



# **Bangladesh Towards a Resilient Future Protecting Lives And Livelihoods**

## **National Budget Speech 2021-2022**

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# **National Budget of Bangladesh 2021-2022**

## **Chapter One**

### **Tribute**

[In the name of Allah, The Most Gracious and The Most Merciful]

[Blessed is He in whose hand is dominion, and He is over all things competent]

#### **Madam Speaker**

01. I, A H M Mustafa Kamal, Finance Minister, seek your kind permission to place before this august House the Supplementary Budget for the fiscal year 2020-2021 and the proposed budget for the fiscal year 2021-2022.

#### **Madam Speaker**

02. I begin my speech with profound respect and gratitude to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, the greatest son of the Bengalis, the dreamer of Golden Bengal, the greatest Bengali of all times, who instilled the desire of freedom in the minds of the Bengalis. We remember him as an immortal hero of the soil, who has been at eternal rest, under the shade of Hijal-Tamal trees at Tungipara, Gopalganj, whose name is emblamed in the flag of our victory; every letter of whose name represents our freedom, who broke thousand shackles, stood tall against all odds and resolutely prsued his ideals.

03. I remember with deep respect all the martyrs, including Shaheed Bangamata who sacrificed their lives in the fateful night of August 15, 1975. I am also remembering Bangabandhu's most trusted comrades, four national leaders who embraced martyrdom in the central jail. With

profound love and respect, I remember all those valiant heroes who dedicated their lives for the country during the movements starting from our self-determination to the independence war, for whose supreme sacrifice we are free today. I also remember those thirty lakh martyred freedom fighters and two lakh women who were brutally persecuted during the liberation war. I am remembering those whom we have lost prematurely during the COVID-19 pandemic. I pray to the Almighty for the salvation of all the departed souls.



## **Chapter Two**

### **Bangladesh's Position in the Field of Economy during the Birth Centenary of Sheikh Mujib and the Golden Jubilee of Independence**

#### **Madam Speaker**

04. It was 8.00 pm on March 17, 1920, Wednesday. The sound of Azan, the waves of Madhumati river, the chirping of birds and the song of spring could be heard all around. It is at this auspicious moment, Sheikh Mujibur Rahman, was born in the village of Tungipara in Gopalganj with his parents Sheikh Lutfur Rahman and Sheikh Sayera Begum. It is this man who materialised our thousand years of pursuit and emerged as the savior of liberation of humanity. He came to be known to as 'Khoka' (dear boy). His courage inspired millions of people of the Bengali nation, who in response to his clarion call came forward and won the war for liberation and created a history. The people of Bengal, therefore, conferred on him the title of Bangabandhu on 23 February 1969. Defying all odds he was at the forefront of the student movement, movement for fundamental rights of the people, the language movement, the six-point movement, the mass upsurge, and spent 4,682 days in jail. He had to endure inhuman torture and oppression, and gifted the long-subdued, oppressed and deprived nation an address, wrapped in red-green flag, an independent and sovereign Bangladesh, the name of a country which he himself had given. Thus he became the Father of the Nation, from Bangabandhu Sheikh Mujib.

#### **Madam Speaker**

05. In the centenary of his birth, we as a nation are moving forward, following his footprint and the roadmap he laid down for our economic emancipation. The nation is celebrating his birth centenary, the Mujib Borsho. Bangabandhu and Bangladesh are inseparable. This year also marks the fiftieth anniversary of Bangladesh's independence - the golden

jubilee of our glorious independence being celebrated at home and abroad. The year is like the confluence of two great streams - an estuary of time. In this great estuary, another feather is added: we are graduating from the status of a Least Development Country to a Developing Country, a major achievement in the nation's life. This year, in which we have earned three important milestones, will be considered, in the coming days, as the golden year in our nation's history.

**Madam Speaker**

06. Bangabandhu is not just a name, Bangabandhu is an ever-vigilant history. He represents an immeasurable pride - the most illumined treasure of our nationhood, - an immortal name embedded in our existence. A liberal, noble-hearted man as he was, he had always been vocal in upholding the just cause, truth, people's welfare and self-determination. Not even a iota of narrowness, orthodoxy and communalism could touch him ever. At every stages of life, he dreamt of total liberation of the Bengalis. He had an immeasurable love for Bengalis and Bangladesh which he dreamt of and for which he spent much of his youthful times in jails, and sang the triumph of the Bengalis at the gallows. It is possible to measure the depth of sea or ocean, but his love for Bangladesh and Bengalis was immeasurable. As Bangabandhu said: "My greatest strength is that I love the people of my country; my greatest weakness is that I love them too much." He also said: "I am in need of the love of seven crore Bengalis. I can lose everything, but I cannot lose the love of the people of Bangladesh."

**Madam Speaker**

07. We had planned for a countrywide colorful celebration of the birth centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman and the golden jubilee of our independence. However, due to sudden outbreak of COVID-19, it was celebrated in a limited scale throughout the year. Besides, at the national level, a ten-day program was organised in a limited scale by maintaining health protocols from 17

March to 26 March with the main theme 'Mujib Chirantan' from March 16 to March 26 in compliance with health safety rules. This celebration was not a mere formality, rather it was aimed at infusing new life-force in our national life, moving one step closure, imbued with new spirit, to realise the dream of a golden Bengal envisioned by the Father of the Nation.

### **Madam Speaker**

08. Let me now recount the early days of the Bangladesh economy and also the history how under the leadership of Hon'ble Prime Minister Sheikh Hasina, the heir to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, Bangladesh has transformed itself from a bottomless basket case to a role model of development. Immediately after our independence, achieved through unprecedented nine months long bloody war, we did not have any infrastructure or resources. The entire Bangladesh was in ruins, there were only wails all around. Bangladesh was the poorest country in South Asia, of course poorer than India and Pakistan. Not only in South Asia, Bangladesh was one of the top-ten poorest countries in the world. Around 88 percent of the population in Bangladesh was poor and the dependence on foreign aid was also 88 percent. After returning home from the Pakistani jail on 10 January 1972, the Father of the Nation Bangabandhu Shiekh Mujibur Rahman embarked on the most difficult task of rebuilding the country from a scratch. Bangabandhu said: "I dreamt of independence, today we have achieved it. I dreamt of a Golden Bengal, I want to die seeing a Golden Bengal." He also said: "We all now have to work hardest to rebuild this devastated country." Many feared about the future of the country. Eminent economist Austin Robinson in his book Economic Prospectus of Bangladesh expressed doubts about the survival of Bangladesh and compared the future of Bangladesh with Malthusian stagnation resulting in famine and death as population growth was higher than economic growth. Henry Kissinger, the then US Security Adviser, compared Bangladesh to a bottomless basket and hinted at an uncertain future of the country. However Bangabandhu firmly said to everyone: "Bangladesh has come, Bangladesh will remain." No one could suppress indomitable fearless

Bangabandhu and the Bengali nation. Finance Minister Tajuddin Ahmed presented the first budget of Bangabandhu government amounting to Tk 719 crore. Keeping in view of the country's development, 64 percent of the budget was allocated in the development budget. Under the strong leadership of Bangabandhu, Bangladesh achieved 2.5 percent GDP growth in the first fiscal year of independence, i.e. in 1972-1973, with the GDP increasing to Tk 4,985 crore and the per capita national income standing at US\$ 94.

09. Considering the importance of planned economic activities, Bangabandhu formulated the first five-year plan (1973-1978). In the first five-year plan, poverty reduction was determined as the priority goal. Then, emphasis was laid on rebuilding programmes and increased production. The target was set at an average GDP growth of 5.5 percent per annum. Several targets such as controlling daily essential commodity prices within people's reach, increasing per capita income by at least 2.5 percent per annum, reducing dependence on foreign aid, controlling population growth, increasing development expenditure, etc. were set. Detailed strategies for achieving each goal were also clearly described. The country was moving forward as planned. In the second year of the plan, in 1974-1975, the highest GDP growth of 9.59 percent was achieved against the target of 5.5 percent. If we had not lost Bangabandhu on the fateful night of August 15, 1975 and could continue to grow at the same pace, our GDP would have surpassed US\$ 300 billion in 35 years and our GDP on the golden jubilee of independence would have stood at US\$ 1.2 trillion, similar to the GDP of a developed country. However, we are ill-fated. Some misguided individuals, who opposed the spirit of independence, did not let the Father of our Nation to seize this opportunity.

### **Madam Speaker**

10. After August 15, 1975, Bangladesh and its economy sank into a spell of deep darkness - the process of building a happy and prosperous golden Bengal initiated by the Father of the Nation came to a halt. Hon'ble

Prime Minister Sheikh Hasina, a legend of this generation and transformer of a modern Bangladesh, is the blood heir to Bangabandhu, the torch-bearer of building a Golden Bengal. On 17 May 1981, she returned home after six years in exile. Defying all odds and risking life, she took the arduous task of restoring democracy and human rights. After enduring long 15 years of struggle and oppression, she formed a government in 1996 with people's mandate and focused on changing the destiny of the people and opened a new horizon of opportunities in 1996. During 1996-2001, the average GDP growth was 5.5 percent. The average CPI inflation was 4.4 percent. She built a solid economic foundation by re-establishing the ideals of independence and the spirit of the Liberation War at all levels, institutionalizing democracy, repealing the infamous Indemnity Ordinance and establishing rule of law by instituting the trial of the cases for killing of the Father of the Nation and the jail murders, preserving human rights and peace, signing the Hill Tracts Peace Treaty, signing of the Ganges Water Sharing Treaty, unprecedented development in the agriculture sector, cancellation of the Vested Property Act, recognition of International Mother Language Day, improvement in the defense system, tackling the devastating floods of 1998, women's empowerment, child development, reducing poverty rate to 44.3 percent, micro-credit programme, providing homes to the homeless through the Housing Fund, allowances for valiant freedom fighters, formulation of new health policy to ensure health for all - development of nationwide hospital system and establishment of community clinics, raising the average life expectancy to 63 years, introduction of old age allowances for the first time in the history of the country, introduction of distressed women allowances, establishment of the Disability Foundation, introduction of 'one house one firm programme', setting up of the Employment Bank, removing longstanding economic indiscipline, adoption of timely and modern education policy for the development of education, introducing stipend system for female students of secondary schools, improving literacy rate from 44 percent to 65 percent, and measures for the preservation of the environment. However, the momentum of development crumbled again.

## **Madam Speaker**

11. After a stagnation of long 8 years, the wheel of fortune of the people of Bangladesh started turning again after the formation of the government under the leadership of Hon'ble Prime Minister Sheikh Hasina in 2009 - they did not have to look back. It was the time to move forward. In the parliamentary elections of 2014 and 2019, the people of this country also gave the opportunity to Bangladesh Awami League for uninterrupted development of the country. Under the strong leadership of the legendary Prime Minister Sheikh Hasina, the icon of modern Bangladesh, the stories of success and development are being written one after another, which even surpass fairy tales. Standing at a vantage point, when the nation is celebrating the golden jubilee of independence, I would like to focus on extra-ordinary successes of our government during the last twelve years. Bangladesh is now at a critical juncture in its development journey. Bangladesh a decade ago and today's Bangladesh are not the same. Today's Bangladesh is in the process of transformation. We have passed a golden era in the history of Bangladesh, which is highly acclaimed. After Bangabandhu, Hon'ble Prime Minister Sheikh Hasina has brought Bangladesh to the pinnacle of success in all areas, including economy and development, social policy, culture, law and order and foreign policy. In the last 12 years, the average growth of GDP was 6.6 percent which was above 7 percent in FY2017-2018, 2017-2018 and 2018-2019 and exceeded 8 percent in FY2018-2019. Price inflation was at a tolerable level. In FY2005-2006, our per capita income was US\$ 543, which is now US\$ 2,227. At that time, the poverty rate was 41.5 percent. At present, the poverty rate has come down to 20.5 percent. The size of GDP has increased from Tk. 4,82,337 crore to Tk. 28 lakh crore. Foreign exchange reserves stood at just US\$ 0.744 billion in FY2005-2006, or less than US\$1 billion, which has now crossed over US\$44 billion.

12. The size of the budget in FY2005-2006 was Tk. 61,000 crore which has now increased ten times in the current fiscal year. The average life expectancy has increased from 59 years in FY2005-2006 to 72.6 years in FY2019-2020. The infant mortality rate has come down from 84 to 28

per thousand and the maternal mortality rate from 370 to 185 per lakh. Allocation for the social security sector was Tk. 2,505 crore in FY2005-06. Tk. 95,574 crore is allocated in the current fiscal year. Production of granular grains in FY2005-2006 was 1 crore 60 lakh tons. It has now increased to 4 crore 53 lakh 44 thousand metric tons. Power generation capacity has increased from 4,900 MW to 25,227 MW. The beneficiary coverage of electricity has increased from 47 to 99 percent.

13. The pace at which Bangladesh achieved economic growth during the last 12 years, created a consistent growth pattern in our development trajectory. Unfortunately, the COVID-19 pandemic hit us hard in March 2020, and it is still raging across the country. The pandemic is not only threatening our healthcare system but also putting our economic advancement in limbo. Given this situation, we are now paying our attention to combat the pandemic by enhancing the capacity of our healthcare system and tackling the economic shocks. Under the strong leadership of Hon'ble Prime Minister Shiekh Hasina, we are trying to continue our economic programmes by laying emphasis on lives and livelihood.

#### **Madam Speaker**

14. Bangladesh, once one of the ten poorest countries in the world, is now the 41st largest economy in the world. According to the Center for Economic and Business Research (CEBR), a British economic research organisation, Bangladesh will become the 25th largest economy in the world by 2035 if the current trend in economic growth continues. The extraordinary pace of development of Bangladesh has stunned the world today. Bangladesh is now a wonder of the wonders. World leaders, who attended the national programme of Mujib's birth centenary and golden jubilee of independence, held from 17 to 26 March 2021, have noted the progress of Bangladesh with high admiration.

15. Heads of State and Heads of Government from various countries, including the Prime Minister of India Narendra Modi, President of

Maldives Ibrahim Mohammed Salih, Prime Minister of Sri Lanka Mahinda Rajapaksa, President of Nepal Vidya Devi Bhandari and Prime Minister of Bhutan Lotte Shering were present on the occasion. Also many sent congratulatory notes and video messages. Included among them are: the UN Secretary General Antonio Guterres, US President Joe Biden, Russian President Vladimir Putin, UK Prime Minister Boris Johnson, Chinese President Xi Jinping, Canadian Prime Minister Justin Trudeau, Cambodian Prime Minister Hun Sen, Pakistani Prime Minister Imran Khan, Indian Congress President Sonia Gandhi, OIC Secretary General Yousef Ahmed al-Othaimeen, Japanese Prime Minister Yoshihide Suga, Pope Francis, South Korean Prime Minister Chung Su-quen, Britain's Queen Elizabeth II, and Jordan's King Abdullah al-Hussein.

US President Joe Biden said, "Bangladesh is an example of economic progress and a country of great hope and opportunity."

The Prime Minister of India Narendra Modi said, "Bangladesh is showing the world its potential. Now is the time to move forward. It can't be delayed anymore."

British Prime Minister Boris Johnson said, "Bangladesh is one of the fastest growing economies in the world and the UK and Bangladesh share the ambition to create an ever more prosperous and environmentally-sustainable future."

Chinese President Xi Jinping said, "Bangabandhu has dedicated his entire life to his country and people. That is why he is so dear to the people of Bangladesh even today. His dream of a golden Bengal still inspires 160 million people in the development of Bangladesh."

Sri Lankan Prime Minister Mahinda Rajapaksa called Bangladesh the economic lifeblood of South Asia.

"Bangladesh is situated at the crossroads of South Asia and the Indian subcontinent, and due to the country's high economic growth in recent years, it has become an attractive destination for the Japanese business



community," said Japanese Prime Minister Yoshihide Suga.

The Prime Minister of Canada Justin Trudeau said, "But Bangladesh is much different today than when I first visited with my father in 1983. Over the past 50 years, your country has made incredible progress. You have spurred economic growth, reduced poverty, increased access to education and health resources and built new opportunities for your people."

The Secretary-General of the United Nations, H. E. Mr. António Guterres said, "People of Bangladesh have made tremendous strides over the past five decades, particularly on issues of social development. I congratulate you on this progress. I also congratulate you from graduating from the list of least developed countries".

The Honorable President of the Republic of Maldives H. E. Mr. Ibrahim Mohamed Solih has said that "Bangabandhu Sheikh Mujibur Rahman played the pivotal role to achieve the independence of Bangladesh. His charismatic leadership will remain everlasting in the memory of the people. His historical speech delivered on 7th March in 1971 has been inscribed by UNESCO in its International Memory of the World Register as a documentary heritage. Over the last half a century, Bangladesh has achieved remarkable development".

The Honorable President of the Federal Democratic Republic of Nepal, H. E. Ms. Bidya Devi Bhandari told that, Bangladesh has been successful to eradicate poverty through achieving economic revitalization and development in recent years and Nepal, as an ally of Bangladesh, is extremely happy to see that.

Honorable Prime Minister of the Kingdom of Bhutan, H. E. Mr. Lotay Tshering said that, "I strongly believe that all of us, all human beings and for that matter all nations in the world must have a story to share. Bangabandhu Sheikh Mujibur Rahman has given Bangladesh a very good story to share with the global population. Prime minister Sheikh Hasina is

an inspiring leader, a mother like figure for me. Bangladesh is truly blessed to have her as the leader”.

The president of the Russian Federation H. E. Mr. Vladimir Putin has said, “Bangladesh is celebrating 50 years of its independence and the birth centenary of Bangabandhu Sheikh Mujibur Rahman simultaneously. I am confident that it is our joint efforts through regional stability and security which will ensure further development of constructive bilateral cooperation which will bring benefit to both of us”.

The Prime Minister of the Kingdom of Cambodia H. E. Mr. Hun Sen has said, “Bangladesh was established as an independent country and started its journey towards prosperity through the pragmatic and visionary leadership of Bangabandhu Sheikh Mujibur Rahman. Following the path, he showed, his daughter and Hon’ble Prime Minister of Bangladesh Sheikh Hasina has consistently navigated the country to excel prosperity which has been articulated by achieving all the criterion to graduate as a developing country”.

The Prime Minister of the Islamic Republic of Pakistan H. E. Mr. Imran Khan has said, “The centenary and Golden Jubilee of Bangladesh remind us of far-sighted reconciliation and friendship between our two peoples so deeply cherished by the leaders of Pakistan and Bangladesh. We would like to fortify our existing bonds with the brotherly Bangladesh and build new ones for our succeeding generations as we believe the destinies of our two peoples are intertwined”.

The President of the Indian National Congress Ms. Sonia Gandhi has said, “Fifty years ago the courageous people of Bangladesh scripted a full new destiny for themselves transforming both the history and geography of the subcontinent. Over the past five decades, Bangladesh’s remarkable achievements in social development, community participation, economic growth and other areas have been very impressive and have received global recognition”.

The Secretary-General of OIC H.E. Mr. Yousef bin Ahmad Al-Othaimeen has said, “Bangabandhu Sheikh Mujibur Rahman envisioned to transform the newly independent Bangladesh into the land of prosperous Golden Bangla. His daughter and Hon’ble Prime Minister of Bangladesh Sheikh Hasina has been championing those dreams of achieving Golden Bangla into reality. Today, Bangladesh bears the example of world peace under her dynamic leadership”.

The Prime minister of the Republic of Korea H. E. Mr. Chung Sye-kyun has said, “International community has been deeply impressed to see that Bangladesh even in the midst of the COVID-19 pandemic when the world economy has slowed down, succeeded in achieving the greatest level of economic growth. Bangladesh and Korea have continued to nurture the ties of friendship over the last nearly half a century. Currently, Bangladesh is one of the emerging economies in the world. Bangladesh has achieved remarkable progress and development over the last half a century. The Republic of Korea will be a trusted friend to Bangladesh in moving forward to embrace the future together”.

The Queen of the United Kingdom H. E. Queen Elizabeth II has said, “On the special occasion of your 50th Independence Day, I am delighted to convey to your excellency my congratulations together with my best wishes to the people of Bangladesh. We share ties of friendship and affection which remained the foundation of our partnership and are as important today as was 50 years ago. After what has been a difficult year, I hope we may look forward to overcoming the global health challenges and to better times in future”.

The King of Jordan H. E. Abdullah Al Hossain said, “The past five decades witnessed a tremendous progress in all aspects of life in Bangladesh. A progress that reflects the resilience of the people of Bangladesh and wisdom of the leadership. We are confident that the future will see Bangladesh making even more strides and consolidating stability, achieving more development and realizing the great potential of its people”.

### **Madam Speaker**

16. Besides, all other world leaders who participated strongly praised the progress of Bangladesh. These world leaders have asked to follow the path of Bangabandhu's ideology at a time when the whole world is in turmoil due to the Corona pandemic. They praised the achievements of Bangladesh in the 50 years of independence. They committed and hoped to become partners in Bangladesh's future progress. In the last 50 years, especially during the three and a half years of Bangabandhu's rule and the 17 years of visionary leadership of Hon'ble Prime Minister Sheikh Hasina, the size of Bangladesh's economy has increased 271 times and our per capita national income has increased 300 times. Bangladesh has now earned a respectable position in the world. On this auspicious occasion of the birth centenary of the Father of the Nation and the golden jubilee of independence, we, the people of the country, express our humble gratitude to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman and Hon'ble Prime Minister Sheikh Hasina.

## **Chapter Three**

### **Graduating to the status of a developing country and the journey onward**

**Madam Speaker**

#### **Enrollment of Bangladesh in the list of LDCs**

17. The United Nations introduced the concept of Least Developed Countries (LDCs) in 1971 on the basis of per capita income, human resources and economic fragility, in order to accelerate the development process of the poorer countries which are backward in terms of socio-economic status. Although Bangladesh achieved independence under the leadership of Bangabandhu in 1971, the economic situation of Bangladesh was very fragile after 24 years of colonial rule and exploitation by Pakistan. Although Pakistan was developing, there was no touch of development in this part and made it literally a land of impoverishment and deprivation. Bangabandhu called upon all countries of the world to cooperate with Bangladesh to overcome this situation. Bangladesh was listed as a Least Developed Country in 1975 by the Father of the Nation for securing all the facilities of, and cooperation from, the comity of nations for its economic development.

#### **Bangladesh becomes eligible for graduation to a developing country**

**Madam Speaker**

18. The UN Committee for Development (UNCDP) meets every three years to review on the least developed countries. In this meeting, three indicators of least developed countries, namely: (a) Per Capita Income- which is determined to be the average per capita national income of the previous three years according to the World Bank's Atlas Method; (b) the Human Asset Index which is developed based on combined nutrition, health, mortality, school enrollment and education rates; and (c) Economic

Vulnerability Index, where the contribution of agriculture sector to the economy, export diversification, population ratio of coastal areas, natural disaster situation etc. are taken into consideration. In order to get the final recommendation for transition from a least developed country, a country needs to fulfil certain standards in two consecutive reviews of the UNCDP. If a country passes any two of the three indicators in two consecutive reviews or achieves double the national per capita income, the United Nations declares it eligible to graduate from the Least Developed Countries.

19. Hon'ble Prime Minister Sheikh Hasina expressed her country's determination to become a developing country after attending the 4th Conference of the United Nations Least Developed Countries held in Istanbul, Turkey during 9-13 May 2011. The successful implementation of the Istanbul Programmes on Actions (IPoA) adopted at the conference under the leadership of the Hon'ble Prime Minister has accelerated the transition of Bangladesh into a developing country.

20. In 2018, Bangladesh achieved a per capita income index of US\$1,274 against a minimum of US\$ 1,230, in human resource index score of 73.2 against a minimum of 66 and in economic and environmental fragility index of 25.2 against a maximum of 32 score, thus becoming the first country to graduate from the list of least developed countries to developing countries.

21. According to the UNCDP's 2021 review, the per capita income criterion for qualifying is US\$ 1,222 or more. But in the last three years, Bangladesh's average per capita income has stood at US\$ 1,827. The eligibility score in Human Asset Index is 66 or more. Here, Bangladesh's score is 75.3. The score required to qualify on the Economic Vulnerability Index was 32 or lower. Bangladesh's score now stands at 27.2. After securing eligibility scores in all indicators, Bangladesh has received the final recommendation to graduate from the list of LDCs at the UNCDP Triennial Review Meeting held on 26 February 2021. In the reviews of 2018 and 2021, Bangladesh has qualified to become a developing country

after securing necessary scores in all three qualifying indicators. Therefore, Bangladesh will proudly join the list of developing countries in 2026 by graduating from the list of LDCs by fulfilling all three criteria.

### **Opening a new door for Bangladesh as a developing country**

#### **Madam Speaker**

22. The most important aspect of Bangladesh's transition from an LDC is the international recognition of the country's socio-economic development, which was made possible by the right steps, policies and strategies of the government. The following important opportunities and possibilities will be created after the graduation:

- The graduation will lead to the development of self-confidence and self-esteem of the government and the people. This will inspire the people, which will help them reach a higher level of development.
- After the graduation, Bangladesh's image in the outside world will brighten, which will help bring in foreign direct investment (FDI) and expand international trade.
- The graduation will increase the country's credit rating, which will enable us to get low interest loans in foreign currency by issuing sovereign bond. The graduation will also increase productivity and competitiveness in foreign trade, which will help increase export earnings.
- Foreign investment will likely to increase, which will lead to massive infrastructure development in the country, job creation, and improved living standards.
- The absence of benefits as a least developed country will create a kind of compulsion to export diversification, resulting in the creation of new export products and markets.
- The product supply chain will be integrated and will create incentives and obligations to produce high value and high value-added products.
- The massive increase in the demand for skilled manpower will

create an opportunity to create a workforce suitable for the Fourth Industrial Revolution.

- It will be easy to move the country forward by implementing a unified and inclusive development strategy with all stakeholders, including development and trade partners, the private sector and civil society.

### **Madam Speaker**

#### **Post-transition challenges as a developing country**

23. All the international opportunities that Bangladesh is currently enjoying as a least developed country will either be unavailable or be reduced in many cases after the transition from a least developed country. These include:

- In the case of trade, duty-free and quota-free market facilities; exemption from patent protection to the pharmaceutical industry under the WTO's Trade Related Intellectual Property (TRIPS) Agreement; and subsidy on export products/industries will be reduced.
- Foreign loans and grants on concessionary terms will be reduced. However, since 2015 when Bangladesh became a low-middle income country in the World Bank's classification, it has been taking conditional less concessionary loans along with soft loans.

#### **Strategies to deal with the post-graduation situation**

### **Madam Speaker**

24. The good news for us is that we will have at least five years to deal with the challenges of transitioning from a least developed country to a developing country. According to the UNCDP's recommendation, Bangladesh's transition will be effective in 2026. In other words, until 2026, Bangladesh will be able to enjoy all these benefits applicable to LDCs. However, under the current rules, Bangladesh will be able to enjoy duty-free and quota-free market access for another three years, i.e. until



2029, after entering the EU market. During this period, traders in Bangladesh are expected to be able to improve their competitiveness in the international market. Our government will continue to provide all possible policy supports to businesses and provide new forms of assistance as needed. We have already incorporated the necessary strategies for this purpose in the 8th Five Year Plan and a detailed action plan is being prepared by the Economic Relations Division. The government has taken various steps to address the challenges that Bangladesh will face as a result of its graduation from an LDC, the details of which are as follows:

- At the request of our government, the UNCDP has recommended that against the backdrop of COVID-19 pandemic, the preparation period for the transition will be five years instead of three. During this period, that is, until 2026, all international facilities will continue.
- The LDC Group of the World Trade Organization (WTO) has put forward a proposal to ensure that all trade facilities pertaining to LDCs remain in force for another 12 years after transition. Bangladesh has actively participated in this process, and is continuing its efforts to get this proposal accepted.
- The government has already taken steps to avail the advantage of GSP+ in EU countries after the graduation. Initiatives have already been taken to sign preferential trade agreements with Bhutan and sign similar agreements with 11 other countries.
- Multiple steps are being taken to increase the overall competitiveness of the country's trade and commerce. As a result, our products will survive in the international market by competing with products from other countries. Moreover, the government has taken effective steps to improve its ranking in the Ease of Doing Business Index to increase the flow of FDI. The benefits of these steps are becoming evident.
- The government has already taken steps to set up 100 special economic zones, high-tech parks for technological advancement and implementation of various mega projects including the Padma Bridge, which will help create new jobs and increase national income.

- Talks with development partners, trade partners and relevant international organizations will continue to ensure that some important international facilities remain available event after after the graduation.
- Training arrangements will be made for stakeholders to enhance their ability to deal with post-graduation situations. To develop human resources, steps will be taken to enhance efficiency as per the demand of the market at home and abroad.
- Steps have been initiated to conduct sector-wise research activities on the opportunities created by the graduation and what can be done to meet the challenges.
- Above all, as part of the preparation for the post-graduation period, the government has undertaken the task to formulate a graduation strategy through intensive discussions with all stakeholders, the private sector, development and trade partners, and civil society.

### **Madam Speaker**

25. On August 15, 1975, with the tragic assassination of the Father of the Nation, the country plunged into a long spell of backwardness. It took us a long time to get rid of the stigma of the least developed country and become a developing country. After nearly 43 years, at the UNCDP Triennial Review Meeting held in New York on 12-16 March 2018, for the first time, it was officially recognised that Bangladesh has met all the criteria of the three indicators of transition from a least developed country. This has been made possible as a result of making unprecedented progress in almost all indicators of socio-economic development by the successful activities of the government run by the Bangladesh Awami League during the last one decade. At the UNCDP Triennial Review Meeting on 26 February 2021, Bangladesh received a recommendation to move from a least developed country with a final five-year preparatory period. On the golden jubilee of independence and the birth centenary of the Father of the Nation, it is the greatest achievement of the nation and the largest international recognition.

## **Chapter Four**

### **COVID-19 Pandemic and Economic Recovery**

#### **Madam Speaker**

26. You are aware that the COVID-19 novel coronavirus has created an unprecedented global crisis which also affected Bangladesh. In the last fifty years after independence, Bangladesh has faced numerous ups and downs in her national life and finally achieved a level of socio-economic development. During the last 12 years of continuous development under the able leadership of the Hon'ble Prime Minister Sheikh Hasina, we have been able to reduce the poverty successfully and now on course to graduate from the list of LDCs. However, in this critical phase of our development, the COVID-19 pandemic has hit the economy and putting the momentum of our economic growth, poverty reduction and other socio-economic development at risk.

27. Our first case of COVID-19 was identified in 8 March, 2020, but the virus started spreading in various regions of the world, including China, Europe, USA, as early as January of that year which impacted our economy negatively as export and import slowed down. Against this background, we acted at the very early stage of the pandemic. The first impact on our economy came in the form of cancellation and postponement of export orders of readymade garments that risked jobs of millions of workers in that sector. We acted upon very promptly and created an emergency fund of Tk. 5,000 crore on March 31, 2020 to provide salary support to the workers of the export-oriented industries. We also had to implement the strict social distancing measures during late March to mid-May last year to contain the spread of the virus which resulted in temporary closure of many businesses and as a result, the economy slowed down considerably. The Hon'ble Prime Minister, on 5 April, 2020, declared 4 economic recovery packages worth Tk. 67,750 Crore to combat the slowdown. In the last one year, we have gradually

expanded the size and scope of the packages and brought newer affected sectors and affected population within the government support mechanism. So far, we have introduced 23 recovery packages with a combined value of Tk. 1,28,441 crore which is approximately 4.2 percent of GDP.

28. Our comprehensive plan for recovery includes four main strategies. Firstly, we have discouraged luxury expenditures and prioritized government spending that creates job. Due to sound macro-fiscal operation by the government during the last ten years, our Debt-to-GDP ratio remains low which has provided us a cushion against increasing public spending to overcome the crisis. Secondly, we have created loan facilities through commercial banks at subsidised interest rate for the affected industries and businesses so that they can revive their economic activities and maintain competitiveness at home and abroad. Our third strategy was to expand the coverage of our social safety net programmes to protect the extreme poor and low paid workers of informal sector from the sudden income loss due to the pandemic. Our fourth strategy was to increase money supply to the economy.

29. We took a consultative approach while designing these recovery packages and discussed extensively with business leaders, economist, development specialists, journalists, researchers and stakeholders from various backgrounds. In November and December of last year, we arranged a series of dialogue in three separate sessions to discuss the economic recovery packages. The important recommendations and suggestions came out in these dialogues were used in further modification and re-designing of the packages.

### **Madam Speaker**

30. In my last year's budget speech, I presented a detailed description of the recovery packages we had introduced until then. Now, I am going to provide an update of the implementation status of those packages:

- We have fully utilized the salary support fund of Tk. 5,000 crore

that was provided to retain jobs of export-oriented manufacturing industry workers, including readymade garments;

- We initially allocated Tk. 30,000 crore to provide working capital loans with a subsidised interest rate to the affected industry and service sector businesses which was later increased to Tk. 40,000 crore. Out of this, working capital loan of Tk. 32,591 crore has been disbursed as on 30 April, 2021. Similarly, Tk. 14,598 crore has been disbursed as of 30 April, 2021 out of the Tk. 20,000 Crore subsidised working capital loan designated for the Cottage, Micro, Small and Medium Enterprises (CMSMEs);
- The size of the Export Development Fund (EDF), introduced by the Bangladesh Bank, has been increased from USD 3.5 billion to USD 5.5 billion and so far, loan amounting to US\$ 9.03 billion has been disbursed from this fund;
- We are giving special honorarium equal to the basic pay of two months to the doctors, nurses and other healthcare workers who are providing critical healthcare services to COVID-19 patients. As on April 2021, a total of 19,579 medical workers have received their honorarium totaling Tk. 49 crore;
- We are providing financial compensation to families of the deceased healthcare workers treating COVID-19 patients and deceased public servants from field administration, law enforcing agencies and armed forces and other employees of public services who were directly engaged in enforcing government's COVID-19 measures. As on April 2021, families of 132 deceased public servants have received the compensation totaling Tk. 60 crore;
- We have made direct cash transfers of Tk. 2,500 each to 35 lakh selected poor families nationwide who faced sudden unemployment and income loss due to the pandemic;
- We have widened the coverage of the Old Age Allowances and the Allowances for Destitute Women by including all eligible persons in the poorest 100 upazilas in the country;

- We have introduced a programme to construct 81,643 homes for the homeless people around the country and already completed construction of 66,898 homes as of April 2021;
- We have set up an agriculture refinance scheme of Tk. 5,000 crore to provide required agricultural credit to farmers and as of April 2021, Tk. 3,936 Crore has been disbursed. Another refinancing scheme of Tk. 3,000 crore has been launched for small income farmers and traders in the agriculture sector and as of April 2021, Tk. 1,772 Crore has been disbursed;
- We have announced to provide interest subsidy of Tk. 2,000 Crore against loans distributed by all commercial banks to various affected businesses. As of April 2021, we have disbursed interest subsidy of Tk. 1,390 crore.

31. At this stage of my speech, I would like to talk about some important new packages that our government has been implementing. We have noted a slow disbursement of working capital loan for the CMSME sector at the initial stage. To encourage the banks to extend loans to CMSMEs, we have introduced a credit guarantee scheme of Tk. 2,000 crore. We have also introduced a new and permanent social protection scheme worth Tk. 1,500 crore for the destitute workers of the export-oriented readymade garment, leather and footwear industries with financial assistance from the European Union. A new package of Tk. 1,500 crore has been launched to revitalize the rural economy and job creation which will be implemented by eight publicly owned specialized organizations. Decision has been taken to widen the coverage of the Old Age Allowances and the Allowances for Destitute Women by including all eligible persons in another 150 upazilas which will be implemented in FY2021-2022. To protect the livelihood of the poor during the second wave of the virus-surge, we have provided Tk. 2,500 to each family who were previously identified during the first wave. Similarly, we have provided Tk. 2,500 each to 97,500 farmers of 6 districts that are worst affected by the recent storm, heat wave and hail-storm. Besides we have

provided financial assistance of Tk. 568 crore to the 4,07,402 dairy and poultry woners and 78,074 fishermen. Additionally, we are providing cash assistance of Tk. 75 crore to 1,00,600 teachers and employees of non-MPO general schools and 61,000 teachers and employees of independent ebtedai madrasas.

32. Due to the initiatives taken by our government, a total of 5,81,95,211 citizens and 1,04,996 institutions have so far been benefited directly (**Annex 'A' Table-1**). Commonwealth has recently named the Hon'ble Prime Minister among the top women leaders who has demonstrated extraordinary leadership to tackle the COVID-19 pandemic.

### **Madam Speaker**

33. In this connection, I would like to say something about the role of our development partners. We have regained the trust of the international community on our government led by our Hon'ble Prime Minister. We have found all of our bilateral and multilateral development partners by our side during this crisis. We have received about USD 2.6 billion as budget support during FY2019-2020 and FY 2020-2021 from our development partners to overcome the crisis. We are expecting to receive further USD 2 billion in the coming FY 2021-2022. In addition, we are going to receive US\$ 1.5 billion as vaccine support to implement the COVID-19 vaccination programme of the government. The Government of Japan, the Government of South Korea, the Asian Infrastructure Investment Bank (AIIB) and the OPEC Fund for International Development (OPEC Fund) has extended budget support to Bangladesh for the first time. It has been easy for the development partners to extend support in such a way because of our low debt-to-GDP ratio and our debt carrying capacity. I would like to express our sincere gratitude, through you, to our development partners.

## **Chapter Five**

### **Perspective and Background: Global Economy and Bangladesh**

#### **Madam Speaker**

34. We are presenting the budget of FY2021-2022 against the backdrop of global crisis stemmed from the ongoing COVID-19 Pandemic where countries around the world are battling with second and third wave of the pandemic. The epicenter of the pandemic has recently shifted towards Asia, particularly to South Asia region that is also impacting Bangladesh.

35. It is very encouraging for us that both International Monetary Fund (IMF) and the World Bank has upgraded economic growth forecast for Bangladesh compared to their previous forecasts. According to IMF, global economy will grow by 6.0 percent in real term in 2021 and 4.4 percent in 2022. Whereas, their forecast for Bangladesh is 5.0 percent in 2021 and 7.5 percent in 2022. The World Bank forecasted global GDP growth at 4.0 percent and Bangladesh's at 3.6 percent in FY2020-2021, and also forecasted Bangladesh's GDP growth at 5.1 percent for FY2021-2022. The Asian Development Bank has forecasted Bangladesh economy to grow by 5.5 to 6.0 percent in FY2020-2021 and 7.2 Percent in 2021-2022.

36. In spite of the pandemic, the government of Bangladesh, led by the able leadership of the Hon'ble Prime Minister Sheikh Hasina, has been able to maintain the macroeconomic stability of the economy with prudent fiscal policy and accommodative monetary policy. In the last fiscal year, we have been able to achieve the real GDP growth of 5.2 percent which is highest in Asia. Budget deficit during this period was 5.5 percent of GDP which was well within sustainable limit and the public debt-to-GDP was



as low as 35.98 percent. We have been able to achieve revenue growth of 12.87 percent in the first 10 months of the current fiscal year compared to the same period of the previous year. Similarly, export has registered the growth of 8.74 percent in the first 10 months (July-April) and import grew by 6.06 percent during the July-March period. Remittances registered growth of 40.1 percent until 31 May, 2021 compared to the same period of the previous fiscal year and the official foreign exchange reserve exceeded USD 44 billion. During the July-February period of FY 2020-21, the current account balance has seen a surplus by US\$ 1.557 billion. Private sector credit has seen growth of 8.79 percent during July-March period compared to the same period of the last fiscal year. Overall inflation, including the price level of essentials also remained stable. The point-to-point inflation on March 2021 was 5.47 percent and we are seeing a declining trend in food inflation due to good harvest of Boro rice. GDP per capita in FY2020-21 has risen to US\$2,227, which is higher than that of many of neighbouring countries. This success of the government to maintain the macroeconomic stability has been praised by the international community. According to an IMF report, Bangladesh is one of the three countries of the world that has achieved highest economic growth in 2020. According to the World bank, “Bangladesh economy shows early signs of recovery amid uncertainties”. The Wall Street Journal has recently published article titled “Bangladesh is Becoming South Asia’s Economic Bull Case”. The Indian Express reported “Bangladesh: From a ‘Basket Case’ to a Robust Economy”. The New York Times published an op-ed article on 10 March, 2021 titled “What Can Biden’s Plan do for Poverty? Look at Bangladesh”.

37. The positive outlook of the economy of Bangladesh in the recent time has clearly indicated that the timely and effective economic recovery effort of the government led by the Hon’ble Prime Minister has resulted in job retention and job creation, stimulated domestic demand and helped maintain the momentum of economic activities. We will be able to overcome the ongoing crisis of the second wave through mass vaccination.

The government believes that, every challenge creates lots of opportunities and windows for moving forward. So, there will be new opportunities for us from the scars of COVID-19 global pandemic and the government will take every necessary step to utilize those.

38. The main impetus of our economic activities is our people. So, this year's budget will provide highest importance to the lives and livelihoods of the people. With the improvement of the socio-economic condition of the people, we will achieve our planned targets of 2030 (sustainable development goals), 2031 (upper middle income country), 2041 (high income country) and 2100 (implementation of Bangladesh Delta Plan).

## **Chapter Six**

### **The Supplementary Budget**

#### **Madam Speaker**

39. Now, I am going to present the Supplementary Budget for the current FY2020-2021 and the proposed Budget Framework for the FY2021-2022.

#### **The Supplementary Budget for the current FY 2020-2021**

#### **Madam Speaker**

40. The targets for the revenue earning and expenditure of the current FY2020-2021 were set based on the assumptions that various reforms taken in the revenue sector, especially the new VAT and Supplementary Duty Act from July 2019, would be fully implemented, and the country's economy would be able to make recovery from the impact of the coronavirus. However, due to the continuation of the COVID-19, particularly the effects of the second wave of coronavirus, we anticipate that the revenue income and expenditure targets may not be achieved. The amount of revenue collected upto February 2021 of the current fiscal year was 41.0 percent of the original annual target. At the same time, government expenditure was 35.5 percent of the annual allocation. Considering the above situation, a brief description of revisions and adjustments made in the budget of FY2020-2021 is presented in **Appendix 'A': Table-4.**

41. **Revised revenue income:** The target of revenue collection for FY2020-2021 was set at Tk. 3,78,000 crore. After reviewing the revenue collection situation during July-February of the current financial year, the target was reduced by Tk. 26,468 crore, and refixed at Tk. 3,51,532 crore.

42. **Revised expenditure:** The total government expenditure for FY2020-2021 was set at Tk. 5,68,000 crore. In the revised budget, the expenditure was reduced by Tk. 29,017 crore, and revised at Tk. 5,38,983 crore. The size of the annual development program (ADP) was reduced by Tk. 7,502 crore from the original allocation of Tk. 2,05,145 crore, and set at Tk. 1,97,643 crore. On the other hand, the continuation of the COVID-19 pandemic has led to increased expenditures related to the health sector and implementation of various stimulus packages. However, the estimation of other expenditures, including operating expenditure, was reduced to Tk. 21,515 crore through cost minimisations in less important sectors.

43. **Revised budget deficit and its financing:** The budget deficit for the current fiscal year was estimated at Tk. 1,90,000 crore. The deficit in the revised budget has been set at Tk. 1,87,451 crore, which is 6.1 percent of GDP. Against the original budget deficit, the estimation for external financing was Tk. 80,017 crore, which has been reduced to Tk. 72,399 crore in the revised budget. From domestic sources, the estimation of financing from the banking system is Tk. 79,749 crore.

## **Chapter Seven**

### **Proposed Budget Structure of FY 2021-2022**

#### **Madam Speaker**

44. The global economy has been put at severe risks due to the prolonged effects of the COVID-19 pandemic and its second wave in different countries around the world. The budget for FY2021-2022 has been prepared keeping in consideration the strategies taken to facilitate the recovery in various sectors of the Bangladesh from shocks of the COVID-19 pandemic, especially to meet the challenges arising in the health sector and the issue of the application of vaccine. Allocation has been made in the proposed budget to meet the targets of each ministry and divisions to address the adverse effect of the COVID-19 pandemic.

#### **Madam Speaker**

45. I will now present an outline of the proposed income and expenditure for the next fiscal year 2021-2022, which has been presented in detail in **Appendix ‘A’: Table-5**.

46. While presenting the budget for the previous fiscal year, I highlighted a number of reform initiatives taken in tax revenue management. We have started implementing those reforms this year. However, we could not successfully complete them due to the continuation of the COVID-19 pandemic throughout the fiscal year. I would like to continue all these reform programs in the coming fiscal year.

47. We have been implementing the new VAT law since July 2019. To achieve success in this endeavour we will continue with the programs in the next FY2021-2022 to deploy necessary manpower, provide equipment and logistics and enhance skills. The largest portion of government revenue is collected through the National Board of Revenue (NBR). Therefore, necessary steps will be taken to build institutional capacity of the NBR, and priority will be given to the tasks of business process automation in the next fiscal year.

48. Although a large section of our population can afford to pay taxes, the number of taxpayers is currently 25.43 lakh. Hence, emphasis will be given in the next budget to bring them under the tax net by taking necessary steps to prevent tax evasion. Moreover, our Tax-GDP ratio is low compared to that in other similar economies. Measures will, therefore, be taken to increase the Tax- GDP ratio at a reasonable level.

**Madam Speaker**

49. I expect that once the National Parliament approves the proposed Customs Act, we will implement it in the next fiscal year.

50. Bearing in mind the realities highlighted above and relying on all of our planned and reform-oriented tax management, we have set the target for total revenue income in the fiscal year 2021-2022 at Tk. 3,89,000 crore, which is 11.3 percent of GDP. Out of this, Tk. 3,30,000 crore will be collected through the NBR sources. Tax revenue from non-NBR sources has been estimated at Tk. 16,000 crore, while the non-tax revenue is estimated to be Tk. 43,000 crore.

**Madam Speaker**

51. In FY2021-2022, the size of the total expenditure has been estimated at Tk. 6,03,681 crore, which is 17.5 percent of GDP. Total allocation for operating and other expenditures has been set at Tk. 3,78,357 crore, while the allocation for the annual development program is Tk. 2,25,324 crore.

52. Health, agriculture and employment generation have been given priority while allocating resources for the ADP. The sectoral allocation of the ADP for the next fiscal year is presented in **Table 6 of Appendix 'A'**. I propose to allocate, from the ADP of FY2021-2022, 29.4 percent for human resources sectors (education, health and related others), 21.7 percent for the overall agriculture sector (agriculture, rural development and rural institutions, water resources and related others), 12.1 percent for the power and energy sector, 26.4 percent for communication (roads, railways, bridges and other communications related), and 10.4 percent for

other sectors.

53. The overall budget deficit for FY2021-2022 will be Tk. 2,14,681 crore, which is 6.2 percent of GDP. It is to be mentioned that this ratio in last financial year was 6.1 percent. Out of the total deficit, Tk. 1,01,228 crore will be financed from external sources, while Tk. 1,13,453 crore from domestic sources of which Tk. 76,452 crore will come from the banking system and Tk. 37,001 crore from savings certificates and other non-bank sources.

### **Madam Speaker**

54. Overall expenditure framework: I will now present the overall expenditure framework (operating and development) of the proposed budget. In line with the allocation of business of different ministries and divisions, government activities have been categorised into 3 main sectors, namely: social infrastructure, physical infrastructure and general services.

55. Allocation proposed for the social infrastructure sector in the proposed budget is Tk. 1,70,510 crore, which is 28.25 percent of total allocation, in which allocation for human resources sector (education, health and other related sectors) will be Tk. 1,55,847 crore. Allocation proposed for the physical infrastructure sector will be Tk. 1,79,681 crore or 29.76 percent, in which Tk. 74,102 crore will go to overall agriculture and rural development, Tk. 69,474 crore to overall communications, and Tk. 27,484 crore to power and energy. A total of Tk. 1,45,150 crore has been proposed for general services, which is 24.04 percent of the total allocation. Tk. 34,648 crore is proposed for public-private partnerships (PPP), financial assistance to different industries, subsidies, equity investments in state-owned, commercial and financial institutions, which is 5.74 percent of the total allocation. Tk. 68,589 crore for interest payment, which is 11.36 percent of the total allocation. Tk. 5,103 crore for net lending and other expenses, which is 0.85 percent of the total allocation. Detailed information about the allocations has been presented in **Table 7 of Appendix 'A'**. A ministry/division-wise proposal for budget allocation has also been provided in **Table 8 of Appendix 'A'**.

## **Chapter Eight**

### **Sectoral Strategies, Action Plans and Resource Mobilisation**

#### **Madam Speaker**

56. I would now like to present a brief account of our important policy-strategies, workplans and budget allocation for the medium-term including the next fiscal year. Through this budget, we will undertake initiatives to combat the impact of the second wave of the COVID-19 pandemic and its long term impacts, fulfill the pledges made in our Election Manifesto of 2018, the 8th Five Year Plan and the 2nd Perspective Plan (2021-2041), and achieve Sustainable Development Goals and their targets. We have already begun implementing the 8th Five Year Plan. Therefore, its implementation will get special importance in this budget. Besides, we will give priority on those expenditure programmes that facilitate economic recovery by combating the long-term impacts of the pandemic, and ensure basic needs of the people by protecting lives and livelihoods.

#### **Medium-Term Policy Strategy**

57. Bangladesh's sustained achievement of high GDP growth in the last decade has been halted temporarily due to the effects of the COVID-19 pandemic. Even though we achieved a record 8.15 percent growth in FY2018-2019, it has slowed down to 5.2 percent in FY2019-2020 due to the pandemic. The GDP growth rate was originally estimated to be 8.20 percent for FY2020-2021 on the assumptions that the economy would recover from the impact of the pandemic. But the economic activities slowed down and the expected momentum in import and export activities did not take place due to the continuation of the impact of the pandemic and the surge of its second wave and resulting lockdowns in various countries in the world including Bangladesh. However, considering the better-than-expected growth in remittances and the implementation of the



large stimulus packages by the government to facilitate economic recovery, the GDP growth rate has been revised at 6.1 percent for the current fiscal year. Alongside, the growth rate for FY2021-2022 has been fixed at 7.2 percent remaining consistent with the government's long-term plan and taking the post-Covid recovery situation into account. It is expected that the inflation rate will be 5.3 percent during the period.

58. In the medium-term, strong domestic demand will be the main source of our growth. Our focus will be on increasing consumption and investment to stimulate domestic demand and enhancing exports to augment external demand. Growth in remittances will also continue in the medium-term. Our aim is to develop improved transport structure and ensure power and energy security through public investment. On the other hand, acceleration of the GDP growth and creation of employment by increasing the supply side growth of the industrial sector are among our main targets. We hope that these targets will be achieved through the rapid implementation of the works to establish Economic Zones.

59. The next budget will be the 2nd year of the implementation of the 8th Five Year Plan. The first stage of the Perspective Plan (2021-2041) framed in line with the 'Vision 2041' of the Hon'ble Prime Minister will be materialised through the implementation of the 8th Five Year Plan. Successful implementation of the 8th Five Year Plan will, on one hand, lay the foundation of 'Vision 2041', and help achieve the targets of SDGs and Bangladesh Delta Plan-2100 on the other. Moreover, a special emphasis has been given in this Plan on achieving higher economic growth, increasing income, creating employment and implementing poverty reduction strategies by addressing COVID-19 challenges. Further, to promote inclusive growth, guidelines have been framed for implementing programmes on development of labor-intensive and export-oriented industries, diversification of agriculture, flourishing of the services sector, development of ICT-based entrepreneurship to embrace 4th Industrial Revolution and creation of overseas employment. The main foundation for successful implementation of this Plan lies in attracting domestic and foreign investment in the private sector, and to that end, the government will strive to create an investment-friendly environment.

Alongside, priority is given to increase public investment, particularly the size of the Annual Development Programme. To implement the Annual Development Programme, priorities are given on strengthening the health sector infrastructure, establishing the social safety net and removing infrastructural bottlenecks to promote private sector investment and accelerate economic growth. Furthermore, the Plan also laid emphasis on agenda, such as establishment of Digital Bangladesh, development of human resources, promoting good governance in public enterprises, etc.

**Madam Speaker**

60. Like last year, we have made a slight deviation from the traditional budget for the sake of effectively combatting the COVID-19 pandemic and resolutely overcoming its economic impact by giving priority to protection of lives and livelihoods. In this regard, I would like to mention that a structural change in the priority of the government has been brought in the next year's budget. The health sector has been given the highest priority to address the impact of the COVID-19 pandemic, and necessary allocations have been made in the next budget. Our second highest priority is to continue with the implementation of the stimulus packages declared by the Hon'ble Prime Minister to address the impact of pandemic. Agriculture is our third highest priority sector in order to ensure food security. To achieve this aim, activities such as farm mechanisation, incentives for irrigation and seeds, rehabilitation of agriculture, and provision of subsidies on fertilizers, etc., will be continued to increase food production. Our fourth priority sector is the overall development of human resources including education and skills enhancement. Our fifth priority sector will be rural development and job creation. We have given special importance on tackling unemployment in the industry, SMEs and services sectors and the rural non-formal sector owing to disruption in overall economic activities due to the COVID-19 pandemic, and implementing various programmes for expatriate Bangladeshis who have been forced to return from abroad. In addition, priorities are given to build houses for the homeless people and distribute foodstuff free of cost or at subsidised prices among the low income people as well as expand the coverage of social safety net programmes.

## **Madam Speaker**

61. One of the basic commitments of our government is to achieve higher economic growth through sustainable and inclusive development. In formulating the budget, priority is given to implement plans for the creation of investment-friendly environment, promotion of export, business-friendly tax management, reforms in the financial sector and increase public investment, i.e. the sized of the Annual Development Programme with the aim of achieving higher growth. Another important goal of the government will be to strive for timely implementation of all nationally important projects including mega projects in the infrastructure sector, such as the Padma Bridge, Padma Rail Link Bridge, Dohajari-Cox's Bazar Railway construction, the Rampal power plant, Rooppur Nuclear Power Plant, Payra Sea Port, the Matarbari Power Plant in Moheshkhali, and Dhaka Metrorail, etc. to sustain the higher growth rate. Alongside achieving growth, our aim is also to bring qualitative change in the lives of people through the alleviation of poverty and reduction in inequality. To this end, strategies such as increasing the coverage of social safety net programmes, creation of local and overseas employment, microcredit, and skills training will receive higher attention. Like each year, the Medium Term Macroeconomic Policy Statement, containing our medium term policy strategy has been presented with the budget speech.

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

## **Action Plans and Resource Allocation**

### **Health and Family Welfare**

## **Madam Speaker**

### **Addressing the COVID-19 pandemic and protecting public life**

63. You are aware that the whole world has been passing a critical time since the first half of 2020 due to the impact of the COVID-19

pandemic. At the moment, the second wave and even the third wave of the pandemic have made the protection of public life even more difficult and critical. Bangladesh is no exception. Although the infection rate of coronavirus, which started in early March of 2020, went down to some extent in the beginning of the current year, it started rising again with the second wave since the 2nd week of March 2021, which is continuing till date. Considering the impact of the pandemic on public health and public life, we took preparatory measures during the first wave to address the COVID situation. Enforcement of countrywide general holidays for 66 days and adoption of proper measures, under the directives of the Hon'ble Prime Minister, to reduce the infection rate and provide treatment to the infected patients, it was possible to control the infection and death rates.

64. During the second wave of the pandemic, under the direction of the Hon'ble Prime Minister, countrywide lockdown was enforced again during 5th April to 30th May 2021 against the backdrop of an abnormal increase in infection rates. During this time, public movement were strictly controlled to protect public health and public life, and ban on all modes of inter-district transport – rail, road, and air was also enforced. However, to keep economy moving by allowing people to earn their livelihoods, mills and factories were allowed to maintain production following strict health guidelines, and shopping malls, markets and offices were kept open for a certain period of the day. Due to these measures, it has been possible to keep the infection rate under control even during the second wave. During the pandemic, we will continue adopting strategies to protect public health and the lives of the people. Alongside, we will lay utmost emphasis on implementing various activities in the health and family welfare sector in line with the medium and long term plans.

65. During the critical period of the pandemic, the government has strengthened its efforts to ensure affordable health services for all citizens through the development of the health, nutrition and population sector. As a result, it would be easier to achieve the aim of the government in building a healthy, strong and active society. When the coronavirus infection was first detected in Bangladesh in March 2020, the National

Preparedness and Response Plan was prepared to combat and control the virus. Later on, with some minor revisions, the Bangladesh Preparedness and Response Plan was finalised, and activities are currently being carried out in accordance with the Plan. During the second wave of the pandemic, medical treatment services have been continued in specialised isolation units in district and upazilla levels, 14 COVID-19 dedicated hospitals in the capital city, and 67 COVID-19 dedicated hospitals in the district hospitals which were established during the first wave of the pandemic last year. Alongside, 55 laboratories established in the last fiscal year and improved government healthcare institutions are providing COVID-19 services. Nine new COVID-dedicated hospitals have been established. As a result, a total of 89 COVID-dedicated hospitals are now in operation. Dhaka North City Corporation Specialised Hospital and Isolation Centre has been opened to provide quick treatment to patients who got infected during the second wave of the pandemic. This hospital has 200 ICU beds, 250 high dependency units (HDUs) beds, an emergency ward with 56 beds, and 395 isolated general beds.

**Madam Speaker**

66. All incoming passengers are being scanned at the points of entry, such as airports, land ports and sea ports. Till date, 22.22 lacs international passengers who arrived through the country's 3 international airports, 2 seaports, 2 railway stations, and 23 land ports have been screened. Samples for detection of COVID infection are being tested in a total of 121 public laboratories, of which 72 are located in Dhaka and 49 outside Dhaka. Till date, 59.48 lakh people have been tested for COVID infections, including 58.19 lakh tested through RTPCR. Isolation beds, 5 in each upazilla, have been set up in all Upazilla Health Complexes. Around 10-12 isolation beds have been kept ready in District Sadar Hospitals where there is no Medical College. As a result, COVID infected patients from remote areas are getting proper treatment. Distribution of Tk. 850 crore allocated in the current fiscal year for payment of compensation to the doctors, nurses and other officials who have died on duty and payment as honorarium to the doctors, nurses and health workers

are underway. Two institutional quarantine centres have been kept operational. In addition, a total of 629 quarantine centres are prepared in different districts and upazillas. 10 guidelines on COVID-19 matters, 28 instructions, 4 SOPs and 13 public awareness building leaflets have been prepared. Due to the setting up of real time hospital dashboards in the hospitals across the country, all information on general and ICU beds in COVID hospitals are now instantly available. Moreover, the online verified test report system has been established during the COVID-19 pandemic.

67. We have been able to quickly adopt necessary measures to combat the second wave and have succeeded in controlling the spiraling of infection and death rates by continuing with the measures taken during the first wave of the COVID-19 pandemic and utilising our experience in the first wave.

**Madam Speaker**

**COVID-19 vaccination strategy, management and steps**

68. The National Deployment and Vaccination Plan has been prepared under the Expanded Programme on Immunization (EPI) to protect the lives of people from the COVID-19. The government procured 3 crore doses Covishield vaccine of Oxford-AstraZeneca from the Serum Institute of India. In addition, 6.80 crore doses of coronavirus vaccine will be available from the Covax facility under the World Health Organisation for 20 percent of our population, that is, for 3.40 crore people. Out of this 1.06 lakh doses have already been received. There are plans to buy vaccines from the Governments of China and Russia, Pfizer Co. from the USA and Sanofi/GSK from France/Belgium. Negotiations are at the final stage for procuring Sinopharm vaccine from China and Sputnik-V vaccine from Russia, and, if necessary, manufacturing the same in Bangladesh. Meanwhile, 70 lakh doses of Oxford/AstraZeneca Covishield vaccine reached Bangladesh, and the Governments of India and China gave 32 lakh doses and 5 lakh doses respectively of coronavirus vaccine as gifts.

The World Bank provided US\$ 500 million for procuring COVID vaccines and US\$ 14.87 million for logistics support. Loan Agreement for US\$ 940 million with the ADB to procure COVID vaccine is at the final stage. Alongside, there is a good possibility to receive support for vaccine procurement from the European Investment Bank and AIIB.

69. Plans have been devised to vaccinate 80 percent of the people in phases. In the first phase, people with risks will be vaccinated, and 25 lakh vaccines will be given each month. The vaccination program is being implemented at the field level through coordination between the EPI and the Communication Disease Control (CDC). The first dose of vaccination began on February 7 while that of the second dose began on 8 April. Registration for vaccination and distribution of vaccine certificates and vaccine cards are being done digitally through the [surokkha.gov.bd](http://surokkha.gov.bd) web portal using National ID cards. Following the recommendations of the Scientific Advisory Group of Experts (SAGE) of the WHO and the National Immunisation Technical Advisory Group (NITAG) of Bangladesh and considering the reality of our country, people aged 40 or above are given priority in the COVID-19 vaccination program, who constitute 20 percent of total population. The vaccination programme is conducted in 1,005 hospital-based vaccination centres across the country. Up to 31 May 2021, 58,22,157 persons received vaccines, of which 36,10,635 are male and 22,11,522 are female. Out of them 41,73,930 have completed their second doses.

70. The corona vaccine and logistic cold chain management is being managed through the existing EPI in the country and the cold chain system of the Directorate General of Health. To keep the regular vaccination program uninterrupted Senior Staff Nurses, Assistant Community Medical Officers have been assigned as Vaccinators. Under the Directorate General of Drug Administration, a Committee has been formed on Vaccine Safety, Control and AEFI, etc., which has prepared the Pharmacovigilance and Adverse Events Following Immunization (AEFI) SOP/Protocol. Various committees have also been formed for the management of adverse events following immunization. In addition, Formulation of the COVID-19

vaccine guide and training on vaccinations have been completed.

71. The Hon'ble Prime Minister has announced that the government will ensure free vaccination for all citizens of the country. For this, the government will provide as much fund as is required to bear the expenses of procuring the required doses of vaccine. We will make adequate allocation for this purpose in the budget.

**Madam Speaker**

**Implementing emergency measures to address the pandemic**

72. A number plans have been undertaken to develop the health sector to address the impact of COVID-19. The implementation of some of these projects has begun in the current fiscal year and will continue in the next financial year. Different projects are being implemented with the funding of US\$ 600 million from the World Bank, US\$ 100 million from the Asian Development Bank and US\$ 100 million from the Asian Infrastructure Investment Bank (AIIB). The 'COVID-19 Emergency Response and Pandemic Preparedness' project, supported by the World Bank and AIIB, is in progress. Purchase of vaccines, installation of oxygen lines, setting up of ICUs/CCUs and other activities are being taken up under the project. To enhance the country's capacity to tackle the pandemic, improve the system of prevention, control and treatment of infectious diseases and strengthen the emergency preparedness capacity, the 'COVID-19 Response Emergency Assistance' project is being implemented with support from ADB. Purchase of ICU beds, ventilators and PCR machines and expansion of modern microbiology laboratories in 19 institutions and activities are being taken up under the project. Steps have been taken to enhance capacity of private medical college hospitals, including the Department of Nursing and Midwifery, to deal with the pandemic. The process of urgently recruiting necessary manpower and hiring consultants on a contract basis is underway to ensure proper case management including expanding laboratory facilities and enhancing the skills of concerned health workers, doctors, nurses and technologists.



73. In the last budget, we made a large allocation for the implementation of special activities under the Health Services Division to address the COVID-19 pandemic. Besides, we set aside Tk. 10,000 crore to meet the expenses related to unanticipated emergency requirements. However, despite a year has passed since its first outbreak, the COVID-19 pandemic is still ravaging the world. Therefore, like the budget of the last year, we also make commitment this year that the government will take all necessary measures to address the impact of the pandemic. I would like to propose to allocate Tk. 10,000 crore in the next fiscal year to meet the emergency requirements to respond to the pandemic.

**Madam Speaker**

**Ensuring sound health for all**

74. The government has a constitutional responsibility to ensure healthcare services for of all our citizens. We are working tirelessly to build a healthy, strong and active population by providing affordable and quality health, nutrition and family welfare (HNP) services to the people. We have already made commendable progress in the development of the HNP sector. For example, maternal mortality rate, neonatal mortality rate, under-5 mortality rate, malnutrition, underweight, low birth weight, etc. are continuously being improved along with an increase in life expectancy. Despite limited resources, Bangladesh has made remarkable progress in achieving the MDGs related to health, and building on that success, we are currently working to achieve the SDGs by 2030. Sector-wide activities are being implemented in the period of 2017-2022 under a total of 29 operational plans of the 4th Health, Population and Nutrition Sector Program (4th HPNSP). Activities under the programme include provision of nutrition and health services for mothers and children, controlling infectious and non-communicable diseases and climate change induced new diseases, developing a modern and efficient pharmaceutical sector, and development of skilled human resources including training to doctors.

75. To take healthcare services to the doorsteps of the people at the earliest, we are continuing with recruitment of doctors, nurses and other health professionals and installing necessary equipment and facilities. A total of 213 new doctors have been recruited through the 38th BCS within a short span of time to ensure that the COVID-19 infected patients get treatment, and they have already joined in different hospitals to provide Covid-19 related services. To ensure quicker health services, 10 posts at the level of Junior Consultant (Specialist Physician) are being created in health complexes upgraded with 50 beds. Modern equipment, such as ECG machines, nebulizer machines, autoclave, ultrasonogram machines, blood collection monitors, etc. will be installed in the upazilla complexes.

#### **Protecting maternal health and ensuring family welfare**

76. We are implementing a number of programmes to improve health and nutrition services for every citizens in the country. Nutrition services are being implemented in all upazilas of the country under the National Nutrition Service (NNS) programme. Steps are taken to start providing 24-hours emergency maternity services in 96 Upazila Health Centers, expand maternal health voucher programme for the poor, destitute and pregnant mothers, which is currently being implemented in 53 upazilas, to 20 more upazilas, and intensify the emergency maternity services in 132 upazilas. As part of the plan to set up 14,890 community clinics across the country, constructions of 14,384 clinics have already been completed of which 13,881 are currently providing services. As many as 80 percent of the beneficiaries of the community clinics are women and children. Maternity services are provided in 4,000 community clinics across the country.

#### **Shashtho Shurokkha Karmashuchi**

77. Keeping the goal of achieving universal health care in the country by 2030 in view, the government has formulated the ‘Strategy for Finance in the Health Sector: 2012-2032’. In line with the strategy, the ‘Shashtho Shurokkha Karmashuchi (SSK)’ has been formulated to finance healthcare services for people living below the poverty line. The pilot programme

under the SSK has been initiated to reduce the out-of-pocket expenses of the poor population and protect them from the catastrophic health expenditure in receiving hospital-based services. While receiving inter-departmental services from hospitals, every family holding a card gets free treatment including costs of diagnosis and medicines. As on April 30, 2021, a total of 20,931 members of 81,619 enlisted families have received services under this programme, and it will gradually be expanded across the country.

### **Specialised healthcare**

78. Medical treatment for the terminal disease of cancer is still inadequate in Bangladesh. To facilitate the treatment of cancer patients we are implementing a project for setting up full-fledged 100-bed cancer treatment unit at the Government Medical College Hospitals in divisional towns. In addition, in accordance with the National Strategic Plan 2016-2021, steps have been taken on Autism and Neuro Developmental Disorders. Educational measures have been taken to make people aware of autism and neuro developmental disorders. At the same time, child development centers have been established in 33 hospitals through which patients with autism and neurodevelopmental disorders are being provided integrated treatment (combining child physicians, clinical psychologists and developmental therapists).

### **Developing the medical education sector**

79. A huge change has been observed in the medical education sector due to various steps taken by the government in modernizing the medical education system. Under the direction of the Hon'ble Prime Minister, a step has been taken to set up a Medical University in each division. After the operationalisation of Rajshahi, Chattogram and Sylhet Medical Universities, the construction of Sheikh Hasina Medical University, Khulna is in progress. Following our Election Manifesto of 2018, activities such as modernisation and expansion of Dhaka Medical College Hospital, and establishment of Nephrology Units and Kidney Dialysis

Centers in Government Medical College Hospitals and all District Sadar Hospitals are underway. Besides, work is underway to set up the Sheikh Saira Khatun Medical College and Nursing Institute, the Kushtia Medical College and Hospital, and the Sheikh Lutfar Rahman Dental College in Gopalganj.

80. It is crucial to enhance the capacity to sustain achievements in the health sector and ensure adequate preparedness against future epidemics and pandemics. This requires the expansion of quality medical education, technology based and research centric medical education. In the current fiscal year, an 'Integrated Health Science Research and Development Fund' has been set up for the development of research in the field of health education and technology. Like the current year, Tk. 100 crore will be allocated in the next financial year, and necessary steps will be taken to operationalise the Fund. We will continue providing fellowships and grants to encourage new vistas and techniques in science. The Fund will also be used for financing original and practical research activities at the university level.

### **Family planning, maternal and child healthcare**

81. To ensure smooth implementation of programmes on family planning, maternal and child health services, we will establish upazila Family Planning Offices, including 10 District Offices and 145 Family Planning Stores. To expand services at the grassroot level, 89 new 10-beds MCWCs (Maternal and Children Wefarer Centers) have been constructed at the union level. Family planning services are being provided through Web-Logistic Management Information System. At the same time, e-health programs are being conducted as part of widening the use of information technology in medical services. To ensure safe maternity services, safe delivery services for 24 hours a day 7 days a week have been introduced in Health and Family Welfare Centers in 2,854 Unions. The National Newborn Health Program (NNHP) is being implemented in order to protect the health of newborns and children as part of health management. In addition, Kangaroo Mother Care (KMC) services are

being provided in 192 facilities.

82. The government is laying emphasis on ensuring provision of health services to adolescents. A total of 603 Adolescent Friendly Health Corners have been opened at Union Health and Family Welfare Centers and Maternal and Child Welfare Centers for the physical and mental development of adolescents, through which services and information are being provided to them. Under the ongoing sector program, a total of 979 adolescent-friendly corner will be established by 2022. Adolescent website ([www.adoinfobd.com](http://www.adoinfobd.com)) has been developed to provide adolescent healthcare.

83. Giving an utmost priority to the programmes and steps taken by the government to address the COVID-19 pandemic, I propose to allocate Tk. 32,731 crore for the Health and Family Welfare sector in the next fiscal year, which was Tk. 29,245 crore taka in FY2020-2021.

## **Education**

### **Madam Speaker**

84. You are aware that one of the important steps we took to prevent the spread of the first wave of the COVID-19 pandemic was the declaration of a general holiday for all educational institutions. However, in view of the significant reduction in infections, we decided to resume educational activities in all educational institutions from 31 March 2021. But it had to be postponed due to the onslaught of the second wave of COVID-19 in the second week of March 2021. It is to noted that since the beginning of the pandemic, the government has taken various steps to keep students involved in academic activities. To maintain the continuity of the course curriculum, classes on important subjects have been launched through Bangladesh Television under the title of 'Amar Ghare Amar School', and teaching activities have been continuing using online platform, Bangladesh Betar and Community Radio. This step allowed us to keep around four crore students engaged in academic activities and practicing lessons and keep them attentive to lessons as well. During this

crisis, alongside adopting life saving strategies, we will give highest priority to ensure the continuity in teaching activities by restoring normalcy in the academic environment.

85. To accelerate the development of education by overcoming the impact of COVID-19, we will implement the inclusive and science-oriented education initiatives and develop infrastructure as announced in the last financial year, as well as expand the scope of our ongoing activities, such as providing stipends through mobile banking and continuing with the distribution of textbooks and learning materials to cater to their increased demand. In addition, we will lay emphasis on implementing activities to ensure technology-based modern education system and promote efficient science-based education. In continuation with the achievements made under the 7th Five Year Plan, priority will be given in the 8th Five Year Plan to implement the goals and objectives in the education sector, and we are also making necessary allocations according to this priority. We will also give priority to enhance the capacity of spending and monitoring the progress of spending.

86. To continue with the teaching programme during the COVID-19 pandemic, as many as 29,09,844 online classes have been organised at the secondary and higher secondary level. Online classes have been introduced in 15,676 out of 20,499 secondary schools and 700 out of 4,238 colleges. In addition, different educational institutions are conducting class activities using the online social media platform by uploading recorded class videos in Kishore Batayon, Teacher Batayon and YouTube. Online classes are also being organized at the university level. Such classes have commenced in 42 government and 92 private universities. A total of 4,97,200 online classes were organised where 2,76,91,407 students participated in those online classes.

87. As it was not possible to take examination at the H.S.C level due to the pandemic, results of H.S.C 2020 was published on the basis of the results of previous J.S.C and S.S.C examinations. The admission process

for the students who passed S.S.C examination in 2020 have been completed online. Online examinations are being organised in private universities. To ensure participation of students in online classes at the university level, soft loans have been provided to 41,501 financially insolvent students to purchase smartphones.

**Madam Speaker**

**Primary and mass education**

88. Following various timely initiatives taken during the last 12 years of the present government, commendable achievements have been made against several indicators of primary education. This has, in tandem, accelerated human resource development. To achieve the targets set in the 8th Five-Year Plan, we are continuing with various initiatives to raise the standard of primary education to the international level and promote practical education. For example, programmes like nationalisation of primary schools, establishment of schools and P.T.I in areas where there are currently no schools and other infrastructure activities are under implementation. As many as 1,495 new government primary schools have been set up under the project named 'Establishment of 1,500 Schools in Areas where there are Currently no schools'. A total of 80,638 classrooms have been constructed in 21,556 schools. Free textbooks have been distributed among the students this year in compliance with health safety protocol. Steps have been taken to introduce 2-year pre-primary education programme for children aged 4+. We will implement the School Meal Project consistent with the School Meal Policy 2019, the Basic Literacy Project in 64 Districts, the Support to Quality Enhancement in Primary Education Project and the COVID-19 School Sector Response Project, and will continue to implement the project named 'Establishment of 509 ICT Lab in Primary Schools' in the next fiscal year.

89. To make sure that the students stay focused on lessons and remain attentive in their study during the COVID-19 pandemic, the primary level lessons broadcasting programme titled 'Learning at Home' is being

implemented through broadcast by Sangsad Bangladesh Television. This has made possible to keep about 14 million primary students engaged in their study. Under the directives of the Hon'ble Prime Minister, the stipends program for the primary school students has been continuing during the pandemic. The stipend money is being transferred digitally to the mobile accounts of mothers/ guardians of the beneficiary students. The stipend money has benefitted to some extent the poor and low-income families during the crisis period. In addition, the universalisation of the programme is helping to bridge the gap between rich and poor students in schools. In an effort to make students' school attendance more enjoyable, Hon'ble Prime Minister has directed to pay Tk. 1000 primarily as kit allowance (dress, shoes and bags) to each student at the beginning of the year, and to give monthly stipend of Tk. 150 instead of Tk. 100 on the occasion of the birth centenary of the Father of the Nation. For this, we have allocated Tk. 3,712 crore in the current fiscal year out of which Tk. 1,200 crore is being spent on kit allowance and the remaining amount on stipend. To ensure the continuity of the stipend programme which is set to be completed on 30 June 2021, this will be transferred to the revenue budget from the next fiscal year.

90. During the COVID-19 pandemic, the government is continuing the activities under the 'School Feeding Program in Poverty Stricken Areas' in 104 poverty stricken upazilas of the country. Despite the closure of all primary schools in the country during the Covid-19 pandemic since March 2020, high-quality biscuits, rich in various vitamins and minerals, are being delivered to the home of every child maintaining social distance and following proper health safety protocol. This helps meet children's nutritional needs. To introduce this support in all government primary schools of all Upazilas/Thanas of the country in phases we will implement a new 'Primary School Mill Project' for the period from July, 21 to June, 26 in accordance with the National School Mill Policy.

91. To keep the education programme up-to-date and enhance the quality of education, the government has taken steps such as bringing 1.05 lakh teachers within the government payroll by Hon'ble Prime Minister,



recruitment of 1,97,864 teachers including head teachers and assistant teachers in government primary schools since 2009, upgrading the post of headmaster to 2nd class and raising the salary of assistant teachers by two grades. In addition, activities such as providing leadership training to 79,332 headmasters and providing subject based and ICT training to all teachers are continuing. I would like to specially mention that alongside the continuation of providing stipends the implementation of the School Meal Policy 2019 has contributed to the process of ensuring improvement in the standard of primary education. For example, the enrollment rate of primary school students has increased, the dropout rate has significantly decreased and the regular attendance rate has increased.

#### **Motivational and sensitisation programme for illiterate people**

92. Efforts will be made to identify those people who are out of education in our country, i.e. those who are illiterate, and to undertake motivational and sensitisation programme for them. The main objective of this programme will be to sensitise them about important social issues, such as health care information, maintaining health protocol and hygiene, quality of life, importance of proper education, etc. and to inspire them so that they become interested and feel encouraged in fully sensitising their children on these matters. To this end, steps will be taken to capacitate the Bureau of Non-Formal Education so that it can implement this programme.

93. I am proposing an allocation of Tk. 26,311 crore for primary and mass education in the next FY2021-2022, which is Tk. 24,937 crore in the current fiscal year.

#### **Madam Speaker**

#### **Secondary and higher education**

94. The government has been attaching the highest importance to the expansion of sustainable and quality secondary and higher secondary

education. In the meantime, to sustain the success achieved in the rate of secondary education together with the gender parity, we are laying emphasis on the implementation of various programmes like general, science and technology based education and training, provision of financial assistance for students and teachers, various talent development activities, providing supportive policies and environment, and building capacity and constructing and developing the infrastructure of government secondary schools. Activities, such as providing financial benefits to teachers of MPO-enlisted private educational institutions, distributing free textbooks, introducing e-books, and setting up of Upazila ICT training and resource centers are underway. In addition, 3 projects are being implemented to develop physical infrastructure of 1,610 private colleges and 6,250 private schools at the secondary and higher secondary levels, and new buildings for 3,000 private schools are under construction. To enhance awareness about gender sensitive issues among adolescents, we are implementing the 2nd phase of the 'Generation Breakthrough Project', and the project for development of educational institutions in haor areas to reduce regional disparities in education. These projects came into operation in the current fiscal year and will continue in the next fiscal year.

95. Bearing in mind the importance of science and technology based education, especially the Fourth Industrial Revolution, we have taken a number of initiatives to leverage ICT and digital technology in education management and education programme. ICT related training of 80,800 teachers and training of 50,000 secondary school teachers are underway in the current fiscal year. In the next fiscal year, around 2.10 lakh teachers and 2.75 lakh ICT teachers will be trained. We have already completed online MPO-enlisting of private institutions by demonstrating our ingenuity and formulating specific policies. To improve the quality of education through information technology, ICT Training and Resource Centers have been established in 125 upazilas. Programmes for the development of selected private colleges, establishment of ICT training and resource centers in another 160 upazilas, and establishment of

integrated education information management system will be implemented. Implementation of the projects for the expansion of the scope of science based education in government colleges, and activities for enhancing the capacity of 323 government secondary schools across the country and improving the quality of education are underway. This will create opportunities for enrolment of an additional 2 lakh students at the college level and 3.29 lakh students at the secondary level.

96. Following the various steps taken by the government to develop higher education, the expansion in higher education is taking place. Currently, there are about 150 public and private universities in the country. Implementation of 24 projects is underway to establish physical infrastructure and create other facilities for public universities. These include, among others, establishment of 3 regional offices of National University, establishment of the 2nd campus of Chittagong Veterinary and Animal Science University, and establishment of Applied Bio-Engineering Research Incubator at Bangladesh University of Engineering and Technology are ongoing. Besides, projects will be taken up for establishing the Islamic Arabic University and the Sheikh Hasina University.

97. As part of necessary steps to eliminate inequality and improve quality in education, the 'Integrated Stipend Program (HSP)' scheme is being implemented by the Prime Minister's Education Aid Trust under the Secondary Education Development Programme to provide assistance to the poor meritorious students to given opportunity for receiving education. Under this programme, stipends and tuition facilities are being provided to the students from poor families of 6th to 12th grades/classes at the secondary, higher secondary and equivalent level educational institutions in 517 Upazila/Thana of Bangladesh including the municipal areas of divisional metropolitan and district headquarters. Under the scheme, students selected by the educational institutions are being paid Tk. 1,200 in 6th-7th grades, Tk. 1,500 in 8th grade, Tk. 1,600 in 9th-10th grades and Tk. 2,400 in 11th-12th grades. In addition, subsidies at the rate of Tk. 201, Tk. 300, Tk. 480 and Tk. 390 respectively for tuition fees are being

provided to the students of these grades. It is to be noted that tuition fees were waived for the students of grade 6 in 2020. Tuition fees for the students of other grade will be waived in phases. In FY2021-2022, a total of Tk. 2,109.78 crore will be provided to 39.25 lakh students at the secondary level, 7.50 lakh students at the higher secondary level and 1.50 lakh students at graduation (pass) level.

### **Internship Programme**

98. A large number of students in our country are graduating every year and becoming eligible for employment in the job market. To ensure that these new graduates can easily get jobs in their respective fields, the government will give priority to launch the 'internship programme' for them in both public and private sectors. To that end, a 'Policy Framework' will be formulated in the coming fiscal year for the immediate launch of this internship programme.

99. I am proposing a allocation of Tk. 36,486 crore for secondary and higher secondary education in the next fiscal year, which is Tk. 33,118 crore in the current fiscal year 2020-2021.

### **Madam Speaker**

#### **Technical, vocational and madrasa education**

100. The government is continuing its efforts to improve the quality of technical, vocational and madrasa education. As part of our preparation for the Fourth Industrial Revolution, we are taking steps to mainstream technical education. At the same time, we are expanding the scope for quality technical and madrasa education with the purpose of creating skilled manpower suitable for both domestic and international labor markets, such as, developing infrastructure to widen the scope of admission for students, implementation of projects to enhance the capacity of 49 polytechnics and 64 TSCs, and training for English and Mathematics teachers. To eliminate inequality in technical and vocational education, stipends are being provided to the students, free textbooks are being

distributed, and one-time grants are being provided to the poor and meritorious students and teachers. Several programmes, such as setting up of 1 technical school and college (TSC) in each of 100 upazilas, establishment of 1 women's polytechnic institute in 4 divisional cities (Sylhet, Barisal, Mymensingh, Rangpur), establishment of Polytechnic Institutes in 23 districts, and establishment of 1 Engineering College in each of 4 divisions (Chattogram, Khulna, Rajshahi, Rangpur), are underway in the current fiscal year, and will continue in the next fiscal year.

101. The government has undertaken extensive activities for the development and modernisation of madrasas. To enhance the quality of madrasa education, construction of new buildings for 1,800 madrasas, setting up of multimedia rooms for existing 653 madrasas and capacity building of madrasa teachers will continue through the 'Development of Scheduled Madrasas' project. We have undertaken a project named 'Training of Madrasa Teachers to Enhance Teaching Skills', which will continue in the coming fiscal year. This will make madrasa education compatible with the basic education system and facilitate modernisation of madrasa education. Steps will be taken to ensure transparency in the utilisation of funds mobilised from different sources in the private sector.

102. I am proposing an allocation of Tk. 9,154 crore for Technical and Vocational and Madrasa education in the next fiscal year, which is Tk. 8,345 crore in the current fiscal year.

## **Agriculture Sector**

### **Madam Speaker**

#### **Food security**

103. Although food security was likely to be threatened due to the interruption caused by the pandemic in the production and supply system of foodgrains, Bangladesh did not have to face any problem thanks to the timely decision taken by the government. To keep the market price of food

grains stable, rice and flour are being distributed through the OMS programme at about 727 locations, including city corporations, district headquarters and municipalities. To increase the production of boro crops, a target has been fixed to cultivate hybrid Boro paddy in an additional 50,000 hectares of land. According to the estimates of Bangladesh Bureau of Statistics, production of Aus, Aman and Boro paddy will be higher this year than that in the previous year. A target has been set to procure 20.55 lakh metric tons of rice from local sources in the next fiscal year. The government will take all possible measures to achieve the target to ensure food security.

104. After coming to power in 2009, the government set a target to increase the food grain storage capacity at the government level to 27 lakh metric ton to ensure food security. In this context, the construction of modern food warehouses/silos was undertaken in coordination with 7th Five Year Plan and Vision 2021. As a result, the existing storage capacity of food grains at the government level in the country has increased to about 21.80 lakh metric ton. A number of projects are currently ongoing to construct modern food warehouses/silos with a capacity of about 6.00 lakh metric ton. In addition, new development projects to increase the storage capacity of food grains and maintain the capacity of existing warehouses are at the planning stage in line with Vision 2041 and 8th Five Year Plan.

#### **Agricultural mechanisation**

105. Following our pledge in the Election Manifesto of 2018, we have taken steps to modernise agriculture through farm mechanisation. We have already begun implementing the project for agricultural mechanisation at a cost of Tk 3,020 crore. Farmers are being provided with financial assistance for purchase of agricultural machinery, which is equivalent to 50 to 60 percent of the purchased price. Under this, a total of 69,868 combined harvesters, reapers, seeder, power tillers and agricultural machinery have been supplied during 2010-2020. In addition, 50 acres of hybrid boro paddy exhibition plots have been set up in 61 districts to facilitate agricultural mechanisation. This has helped address the problem

arising from the shortage of agricultural labor and reduce costs of production. At the same time, during the Corona pandemic it has been possible to protect crops in the haor areas from early floods by quickly harvesting crops using agricultural machinery. New employment opportunities will be created while expanding farm mechanisation activities, and a modern agricultural management system will be developed by improving the value chain system.

### **Supports to agriculture**

106. The main objective of the government is to establish a self-sufficient and sustainable agricultural system through the process of increasing the production of crops and modernising the marketing system through innovation and transfer of appropriate technologies and crop varieties. To that end, the government is taking various steps for the development of agriculture sector. We will continue with the ongoing interventions, such as agricultural subsidies, incentive and assistance cards for agricultural inputs including fertilizers and seeds, irrigation facilities, crop diversification and marketing, agricultural rehabilitation assistance, etc., to enhance agricultural production. In addition to the normal subsidy for agricultural development, a 20 percent cash incentive is being provided for the export of agricultural inputs and a 20 percent rebate on electricity bills for the use of electricity-driven irrigation equipment. As many as 2,05,99,869 people have been provided with incentives and assistance for fertilizers and seeds worth Tk. 413.46 crore in the current FY2020-2021. Moreover, one-time cash assistance of Tk. 25 crore has been provided to 1 lakh Boro farmers affected by the devastation of recent Nor'wester.

107. Steps are being taken to increase crop cultivation and production by using the fallow land. An additional 80,000 hectares of land has already been brought under cultivation. A total of 8.80 lakh farmers have been given hands-on training on how to increase production by bringing seasonal fallow lands under cultivation and increase the crop density by creating vegetable fields and fruit orchards in other unused lands including homesteads. Following the directives of the Hon'ble Prime Minister, 32

vegetable-nutrition gardens are being created in every union of the country with the aim of bringing every inch of land under cultivation and ensuring family nutrition security. This will benefit 1,41,792 farmers and their families. To mark the commemoration of the birth centenary of the Father of the Nation, step has been taken to create 100 additional Family Nutrition Gardens in each union of the country. All the homeless people who have been given houses by the Hon'ble Prime Minister will be included in the Family Nutrition Gardens programme.

### **Climate tolerant agriculture**

108. We are currently focusing on environment-friendly and climate change resilient activities to ensure sustainable development of the agricultural sector. Research is underway to innovate and transfer climate tolerant technology and crops. To cope with the adverse effects of natural disasters, focus is being given on increasing the crop density and on producing short-duration crops. To cope with the fall-out of natural disasters, 11 short-term varieties of Aus, Aman and Boro rice are being cultivated in chars, hilly areas and drought and salinity prone areas. High yielding varieties are being cultivated especially in drought prone areas to expand the short term aman varieties. For the purpose of irrigation, the use of surface water and advanced technology (drip irrigation, sprinkler irrigation, etc.) has been increasing instead of using underground water. In addition, genetically modified technology, Good Agricultural Practices methods and organic farming are being introduced and expanded in the agricultural sector.

### **Formulation of National Agriculture Policy**

109. The National Agriculture Policy 2020 has been formulated focusing on researches to be carried out in consultations with farmers, agricultural entrepreneurs and stakeholders, agricultural education, marketing and extension, and dissemination of the research findings at the field level. The principal objective of this policy is to ensure the



production of climate resilient, environment friendly, safe, sustainable, nutritious and profitable crops by providing demand based technology and information services to all categories of farmers and entrepreneurs.

110. A plan document titled ‘Government's Electoral Commitment for the Advancement of Prosperous Agriculture and Implementation of SDGs’ has been prepared. The document has identified a total of 6 thematic areas/strategies aimed at achieving the targets in agriculture, food and nutrition and food security. These include- (1) agricultural development research; (2) ensuring supply and availability of quality agricultural inputs; (3) agriculture extension; (4) ensuring economical use of water resources for irrigation; (5) combatting the effects of climate change; and (6) institutional capacity building and human resource development.

#### **‘Farmers Market’**

111. The ‘Farmers' Market’ has begun its journey to supply pesticide-free vegetables under the overall supervision of the Ministry of Agriculture. At present, farmers' markets have been set up in 41 districts across the country. As a result, farmers are getting fair prices for agricultural products.

112. The Phytosanitary Institute established in Shampur, Dhaka is playing an important role in maintaining the quality of exportable agricultural and agro-processed products. Regional SAARC Seed Bank, an idea mooted by Hon'ble Prime Minister Sheikh Hasina, has been set up. Bangladesh is currently the 7th largest producer of mango in the world, and the rate of mango production is increasing at a rate of 16 percent per year. Along with the expansion of improved varieties of local fruits, the cultivation of exotic fruits such as teen, dragon, avocado, Arabic date, rambutan, and persimmon has also increased. Steps have been taken to expand coffee and almond cultivation in the hilly areas.

## **Madam Speaker**

### **Fisheries and livestock**

113. The government has been working to meet the demand of animal protein for the huge population of the country by inspiring innovative technologies and breeds, motivating entrepreneurs/farmers, providing training, generating self-employment, increasing production and ensuring supply. Bangladesh has already achieved self-sufficiency in fish, meat and egg production, and programmes are underway to achieve self-sufficiency in milk production soon. While this sector is meeting the domestic demand for meat, it is also earning foreign exchange by exporting fish, fish products and animal products. Bangladesh ranks 1st among 11 hilsa producing countries in the world, and, in tilapia production, it ranks 4th in the world and 3rd in Asia. To ensure development of the fisheries sector, we are continuing with the ongoing activities such as fish farming in open water, conservation of endangered species of fish, creation of sanctuaries for fish breeding, conservation of jatka, eco-friendly shrimp farming, etc. In addition, quality control activities have been boosted to preserve and expand the export market for fish and fish products. Steps are being taken to provide registration and identity cards to fishermen and create a database of rural fish farmers and fishermen across the country.

### **Legal reforms to ensure safe fisheries resources**

114. An important objective of the government is to ensure the production of safe and quality fish and fish products. Therefore, Good Aquaculture Practice and Hazard Analysis & Critical Control Point (HACCP) based management system have been implemented at all levels of shrimp production in the country. To ensure safe fish production in the light of international demand for quality, a piece of legislation called the Fish and Fisheries (Inspection and Quality Control) Act 2020 has been enacted by repealing the existing ordinance. Rules are currently being framed to ensure its effective implementation. Also, the framing of Fish

Quarantine Rules is currently underway. The Standard Operating Procedure Manual has been formulated to ensure safe and quality shrimp production in line with the demand from the international market.

115. The mobile market system has been introduced to facilitate marketing of fish and fish products and animal and livestock products. An amount of Tk. 7,286 crore worth of fish, meat, milk, eggs and other fisheries and livestock products have been sold from April 2020 to December 2020 through mobile and online sales system. Cash incentives to the tune of Tk. 568.87 crore (of which 468.87 crore in the livestock sector and 100 crore for the fisheries sector) have been provided to 4,07,402 dairy and poultry farmers and 78,074 fish farmers, who have been affected by the COVID-19 pandemic, through Nagad, Bkash and bank accounts.

116. A project titled 'The Community Based Climate Resilient Aquaculture Development Project in Bangladesh' is being implemented to address the negative impact of climate change on fisheries sector. A project titled 'Climate Smart Agriculture and Water Management Project' is also in the process of approval. Halda river has been declared as 'Bangabandhu Fisheries Heritage'. Farmers are being supplied with the chickens of 'shubra' variety which can survive in local environment at a low cost. Technical services will be provided at the farm level through mobile fish clinics. In addition, there is a plan to distribute nationwide germplasms for the conservation of local small fish species.

117. I propose to allocate Tk. 24,948 crore for the agriculture, food security and fisheries and livestock in the next fiscal year, which was Tk. 24,682 in FY 2020-2021.

### **Employment Generation**

#### **Madam Speaker**

118. More than 50 percent of our population is young, which is not more than 20-25 percent in the developed world. More than 2.0 million

people are entering into our labor market every year. This means we need to create employment opportunities for the new entrants. The ongoing Fourth Industrial Revolution has opened up the door to create unprecedented new employment opportunities for skilled manpower both for home and abroad. Besides, the implementation of 'Sustainable Development Goals', 'Vision 2041' and 'Delta Plan-2100' has created huge employment opportunities in the country for people skilled in science, technology and technical knowledge. Thanks to the right policies and fruitful action plans of the government, a large section of the youth of Bangladesh is already enjoying the benefits of such modern and technology dependent employment. For example, 1 million employment opportunities for the young people have already been created in the IT sector, and another 1 million people will be employed by 2021 to achieve the goal of Digital Bangladesh.

119. The present government has been pursuing a policy of thematic employment in the country, under which a definite link between industry and education has been established by revising and rearranging the content of educational programmes keeping in view the employment requirements. In addition, the government is pursuing a sector-based employment policy, under which the issue of employment is being actively considered while making large-scale government investment and providing incentives to industry and trade.

### **Workers welfare and workplace improvement**

120. The welfare of the workers in industries and factories and improvement of the workplace are an integral part of the government's employment plan. 23 crisis management committees have been formed across 64 districts comprising field level officials and representatives of employers-workers of concerned areas to maintain normalcy in the labor market, affected by the COVID-19 pandemic, and to ensure the safety of the factory workers. To maintain productivity of the workers during the pandemic, their wages and allowances have been paid on time as most of

the factories remained open complying with hygiene rules, and multiple incentive packages have been implemented to prevent layoffs and unemployment. These programmes will be strengthened in the future to ensure welfare of the workers, improvement of workplace conditions in export-oriented and other industries, elimination of child labor and employment of female workers.

### **Madam Speaker**

#### **Skill development**

121. Against the backdrop of growing industrialisation, the government is laying special emphasis on skills development to meet the diversified demand for labor and enhance labour productivity while improving the quality of life of workers. The government has been implementing the 'Skills for Employment Investment Program (SEIP)' to provide inclusive skills development training based on the demand of the industry sector, under which skills development training to 8,41,680 persons in 11 priority industries and services sectors will be provided by 2024. In addition, the National Skills Development Authority (NSDA) is working to coordinate skills development training programmes under 28 ministries to accelerate skills development programs. NSDA has been instrumental in building skilled human resources by setting up skills training standards, certification of trainees and assessors, standards and curricula, development of competency based training materials, recognition of prior experience, recognition of mutual skills, etc. as per demand coming from domestic and international markets.

#### **Overseas employment**

122. Steps taken by the government, such as ensuring safe migration and decent jobs for expatriate workers, creating large overseas employment opportunities by providing skilled manpower in line with the demands of the global labor market, and ensuring the flow of remittances through the legal channel, have started paying dividends in recent years. A

total of 2,17,669 Bangladeshi workers were employed abroad in 2020 despite the prevalence of COVID-19 pandemic. Apart from the traditional labor markets, Bangladesh has started sending workers in new labor markets of East European countries such as Poland, Albania, Romania, Slovenia, Bosnia-Herzegovina, and in Asian countries of Uzbekistan, Kazakhstan, Vietnam and Cambodia. Overseas employment for female workers has increased significantly, This achievement is attributable to 30-day residential training programme, introduced at the district level, expansion and decentralization of female workers' selection and orientation programmes at the district level, setting up of 'Female Workers Grievance Management Cell' at BMET and setting up of 'Safe Homes' abroad. Despite COVID-19 pandemic, a total of 21,934 Bangladeshi female workers were employed abroad in 2020.

123. While we are receiving complaints through various channels regarding different migration issues from workers aspiring to go abroad, the migrating workers and the workers returning from abroad, we are addressing them through a separate portal ([www.ovijogbmet.org](http://www.ovijogbmet.org)). Under BMET's service automation, 17 modules including Database Management, Immigration Management, Employment Service Management, Human Resource Management have been developed. Following the Overseas Employment and Immigration Act 2013, activities are underway to create a database for different professional categories for hiring workers from the Data Bank. Services of the recruiting agents are being monitored on a regular basis to maintain discipline in immigration management and enhance overseas employment. As many as 1,284 complaints against the recruiting agents were settled and compensation amounting to Tk. 5.85 crore collected from them was paid to the affected workers in 2019 and 2020.

124. To ease pressure on domestic employment, a target has been set to create 21 lakh foreign employment opportunities in three years (7 lakh per year) including sending an average of 1,000 workers abroad from each upazila following the government's Election Manifesto of 2018. To implement the target, the required manpower for 40 technical training

centers has been created, district employment and manpower offices have been set up in another 22 districts, 7 new labor welfare wings have been set up abroad, and a detailed plan has been adopted by the government to provide world class skills development training facilities including setting up of 8 Divisional Employment and Manpower Offices in their own premises in Divisional headquarters.

### **Record growth in remittances**

125. As of April this year, remittances inflow registered an increase by 40.1 percent to US\$ 22.75 billion. This enviable growth in remittances has been possible mainly due to the continuation of cash incentives at the rate of 2 percent on expatriate income announced by the Hon'ble Prime Minister and the simplification of the process of channeling remittances. This remarkable success in remittances has brought relief for us, especially during the COVID-19 pandemic when we are going through uncertainty over the growth of exports due to global economic downturn. Considering the ground reality, I propose to continue the cash incentive at the rate of 2 percent in the next fiscal year as well. In addition, special 'package programmes' will be initiated by concerned banks to increase the flow of remittances through the banking channel.

### **Poverty Reduction and Social Safety Net Programmes**

#### **Madam Speaker**

#### **Protecting livelihood and managing poverty situation during the pandemic**

126. The Government has been working diligently to adopt and implement bold, strong, people-centric and inclusive policies in poverty reduction. Our success in poverty reduction through the pursuit of appropriate poverty reduction strategies, such as expanding social safety nets for people vulnerable to poverty, financial incentives, encouraging micro-savings, training of women and youth, promoting gender equality, use of ICT and digital solutions, effective disaster risk reduction

programmes and building resilience against the effects of climate change, etc. has attracted the attention of global poverty experts. The government has plans to reduce the poverty rate to 12.3 percent and the extreme poverty rate to 4.5 percent by 2023-2024.

127. The stagnation, though temporary, caused by the ongoing corona pandemic, in global economic activity including that in Bangladesh, has brought challenges to our progress in reducing poverty. However, the timely incentive packages announced by the Hon'ble Prime Minister, such as payment of wages to export-oriented industry workers, provision of low interest working capital with interest subsidy to affected industry and services sectors including the CMSMEs, cash support to the extremely poor, distribution of free and low cost food items, expansion of social safety net programs and providing housing facilities for the homeless people, and job creation activities through specialised banks and Palli Karma Sahayak Foundation, have protected the working people from losing their jobs and the helpless poor from starvation. Therefore, the poverty situation in Bangladesh did not worsen to a scale of catastrophe during the pandemic. On the other hand, the government is also taking effective and conscious steps to address the potential impact of the recent second wave of the COVID-19 pandemic on the country's poverty situation.

### **Social Safety Net Programmes**

128. You are aware that the Father of the Nation Bangabandhu Sheikh Mujibur Rahman cherished a dream to build a prosperous and strong Bangladesh with a human face, set an example of establishing a welfare state, by improving the living standards of the country's poor, hapless, destitute and backward people. During the brief period of his government, the Father of the Nation officially included for the first time the social security programmes to improve the living standards of the poor affected by various natural calamities. At that time, VGD and food-for-work programs were initiated and families of martyred freedom fighters, war-wounded freedom fighters and persecuted women were brought under



social security scheme. Besides, micro-credit facilities for the poor people also started at that time. Following the path shown by the Father of the Nation, we have further expanded the social safety net. In FY1997-1998, old age allowance was introduced for the first time and in FY1998-1999, various social security programmes including allowances for widows, deserted and destitute women were introduced. Disability Services and Relief Centers were established in FY2009-2010, allowances for working and lactating mothers were introduced in FY2010-2011 and honorarium for the freedom fighters was introduced in FY2013-2014.

### **Madam Speaker**

129. Due to the outbreak of the COVID-19 pandemic, people from all walks of life have to follow the hygiene rules to save their lives. As a result, many low-income workers and people engaged in informal works have become unemployed. To protect the country's poorest segment from unemployment and loss of income due to the pandemic, our government has taken steps to widen the coverage of the social safety net.

### **Direct cash transfer among the poor**

130. The 'Cash Financial Assistance' program was launched in 2020 to support the low-income people who became financially destitute and jobless due to the corona pandemic. We have provided a total of Tk. 880 crore financial assistance to 35 lakh low-income families with Tk. 2,500 per family. We had to opt for lockdown measures once again this year as there was an intensity of the corona infections. Similarly, we have provided financial assistance of Tk. 2,500 in cash per family to 35 lakh affected families before the Eid-ul-Fitr this year so that low-income working people do not suffer financially.

### **Protection of rural people from exploitation and harassment**

131. By creating funds in every village of the country, effective steps have been taken to protect the marginal farmers, day laborers, etc. from harassment and exploitation by stopping the activities of rural middle men

and usurers. In addition, to enhance the organisational strength of the backward and people with special needs, the government has been providing generous support to the National Disability Development Foundation, Bangladesh National Social Welfare Council, Neuro-Developmental Disability Protection Trust and Physically Handicapped Welfare Trust.

132. A total of 103 'Disability Services and Help Centers' have been set up in 64 districts and 39 upazilas of the country to provide therapeutic services to the challenged people in remote areas of the country. All these centers provide free therapeutic, counseling and referral services and assistive devices to people with autism and other disabilities in remote areas of the country. In addition, Sheikh Russell Child Training and Rehabilitation Centers are working across the country to protect all disadvantaged and endangered children. An allocation of Tk. 92.21 crore has been proposed for these two activities in the coming fiscal year 2021-2022. Also, programmes such as maternity allowance for poor mothers, assistance for working and lactating mothers, VGD activities, rural social service activities, employment for the ultra poor, special allowances, stipends for education and training for improving the living standards of the Bedeys (Gipsies) and backward classes, assistance for cancer, kidney and liver cirrhosis patients, and livelihood improvement programme for tea garden workers, etc. will continue.

### **Freedom fighter welfare**

133. The freedom fighters are the finest sons of the soil. The nation will remember them forever with honour for their precious contribution towards the freedom of our motherland. On February 15, 2021, the Hon'ble Prime Minister inaugurated the system of providing honorarium and other allowances for all the valiant freedom fighters through the G2P system directly from Bangladesh Bank to the beneficiary banks by creating the Management Information System containing a complete database for freedom fighters. In addition, work has started for building 30,000 'Bir Nibas' for the freedom fighters at a cost of Tk. 4,122 crore to

ensure their safe accommodation. To improve the socio-economic condition of the valiant freedom fighters, construction of Muktijoddha Complex in every district and upazila of the country is at the final stage.

### **Budget proposals in the social protection**

134. Now, I am proposing to increase the coverage of the following social safety net programmes in the next financial year:

- In the current fiscal year, following the existing policy, 100 percent poor elderly people in the most poverty-stricken 112 upazilas have been brought under the coverage of 'old age allowance'. From the next fiscal year, the coverage of the 100 percent deserving beneficiaries will be extended to another 150 such upazilas belonging to the extremely high and high poverty groups. This will add 8 lakh new beneficiaries and an additional allocation of Tk. 481 crore will be provided to this end.
- In the current fiscal year, considering the existing policy, 100 percent of the widows and deserted women in the most poverty-stricken 112 upazilas have been brought under the 'allowance for widows, deserted and destitute women' program. From the next fiscal year, the coverage of 100 percent deserving beneficiaries will be implemented in another 150 such upazilas belonging to the extremely high and high poverty groups. This will add 4.25 lakh new beneficiaries and an additional allocation of Tk. 255 crore will be allocated for this purpose;
- As per the latest disability identification survey, the number of beneficiary of the Insolvent Disable Person Allowance Programme will increase by 2 lakh 2 thousand for which the allocation of this program will increase by Tk. 200 crore in FY 2021-2022.
- Last February, the Hon'ble Prime Minister announced to increase the monthly honorarium of the freedom fighters to Tk. 20,000. Accordingly, the honorarium of the valiant freedom fighters will be increased from Tk. 12,000 to Tk. 20,000 in the next fiscal year. This will require an increased allocation of Tk. 1,920 crore.

135. The present government has been consistently increasing the allocation in the social safety net every year to improve the condition of the poor. In FY2008-2009, the allocation for the social safety net was Tk 13,845 crore, which has increased almost seven-fold to Tk. 95,574 crore in FY2020-2021. In the next FY2021-2022, I am proposing to allocate a total of Tk. 1,07,614 crore in the social safety net sector, which is 17.83 percent of the budget and 3.11 percent of the GDP.

### **Local Government and Rural Development**

#### **Madam Speaker**

#### **Assistance in tackling COVID-19 in rural areas**

136. In response to mitigate the impact of the COVID-19 pandemic in rural areas, the Local Government Division has allocated Tk. 14 crore to 328 municipalities in FY2020-2021. With this allocation, free masks, hand sanitizers and soaps have been provided to the common people and students in hats, bazaars, bus stations, schools and colleges in the municipal areas. In addition, an allocation of Tk 20.2 crore has been made to 4,568 Union Parishads in FY2019-2020 under 'Local Governance Support Project-3' to ensure cleanliness at the grass root level, and masks, sanitizers, soaps/handwash, bleaching powder, etc. were distributed among 6,73,100 households. To deal with the COVID situation, more than 3,000 hand-washing basins have been installed at important locations including health facilities to develop regular hand-washing habits.

#### **My Village My Town**

137. The government has made notable progress in implementing the concept of 'My Village-My Town', one of the main concepts espoused by Hon'ble Prime Minister Sheikh Hasina and a pledge made in the Election Manifesto-2018. The goal under this plan is to ensure that the village as a whole is provided with access to amenities that are available in the town and are required to lead a better life. Under this programme, every village will be equipped with modern facilities of a city through improved roads,

communication, potable water, modern healthcare and sanitation, quality education, improved sewerage and waste management, power and energy supply, computer and high speed internet facilities, quality consumer goods including electrical equipment by expanding market of quality consumer goods in the village. Encouragement and support will be provided for setting up of biogas plants and solar panels on group basis to increase the supply of electricity and energy in the villages and make them more reliable. Rural mechanization services, including repairs of machinery, will be expanded by setting up agricultural machinery service centers and workshops, and through these, productive employment will be generated by providing training to rural youth and agri-entrepreneurs. In addition to these services in the non-agricultural sector, necessary supports, including credit facilities, will be provided to the marginal and small entrepreneurs in the private sector for the manufacturing and marketing of light machinery.

138. As part of the master plan to maintain the growth momentum of the economy by reviving the rural economy, a technical assistance project titled "My Village-My Town" has already been approved, and 15 villages have been selected as pilots. This project will ensure a road system free from the negative effects of climate change; expand civic amenities through the preparation and implementation of the Upazila Master Plan; ensure potable water supply in every village (with special arrangements for supplying safe water in salinity-prone char areas, arsenic risk areas, hilly and haor areas) and phased water supply to the village; and build rural growth centers/bazars and develop effective waste management in villages. In addition, necessary investment plans will be prepared to build infrastructure with community space and recreational facilities in each village and create a positive environment for rural employment.

### **Rural road development and management**

139. There is no alternative to rural road development for sustaining the rural economy and continued development of the facilities in rural life. It is possible to attain all other socio-economic targets, such as access to

education and health, employment, poverty alleviation, women's empowerment and business ventures by ensuring improved rural road network. In FY2020-2021, the commitment to expand the road network coverage from 35.75 percent to 36.75 percent in rural areas is being met. It is worth mentioning that a total of 63,747 km of rural roads have been constructed across the country during the last 12 years of the present government, i.e. from January 2009 to February 2021. As a result, 94 percent of total upazila roads, 79.32 percent of union roads and 24 percent of rural roads have already been completed. During this period, the government has built 3,21,322 meters of new bridges to provide improved mobility to the rural population. To make sure that the benefits of development reach the remote areas of the country, maintenance of 80,825 km metalled rural roads, 375 long bridges have been constructed as well. In addition, as many as 1,438 Union Parishad Complex buildings, 346 Upazila Parishad Complex buildings have been constructed/ expanded. Moreover, a total of 2,154 growth centers and haats-bazars have been developed and 1,762 cyclone shelters have been constructed to provide public services directly to the rural people.

140. The goal of the government is to upgrade the busy rural roads to double lanes to adapt with the fast expansion of rural economy, ensure their sustainable maintenance and build rapid connectivity to the villages that are currently without roads. In the next fiscal year, a total of 3,140 km of new roads, including expansion of the core road network, and 18,500 meter bridges/culverts will be expanded/constructed on those roads in rural areas. A total of 8,500 km metalled roads and 3,800 meter of bridges/culverts will be maintained to make the constructed rural road infrastructure sustainable. In addition, 130 growth centers i.e. haat-bazars will be developed to stimulate agricultural economy, accelerate development, create employment and increase agricultural and non-agricultural production by strengthening the supply chain. 50 Upazila Complex buildings will be constructed/expanded to strengthen local government facilities. 120 cyclone shelters will be constructed in the coastal areas. As a result of these interventions, the road network coverage

in rural areas will increase from 36.75 percent to 38.50 percent. Besides, a target has been set to construct 770 km of roads and footpaths and 250 km of drains in urban areas. Implementation of these projects will create direct employment for 890 lakh man-days in the next fiscal year, and create opportunity for huge indirect employment.

141. Under the 'Amar Bari Amar Khamar' project across the country from July 2009 to June 2021, 56.79 lakh families were selected as beneficiaries, as many as 1,20,465 village development societies were formed, and Tk. 2,991.24 crore has been distributed as recurring loan fund to the association with an estimated cost of Tk. 7,885.27 crore. Under the project, the amount of cumulative investment in the rural economy is Tk. 10,808.65 crore. 32.49 lakh income generating small scale agricultural farms have been created at the family level. A total of 2,74,518 beneficiaries have been trained to enhance various trade-based skills in agricultural production and Tk. 321.17 crore has been disbursed as SME loans among the selected 64,235 graduate members to generate small entrepreneurs at the marginal level. In addition, the Palli Sanchay Bank established under this project will implement poverty alleviation programs for about 57 lakh members of the project and will continue its efforts to make them small and medium entrepreneurs.

142. In the next financial year, I am proposing to allocate Tk. 41,010 crore in the local government and rural development sector which was Tk. 38,338 crore in FY2020-2021.

## **Industrialisation and Trade**

**Madam Speaker**

### **Development of Small and Medium Enterprises (SMEs)**

143. The importance of Small and Medium Enterprises (SMEs) in ensuring economic development and bringing desired growth is immense. The government is working persistently to create equal opportunities for

all to participate in the SME sector that relies on small capital and short production period. The government is implementing priority programmes to develop small and medium entrepreneurs, especially from women, and create industrial workers at the rural and marginal levels. To address the economic impact of the COVID-19 pandemic, the government has adopted several incentive packages for micro, cottage and small and medium enterprises including the provision of low-interest working capital facilities worth Tk. 20,000 crore, most of which have already been implemented. Once these steps of the government in the SME sector are fully implemented, it is expected that the contribution of this sector to the national economy will increase to 32 percent by 2024.

#### **Export diversification and improvement of export products**

144. The Export Promotion Bureau and foreign trade missions are working diligently to bring dynamism in export trade and improve the quality of exported goods and services to consolidate Bangladesh's position in competitive world trade. In addition, participation in trade fairs and individual product exhibitions have continued to expand to consolidate the export market, and showcase Bangladesh's potential products and services to different countries. To draw the attention of buyers from home and abroad, the government has built a big state-of-the-art exhibition centre at the Purbachal New Town area, where international trade fairs and similar exhibitions will be organised in the coming days.

#### **Signing trade agreements to tackle challenges of LDC graduation**

145. To address potential challenges in global trade after the transition from the least developed countries, Bangladesh has adopted the policy of executing Bilateral Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs). Bangladesh signed a bilateral PTA with Bhutan on December 6, 2020. Under the agreement, 34 Bhutanese products will get duty-free access to the Bangladeshi market and 100 Bangladeshi products to the Bhutanese market. PTA negotiations with Nepal are at the final stage. Significant progress has also been made in formal talks aimed at



signing a bilateral PTA with Indonesia. Work on a joint study aimed at conducting a free trade agreement with Sri Lanka is at the final stage. In addition, for the signing of FTA/PTA, feasibility studies to assess trade potentials in different countries, such as Malaysia, Vietnam, Thailand, Japan, Eurasian Economic Commission have been completed, and Bangladesh's feasibility of signing trade agreements with China, Myanmar, Nigeria, Mali, Macedonia, Mauritius, Jordan, USA, Iraq and Lebanon is being explored. There is an initiative to conduct a joint feasibility study on the proposed Comprehensive Economic Partnership Agreement between Bangladesh and India.

146. To reduce trade deficit, measures are being taken to remove tariff and non-tariff barriers by executing bilateral trade agreements. Such agreements have already been signed with 44 countries. To increase competitiveness in exports, the government has continued to provide export incentives to 36 products as in the previous fiscal year. The government has identified 17 products to boost exports in the aftermath of the epidemic, which is expected to play a strong role in sustaining export growth after Bangladesh's transition from the least developed countries in 2026.

#### **Leather and footwear industry**

147. Through BSCIC's leather industrial city project, the government has shifted the tannery industries at Hazaribagh in the capital to an environment-friendly location in Savar to prevent environmental pollution in the Dhaka metropolis and the Buriganga river. Under the project, modern plots have been developed on 200 acres of land at Savar and 155 industrial units/institutions have been allotted those plots for shifting tannery industries. At present, 97 percent of the total work has been completed in the Savar Leather Industrial City. A company called Dhaka Tannery Industrial Estate Water Treatment Plan Company Ltd under BSCIC of the Ministry of Industries has been formed through the Registrar of Joint Stock Companies to manage the Leather Industrial City smoothly.

148. The leather and leather products industry is the second largest foreign exchange earner in the country. This sector directly employs about 6 lakh people and indirectly another 3 lakh people. The contribution of this sector to total exports of Bangladesh is 4 percent. Although the global leather, leather goods and footwear sector has expanded rapidly, the growth rate of leather and leather products exports from Bangladesh has been showing a declining trend in recent years. We have, therefore, taken several steps for the development of this industry. For example, tanneries from Hazaribagh have started production, after being shifted to the Savar Leather Industrial City. Steps have been taken to set up leather industrial cities, especially in Chattogram and Rajshahi.

### **Jute industry**

149. The government is working to make full use of the future potential of the jute sector in the face of increasing demand for jute at home and abroad as a natural and environment-friendly fibre. The government is implementing various research, innovative and promotional activities to diversify the use of jute. To sustain the growth of exports of jute and jute products, the government has continued to organise fairs of jute and jute products at home and abroad. To increase export competitiveness of the jute sector through public-private initiatives, the loss-making state-owned jute mills have been shut down, and the process of restarting them through lease to private entrepreneurs is underway. Arrangements have already been made to compensate the workers and employees of the closed government jute mills.

### **Pharmaceutical industry**

150. At present, more than 97 percent of our domestic demand for medicines is being produced locally. In addition, 43 companies are exporting various medicines and medicinal raw materials to about 92 countries, including the United Kingdom and the United States. To further encourage the growth of our pharmaceutical industry, an API (Active Pharmaceutical Ingredient) industrial park with all kinds of infrastructural

facilities and a central waste treatment plant has been set up at Gazaria in Munshiganj district. At the moment about 95 percent of the API use of our pharmaceutical industry needs to be imported. A pharmaceutical industry based on import-dependent raw materials is not sustainable. Again, the possibility of the termination of the TRIPS waiver facility due to the LDC graduation is likely to increase the price of medicine in Bangladesh in the future. Hence, it is necessary to produce the raw material of the pharmaceutical industry domestically. In this context, the 'National API and Laboratory Reagents Production and Export Policy' has been formulated to increase production, sustain export diversification and encourage domestic and foreign investment through sustainable industrialisation in the API sector.

### **Ready-made garment industry**

151. A substantial portion of Bangladesh's export earnings comes from the readymade garments sector. Over and above earning valuable foreign exchange, this sector is playing an important role in women's empowerment. Moreover, various supplementary service sectors, such as banking, insurance, IT, transport, tourism, etc., have flourished with the growth of RMG industry. The Export Promotion Bureau has been implementing a skill development program for the RMG sector with a revolving fund of Tk. 20 crore under which 10,980 workers have been provided with skills training in FY2019-2020. In addition, the ongoing Skills for Employment Investment Program (SEIP) of the Finance Division has provided skills training and job opportunities to 1 lakh new-entrants, of which 35 percent are women. 35,000 existing workers of the industry also received the up-skilling training. SEIP has also introduced specialized advanced management courses for the mid-level managers of the RMG industry in collaboration with leading universities.

### **Madam Speaker**

152. As per the directives of the Hon'ble Prime Minister, in FY2019-2020, the government started providing an additional 1 percent cash

incentive along with other existing export incentives to the textiles and RMG industry, and as a result, the sector has been able to successfully cope with the effects of the pandemic. As this has continued in the current fiscal year, the textile and garment industry has turned around and achieved the expected exports despite the challenges arising from the pandemic situation. For this reason, I am proposing to continue this additional export incentive at the rate of 1 percent in the next financial year as well.

### **E-commerce**

153. To expand the e-commerce business in Bangladesh and generate more employment opportunities by creating new entrepreneurs in the e-commerce sector, a project titled “I will do e-commerce, build my own business” has been taken up by the Ministry of Commerce. The objective of this project is to develop the skills of new entrepreneurs in e-commerce and create small and medium entrepreneurs in e-commerce in the rural economy of the country. Under this initiative, e-commerce training will be provided to 5,000 new entrepreneurs. Around 3,500 entrepreneurs have already been trained. In addition, steps have been taken under the Bangladesh Regional Connectivity Project to empower women, through which training is being imparted to women entrepreneurs on cut-flower, agro-processing and ICT skills.

### **Tourism industry**

154. As per the 8th Five Year Plan, the government has taken various steps to develop the tourism industry in Bangladesh as a developed, sustainable and prosperous sector. To overcome the negative impact of the pandemic on the tourism sector, the government has formulated a standard operating procedure to keep domestic and international tourism activities following health safety protocols. In addition, various programmes are being implemented, including the development of infrastructure of natural, historical, cultural, religious and pilgrimage sites in Bangladesh.

### **Blue economy with immense potential**

155. The blue economy is beckoning Bangladesh with its immense potential. The huge marine resources covering an area of 1,18,813 square kilometres in the Bay of Bengal will make a massive contribution to our economy if it can be properly harnessed. The government has taken various steps to ensure the exploration, extraction and sustainable use of resources in the Bay of Bengal. For example, measures have been taken to promote commercial fishing of tuna and other large pelagic fishes in Exclusive Economic Zone (EEZ) and in areas beyond national jurisdiction above 200 m depth. Monitoring, control and supervision of marine fishing vessels in those areas have been strengthened. Survey is being conducted using the latest technology to collect data on fisheries and other resources in the deep sea, and a range of activities have been taken to create a skilled workforce in the country and increase the capacity of concerned departments.

### **Dealing with the impacts of coronavirus on industry and commerce**

156. Although the COVID-19 pandemic has had a somewhat negative impact on export earnings in FY2019-2020, the export sector has been able to address that impact thanks to the stimulus and incentive packages of the government. Since the outbreak of the pandemic and resulting critical economic situation, several incentive packages for the export, industrial and agricultural sectors as well as interest subsidies have been announced in phases. It is to be noted that a loan amounting to Tk. 10,500 crore has been provided at low interest to enable payment of salaries and allowances to the workers in the export sector, the major share of which has been provided to pay the salaries and allowances of the workers/employees in the RMG sector. As a result, garment factories have been able to overcome the crisis and keep their exports running. The tea industry has been included in the incentive package to address the financial difficulties caused by the pandemic.

## **Physical Infrastructure**

### **Power and Energy**

#### **Madam Speaker**

157. Bangladesh has already been graduated into a lower-middle-income country from the low income country. To ensure the transition from lower-middle-income to upper-middle income by 2031 and high-income by 2041 as envisioned in the Perspective Plan 2021-2041, there is no alternative to ensuring the provision of quality energy and power supply in view of the rising demand for power and energy to implement necessary socio-economic activities. It is a well-known fact that one of the driving forces of Bangladesh's sustainable economic growth is the provision for uninterrupted supply of electricity.

#### **Outstanding progress in power generation**

158. Thanks to the sagacious and timely steps of the government, the country has achieved an unprecedented success in the last 12 years in the power and energy sector. Generation of electricity at the moment is 5 times higher compared to that in 2009. Total power generation capacity of the country (including captive and renewable energy) has increased to 25,227 MW as of May 2021. Following the implementation of the Prime Minister's pledge to deliver electricity to every household through integrated development of production, transmission and distribution system, 99 percent of the total population of the country has been brought under the electricity coverage. To meet the growing demand for power in Bangladesh, 38 power plants with a capacity of 14,115 MW are under construction, and contracts have been signed for the construction of another 20 power plants with a capacity of 2,961 MW. Besides, 6 power plants with a capacity of 650 MW are in the process of tender, and construction of 33 power plants with a capacity of 15,019 MW has been approved. Due to the strict measures taken by the government, the system loss in electricity has reduced from 14.33 percent to 8.73 percent.

159. Among the mega-projects taken in the power generation sector are the Rampal 1,320 MW coal-based Maitri Super Thermal Power Plant project, Matarbari 1,200 MW Ultra-super Critical Power Plant project and Rooppur 2,400 MW nuclear power plant project. On the other hand, after the construction of 1,320 MW thermal power plant at Payra, commercial power generation has started. At present, 722 MW of electricity is being generated from renewable energy. Solar power plants and wind power plants are being installed to generate 10 percent of the total electricity demand of the country from renewable energy. The government is working to lay all distribution lines and substations underground in the metropolitan area to modernise the power system. There is a plan to increase the number of transmission lines to 28,000 km and the number of distribution lines to 6.60 lakh km by 2030. We expect that through the implementation of these projects, it will be possible to meet the growing demand for transmission and distribution of electricity throughout the country.

### **Ensuring energy security**

160. In line with the process of developing the country's socio-economic condition, the government is striving to meet the growing demand for energy and increase the use and supply of sustainable and safe energy. A large part of our total energy demand is being met by natural gas. Of the 27 gas fields discovered in the country, 20 are currently in operation. In 2009, natural gas production in Bangladesh was 1,744 million cubic feet, which has now increased to about 2,525 million cubic feet. The remaining demand is being met by importing LNG or liquefied natural gas, which is added to the national grid. To this end, two floating LNG terminals with a total capacity of 1,000 million cubic feet have been set up at Maheshkhali in Cox's Bazar district with a capacity of 500 million cubic feet each. After regasifying imported LNG, an average of 600 to 700 million cubic feet of natural gas is being added to the national grid daily. In addition, to increase the supply of LNG, there is an initiative to set up a land-based LNG terminal with a capacity of 1,000 million cubic feet per day in the Matarbari area of Cox's Bazar district.

161. To enhance and consolidate energy security, the government has taken steps to increase fuel oil reserves. In 2009, the country's fuel storage capacity was 8.94 lakh metric tons, which has been increased to about 13.20 million metric tons, and steps have been taken to increase it further.

162. I propose to allocate Tk. 27,484 crore for the Power Division and Energy and Mineral Resources Division in the next fiscal year, which was Tk. 26,758 crore in the current fiscal year.

## **Communication Infrastructure**

### **Madam Speaker**

163. Ensuring modern, safe, sustainable and environment-friendly transport and communication infrastructure is of paramount importance in building Bangladesh as a developed economy. To this end, our government has been working relentlessly to build an integrated domestic and international communication network through continuous and integrated investment in roads, bridges, railways, waterways and airways.

### **Road transport**

164. The government is working to build a modern and sustainable highway network. In tandem with this, implementation of road safety measures, introduction of high-speed public transport system (MRT and BRT) to reduce traffic congestion in Dhaka metropolis and modernization of motor vehicle management is underway. In the last 12 years, the government has implemented 331 road development projects and adopted 452 new projects. During this period, a total of 453.07 km of national highways has been upgraded to 4-lane and above. Among them, Bangladesh's first Dhaka-Mawa-Bhanga Expressway and 4-lane Dhaka-Chittagong National Highway, Dhaka-Mymensingh National Highway and Nabinagar-Chandra Highway are notable. At present, work is underway to upgrade the Elenga-Hatikumrul-Rangpur Highway, the Dhaka-Sylhet Highway, the Chittagong-Cox's Bazar Highway, etc. to four lanes. It is to be noted that the construction work of Itna-Mitamain-



Ashtagram highway project of Kishoreganj district was inaugurated by the Hon'ble Prime Minister in October 2020. To continue with the momentum of development, 26 large projects are being implemented by the Road Transport and Highways Division.

### **Mass Rapid Transit in Dhaka Metropolitan City**

165. The government has adopted a time-bound Action Plan 2030 to build a strong network of 128.741 km (67.569 km long elevated and 61.172 km long underground) with 140 stations (51 surface and 53 underground) under the Dhaka Mass Transit Company Limited (DMTCL) comprising 6 metro rail lines through state-of-the-art public transport to reduce traffic congestion and improve the environment of the Dhaka metropolitan city and surrounding areas. Following this action plan, the construction of the first ever metro rail system (MRT Line-6) is going on in full swing from Uttara 3rd phase to Motijheel, which will be 20.10 km long with 16 stations and capable of transporting 60,000 passengers per hour through fast, safe, reliable, ecofriendly, and remotely controlled modern public transport system. As of March 2021, the overall average progress is 61.49 percent. Basic design and land acquisition activities are underway to extend MRT Line-6 from Motijheel to Kamalapur by 1.16 km as per the direction of Hon'ble Prime Minister. It is of note that activities are underway through DMTCL to start passenger transport in Uttara-Agargaon section of MRT Line-6 by December 2022, and to complete the detailed design of MRT Line-1 and the basic design of MRT Line-5: Northern Route and MRT Line-5: Southern Route feasibility study.

### **Madam Speaker**

#### **Implementing mega projects of bridges and elevated expressways**

166. The Bridges Division has undertaken various mega projects to develop the country's road communication network. Encouraged by the courageous and firm decision of the Hon'ble Prime Minister, the

government has been able to start the construction of the 6.15 km long Padma Bridge using its own funds and bring it to the final stage. To fulfill the pledge made in the Election Manifesto of 2018, we have taken up plans to implement some new mega projects, and fast track the implementation of some ongoing projects.

167. The construction work of the Padma Bridge project is progressing in full swing even after the outbreak of the COVID-19 pandemic. As of February 2021, overall physical progress of the project is 84.50 percent. All-out efforts are being made to open the bridge to traffic by June next year. In addition, the construction of 46.73 km Dhaka Elevated Expressway from Hazrat Shahjalal International Airport to Kutubkhali on the Dhaka-Chittagong Highway is in going on in full swing. Upto February 2021, about 60 percent of the physical progress of the 1st part (Airport-Banani) has been achieved. The overall physical progress of the entire project is 24 percent. Construction of 20 km bus rapid transit (BRT) lane from Gazipur to Hazrat Shahjalal International Airport is progressing fast. After completing the installation of ring of the first tube, construction of the second tube of the 3.32 km Bangabandhu Sheikh Mujibur Rahman tunnel at the bottom of Karnafuli river and other construction works are progressing, and 65 percent of physical work has already been completed.

168. Construction of 24 km Dhaka-Ashulia Elevated Expressway from Hazrat Shahjalal International Airport to Savar EPZ via Ashulia is going to be constructed by China National Import and Export Corporation (CMC) on a G-to-G basis. Land acquisition for the project is currently underway. Besides, construction of a bridge over Meghna river on Bhulta-Araihasar-Bancharampur road, construction of Kalabadar and Tetulia bridges on Barisal-Bhola road, feasibility study for construction of a two-storey road from Mithamoin Cantonment to Marichkhali in Karimganj upazila of Kishoreganj district, feasibility study for construction of Inner Elevated Expressway, feasibility study for construction of a tunnel under the Jamuna river and feasibility study for construction of subways in Dhaka city are underway. Besides, steps have also been taken to build some large bridges in different parts of the country.

## **Master Plan for the development in the railway sector**

169. In today's world, within the land communication system, the railway sector is considered as the safest, comfortable, affordable and environment-friendly means for transporting passengers and goods. Considering the importance of railways as a means of public transport in meeting the demands of our large population for low cost and safe transportation, the government has been taking a range of steps to ensure balanced and integrated development of the sector. As part of the 30 year revised master plan (2016-2045) of Bangladesh Railway, Cox's Bazar, Mongla Port, Tungipara, Barisal, Chattogram Hill Tracts and other parts of the country will be brought under the railway network, and projects have been taken up to establish Padma Bridge Rail Link, Trans-Asian Railway and Regional Railway Network, and connect nearest suburbs with important cities like Dhaka, Chattogram, Rangpur, Dinajpur, Sylhet, etc. by introducing improved commuter train service. Under this master plan, 230 projects will be implemented in 6 phases at a cost of Tk. 5,53,662 crore.

170. Under the 8th Five Year Plan, construction of 798.09 km of new railway lines, construction of 897 km of dual gauge/double railway lines parallel to existing railway lines, rehabilitation of 886.51 km of railway lines, construction of 9 important railway bridges, construction of other crossings, level crossings, and construction and modernization of 160 new locomotives, 1,704 passenger coaches, procurement of modern maintenance equipment, improvement of signaling system at 222 stations, strengthening of railway management and financial management development activities have been undertaken. A train named 'Mitali Express' has been inaugurated on March 27, 2021 to carry passengers on the Dhaka-Chilahati-Haldibari route between India and Bangladesh. Six new trains have been introduced on different routes, and an agreement has been signed to purchase 150 passenger coaches. The approval of the revised manpower structure of 47,703 posts is in the process, which will enhance the quality of service of railways. Among the major projects being implemented in the railway sector, about 40 percent of the Padma

Bridge Rail Link project, about 57 percent of the Chattogram-Dohazari-Ghumdum railway project and about 77.75 percent of the Mongla-Khulna railway project have been completed. In addition, implementation work on the Jamuna Rail Bridge and Rupsha Rail Bridge projects is well in progress.

### **Development of trade-friendly waterways and ports**

171. To increase efficiency of domestic and international land and seaports, the government has been carrying out modernisation and renovation work of these ports to ensure uninterrupted transport of passengers and goods. With the construction and modernisation of yard and terminal at Chattogram Port in the last 12 years, its container handling capacity has increased from about 27,000 TEUs in 2009 to 49,018 TEUs at present. Surveillance has been enhanced including upgrading of necessary equipment of VTMS for safe navigation of commercial ships arriving and departing the Chattogram Port. The digital berthing system has been introduced by reforming the conventional system to ensure the berthing of inbound and outbound ships to the port with transparency and speed. Chattogram Port has gained recognition in the list of 100 container ports, and has ranked 64th position in 2019 in just 10 years, which is 34 notches above. To turn the Chattogram port into a world class port, construction of the Bay Terminal on the coast of Patenga-Halishahar adjacent to the port is underway as part of its expansion plan. Completion of the construction of the Bay Terminal will bring down the turn around time of vessels at the Port to 24 hours from the present 36 hours. In addition, to enhance the cargo handling capacity of Bangladesh considering the future demand for international trade, the ‘Matarbari Port Construction’ project with 16 meters draft and daily container handling capacity of 8,000 TEUs is in progress.

172. Dredging work of 119.45 lakh cubic meters has been completed at various places of the outer bar of Mongla Port Channel. As a result, the port has the facility of handling ships having 10.5 meters draft upto the Harbaria area. Capital and maintenance dredging programme of Rabnabad

channel of Payra port has been undertaken with the funding from Bangladesh Infrastructure Development Fund (BIDF) for the development of strategic infrastructure. It would be possible to increase the draft up to 10.5 meters through capital dredging of Rabnabad channel. With the increase in navigability of the channel, ships with a carrying capacity of 40,000 dead weight tons (DWT) will be able to enter the port. This will bring a large number of foreign ships to the port and add a new dimension to the country's foreign trade. Dredging activities are being carried out in all the required parts of domestic and international routes to make the waterways of the country suitable for navigation. At the Mongla Port and surrounding areas, oil tankers have been procured to remove oil spills in the event of a shipwreck or oil tanker accident.

### **Fleet expansion and airport development**

173. The government has taken various steps to build a world class air transport system. In the last 12 years, Bangladesh Biman has taken various activities to expand its fleet while replacing the old aircrafts. So far, four new 777-300ERs, two new 737-800s and four new 787-8 (Dreamliner) have been added to its fleet. In addition, three Dash-8 aircraft have been added to the fleet on a G-to-G basis. There is a plan to expand and re-launch the international routes of Bangladesh Biman. The government is implementing various projects to increase the capacity of domestic and international airports in Bangladesh. Notable projects include Hazrat Shahjalal International Airport Expansion Project (Phase II), Communication, Navigation and Surveillance-Air Traffic Management System Radar Installation at the same Airport, Sylhet Osmani International Airport Development, Chattogram Shah Amanat International Airport Development and Cargo Terminal Construction, Jessore Airport Development, Construction of Khanjahan Ali Airport under PPP and upgrading of runways of Syedpur, Jessore and Rajshahi airports to 10,000 feet. We expect that implementation of these projects will bring the desired growth in aviation.

174. For the transport and communication sector, I propose to allocate a total of Tk. 69,417 crore, which was 61,447 crores in the current fiscal year 2020-2021.

### **Digital Bangladesh**

#### **Madam Speaker**

175. The dream of building a digital Bangladesh under ‘Vision 2021’ implemented during the tenure of our government has come to fruition today. Bangladesh has reached a unique height in the last 12 years through the maximum and efficient use of information technology. The people of the country are enjoying the benefits of digital Bangladesh in almost every sphere of their day-to-day life. Information technology-based solutions are being used in agriculture, education, health, economy, industry, business and commerce, skills, employment, innovation etc. To build ‘Sonar Bangla’, the dream of the Father of the Nation, the government is formulating and implementing various action plans focusing on five pillars: infrastructural development of information and communication technology, development of skilled human resources in information and communication technology, implementation of e-governance, development of ICT industry; and innovation.

176. The government has taken various steps for the infrastructural development in information technology. For instance, high-speed internet connection has so far been established through optical fibre cable in 18,434 government offices and 2,600 unions across the country. Tier-3 Certified and Tier-4 Certified National Data Centers have been set up in the country, and Disaster Recovery Center has been set up in Jessore. The National Data Center (Tier-III) is providing mail domain, website and application hosting, co-location services, cloud services, etc. in an uninterrupted fashion. So far, 93,000 email accounts have been opened in 625 domains and data storage capacity has been increased to 12 petabytes. The Bangladesh National Digital Architecture (BNDA) platform has been created to ensure inter-portability among all government offices. As many as 254 Agricultural Information Centers have been set up in different

places. So far, 7,469 digital centres have been set up in upazilas, unions, municipalities and industrial areas. Steps have been taken to launch 5G in the country to implement the 4th Industrial Revolution effectively. As part of this initiative, the bands have been initially set at 2500-2690 MHz and 3300-3700 MHz.

### **Application of digital system to tackle impact of COVID-19**

177. The Central Aid Management System (CAMS) has been set up at the direction of the Hon'ble Prime Minister to implement the direct cash transfer program through mobile banking services in the wake of the COVID-19 pandemic. Through this system, cash assistance has been provided to 35 lakh families. The Covid-19 vaccine management system "Suraksha" app has been developed to manage vaccine registration by citizens and vaccine delivery activities. In addition, the 'Porichoy' service has been launched for personal identity verification using the National ID Card Database, which is playing an important role in ensuring that government relief and grants as part of the stimulus packages actually reach the targeted persons. A website named [www.corona.gov.bd](http://www.corona.gov.bd) has been set up to deal with the pandemic, which has live update information on the pandemic, necessary information on what to do, and information on national call centre phone numbers including that of Hotline, Shasthya Batayan and IEDCR Helpline. In addition, 50 telemedicine centres have been set up across the country.

178. A unique service platform has been launched to make all government services easily available at one address for the citizens. The platform provides the facilities for submission of online service application by service seekers, getting updates of the latest status of the application and accessing to online services. So far, as many as 8,045 offices have been connected to this service platform, and 186 services have been made open to all. In addition, various software development activities, including 'Digital Service Digital Lab (DSDL)' to solve the complex issues of digital activities, 'My Gov' for getting government services through mobile apps, '333' to know about the services of

‘Ekseba’ through the call centre, and ‘Porichoy’ for verification of digital identity, are well in progress.

### **Development of High-tech Parks**

179. Bangladesh Hi-Tech Park Authority is setting up 39 Hi-Tech Parks/Software Technology Parks in different parts of the country, out of which 7 are ready for investment. Janata Tower Software Technology Park, Sheikh Hasina Software Technology Park, Jessore and Sheikh Kamal IT Training and Incubation Center, Natore are now operational. In Bangabandhu Hi-Tech City, Kaliakair, space has been allotted to 48 local and foreign companies, and 5 companies have already started production. In addition, high-tech/IT parks are being set up in 12 districts of the country and construction of Sheikh Kamal IT Training and Incubation Centers is underway at 8 places. Besides, construction works of Bangabandhu Hi-Tech City, Kaliakair, Bangabandhu Sheikh Mujib Hi-Tech Park, Sylhet, Bangabandhu Sheikh Mujib Hi-Tech Park, Rajshahi, Business Incubation Center, CUET and IT Training and Incubation Center, KUET and Chittagong Software Technology Park are underway.

### **Human resource development**

180. Skills development initiatives have been launched across the country to develop job-oriented skills and create appropriate employment opportunities for the youth of different ages and groups (men, women, minorities and the disabled). Skills have been developed of more than 3.5 lakh trainees through MoUs with the concerned institutions, and employment of about 2.5 lakh trainees has been ensured. So far, 53,000 trainees have been provided with professional outsourcing training. IT training has been provided to 57,683 women through caravan buses. The e-learning platform of ‘Muktopath’ has opened 10 free tutorials on COVID-19 awareness for the benefit of the general public, including pharmacists, chemists, physicians, and government/private health workers. To create skilled human resources with technical knowledge, about 6 lakh people have so far been given training in technology. In addition, 15



Sheikh Russell Digital Labs have been set up in Saudi Arabia to improve skills of workers staying abroad.

### **Encouraging innovative culture**

181. To nurture the innovative culture, projects with innovative ideas are being financed from the Innovation Fund and other funds. So far, 259 projects of innovative ideas have been provided with funds. To identify the social problems of citizens and facilitate their access to services, various innovative ideas are being identified, developed, implemented in the form of projects and disseminated throughout the country. Across the country, 1,725 out of about 3,500 small and large innovation projects related to agriculture, health, education, disability, environment, empowerment of women, G2B and G2C have been implemented, and implementation of the remaining projects are in progress.

182. To encourage innovation in the private sector, 8 game and apps development centers have been set up in the educational institutions in 8 divisional towns, and 32 game and apps testing labs have been set up in 30 educational institutions at the district level. The Innovation and Entrepreneur Development Academy has been established to provide co-working space to start-ups and provide various types of training. Two companies named the Data Center Company Limited and the Start-up Bangladesh Limited have been formed. Incubator cum Training Centers will be set up at Chattogram and Khulna University of Engineering and Technology, and 'University Innovation Hubs' will be set up at 3 universities to accelerate the process of building innovation culture in the country by creating research opportunities.

### **Celebrating 'Mujib Borsho' by Using Digital System**

183. A website named [www.mujib100.gov.bd](http://www.mujib100.gov.bd) together with contents have been created to celebrate 'Mujib Borsho'. The mobile apps (Android and iOS) of the 'Mujib-100' website have been completed. A holographic projection of Bangabandhu's historic 7th March speech has been prepared. Making Android and iOS apps and animation (interactive) movies based

on the book 'Mujib Amar Pita' written by Hon'ble Prime Minister Sheikh Hasina has been completed. Based on Bangabandhu's unfinished autobiography 'Mujib Bhai', Android and iOS apps and animation (interactive) film production activities are underway. Audiobooks, CDs, digital cards on data from the six-point movement to the independence of Bangladesh have been prepared, and promotional activities for those digital products are underway.

### **Women Empowerment and Child Welfare**

#### **Madam Speaker**

184. Due to timely implementation of policies and strategies under the able leadership of Hon'ble Prime Minister Sheikh Hasina, Bangladesh has been a role model in women's empowerment and development. The government is committed to empower women in the political, economic and social spheres. We are also committed to the elimination of gender inequality and the establishment of children's rights through the implementation of all plans, implementation of various activities in line with the National Women's Development Policy 2011 and integrating them into the mainstream of overall development. In line with the 8th Five-Year Plan, infrastructure development and communication services for women are being enhanced and institutional capacity is being strengthened to ensure women's capacity, economic participation and benefits, and opportunity for raising their voice and representation.

185. We are always striving to ensure protection of women and children from any kind of violence. We are implementing an incentive package for women to enable them to address the ongoing impact of COVID-19 and facilitate economic recovery. We are providing maternity allowances and working and lactating mother allowances to meet the health and nutritional needs of poor pregnant women in rural and urban areas and ensure complete development of the child, and we are running micro-credit activities to ensure self-employment of women. The government has been implementing activities under the Multi-sectoral Program for Prevention

of Violence against Women. In addition, One-Stop Crisis Centers for women and children victims of violence in divisional districts and medical college hospitals in 6 districts have been set up. A total of 67 One-Stop Crisis Cells including 47 in district sadar hospitals and 20 in upazila health complexes has been established. Besides, instant support is being provided through the mobile app 'Joy'. A piece of legislation called the Prevention of Violence against Women and Children (Amendment) Act 2020 has been enacted.

186. The Child Daycare Act 2021 has been drafted and awaits enactment. We are establishing daycare centres for children, expanding child development centres for extremely poor and marginalised children and implementing projects on employment generation for destitute and helpless women in the southern districts of the country. We have planned to eliminate child marriage for children under the age of 15 by 2021. Steps have been taken to make less educated, poor and helpless women self-reliant by providing income generating training and IT training. Projects for the establishment of Community Nursing Degree College for Women in Dhaka, and the 'Advancement of Women Entrepreneurs to Gain Economic Empowerment at the Grassroots Level' are in progress. We will continue this pace of development by implementing all these activities and ensuring the prevention of violence against women, workplace safety for women and their overall socio-economic development.

187. I am proposing an allocation of Tk 4,191 crore for the Ministry of Women and Children Affairs in the next fiscal year, which is Tk. 3,860 crore in FY2020-2021.

## **Climate Change and Environmental Protection**

**Madam Speaker**

### **Tackling climate change and protecting environment**

188. To get information on the level of air pollution, 16 round-the-clock air monitoring centers are being set up in Dhaka and other cities of the

country. Information and data collected from this air quality monitoring are stored and analysed scientifically to determine the air quality index, which is published in the website on a daily basis. To reduce noise pollution, the Bangladesh Secretariat area has been declared as horn-free zone. Besides, to reduce air pollution and control and reduce the use of top soil, priority is being given to the production and use of various blocks made of hollow bricks and clay substitutes in line with the Brick Making and Kiln Installation (Control) Act 2013 (Amended 2019). A circular has been issued to ensure the mandatory use of cent percent eco-friendly blocks instead of bricks by 2025 in government construction, repair and renovation works.

189. As part of the UNFCCC's obligation to create and update national greenhouse gas inventories to address the adverse effects of climate change, implementation of the project titled 'Bangladesh: First Biennial Update Report to the UNFCCC' is underway. The approval process for the 'Adaptation Initiative for Climate Vulnerable Offshore Small Islands and Riverine Char Lands in Bangladesh' project to take adaptive action on small islands and offshore islands along climate vulnerable areas is in progress. In addition, the government is going to implement the 'Developing Bangladesh National Red List of Plants and Developing Invasive Plant Species Management Strategy for Selected Areas' project, which will create a Red List Index of 1,000 plant species in the country and prepared a management strategy for controlling alien invasive plant species in 5 selected areas.

190. Climate policy, plans and strategies adopted by the government have been integrated with the government budget management through the "Inclusive Budgeting and Financing for Climate Resilience" project being implemented by Finance Division. As of now 25 Ministries/Divisions have enabled the climate change dimension in their Ministry Budget Frameworks. Besides, the Climate Fiscal Framework adopted by the government in 2014 has been updated in 2020 and its remit has been broadened to include innovative financing issues including private sector participation in climate finance. It is worth mentioning that each year since

FY2017-2018, a report titled "Climate Financing for Sustainable Development" is being presented to the National Parliament during the presentation of the budget. Hon'ble Members of Parliament as well as the people of the country are being informed regularly of the government's commitment and resource allocation for tackling the adverse effects of climate change.

### **Sports, Culture and Religion**

#### **Madam Speaker**

191. The government has been formulating and implementing policies and strategies to improve the quality of our sports in the national and international arena. Construction and development activities of modern stadiums, gymnasiums, swimming pools and sports infrastructure have been continuing with the aim of augmenting sports opportunities across the country, and as a part of this, construction of Upazila Sheikh Russell Mini Stadium is underway. Besides, implementation of 14 projects for construction and development of sports infrastructure are in progress in FY 2020-2021.

192. Digital preservation and management of films has been introduced instead of traditional methods through the implementation of the project titled 'Preservation of Film Archives through Information Technology and Restoration of Bangladesh Film Archive Activities'. The government is currently implementing various projects to modernise Bangladesh Television and Radio Centerx and developing digital broadcasting systems across the country. The Journalist Welfare Trust, set up in 2014 to provide assistance to impoverished journalists, is providing grants to journalists of various categories (eg, assassinated journalists, injured journalists, sick and impoverished), and an allocation of Tk. 10 crore has been provided in the budget for current financial year. Besides, at the initiative of the Hon'ble Prime Minister, Tk. 38.10 crore has been deposited as seed money to the trust fund.

193. Hajj pilgrimage to Saudi Arabia will be kept on hold this year like last year due to the continuation of the COVID-19 pandemic. However, Hajj management is being ensured through information technology including the introduction of e-Hajj system to complete all the functions of Hajj in the coming years. Upward expansion and renovation of the Hajj Camp building are progressing fast to accommodate all service providers. 1,000 Imams have been provided interest-free loans and 4,000 distressed imams have got financial assistance in the current financial year under the Imam and Muazzin Welfare Trust. Welfare activities are being carried out in a coordinated manner through Hindu, Buddhist and Christian Welfare Trusts for the people of respective religions to ensure communal harmony and peaceful social order. A grant of Tk. 3.66 crore from the profits of the endowment fund has been provided to 747 churches/cemeteries/places of worship and religious institutions since the establishment of the trust.

### **Planned Urbanization and Housing**

#### **Madam Speaker**

194. The government has taken up a comprehensive plan to ensure well-planned urbanisation and sustainable housing for all. In building cities suitable for an economically prosperous modern state, the government has taken remarkable initiatives, such as modernisation of old city, increasing civic amenities in city, construction of satellite cities, encouraging construction of multi-storied buildings by ensuring economical use of limited land, discouraging construction of houses on arable land to prevent misuse of land, and ensuring housing for marginalised and homeless people, etc.

195. To modernise megacities of the country and ensure their planned growth, master plans of various durations are being prepared. For example, the preparation of ‘Detailed Area Plan (DAP)’ by RAJUK for the period of 2016-2035, and of ‘Chattogram Metropolitan Master Plan’ by Chattogram Development Authority for the period of 2020-2041 is

underway. Similar master plans will be prepared for other major cities. With the implementation of these plans, quality urban life will be ensured as there will be development of sewerage, elimination of waterlogging, elimination of traffic congestion, and reduction of environmental pollution. Promised by the Hon'ble Prime Minister, steps have been taken to build four satellite cities in the vicinity of Dhaka, the capital city, considering its growth. Moreover, there are plans to build Bangabandhu Satellite City at both ends of the Padma Multipurpose Bridge.

196. Following the directives of the Hon'ble Prime Minister, the government is formulating and implementing projects to increase the housing facilities of government officials and employees from 8 percent to 40 percent. Under this project, 2,762 residential flats have been constructed in FY 2020-2021. Another 1,536 flats will be constructed across the country including Dhaka. In addition, to solve the housing problem in the Dhaka metropolitan area, a plan has been taken up to construct 60,000 new residential flats in Purbachal new town and 8,400 residential apartments in Uttara Sector 18.

197. Keeping in view the pledge of the Hon'ble Prime Minister as reflected in "Ashrayon er Odhikar, Sheikh Hasinar Upohar (Right to have Shelter, Sheikh Hasina's Gift)", the government has taken an initiative to solve the housing problem of all landless and homeless marginalised people of the country. On the occasion of Mujib Barsho, the 'Providing Housing for all Landless and Homeless People of the Country Policy 2020' has been formulated. Under this policy, a target has been set to construct a semi-detached house for each family by allocating 2 decimal khas land during the Mujib Barsho. As per the design approved by the Hon'ble Prime Minister, it will be a 394 sq ft house of two rooms having one toilet, kitchen and veranda. The construction of a total of 1,13,593 houses across the country has already been completed under the Ashrayon Project, the Ministry of Disaster Management and Relief and the Guchchhgram Project of the Ministry of Land. Hon'ble Prime Minister Sheikh Hasina inaugurated the programme of providing free land and

housing to 69,904 families on 23 January 2021. This is the first instance in the world that such a large number of families have been given free ownership of land and house together. All the landless and homeless families of the country will be provided free houses in phases. With the implementation of this program, it would be possible to ensure quality life for the landless and homeless people of the country and to reduce the rate of poverty. A total of 37,254 climate refugee families have so far been rehabilitated across the country under the Guchchhgram-II project. In FY 2021-2022, a target of rehabilitating another 1,000 landless poor families has been set.



## **Chapter Nine**

### **Reform and Good Governance**

#### **Madam Speaker**

198. Reforms are essential for establishing good governance. In ensuring balanced development, attracting investment and improving business environment, the importance of reforms is immense. Therefore, we took up various reforms initiatives and implemented them earnestly. I would like to highlight some of the reform initiatives taken by our government in various sectors.

#### **Accelerating structural transformation of the economy**

199. The country has been gradually moving from an agro-based economy to a production-oriented economy following the pursuit of effective government policies and strategies during the last 12 years. Therefore, the contribution of agriculture to the GDP has been gradually declining and the desired structural transformation is taking place in the economy. Bangladesh has already qualified for graduation from a least developed country to a developing country. To maintain its position among the developing countries and become a higher middle income country by 2031, we need a strong industrial and manufacturing sector, which will help sustain high economic growth. We, therefore, need to accelerate this structural transformation of the economy, and take it as a priority agenda. To this end, the government will provide necessary financial assistance for the implementation of the following activities, namely- (1) mechanisation of agriculture, (2) development of the agro-processing sector, (3) skill development and productivity enhancement, (4) expansion of training and education related to 4th Industrial Revolution, (5) encouragement of online based outsourcing work, (6) Self-employment/creation of new entrepreneurs, and (6) encouragement of basic and practical research at the university level.

## **Attracting investment**

200. Seminars-workshops, road-shows and trade shows are being organised and sponsored at home and abroad to attract investment. Through these arrangements, we can identify new investors, which will help augment investment. The government will take effective steps to build infrastructures and provide other policy supports to improve the investment-friendly environment.

201. To increase investment and generate employment, steps have been taken to establish 100 Economic Zones across the country, which will provide employment opportunity of an estimated one crore people. Approval has already been issued for the establishment of 97 Economic Zones. Production has already been begun in 9 Economic Zones and the development work in 28 Economic Zones is in progress, which have provided employment opportunity for around 40,000 employment seekers. In addition, employment opportunities for another 8 lakh people will be created. Till date, investment proposal worth US\$ 27.07 billion from a total of 210 investors has been received in these Economic Zones, of which about US\$ 1.60 billion is foreign investment. The largest Economic Zone in the public sector 'Bangabandhu Sheikh Mujib Industrial City' is being developed in Mirsarai, Sonagazi and Sitakunda Upazilas on 30,000 acres of land as a planned and modern industrial zone.

202. The government is laying special emphasis on the implementation of projects under Public-Private Partnerships (PPP) to attract investment required for the implementation of the government's development plans. At present, as many as 76 projects are scheduled to be implemented under the PPP, against which the investment worth US\$ 27.76 billion has been mobilised. One project under PPP has already been implemented and 6 more projects are under implementation. The process of bringing Customs Bond Management under automation is underway so that the manufacturing activities of export-oriented industries like the readymade garments industry also come under the Customs Bonded System. The tender process for procurement of relevant solutions and software for

automation has been completed. It is expected that this will bring dynamism in the production and exports of all types of export-oriented industries.

### **Improvement in the Ease of Doing Business Index**

203. The World Bank's Ease of Doing Business Index is used to indicate how well the business environment of a country performs. Bangladesh's position in that index has improved from 176th to 168th in 2019 and it has been included in the top 20 countries that have undertaken massive reform activities to improve the Ease of Doing Business Index. The Bangladesh Investment Development Authority (BIDA) is working to improve further Bangladesh's position in the index within double digits, i.e. below 100. To this end, BIDA has set up a specialised team to accelerate implementation of various reform activities.

204. The One Stop Service (OSS) portal system has been in place since 2019 to provide all investment related services from a single platform. Services of various companies related to investment are being added to the portal in phases. A total of 42 services of 12 companies are being provided online in the current financial year with the target of providing 154 investment services of 35 companies through One Stop Service (OSS) portal. The remaining services will be added to the portal in the next financial year. Although the Ease of Doing Business Index of 2020 is yet to be released, it is expected that Bangladesh's position will improve significantly.

### **Automation in land management across the country**

205. Automation in land management will be done across the country for the purpose of mutation, payment of land development tax, collection of parchas, and making delivery of all services quick and free from hassle. All services related to land will be brought under automation through 18 softwares. Moreover, to ensure protection of agricultural land and food security, national digital land zoning based on mouzas and plots will be

conducted across the country. If digital land zoning is made according to the nature of the use of land, decisions can be made about the protection of agricultural land in the country and it will be possible to ensure optimal use of land. Steps have been taken to bring all the revenue court cases in the country under an integrated networking system. This will give an impetus to the disposal of cases in all the revenue courts of the country and alleviate the sufferings of the people.

### **Implementation of E-Judiciary**

206. To bring greater dynamism in the judicial process, steps have been taken to digitalise the overall justice system in the country through the development of necessary infrastructure related to information technology. To that end, the country's overall justice system will be digitised under the e-Judiciary project. Every court in the country will be turned into an e-court, and the trial will be conducted through video conferencing without the need for the notorious culprits to appear in court. All the activities of the Supreme Court and the lower courts will be brought under automation and network. Information on the current status of the cases pending in the lower courts, the date of hearing, and the full verdict will be published on the website regularly. If these initiatives are implemented, the litigants would soon be able to enjoy the benefits.

207. The 'Land Registration Management Automation' project has been launched to digitise the land registration system. Once the project is implemented, citizens will get land registration services electronically. As it will be based on ICT, it will make the land registration process easier, enhance transparency and reduce land disputes.

### **Prevention of corruption**

208. The government has been providing adequate legal and financial assistance to the Anti-Corruption Commission, based on its demand and requirement, to carry out the anti-corruption and prevention activities in a transparent, impartial and effective manner. To further strengthen the

Commission, there are plans to fully automate overall activities of the Commission. To enhance the institutional capacity of the Commission, a web-based software will be developed for proper monitoring of investigation and case management work. The government will continue to take strict measures in curbing corruption.

### **Reforms in the financial sector**

209. The government is implementing various activities to reform and develop the financial sector. This includes banking sub-sector, capital market, insurance and other financial sub-sectors. Structural and sustainable reforms have been taken up to facilitate the overall development of the banking sub-sector. To this end, steps have been taken to update/reform the following laws, which is now in the final stage: (i) Bank Company (Amendment) Act; (ii) Payment Systems Act; (iii) Secured Transaction Act; (iv) Bankruptcy (Amendment) Act; and (v) Asset Management Company Act.

### **Mobile banking and agent banking services**

210. Mobile banking has been introduced to bring banking services to the underprivileged in remote areas, which is playing an important role in bringing mainstream banking services to the doorsteps of the marginalised. At present, transaction worth, on an average of Tk 1,745 crore is being carried out through Mobile Financial Services (MFS) every day. So far, as many as 16 banks have launched this service. The cash assistance announced by the Hon'ble Prime Minister to address the economic impact of COVID-19 has also been provided to the beneficiaries of about 35 lakh marginalised families through the MFS system. Under an incentive scheme, the cash out charge has been reduced from 1.85 percent to 0.8 percent for payment of salary to the workers of export-oriented industries. The personal transaction limit for purchase of essential food items and medicines through MFS has been increased from Tk. 75,000 to Tk. 200,000 and the cash out charge has been waived up to Tk. 1,000, and the transaction charges of the sellers of such products have been waived.

211. Agent banking has been introduced across the country to bring banking services to rural areas in a safe and cost-effective manner. A new Prudential Guidelines for Agent Banking Operations in Bangladesh has been issued consolidating all the guidelines issued earlier for smooth management of this system. As a result, agent banking is spreading massively across the country. The widespread expansion of agent banking has created a positive impact on the flow of remittances.

### **Rationalisation of interest rates**

212. In the last financial year, we brought the interest rate on bank loans to single digit. In addition, efforts are being made to limit the average weighted interest rate on loans and deposits in sectors other than high-risk credit cards and consumer loans to a single digit level. Guidelines on Credit Card Operations of Banks are being issued to be followed and complied with to ensure transparent and efficient management of the credit card business of the banks and to address the associated risks more effectively and efficiently. The bank rate has been reduced from 5.00 percent to 4.00 percent in line with the interest rate rationalisation policy.

### **Debt rescheduling and liquidity management**

213. Due to the prevalence of the COVID-19 pandemic, deferral facility has been provided for loan classification for a period of one year from January 1, 2020 to December 31, 2020. To facilitate the repayment of outstanding loan installments, from January 2021, the borrower has been given an opportunity to increase the term of the existing unclassified term loan account by a maximum of 50 per cent. As a result of these initiatives, classified loans have declined compared to that of the previous year.

214. A number of reforms have been undertaken with the spirit of building a good credit culture in the country. For example, good borrowers will be given incentives. A software has been launched for the monitoring of large loans of banks, through which clear idea about bank-wise large loans of the entire banking sector will be available and it will be possible

to take necessary actions accordingly. To maintain the stability of the financial sector, steps to form a Financial Stability Council are underway. To ensure stability in the financial sector, financial stability map will be prepared in future in line with international best practices and stress testing guidelines will be formulated considering the systemic risks.

215. We have taken some important steps to keep the liquidity management of the money market smooth. For example, the Compulsory Cash Deposit Rate (CRR) has been reduced to 4.00 percent for internal units of scheduled banks, 2.00 per cent for offshore units and 1.5 percent for financial institutions. The overnight repo rate has been reduced from the current 5.25 percent to 4.75 percent. In addition, a special 360-day special repo has been introduced. Again, the reverse repo rate has been reduced from the existing 4.75 percent to 4.00 per cent.

#### **Revitalisation of stock market**

216. The government is implementing various reform measures to make the capital market dynamic and vibrant. A few more initiatives will be taken soon to make the stock exchange a profitable institution and keep pace with the times. Some of them include introduction of Government Treasury Bonds in the capital market, introduction of various instruments of modern capital market such as: Sukuk, Derivatives, Options, introduction of OTC Bulletin Board, introduction of ETF, Listing of Open End Mutual Fund, etc.

#### **Insurance services**

217. In order to make the insurance service people-friendly and welfare oriented, steps have been taken to introduce expatriate insurance, agricultural insurance, health insurance, livestock insurance, crop insurance for Haor area. The feasibility of introducing micro-insurance to alleviate poverty is being explored. Steps have been taken to enhance women empowerment by bringing poor women under micro insurance. In addition, there will be initiatives to introduce automation in the insurance

sector. In the meantime, the uniform Know Your Customer (KYC) system has been introduced.

### **Introducing the green transformation fund**

218. With a view to expanding the country's Green Economy, a fund of 200 million US\$ refinancing scheme called Green Transformation Fund (GTF) has been set up to ensure sustainable development of export-oriented textile and leather industries. Recently, an amount of 200 million Euro has been allocated to the fund. This scheme can be used for import of eco-friendly equipment and import of raw material by importer.

## **Public Financial Management**

### **Madam Speaker**

#### **Formulation of public financial management reform strategy**

219. One of the goals of public financial management reform is to ensure prudent macroeconomic management and good financial governance. Keeping in mind this goal, the Public Financial Management Reform Strategy (2016-21) has been formulated on the basis of Public Expenditure Financial Accountability Assessment-2016. To implement this strategy, Public Financial Management Action Plan (PFM Action Plan 2018-23) has been prepared. There are 5 objectives in this action plan, under which there are 14 specific components. Once implemented, this action plan will enhance the quality of public services together with financial transparency.

#### **Issuance of Sukuk bond**

220. In addition to the traditional financial system, dividend-based financial activities are also expanding in Bangladesh and this type of banks and financial institutions are playing an important role in the country's economy. We have introduced a Shariah-compliant investment instrument or sukuk to integrate this evolving trend of the economy into development finance. To address the Sukuk issue, we have formulated a



guideline entitled Government of Bangladesh Investment Sukuk Guideline, 2020 and signed a Memorandum of Understanding (MoU) with Bangladesh Bank on 22 December 2020. Through this, Bangladesh Bank has been given the responsibility of managing Sukuk assets, as Special Purpose Vehicle or SPV for Sukuk issuance and as Trustee for safeguarding the interests of Sukuk investors. The two separate branches of Bangladesh Bank are working independently as SPV and Trustee.

221. For the Sukuk issuance, we have declared the 'Safe Water Supply Project across the country' as an asset and have decided to issue a five-year lease of Sukuk for a total of Tk 8,000 crore in two installments of Tk 4,000 crore as recommended by the Shariah Board. On December 28, 2020, the first installment of Tk. 4,000 crore was leased and we have received an unprecedented response from investors. On the one hand, our initiative will increase the opportunities for Shariah-compliant financial system in the country, as well as help deepen the bond market, which will play a strong role in the development of the country's financial sector.

### **Madam Speaker**

#### **Upgradation of IBAS++**

222. IBAS++ (Integrated Budget and Accounting System) software developed by local experts has fully launched budgeting, budget implementation and accounting activities in all civil administration, defense and railways and consolidation and integration of these 3 accounting systems has begun in the current financial year, which is expected to be completed in the next financial year.

#### **Simplification of fund release procedure of project**

223. Earlier, in order to simplify the procedure of funds release of development projects, steps were taken to complete the disbursement of first and second installments of approved government projects automatically. However, the release of the third installment required the consent of the Administrative Ministry and the fourth installment required

the consent of the Ministry of Finance. According to the revised authority from the fiscal year 2020-21, there is no need to take the consent of the Ministry of Finance and the Administrative Ministry. The fund will be deemed to have been automatically released. This reform will accelerate the implementation of development projects.

224. Steps have been taken to complete the online fund release of the development project. That is, with the allocation of funds in the budget, the PL (Personal Ledger) account will be opened automatically according to the existing name and code of the organisation under the Public Account of the Republic and the concerned authority will be empowered to issue EFT. The Accounts Office will transfer the money to PL from the consolidated fund, and the concerned authority will pay the money directly to the person or organisation through EFT. This will automatically ensure the availability of funds every three months without involving any administrative process.

### **Expansion of G2P**

225. Social Security Allowance Beneficiaries are being remitted directly from the government exchequer in the form of G2P through banks or mobile banks. All major social security programmes including old age allowance, widow allowance, disability allowance, freedom fighter honorarium, maternity allowance, education stipend are being expedited through the process of cash transfer. As a result, transparency in social security programmes has increased. In the last financial year, an amount of Tk. 3,000 crore was disbursed through one crore EFT in this system.

### **Automation of Challan**

226. The challans used for depositing money in the government treasury have been fully automated. Now, challans can be submitted online through debit/credit cards and bank account staying home. As a result, the process of paying service fees for government service will be easier, challans will be deposited in the government treasury immediately, and this will ensure discipline and transparency in financial transactions.

## **Chapter Ten**

### **Revenue Collection Activities**

#### **Madam Speaker**

227. As in every year, the major portion of the total budget expenditure will be mobilised from internal resources that will be collected by the National Board of Revenue (NBR). The target of internal revenue is set based on budget size. There are mainly two sources of revenues: NBR revenue, non-NBR revenue. Almost 85 percent of the total revenues is collected by the NBR. Although the main purpose of the NBR is to collect revenue, various types of tax exemption, reduction in rate or tax benefits have been given with respect to income tax, VAT and customs duty for the sake of industrialisation, employment generation, increase of business scope, protection of domestic industries, attraction of foreign investment and establishment of a just and equitable society. In spite of the fact that our tax-GDP ratio is comparatively low, the revenue income has sustained growth every year.

228. Against the backdrop of prevailing uncongenial atmosphere in business due to COVID-19 pandemic from March of Financial Year 2019-2020, our revenue growth up to April, 2021 of the current Financial Year is 9.63 percent. The revenue collection process of the Financial Year 2020-2021 is going on. Despite of the continued slow-down of business throughout the year, we tried to keep up the pace of our economy and GDP. However, the apprehension remains that the economy will not come to normalcy in the coming financial year. We formulated our fiscal policy taking the COVID-19 pandemic, recession and instability of world trade and commerce into account. In consideration of the impact of COVID-19 pandemic in business, we, in this budget, put emphasis on protection of public health, employment creation and speeding up the pace of our economy along with revenue collection.

### **Madam Speaker**

229. We have taken practical measures to provide easy and seamless services to the taxpayers, businessmen and citizen through automation and digitalisation of Income Tax, VAT and Customs Departments under the NBR. The reform measures taken so far have already been implemented. E-payment services have been initiated through establishment of necessary interfaces with the Bangladesh Bank for online payment of taxes. Now, the taxpayers can pay their taxes from home at their convenient time through their own bank accounts without physical presence at the premises of Bangladesh Bank or the Sonali Bank.

230. The internal sources will be the main field of revenue collection for uninterrupted economic progress amid global economic stagnation. Keeping the prevailing circumstances in mind, we want to bring the taxpayers under the tax net through reforms in tax systems, expansion of tax scope and motivating the taxpayers and all e-TIN holders to submit their annual tax returns voluntarily. The Income Tax Departments have already taken steps for return submission of non-filer companies. The National Board of Revenue and Institute of Chartered Accountants of Bangladesh (ICAB) have jointly introduced Document Verification System (DVS) to determine the authenticity of the audited statements of accounts submitted by the taxpayer companies. This initiative will bring transparency in disclosed income of the companies. An activity regarding system integration between National Board of Revenue and Bangladesh Road Transport Authority is going on with a view to exchange of information, pulling and storing of data and checking the authenticity of stored information. We hope that this initiative will be helpful in identification of new taxpayers and prevention of tax evasions. E-TDS system has also been introduced for monitoring of tax deduction and collection. We have taken all necessary measures so that the taxpayers can submit their annual income tax return online from next year. This initiative will help the taxpayers for submission of their income tax return conveniently and as a result, number of new taxpayers will also be increased

### **Madam Speaker**

231. After simplification of value added tax act and rules in accordance with international best practices for creating business friendly environment, Value Added Tax and Supplementary Duty Act, 2012 has been implemented since 01 July, 2019. Automated online registration is a mentionable achievement of this Act. So far, more than two lac taxpayers have received 13 digits registration number online. To make the registration system more dynamic and reliable, activities are going on for establishing interfaces with the Registrar of Joint Stock Companies and Firms, Office of the Chief Controller of Imports and Exports, National Identification Card authority, City Corporations and Commercial Banks.

232. The VAT Online Project is working for bringing transparency in VAT collection and establishing an ICT based VAT administration system. This initiative has resulted submission of about 70 percent online VAT return so far. In order to ensure easy, transparent and hassle-free VAT collection, from August 2020, The NBR has started installing EFD (Electronic Fiscal Device)/ SDC (Sales Data Controller). 3,000 EFDs/ SDCs have been installed in business establishments in Dhaka city so far under this project. To make this initiative 100 percent effective, the consumers are being rewarded through lottery on EFDMS issued invoices every month. We are hopeful that the general consumers will make this project successful.

### **Madam Speaker**

233. A new Customs Act, 2021 is being formulated in accordance with international best practices followed in worldwide customs management. The law is now at the vetting stage. It will be placed in the Parliament very soon. The Customs Department has been using automated customs management system since long. The activities of customs department are being operated under the Web-based ASYCUDA World system interfacing with the computer system of the Bangladesh Bank, the Sonali Bank, the Navy and the Chattogram Port Authority. It has facilitated E-LC

management monitoring, prevention of money laundering, dangerous cargo monitoring and assessment of exported and imported goods and container management through manifest data sharing.

234. Different types of reform activities are going on to enhance the capability of the revenue administration. All the training academies under the National Board of Revenue have been modernized where time befitting training activities are being organized regularly. Expansion of revenue administration including the National Board of Revenue is going on with a view to improving the quality of services and enlarging the scope of tax. We believe that we will be able to achieve the estimated revenue target of the financial year 2021-2022 through effective tax policy, efficient tax management and participation of all stakeholders including the businesspersons.

## **Chapter Eleven**

### **Income Tax, Value Added Tax and Import-Export Duty**

#### **Direct Tax: Income Tax**

##### **Madam Speaker**

235. Direct tax or income tax is the key agent for tapping internal resources as well as mitigating social and economic inequalities. At present, the share of income tax to the total revenue collected by National Board of Revenue stands at around 35 percent. In recent years income tax recorded an average growth rate of 15 percent or above, and this growth is continuously maintaining an upward trend. Considering 2013 as the base year, the growth recorded in tax net is 455 percent; which is expected to improve even further by the policy interventions initiated through this budget. Analysis of facts and figures of different countries of the world reveals a growing tendency of income and social inequality among the citizens as an outcome of economic growth. The main objectives of imposing income tax are to ensure reduction in income inequality and establish social justice by providing adequate revenue for the overall development of the country, ensuring macro-economic stability, bringing discipline in public financial management through redistribution of wealth with a view to establishing a largely welfare state. Formulating a welfare-oriented and people-friendly income tax law is an important agent in achieving these objectives. In the proposed budget, policy initiatives have been undertaken with a view to mitigating the damage to the global and local economy already caused by COVID-19 including its impending fallouts, dissipating social inequality, promoting high-tech industries, developing skilled human resource, upgrading the standard of health services and creating an overall environment conducive to business and investment.

### **Madam Speaker**

236. After taking charge in 2009, the government has initiated a taxpayer, business and investment friendly philosophy in collecting taxes. The crux of the philosophy is to facilitate and encourage investment in the economy by gradually easing out the burden of tax payment. You are well aware that the tax-free income ceiling for individual taxpayers has been significantly increased to Tk. 3,00,000 in FY 2020-2021 from what was only Tk. 1,65,000 in FY2009-2010; and this tax-free ceiling is even higher for the females, senior citizens, physically challenged and the wounded freedom fighters. The tax rate for companies not listed in the stock market has gradually been reduced to 32.5 percent in FY2020-2021 from what was 37.5 percent in FY2009-2010. This issue has again been addressed this year, deliberations on which is recorded in the later part of my speech. Also, in light of this policy, the tax rate for companies listed in the stock market and banks, insurance companies and financial institutions has gradually been reduced from 27.5 percent and 42.5 percent to 25 percent and 37.5 percent respectively between FY2009-2010 and FY2020-2021. Continuation of this befitting policy has offered comfort to the taxpayers and has also generated investment and created employment opportunities in the country.

### **Madam Speaker**

At this point, I present before this august House some important proposals related to income tax for the FY2021-2022:

237. The present ratio of private investment to GDP stands at 23 percent. The government has taken initiatives to improve this ratio. Reduction in corporate tax rate is expected to facilitate achieving the target for private investment to GDP ratio. In line with the ongoing trend of globalization and in light of the ongoing COVID-19 situation, revisiting the existing tax rate in Bangladesh is a demand of the time. A competitive



tax rate coupled with the prevailing business-friendly environment will make a significant contribution towards expansion of trade and commerce and industrialization in the country. Keeping these as well as the expectation of the business community in mind and to pave the way for rapid growth of trade and commerce, the corporate tax rate was brought down to 32.5 percent from 35 percent in FY 2020-2021. I propose to further reduce the tax rate for companies not listed in the stock exchange to 30 percent from 32.5 percent, and the tax rate for listed companies to 22.5 percent from 25 percent for FY 2021-2022. The existing tax rate of 32.5 percent for companies is also applicable for One Person Companies (OPCs). With a view to further formalize the economy and to encourage formation of One Person Companies, I propose a tax rate of 25 percent for the One Person Companies.

**Madam Speaker**

238. You are aware that in some cases artificial juridical persons used to enjoy the facility of paying taxes at the rate applicable for individual taxpayers, which is inconsistent with our philosophy of taxation. I, therefore, propose to fix the rate of income tax for artificial juridical persons and other entities, not otherwise defined, at 30 percent instead of the rate applicable for individual taxpayers. The applicable rate of tax on income arising out of operation of private universities, private medical, dental and engineering colleges as well as private colleges engaged solely in imparting education on ICT has been reduced to 15 percent through an SRO. I propose before this august House to include this rate of 15 percent in the Finance Act.

**Madam Speaker**

239. I propose the following overall corporate tax rate for FY 2021-2022 applicable for all classes of taxpayers other than individuals:

**Tax rate for company and others:**

Description	Existing FY 2020-2021	Proposed FY 2021-2022
Publicly traded company	25%	22.5%
Non-publicly traded company	32.5%	30%
One Person Company	32.5%	25%
Publicly traded bank, insurance and financial institution (except merchant bank)	37.5%	37.5%
Non-publicly traded bank, insurance and financial institution	40%	40%
Merchant bank	37.5%	37.5%
All sorts of tobacco including cigarette, bidi, chewing tobacco, gul manufacturing company	45% + 2.5% (surcharge)	45% + 2.5% (surcharge)
Publicly traded mobile operator company	40%	40%
Non-publicly traded mobile operator company	45%	45%
Publicly traded provider of mobile financial service (MFS)	32.5%	37.5%
Non-publicly traded provider of mobile financial service (MFS)	32.5%	40%
Association of persons	32.5%	30%
Artificial juridical person and other taxable entities	Rate applicable for individual taxpayer	30%
Private university, private medical, dental and engineering college or private college solely dedicated to imparting education on ICT	15% (rate fixed by SRO)	15%

240. I propose to keep the rate of tax applicable for individual taxpayers unchanged as significant changes have already been brought to this effect in FY 2020-2021. The existing tax rate for individual taxpayers is also applicable for the taxpayers of the third gender. With a view to achieving social inclusion of the third gender, besides introducing a special provision, I propose to fix the tax-free ceiling at Taka 3,50,000 for this community.

241. The present government is determined to create business friendly environment by ensuring ease of doing business. In particular, the government is always motivated to reduce the tax burden of the individual

taxpayers engaged in business. To this effect, I propose to reduce the rate of business turnover tax for individual taxpayers to 0.25 percent from 0.50 percent.

### **Madam Speaker**

242. One of the major objectives of imposing direct taxes is to reduce economic inequality. Provisions of imposing surcharge along with income tax on the wealthy people depending on size of wealth are already there to meet this objective. For easy and simple application of surcharge, I propose five slabs in place of the existing seven. Moreover, I propose to withdraw the provision of paying surcharge on wealth when there is no taxable income, and also to withdraw the provision of paying minimum surcharge. This will make compliance with the provisions of surcharge easier, and will also decrease the tax burden of the middle class.

243. The present government is following the principle of gradual expansion of the tax base in one hand and reducing the rate of taxes on the other. In line with this policy, I propose to reduce the rate of tax to be deducted at source to 7.5 percent from 10 percent for a resident contractor providing certain services to a non-resident. Moreover, considering the welfare of the poor workers, I propose the provision of not making any deduction at source on payment to workers, not having any taxable income, up to Taka 25,000 from workers' participation fund.

244. Financial inclusion, formalization of the economy and expansion of tax net are of utmost importance to national economy. To this end, I make the following proposals in the budget:

- a) To include Mobile Financial Service (MFS) as a means of payment along with bank transfer where making payment through bank transfer is a mandatory provision;
- b) To make payment through crossed cheque or bank transfer or mobile financial service (MFS) mandatory where the amount exceeds Taka 50,000;

- c) To make rate of tax deduction 50 percent higher than the applicable rate where the bills are not received through banking channel or mobile financial service (MFS) by suppliers and contractors;
- d) To make having TIN mandatory in cases of obtaining approval of plan for a building, obtaining registration for a cooperative society and for purchasing sanchaypatra exceeding Taka 2,00,000 and opening a postal savings account exceeding Taka 2,00,000;
- e) To define the e-commerce platform as a source tax deducting authority.

If these proposals are endorsed by this august House, the size of the formal economy of the country will get bigger, and investment and revenue collection will increase significantly. By allowing transaction through mobile financial service (MFS) along with bank transfer, this widely used modern technology has been formally recognized in our tax law. This will ensure a business-friendly environment.

### **Madam Speaker**

245. We, the Bengalis, live on fish and rice. Hence, with a view to promoting fish farming, this sector has long been enjoying the reduced tax rate facility. Keeping this privilege in place, I propose to rationalize the existing tax rate and introduce only one additional slab of tax on income from fisheries exceeding a certain limit.

246. The rate of depreciation allowance under the existing provisions of the Income Tax Ordinance requires to be rationalized in light of the economic life of the ordinary and factory buildings owned by a company. In order to rationalize the existing rate, I propose to fix the rate of allowable depreciation of ordinary building at 5 percent from 10 percent, and that of a factory building at 10 percent from 20 percent.

247. The present government is relentlessly working to integrate the marginal and the underprivileged population of the country into

mainstream society and economy. The third gender community belongs to the marginal and the underprivileged section of the society. Compared to others, the third gender community is lagging behind in socio-economic standards and left outside the mainstream society. Social inclusion can be ensured by involving active people of this community into production-oriented occupation. Against this backdrop, I propose to enact special tax incentives with a view to providing employment and ensuring rise in living standards and social and economic integration of the members of the third gender. Provision of tax rebate, amounting to 75 percent of the total salary paid to the workers from the third gender or 5 percent of payable tax, whichever is lower, to the employers who will employ 10 percent of their total work force or more than 100 workers of the third gender, has been placed for the approval of this august parliament.

#### **Madam Speaker**

248. This is the age of ICT. The present government is attaching highest importance to the ICT sector. The existing tax exemption provided to the ICT sector needs to be further expanded in order to take the government's vision of building a digital Bangladesh one step forward. I propose to further expand the existing 22 ITES services enjoying tax exemption in this budget. This will give impetus to the digital transformation process of Bangladesh, will make modern digital services easily available to the citizens at a low cost, and will also make a positive impact in materializing the dream of building a digital Bangladesh. This will also create young entrepreneurs in the country. With these ends in view, I propose to offer tax exemption facility to providers of cloud service, system integration, e-learning platform, e-book publications, mobile application development service and IT freelancing until 2024. In addition, I propose to offer tax exemption, subject to certain conditions, for ten years on production of some selective IT hardware if manufactured in Bangladesh.

249. Economic empowerment of women is of paramount importance in achieving social and economic progress and sustainable development of a

country. Rise in the number of women entrepreneurs along with their male counterparts will ensure economic and social empowerment of women. As a special incentive to the SME sector and also for the sake of development of the women entrepreneurs working in the SME sector, I propose to keep up to Taka 70 lac of business turnover of the women entrepreneurs outside the purview of taxation. I hope both the women entrepreneurs and the SME sector will be benefitted from this tax exemption facility.

250. The government is pledge-bound to nurture the 'Made in Bangladesh' brand to accelerate establishment of mega industries and production of import-substitute industrial goods in the country. In this connection, I propose to provide tax exemption, subject to certain conditions, to the companies engaged in production of three and four wheelers in Bangladesh for ten years which may be extended to further ten years on the fulfillment of certain other conditions. I also propose to provide tax exemption, subject to certain conditions, to the companies engaged in production of certain home and kitchen appliances as well as light engineering products for ten years.

### **Madam Speaker**

251. It is irrefutable that Bangladesh holds unlimited prospect in agro based industries. Flourishing of agro based industries and generation of employment are possible through production of import substitute agricultural products in Bangladesh. Moreover, at this time of free trade, it is possible to take a substantial share of the global export market through value addition and diversification of agricultural products. Taking these into consideration, I propose to offer tax exemption, subject to certain conditions, for ten years to industries engaged in processing locally grown fruits and vegetables, producing milk and dairy products, producing baby food entirely from locally grown agricultural products, and manufacturing of agricultural machineries.

252. Cement, iron and iron products are the key components of infrastructural development. If tax incentive is provided to the industries

engaged in production of these items, development of physical infrastructure will be easy and cost-effective. In this context, I propose to reduce the rate of tax on import of raw material related to cement production from 3 percent to 2 percent. I also propose to reduce the rate of tax deduction at source on supply of cement, iron and iron products from 3 percent to 2 percent. I am hopeful that these measures will help these industries to flourish and also enable them to make a positive contribution to the infrastructural development of the country.

253. The government is sincerely promise-bound to ensure standard health care facilities at an affordable cost for each and every citizen of the country with a view to achieving the sustainable development goals. The present government has taken healthcare facilities to the doorstep of the people through community clinics established in every ward. Meanwhile, the standard of specialized health services has also improved substantially. However, the role of the private entrepreneurs in this sector is extremely city-centric. Therefore, along with government initiatives, to make standard health services provided by private initiatives available in districts other than Dhaka, Narayanganj, Gazipur and Chittagong, I propose to offer tax incentive to the health sector. In this connection, I propose to offer tax exemption, subject to certain conditions, to general hospitals with a minimum of 250 bed capacity and having child and infant care, women and mother care, oncology, wellbeing and preventive medicine units, and also to specialized hospitals with a minimum of 200 bed capacity for ten years. These hospitals are to be established in districts other than Dhaka, Narayanganj, Gazipur and Chittagong.

### **Madam Speaker**

254. Availability of skilled human resource and small entrepreneurs are important catalysts for industrialization. At present there is a huge deficit of high standard technical training institutions in the country. As a result, Bangladesh is failing to reap the full benefits of the demographic dividend. In the run up to graduation of Bangladesh as a middle-income country and creation of a pool of skilled human resource for industrialization, it is a

necessity to provide tax incentives to private institutions engaged in imparting specialized technical training. To this effect, I propose to offer tax exemption, on certain conditions, for ten years to institutions established to impart all sorts of diploma and vocational education on agriculture, fisheries, science and IT, and also to institutions engaged in delivering professional training on automobile, aircraft maintenance, food, footwear, glass, mechanical, shipbuilding, leather, refrigeration, ceramics, mechanist, garments design and pattern making, pharmacy, nursing, integrated medical, radiology and imaging, ultrasound, dental, animal health and production service, clothing and garment finishing and poultry farming. This incentive will hopefully make a positive impact on building skilled and trained human resource, and will also open up a new horizon for industrialization.

255. The government has decided to provide policy support in building a strong bond market as an alternative to banks for sourcing long term finance to entrepreneurs. As a part of this policy, I propose tax exemption on the applicable capital gain tax at the time of transferring property to a trust or Special Purpose Vehicle, or transferring property by a trust or Special Purpose Vehicle, vice versa, with a view to popularizing and creating a strong market for Sukuk or Islamic bond. If endorsed by this august House, this will facilitate collecting long-term capital and reduce bank dependency. This will also add impetus to the economic activities by developing bond market, which, in turn, is expected to have a positive impact on development and growth of infrastructure and capital-intensive industries in Bangladesh

256. At present, irrespective of being new or old, advance tax at the time of registration and renewal of survey certificate of marine vessels is collected at the same rate. Compared to the new ones, old marine vessels have lesser capacity to carry passengers. Moreover, the operating cost of old vessels is relatively higher. Considering all these factors, I propose a tax rate of Taka 100 per passenger instead of Taka 125 at the time of renewal of survey certificate of old marine vessels plying for ten years or more from the date of registration.



### **Madam Speaker**

257. As a part of the digital tax management system, instead of making payment through treasury challan, pay order, demand draft and cheque, I propose to make payment of tax up to Taka 5 lac solely through automated challan or e-payment as mandatory for making tax payment process easier, and also to ensure real time accounting and transfer of revenue collection into government exchequer. This will also bring more transparency to the management of the government revenue account and tax payment process.

258. If the proposals placed in the budget are properly implemented, the economic activities in Bangladesh will continue to be vibrant, high-tech industries will flourish, tax net and formal economy will expand, entrepreneurs will grow and employment will generate, skilled human resource will develop, and investment in industries as well as business friendly environment will be ensured. As a result, tax base will be strengthened which will eventually take Bangladesh a big step forward towards achieving Vision 2041.

### **Value Added Tax (VAT)**

#### **Madam Speaker**

259. Value Added Tax (VAT) is a modern indirect tax system. Local VAT contributes the highest amount of tax in the total revenue collected by the National Board of Revenue (NBR). Value Added Tax and Supplementary Duty Act, 2012 has been implemented since July 2019 for establishing a taxpayer friendly, revenue friendly and development friendly VAT system. Several measures have been incorporated in this year's budget to address the difficulties faced by the business community while implementing the new VAT law. Simplification of the VAT law along with collection of targeted amount of revenue are the major considerations of this budget. Expansion of VAT net is very important to achieve the desired Tax-GDP ratio. Special attention has been given on this area. Normal growth of trade and commerce has been disrupted during the ongoing pandemic period of more than a year. Considering the fact

that many small business entities have become sick, special importance has been given in the budget so that burden of VAT do not increase and flow of working capital is continued. With the aim to increase revenue, to attract foreign investment and to develop tax compliance culture, I am placing the following proposals on VAT before this august house:

**Madam Speaker**

260. To make business easier, I am proposing the following measures to mitigate functional and procedural complication in the Value Added Tax and Supplementary Duty Act, 2012 and Value Added Tax and Supplementary Duty Rules, 2016:

- a) To reduce tax burden for the industrial entrepreneurs of Bangladesh, I propose to decrease Advance Tax (AT) from 4 (four) percent to 3 (three) percent for import of raw materials for industries;
- b) Input-Output coefficient will be applicable only for supply of Goods. I propose necessary amendment in the related section of the Act;
- c) To facilitate the existing benefit of rebate by the exporters, I propose necessary amendment in the related section;
- d) To make the law easier for the stakeholders, I propose to amend the definition of “Representative”, “Increasing adjustment” and “Decreasing adjustment”;
- e) In case of registration of non-resident person, I propose to amend the related section;
- f) VAT rate of export of service is zero percent. I propose to replace the existing section of the Act to make that clear in the law;
- g) I propose to consider invoice issued by Bank, Insurance Company and Port as VAT challan;
- h) To make the section related to ‘VAT deduction at source’ congruent with the VDS rule, I propose necessary amendment;

- i) To make the law easier for business, I propose amendment in the section related to decreasing adjustment of VAT;
- j) Proceed Realization Certificate (PRC) against export is issued by the commercial banks. Because of that I propose to abolish the provision of submitting Proceed Realization Certificate (PRC) issued by Bangladesh Bank;
- k) In case of international tender, I propose necessary amendment to provide equal facility to local companies as enjoyed by the foreign companies;
- l) I propose to insert new provision of deemed export as there is no such provision in the new act;
- m) To provide facility of deemed export and decreasing adjustment for backward linkage industries, I propose new provision in the law;
- n) To make business much easier, I propose to abolish litigation related provisions from the VAT rule which is related to adjustment from the balance of account current under the VAT Act, 1991;
- o) To facilitate the VAT system, I propose to delegate the power of cancellation of VAT registration and enlistment to the “Related Officer”/ “Divisional Officer” instead of the “Commissioner” in the Act;
- p) To simplify the VAT system, I propose to amend the rules related to delegation of power regarding approval of any business-related information change to the “Divisional Officer” instead of the “Commissioner”;
- q) I propose necessary amendment in the VAT and Supplementary Duty Rules in line with VAT Deduction at Source Rules and Collection thereof;
- r) I also propose to amend several forms under VAT Rules.

## **Madam Speaker**

261. Excessively stringent law creates functional complication and eventually business activities get hampered. Because of that, I propose to reduce the amount of fine and rate of interest on arrear VAT in the Value Added and Supplementary Duty Act, 2012:

- a) In case of VAT evasion, failure or anomaly, I propose to reduce the amount of existing fine from “twice the amount of revenue” to “equal amount of revenue” associated;
- b) I propose to reduce the monthly rate of interest charged on arrear VAT from “Two percent” to “One percent”. In this case yearly interest rate will be fixed at 12 percent instead of existing 24 percent.

262. To ensure proper monitoring and to increase revenue collection, I propose the following amendments in the Act and Rules:

- a) To ensure proper monitoring by VAT authority in tobacco sector, I propose to insert a provision that central registration will not be applicable for the business entities which supply tobacco products;
- b) I propose to insert a provision in the Act prohibiting rebate if the price of any goods or service is less than the price of its raw materials;
- c) I propose to insert “Chartered Accountant Firm” in the related section to assist the VAT officers;
- d) I propose to insert a provision for limited companies for mandatory submission of Annual Financial Statement for the purpose of proper audit;
- e) I propose necessary amendments for punishing the offences regarding manufacturing, storing, transporting, marketing or using counterfeit or fake or used stamp or band roll or helping to do such activities.

## **Madam Speaker**

263. To keep the existing momentum of growth of local industries, I propose to continue VAT exemption facilities with necessary amendments in the following sectors:

- a) Extension of existing 5 percent VAT rate for manufacturing of LPG cylinder for another year;
- b) Extension of existing VAT exemption facility for manufacturing of refrigerator, freezer and its compressor for one more year;
- c) Extension of existing VAT exemption facility for manufacturing of polypropylene staple fiber for two more years;
- d) Extension of existing VAT exemption facility for manufacturing of air conditioner and its compressor for three more years;
- e) Extension of existing VAT exemption facility for manufacturing of motor car and motor vehicle for five more years;

264. To facilitate business environment. I am presenting some more proposals before this august house:

- a) At present import of ocean-going vessels get VAT exemption if they are not more than 22 years old. I propose to extend this up to 25 years. Furthermore, time limit to sale such vessels is proposed to be reduced to 3 years from existing 5 years.
- b) To reduce burden of VAT on dealers and distributors of locally produced tiles and sanitary ware 15% VAT is proposed to be chargeable on the net commission only.

265. To lessen dependence on foreign goods, I propose VAT exemption on the following sectors so that those daily house hold products may be manufactured in Bangladesh:

- a) VAT exemption at local production stage in manufacturing of blender, juicer, mixer, grinder, electric kettle, rice cooker, multi cooker, pressure cooker;

- b) VAT exemption at production level in manufacturing of washing machine, microwave oven and electric oven.
- c) Exemption of Advance Tax (AT) on certain raw materials of iron products, scrap vessel and ethylene glycol, terephthalic acid, ethylene/propylene which are used for manufacturing of PVC and PET resin;
- d) VAT exemption on manufacturing of puffed rice;
- e) VAT exemption of fresh fruit at trading stage;

**Madam Speaker**

266. At present most of the mobile phones sold in the local market are either manufactured or assembled in our country. In this regard I propose following facilities for the development of local mobile handset industries and Information Technology (IT) sectors:

- a) Extension of existing VAT exemption facility on manufacturing and assembling of mobile phone for two more years;
- b) VAT exemption on local manufacturing of printer, toner cartridge, inkjet cartridge, parts of computer printer, computer, laptop, AIO, desktop, notebook, notepad, tab, keyboard, mouse, barcode/QR scanner, RAM, PCBA/motherboard, power bank, router, network switch, network device/hub, speaker, sound system, ear phone, head phone, SSD/portable SSD, hard disk drive, pen drive, micro SD card, flash memory card, CCTV, monitor (not exceeding 22”), projector, printed circuit board, e-writing pad, USB cable, data cable, digital watch, loaded PCB;
- c) Inclusion of e-learning and e-book within the scope of Information Technology Enabled Services (ITES).

267. To modernize agricultural sector and reducing production and marketing cost of agricultural machineries, I propose following VAT exemptions:

- a) VAT exemption at manufacturing and trading stages of weeder and winnower;
- b) Advance Tax (AT) exemption on thresher machine, power reaper, power tiller, operated seeder, combined harvester, rotary tiller, weeder and winnower.

268. The year 2020 was declared as ‘Light Engineering Products Year’ by Honorable Prime Minister. Hence, to make the provisions of exemption easier for production of capital machinery by light engineering sector so that it may flourish, I propose to make necessary amendment in the rules and reduce VAT on paper cone manufacturing from 15% to 5%.

**Madam Speaker**

269. To combat corona virus and to ensure health service to the citizens of the country, I propose following VAT and Supplementary Duty exemption:

- a) VAT exemption at local manufacturing stage on the production of sanitary napkin to ensure health protection of women. Two years extension of existing VAT exemption has also been proposed on importation of certain raw materials used for production of sanitary napkin and diaper;
- b) To continue existing exemption facility at import, manufacturing and trading stage on covid-19 test kit, PPE and vaccine;
- c) Withdrawal of 10 percent supplementary duty from locally manufactured “Long Pan” to make sanitation facility cheaper for rural people;
- d) VAT exemption on autism related services;
- e) Continuation of existing VAT exemption on “Meditation service” to protect mental health.

### **Madam Speaker**

270. To reduce the use of tobacco products and to increase revenue collection, I place the following proposals for tobacco and tobacco related products:

- a) I propose to fix the price of lower slab of cigarette per 10 sticks at Tk. 39/- and above and supplementary duty on it to be 57 percent. Apart from this I propose to fix the price of medium slab cigarette per 10 sticks at Tk. 63/- and above, high slab 10 sticks cigarette at Tk. 102/- and above and the price of premium slab at Tk. 135/- and above where supplementary duty for all the three slabs will be 65 percent;
- b) I propose to continue existing price of non-filtered 25-stick handmade bidi at Tk. 18/-, 12-stick bidi at Tk. 9/- and 8-stick bidi at Tk. 6/- where supplementary duty will be 30 percent for all. I also propose to continue existing price of filtered 20-stick bidi at Tk. 19/-, 10-stick bidi at Tk. 10/- where supplementary duty will remain unchanged at 40 percent for both.
- c) I propose to continue existing price of 10 gm Jarda at Tk. 40/- and price of 10 gm Gul at Tk. 20/- where supplementary duty will be 55 percent for both.

271. Different tasks under the project titled VAT Online Project are going on to implement new VAT Act which has become effective since 2019 in a digitalized platform. Through this project, arrangement have been made to complete all the activities in online platform from VAT registration to return submission. Meanwhile 2,57,445 business entities have received online VAT registration so far and 1,16,548 returns out of 1,97,538 have been submitted through online which is 59 percent of the total submitted returns. Apart from this, e-Payment module has already been implemented through 14 Banks which enables a taxpayer to pay his VAT revenue in government exchequer through online from his home. Moreover, 12 modules along with Revenue Accounting Module, Refund Module, Revenue Management Module, Case Management Module etc.



have been prepared. Such automation has enabled honorable taxpayers to keep record and retrieve accounting information. Moreover, it has increased transparency and accountability of VAT payers, VAT receivers and VAT Officials. It is expected that the practice of revenue culture relating to indirect tax collection in Bangladesh will greatly improve through this process.

### **Madam Speaker**

272. Increase in the amount of government investment is a pre requisite for sustainable development in the backdrop of present economy of Bangladesh. This requires increased revenue collection. One of the alternatives to increase revenue keeping tax rate constant is to increase the tax-net. To increase revenue collection from various types of business entities, installation of Electronic Fiscal Device (EFD)/ Sales Data Controller (SDC) has already been started. Already 3,096 EFD/SDC machine have been installed in different sectors. A plan has been adopted to install 10,000 EFD/SDC in various types of business entities by June, 2022. Moreover, EFD/SDC machine will be installed in various types of business entities across the country in phases. I hope that VAT collection will be increased significantly with full scale implementation of VAT Online Project and installation of EFD/SDC across the country.

### **Import-export duty**

#### **Madam Speaker**

273. With a view to create new employment through sustainable development of local industries and to restructure the damaged economy due to the long-term effects of global pandemic, the existing tariff structure at the import level has been made more liberal and industry friendly. After reviewing the proposals in detail received from various quarters, business organizations and stakeholders to safeguard the interests of domestic industry, trade and consumers, I am now presenting the proposals made in the budget of 2021-2022 on import duty tax through

you to the august Parliament.

274. The following factors have been taken into consideration in making proposals on import duty, regulatory duty, supplementary duty and value added tax:

- Take necessary steps to recover the economy affected by the global pandemic caused by the corona virus (Covid-19);
- Investment and employment generation and foreign exchange savings;
- Diversification of export-oriented industries and incentives in its backward linkage industries;
- Development of health, agriculture, fisheries, livestock, automobile, electronics and ICT sectors;
- Improvement of the ranking in the Ease of doing business index of Bangladesh; and
- To protect and develop local industries through rationalization of tariff structure. It will also assist in enhancement of revenue in local stage (value added tax and income tax).

**Madam Speaker**

275. I propose the existing 6 slabs of Customs Duty structure (0%, 1%, 5%, 10%, 15% and 25%), 3% regulatory duty on goods having highest import duty, and 12 (twelve) slabs of supplementary duty rates (10%, 20%, 30%, 45%, 60%, 100%, 150%, 200%, 250%, 300%, 350% and 500%) on import stage to continue in FY 2021-22. In addition, it has been proposed to keep the existing tariff rates unchanged for few essential commodities, fertilizers, seeds, life-saving medicines and some raw materials of certain industries.

276. On the basis of above principles, Now I would like to present sector-wise elaborated proposals in this august parliament :

**(A) Agriculture sector:**

**Madam Speaker**

277. Bangladesh is still an agricultural country and agriculture is our priority sector. It has been proposed to maintain zero tariff on imports of major agricultural inputs, especially fertilizers, seeds, pesticides etc., keep the existing 0% tariff on essential food items unchanged and keep the applicable duty on imports of other daily commodities unchanged.

278. To protect the domestic farmers, I propose to increase the tariff on carrot and mushroom imports and fix the minimum value of carrots, mushrooms, green chilies, tomatoes, oranges and capsicum.

279. In order to modernize agriculture, I also propose to reduce the import duty on agricultural inputs and to provide necessary protection to consolidate the production of agricultural machinery.

280. Although the import of edible salt (sodium chloride) has been banned in the country for a long time, there is an opportunity to import industrial salt (sodium sulphate / disodium sulphate). As the price of industrial salt differs from that of edible salt, the trend of importing edible salt through misdeclaration has been noticed. In addition, there are allegations of marketing edible salt mixed with industrial salt, which is harmful to public health. As a result, marginal salt farmers and salt mills of the country are being affected. Moreover, industry ministry has sent a request letter with recommendation to increase the duty tax of industrial salt. In order to protect salt farmers, ensure proper use of imported industrial salt and reduce public health risks, I am proposing to increase the existing tariff rate on import of industrial salt (sodium sulphate / disodium sulphate) as per with edible salt.

281. It has been proposed to expand the existing facilities for the sustainable development of the fisheries, poultry and dairy sector. In this regard, I propose to increase the tariff on processed meat imports and set a minimum value to protect the domestic meat processing industry and

cattle farmers. Incentives for various sub-sectors of the agricultural sector **(Table 1 of Appendix B)** have been highlighted.

**(B) Health sector:**

**Madam Speaker**

282. All tariffs on import of corona virus testing kits, special types of masks and raw materials required for hand sanitizers, masks and PPE production have already been waived through special notification to combat the outbreak of Corona virus. In addition, new duty-free facilities have been provided for the import of raw materials required for the preparation of the virus detection RT-PCR kit. It is proposed to extend the duration of exemption facility from 30 June 2021 to 30 June 2022.

283. I propose to provide duty free facility on the import of Implantable ‘Occluder’ used for the treatment of children born with heart defects.

284. To protect the pharmaceutical industry, I propose to include some of the raw materials for the local production of Active Pharmaceutical Ingredients (API) in the existing concessions.

285. In order to consolidate the health sector, I propose to expand the existing concessional facilities for import of raw materials required for the production of medical products **(Table 2 of Appendix B)**.

**(C) Industrial sector:**

**Madam Speaker**

286. The importance of the industrial sector in creating employment and increasing domestic and foreign investment is immense in order to recover the economy damaged by the current global pandemic. In order to increase investment in the industrial sector, maximize the productive capacity of the existing industry through proper protection and adopt a multi-faceted expansion strategy of export-oriented industries, I propose the following sector wise proposals: **(Table 3 of Appendix B)**.

**1) Small and Medium Industries:**

- In order to protect small and medium industries, I propose to increase the applicable duty on the import of some finished products made by those industries.
- I also propose to provide 1% exemption rate for the import of capital machinery to small and medium enterprises irrespective of commercial and industrial establishments.
- In order to protect the widely used paper cup manufacturing industry, I propose to provide concessional facilities for import of two major raw materials of that industry and increase the minimum value at the import stage of finished products made by them.
- In addition, I propose to provide duty-free access to some of the raw material imports of the endangered conch industry to survive.

**2) Export oriented industries:**

- I propose to include photosensitive rotary screen, temperature sensor and loaded PCB in the concessionary rate to protect the textile industry. In order to expand the export diversification of the potential footwear industry, I also propose to provide concessionary rate for the import of two raw materials for the footwear industry.

**3) Miscellaneous steel sectors:**

- To protect local LP gas manufacturing industries, I propose to expand the existing concessionary rate for those industries.
- To protect iron wire industry, I propose to impose 3% regulatory duty (RD-3%) on the import of such finished products of those industries.
- To protect the fire-resistant door manufacturing industry, I propose to provide concessionary facilities for the import of core raw materials (Cold Rolled Iron / Steel) of that industry.
- In addition, for developing the cable and internet cable manufacturing industry, I propose to reduce the tariff on import of plastic framework and coated calcium carbonate, respectively.

**4) Electronics industry:**

- As an adjunct of Electronics industrial sector, I propose to expand the existing concessionary rate on raw materials importation of refrigerator and compressor manufacturing industries for their protection. In order to protect the washing machine manufacturing industry, I propose to issue a new SRO. Moreover, I also propose more concession on certain raw materials of TV manufacturing industry for the development of this sector.

**5) Abrasive paper industry:**

- I propose to provide concessionary facilities for the import of 4 (four) raw materials (artificial corundum, aluminum oxide, coated / impregnated paper and paperboard, coated textile fabrics) of abrasive paper to protect the sand paper manufacturing industry.

**6) LED light manufacturer / assembling industry:**

- To ensure harmony between manufacturing and assembling industry, and also for the development of LED light manufacturing/assembling industry. I propose to reduce the existing tariff on import of parts of those industries.

**7) Manufacture of gypsum board and particle board industry:**

- I propose to reduce the existing tariff on the import of 3 (three) raw materials (plates / sheets / film / foil / strip of polymers of vinyl chloride, self-adhesive tape, fluting paper) required for the development of import substitute domestic gypsum board and particle board manufacturing industry.

**8) Lube blending industry:**

- To discourage import of environmentally harmful recycled lube base oil and lubricating oil, I propose to increase import duty on those products. I also propose to rationalize the rate of duty of

lubricating oil and liquid paraffin to avoid revenue risk. To protect the lube blending industry, I also propose to decrease import duty on additives as one of the raw materials of that industry.

**(D) ICT sector**

**Madam Speaker**

287. I propose to provide concessionary facilities for the import of computer accessories and raw materials of ICT industry to protect the domestic computer / laptop and ICT product manufacturers.

288. For the expansion of cellular phone manufacturing, assembling and backward linkage industry, I propose to make the existing concessions on raw materials of that industry more investment friendly and rational. I also propose to increase tariff on import of feature phones to protect domestic industry.

**(E) Automobile sector**

**Madam Speaker**

289. I propose to reduce tariffs on microbus imports to discourage the use of accident-prone vehicles like nasimon, laguna and encourage the use of minibuses as an alternative public transport. To encourage the use of environment friendly hybrid vehicles, I propose to restructure the tariffs on imports of hybrid vehicles.

290. To protect the dumper / tipper assembling industry, I propose to reduce the tariff on import of dumper / tipper in CKD condition.

291. For the development of motorcycle manufacturing/assembling industry, I propose to bring necessary adjustments and also to include some raw materials in the existing SRO.

292. Moped is a fuel-efficient motorcycle. It plays an important role in the economic activities of small traders and the public. In order to ensure affordable price, I propose to reduce the tariff rate of Moped.

**Madam Speaker**

**Amendment of Customs Act, 1969:**

293. In order to facilitate trade, to ensure national security and to establish effective customs control some necessary amendments were made in The Customs Act, 1969, which is in force every year. To coincide with the conquest of the sea, extension of Bangladesh customs-waters from the existing 12 nautical miles to 24 nautical miles, to include the offence of customs related money laundering in the definition of smuggling, to amend the base threshold and penalty amount of adjudication of customs officers in the line of present context, to specify the scope of work of Bangladesh Single Window, I propose to bring necessary amendments in the existing Customs Act, 1969.

**Amendments in First Schedule of the Customs Act:**

294. We have observed that there are clerical errors, inconsistencies and inequalities in the existing structure of the tariff headings and H.S Codes. In order to simplify international trade process, I propose to amend the exiting H.S. Codes, descriptions, import duty, supplementary duty and value added tax for rectifying clerical errors, rationalization of the inconsistent duty rates, creation of new H.S Codes where necessary, deletion, correction and justification of H.S Codes and notifications **(Table 4 of Appendix B)**.

295. The existing minimum value of certain products have been rationalized with a view to ensure proper revenue collection and protection of domestic producers through justified valuation of imported goods.



**Madam Speaker**

296. If the above mentioned proposals are implemented, it is expected that economic activities will be accelerated, high-tech industries will be developed, entrepreneurs, employment opportunities and skilled manpower will be created, and an investment and business-friendly environment will be ensured. To modernize Bangladesh Customs, the National Board of Revenue has already taken some initiatives, like the upgradation of ASYCUDA World, implementation of National Single Window project, introduction of automated customs risk management, automation of bond management, introduction of authorized economic operator system etc. If all these measures are implemented in due time, Bangladesh will improve their rank in the ease of doing business index, the investment and employment will be facilitated and the wheels of the country's economy will be further accelerated. As a result, the achievement of vision 2030 and 2041 will be accelerated keeping pace with the road map of the Hon'ble Prime Minister.

## Chapter Twelve

### Commitments Made in the Budget for FY 2020-21 and the Progress of Their Implementation

#### Madam Speaker

297. Now, I am going to present the implementation status of some of the key commitments we made for the current fiscal year:

- To manage the COVID-19 pandemic, the government is implementing special programmes across the country worth Tk. 5,500 crore;
- Customs Duty and Value Added Tax (VAT) on all COVID-19 test kits, PPEs etc. have been exempted;
- Establishment of 100-bed full-fledged cancer treatment units at the government medical college hospitals in the divisional cities, expansion and strengthening of kidney dialysis centers in all the existing medical college hospitals and establishment of nephrology units and kidney dialysis centers in all district hospitals is in progress;
- For the advancement of research in the areas of health, education of science and technology, an “Integrated Health-Science Research and Development Fund” of Tk. 100 crore has been created and the fund has been made operational;
- A project worth Tk. 3,198 crore has been undertaken for agricultural farm mechanisation and Tk. 9,500 has been allocated as subsidy in agriculture;
- A fund of Tk. 3,200 crore has been created to extend small loans with a low-interest rate to the rural poor farmers, returned migrant workers and trained and unemployed youths in rural areas for doing business and undertaking self-employment ventures in agriculture and agriculture-related productions and services, small

businesses, small and cottage industries, etc;

- Cash incentive of 2 percent has been provided on foreign remittances sent through the official channels that resulted in 40.1 percent growth in remittances till May of this fiscal year compared to the same period of last fiscal year;
- As a response to the COVID-19 economic fallout, coverage of two key social protection programs, Old Age Allowance and Allowances for the Widow, Desarted and Destitute Women, has been expanded to all eligible population of the most poverty-stricken 112 Upazilas;
- The implementation progress of the 23 COVID-19 stimulus packages declared by the government is 68.2 percent till April 2021;
- The implementation of the 'My Village-My Town' programme championed by the Hon'ble Prime Minister Sheikh Hasina has been launched by identifying 15 model villages;
- Export incentive of additional 1 percent to the readymade garment continues helping the export of garment at a satisfactory level;
- Overall implementation progress of the mega projects is 57.56 percent. The progress of Padma Bridge project is 85 percent which is expected to be open for vehicles by the end of the next fiscal year;
- Construction of MRT Line-6 is well in progress. Designs of MRT Line-1 and Line-5 are at the final stage, and construction work will begin soon;
- In the rural areas, construction of 5,550 km of new roads and a total of 31,000-meter bridges/culverts are underway which are identified as core rural road network for a climate sustainable middle-income economy;
- Programmes have been undertaken for the upgradation of the Dhaka-Sylhet highway to 6 lanes including service lanes on both

sides, upgradation of Rangpur-Burimari national highway to 4 lanes, construction of a bridge over Mongla channel, construction of Kewatkhali bridge over the Brahmaputra river in Mymensingh and upgradation of the Sylhet-Tamabil highway to 4 lanes;

- Two e-Judiciary projects have been undertaken to bring the lower courts of the country under the ICT network;
- The Companies (Amendment) Act, 2020 has been passed in the Parliament to facilitate the simplification of trade and commerce and to include the provision of one-person companies;
- Consolidation and integration have been initiated among different modules of Integrated Budget and Accounting System (iBAS++) that has been developed solely by the local IT professionals, to bring greater efficiency in government budget formulation and accounting;
- Piloting of electronic return filing (e-return) has been initiated in Tax Zone-6 of Dhaka for submission of income tax returns online. In addition, software is being developed to facilitate the submission of income tax returns online by all taxpayers in a centralized system;
- E-TDS System has been designed to bring the income tax deducted at source under an automated system and it is being piloted in several tax zones of Dhaka;
- Under the provision of reporting previously undisclosed income in the income tax returns, 9,623 taxpayers have paid so far a total income tax of Tk 1,386 crore 10 lakh 2 thousand 795 till February 2021. This additional revenue was very helpful for the economy during the COVID-19 pandemic;
- Under the provision of allowing previously undisclosed income to invest in the capital market with some reasonable conditions like mandatory one year lock-ins, 311 taxpayers have paid income tax of Tk. 43,54,52,098 as of February, 2021. This additional liquidity has strengthened the market;

- The draft of the Income Tax Act 2021 has been prepared modifying the Income Tax Ordinance, 1984;
- The submission of income tax returns has been made mandatory for all TIN holders with some reasonable exceptions. As a result, the total number of return submissions till March of FY2020-2021 stood at 25,43,337 registering a growth of 19.72 percent over the previous year;
- To facilitate VAT collection and to prevent VAT evasion, Electronic Fiscal Device/Sales Data Controller (EDF/SDC) has been installed in about 3,000 sales and service points till March 2021. The government has planned to install EDF/SDC in all registered business establishments across the country in phases;
- In order to make the country's industry and business sector competitive, the interest/profit on loans/investments has been fixed at a maximum of 9 percent. As a result, the total outstanding loans and advance of the banking sector has increased from Tk. 10,46,666 crore in March 2020 to Tk. 11,21,122 crore in January 2021. The weighted average spread between deposit and interest came down to 3 percent;
- A total of 13,307 businessmen have been able to contribute to the country's economy by regularising their classified loans under the provision granted for rescheduling or one-time exit by making a down-payment at the rate of at least 2 percent. The provision aimed at facilitating the regular recovery of the classified loans and ensuring sustained credit flow to the manufacturing and other productive sectors;
- The government is working with 15 laws related to the financial sector, including Bank Company Act, Payment System Act, Secured Transaction Act. Of these, some are new laws and others are amendment to existing laws.

## **Conclusion**

### **Madam Speaker**

298. In the national budget, we usually formulate development plans in a coordinated manner by combining short, medium and long term action plans. However, due to the COVID-19 pandemic, we do not have all kinds of data in front of us for this year. By the grace of Almighty Allah, Bangladesh, under the visionary leadership of Hon'ble Prime Minister Sheikh Hasina, was moving ahead on the path of faster economic transition than other nations by overcoming the initial impact of COVID-19. But already a second wave and even a third wave have begun around the world, the impact of which is quite pronounced everywhere. Therefore, in the budget for the next fiscal year, in tandem with development, the lives and livelihood of the marginalised people of the country are receiving priority.

### **Madam Speaker**

299. You are aware that Bangladesh has changed in many ways in the last five decades. However, there has been no change in Bangabandhu's everlasting ideals and his lively presence is felt in all spheres of our national life. Bangladesh is moving forward on the path shown by him. This year marks the golden jubilee of independence and the birth centenary of the Father of the Nation. Added to these two strong streams is Bangladesh's successful transition from LDCs to a developing country. Bangladesh has reached a new height in the world stage with this transition. Similarly, Insha'Allah, all our dreams including those for 2030, 2031, 2041, 2100 will be realised.

300. Our beloved motherland will continue to move forward to realise the dream of the Father of the Nation; Continue going far ----- very far-----  
- very far ----- continuously.

**Madam Speaker**

301. I have now reached the end of my budget speech. Before I conclude, my earnest prayers, on behalf of the country and the world, to the Most Merciful Almighty Allah:

[O Allah! Indeed I seek refuge in You from leucoderma, and madness, and leprosy, and all bad diseases]

“O our Lord, grant us peace.”

[May Allah’s blessing be upon all Messengers. All praise truly belongs to Allah Who is the Sustainer of all the worlds]

Hon’ble Madam Speaker, thank you very much.

**Jai Bangla**

**Jai Bangabandhu**

**Long Live Bangladesh**





**Annexure-A**

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**Table-1: Number of Beneficiaries under 23 Incentive Packages  
Announced by the Government to Address the COVID-19 Fallout**

Sl. No.	Package Name	Allocation (BDT Crore)	Beneficiary		Comments/ Beneficiaries
			Individuals	Organizations	
1	Special funds for export-oriented industries	5,000	38,00,000		Workers and employees in the export-oriented industries (53% women workers)
2	Working capital loan for the affected industries and service sector	40,000		3,166	Industries and service sectors enterprises (Implementation ongoing)
3	Working capital loan for the Small and Medium Enterprises (including cottage industry)	20,000		95,407	With 5,212 women entrepreneurs (Implementation ongoing)
4	Expansion of Export Development Fund (EDF) introduced by the Bangladesh Bank	17,000		6,352	Implementation ongoing
5	Pre-shipment Credit Refinance Scheme	5,000		71	Implementation ongoing
6	Special honorarium for the doctors, nurses & other medical workers	100	9,579		Implementation ongoing
7	Health insurance and life insurance	750	132		Beneficiaries are the family members of the deceased employees (Implementation ongoing)
8	Free food distribution	2,500	1,29,00,000		Beneficiaries are the poor families
9	Selling of rice at 10 taka per kilogram	770	49,00,000		Distributed under the Food Friendly Program
			21,00,000		Distribution through card in urban areas
10	Cash transfer to targeted population	1,326	35,00,000		Selected poor citizen
			4,07,000		Dairy & poultry farmers
			78,000		Fish farmers
11	Expansion of the coverage of 2 social protection programs to 112 poverty-stricken upazilas	815	5,00,000		Old Age Allowance (Inclusion of new beneficiaries)
			3,50,000		Allowances for the widow and Husband Deserted Destitute women (Inclusion of new beneficiaries)
12	Construction of home for the homeless people	2,130	66,000		Homeless families (Implementation ongoing)
13	Support for agricultural farm mechanization	3,220	4,50,000		Selected farmers (Implementation ongoing)
14	Subsidy for agriculture	9,500	1,65,00,000		All farmers of the country (Implementation ongoing)

Sl. No.	Package Name	Allocation (BDT Crore)	Beneficiary		Comments/ Beneficiaries
			Individuals	Organizations	
15	Agriculture Refinancing Scheme	5,000	1,76,000		Agricultural firms (Implementation ongoing)
16	Refinancing scheme for low-income professional farmers/small traders	3,000	2,63,000		Beneficiaries are the low-income professional farmers/small traders (Implementation ongoing)
17	Employment generation activities (through Palli Sanchay Bank, Karmasangsthan Bank, Probashi Kalyan Bank, Ansar and VDP Bank and PKSF)	3,200			Implementation of the program has recently been started
18	Government subsidy on partial interest waiver on loans by commercial banks in April-May/2020	2,000	72,80,000		Implementation ongoing
19	Credit Guarantee Scheme for SME Sector	2,000			Implementation of the program has recently been started
20	Support for the destitute export-oriented RMG and leather sector	1,500	6,000		Implementation of the program has recently been started
21	Revitalizing the rural economy & job creation in rural area through 8 publicly owned specialized development organizations	1,500			Implementation of the program has recently been started
22	Expansion of the coverage of 2 social protection programs to further 150 poverty-stricken upazilas	1,200	8,00,000		Old Age Allowance (Inclusion of new beneficiaries)
			4,25,000		Allowances for the widow and Husband Deserted Destitute women (Inclusion of new beneficiaries)
23	2nd tranche of the cash transfer to targeted population	930	35,00,000		Selected poor citizen
			97,000		Affected boro farmers
			7,500		Non-MPO teacher-employee
	<b>Total</b>	<b>1,28,441</b>	<b>5,81,15,211</b>	<b>1,04,996</b>	

**Sources:** Finance Division, Health Services Division, Ministry of Disaster Management and Relief, Ministry of Food, Ministry of Social Welfare, Prime Minister's Office, Ministry of Agriculture, Ministry of Labour and Employment, and Bangladesh Bank

**Note:**

1. Implementation of some of the packages has been started recently and the number of actual beneficiaries is yet to be found.
2. Implementation of several packages is still underway. As a result, the number of beneficiaries will increase further in the coming months.
2. There are many large industries/businesses in the package spelt out in serials 2 and 4, where the number of workers/employees working is not specifically known but the number of actual beneficiaries is estimated to be much higher.
3. In case of expansion of allowance programme mentioned in serial 22, the newly included beneficiaries will start receiving their allowance from FY 2021-22.

**Table 2: State of Socio-economic Progress**

Year	Life Expectancy (Year)	Population Growth Rate (%)	Poverty Rate (%)	Extreme Poverty Rate (%)	Literacy Rate (%)	Infant Mortality Rate (per thousand live birth)
2006	65.4	1.49	38.4	24.2	52.3	45.0
2007	66.6	1.47	36.8	22.6	53.3	43.0
2008	66.8	1.45	35.1	21.0	54.4	41.0
2009	67.2	1.36	33.4	19.3	55.5	39.0
2010	67.7	1.36	31.5	17.6	56.8	36.0
2011	69.0	1.37	29.9	16.5	55.8	35.0
2012	69.4	1.36	28.5	15.4	56.3	33.0
2013	70.4	1.37	27.2	14.6	57.2	31.0
2014	70.7	1.37	26.0	13.8	58.6	30.0
2015	70.9	1.37*	24.8	12.9	64.6	29.0
2016	71.6	1.37*	24.3	12.9	72.3	28.0
2017	72.0	1.37*	23.1*	12.1*	72.9	24.0
2018	72.3	1.37*	21.8*	11.3*	73.9	22.0
2019	72.6	1.37*	20.5*	10.5*	74.7	21.0

Source: Bangladesh Bureau of Statistics, \*Estimate

**Table 3: Progress in the Past Decade**

Fiscal Year	GDP Growth (%)	Investment (As % of GDP)			Per Capita Income (US\$)	Power Generation Capacity (Megawatt)	Food Grain Production (Lakh Metric Ton)	Average Inflation
		Public	Private	Total				
2010-11	6.46	5.26	22.16	27.42	928	7,264	360.7	10.9
2011-12	6.52	5.76	22.50	28.26	955	8,716	368.8	8.7
2012-13	6.01	6.64	21.75	28.39	1,054	9,151	372.7	6.8
2013-14	6.06	6.55	22.03	28.58	1,184	10,416	381.7	7.4
2014-15	6.55	6.82	22.07	28.89	1,316	11,534	384.2	6.4
2015-16	7.11	6.66	22.99	29.65	1,465	14,429	388.2	5.9
2016-17	7.28	7.41	23.10	30.51	1,610	15,379	386.3	5.4
2017-18	7.86	7.97	23.26	31.23	1,751	18,753	406.64	5.8
2018-19	8.15	8.0	23.54	31.57	1,909	22,051	409.96	5.5
2019-20	5.2 <sup>p</sup>	8.1 <sup>p</sup>	23.6 <sup>p</sup>	31.8 <sup>r</sup>	2064 <sup>p</sup>	23,548	416.47	5.7
2020-21	6.2 <sup>r</sup>	8.2 <sup>r</sup>	24.2 <sup>r</sup>	32.3 <sup>r</sup>	2227 <sup>r</sup>	25,227	452.95*	5.4 <sup>r</sup>
2021-22 (Projection)	8.20	8.1	25.0	33.1	2462	-	-	5.3

Source: Bangladesh Bureau of Statistics and Power Division, <sup>p</sup>=Provisional, <sup>r</sup>=Revised Target, \*Estimated by Department of Agricultural Extension, Ministry of Agriculture.

**Table 4: Supplementary Budget for 2020-2021**

(Crore Tk.)

Sector	Budget 2020-21	Revised 2020-21	Actual 2020-21 Up to March
1	2	3	4
<b>Total Tax Revenue</b>	<b>3,78,000</b>	<b>3,51,532</b>	<b>2,22,202</b>
	(11.9)	(11.4)	(7.2)
NBR Tax	3,30,000	3,01,000	1,80,854
Non-NBR Tax	15,000	15,000	4,628
Non Tax Receipt	33,000	35,532	36,720
<b>Total Expenditure</b>	<b>5,68,000</b>	<b>5,38,983</b>	<b>2,25,588</b>
	(17.9)	(17.5)	(7.3)
Operating Recurrent Expenditure	3,11,690	3,02,547	1,58,624
	(9.8)	(9.8)	(5.1)
Development Expenditure	2,15,043	2,08,025	58,088
	(6.8)	(6.7)	(1.9)
In which, Annual Development Programme	2,05,145	1,97,643	54,796
	(6.5)	(6.4)	(1.8)
Other Expenditure	41,267	28,411	8,876
	(1.3)	(0.9)	(0.3)
<b>Budget Deficit</b>	<b>-1,90,000</b>	<b>-1,87,451</b>	<b>-3,386</b>
	(-6.0)	(-6.1)	(-0.1)
<b>Financing</b>			
External Source	80,017	72,399	8,498
	(2.5)	(2.4)	(0.3)
Domestic Source	1,09,983	1,15,052	-8,614
	(3.5)	(3.7)	(-0.3)
In which, Banking Source	84,980	79,749	13,733
	(2.7)	(2.6)	(0.4)
<b>GDP</b>	<b>31,71,800<sup>a</sup></b>	<b>30,87,300<sup>b</sup></b>	<b>30,87,300<sup>b</sup></b>

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

**Table 5: Proposed Budget Structure for FY 2021-2022**

(Crore Tk.)

Sector	Budget 2021-22	Revised 2020-21	Budget 2020-21	Actual 2019-20
1	2	3	4	5
<b>Total Tax Revenue</b>	<b>3,89,000</b>	<b>3,51,532</b>	<b>3,78,000</b>	<b>2,65,908</b>
	(11.3)	(11.4)	(11.9)	(9.5)
In which,				
NBR Tax	3,30,000	3,01,000	3,30,000	2,16,037
Non-NBR Tax	16,000	15,000	15,000	5,944
Non Tax Receipt	43,000	35,532	33,000	43,927
<b>Total Expenditure</b>	<b>6,03,681</b>	<b>5,38,983</b>	<b>5,68,000</b>	<b>4,20,160</b>
	(17.5)	(17.5)	(17.9)	(15.0)
Non-Development Revenue Expenditure	3,28,840 (9.5)	3,02,547 (9.8)	3,11,690 (9.8)	2,36,124 (8.4)
Development Expenditure	2,37,078 (6.9)	2,08,025 (6.7)	2,15,043 (6.8)	1,61,797 (5.8)
In which,				
Annual Development Programme	2,25,324 (6.5)	1,97,643 (6.4)	2,05,145 (6.5)	1,55,380 (5.6)
Other Expenditure	37,763 (1.1)	28,411 (0.9)	41,267 (1.3)	22,239 (0.8)
<b>Budget Deficit</b>	<b>-2,14,681</b>	<b>-1,87,451</b>	<b>-1,90,000</b>	<b>-1,54,252</b>
	(-6.2)	(-6.1)	(-6.0)	(-5.5)
<b>Financing</b>				
External source (including grants)	1,01,228 (2.9)	72,399 (2.4)	80,017 (2.5)	44,130 (1.6)
Domestic source	1,13,453 (3.3)	1,15,052 (3.7)	1,09,983 (3.5)	1,08,049 (3.9)
In which, Banking source	76,452 (2.2)	79,749 (2.6)	84,980 (2.7)	79,268 (2.8)
<b>GDP</b>	<b>34,56,040<sup>a</sup></b>	<b>30,87,300<sup>b</sup></b>	<b>31,71,800<sup>a</sup></b>	<b>27,96,378<sup>p</sup></b>

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

**Table 6: Annual Development Programme (Sectoral Allocation) for FY 2021-2022**

(Crore Tk.)

Ministry/Division	Budget 2021-22	Revised 2020-21	Budget 2020-21	Actual 2019-20	Actual 2018-19	Actual 2017-18	Actual 2016-17
1	2	3	4	5	6	7	8
<b>(a) Human Resource</b>							
1. Ministry of Primary and Mass Education	8022 (3.6)	10686 (5.4)	9404 (4.6)	6299 (4.1)	6337 (4.2)	6547 (4.9)	5450 (5.7)
2. Ministry of Health and Family Welfare	13000 (5.8)	11979 (6.1)	10054 (4.9)	5331 (3.4)	6265 (4.2)	6431 (4.8)	3394 (3.5)
3. Secondary and Higher Education Division	11920 (5.3)	9685 (4.9)	9865 (4.8)	6050 (3.9)	5714 (3.8)	3376 (2.5)	5003 (5.2)
4. Others	33222 (14.7)	20372 (10.3)	29111 (14.2)	18023 (11.6)	18827 (12.6)	12290 (9.2)	8245 (8.6)
Sub Total	<b>66164</b> <b>(29.4)</b>	<b>52722</b> <b>(26.7)</b>	<b>58434</b> <b>(28.5)</b>	<b>35703</b> <b>(23.0)</b>	<b>37143</b> <b>(24.9)</b>	<b>28644</b> <b>(21.4)</b>	<b>22092</b> <b>(23.1)</b>
<b>(b) Agriculture and Rural Development</b>							
5. Local Government Division	33896 (15.0)	34170 (17.3)	31131 (15.2)	25512 (16.4)	23717 (15.9)	20518 (15.4)	17995 (18.8)
6. Ministry of Water Resouces	6871 (3.0)	7365 (3.7)	6269 (3.1)	4942 (3.2)	5900 (4.0)	4558 (3.4)	3671 (3.8)
7. Ministry of Agriculture	2959 (1.3)	2313 (1.2)	2452 (1.2)	1620 (1.0)	1677 (1.1)	1400 (1.0)	1637 (1.7)
8. Others	5082 (2.3)	5375 (2.7)	5319 (2.6)	3426 (2.2)	4009 (2.7)	4152 (3.1)	3094 (3.2)
Sub Total	<b>48808</b> <b>(21.7)</b>	<b>49223</b> <b>(24.9)</b>	<b>45171</b> <b>(22.0)</b>	<b>35500</b> <b>(22.8)</b>	<b>35303</b> <b>(23.7)</b>	<b>30628</b> <b>(22.9)</b>	<b>26397</b> <b>(27.5)</b>
<b>(c) Energy Infrastructure</b>							
9. Power Division	25349 (11.3)	21935 (11.1)	24804 (12.1)	23147 (14.9)	21570 (14.5)	26677 (20.0)	13447 (14.0)
10. Energy and Mineral Resources	2018 (.9)	1749 (.9)	1836 (.9)	2124 (1.4)	2163 (1.4)	1334 (1.0)	1099 (1.1)
Sub Total	<b>27367</b> <b>(12.1)</b>	<b>23684</b> <b>(12.0)</b>	<b>26640</b> <b>(13.0)</b>	<b>25271</b> <b>(16.3)</b>	<b>23733</b> <b>(15.9)</b>	<b>28011</b> <b>(21.0)</b>	<b>14546</b> <b>(15.2)</b>
<b>(d) Communication Infrastructure</b>							
11. Ministry of Railway	13558 (6.0)	11988 (6.1)	12491 (6.1)	11637 (7.5)	6635 (4.4)	10522 (7.9)	7755 (8.1)
12. Road Transport and Highways Division	28042 (12.4)	25761 (13.0)	24825 (12.1)	20196 (13.0)	18525 (12.4)	16161 (12.1)	7954 (8.3)
13. Bridges Division	9813 (4.4)	4603 (2.3)	7973 (3.9)	6682 (4.3)	6266 (4.2)	3220 (2.4)	3738 (3.9)
14. Others	8086 (3.6)	6860 (3.5)	6894 (3.4)	5837 (3.8)	4489 (3.0)	2756 (2.1)	2299 (2.4)
Sub Total	<b>59499</b> <b>(26.4)</b>	<b>49212</b> <b>(24.9)</b>	<b>52183</b> <b>(25.4)</b>	<b>44352</b> <b>(28.5)</b>	<b>35915</b> <b>(24.1)</b>	<b>32659</b> <b>(24.4)</b>	<b>21746</b> <b>(22.7)</b>
Total	<b>201838</b> <b>(89.6)</b>	<b>174841</b> <b>(88.5)</b>	<b>182428</b> <b>(88.9)</b>	<b>140826</b> <b>(90.6)</b>	<b>132094</b> <b>(88.5)</b>	<b>119942</b> <b>(89.7)</b>	<b>84781</b> <b>(88.5)</b>
15. Others	<b>23486</b> <b>(10.4)</b>	<b>22802</b> <b>(11.5)</b>	<b>22717</b> <b>(11.1)</b>	<b>14554</b> <b>(9.4)</b>	<b>17137</b> <b>(11.5)</b>	<b>13715</b> <b>(10.3)</b>	<b>11052</b> <b>(11.5)</b>
<b>Total ADP</b>	<b>225324</b>	<b>197643</b>	<b>205145</b>	<b>155380</b>	<b>149231</b>	<b>133657</b>	<b>95833</b>

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



**Table 7: Sectoral Allocation in Budget**

(Crore Tk.)

Ministry/Division	Budget 2021-22	Revised 2020-21	Budget 2020-21	Actual 2019-20	Actual 2018-19	Actual 2017-18	Actual 2016-17
<b>(a) Social Infrastructure</b>	<b>170510</b>	<b>147648</b>	<b>155535</b>	<b>114053</b>	<b>112610</b>	<b>92410</b>	<b>86379</b>
	<b>(28.25)</b>	<b>(27.39)</b>	<b>(27.38)</b>	<b>(27.15)</b>	<b>(28.16)</b>	<b>(27.04)</b>	<b>(30.37)</b>
Human Resource							
1. Ministry of Education	36485	32685	33118	25870	24460	20082	21082
	(6.04)	(6.06)	(5.83)	(6.16)	(6.12)	(5.88)	(7.41)
2. Ministry of Primary and Mass Education	26314	25944	24938	20461	19914	18099	17295
	(4.36)	(4.81)	(4.39)	(4.87)	(4.98)	(5.30)	(6.08)
3. Ministry of Health and Family Welfare	25914	25734	22884	13812	14249	14109	10194
	(4.29)	(4.77)	(4.03)	(3.29)	(3.56)	(4.13)	(3.58)
4. Others	67134	49671	59281	42033	42352	32635	27246
	(11.12)	(9.22)	(10.44)	(10.00)	(10.59)	(9.55)	(9.58)
Sub Total	<b>155847</b>	<b>134034</b>	<b>140221</b>	<b>102176</b>	<b>100975</b>	<b>84925</b>	<b>75817</b>
	<b>(25.82)</b>	<b>(24.87)</b>	<b>(24.69)</b>	<b>(24.32)</b>	<b>(25.25)</b>	<b>(24.85)</b>	<b>(26.66)</b>
Food and Social Safety							
5. Ministry of Food	4712	4301	5478	4120	3710	1737	2,848
	(0.78)	(0.80)	(0.96)	(0.98)	(0.93)	(0.51)	(1.00)
6. Ministry of Disaster Management	9951	9313	9836	7757	7925	5748	7,714
	(1.65)	(1.73)	(1.73)	(1.85)	(1.98)	(1.68)	(2.71)
Sub Total	14663	13614	15314	11877	11635	7485	10562
	(2.43)	(2.53)	(2.70)	(2.83)	(2.91)	(2.19)	(3.71)
<b>(b) Physical Infrastructure</b>	<b>179681</b>	<b>164028</b>	<b>167008</b>	<b>146808</b>	<b>140562</b>	<b>119857</b>	<b>89645</b>
	<b>(29.76)</b>	<b>(30.43)</b>	<b>(29.40)</b>	<b>(34.94)</b>	<b>(35.14)</b>	<b>(35.07)</b>	<b>(31.52)</b>
Agriculture and Rural Development							
7. Ministry of Agriculture	16197	14211	15437	11533	12174	9158	7626
	(2.68)	(2.64)	(2.72)	(2.74)	(3.04)	(2.68)	(2.68)
8. Ministry of Water Resources	8827	9129	8088	6603	7553	5925	4636
	(1.46)	(1.69)	(1.42)	(1.57)	(1.89)	(1.73)	(1.63)
9. Local Government Division	39218	38993	36102	29360	27842	24070	20731
	(6.50)	(7.23)	(6.36)	(6.99)	(6.96)	(7.04)	(7.29)
10. Others	9860	9818	9925	6870	7705	7471	7149
	(1.63)	(1.82)	(1.75)	(1.64)	(1.93)	(2.19)	(2.51)
Sub Total	<b>74102</b>	<b>72151</b>	<b>69552</b>	<b>54366</b>	<b>55274</b>	<b>46624</b>	<b>40142</b>
	<b>(12.28)</b>	<b>(13.39)</b>	<b>(12.25)</b>	<b>(12.94)</b>	<b>(13.82)</b>	<b>(13.64)</b>	<b>(14.12)</b>
Power and Energy	27484	23777	26757	33132	34404	28203	14620
	(4.55)	(4.41)	(4.71)	(7.89)	(8.60)	(8.25)	(5.14)
Communication Infrastructure							
11. Road Transport and Highways Division	32942	30118	29441	23580	21833	19574	10497
	(5.46)	(5.59)	(5.18)	(5.61)	(5.46)	(5.73)	(3.69)

Ministry/Division	Budget 2021-22	Revised 2020-21	Budget 2020-21	Actual 2019-20	Actual 2018-19	Actual 2017-18	Actual 2016-17
12. Ministry of Railway	17543	15497	16326	14916	9643	13449	11332
	(2.91)	(2.88)	(2.87)	(3.55)	(2.41)	(3.93)	(3.98)
13. Bridges Division	9820	4607	7979	6684	6317	3242	3769
	(1.63)	(.85)	(1.40)	(1.59)	(1.58)	(.95)	(1.33)
14. Others	9169	7660	7689	6584	5156	3340	2849
	(1.52)	(1.42)	(1.35)	(1.57)	(1.29)	(.98)	(1.00)
Sub Total	69474	57882	61435	51764	42949	39605	28447
	(11.51)	(10.74)	(10.82)	(12.32)	(10.74)	(11.59)	(10.00)
15. Other Sector	8621	10218	9264	7546	7935	5425	6436
	(1.43)	(1.90)	(1.63)	(1.80)	(1.98)	(1.59)	(2.26)
(c) General Services	<b>145150</b>	<b>119875</b>	<b>140269</b>	<b>79026</b>	<b>79327</b>	<b>76473</b>	<b>67981</b>
	<b>24.04</b>	<b>22.24</b>	<b>24.70</b>	<b>18.81</b>	<b>19.83</b>	<b>22.37</b>	<b>23.90</b>
Public Order and Safety	29123	26946	28670	23429	26942	22456	19830
	(4.82)	(5.00)	(5.05)	(5.58)	(6.74)	(6.57)	(6.97)
16. Others	116027	92929	111599	55597	52385	54017	48151
	(19.22)	(17.24)	(19.65)	(13.23)	(13.10)	(15.80)	(16.93)
Total	<b>495341</b>	<b>431551</b>	<b>462812</b>	<b>339887</b>	<b>332499</b>	<b>288740</b>	<b>244005</b>
	<b>(82.1)</b>	<b>(80.1)</b>	<b>(81.5)</b>	<b>(80.9)</b>	<b>(83.1)</b>	<b>(84.5)</b>	<b>(85.8)</b>
(d) Interest Payments	68589	63823	63801	58313	50008	42279	35691
	(11.36)	(11.84)	(11.23)	(13.88)	(12.50)	(12.37)	(12.55)
(e) PPP Subsidy and Liability	34648	36339	36610	18477	13167	3504	2434
	(5.74)	(6.74)	(6.45)	(4.40)	(3.29)	(1.03)	(.86)
(f) Net Landing and Other Expenditure	5103	7270	4777	3483	4253	7270	2252
	(0.85)	(1.35)	(0.84)	(0.83)	(1.06)	(2.13)	(0.79)
Total Budget	<b>603681</b>	<b>538983</b>	<b>568000</b>	<b>420160</b>	<b>399956</b>	<b>341793</b>	<b>284382</b>

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

**Table 8: Ministry/Division-wise Budget Allocation**

(Crore Tk.)

Ministry/Division	Budget 2021-22	Revised 2020-21	Budget 2020-21
President's Office	30	26	27
National Parliament	336	313	335
Prime Minister's Office	3907	4321	3839
Cabinet Division	239	268	258
Supreme Court	225	187	222
Election Commission Secretariat	1729	1796	1717
Ministry of Public Administration	3758	2982	3330
Bangladesh Public Service Commission	115	96	104
Finance Division	157642	136768	156079
Office of the Comptroller and Auditor General of Bangladesh	283	246	265
Internal Resources Division	3124	2696	3094
Financial Institutions Division	2559	2585	2379
Economic Relations Division	6981	5627	5876
Planning Division	1133	1491	1248
Implementation Monitoring & Evaluation Division	257	155	148
Statistics and Informatics Division	1673	527	383
Ministry of Commerce	683	426	619
Ministry of Foreign Affairs	1656	1523	1633
Ministry of Defense	37691	33916	34842
Armed Forces Division	44	39	41
Law and Justice Division	1815	1716	1739
Public Security Division	23080	21659	22658
Legislative and Parliamentary Affairs Division	36	38	40
Ministry of Primary and Mass Education	26311	25943	24937
Secondary and Higher Education Division	36486	32684	33118
Ministry of Science and Technology	21204	11446	17946
Health Service Division	25914	25734	22883
Information and Communication Technology Division	1721	1031	1415
Ministry of Social Welfare	9124	7919	7919
Ministry of Women and Children Affairs	4191	3785	3860
Ministry of Labour and Employment	365	348	350
Ministry of Housing and Public Works	6345	7425	6936
Ministry of Information	1008	993	1039

<b>Ministry/Division</b>	<b>Budget 2021-22</b>	<b>Revised 2020-21</b>	<b>Budget 2020-21</b>
Ministry of Cultural Affairs	587	522	579
Ministry of Religious Affairs	2240	2078	1693
Ministry of Youth and Sports	1115	1122	1474
Local Government Division	39219	38993	36103
Rural Government and Co-operatives Division	1791	2237	2235
Ministry of Industries	1585	2180	1614
Ministry of Expatriates Welfare and Overseas Employment	702	639	642
Ministry of Textiles and Jute	692	2620	714
Energy and Mineral Resources Division	2086	1806	1905
Ministry of Agriculture	16201	14215	15442
Ministry of Fisheries and Livestock	3437	3525	3193
Ministry of Environment, Forest and Climate Change	1221	1036	1246
Ministry of Land	2225	1822	2014
Ministry of Water Resources	8827	9129	8089
Ministry of Food	5310	6854	6047
Ministry of Disaster Management and Relief	9951	9313	9836
Road Transport and Highways Division	32942	30119	29442
Ministry of Railway	17486	15513	16338
Ministry of Shipping	5137	4676	4000
Ministry of Civil Aviation and Tourism	4032	2984	3688
Posts and Telecommunications Division	2549	2222	3140
Ministry of Chittagong Hill Tracts Affairs	1182	1195	1235
Power Division	25398	21971	24853
Ministry of Liberation War Affairs	6343	4238	4505
Anti Corruption Commission	159	121	150
Bridges Division	9820	4607	7979
Technical and Madrasha Education Division	9154	7577	8345
Security Services Division	3808	3222	3858
Health Education and Family Welfare Division	6817	5738	6362
<b>Total</b>	<b>603681</b>	<b>538983</b>	<b>568000</b>

Source: Finance Division

## **Annexure-B**

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**Table 1: Agriculture sector**

- List of items of agriculture sector those customs duty tax has been increased

Sl. No.	H.S. Codes	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	0602.90.10	Mushroom	5	15
2	2501.00.10	Pure sodium chloride BP/USP pyrogen free	10	25
3	2501.00.91	Denatured salt (coloured)	10	25

- List of the products those duty tax has been reduced

Sl. No.	Heading	H.S. Codess	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)	(6)
1	72.04	7204.21.00	Of stainless steel	BDT 1500 per MT	BDT 500 per MT

- List of items those Regulatory Duty has been increased

Sl. No.	Heading	H.S. Codess	Description	RD Rate	RD Rate
(1)	(2)	(3)	(4)	(5)	(6)
1	12.05	1205.10.10	Low erucic acid rape or colza seeds, Wrapped/canned upto 2.5 kg	0%	5%
2		1205.10.90	Low erucic acid rape or colza seeds in bulk	0%	5%
3	25.01	2501.00.10	Pure sodium chloride BP/USP pyrogen free	0%	3%
4		2501.00.91	Denatured salt (coloured)	0%	3%
5	28.33	2833.11.00	Disodium sulphate	0%	3%
6		2833.19.00	Sodium sulphates	0%	3%

- List of items those Supplementary Duty has been increased to protect poultry sector

Sl. No.	H.S.Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	02.01, 02.02, 02.04, 02.06, 02.07 (All H.S. Codes)	Meat and edible offal of bovine animals, sheeps or goats	0	20

Sl. No.	H.S.Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
2	0706.10.10	Carrots And Turnips, Fresh Or Chilled, Wrapped/Canned upto 2.5 kg	0	20
4	0706.10.90	Carrots And Turnips, Fresh Or Chilled, Wrapped/Canned in bulk	0	20
5	0802.80.10	Areca Nut Wrapped/canned upto 2.5 kg	20	30
6	0802.80.90	Areca Nut in bulk	0	30
7	1704.10.90	Other Chewing gum, whether or not sugar-coated	20	45
8	1704.90.90	Other Sugar confectionery	20	45
9	2501.00.10	Pure sodium chloride BP/USP pyrogen free	0	20
10	2501.00.91	Denatured salt (coloured)	0	20
11	2833.11.00	Disodium sulphate	0	20
12	2833.19.00	Sodium sulphates	0	20

- List of items those VAT has been increased

Sl. No.	H.S. Codess	Description	Existing Rate	Proposed Rate
(1)	(2)	(3)	(4)	(5)
1	0207.11.90 0207.12.90	Fresh/chilled/Frozen Meat&Edible Offal Of Fowls Not Cut Inpieces, nes	0%	15%
2	0706.10.90	Carrots And Turnips, Fresh Or Chilled, Wrapped/Canned in bulk	0%	15%

- Reduction of duty and taxes of feed ingredients used in poultry/dairy/fish feed:

Sl. No.	H.S. Codess	Description
(1)	(2)	(3)
1	2306.90.00	De-oil rice bran (DORM) (Feed grade)
2	2306.49.00	Rapeseed extraction (Feed grade)
3	2302.40.10	Rice Bran (Feed grade)
4	2302.30.00	Wheat Bran (Feed grade)
5	2306.30.00	Sun flower meal/ extraction (Feed grade)
6	2306.60.00	Palm kernel extraction (Feed grade)
7	2306.90.00	Canola Meal/ Extraction (Feed grade)
8	2306.10.00	Cotton seed extraction (Feed grade)
9	1516.10.00	Animal oil (Feed grade)



<b>Sl. No.</b>	<b>H.S. Codess</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
10	2836.99.90	Sodium per carbonate (Feed grade)
11	2922.49.00	L-Valine (Feed grade)
12	2309.90.11	Cre-amino (Feed grade)
13	2309.90.11	L-Isoleucine (Feed grade)
14	3004.10.00	Veterinary Medicine (Antibiotic)
15	3004.20.00	Veterinary Medicine (Cefquinome Sulphate)
16	3004.32.00	Veterinary Medicine (Anti-Mastitis)
17	3004.39.00	Veterinary Medicine (Hormone)
18	3004.50.00	Diluents (Dilavia) for Vaccine Use
19	3004.90.00	Diluents, Solvents for Vaccine Use
20	2309.90.90	-High Protein Granular-Vegetal
21	2832.30.00	Vaccine Stabilizer (Thiosulphates)

**Table-2: Health Sector**

1. Reduction of duty and taxes of feed ingredients used in Medical Device Manufacturing

<b>Sl</b>	<b>H.S. Codess</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	3917.23.90	FEP/Teflon tube
2	3917.40.00	Silicone tube
3	3919.90.10	Self adhesive tape in rolls exceeding 20cm
4	3920.49.30	PVC film and PVDC Film
5	3920.92.90	Unprinted nylon film in roll
6	3926.90.99	Polytetrafluoroethylene (PTFE) Membrane for Mask
7	4009.11.00	Tubes and pipes
8	4802.57.00	Other paper or paperboard weighing 40 g/m <sup>2</sup> or more but not more than 150 g/m <sup>2</sup>
10	8481.40.19	Auto safety valve
11	8481.80.29	Solenoid valve
12	8516.90.00	Heater coil
13	9018.32.00	Tubular Metal Needles & Needles for Sutures
14	9018.39.90	Hubs & Caps for Needle Cannula

2. Reduction of duty and taxes on ingredients used in Anti-cancer medicine manufacturing

Sl. No	Incorrect name mentioned in the SRO	Corrected name
01	Atatinib Dimalate	Afatinib Dimalate
02	Bleomycin Sulfat	Bleomycin Sulfate
03	Cabozantinib	Cabozantinib Malate
04	Daunorubicin	Daunorubicin HCl
05	Erlotinib	Erlotinib HCl
06	Imatinib	Imatinib Mesylate
07	Irinotecan	Irinotecan HCl
08	Lapatinib	Lapatinib Ditosylate
09	Linalidomide	Lenalidomide
10	Nintedanib Tosylate	Nintedanib Tosylate Monohydrate
11	Osimertinib	Osimertinib Mesylate
12	Regorafenib	Regorafenib Monohydrate
13	Sorafenib	Sorafenib Tosylate
14	Tofacitinib	Tofacitinib Citrate
15	Trametibib Dimethyl Sulfoxide	Trametinib Dimethyl Sulfoxide

3. Reduction of duty and taxes on ingredients used in API for medicine manufacturing

HS Code	Name of the Intermediate
2710.19.39	Petroleum Ether
2810.00.10	Boric acid
2825.90.00	Calcium Hydroxide
2827.20.00	Calcium chloride Dihydrate
2836.50.00	Calcium Carbonate
2915.39.00	Tert-Butyl bromoacetate
2918.99.00	3-Chloro-2,2-dimethylpropyl ester of Ibuprofen
2918.99.00	Chenodeoxycholic acid
2922.49.00	o-(2,6 dichloroanilino) phenyl) acetic acid sodium salt (Dicloenac Sodium)
2933.31.00	[S,S]-2-8-diazabicyclo-[4,3,0]nonane
2933.49.00	1-cyclopropyl-6,7-difluoro-8-methoxy-4-oxo-1,4-dihydro-3-quinoline carboxylic acid
2933.59.90	Orotic Acid

**Table-3: Industry Sector**

a) List of H.S Code that has been included in Raw Materials related SRO.

<b>Sl. No.</b>	<b>H.S. Codess</b>	<b>Description</b>	<b>Existing Rate (%)</b>	<b>Proposed Rate (%)</b>
(1)	(2)	(3)	(4)	(5)
1	2818.10.10	Artificial Corundum Imported by industrial IRC holder VAT compliant sand paper manufacturing industry	5	0
2	2818.20.10	Aluminium Oxide Imported by industrial IRC holder VAT compliant sand paper manufacturing industry	5	0
3	4811.60.20	Paraffin wax or stearin covered paper and paperboard Imported by Industrial IRC holder VAT compliant sand paper manufacturing industry	25	5
4	5901.10.10	Textile fabrics coated with gum or amylaceous Imported by Industrial IRC holder VAT compliant sand paper manufacturing industry	25	5
5	3215.11.20	Black ink Imported by industrial IRC holder VAT compliant SIM card and scratch card manufacturing industry	25	5
6	3215.90.30	Inkjet Refill in injectable form Imported by industry IRC holder VAT compliand SIM card and scratch card manufacturing industry	25	5
7	3811.21.10	Additives for Lubricating oils Containing Pteroleum oils or oils obtained from Bituminous Minerals imported by Industrial IRC holder VAT compliant lub-blending industry	10	5
8	3811.29.10	Additives for Lubricating oils obtained from other sources imported by Industrial IRC holder VAT compliant lub-blending industry	10	5
9	3824.99.50	Coated calcium carbonate imported by Industrial IRC holder VAT compliant plastic goods or calcium carbonate filler or Cable manufacturing industry	25	5
10	3926.90.93	Plastics frame works imported by Industrial IRC holder VAT compliant cable manufacturing industry	25	15

<b>Sl. No.</b>	<b>H.S. Codess</b>	<b>Description</b>	<b>Existing Rate (%)</b>	<b>Proposed Rate (%)</b>
(1)	(2)	(3)	(4)	(5)
11	3919.10.10	Self adhesive tape Imported by Industrial IRC holder VAT compliant SIM card or Smart card or Gypsum board manufacturing industry	25	15
12	3920.49.50	PVC film imported by Industrial IRC holder VAT compliant Gypsum board manufacturing industry	25	15
13	4805.91.10	Uncoated paper board imported by Industrial IRC holder VAT compliant Gypsum board manufacturing industry	10	5
14	4805.92.10	Uncoated paper board imported by Industrial IRC holder VAT compliant Gypsum board manufacturing industry	10	5
15	4805.93.10	Uncoated paper board imported by Industrial IRC holder VAT compliant Gypsum board manufacturing industry	10	5
16	4402.90.10	Charcoal and Wood Powder based Coil Compound imported by Industrial IRC holder VAT compliant repellent Coil manufacturing industry	5	10
17	4823.69.10	Other paper and paperboard Imported by Industrial IRC Holder VAT compliant paper cup, bowl, plate manufacturng industry	25	15
18	7016.10.10	Glass cube Imported by industrail IRC holder VAT compliant glass mozaic manufacturing industry	25	15
19	7209.16.10	Cold rolled steel sheet Imported by Industrial IRC holder VAT compliant fire resistant door manufacturing industry	10	5
20	7209.17.10	Cold rolled steel sheet imported by Industrial IRC holder VAT compliant fire resistant door manufacturing industrys	10	5
21	7318.14.10	Threaded self tapping screw imported by Industrial IRC holder VAT compliant pre-fabricated building industry	25	15
22	9405.91.10	Parts of Heading No-94.05 Of Glass Imported by Industrial IRC holder VAT compliant lamp manufacturing industry	25	0

<b>Sl. No.</b>	<b>H.S. Codess</b>	<b>Description</b>	<b>Existing Rate (%)</b>	<b>Proposed Rate (%)</b>
(1)	(2)	(3)	(4)	(5)
23	9405.92.10	Parts of Heading No.94.05 Of Plastic Imported by Industrial IRC holder VAT compliant LED lamp manufacturing industry	25	0
24	9405.99.10	Other Parts of Heading No.94.05 Imported by Industrial IRC holder VAT compliant LED lamp manufacturing industry	25	0
25	7606.11.10	Non-Alloyed Aluminum plates, sheets and strip, of a thickness exceeding 0.2 mm. Imported by Industrial IRC holder VAT compliant LED Lamp or Electrical Fan Manufacturing Industries	10	0
26	6006.42.10	Dyed knitted or crocheted fabrics imported by Industrial IRC holder VAT complaint footwear manufacturing industry	25	15
27	6006.43.10	Yarns of different colors knitted or crocheted fabrics imported by industrial IRC holder VAT complaint footwear manufacturing industry	25	15
28	8529.90.22	Open Cell for use in manufacturing of LCD,LED panel imported by industrial IRC holder VAT compliant television manufacturing Industry	25	0
29	8529.90.21	LED bulb with bar imported by industrial IRC holder VAT compliant television manufacturing Industry	5	0
30	3921.19.11	Microcellular PET light sheet having a power saving capacity of 20% or more imported by industrial IRC holder VAT compliant television manufacturing Industry	10	5
31	7212.20.10	Flat-rolled products of iron or non-alloy steel Electrolytically plated or coated with zinc imported by industrial IRC holder VAT compliant refrigerator or air conditioner or television manufacturing Industries	10	5
32	7210.30.10	Flat-Rolled Iron or Steel, Width $\geq$ 600mm, Electro-Plated or Coated with Zinc imported by industrial IRC holder VAT compliant TV manufacturing Industry	25	5

b) SD reduced by including in Raw Materials related SRO No-122/2020

Sl. No.	H.S.Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	6802.10.10	Tiles cube Imported by industrail IRC holder VAT compliant tiles mozaic manufacturing industry	60	0

c) List of H.S Code that has been included in Capital Machinery related SRO No-121/2020

Sl.	H.S. Codess	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	8424.20.30	Sprinkler system and equipments	5	1
2	8537.10.10	Busbar trunking system	10	1
3	8537.10.90	Electric panel	10	1

d) List of H.S Code that has been removed from Capital Machinery related SRO No-121/2020

Sl. No.	H.S. Codes	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	8501.20.99	Motor exceeding 750 W	1	10
2	8504.40.90	Static converters	1	10

e) List of H.S Code that has been included in Motorcycle Manufacturing

HS code	Description of Goods
(1)	(2)
7209.16.00	Cold rolled flat-rolled products of iron or non-alloy steel in coils of a thickness exceeding 1mm but less than 3mm
7209.17.00	Cold rolled flat-rolled products of iron or non-alloy steel in coils of a thickness exceeding 0.5mm or more but not exceeding 1mm
7209.18.00	Cold rolled flat-rolled products of iron or non-alloy steel in coils of a thickness of less than 0.5 mm
7306.90.00	Other tubes, pipes and hollow profiles (for example, open seam or welded riveted or similarly closed of iron or steel. Other

- f) List of H.S Code that has been included in locally washing machine Manufacturing

**TABLE-3f-1**

<b>H.S. Codess</b>	<b>Description</b>	<b>CD</b>
7220.20.90	Stainless Steel Sheet; Not further work than cold rolled; width less than 600mm; Thickness of more than 0.125 mm	5
7212.30.00	Flat-rolled products of iron or non-alloy steel, plated or coated with Zinc, width less than 600mm	5
8501.20.91	Universal AC/DC Motors of an output not exceeding 37.5 W but not exceeding 750 W	5
8532.29.90	Fixed electrical capacitors	5

**TABLE-3f-2**

<b>H.S. Codess</b>	<b>Description</b>	<b>CD</b>
7210.70.99	Flat-rolled products of iron or non-alloy steel, painted, varnished or coated with plastic; width more than 600mm; thickness of less than 1.0 mm	10
7320.90.90	Clip Springs; Suspension Springs	10
8544.42.00	Electric conductors for a voltage not exceeding 1,000 V, Fitted with Connector	10
7326.90.90	Spider Angel	10
8538.90.90	Panel	10
3921.13.00	plates, sheets, film, foil and strip of polyurethanes	10
3917.23.90	Tubes, Pipes and Hoses of Polymers of Vinyl Chloride	10

- e) List of H.S Code that has been included in locally Computer Manufacturing

- 1) H.S code that has been included

<b>H.S. Codess</b>	<b>Description</b>
<b>(2)</b>	<b>(3)</b>
7408.19.90	Copper Wire; Jumper wire
7607.11.90	Aluminum Foil; Thickness: 0.18 mm
8003.00.00	Solder Tin Bar
8311.30.00	Soldering Wire
8311.30.00	Solder lead bar
2841.61.00	Potassium Permanganate
3702.42.00	Unexposed photo Sensitive emulsion film.

<b>H.S. Codess</b>	<b>Description</b>
<b>(2)</b>	<b>(3)</b>
3810.90.90	HASL Flux
3810.10.00	Solder paste
3810.90.90	Soldering Flux
3810.90.90	Soldering Cleaner
3814.00.90	Reducer (Printing Ink Reducer)
8532.23.00	Ceramic Dielectric, Single layer Capacitor
8532.24.00	Ceramic Dielectric, Multi-layer Capacitor
8532.22.90	Aluminum Electrolytic Capacitor

2) H.S. Codes those description/ H.S. Codes has been corrected

<b>Present Description</b>	<b>Proposed Description</b>	<b>Present H.S. Codes</b>	<b>Proposed H.S. Codes</b>
Antifoam	Defoaming agent	3402.19.90	3402.19.10
Pet optical film (coated/ non-coated) in roll form	Pet optical film (coated/ non-coated) in roll form	3921.19.90	3921.19.90
Processed plain metal-alloy sheet for mobile housing; Decoration steel sheet for making computer body casing	Processed Plain Metal-Alloy for Housing; Decoration Steel sheet for making Computer Body Casing	7226.99.90	7226.99.90
Screw	Screw	7318.15.90	7318.14.90
Washer	Washer	7318.22.00	7318.22.90
DC Motors	DC Motors	8401.31.90	8501.31.90
Internal solid-state drive (SSD)	Internal solid-state drive (SSD)	8471.70.00	8523.51.10
CPU Chips	CPU Chips	8473.30.00	8542.39.90
Capacitor	Capacitor	8532.29.00	8532.29.90
2 pin connector plugs; Connectors; Sockets	2 pin connector plugs; Connectors; Sockets	8536.69.00	8536.90.90

f) List of H.S Code that has been included in locally LPG Cylinder Manufacturing

<b>Sl. No.</b>	<b>H.S. Codes</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	7208.27.10	Pickled HR Coil
2	7214.99.00	Carbon Steel S20C/ SAE 1020 (42mmRD)



- g) List of H.S Code that has been included in locally Compressor Manufacturing

<b>Sl. No.</b>	<b>HS Code</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	7208.26.90	Hot Rolled Steel Pickled and oiled (Thickness from 3mm to less than 4.75 mm, width more than 600mm or more) in coil
2	8544.19.90	Aluminum Winding Wire

- h) List of H.S Code that has been included in Fire Fighting equipments related SRO

<b>Sl. No.</b>	<b>HS Code</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	7306.19.10	Exceeding 8 inch inner dia
2	7306.19.20	8 inch inner dia or less
3	7306.29.10	Exceeding 8 inch inner dia
4	7306.29.20	8 inch inner dia or less
5	7306.30.00	Other, welded, of circular cross-section of iron or non-alloy steel
6	7306.90.00	Other black steel pipe
7	7307.19.00	Coupling, tee, reducer
8	7307.29.00	Elbows, tee, reducer
9	7307.93.00	Tee, reducer
10	7307.99.90	Flexible Joint, tee, reducer

- i) List of H.S Code that has been included in locally toy manufacturing

<b>SI</b>	<b>HS Code</b>	<b>Parts &amp; Components Name</b>
1	8467.19.00	Pneumatic tools with soft-contained electric or Non-Electric-Motor
2	8543.90.00	Remote Control parts/Mini Loaded circuit
3	8512.30.00	Horn
4	4821.90.90	Sticker Paper (Non-Printed)
5	4821.10.00	Sticker Paper (Printed)
6	3926.90.99	PVC Washer
7	8544.42.00	Battery Connector Cable

j) List of H.S Code that has been included in textile industry

**TABLE-3j-A**

<b>Sl. No.</b>	<b>HS Code</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	3701.30.90	Photosensitive Rotary Screen
2	9025.80.00	Temperature Sensor

**TABLE-3j-B**

<b>Sl. No.</b>	<b>HS Code</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	8538.90.99	Loaded PCB

**Table 4: Tariff rationalization**

**i. Increase/decrease in duty and taxes**

a) Reduction of CD:

<b>Sl. No.</b>	<b>H.S. Codes</b>	<b>Description</b>	<b>Existing Rate (%)</b>	<b>Proposed Rate (%)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
1	0508.00.00	Coral; Shells Of Molluscs, Crustaceans, Unworked	5	0
2	1703.10.00	Cane molasses	25	15
3	2526.20.10	Other Natural Steatite	15	10
4	3926.90.40	Mulch film	10	5
5	9021.90.10	Occluder	1	0
6	9018.39.18	Blood tubing set for hemodialysis	25	5
7	8711.20.93	Moped four-stroke engine in CKD	25	5
8	8704.21.22	Dumper/tipper in CKD condition	25	5
9	8704.22.19	Dumper/tipper in CKD condition	25	5
10	8704.23.17	Dumper/tipper in CKD condition	25	5
11	8704.31.23	Dumper/tipper in CKD condition	25	5
12	8704.32.23	Dumper/tipper in CKD condition	25	5
13	8704.90.22	Dumper/tipper in CKD condition	25	5
14	8424.20.30	Sprinkler system and equipments	5	1

b) Increase in CD

<b>Sl. No.</b>	<b>H.S. Codes</b>	<b>Description</b>	<b>Existing Rate (%)</b>	<b>Proposed Rate (%)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
1	2710.19.41	Heavy normal paraffin In drum	10	15
2	2710.19.49	Heavy normal paraffin, Other	10	15
3	2710.19.51	Liquid paraffin In drum	10	15
4	2710.19.59	Liquid paraffin, Other	10	15
5	2710.19.61	Other paraffin In drum	10	15
6	2710.19.69	Other paraffin, Other	10	15
7	2710.19.91	Mineral oil	10	15
8	2833.11.00	Disodium sulphate	15	25
9	2833.19.00	Sodium sulphates	15	25
10	7007.11.00	safety glass Of size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels	5	10
11	7007.21.00	Laminated safety glass Of size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels	5	10
12	7222.11.00	Of circular cross-section	10	15
13	7222.19.00	Other	10	15
14	7222.20.00	Bars and rods, not further worked than cold-formed or cold-finished	10	15
15	7222.30.00	Other bars and rods	10	15
16	7222.40.00	Angles, shapes and sections	10	15
17	8309.10.00	Crown corks	15	25
18	8309.90.10	Lug caps	15	25
19	8309.90.30	Combination seal for vials	15	25
20	8437.80.10	Rice huller and wheat crusher	10	15
21	8504.40.90	Static converters	1	10
22	8517.12.19	Cellular phone	10	25
23	8501.20.99	Motor exceeding 750 W	1	10

c) Reduction of specific duty rate

<b>Sl. No.</b>	<b>Heading</b>	<b>H.S. Codes</b>	<b>Description</b>	<b>Existing Rate (%)</b>	<b>Proposed Rate (%)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
1	72.04	7204.21.00	Of stainless steel	BDT 1500 per MT	BDT 500 per MT

d) Increase/decrease of regulatory duty:

Sl. No.	Heading	H.S. Codes	Description	RD Rate	RD Rate
(1)	(2)	(3)	(4)	(5)	(6)
1	72.17	7217.30.00	Plated or coated with other base metals	0%	3%
2	73.18	7318.11.00	Coach screws	0%	3%
		7318.12.00	Other wood screws	0%	3%
		7318.13.00	Screw hooks and screw rings	0%	3%
		7318.15.90	Other Screw	0%	3%
		7318.16.00	Nuts	0%	3%
3	83.09	8309.10.00	Crown corks	0%	3%
		8309.90.10	Lug caps	0%	3%
		8309.90.30	Combination seal for vials	0%	3%
4	83.11	8311.30.00	Coated rods and cored wire, of base metal, for soldering, brazing or welding by flame	0%	3%
		8311.90.00	Other	0%	3%

e) Increase/decrease/imposition/withdrawal of Supplementary duty:

Sl. No.	H.S.Code	Description	Existing Rate (%)	Proposed Rate (%)
(1)	(2)	(3)	(4)	(5)
1	2710.19.22	Recycled lube base oil	0	20
2	2710.19.32	Recycled lubricating oil	0	20
3	34.01 (All H.S.Codes)	Soap; organic surface-active products and preparations	20	45
4	3402.20.00	Preparations put up for retail sale	0	20
5	7318.15.90	Other Screw	0	20
6	7318.19.00	Other Screw	0	20
7	8711.20.93	Moped four-stroke engine in CKD	20	0
8	8309.90.90	Stoppers	0	45
9	9505.90.00	carnival or other entertainment articles	0	20

**ii. Split/merge/creation of H.S. Codes and changes made in description against some H.S. Codes:**

a) H.S. Codes against which description has been changed:

<b>Sl. No.</b>	<b>H.S. Codes</b>	<b>Existing Description</b>	<b>Changed Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1	2905.31.20	--- Imported by Industrial IRC holder VAT compliant PVC/PET resin manufacturing industry in economic zone	--- Imported by Industrial IRC holder VAT compliant PVC/PET resin manufacturing industry
2	2917.36.20	--- Terephthalic acid imported by Industrial IRC holder VAT compliant PVC/PET resin manufacturing industry in economic zone	--- Terephthalic acid imported by Industrial IRC holder VAT compliant PVC/PET resin manufacturing industry
3	3824.99.50	--- Coated calcium carbonate imported by Industrial IRC holder VAT compliant plastic goods or calcium carbonate filler manufacturing industry	--- Coated calcium carbonate imported by Industrial IRC holder VAT compliant plastic goods or calcium carbonate filler or cable manufacturing industry
4	3919.90.30	--- Scratch off label imported by Industrial IRC holder VAT compliant SIM card or Smart card manufacturing industry	--- Scratch off label imported by Industrial IRC holder VAT compliant SIM card or Smart card or Gypsum board manufacturing industry
5	3920.49.30	--- PVC film imported by Industrial IRC holder VAT compliant medicine packaging industries	--- PVC film imported by Industrial IRC holder VAT compliant medicine packaging industries
6	3920.92.30	--- Unprinted nylon film in roll form imported by Industrial IRC holder VAT compliant medicine packaging industries	--- Unprinted nylon film in roll form imported by Industrial IRC holder VAT compliant medicine packaging industries
7	3926.90.40	--- Mulch imported by agricultural or horticultural products manufacturers	--- Mulch film

<b>Sl. No.</b>	<b>H.S. Codes</b>	<b>Existing Description</b>	<b>Changed Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
8	7212.20.10	--- Imported by Industrial IRC holder VAT compliant refrigerator or air conditioner manufacturing industries	--- Imported by Industrial IRC holder VAT compliant refrigerator or air conditioner or television manufacturing industries
9	7318.14.10	Imported by pre-fabricated building industry	--- Threaded self tapping screw imported by Industrial IRC holder VAT compliant pre-fabricated building industry
10	7606.11.10	--- Imported by Industrial IRC holder VAT compliant electric fan manufacturing industry	--- Imported by Industrial IRC holder VAT compliant LED Lamp or electric fan manufacturing industry
11	8450.20.10	--- Household type washing machine capacity not exceeding 12 kg	--- Household type washing machine capacity not exceeding 18 kg
12	8529.90.22	---- Open cell (18.5 inch or above of diagonal length) for use in manufacture of Liquid Crystal Device (LCD)/Light Emitting Diode (LED) panel, imported by Industrial IRC holder VAT compliant television manufacturing industry	---- Open Cell for use in manufacturing of LCD,LED panel imported by industrial IRC holder VAT compliant television manufacturing Industry
13	9021.90.10	--- Heart valve	--- Heart valve or Occluder
14	9406.90.10	--- Sandwich panel with or without cold room facility imported by agro-processing or pharmaceuticals industry	--- Sandwich panel with or without cold room facility

b) H.S. Codes that have been split:

<b>Sl. No.</b>	<b>Existing H.S. Codes</b>	<b>Splited H.S. Codes</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1.	8547.90.00	8547.90.10	--- Imported by industrial IRC holder VAT compliant insulator manufacturing industry
		8547.90.90	--- Other

Sl. No.	Existing H.S. Codes	Splited H.S. Codes	Description
(1)	(2)	(3)	(4)
2.	8513.90.00	8513.90.10	--- Parts of Solar Powered lantern/lamps having no provision for electrical power Imported by Industrial IRC Holder VAT Compliant LED Lamp Manufacturing industries
		8513.90.90	--- Other
3.	7407.21.00	7407.21.10	--- Brass Rods Imported by Industrial IRC Holder VAT Compliant Valve & Bung Manufacturing Industries
		7407.21.90	--- Other
4.	8516.90.00	8516.90.10	--- Heater Coil Imported by Industrial IRC Holder VAT Compliant Medical Equipment Manufacturing Industries
		8516.90.90	--- Other

c) H.S. Codes which has been created:

Sl. No.	Existing H.S. Codes	Splited H.S. Codes	Description
(1)	(2)	(3)	(4)
1	0602.90.00	0602.90.10	--- Mushroom
		0602.90.90	--- Other
2	2818.10.00	2818.10.10	--- Imported by industrial IRC holder VAT compliant sand paper manufacturing industry
		2818.10.90	--- Other
3	2818.20.00	2818.20.10	--- Imported by industrial IRC holder VAT compliant sand paper manufacturing industry
		2818.20.90	--- Other
4	3811.21.00	3811.21.10	--- Imported by Industrial IRC holder VAT compliant lub-blending industry
		3811.21.90	--- Other
5	3811.29.00	3811.29.10	--- Additives for Lubricating oils obtained from other sources imported by Industrial IRC holder VAT compliant lub-blending industry
		3811.29.90	--- Other
6	3921.19.10	3921.19.11	---- Imported by industrial IRC holder VAT compliant television manufacturing Industry
		3921.19.19	---- Other

<b>Sl. No.</b>	<b>Existing H.S. Codes</b>	<b>Splited H.S. Codes</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
7	4402.90.00	4402.90.10	--- Charcoal and Wood Powder based Coil Compound imported by Industrial IRC holder VAT compliant repellent Coil manufacturing industry
		4402.90.90	--- Other
8	4805.91.00	4805.91.10	--- Uncoated paper board imported by Industrial IRC holder VAT compliant Gypsum board manufacturing industry
		4805.91.90	--- Other
9	4805.92.00	4805.92.10	--- Uncoated paper board imported by Industrial IRC holder VAT compliant Gypsum board manufacturing industry
		4805.92.90	--- Other
10	4805.93.00	4805.93.10	--- Uncoated paper board imported by Industrial IRC holder VAT compliant Gypsum board manufacturing industry
		4805.93.90	--- Other
11	4823.69.00	4823.69.10	--- Other paper and paperboard Imported by Industrial IRC Holder VAT compliant paper cup, bowl, plate manufacturing industry
		4823.69.90	--- Other
12	5901.10.00	5901.10.10	--- Imported by Industrial IRC holder VAT compliant sand paper manufacturing industry
		5901.10.90	--- Other
13	6006.42.00	6006.42.10	--- Imported by Industrial IRC holder VAT complaint footwear manufacturing industry
		6006.42.90	--- Other
14	6006.43.00	6006.43.10	--- Imported by industrial IRC holder VAT complaint footwear manufacturing industry
		6006.43.90	--- Other
15	6802.10.00	6802.10.10	--- Tiles cube Imported by industrail IRC holder VAT compliant tiles mozaic manufacturing industry
		6802.10.90	--- Other
16	7016.10.00	7016.10.10	--- Glass cube Imported by industrail IRC holder VAT compliant glass mozaic manufacturing industry
		7016.10.90	--- Other



<b>Sl. No.</b>	<b>Existing H.S. Codes</b>	<b>Splited H.S. Codes</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
17	7209.16.00	7209.16.10	--- Cold rolled steel sheet Imported by Industrial IRC holder VAT compliant fire resistant door manufacturing industry
		7209.16.90	--- Other
18	7209.17.00	7209.17.10	--- Cold rolled steel sheet imported by Industrial IRC holder VAT compliant fire resistant door manufacturing industrys
		7209.17.90	--- Other
19	7210.30.00	7210.30.10	--- Imported by industrial IRC holder VAT compliant TV manufacturing Industry
		7210.30.90	--- Other
20	9405.91.00	9405.91.10	--- Imported by Industrial IRC holder VAT compliant lamp manufacturing industry
		9405.91.90	--- Other
21	9405.92.00	9405.92.10	--- Imported by Industrial IRC holder VAT compliant LED lamp manufacturing industry
		9405.92.90	--- Other
22	9405.99.00	9405.99.10	--- Imported by Industrial IRC holder VAT compliant LED lamp manufacturing industry
		9405.99.90	--- Other

d) List of H.S. Codes that has been merged

<b>Sl. No.</b>	<b>Existing H.S. Codes</b>	<b>Marge H.S. Codes</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	3917.40.10	3917.40.00
	3917.40.90	
2	4009.11.10	4009.11.00
	4009.11.90	
3	4802.57.10	4802.57.00
	4802.57.90	
4	8516.90.10	8516.90.00
	8516.90.90	
5	8537.10.11	8537.10.10
	8537.10.19	
6	8537.10.91	8537.10.90
	8537.10.99	

e) List of H.S Code that has been created

<b>Sl. No.</b>	<b>New H.S. Codes</b>	<b>Description</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	3215.11.20	--- Black ink Imported by industrial IRC holder VAT compliant SIM card and scratch card manufacturing industry
2	3215.90.30	--- Inkjet Refill in injectable form Imported by industry IRC holder VAT compliant SIM card and scratch card manufacturing industry
3	3920.49.50	--- PVC film imported by Industrial IRC holder VAT compliant Gypsum board manufacturing industry
4	3926.90.93	---- Plastics frame works imported by Industrial IRC holder VAT compliant cable manufacturing industry
5	4811.60.20	--- Paraffin wax or stearin covered paper and paperboard Imported by Industrial IRC holder VAT compliant sand paper manufacturing industry
6	8705.90.20	--- Road Sweeper
7	8711.20.93	---- Moped four-stroke engine in CKD
8	9018.39.18	---- Blood tubing set for hemodialysis

f) Correction of Heading 87.04

<b>Sl</b>	<b>Present</b>		<b>Proposed</b>		<b>Comments</b>
	<b>H.S Code</b>	<b>Description</b>	<b>H.S Code</b>	<b>Description</b>	
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
			8704.21.22	---- Dumper/tipper in CKD condition	New
	8704.22.16	---- Other, CBU	8704.22.19	---- Other, CBU	Changed
	8704.22.17	---- Truck in CKD condition	8704.22.21	---- Truck in CKD condition	Changed
			8704.22.22	---- Dumper/tipper in CKD condition	New
	8704.22.18	---- Other CKD condition	8704.22.29	---- Other CKD condition	Changed
	8704.23.14	---- Other, CBU	8704.23.19	---- Other, CBU	Changed
	8704.23.15	---- Truck in CKD condition	8704.23.21	---- Truck in CKD condition	Changed
			8704.23.22	---- Dumper/tipper in CKD condition	New

SI	Present		Proposed		Comments
	H.S Code	Description	H.S Code	Description	
(1)	(2)	(3)	(4)	(5)	(6)
	8704.23.16	---- Other CKD condition	8704.23.29	---- Other CKD condition	Changed
	8704.31.18	---- Other, CBU	8704.31.19	---- Other, CBU	Changed
	8704.31.19	---- Truck in CKD condition	8704.31.21	---- Truck in CKD condition	Changed
	8704.31.21	---- Pickup in CKD condition	8704.31.22	---- Pickup in CKD condition	Changed
			8704.31.23	---- Dumper/tipper in CKD condition	New
	8704.31.22	---- Other In CKD condition	8704.31.29	---- Other In CKD condition	Changed
			8704.32.22	---- Dumper/tipper in CKD condition	New
	8704.32.22	---- Other in CKD condition (excl. truck)	8704.32.29	---- Other in CKD condition (excl. truck)	Changed
	8704.90.15	---- Other, CBU	8704.90.19	---- Other, CBU	Changed
			8704.32.22	---- Dumper/tipper in CKD condition	New
	8704.90.23	---- Other in CKD condition (excl. truck/pickup)	8704.90.29	---- Other in CKD condition (excl. truck/pickup)	Changed

g) Correction of Heading 87.11

SI	Present		Proposed	
	H.S Code	Description	H.S Code	Description
(1)	(2)	(3)	(4)	(5)
1	8711.20.91	---- Four-stroke engine in CBU	8711.20.31	---- Four-stroke engine in CBU
			8711.20.32	---- Moped four-stroke engine in CBU
			8711.20.39	---- Other CBU
2	8711.20.92	---- Four-stroke	8711.20.41	---- Four-stroke engine in CKD

Sl	Present		Proposed	
	H.S Code	Description	H.S Code	Description
(1)	(2)	(3)	(4)	(5)
		engine in CKD	8711.20.42	---- Moped four-stroke engine in CKD
			8711.20.49	---- Other CKD
3	8711.20.99	---- Two-stroke engine in CBU/CKD	8711.20.51	---- Two-stroke engine in CBU
			8711.20.52	---- Two-stroke engine in CKD
			8711.20.59	---- Other

h) List of H.S. Codes that has been abolished

Sl. No.	New H.S. Codes	Description
(1)	(2)	(3)
1	3808.91.22	---- Charcoal frame of mosquito coil
2	3917.23.20	--- FEP/Teflon tube imported by Industrial IRC holder VAT compliant medical equipment manufacturing industry
3	8481.40.12	---- Auto safety valve imported by Industrial IRC holder VAT compliant medical equipment manufacturing industries
4	8481.80.22	---- Solenoid valve imported by Industrial IRC holder VAT compliant medical equipment manufacturing industries