of age and above	Tk. 2 lakh 50 thousand	Tk. 2 lakh 75 thousand
Physically handicapped	Tk. 3 lakh	Tk. 3 lakh 50 thousand
War-wounded gazetted freedom fighters	Tk. 2 lakh 20 thousand	Tk. 4 lakh
(b) Individual Tax Rate:		
Total Income		Tax rate
On first, Tk. 2 lakh 20 thousand of taxable income		Nil
On next, Tk. 3 lakh of taxable income		10 percent
On next, Tk. 4,00,000/- of taxable income		15 percent
On next, Tk. 5 lakh of taxable income		20 percent
On next, Tk. 30 lakh of taxable income		25 percent
On the balance of taxable income		30 percent
(c) Company Tax Rate:		
Company Tax Payer	Existing	Proposed
Publicly Traded Company (subject to certain conditions)	27.5 percent	27.5 percent
Non-Publicly Traded Company	37.5 percent	35 percent
Bank, Insurance and Financial Institution (other than Merchant Bank)	42.5 percent	42.5 percent
Merchant Bank	37.5 percent	37.5 percent
<b>Cigarette Manufacturer</b>		
Publicly Traded	40 percent	40 percent
Non-Publicly Traded	45 percent	45 percent
<b>Mobile Phone:</b>		
Publicly Traded	40 percent	40 percent
Non-Publicly Traded	45 percent	45 percent
Dividend Income	20 percent	20 percent
Minimum Turnover Tax	0.50 percent	0.30 percent

## Madam Speaker

163. I would like to draw your kind attention to the following issues and proposals:

- Considering the principle of equity and progressivity with a view to ensuring equitable distribution of resources and to reducing economic disparity, I would propose to increase tax rate from 25 percent to 30 percent for the high income earning taxpayers having annual income of more than Tk. 44.20 lakh.





# BUDGET 2014-2015 SPECIAL

12-13  
The Daily Star  
DHAKA FRIDAY JUNE 6, 2014



- To empower women and to integrate them more in the economic activities and to reduce tax burden of senior citizens, I propose to increase tax exempted income threshold for women and senior citizens aging over 65 years from Tk. 2 lakh 50 thousand to Tk. 2 lakh 75 thousand. In view of the responsibility of both the society and the state for physically challenged people, I propose to increase tax exempted income threshold for them from Tk. 3 lakh to Tk. 3 lakh 50 thousand. I also propose to increase tax exempted income threshold for gazetted war-wounded freedom fighters to Tk. 4 lakh.

- To ensure employment opportunities for our workforce as well as to attract foreign direct investment (FDI), I propose to reduce corporate tax rate for non-listed companies from 37.5 percent to 35 percent. I also propose to reduce turnover tax of both companies and partnership firms from 0.50 percent to 0.30 percent.

## Madam Speaker

164. In order to turn Bangladesh to a middle-income country, several steps will have to be taken in various fields. As part of the process of fulfilling this objective, I would like to present the following proposals in three groups, such as, tax holiday, tax rebate and change of tax rates.

## Tax Holiday

- To encourage female education as well as vocational education, I propose to exempt all donations through banking channels to girls' schools or colleges and vocational and technical institutions from payment of tax.

- In order to put the country on stronger economic footing, there is no alternative to the use of acquired knowledge productively through research activities. I, therefore, propose to treat all donations through banking channel to national level research institutions established under any law engaged in research work in the field of agriculture, industry, science and technology as totally exempted from tax payment.

- In addition, we have taken effective measures to further the existing incentives with a view to creating investment-friendly atmosphere for industrialisation and economic progress. I, therefore, propose to extend the existing tax holiday facilities from June, 2015 to June, 2019. I also propose to reinstate the facilities of accelerated depreciation alternative to tax holiday for the new industrial entrepreneurs.

- I propose to offer tax exemption facilities for 5 years in graduated rate for Demutualised Stock Exchange with a view to maintaining stability in capital market together with its continual expansion and strengthening. I also propose to extend the limit of tax exempted dividend income from Tk. 10 thousand to Tk. 15 thousand.

- It is essential to lay emphasis on protecting ecology and environment for sustainable development. I therefore propose tax holiday-facilities for pollution-free Hybrid Hoffman Kiln (HHK) brickfields.

- We could achieve extensive development in agriculture during last five years. The farmers are our significant partners to this achievement. In recognition of their contribution, I propose to enhance the tax exemption limit for agriculture sector from Tk. 50 thousand to Tk. 2 lakh.

165. Various steps have been taken to give impetus to new industrial venture in accordance with the electoral commitment of the present government of enhancing investment and increasing employment opportunities. It is, however, important to ensure sustainable industrialisation without disturbing the civic amenities. Industrialisation in the areas other than City Corporations including Dhaka, Chittagong, Narayanganj, Gazipur would effectively create massive employment berths in the least developed areas. With this end in view, I propose the following tax holiday and tax rebate facilities for the industrial undertakings set up in places other than City Corporation.

Table – 9: Proposal on Area-wise Tax Rebate		
(a) Tax Rebate for the Least Developed Areas:		
Industries	Proposed Tax Rebate	Period of Proposed Tax Rebate
Tax rebate for the industrial undertakings not eligible for tax holiday facilities set up in the least developed areas	10%	Up to 30 June, 2019
Tax rebate for the industrial undertakings not eligible for tax holiday facilities set up between 1 July, 2014 and 30 June, 2019 in the least developed areas	20%	Up to 10 years next from the date of commencing commercial operation
Tax rebate for the industrial undertakings shifted to least developed areas between 1 July, 2014 and 30 June, 2019.	20%	Up to 10 years next from the date of commencing commercial operation after shifting
(b) Extension of Tax Holiday Facilities in the Least Developed Areas:		
Industries	Existing	Proposed
Extension of period for the industrial undertakings enjoying tax holiday facilities set up in the least developed areas	7 years	10 years
Tax holiday for the industrial undertakings eligible for tax holiday facilities set up between 1 July, 2014 and 30 June, 2019 in the least developed areas	7 years	10 years

## Madam Speaker

166. In some cases, tax exemptions are made either to encourage domestic manufacturing or to benefit the general public. These are as follows:



Finance Minister Abul Maal Abdul Muhith places the national budget for fiscal 2014-2015 at the Jatiya Sangsad yesterday as Prime Minister Sheikh Hasina looks on.

- To encourage the export sector, I propose to reduce the rate of deduction of tax at source from 3 percent to 4 percent on the deed value of land in areas other than the important commercial and posh areas within the jurisdiction of RAJUK and CDA. Besides, I propose to impose tax at source at 3 percent on registration value in other City Corporations and municipalities at district headquarters and 2 percent in other municipalities and 1 percent in all other areas outside municipalities.

- Considering the pensioners' retired life and the contribution of wage earners, I propose tax exemption on interest income from investment on pensioner savings certificate and wage earners' bond up to Tk. 5 lakh.

- To encourage activities under corporate social responsibility (CSR), I propose to extend tax facility on contribution to any fund created and approved by the government to help victims of natural disaster and accidents as CSR. I also propose to raise the expenditure limit from Tk. 8 crore to Tk. 12 crore keeping unchanged the existing condition of allowable limit at 20 percent of total income of any company.

167. In addition, I propose some procedural reforms in this budget. These are:

- It is essential to bring transparency in the process of house-rent collection in order to widen tax net and deter tax evasion. Amendments to the Income Tax Law will be made to define house rent as both rent and service charges and to ensure payment of monthly house rent amounting more than Tk. 25 thousand through banks.

- Undervaluation at the time of registration of land transfer is causing significant revenue pilferage every year. It is therefore essential to impose per katha-based advance tax system irrespective of registration value. For that purpose, I propose to impose katha based advance tax replacing existing 3 percent tax at source on registration value of sale of land in the posh residential and commercially important areas of Dhaka and Chittagong. I also propose to impose Specific Tax in the same manner based on per-square-foot in case of transfer of important residential/commercial and other structures in Dhaka, Chittagong, and Narayanganj city corporations.

- Considering the issue of capital gain, I propose to increase the rate of tax at source from 3 percent to 4 percent on the deed value of land in areas other than the important commercial and posh areas within the jurisdiction of RAJUK and CDA. Besides, I propose to impose tax at source at 3 percent on registration value in other City Corporations and municipalities at district headquarters and 2 percent in other municipalities and 1 percent in all other areas outside municipalities.

- Considering the views of different trade bodies including FBCCI, I propose to reduce deduction-rate at source from existing 5 percent to 3 percent on local LC valuing more than Tk. 5 lakh. In addition, I propose not to deduct at source on local LC of daily necessary consumer items including rice, onion, dal, turmeric, chili, wheat, maize, flour, salt, edible oil, sugar, etc. Besides, I propose to reduce tax rate from 5 percent to 3 percent on deemed commissions.

- As per existing provision, all allowances excluding basic salary of government employees are taxfree. On the other hand, the allowances including basic salary of the employees of semi-government and autonomous bodies are liable to tax. Under such circumstances, it is reasonable to bring parity of tax liability of all the employees of government, semi-government and autonomous bodies. National Pay Commission is now working on new pay structure. We are expecting pay commission's report by December, 2014. The issue of existing discrepancies of tax liability on salary income is expected to be addressed while implementing the National Pay Commission report.

- Income of autonomous bodies, as per existing provision excluding revenue generated through rendering public services is liable to tax at 37.5 percent. The main objective of the autonomous bodies is not to make mere profit but to provide essential services to the citizens. Considering this issue, I propose to reduce the rate of tax from 37.5 percent to 25 percent on income of all autonomous bodies including Dhaka WASA, Chittagong WASA, Khulna WASA, Rajshahi WASA, RAJUK, BTRC and CAAB.

- It is extremely important to build mutual trust and confidence between taxpayers and tax administration to augment revenue

collection. To encourage the taxpayers for voluntary compliance, I, therefore, propose (1) to make necessary provision in the existing rules not to select for audit the returns submitted under universal self assessment scheme showing 20 percent higher income than the latest assessed income subject to fulfillment of certain conditions and(2) There are some complains of harassment about repeated audit of return of the same taxpayer. I therefore propose to select the return of the same taxpayer for audit not more than once in three years unless there is any complaint of irregularities. Same procedure will be applied to selection for audit in VAT returns.

- Microcredit organisations are not required to pay any taxes on their accrued interest income. This system shall continue. However, many micro credit organisations are running other businesses and the interest received from these businesses are not exempted from payment of taxes. The relevant provision of the law lacks some clarity on this. I propose to amend paragraph 1 of Schedule VI of the Income Tax Act, 1984.

## Customs Duties and Supplementary Duties

## Madam Speaker

168. Duties and taxes at the import stage and the presence of an efficient customs administration play an important role in the overall economic development of the country including smooth supply of essential commodities, augment investment and promote trade and industry. In consideration of this and in the light of the ongoing global experiences, the government has been liberalising and rationalising import tariff structure. As a result, our economy has been maintaining a sustained growth over the years. In continuation of the policies being pursued, I shall now place before this august House the proposals on the policies and strategies of the government to be followed during FY 2014-15.

## Supplementary duties at import level

## Madam Speaker

169. The Value Added Tax and Supplementary Duty Act, 2012 is scheduled to be implemented from 1<sup>st</sup> July, 2015. Bearing in mind the imperative of rationalising the present incompatible import tariffs in the

## BUDGET AT A GLANCE

(Taka in Crore)

Description	Budget 2014-15	Revised 2013-14	Budget 2013-14	Actual 2012-13
<b>Revenue and Foreign Grants</b>				
<b>Revenues (Statement I)</b>	<b>1,82,954</b>	<b>1,56,671</b>	<b>1,67,459</b>	<b>1,28,128</b>
<b>Tax Revenue</b>	<b>1,55,292</b>	<b>1,30,178</b>	<b>1,41,219</b>	<b>1,07,452</b>
<i>NBR Tax Revenue</i>	<i>1,49,720</i>	<i>1,25,000</i>	<i>1,36,090</i>	<i>1,03,332</i>
<i>Non-NBR Tax Revenue</i>	<i>5,572</i>	<i>5,178</i>	<i>5,129</i>	<i>4,120</i>
Non-Tax Revenue	27,662	26,493	26,240	20,676
<b>Foreign Grants/1 (Statement V)</b>	<b>6,206</b>	<b>5,956</b>	<b>6,670</b>	<b>6,879</b>
<b>Total :</b>	<b>1,89,160</b>	<b>1,62,627</b>	<b>1,74,129</b>	<b>1,35,007</b>
<b>Total - Financing Including BPCs Liability :</b>	<b>1,89,160</b>	<b>1,62,627</b>	<b>1,74,129</b>	<b>1,35,007</b>
<b>Expenditure</b>				
<b>Non-Development Expenditure</b>	<b>1,54,241</b>	<b>1,34,907</b>	<b>1,34,449</b>	<b>1,04,318</b>
<b>Non-Development Revenue Expenditure (Statement III)</b>	<b>1,28,231</b>	<b>1,15,998</b>	<b>1,13,471</b>	<b>99,376</b>
<i>of which</i>				
<i>Domestic Interest</i>	<i>29,305</i>	<i>24,854</i>	<i>26,003</i>	<i>22,322</i>
<i>Foreign Interest</i>	<i>1,738</i>	<i>1,686</i>	<i>1,740</i>	<i>1,593</i>
<b>Non-Development Capital Expenditure/2 (Statement IV)</b>	<b>26,010</b>	<b>18,909</b>	<b>20,978</b>	<b>4,943</b>
<b>Net Outlay for Food Account Operation (Statement VIII)</b>	<b>309</b>	<b>188</b>	<b>263</b>	<b>- 437</b>
<b>Loans &amp; Advances (Net)/3 (Statement VIA)</b>	<b>9,611</b>	<b>15,982</b>	<b>15,504</b>	<b>16,959</b>
<b>Development Expenditure</b>	<b>86,345</b>	<b>65,145</b>	<b>72,275</b>	<b>53,172</b>
Development Programmes Financed from Revenue Budget/4 (Statement IV)	1,068	893	1,934	597
Non-ADP Project (Statement VIA)	3,469	3,058	3,014	1,802
Annual Development Programm/5 (Statement IX)	80,315	60,000	65,870	49,474
Non-ADP FFW and Transfer/6 (Statement X)	1,493	1,194	1,457	1,299
<b>Total - Expenditure :</b>	<b>2,50,506</b>	<b>2,16,222</b>	<b>2,22,491</b>	<b>1,74,013</b>
<b>Overall Deficit (Including Grants) :</b>	<b>- 61,346</b>	<b>- 53,595</b>	<b>- 48,362</b>	<b>- 39,006</b>
(In percent of GDP) :	- 4.5	- 4.5	- 4.0	- 3.8
<b>Overall Deficit (Excluding Grants) :</b>	<b>- 67,552</b>	<b>- 69,551</b>	<b>- 55,032</b>	<b>- 45,885</b>
(In percent of GDP) :	- 5.0	- 5.0	- 4.6	- 4.4
<b>Total - Financing Including BPCs Liability :</b>	<b>2,50,506</b>	<b>2,16,222</b>	<b>2,22,491</b>	<b>1,74,013</b>
<b>Financing</b>				
<b>Foreign Borrowing-Net</b>	<b>18,069</b>	<b>12,613</b>	<b>14,398</b>	<b>5,812</b>
Foreign Borrowing (Statement V)	26,519	21,058	23,729	13,301
Amortization (Statement IX)	- 8,450	- 8,445	- 9,331	- 7,489
<b>Domestic Borrowing (Statement VIB)</b>	<b>43,277</b>	<b>40,982</b>	<b>33,964</b>	<b>33,193</b>
Borrowing from Banking System (Net)	31,221	29,982	25,993	27,464
<i>Long-Term Debt (Net)</i>	<i>19,824</i>	<i>16,955</i>	<i>14,355</i>	<i>22,746</i>
<i>Short-Term Debt (Net)</i>	<i>11,397</i>	<i>13,027</i>	<i>11,638</i>	<i>4,718</i>
Non-Bank Borrowing (Net)	12,056	11,000	7,971	5,729
<i>National Savings Schemes (Net)</i>	<i>9,056</i>	<i>8,000</i>	<i>4,971</i>	<i>824</i>
<i>Others/7 (Statement VII)</i>	<i>3,000</i>	<i>3,000</i>	<i>3,000</i>	<i>4,905</i>
<b>Total - Financing :</b>	<b>61,346</b>	<b>53,595</b>	<b>48,362</b>	<b>39,005</b>
<b>Total - Financing Including BPCs Liability :</b>	<b>61,346</b>	<b>53,595</b>	<b>48,362</b>	<b>39,005</b>
<b>Memorandum Item :</b>	<b>GDP</b>	<b>13,39,500</b>	<b>11,81,000 *</b>	<b>11,88,800</b>
				<b>10,37,987</b>

\* Estimate of the Medium-Term Macroeconomic Framework of the Finance Division (Base Year 1995-1996)

## EXPLANATORY NOTES:

- Grants have been grouped together with government revenues as they are unrequited receipts from development partners;
- Expenditure for acquisition of assets, acquisition of land, construction and works, and investment in shares and equities etc. have been included in Non-Development Capital Expenditure;
- Loans and Advances to state-owned enterprises/autonomous bodies and government employees minus repayment of loans and advances have been shown as Loans and Advances (Net);
- This group includes some development programmes that are financed from Revenue Budget but not included in the ADP;
- Including Self Financed Tk. 5,685.45 crore of the Autonomous Bodies/State Owned Enterprises total size of the Annual Development Program stands at Tk. 86,000 crore
- Transfer of sale proceeds from food grains received under the agreement with development partners & part of Food For Works (FFW) programme which are not included in the ADP have been shown under this category;
- Net increase/decrease in the Public Accounts of the Republic (excluding National Savings Schemes) has been included in this group.



light of the provisions made in the new VAT law and also the capacity of tolerance by the domestic industries, existing supplementary duty (SD) rates shall have to be reduced. With that end in view, existing SD rates are proposed to be reduced in phases (Annex-1). Under the proposed scheme, the present 10 (ten) SD slabs are to be changed to 12 (twelve) slabs. From the following Table 10, it is seen that SDs on 770 items are proposed to be changed in FY 2014-15. In these proposals, the existing SDs have mainly been proposed to the nearest next lower slabs. The impact of such proposals in terms of revenue loss would be around Tk. 500 crores.

Table - 10: Information relating to SD changes

SL	SD Rates	Existing no. of items	Proposed no. of items
01.	10%	7	51
02.	15%	0	421
03.	20%	648	521
04.	30%	268	215
05.	45%	177	91
06.	60%	271	91
07.	100%	33	29
08.	150%	7	7
09.	200%	0	9
10.	250%	13	3
11.	350%	24	24
12.	500%	7	7

Proposals on Import Duty

Madam Speaker

170. Now I would like to present the proposals on import tariffs before this august House as shown in Annex-2, Annex-3, Annex-4, Annex-5 and Annex-6. These include proposals for withdrawal or imposition of regulatory duties and in some cases, proposals for tax exemption, reduction, augmentation, or rationalization of import tariffs. Now, I bring to the notice of this august House a few remarkable proposals as stated below:

- a) In order to ensure development of backward and forward linkage industries of the pharmaceutical sector, and in consideration of a request from the Bangladesh Association of Pharmaceutical Industries and the recommendation of the Directorate of Drug Administration, SD rates on 40 (forty) basic raw materials’ (Annex-3) are proposed for reduction to 5 percent concessionary rate from existing 10 percent and 25 percent. The sector, however, shall continue to enjoy other existing concessionary rates.
- b) The customs duties on 14 (fourteen) items used as raw materials in the manufacture of anti-cancer drugs and medicines are proposed to be fully exempted. Side by side, the import duties applicable to infusion pump used for the treatment of Thalasamia are proposed to be fully exempted.
- c) The existing 10 to 25 percent duties applicable for 41 (forty one) items shown in Annex-4 used as essential raw materials in the manufacture of Ayurvedic medicines are proposed to be reduced to 5 percent.
- d) For further development of the poultry and cattle sub-sector, the duties and taxes on some new raw materials as mentioned in Annex-5 and recommended by the Ministry of Livestock and Fishery are being proposed to be fully exempted.
- e) In consideration of the legitimate interests of the local industries and to make them competitive with imports, existing customs duties of 10 and 25 percent on the raw materials (Annexure-6) used in domestic paper, glass and ceramics, rubber, furniture, paint, electrical, plastic industries that are gradually evolving under duty and tax exemption, concession and protection, are being proposed to be refixed at 5 and 10 percent respectively.
- f) Faster development of the public transport particularly the rail sector is one of the important goals of the present government. With this end in view and as complementary to the other developmental steps being taken by the government, the existing 10 percent duty applicable to the machines and equipment used in this sector are proposed to be reduced to 5 percent.
- g) 15” to 16” rim sized tyre is presently manufactured in the country. Hence, to protect the interest of the local industry, in addition to the other existing duty and taxes, 5 percent regulatory duty is proposed to be imposed on it. In the same consideration, the present 10 percent duty on bicycle tube is proposed to be increased to 25 percent.
- h) The present Tariff values applicable for petroleum products need to be reviewed as these are in vogue for more than 10 (ten) years. Accordingly, the tariff value at USD 32 per barrel on crude petroleum oil is proposed to be increased to USD 40 per barrel. Likewise, tariff values on other refined petroleum products are being proposed to be increased from present 31 cent per liter to 40 cent per liter. It is to be mentioned here that the international market prices of petroleum products are much higher than these proposed values.
- i) In order to provide incentives to the growing ship building industry, most inputs needed for the manufacture of ships

are enjoying concessionary duty rates. Considering the potentialities of the sector, this concessionary facility is proposed to be extended. As part of that, the existing duties on navigation light, broadcasting equipment and fire extinguishers are proposed to be fixed at 5 percent only.

- j) Dump Truck is used in the construction industry. It is presently chargeable to 10 percent Customs duty. Considering its importance in the development work particularly in the construction sector, it is proposed to allow it the concessionary benefit presently being enjoyed by the capital goods.
- k) In order to help create favorable production environment compatible with international standards, it is proposed to allow the export-oriented readymade garments sector (RMG) to import without duties on certain conditions the raw materials necessary for the manufacture of prefabricated buildings. In addition to that, the existing duties on fire resistant door, emergency light, sprinkler system, etc. are being proposed to be fully exempted in order to ensure internal security and compliance of standards by the RMG sector.
- l) For the continuation of the development of the textile sector and in addition to the facilities given in the previous period, the present 10 percent duty chargeable to a few raw materials used in this sector is proposed to be reduced to 5 percent. Flex fiber, a raw material of textile sector, used to make the fabrics bright is proposed to be subjected to 5 percent duty from the present 10 percent. Likewise, the existing 5 percent duty on artificial staple fiber is proposed to be reduced to 3 percent from the existing 5 percent.
- m) At present there are six duty and tax slabs on Motor Vehicle. These slabs and duty rates need further rationalization as follows:

i) It is proposed to unify the existing two slabs of 1,501 to 1,750 C.C. and 1,751 to 2,000 C.C. motor cars into one slab of 1,501 to 2,000 C.C. and fix 100 percent SD thereon while maintaining the other duties and taxes unchanged. Likewise, the existing 250 percent SD applicable on motor cars falling between 2,001 to 2,750 C.C. is proposed to be reduced to 200 percent. The year-wise depreciation system shall continue.

ii) The facility given to 1500 to 2500 C.C. new hybrid vehicles should be limited. In the budget for FY 2014-15, I propose imposition of 60 percent SD on new hybrid cars from 1,500 to 2,500 C.C. This will encourage importation of more quality and environment-friendly vehicles yielding more revenue.

iii) CKD importation has been given special benefit to encourage progressive manufacturing. But in reality, very little has been done by the users of this facility for progressive manufacturing.. In view of this, the present 45 percent SD rates applicable to CKD motor jeeps having cylinder capacity above 2,000 C.C. is proposed to be increased to 60 percent.

iv) Low rates of SD have encouraged significant increase in import of microbus and double cabin pickups which require some control. In consideration of this, I propose to raise SD rates from 30 percent to 45 percent on microbuses of 1501 C.C. to 1,800 C.C. engine capacity, while 60 percent SD rates on 1,801 to 2,000 C.C. microbuses to remain unchanged. 30 percent SD is proposed on motor vehicles falling under HS code 8702.10.40 with seating capacity not exceeding 15 persons. Moreover, present 30 and 45 percent SD rates on double cabin pickup upto 1,500 C.C. and from 1501 to 2750 C.C. are proposed to be raised to 45 and 60 percent respectively.

v) Gold smuggling has gone up too much recently. Meanwhile, two big attempts of 106 and 105 kilograms of gold smuggling were thwarted in last March and April at Hazrat Shahjalal International Airport. Under the present Passenger (non-tourists) Baggage Rule, a passenger can bring up to 200 grams (about 17 tola) of gold ornament as duty-free. The passenger can bring another 200 grams of gold bar/bullion on payment of Tk. 150 specific duty for each tola (11.664 gram). I propose to allow passengers to bring 100 grams of gold ornaments free of taxes under the Passenger Baggage Rules and additional 200 grams on payment of Tk. 3,000 specific duty for each tola of gold bar/bullion.

vi) The iron and steel industry has registered phenomenal growth and more than Tk. 5,000 crores have already been invested in this sector. For the protection of this sector, I put forward two proposals: (a) enhancement of specific duties that remained unchanged for many years; and (b) exemption on billet manufacturing raw materials such as sponge iron and reduced iron.

- vii) Multiplexer, grand master clock etc. are used in high speed internet connection. At present, these are chargeable to 25 percent custom duty and 5 percent regulatory duty. With a view to ensuring faster and speedy internet connection, I propose to reduce the said custom duty on these items to 5 percent.
- viii) Some Companies are assembling quality mobile phones in the country. They have to pay 15 percent VAT at the assembling stage. On the other hand, there is only 10 percent VAT on imports of mobile phones. This has created uneven competition between local assembling industries and imports. In view of this, I propose to impose 15 percent VAT on mobile phones at the import stage.
- ix) High quality LPG cylinders are produced in the country. But local industries are not getting adequate protection as import attracts 5 percent customs duties only. To encourage this industry and to make it competitive, I propose to raise the import duties on LPG cylinders to 25 percent form 5 percent.
- x) With a view to safeguarding the interest of local industries and reduce tariff anomalies, I propose fixation of customs duty at 25 percent on energy saving bulbs and electric fan motors.
- xi) Quality diaper is now locally produced. In order to protect the diaper industry from uneven competition of imports, it is proposed to reduce the existing 25 percent duty on raw materials of diaper to 10 percent.
- xii) Tax reduction and rationalization proposals made above may cause loss of revenue to the tune of approximately Tk. 800 crore. On the other hand, the duty and tax enhancement proposals, rationalization of tariff values and automation and better management measures would lead to a rise in revenue collection to the tune of approximately Tk. 1,000 crore.

Madam Speaker

171. In order to prevent misdeclaration, under and over invoicing and money laundering, it is proposed to introduce modern customs management techniques and tools such as Risk Management, Customs to Customs Co-operation, Customs Valuation Management, Goods Examination Management, Customs Business Partnership, Customs Bond management and Coordinated Border Management from the very beginning of 20014-15. These measures are expected to reduce evasions, mis-declarations, undervaluation, smuggling and leakage from bonds.

Value Added Tax (VAT)

Madam Speaker

172. VAT has emerged as the most important source of revenue collected by the National Board of Revenue (NBR). Revenue collection posed more than expected growth during the last two and a half decades and this trend got momentum during the last term of the present government. This domestic source of revenue has got high growth potential in the context of our growing economy. Considering the growth potential of local VAT, the prospect of economic growth, demand pattern, interests of business communities and consumer interests, I would like to place before this august House the following proposals relating to Value Added Tax.

Madam Speaker

173 In the last year’s budget speech, I made a declaration that the new Value Added Tax and Supplementary Duty Act, 2012 will be fully implemented from 1 July, 2015. In furtherance of that objective, a set of draft VAT and Supplementary Duty Rules, 2013 has already been framed. In order to implement the law successfully, a project has been takenup by NBR. Online registration will be launched on 1<sup>st</sup> of January 2015 and online filing of return will begin by end June 2015. In order to create an enabling environment for both the taxpayers and the tax officials, a comprehensive taxpayer’s education programme will be launched very soon. As part of that programme, a massive publicity campaign has already been launched to make the people aware of the salient features of the new Act. Under the implementation plan of the Act, a nationwide modern technology based computerized tax network system would be established, which will pave the way for ensuring transparency deterring corruption. Apart from this, with the installation of the automated tax regime, a taxpayers-friendly environment will be created which will reduce the cost of compliance and encourage them to pay tax voluntarily, resulting in significant improvement in tax collection.

Madam Speaker

174. As there is no limitation to the discretionary power of VAT officials to impose fine in lieu of confiscation of goods under Section 41 of the VAT Act, 1991, taxpayers are often subjected to harassment by such discretionary power of the VAT officials. In order to create a taxpayers-friendly environment and to make this provision consistent with other relevant provisions of the Act, it is necessary to reduce the discretionary power of the VAT officials. For this reason, I propose to fix the maximum penalty in lieu of confiscation of goods not exceeding fifty percent of the evaded amount of tax.



# BUDGET SPECIAL 2014-2015

15  
The Daily Star  
DHAKA FRIDAY JUNE 6, 2014



**President Mohammad Abdul Hamid assents to the budget for fiscal 2014-2015 at his office at the Jatiya Sangsad Bhavan yesterday.**

**Madam Speaker**

175. There is no alternative to the development of domestic industries for the economic growth of our country. But it cannot be ignored that this development is also having some adverse effects on the environment by way of polluting the soil, air and water resources. In order to encourage the owners of the industries, which causes excessive pollution to the environment, to set up effluent treatment plants (ETP) and to make an endeavour to make them aware of the harmful effect of the environment, I propose to impose 1 (one) percent ‘Environment Protection Surcharge’ or ‘Green Tax’ on ad-valorem basis on all kinds of products manufactured in Bangladesh by the industries which pollute the environment.

176. Tobacco and tobacco products are injurious to health. The world is witnessing movements against use of tobacco. Despite that the use of tobacco products are growing. Nearly 60 thousand people die and 4 lakh people become crippled every year in Bangladesh due to smoking. Treatment of tobacco related disease is also very expensive. For this reason, I propose to impose 1 (one) percent ‘Health Development Surcharge’ on all imported and domestically produced tobacco products. The fund so received could be used for the treatment and rehabilitation of tobacco disease-stricken people. Bangladesh is a signatory to the Framework Convention on Tobacco Control (FCTC) framed by WHO. As such, we are committed to reduce the use of tobacco. Presently, cigarette prices are based on 4 slabs. We determine tax incidence on the basis of these price slabs. I propose that the tax incidence of the premium and high slabs will be the same or 76 percent, and for the medium slab is 75 percent and finally, for the lowest slab is 58 percent. The 1 (one) percent Health Development Surcharge will be imposed on these items. The proposed value slabs and tax incidence on cigarettes are presented in Table 11 below:

**Table-11:**

**Value slab and tax incidence of cigarette containing tobacco**

Existing value slab for (10 stick) TK	Proposed value slab for (10 stick) TK	Proposed rate of increase in value (%)	Existing incidence of tax (%)	Proposed incidence of tax (%)
13.69-13.91	15.00-16.50	(+) 9.57	54	58
28.00-30.00	32.50-35.00	(+) 16.07	71	75
42.00-45.00	50.00-54.00	(+) 19.05	74	76
80.00 and above	90.00 and above	(+) 12.50	76	76

177. Considering the interest of local bidi industry, no reform or change in tax structure of handmade bidi has been made for the last 5 years. I participated in the anti tobacco campaign just five days back. Despite that many of our colleagues in the Parliament are appealing for the protection of bidi. The present prices of 25 sticks non-filter and 20 sticks filter bidis are Tk. 5.354 and Tk. 6.052 respectively. Because of being less expensive and easily available, a large number of people smoke this product and get sick. According to some account, bidi manufacturing is in decline. I consider discouraging smoking as my primary responsibility and as such am proposing fixation of price of 25 sticks non-filter bidis at Tk. 6.14 and 20 sticks filter bidis at Tk. 6.94. I also propose to raise the existing supplementary duty rate on jarda and gul products from 30 percent to 60 percent.

**Madam Speaker**

178. There is a mandatory provision in the relevant law and rule to deduct VAT at source while 100 percent export oriented industries procure services from the service renderers. In order to free the exporters from the hassle of getting duty drawback, I propose for the inclusion of few services namely; procurement provider, security service, transport contractor, and imported service into the relevant exemption notification on VAT

**Madam Speaker**

179. Presently, there are 23 sectors under VAT regime which are taxed on the basis of truncated base value system. We shall have to leave them apart while implementing the new VAT law. As a beginning, I propose to cancel the truncated base value system on air conditioned launch, bus and railway services, and instead charge VAT at the standard (15%) rates. Besides, there are some other services namely; motor garage, workshop, dockyard, photograph maker, English medium school, immigration advisor and transport contractor (except petroleum product carrying contractor) services, I propose to raise its net VAT to 7.5 percent from the existing 4.5 percent. Likewise, land development and building construction sectors and jewellery services are paying 1.5 percent and 2 percent net VAT respectively. I propose to raise its net VAT to 3 percent. Apart from these, I propose to raise net VAT to 7.5 percent from existing 6 percent on general restaurant service (not air conditioned).

180. Several reform proposals on supplementary duty rates are made in this year’s budget with the objective of easing the implementation of the new VAT law. In this respect, some proposals are made to rationalize the existing tariff values. To come out of the culture of exemption, some proposals abolishing these exemptions on VAT are made. Some important proposals are as follows:

- (a) VAT on crude and refined palm, soyabean and sunflower oil at the import stage was reduced from 15 percent to 10 percent on certain conditions and for up to 30 June, 2014. With a view to keeping the price of edible oil stable and within the buying capacity of the people, I propose to allow this concession to continue up to 30 June, 2015.
- (b) VAT on other edible oils such as canola, rapeseed, colza seed etc. at the import stage is 15 percent. I propose to reduce one third of the applicable tax on it and fix it at 10 percent at the import stage. Also I propose to impose VAT at the rate of Tk. 1 (one) per litre on the local production of these products.
- (c) I propose to withdraw VAT exemption facility given to ocean going vessel having capacity exceeding 5,000 DWT. Instead, I propose to fix tariff value on small cargoes and passenger vessels at the rate of Tk. 2,500 hundred per metric ton.
- (d) With a view to keeping the price of contraceptives within the purchasing capacity of the common people, I propose to withdraw retail level VAT from them.
- (e) Presently, there is 15 percent supplementary duty on locally produced filament bulb. This is the reason for which this item remains beyond the buying capacity of the common people. Taking this aspect into consideration, I propose to withdraw the existing 15 percent supplementary duty from filament bulb with the objective of encouraging the common people to use this bulb and get the benefit of electrification.
- (f) There exists no control on the activities of local satellite TV channels and foreign channels enjoy full freedom of broadcast. On the other hand, Bangladeshi satellite channels could not broadcast their programmes to neighbouring countries. Ministry of Information has taken an initiative to rationalise the satellite TV channel distribution networks. This may take few more months. For this we decided not to change the SD rates at this moment and as such present 25 percent SD rate shall remain. However, the matter will be reviewed after six months.

- (g) Presently, there is a fixed tax of Tk. 300 on the supply of every single piece of SIM card by the mobile operators and this will continue. There has no such tax on the supply of replacement SIMs. It causes inconvenience in revenue accounting. In order to ensure transparency, I propose to impose a fixed tax of Tk. 100 on the supply of every single piece of replacement SIM.
- (h) There are about 6 thousand brick fields in the country. The remoteness of their location causes problems for proper collection and monitoring of revenue. In order to make it obligatory on the part of the brick field owners to submit an unconditional Bank Guarantee equivalent to the tax payable at the time of making an annual declaration in respect of number of section or chimney to the VAT authority, I propose to bring about necessary amendment to the relevant rules which deal with the collection of tax from brick fields.
- (i) Treatment of kidney disease is very expensive in our country. With a view to reduce the expenditure of the kidney patient; I propose to exempt kidney dialysis solution from the payment of VAT at the local production stage.
- (j) Physically ill and mentally dejected people get cured by taking meditation service. For this reason, I propose to exempt meditation service from the payment of VAT.

Chapter X

## Conclusion

181. We formed Government in 2009 with a clearly spelt out road-map for prosperity called Vision 2021. This is the first time in our history that a government has embarked on its journey with a specific development agenda. We laid bare the promises that Bangladesh would be transformed into a middle-income country by 2021 where economy would be driven by superior technology, more skilled manpower and higher growth. Social justice and participatory democracy would be our guiding lights. We pledged that through wider and innovative use of ICT, we will elevate the country to a new height of excellence which will give it a new branding Digital Bangladesh. Unfortunately, however, ours was not a silken path. Our journey was interrupted by many global phenomenon and domestic disturbances. We stood tall against all odds and never flinched from our avowed targets. I firmly believe that our march forward, taking the whole nation with us, shall never succumb to the machinations of any evil force.

182. I have, so far, provided you with a résumé of the plans and policies to achieve our goals. I have also put forward the financing proposals that we plan to take up in FY 2014-15. Many amongst us take our projects and plans with a pinch of salt, tend to label them as too ambitious to implement. But we have proved, time and again, that we can implement our plans, however ambitious they may sound. Last five years witnessed a significant leap in our implementation capacity. We are consistently implementing nearly 96 percent of the revised budget. In the present term, our main aim will be to continue the on-going programmes and start new ones to implement the Vision. I hope this budget will provide necessary guidelines for accomplishing the planned activities.

183. Many of you know that I have gone past eighty. It has indeed been an eventful life full of musings and alacrity. Life has taught me much through the vicissitudes of success and failure. In this whole journey I have never fallen short of optimism—the silver lining over the thick cloud gives me hope and keeps me going. I do believe in the boundless potentials of this country, like our youth do. These potentials can be translated into prosperity only when we can offer a democracy not tinged with the evils of communalism. This is the spirit that has guided our people through the trials and tribulations of history. This time, I am sure, it will be no different. I stay firm on this belief and hope that all our political parties will stand united for development of the country and shun the deadly path of violence. I accept, protests and criticisms are the essence of democracy, but it deeply disappoints us when this is marred by vendetta and violence. A vigilant and inspired nation, as we are, can hardly afford to stand the menace of deaths and wanton violence.

184. At the end, let me remember once again our eternal source of inspiration Bangabandhu Sheikh Mujibur Rahman. In the ‘Unfinished Autobiography’ he says, “As a Bengalee, everything that is associated with this people, touches me. The source of this unbridled bond is love, all-pervading love, which gives meaning to my existence”. We proudly foster his legacy of unconditional love for this people and soil in our marrows. Imbued with this legacy we want to say, with all firmness, that we shall remain by the side of our people in weal and woe. We shall crush all evil forces and march along the bumpy roads of prosperity with the people in our side. We shall leave for our progeny a country where there shall be no cry of poverty and hunger, no dark shadow of disparity and disunity, no trampling of people’s right under misrule.

JOY BANGLA

JOY BANGABANDHU

MAY BANGLADESH LIVE FOREVER





16

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B U D G E T  
2014 - 2015 SPECIAL

## Annex A

Table-1: List of Successfully Implemented Policies/Programmes/  
Activities Included in the Last Four Budgets

Sl No	Budget and Commitments
Budget and Planning	
1.	Formulation of Perspective Plan 2010-21
2.	Formulation of 6th Five-Year Plan (2010-2015)
3.	Public Monies and Budget Management Act, 2009 enacted
4.	Facing global financial crisis successfully
5.	Impressive credit rating from international credit rating agencies like Moody's and Standard & Poor's achieved and retained
6.	Budget and Planning branches established in all ministries/divisions
7.	Economic code based mapping of development and non-development budgets started
8.	All ministries/divisions brought under MTBF
9.	Performance Audit started on pilot basis
10.	A modern soft-ware has been installed for enhancing debt management capacity
11.	Draft Medium Term Debt Management Strategy prepared
12.	Arrange for on-line project formulation, processing and approval under 'Digital ECNEC' project
13.	A database installed for keeping accounts and ensuring management of government's equity in various corporations
14.	List of large foreign aided projects prepared, monitoring activities taken and an index of external resource mobilization prepared
15.	Reviewing progress of large 50 projects financed by projects aid initiated
16.	A 'Fast Track Project Monitoring Committee' headed by honourable prime minister is formed with a view to monitor 6 large projects
Financial Sector	
17.	Money Laundering Prevention Act, 2012 enacted
18.	Setting special tribunal for quick disposal of suits relating to the capital market
19.	Anti-Terrorism (Amendment) Act, 2012 enacted
20.	Insurance Act, 2009 enacted
21.	The Securities and Exchange Commission (Public Issue) Rules, 2006 amended
22.	The Securities and Exchange Commission (Mutual Fund) Rules, 2001 amended
23.	The Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules, 1996 amended
24.	The Exchanges (Demutualization) Act, 2013 passed in the parliament
25.	The Securities and Exchange Commission Act, 1990 amended
26.	The Securities and Exchange Ordinance, 1969 amended
27.	The Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012 issued
28.	Bangladesh Securities and Exchange Commission (Right Issues) Rules 2006 amended
29.	Bangladesh Securities and Exchange Commission (Research Analysis) Rules 2013 issued
30.	Bangladesh Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules 1996 amended
31.	Grameen Bank (Amendment) Act, 2013 enacted
32.	Installation of surveillance software for quick identification of irregularities and in the capital market
33.	Issuance of regulations regarding assessment of property of companies shown in IPO
34.	Insurance Development and Regulatory Authority Act, 2010 enacted and Insurance Development and Regulatory Authority (IDRA) established
35.	Process for enacting Insurance Corporation Act, 2013 has been started
36.	Insurance Act 2010 enacted, 3 rules and 8 regulations issued in the light of Insurance Development and Regulatory Act 2010
37.	Bangladesh Fund (open end fund) with a target of 5,000 crore Tk. Established; net asset increased to 1,766 crore Tk. till 31 <sup>st</sup> March 2014
38.	Bank Company Act 2013 enacted
39.	Bangladesh Development Bank Ltd. established by merging Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Shangstha
40.	The face value of all shares and mutual funds listed with the stock exchanges reset to Tk 10
41.	The mandatory provision for sponsor and directors of listed limited companies to hold individually minimum 2.0 per cent and collectively 30 per cent share introduced

42.	The Corporate Governance Guidelines modernised
43.	A network connecting all departments of the head office with branches of Bangladesh Bank established
44.	The total accounting and human resource management systems of Bangladesh Bank brought under Enterprise Resource Planning (ERP) software
45.	Integrated bank supervision system introduced for proper supervision and monitoring of banks and other financial institutions
46.	Automation of treasury, security systems and investment activities of Bangladesh Bank using a banking software
Business Environment	
47.	Bangladesh Economic Zones Act, 2010 enacted, Bangladesh Economic Zones Authority established and five sites identified to establish economic zones
48.	Gazette notification of PPP Policy and Guidelines, 2010 issued
49.	Guidelines and Scheme for using Viability Gap Fund issued
50.	Import Policy 2012-15 issued; Drafts Export Policy 2012-15 prepared
51.	Competition Act, 2012 enacted
52.	One-stop service for investors introduced
53.	Full-fledged bond commissionerate and appellate commissionerate established in Chittagong
54.	PPP Technical Assistance Fund and Viability Gap Fund (VGF) guidelines issued
55.	PPP Office established
56.	A company named Bangladesh Infrastructure Finance Fund Limited (BIFFL) formed
57.	Technical Assistance Fund formed to provide technical assistance to PPP pilot projects and guidelines and scheme for utilisation of this fund formulated
58.	Investment Promotion and Financing Facility (IPFF) project implemented with financial assistance from the World Bank to finance PPP infrastructure projects
Power and Energy	
59.	Power Sector Master Plan approved
60.	Renewable Energy Policy formulated
61.	Gas Development Fund Policy formulated and Gas Development Fund formed
62.	Power and Energy Fast Supply Enhancement (Special Provisions) Act, 2010 enacted
63.	Bangladesh Gas Act, 2010 enacted
64.	Mine and Mineral Rules, 2012 issued
65.	5,060 MW of electricity added to the national grid by March 2014
66.	Current power generation capacity is 10,341 MW
67.	About 135 MW electricity generated from renewable energy source
68.	Additional 644 kilometres of transmission lines and 24,980 kilometres of distribution lines laid and 10 new sub-stations installed
69.	424 MW of additional power produced by repairing 8 old gas based power plants
70.	57,000 pre-paid metres installed for reducing system losses of electricity and 60,000 more are in the process
71.	80-90 MW of power saved by introducing energy saving bulbs
72.	Gas Development Fund formed to invest in gas sector
73.	BPC's storage capacity of liquid petroleum products increased from 8.94 lakhs MT to 10.54 lakhs MT
74.	Extractable oil reserves of 55 million barrels in Koilashtila and Haripur discovered
75.	Production of 2,260 million cubic feet of gas daily from 84 wells in 19 gas-fields
76.	588 million cubic feet of additional gas being added to the national grid daily
77.	65-70 million cubic feet of gas supplied to the national grid daily by BAPEX, the only local gas exploration company of the country
78.	Lalmatia and Mohammadpur, two residential neighbourhoods of Dhaka, brought under pre-paid gas metering system
79.	4,510 line km 2D seismic survey and 2,163 square km 3D seismic survey completed
80.	An independent authority named Bangladesh Atomic Energy Regulatory Authority formed
81.	93 solar based power pumps have been established for rural electrification reforms
82.	393 km high powered gas transmission pipeline established
83.	2 new gas fields (Shundulpur and Srikail) through excavation of 7 wells discovered

84.	6 gas structure discovered by BAPEX 3D seismic survey
Integrated Agriculture and Rural Development	
85.	Self-sufficiency in food production achieved
86.	Agricultural Input Assistance Cards provided to 1,45 crore farmers and bank account with nominal 10 taka deposit opened for 97.2 lakh farmers
87.	Opportunity created for expansion of cultivable land and increasing cropping intensity
88.	Agricultural incentives continued
89.	Seed production, supply and storage capacity enhanced. Boro seed supply capacity of BADC raised from 18 per cent in FY09 to 60 per cent at present
90.	Optimum use of fertiliser ensured
91.	18 thousand hectares of fallow land made cultivable by introducing hybrid seeds and technology
92.	Bangabandhu Poverty Alleviation and Rural Development Academy Act, 2012 enacted
93.	Water logging in Haor areas being removed
94.	Haor Board formed
95.	Agriculture Research Council Act, 2012 enacted for strengthening agricultural research programme
96.	Cultivation of salinity tolerant BINA-8 and BRI-47 rice started
97.	Salinity tolerant BRI-53 and 54, BRI-51 and 52 for flood prone area invented
98.	The programme for applying fertilisers on the basis of digitally assessed soil fertility in 30 Upazilas introduced
99.	Agricultural Research Foundation and Trustee Board formed for conducting agricultural research
100.	Jute riboner (for extracting fibre) machines and cash assistance provided
101.	Since FY10, every year on average about 18 lakh compost fertiliser stacks were being installed in the home yards of farmers to promote use of organic fertiliser (total 41 lakh stacks)
102.	E-information services introduced in agriculture
103.	Database in all unions across the country established
104.	12 lakh fair price cards among the poor distributed
105.	SAARC Seed Bank Agreement signed
106.	Crop godown credit programme through 126 godowns conducted in different regions of the country
107.	Refinancing fund of Tk. 500 crore established for the share croppers
108.	Water logging in southern and western regions being removed
109.	Annual average growth of 6.0 per cent in fish production achieved
110.	12 endangered species of fish preserved
111.	Fish Feed and Animal Feed Act, 2010 enacted
112.	Fish Hatchery Act, 2010 enacted
113.	Fish Food Rules, 2011 and Fish Hatchery Rules 2011 issued
114.	Community based fisheries organisations formed
115.	433 new fish sanctuaries in various rivers and open water bodies established in last four years
116.	Jatka (small Hilsa fish) preserved; 5 sanctuaries for Hilsha established
117.	Environment friendly shrimp cultivation increased from 0.98 lakh metric tons in FY02 to 2.9 lakh metric tons in FY13
118.	Cattle Grazing Land Policy for the Cooperatives, 2011 issued
119.	Animal Slaughter and Meat Quality Control Act, 2011 enacted
120.	Plant Quarantine Act, 2010 enacted
121.	Flow of agricultural credit continued
122.	23,227 village organization created under 'One Home, One Farm' project
123.	National Cooperative Policy approved
124.	As many as 4,275 samitees formed in 68 Upazilas of 64 districts with a view to bringing all persons of the village, irrespective of class and profession, under one general village development cooperative
125.	Project implementation and expansion to generate employment opportunities for the have-nots in the northern region of the country
126.	484 cooperative markets started throughout the country
127.	Cooperative Market Policy 2013 issued
128.	Bangladesh Water Act, 2013 enacted
129.	Town protection embankment on the bank of Gorai river built
130.	78.57% of cultivable land in flood free area brought under irrigation facilities
131.	Automation of flood forecasting and warning system; at present 3 days advanced forecasting are being done in 38 places
132.	First phase of the Char Livelihood Project completed and implementation of the second phase started to improve the standard of living and eradicate poverty among the people living in Char areas
133.	1,40,414 hectares of land reclaimed from the sea
134.	20 big towns, 120 Upazila towns and 620 important and historical places have been protected from river erosion by means of river training and management.
135.	Medium term programmes for capital and maintenance dredging undertaken; 8 square km of land reclaimed
136.	15 years long plan titled "Capital Dredging and River Management Strategy of Bangladesh" undertaken
137.	15,903 acres of reclaimed land distributed among 11,298 families
138.	Circular waterways surrounding Dhaka established
139.	Inland container terminal at Pangaon established
140.	New mooring container terminal containing 5 jetties established
Overall Education Sector	
141.	Education Policy, 2010 issued
142.	96.07 percent enrolment of all children at the primary level
143.	Informal Education Policy approved
144.	Under the Primary Education Development Programme 9,283 classrooms built, 991 renovated and 5,673 wash-blocks built. Besides, 15,388 tube wells set to supply pure drinking water.
145.	671 schools were built at villages, where there is no school. Construction of another 649 is on going
146.	Distribution of books free of cost to all students at primary and secondary level
147.	Curriculum on Information and Communication Technology introduced and made compulsory at Class VI to Class XII
148.	Coverage of stipend widened to 78.2 lakh students from 48.2 lakh in 2009
149.	In order to launch pre-primary education programme in all government primary schools 37,000 posts of teacher created; 15,000 teachers recruited and recruitment of 7,000 more are at the final stage
150.	26,193 registered private, community and other primary schools nationalised
151.	Pre-primary education programme in all government primary schools launched
152.	More than 7 lakh dropped-out and underprivileged children were provided education opportunity in 22 thousand education centres through 'Reaching Out to School Children' project
153.	Under school feeding programme in poverty-stricken areas more than 30 lakhs students are given 75 grams nutritious biscuits on every school day
154.	1.66 lakh urban children are provided with basic education under the 'Basic Education to Urban Working Children' project
155.	Distribution of books free of charge at secondary level



Allocation for the education sector may rise by 11 percent.



# BUDGET

## SPECIAL 2014-2015



156.	Private University Act, 2009 enacted
157.	Public universities in Barisal and Gopalganj established
158.	Establishment of University of Science and Technology at Rangamati is under process
159.	Construction of Bangabandhu Sheikh Mujibur Rahman university is going on
160.	The rate of stipend provided to students residing in in slums and areas affected by <i>monga/cyclone/river</i> erosion raised to 100 per cent
161.	Rules to provide subvention to the registered and community primary school teachers equal to the salary of government primary school teachers formulated
162.	370 primary schools affected by flood and river erosion reconstructed
163.	Prime Minister's Education Assistance Trust Act, 2012 enacted and Prime Minister's Education Assistance Foundation established
164.	National Skill Development Council secretariat established and staff recruited and trained for skill development
165.	1,33,726 female students were provided with stipends at undergraduate level; Another 1,73,514 students have been selected
166.	Stipends provided to 10 per cent poor male students along with 30 per cent poor female students at secondary level
167.	Curriculum on Information and Communication Technology introduced and made mandatory in 6 <sup>th</sup> to 12 <sup>th</sup> grades
168.	Creative Talent Hunt Policy, 2012 formulated and Talent Hunt Competition 2013 successfully completed; and the talents rewarded
169.	Uniform core subjects introduced in madrasa education with a view to modernizing madrasa education system
170.	343 primary school cum cyclone shelters built
Health and Family Welfare	
171.	12,557 Community Clinics launched and construction of 943 underway.
172.	5 new medical colleges and 5 Institutes of Health Technology constructed
173.	1 nursing college and 12 nursing institutes constructed
174.	5,537 posts of senior staff nurses created; 4,100 senior staff nurses recruited
175.	4,000 posts of senior staff nurses brought under revenue budget
176.	Construction of new hospitals and increasing the number of beds in existing hospitals continues
177.	Allocation for medicine against each patient raised to 125 Tk. From 75 Tk.
178.	Essential Drug list updated as per model list of WHO
179.	Bangladesh Medical and Dental Council Act, 2010 enacted
180.	The Drugs (Control) Ordinance, 1982 amended
181.	National Health Policy, 2011 finalised
182.	National Population Policy, 2012 finalised
183.	Patients Welfare Fund Policy and User Fee Collection Policy formulated
184.	e-Health programme introduced and internet connection to 800 government hospitals and medical centres provided
185.	Mobile phone distributed to 64 district hospitals, 482 upazila hospitals and 500 other hospitals
186.	Tele-medicine service introduced in 18 hospitals
187.	Mini laptops having web camera supplied to 12,557 community clinics
188.	40,000 personnel in various posts of health sector recruited
189.	2,532 doctors recruited under BCS
190.	6,500 staff recruited in the Directorate of Family Planning
191.	Medical waste management in 133 upazila health complexes launched
192.	Percentage of immunized children under one year increased to 83.0 under EPI programme
193.	Immunization from 6 diseases by a single vaccine introduced
194.	Rate of child mortality under five years reduced to 41 from 65 per thousand in recent years
195.	Rate of maternal mortality reduced to 1.94 from 3.48 per thousand
196.	Percentage of only breast-fed babies up to six months of age raised from 42 per cent to 64 per cent
197.	Percentage of providing Vitamin A capsule to children between age group from 6 months to 5 years increased to 95.
198.	Prevalence of <i>Ratkana</i> disease (night blindness) reduced by 0.04 per cent
199.	Succeed in 92 percent cases of TB treatment in all Upazilas under DOTS program
200.	Succeed in 87 per cent success in identifying leprosy dieses
201.	Total eradication of filaria from five districts
202.	Institute of Tropical and Infectious diseases established and transferred to the authority
Youth and Sports, Culture and Religion	
203.	Bangabandhu Krirasebi Welfare Foundation Act, 2010 passed and Bangabandhu Krirasebi Welfare Foundation established
204.	Small Ethnic Groups Cultural Institution Act, 2010 passed
205.	International Mother Language Institute Act, 2010 passed
206.	National Hajj Policy, 2010-14 issued
207.	Integrated policy to supply books to libraries formulated
208.	Public libraries in 31 districts constructed
209.	Renovation and preservation of Lalbag port; launch light and sound show at Lalbag port
210.	Altogether 448 sights identified for preservation
211.	Modernization of national public library- established digital library
Physical Infrastructure	
212.	Integrated Multimodal Transport Policy, 2013 formulated
213.	Dhaka Transport Coordination Authority Act, 2012 passed and Dhaka Transport Coordination Authority established
214.	20-year Road Master Plan formulated and published
215.	Private Real Estate Land Development Rules, 2004 amended
216.	20-year (2005 to 2024) Strategic Transport Plan (STP) approved
217.	National Road Safety Strategic Action Plan (2011-2013) formulated and published
218.	Extra-dozed Box Girder bridge on the Karnafuli constructed
219.	Real Estate Development and Management Act, 2010 enacted
220.	Colony constructed to resolve housing problems of underprivileged community
221.	A flyover from Mirpur to Airport road and other at Kuril intersection constructed
222.	A overpass at Banani rail crossing built
223.	Road Maintenance Fund Board Act, 2013 enacted
224.	Government housing authorities including National Housing Authority built altogether 108 flats and completed development of 1,261 plots; construction of 32,258 flats and development of 44,316 plots continues
225. Industrialization	
226.	Industrial Policy, 2010 approved
227.	Policy framed for provide group-wise SME loan of Tk 50,000 for women entrepreneurs
228.	15 per cent of the total amount of refinancing schemes allocated for women entrepreneurs
229.	BJMC's banking and some other liabilities paid by the government and jute sector revitalized



The government plans to make it mandatory to clear house rents above Tk 25,000 through banks.

230.	EPZ workers Welfare Association and Industrial Relations Act, 2010 passed
231.	Mandatory Use of Jute Package Act, 2010 passed
232.	Facility for refinancing SME sector through four funds continued
233.	Bangladesh Textile University Act, 2010 passed
234.	Policy and Strategy for Public-Private-Partnership (PPP), 2010 issued
235.	Bangladesh Rubber Policy, 2010 issued
236.	National Salt Policy, 2011 issued
237.	Ship-Breaking and Recycling Policy, 2011 issued
238.	Jute Policy, 2011 issued
239.	National Skill Development Policy, 2012 issued
240.	Labour Welfare Association and Industrial Relations Act, 2010 passed
241.	Bangladesh Tourism Board Act, 2010 passed
242.	National Tourism Policy, 2010 issued
243.	Bangladesh Tourism Reserved Area and Special Tourism Zone Act, 2010 passed
244.	Trademarks Act, 2009 passed
245.	Consumer Rights Protection Act, 2009 passed
246.	Chartered Secretaries Act, 2010 passed
247.	Cash incentives for strategic industries continued
248.	Loans of 279 sick industries of RMG sector were written off
249.	Loans of 69 sick industries of Jute and Textile sector were written off
250.	Loan repayment time for frozen food industries extended
251.	Digital e-Purji introduced for sugar cane farmers and Manthan Asia Award achieved
Climate and Environment	
252.	Climate Change Trust Act, 2010 passed and Climate Change Trust Fund created
253.	Bangladesh Climate Change Strategy and Action Plan, 2009 issued
254.	Bangladesh Climate Change Resilience Fund created
255.	Bangladesh Environment Conservation (Amendment) Act, 2010 passed
256.	Environment Court Act, 2010 passed
257.	Hazardous Waste and Ship-Breaking Waste Management Rules, 2011 issued
258.	National Disaster Management Plan 2010-15 approved
259.	National Institute of Bio-Technology Act, 2010 passed
260.	2,620 arsenic free water sources constructed in arsenic prone areas
261.	Sanitation coverage of 95 per cent achieved which is highest among SAARC countries. Cent per cent sanitation coverage achieved in 4 districts, 58 municipalities, 114 upazilas and 1,387 unions
262.	Brick Manufacturing Control Act, 2013 formulated
263.	Rivers surrounding Dhaka declared as environmentally critical area and directives given to protect these rivers from pollution
264.	Water Resources Planning Act, 2013 enacted
265.	Central Effluent Treatment Plant installed at Dhaka EPZ area
266.	Effluent Treatment Plant (ETP) in 834 industrial units installed
267.	A 200 crore taka fund created in Bangladesh Bank to provide concessional credit for establishing ETPs in factories for mitigating environmental pollution
268.	21 new district level offices of the Department of Environment opened
269.	34 areas declared as environmentally reserved area for protecting biodiversity. This reserve areas are currently about 1.8 percent of the total land mass of the country
270.	Biosafety Rules, 2012 framed
271.	Wildlife (Conservation and Control) Act, 2012 passed
272.	Saw Mill (License) Rules, 2012 issued
273.	Permanent air quality monitoring station set at six important cities
274.	Cross dam and other infrastructures at coastal areas under four projects of Climate Change Trust Fund constructed to face the negative impact of climate change
Digital Bangladesh	
275.	e-Service centres established in 64 districts; one district declared as digital district
276.	450 Upazila brought under teletalk network
277.	3G mobile technology introduced and 2.5G technology expanded
278.	Legal framework formulated to promote e-commerce including e-payment and mobile banking

279.	To maintain security of e-payment and e-commerce, 6 certifying authorities are licensed and 3 of them started digital signature certification programme
280.	e-filing started in all deputy commissioners' office
281.	Tele density and internet density increased to 64.64 per cent and 19.93 per cent respectively
282.	Web portals in 24,000 government offices in district, upazila and union levels launched
283.	Submarine cable bandwidth upgraded from 44.6 Gbps to 200 Gbps
284.	More than 4,000 union information and service centres established
285.	National ICT Act, 2009 passed and ICT Policy, 2009 issued
286.	Science and Technology Development Trust Act, 2011 passed
287.	Rules/regulations/guidelines issued under the digital signature programme
288.	e-Commerce licensing guidelines, audit guidelines and CPS guidelines formulated and certified company selected
289.	Programme for bringing all government offices under an integrated IT network to operationalise e-Governance initiated
290.	e-Procurement and e-Monitoring systems for all types of government purchases introduced
291.	Air travel/cargo carrying brought under e-Commerce
292.	National Information and Communication Technology Policy, 2009 issued
293.	International Long Distance Telecommunications Services (ILDTS) Policy, 2010 issued
294.	National Science and Technology Policy, 2011 issued
295.	Bangladesh High-Tech Park Authority Act, 2010 passed
296.	National Museum of Science and Technology Act, 2010 passed
297.	Fund allotted to Equity and Entrepreneurship Fund (EEF) for promoting entrepreneurs in IT sector
298.	Networking, enterprise resource planning, banking application, and IT lab established for automation of Bangladesh Bank's operations
299.	Enterprise data warehouse established in Bangladesh Bank to implement e-commerce
Poverty Reduction and Social Security	
300.	One stop service for disabled persons introduced
301.	Poverty rate reduced to 26.2 percent in 2013
302.	35 service centres for physically challenged persons established since FY10 and 33 more are in pipeline
303.	Monthly allowance of taka 300 given to insolvent physically challenged persons
304.	The number of beneficiaries of receiving allowances provided to insolvent widows and women abandoned by husbands increased to 9.2 lakh in FY13
305.	Monthly allowance given to insolvent widows and women abandoned by husbands raised to taka 300
306.	Subsistence allowance to orphans and capitation grants to private orphanages continued
307.	Park for autistic children established in the Mirpur Autism Resource Centre; Autism corner launched in 68 handicapped service centres
308.	The number of beneficiaries of old age allowance raised from 20 lakh to 24.75 lakh
309.	Interest-free loan for employment generation of the hard-core poor launched. Taka 50 crore allocated in FY 2012-13 for this programme
310.	Fund created to generate self-employment for the acid victims and physically challenged women
311.	Employment opportunities in the monga prone areas generated
312.	The storage capacity for food grains raised to about 20 lakh metric tons and preserving emergency food stock of more 11 lakh metric tons
313.	To keep food price stable and fair, OMS and food distribution programmes continued
314.	Food Safety Act, 2013 enactd
315.	'Ghore Phera' program restarted
316.	Shelter homes for the urban floating people constructed
317.	Vagrant and Shelter less Persons (Rehabilitation) Act, 2011 passed
318.	Wildlife Victim Compensation Policy, 2010 issued
319.	Forest Conservation Victim Compensation Policy, 2011 issued
320.	Cyclone Shelter Construction, Maintenance and Management Policy, 2011 issued
321.	6,186 cyclone resistant houses in three coastal divisions built with the Climate Trust Fund





# BUDGET

## 2014-2015 SPECIAL



A diesel electric multiple unit (DEMU) train helps quick transportation of people over short distances.

322.	Contingency plan for quick recovery from disaster formulated
323.	16,000 city volunteers trained and equipped in Dhaka, Chittagong and Sylhet with a target to organise a total of 32,000 volunteers
324.	Provision made for sending SMS containing early warning of disaster with the help of Grameen Phone and Teletalk networks
325.	System launched to receive daily weather reports and warning signals by dialling 10941 from any mobile
326.	SMS containing early warning of disaster and advice are being sent to the chairman and member secretary of disaster management committees at Zila, Upazila and Union level
<b>Employment and Expatriate Welfare</b>	
327.	National Service introduced and coverage gradually expanded
328.	Manpower exported to 159 countries including 61 new countries
329.	Immigration and Skills Development Fund created and training provided to female migrating workers
330.	Expatriate Welfare Bank Act, 2010 passed
331.	Expatriate Welfare Bank established and credit of taka 45 crore with 9 per cent interest rate provided to aspirant migrant workers
332.	Branches of Expatriate Welfare Bank opened in divisional cities and districts with large number of expatriate workers
333.	Automated migration management system introduced
334.	Expatriate Welfare Desk in every airport opened
335.	Expatriate Welfare Desk in every deputy commissioner's office opened
336.	12 new labour wings with 101 new posts created
<b>Women and Children Welfare</b>	
337.	National Women Development Policy, 2011 approved
338.	Gender-responsive budget formulated (separate report prepared for 40 ministries/divisions)
339.	Share for women in the budget ensured
340.	Separate bank credit facilities ensured/expanded for women entrepreneurs
341.	Dedicated desks for women entrepreneurs opened in all banks and non-bank financial institutions
342.	One stop crisis cell in 40 district hospitals and 20 upazila health complexes established
343.	VGD cards for poor and rural poor women continued for their socio-economic development
344.	National Child Labour Elimination Policy, 2010 issued
345.	National Child Labour Prohibition work plan formulated
346.	Child development centre for deprived street children established
347.	44 day care centres in 6 divisional cities and 13 district headquarters are operating
348.	Maternity allowance to poor mothers raised to taka 350
349.	Maternity allowance of taka 350 per month is paid to urban low income working mothers
350.	Pre-primary education provided to more than 8 lakh children
351.	National help line centre established with a view to protect violence against women and children
<b>Welfare of Freedom Fighters</b>	
352.	Policy for providing ration to freedom fighters issued
353.	The rate of monthly allowance for the freedom fighters enhanced from Tk 900 to Tk 2,000
354.	Medical assistance provided to the nationally honoured freedom fighters
355.	Foreign friends and organisations of different countries honoured in recognition of their remarkable contribution to our war of independence. So far, 681 individuals and organizations honoured
<b>Good Governance</b>	
356.	Economic rights over 200 nautical miles in the Bay of Bengal and its continental shelf established following the historic verdict delivered by ITLOS
357.	Trial of war criminals started; 8 verdicts already pronounced; one sentenced; 8 other cases are under trial
358.	Legal assistance provided to 48,444 insolvent persons
359.	Death sentences of 5 convicts of the Bangabandhu murder case executed
360.	Trial of case related to murder of four great national leader completed; verdict pronounced
361.	Trial of 10-Truck Arms and Ammunition Haul in Chittagong completed; verdict pronounced

362.	Trial of BDR mutiny case started; verdict pronounced
363.	Right to Information Act, 2009 passed
364.	National Pay Scales, 2009 implemented
365.	Border Guard Act, 2010 passed
366.	The Public Interest related Information Disclosure (Protection) Act, 2011 passed
367.	The Constitution (Fifteenth Amendment) Act, 2011 passed
368.	The Vested Property Return (Amendment) Act, 2011 passed
369.	Graffiti Writing and Poster Pasting (Control) Act, 2012 passed
370.	Human Trafficking Prevention and Control Act, 2012 passed
371.	Passport Act, 2012 passed
372.	Mutual Assistance in Criminal Matters Act, 2012 passed
373.	Pornography Control Act, 2012 passed
374.	Election Commission Secretariat Act, 2010 passed
375.	Electoral Roll Act, 2009 passed
376.	National Human Rights Commission Act, 2009 passed
377.	Mobile Court Act, 2009 passed
378.	National Identity Registration Act, 2010 passed
379.	Comprehensive policy for providing books to libraries issued
380.	Skill Development Fund worth Tk.140 crore created
381.	Anti-Corruption (Amendment) Act 2013 passed
382.	Local Government (Union Parishad) Act, 2009, Local Government (Municipality) Act, 2009 and City Corporation Act, 2009 passed
383.	Upazila Parishad (Amendment) Act, 2011 passed
384.	Administrators in 61 district councils appointed
385.	Balumahal and Soil Management Act, 2010 passed
386.	Government Jalumahal Management Policy, 2009 issued
387.	Information database and comprehensive master plan for the development of Haors and wetlands prepared
388.	Land zoning on the basis of land use completed in 152 upazilas of 21 districts
389.	4.41 lakh khatians of 191 mouzas and 4,089 mouza map sheets of Dhaka city area digitized and uploaded in the website of Directorate of Land Records and Survey
390.	Rate of tax deducted at source for land registration reduced
391.	Consistency established in providing rations to various disciplined forces
392.	Consumer Right (Meeting and Operation) Rules, 2010 and Consumer Right (Accounts and Audit) Rules, 2010 issued
393.	National Consumer Rights Protection Department (Officers and Employee) Recruitment Rules 2012 formulated
394.	District Consumer Right Protection Committees in 61 districts formed
395.	Cable Network Operation and Licensing Rules, 2010 issued
396.	Electronic Government Procurement Policy issue
397.	Internet connectivity hardware and software in all districts installed to implement e-GP and Procurement Management Information System (PROMIS)
398.	Journalist Assistance Allowance/Grants Guidelines, 2012 formulated
399.	Nearly cent per cent birth registration completed
400.	Anti Corruption Commission (Amendment) Act, 2013 enacted
401.	Rangpur City Corporation and Gazipur City Corporation established
402.	21 new municipalities established
<b>Revenue Administration</b>	
403.	VAT and Excise Duty Act, 2012 enacted
404.	The Customs Act, 1969 amended
405.	Alternative Dispute Resolution launched; ADR rules finalised
406.	Projection of tax to GDP ratio raised to 13 per cent by 2016 as against 10.4 per cent achieved in FY 2012-13; revised target for FY14 is 11.0
407.	Income tax administration restructured for expansion up to upazila level
408.	System of online payment of taxes introduced
409.	Holding of tax fairs in September each year at all divisional towns introduced
410.	A two-page income tax return form for low income tax payers under the spot assessment programme introduced
411.	Provision for tax rebate on corporate social responsibility spending introduced
412.	The remuneration of Ministers, State Ministers and Members of Parliament declared taxable

413.	Payment of taxes on salary income by the government employees from their own sources introduced
414.	Tax exemption and tax holiday facilities reduced/curtailed
415.	Tax information and service centres established in Dhaka and Chittagong
416.	2 new custom houses, 1 bond commissionerate, 4 VAT commissionerates, 3 appeal commissionerates, 56 VAT divisional offices and 146 VAT circles established through administrative reorganisation
417.	Chittagong Custom House (Import and Export) unified

Table-2: Ongoing Priority Programmes

Sl. No.	Budget Commitments	Implementation Progress
<b>Budget and Planning</b>		
1.	Preparation, processing, implementation and evaluation of projects	A project titled 'Digital ECNEC' has been undertaken for preparing, processing, implementation and evaluation of projects through online.
2.	Ensuring appropriate utilisation of project aid	A tripartite initiative has been undertaken to resolve problems and expediting the implementation of foreign aided projects.
3.	Monitoring the implementation of Development projects of 10 large Ministries/Divisions	<ul style="list-style-type: none"><li>Emphasis has given on the monitoring of Projects</li><li>Revising procurement plan and providing relevant advices through monitoring progress of the implementation of development projects of 10 large ministries/divisions by the Task Force of IMED on a regular basis</li><li>Providing information and data related to the implementation of ADP to the Parliament and other relevant authorities on a regular basis</li></ul>
4.	Formulating Audit Act for budget implementation	A draft Audit Act is underway
5.	Update the existing budget classification in line with the international standard	Updated budget classification is at the final stage
6.	Developing a database containing information data related to the salary/allowances, pension, pay-rolle and other relevant information of all level officers and employees of the republic	Initial activities undertaken for developing the database meanwhile.
7.	Exploring the alternative sources of foreign assistance	Work in progress
8.	District budget	A budget statement of Tangail district was placed before the Parliament along with the budget of FY 2013-14; Budget statements for another 6 districts (divisional headquarters) have been placed with FY14-15 budget
<b>Financial Sector</b>		
9.	Controlling unethical financial practices	Introduction of penal measures against any banking activity in the name of cooperatives without the approval of Bangladesh Bank. The progress in bringing the multi-level marketing companies and social organisations under a legal framework is underway.
10.	Amendment of Financial Institution Act	Process of reformulation of the law is underway
11.	Formulation of Insurance Company Act, 2013	Process has been started. Stakeholders are being consulted
12.	Installing National Payment Switch	Installation of the National Payment Switch in the light of National Information and Communication Policy is about to be completed
13.	Preparing Financial Reporting Act and establishing Financial Reporting Council	Work in progress
<b>Business Environment</b>		
14.	Reducing the time lag of distribution of original land registration deed	Efforts are being implemented to reduce the time lag of distribution of land registration deeds to 2 - 7 days.
15.	Digitization of the Land Registration	Under the 'Deed Registration Programme' various tasks have been undergoing
16.	Automation of Judiciary	<ul style="list-style-type: none"><li>Necessary information including status of cases under trial, date of hearing and judgment of cases and cause lists are being displayed on electronic board with a view to reducing the harassment of the litigants</li><li>Data center has been installed at the Supreme court</li></ul>
17.	Use of modern technology in all units of the customs department for advance cargo declaration and customs clearance as well as auto generation of customs receipts accounts	Procurement of ASYCUDA-World software is in progress.
18.	Digitization of treasury chalang	Activities relating to depositing all kinds of government receipts online and through mobile phones are in progress
19.	Automation of activities related to business and investment	Work in progress
20.	Digitized land survey and management	Land survey process is being digitized in 61 districts
21.	Operationalization of PPP	<ul style="list-style-type: none"><li>Draft PPP law has been sent to the Ministry of Law, Justice and Parliamentary Affairs for vetting</li><li>Preparation of draft PPP Act, PPP project scanning manual, tender processing manual and other relevant documents are at the final stage</li><li>Implementation of 10 and more PPP projects of road, health, ICT, housing, shipping and railway sectors are underway</li><li>PPP technical assistance sector fund scheme and guidelines is gazetted and 40 crore Tk. has been transferred to the fund</li></ul>



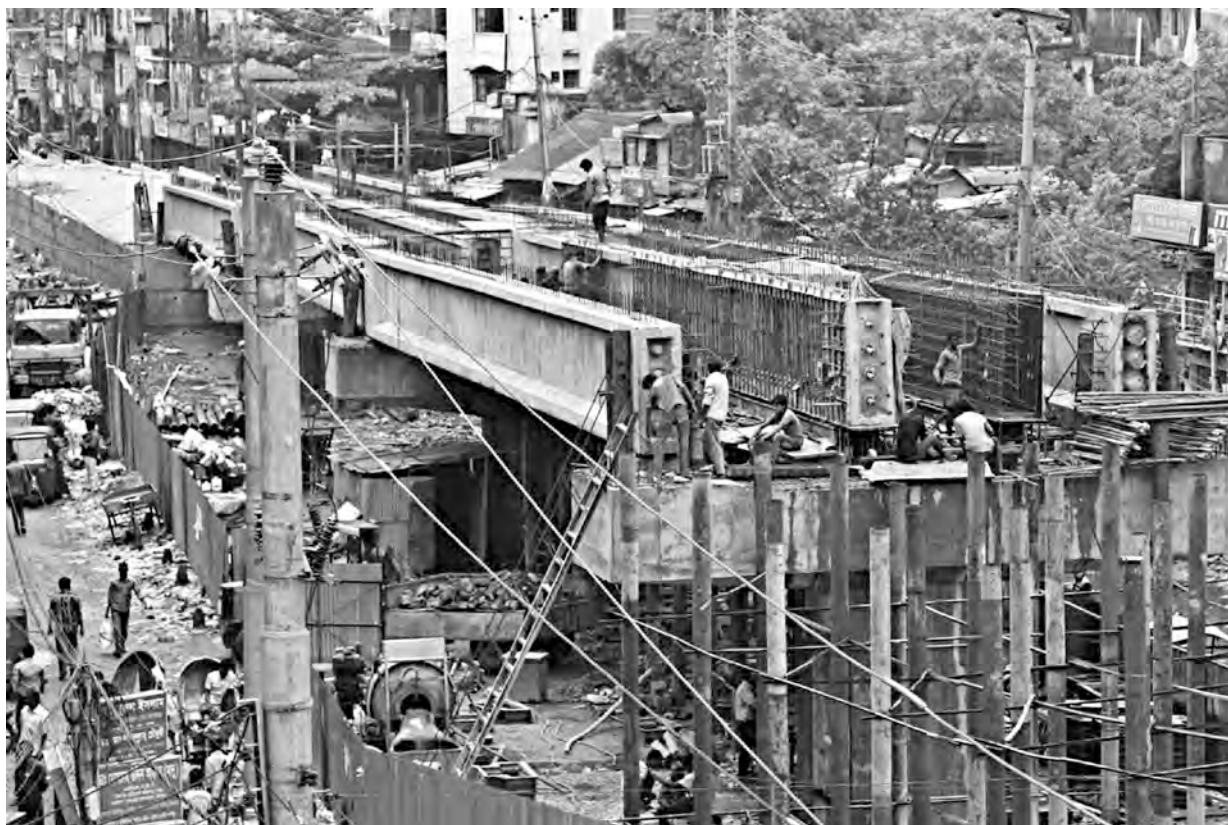
# BUDGET SPECIAL 2014-2015

19  
The Daily Star  
DHAKA FRIDAY JUNE 6, 2014

Sl. No.	Budget Commitments	Implementation Progress
22.	Establishment of Economic Zone	Establishment of 5 Economic Zones are underway
23.	Establish competition commission	Work in progress
24.	Mandatory enforcement of Alternate Dispute Resolutions	Bills, on amendments of Acts on Tax, VAT, Customs, Civil Procedure Codes for accommodating ADR are placed before the parliament
25.	Strengthen TCB	Work in progress
26.	Establish Border Hat with India	2 Border Hats already established and 4 others are underway
27.	Diplomatic activities for protecting economic interest	Access of Bangladeshi goods and services to international markets eased through various regional and international cooperation
<b>Power and Energy</b>		
28.	Construction of Ruppur Nuclear Power Plant	A State Export Credit agreement to undertake initial activities for constructing Ruppur Nuclear Power Plant and another agreement to establish Nuclear Industry Information Centre have been signed with the Russian Federation -Foundation stone of Ruppur Nuclear Power Plant was laid on 02.10.2013
29.	Construction of coal fired power plants	<ul style="list-style-type: none"><li>Agreement signed to install 3 power plants of 1,088 MW of electricity.</li><li>Initial activities are underway to construct coal fired power plant having 1,320 MW of electricity generation capacity at Rampal and another one at Matabari with 1,200 MW electricity generation capacity</li></ul>
30.	Conducting feasibility study for small hydraulic power projects	Work in progress
31.	Removing the gap between demand and generation of power	Present electricity generation capacity is 10,341 MW which will be raised upto 18,500 MW by 2018. Therefore, gap between demand and generation of power will be removed
32.	Producing electricity from paddy husk	Installation of a power plant to generate electricity from paddy husk is underway with assistance from IDCOL
33.	Distribution of electricity to all villages by 2021	53 solar power plants already installed and 14 are underway while 200 another is planned to be installed in future
34.	Updating the National Energy Policy	Waiting for the opinion of the technical committee
35.	Formulation of Coal Policy	Waiting for the opinion of the technical committee
36.	Launching the natural gas exploration in the bay	About 12.5 million cft of gas is being extracted on a daily basis from Sangu Gas Field - <ul style="list-style-type: none"><li>Survey has already completed under the Production Sharing Contract (PSC) with Conoco Philips for the exploration of gas and oil from 2 blocks</li><li>Production started in 3 excavated wells at Moulvi bazar and in 4 out of 6 wells at Bibiana</li><li>BAPEX has completed 526 k.m 2D seismic survey and 1,150 square k.m 3D seismic survey</li></ul>
37.	Exploration of on-shore/off-shore gas	Final declaration of Off-shore bidding round 2012 for 9 blocks at shallow sea zone and 12 blocks at deep sea area in the context of disposal of maritime boundary dispute between Bangladesh and Myanmar
38.	Exploration drilling at Kapasia/Mobarokpu/Shundalpur/Srikail by BAPEX	About 1 thousand meter drilling completed at Kapasia, Sundalpur and Srikail
39.	Construction of 356 KM line to expand the gas supply to west/south-west side of the country	Construction of 4 pipe lines is underway with financing ADB and GoB.
40.	Strengthen the BAPEX	4 projects are under implementation to strengthen BAPEX. In addition, manpower of the organization are being trained from home and abroad
41.	Importing 500 mn cftd of Liquefied Natural Gas (LNG) from Qatar by December 2012	An MoU has been signed to import 500 million cft of LNG from Qatar
42.	Enacting Sustainable Energy Development Authority Act, 2012	The draft act has been prepared and will be placed before the Parliament soon after the necessary revision
43.	Threefold enhancement of the capacity of Eastern Refinery	Work in progress to raise the capacity of Eastern Refinery by additional 30 lac metric ton
44.	Installation of Single Point Mooring	Installation of Single Point Mooring is underway for faster unloading of imported crude oil and reducing time lag
45.	Establish LNG based power plants having 1,088 MW electricity generation capacity	Programmes are at final stage
<b>Integrated Agriculture and Rural Development</b>		
46.	National Agricultural Policy, 2012	In progress
47.	Ensuring supply of improved seeds	Work in progress to distribute the 1.47 lakh MT seeds of various crops through BADC
48.	Crop Insurance	Crop Insurance is being practiced by BARD on an experimental basis at Debidbar Upazila of Comilla
49.	Providing irrigation facilities protecting land from floods	33 million MT of food grains will be produced after the completion of 14 projects at the cost of Tk. 1,790 crore
50.	Using surface water for expansion of irrigation	Surface water is being used for irrigation; also expansion of such irrigation is underway
51.	Recovery of land by reducing soil salinity and water logging	It has been planned to rehabilitate 9,586 families by recovering 5,550 hectares of land

52.	Establishing permanent monitoring network through identification of leakage points to protect saline water	A review project is being undergone in 3 phases under Climate Change Trust Fund
53.	Formulation of Agricultural Land Protection and Land Use Act 2011	Draft Act has been prepared and stakeholder's consultation is going on
54.	Formulation of a comprehensive master plan for the development of Haors and wetlands	Pre-feasibility study has been completed to prepare comprehensive Master Plan
55.	Establishing a modern laboratory to produce vaccine for bird flu	A government financed project titled 'Modernisation of Vaccine Production Technology and Extension of Laboratories' is underway for the prevention, diagnosis and treatment of animal diseases
56.	Expanding training facilities for the livestock farmers	Various projects and programmes under both ADP and revenue budget are underway at Upazila level
57.	Environment friendly shrimp farming	Various programmes are ongoing to train farmers and for regular monitoring; environment friendly shrimp farming method is introduced through research
58.	National Shrimp Farming Policy, 2014	Waiting for approval
59.	Exploring new fish producing zone in newly demarcated area of Bangladesh in the Bay of Bengal	Collection of appropriate research vessel under Bangladesh Marine Fisheries Capacity Building Project is underway
60.	Preservation of extinct fish species	Various programmes including establishment of live gene bank of fishes are undergoing
61.	Employment generation project for the Hardcore poor of Mongapron northern area	Projects are under implementation at 153 unions of 35 Upazilas of 5 Districts
62.	Updating the food policy	Work in progress
63.	Adopting an integrated approach for food procurement, storage and distribution	Government has already issued an SRO against illegal hoarding. Storage capacity of government godowns has been raised to 20 lakh MT. -present stock of food grains to face unforeseen situation is about 12 MT
64.	Reducing dependency ratio of surface water and ground water to 50:50	Work in progress; present dependency ratio is 1:7 : 98.4
65.	Excavating the river Gorai	The second phase of the project named Re-excavation of Gorai River is underway
66.	Recovering land from sea and reducing salinity	Various actions are underway
67.	Capital dredging and river management	Activities for land management and capital dredging of Ganga, Padma, Brahmaputra, Jamuna and Meghna are undergoing
68.	Constructing a barrage over the river Ganges	The ongoing feasibility study for constructing the barrage to ensure integrated water management of the river Ganges is at the final stage
69.	Removing water logging and expansion of irrigation facilities	- irrigation facilities expanded to 10.14 lakh hector land -12 projects are under implementation
70.	River training and sustainable river management	4 projects are about to be completed
71.	Improvement of flood forecasting and warning mechanism	Activities are undertaken to provide 7 days early warning against present 3 days early warning system
72.	Forecasting of salinity at the coastal area and basin development	Placed before the Bangladesh Development Forum to resolve the issue through inter regional

		understanding
73.	Ensuring clean water flows in the rivers surrounding Dhaka	Project is under implementation
74.	Rehabilitation of 10 thousand families at the coastal area	Work in progress
75.	Integrating all the growth centres with district headquarters	95% of 2,051 growth centers have been connected to their concerned district headquarters
76.	Ensuring pure drinking water and safe water for all	<ul style="list-style-type: none"><li>A safe water source for 93 persons at the rural area</li><li>Water supply coverage is 88%</li><li>1.5 lakh arsenic free water source established at the rural area and supply of water through pipe in 82 villages done</li><li>Additional 1.25 lakh water source is under construction and 125 water pipe line is also underway</li><li>Coverage of the water supply will increase to 93%</li><li>Present coverage of water supply in municipal area is 99%</li></ul>
77.	Meeting the demand of water of the urban inhabitants	Water supply coverage of WASA in Dhaka city is about hundred percent
78.	Construct sweeper colony for the Dhangan population	Construction of sweeper colony in Dhaka city is underway
79.	Undertaking an integrated programme to solve growing traffic congestion/water supply/sewerage/environmental related problems of Dhaka Metropolitan City	A number of flyovers along with Begunbari canal and Hatirzheel project have been completed. Construction of number of other flyovers and road intersection development work are underway.
<b>Overall Education Sector</b>		
80.	Nationalization of 1,03,845 primary school teachers	Initiatives has been taken to nationalize the jobs of 1,03,845 primary school teachers
81.	Enhancing the rate of female teachers in primary school to 58.4%	Activities are underway to enhance the female teachers' ratio in the primary school
82.	Forming permanent Education Commission in line with the Education Policy	Formation of Education Service Commission is underway
83.	Establishing 1,500 primary schools in the villages where there is no school	A total of 1,383 schools have been selected
84.	Forming accreditation council to monitor education standard of the private universities	The process of forming the council is underway in the Ministry of Education
85.	Making computer/vocational education compulsory at the secondary level by 2013	Decision has been taken to include chapters on computer/vocational education in the new curriculum.
86.	Establishing technical institute in each upazilla	In 35 upazilas such institutes are being established
87.	Modernising the madrasa education	<ul style="list-style-type: none"><li>Under the Secondary Education Sector Development Programme (SESDP) activities are going on to modernize 1,000 madrasa</li><li>Form 2013, uniform core subjects are made compulsory in class vi to viii</li></ul>
88.	Extending free education up to bachelor level in phases	40 percent of the female undergraduate students are currently being provided with stipend while 100% of bill, haor and remote areas are given such stipend.
89.	The ratio of teacher and student will be improved from 1:50 to 1:40 in FY 2011-12	Activities have been undergoing to raise the ratio from the present 1:47
90.	Ensuring placement of at least 5 teachers in every primary school	Recruitment of new teachers is underway and already 90 thousand teachers has been recruited



A big allocation is proposed to develop and modernise roads and highways.





20

The Daily Star

DHAKA FRIDAY JUNE 6, 2014

# BUDGET

## 2014-2015 SPECIAL



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Sl. No.	Budget Commitments	Implementation Progress
91.	Ensuring 100% enrolment at the primary education level	99.3% enrolment at the primary level is ensured
92.	Establish child friendly learning centers at the remote areas like char/haor/tea garden	A project titled 'Second Chance and Alternative Education' undertaken to establish child friendly learning centers at the underserved areas
93.	Expansion of science education and research	Research programs are underway in various universities under 119 projects
94.	Establish area focused educational institutes	A project relating construction of 1,500 academic building and physical infrastructure of 167 schools underway
95.	Establish technical institutes at all Upazila	A revised DPP in order to establish technical institute is approved by the ECNEC
96.	Establish a University at Rangamati	Rangamati Science & Technology University is underway
97.	Establish Sheikh Mujib Maritime University	Sheikh Mujib Maritime University Act, 2013 is enacted
98.	Introduce e-learning at all educational institutions of the country	Various activities for preparing digital content, establishing multimedia classroom and website are undergoing
99.	Establishing PTI in 12 district headquarters which do not have any PTI	Are at different stage of construction
<b>Health and Family Welfare</b>		
100.	Modernisation and improvement of alternative healthcare	Formulation of related regulations is underway
101.	Updating and modernize the National Drug Policy	At the final stage
102.	Increasing the number and enhancing skills of nurses/paramedics	Health work force is being created through in-service training by the Directorate of Health
103.	Upgrading Nursing Institutes to Nursing Colleges	7 Nursing Institutes have been upgraded to Nursing Colleges.
<b>Physical Infrastructure</b>		
104.	Creation of road maintenance fund	Road Maintenance Fund Board Act, 2013, in the form of bill, has been sent to the Parliament secretariat for placing before the parliament
105.	Implementation of Mass Rapid Transit (MRT) Line-6 Project	Dhaka Mass Transit Company Limited has been formed to implement the Mass Rapid Transit (MRT) line-6.
106.	Upgrading Dhaka-Chittagong highway into four lanes	Work of up gradation of Dhaka-Chittagong highway into four lanes is in progress.
107.	Introduction of Bus Rapid Transit (BRT)	Construction work of 20 km BRT lane project from Hazrat Shahjalal International Airport to Gazipur is in progress.
108.	Construction of Dhaka Elevated Express Way	Construction of the Dhaka Elevated Expressway is going on.
109.	Finalising 20-year Railway Sector Master Plan	A Steering Committee has been formed to finalise the Plan
110.	Implementation of Railway Sector Improvement Project	The ongoing project will be completed by 2014
111.	Upgradation of Railways into two lines	The work is in progress through 3-projects
112.	Construction of dual gauge double lines between Dhaka-Tongi, Joydevpur and Dhaka-Narayanganj	A project in this regard has been approved in the ECNEC and further work is in progress.
113.	Inclusion of Bangladesh in the Trans Asian Railway	More than 50% works of 3 projects undertaken for the inclusion of Bangladesh with the Trans Asian Railways are completed.
114.	Construction of Padma Bridge	Decision has been taken to construct the Padma Bridge through domestic financing; Tk. 8 thousand 100 crore has been allocated for this purpose.

115.	Construction of 2 <sup>nd</sup> Padma and Bekutia Bridges	Construction of the 2 <sup>nd</sup> Padma Bridge has begun, and feasibility of construction of Bekutia Bridge is completed. DPP is being prepared.
116.	a) Construction of Tunnel in the Karnaphuli River, Chittagong b) Construction of Tunnel from Jahangirnagar Gate Dhaka to Rokeya Sharani	Feasibility study of construction of tunnel in the Karnaphuli River as well as construction of Tunnel from Jahangirnagar Gate Dhaka to Rokeya Sharani is completed. Next steps have been started
117.	Construction of Elevated Express from Hazrat Shahjalal International Airport to Chandra, Dhaka - Ashulia	Pre-feasibility study of the 38 km long Elevated Express has been completed. Subsequent works are being undertaken
118.	Construction of 5 fly-over under the Chittagong Development Authority	Work in progress.
119.	Construction of 20 km Uttara-Motijheel MRT Line-6	Consulting firm appointed.
120.	Establishment of Data Centre for road safety	Work in progress
121.	Construction of 2 <sup>nd</sup> Bhairab and 2 <sup>nd</sup> Titas Bridges	Related project has been approved by ECNEC and work is in progress
122.	Up-gradation of national crucial highways into 4 lanes	Work in progress
123.	Transforming the Bangladesh into a corporate body	Work in progress under the Railway Improvement Project
124.	Upgrading Dhaka-Chittagong railway corridor to double lines	Different programmes have been undertaken under 5 different projects.
125.	Construction of one railway bridge each parallel to 2 <sup>nd</sup> Bhairab bridge and 3 <sup>rd</sup> Titas bridge	Construction work has been started
126.	National Housing Policy, 2013	Finalization process is underway
127.	Enhance capacity of Biman	Following works are in progress: construction, expansion and modernisation of runway construction of boarding bridge, holding lounge, connecting corridor etc purchasing aircrafts initiative has been taken.
128.	Construction of Bongabondhu International Airport	
129.	Development of Parjatan Industries	Following activities are going on:-arranging of various facilities at tourists spots -identification of new tourist spots -modernization and expansion of existing tourists spots -promotional activities regarding tourists attraction
130.	Upgrading the Hazrat Shahi Jalal International Airport into category-1	Work in progress
131.	Upgrading Cox-Bazar airport into international standard	Work in progress
132.	Adopting integrated dredging programme to increase the navigability of the waterways and development of river ports.	Several development projects have been undertaken. 53 lakh cubic meter of dredging has been completed. This is an ongoing process.
133.	Linking circular river ways around Dhaka	83% work is completed. Work will be completed in June 2013.
134.	Construction of Shonadia deep sea port	Shonadia Deep Sea Port Authority Act 2012 has been sent for vetting from Ministry of Law, Justice and Parliamentary Affairs
135.	Excavating the harbor of the river Poshur	'Dredging in the Outer Bar of Poshur Channel' is now at the stage of approval
136.	Modernisation of Mongla Port	5 projects amounting taka Tk. 465 crore are being implemented

137.	Enhancing the capacity of the land ports	At present altogether there are 18 land ports. 6 among them are in operation under BOT. Several projects are being implemented for enhancing the capacity of others.
138.	Enhancing the capacity of Chittagong Port; Construction of New mooring Container Terminal	99.5 percent of the related project has been completed
139.	Procuring Cargo handling equipment and capital dredging project for the Mongla port	In Progress
140.	Procuring 10 Boeing aircrafts by the year 2015	Two aircrafts have been received.
141.	Ensure modern and quality urban life for all by 2021	National Housing Authority and Urban Development Authority are constructing satellite towns and allocating of flats and plots
142.	Development of 22,800 plots and construction of 26,000 flats for low and middle income groups	25,383 flats constructed, 43,612 plots developed and 31,859 flats under construction.
143.	Developing of growth centre based Rural House in the Union/Upazila	Work in Progress
144.	Amendment of the National Housing Policy, 1999	National Housing Policy, 2013 is in the process of formulation
145.	Amendment of Bangladesh National Building Code	Is at the final stage
146.	Preparation of policy-framework for integrated land use	Draft of 'Dhaka Metropolitan Building (Construction, Development, Protection and Removal) Rules 2012' has been sent for vetting
147.	Preparation of Urban Regional Plan and Land Use Management 2011 Act	Preliminary draft has been prepared
<b>Industrialisation</b>		
148.	Providing incentive for small-medium enterprises/cottage industries/self-employment/self-motivated income generation activities	Continuing incentives for training, soft loan, plot allocation with developed infrastructure facilities and marketing facilities etc.
149.	Industrial Act 2013	Work in progress
150.	Refinancing facilities to SME sector	Under the refinancing scheme, 7,124 women entrepreneurs have been provided with Tk. 700 crore through 4 types of fund of Bangladesh Bank
151.	Conducting feasibility study on transit	The Ministry of Commerce has formed a core committee and the committee has already submitted its report
152.	Strengthen BSTI	Different programmes are ongoing
153.	Prioritising development of agriculture and labour-intensive industry	Prioritization policy is being followed
154.	Establishing a new fertilizer factory named Shahjalal Fertilizer Factory	Construction work is progressing rapidly
155.	Establishing a Pharmaceutical Park at Munshiganj	74 industrial cities have been established; As many as 9,876 industrial plots were allocated against 5,748 industrial units
156.	Establishing a Tannery Industry City	Construction of all infrastructure has been completed
157.	Construction of waste disposal centre	Construction work is underway
158.	Construction of dumping yard	Construction work is underway
159.	Formation of legal framework to get rid of sick industry problem	Under process
160.	Undertaking reform initiatives to make existing industrial units operational and more productive	Process is ongoing
161.	Using bit instead of sugarcane as a raw material in state-owned sugar factories in lean season for continuing the production round the year	Project has been undertaken
162.	Recovering the past glorious position of jute and jute product	Following activities are ongoing:- diversification of jute goods in domestic market - expansion of internal markets for jute goods
163.	Making BJMC a profitable organization	Activities underway
<b>Climate and Environment</b>		
164.	National Environmental Policy 2013	Is under process
165.	Making the river Buriganga free from pollution	Different programmes are ongoing
166.	Taking initiatives for forestation of 20 per cent of land within 2015	-Creation of block and strip gardens -distribution of plants -tree plantation -Social forestation, re-forestation etc. Current progress is about 13 per cent
167.	Working plan/strategy relating to climate change	-Overall climate change related activities are being undertaken under the 6 thematic areas of the Bangladesh Climate Change Strategy and Action Plan 2009 -Climate Change Trust Fund was created with own finance -Bangladesh Climate Change Resilience Fund was created with the cooperation of the development partners
168.	Control air pollution	Initiatives have been taken for building awareness about environment-friendly brick field enforcement in this regard
169.	Control industrial pollution and waste management	• Solid waste management rules 2012 prepared which is now waiting for vetting • Final draft of the electronic waste management rules 2012 is under process for vetting
170.	Conservation of biodiversity	Plantation of around 20,000 aquatic plants, afforestation of 1,000 hectares of mangroves, plantation of 2 lakh