

## Budget for the FY 2014-2015

A government budget is a legal document that often passed by the legislature, and approved by the chief Executive or president. The two basic elements of any budget are the revenues and expenditures. In the case of the government, revenues are derived primarily from taxes. Government expenditures include spending on current goods and services, which economists call government consumption; government investment expenditures such as infrastructure investment or research expenditure; and transfer payments like unemployment or retirement benefits.

The honorable Finance Minister of Government of the People's Republic of Bangladesh announced the Budget for the fiscal year 2014-2015 on 5 June and the budget was approved by the parliament on 28 June 2014. The budget is:

- Total Expenditure Budget : Tk. 2,50,506.00 Crore
- Total Income Budget : Tk. 1,82,954.00 Crore

**Budget Deficit : Tk. 67,552.00 Crore**

The revenue income for FY 2014-2015 has been estimated at Tk.1,82,954 crore which is 13.7 percent of GDP, of which NBR tax revenue is Tk. 1,49,720 crore (11.18 percent of GDP). Revenue from non-NBR sources has been estimated at Tk.5,572 crore (0.4 percent of GDP). Tk.27,662 crore (2.07 percent of GDP) will be collected as Non Tax Revenue (NTR).

The total expenditure for FY 2014-15 has been estimated at Tk.2,50,506 crore (18.7 percent of GDP). The allocation for non-development and other expenditure is Tk.1,64,161 crore (12.3 percent of GDP). Expenditure for ADP has been estimated at Tk.86,345 crore (6.45 percent of GDP). GDP size for the FY 2014-2015 is estimated Tk. 13,39,500 crore.

The overall budget deficit will be Tk.67,552 crore which is 5.0 percent of GDP. Of this amount Tk. 24,275 crore (1.8 percent of GDP) will be financed from external (foreign) sources and Tk.43,277 crore (3.2 percent of GDP) will be financed from domestic sources. Of the domestic financing, Tk.31,221 crore (2.3 percent of GDP) will come from the banking sources and Tk.12,056 crore (.9 percent of GDP) will come from non-bank sources. For the purpose of financing the deficit Government is giving emphasis on mobilizing the concessional loans from external sources as before.

### Break up of Income Budget

- Tax Revenue from NBR: Tk.1,49,720.00 Crore (11.18% of GDP)
- (ii) Tax Revenue out of NBR: Tk. 5,572.00 Crore (0.4% of GDP)
- Non Tax Revenue: Tk.1,55,292.00 Crore
- Tk. 27,662.00 Crore (2.07% of GDP)
- **Total: Tk. 1,82,954.00 Crore**

### Break up of NBR Revenue

- (i) Value Added Tax: Tk. 54,420.00 Crore (36.35% of TR)
- (ii) Import Duty: Tk. 14,580.00 Crore (9.74% of TR)
- (iii) SD : Tk. 22,060.00 Crore (14.73% of TR)
- (iii) Income Tax: Tk. 57,500.00 Crore (38.41% of TR)
- (iv) Other: Tk. 1,160.00 Crore (.77% of TR)
- **Tk.1,49,720.00 Crore**

**How to meet the deficit Budget**

■ (i) Foreign Source:	Tk. 24,275.00 Crore (1.8% of GDP)
■ (iii) Internal Bank Lone:	Tk. 31,221.00 Crore (2.3% of GDP)
■ (iii) National Savings Certificate & others:	Tk. 12,056.00 Crore (.9% of GDP)
	<b>Tk. 67,552.00 Crore</b>

**Changes in the Customs Act, 1969**

Section	Previous	Current
192C(1)c	Penalty related pending disputes of pre-shipment inspection agency	Penalty related pending disputes including those of customs classification under mandatory pre-shipment inspection system.

**The following new SROs have been issued**

Sl no	Subject	Previous SRO	Current SRO
1.	Importation of new hybrid car	139-Law/2009/22242/Customs dt.11/06/2009	121-Law/2014/2485/Customs dt.05/06/2014
2.	Importation of Pharmaceuticals Raw materials	161-Law/2012/2389/Customs dt.07/06/2012	122-Law/2014/2486/Customs dt.05/06/2014
3.	Benefit for Ship Industry		136-Law/2014/2500/Customs dt.05/06/2014
4.	RM for Pre-fabricated Building of Garments Ind		137-Law/2014/2501/Customs dt.05/06/2014
5.	RM for the manufacturer of LPG cylinder		179-Law/2014/2517/Customs dt.01/07/2014
6.	Regulatory Duty		182-Law/2014/2520/Customs dt.01/07/2014

**The following SROs/Rules have been amended**

Sl no	Subject	Previous SRO	Current SRO
1.	Capital Machinery	157-Law/2012/2385/Customs dt.07/06/2012	120-Law/2014/2484/Customs dt.05/06/2014 and 171-Law/2014/2509/Customs dt.01/07/2014
2.	Dairy/Poultry/Fish feed	147-Law/2013/2434/Customs dt.06/06/2013	123-Law/2014/2389/Customs dt.05/06/2014 &
3.	Machineries & spare parts for poultry industry	160-Law/2012/2388/Customs dt.07/06/2012	124-Law/2014/2488/Customs, dt.05/06/2014

4.	Machineries & spares for Textile Industry	178-Law/2010/2296/Customs dt.10/06/2010	125-Law/2014/2489/Customs, dt.05/06/2014 & 175-Law/2014/2513/Customs, dt.01/07/2014
5.	RM for leather Ind	169-Law/2005/2078/Customs dt.09/06/2005	126-Law/2014/2490/Customs, dt.05/06/2014
6.	Mobile phone set	170-Law/2009/2262/Customs dt.30/06/2009	127-Law/2014/2491/Customs, dt.05/06/2014
7.	Machineries & spares for Electricity sector	74-Law/2005/2067/Customs dt.28/03/2005	128-Law/2014/2492/Customs, dt.05/06/2014
8.	Referral hospital	137-Law/2009/2240/Customs dt.11/06/2009	129-Law/2014/2493/Customs, dt.05/06/2014
9.	Importation under contract with Bhutan	236-Law/2009/2565/Customs, dt.25/10/2009	130-Law/2014/2494/Customs, dt.05/06/2014
10.	Regulatory Duty	220-Law/2013/2459/Customs, dt.01/07/2013	131-Law/2014/2495/Customs, dt.05/06/2014
11.	Importation of insecticides	143-Law/2009/2246/Customs dt.11/06/2009	132-Law/2014/2496/Customs dt.05/06/2014
12.	Importation of D-Inking Chemical	325-Law/2000/1872/Customs Dt.26/09/2000	133-Law/2014/2497/Customs dt.05/06/2014
13.	Computer	157-Law/2011/2343/Customs dt.09/06/2011	134-Law/2014/2498/Customs dt.05/06/2014 & 173-Law/2014/2511/Customs dt.01/07/2014
14.	Tariff value	146-Law/2013/2433/Customs dt.06/06/2013	135-Law/2014/2499/Customs dt.05/06/2014 & 181-Law/2014/2519/Customs dt.01/07/2014
15.	Bonded Warehouse Licensing Rules, 2008	181-Law/2008/2209/Customs dt.26/06/2008	138-Law/2014/2502/Customs dt.05/06/2014
16.	Freight Forward (Licensing Rule)	Rule, 2008	139-Law/2014/2503/Customs dt.05/06/2014
17.	Cus Agent License	Customs Agents (Licensing) Rule, 2009	140-Law/2014/2504/Customs dt.05/06/2014 & 178-Law/2014/2516/Customs dt.01/07/2014
18.	Baggage Rule	172-Law/2012/2400/Customs dt.07/06/2012	141-Law/2014/2505/Customs dt.05/06/2014 & 177-Law/2014/2515/Customs dt.01/07/2014
19.	RM for Medicine approved by Drugs Administration	28/2014/Customs Dt.09/04/2014	329/2014/Customs dt.05/06/2014
20.	Importation of new hybrid car	121-Law/2014/2485/Customs dt.05/06/2014	172-Law/2014/2510/Customs dt.01/07/2014
21.	Importation of	122-Law/2014/2486/Customs	174-Law/2014/2512/Customs

	Pharmaceuticals Raw materials	dt.05/06/2014	dt.01/07/2014
22.	RM for Pre-fabricated Building of Garments Ind	137-Law/2014/2501/Customs dt.05/06/2014	176-Law/2014/2514/Customs dt.01/07/2014
23.	Importation of RM by 100% export oriented Ind	145-Law/2014/2508/Customs dt.12/06/2014	180-Law/2014/2518/Customs dt.01/07/2014

**Supplementary Duty (SD) on Motor car and other motor vehicles including station wagon (excluding ambulance)**

SI No	Description of double cabin pickup	Previous rate	Current Rate
1	Cylinder capacity up to 1500cc	45%	45%
2	Cylinder capacity 1501 to 2000cc (without microbus)	100% & 150%	100%
3	Cylinder capacity 2001 to 2750cc	250%	200%
4	Cylinder capacity 2751 to 4000cc	350%	350%
5	Cylinder capacity above 4000cc	500%	500%
6	Cylinder capacity up to 1800cc Microbus	30%	45%
7	Cylinder capacity 1801-2000cc Microbus	60%	60%
8	CKD Motor car up to 2000cc	30%	45%
9	CKD Motor car above 2000cc	45%	60%

**Supplementary Duty (SD) on double cabin pickup with minimum four doors**

SI No	Description of double cabin pickup	Previous rate	Current Rate
1	Cylinder capacity up to 1500cc	30%	45%
2	Cylinder capacity 1501 to 2750cc	45%	60%
3	Cylinder capacity 2751 to 4000cc	350%	350%
4	Cylinder capacity above 4000cc	500%	500%

**Specific rate of duty has been increased**

Sl no	HS Code	Description	Previous Duty	Current Duty
1	1701.12.00	Raw beet sugar	BDT 1500 Per MT	BDT 2000 per MT
2	1701.13.00	Raw cane sugar specified in Subheading Note 2 to the chapter	BDT 1500 Per MT	BDT 2000 per MT
3	1701.14.00	Other raw cane sugar	BDT 1500 Per MT	BDT 2000 per MT
4	1701.91.00	Other sugar containing added flavoring or coloring matter	BDT 3000 Per MT	BDT 4500 per MT
5.	1701.99.00	Other sugar	BDT 3000 Per MT	BDT 4500 per MT
6	2713.20.10	Petroleum bitumen in drum	BDT 4000 Per MT	BDT 4500 per MT
7	2713.20.10	Other petroleum bitumen	BDT 3000 Per MT	BDT 3500 per MT
8	7108.12.00	Other non-monetary gold unwrought forms	BDT 150 Per 11.664 gm	BDT 3000 per 11.664 gm
9	7108.13.00	Other non-monetary gold semi-manufactured forms	BDT 150 Per 11.664 gm	BDT 3000 per 11.664 gm
10	72.06 & 76.07 (All H.S.codes)	Billet and ingot	BDT 3500 Per MT	BDT 5000 per MT
11	8908.00.00	Vessels and other floating structures for breaking UP	BDT 1200 Per MT	BDT 1500 per MT

**Changes in Supplementary Duty**

Previous rate	Current rate
10%, 20%, 30%, 45%, 60%, 100%, 150%, 250%, 350% & 500%	10%, 15%, 20%, 30%, 45%, 60%, 100%, 150%, 200%, 250%, 350% & 500%

**Current Duty Rate:**

**0%, 5%, 10%, 25%.**

**Export Duty imposed on**

Sl No	H.S. Code	Description	Existing Rate	Proposed Rate
1	2302.40.10	Rice bran	0%	10%