



A Chronicle of Last Three Years: Building the Future

Budget Speech 2012-13

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Dhaka

24 Jaisthya 1419

7 June 2012

Contents

Issues	Page
Permission	1
Chapter I: Introduction and Background	
Tribute, Acknowledgement, The Vision, Budget: A Tool for Realising the Vision	1-4
Chapter II: Macroeconomy and Global Perspective	
Global Perspective, Growth, External Sector, Remittance and Manpower Export, Current Account, Foreign Exchange Reserve and Exchange Rate, Inflation, Monetary Policy	5-7
Chapter III: Budget for FY 2011-12: Problems and Corrections	
Revised Revenue Targets, Revised Expenditure Targets, Budget Deficit, Revised ADP, Recent Economic Scenario, Economic Strategies	8-11
Chapter IV: FY2011-12 Budget Structure	
Assumptions: Global Economy, Monetary and Fiscal Space, Sustained Growth in Agriculture, Private Sector Investment, Revenue Mobilisation, Inflation	12-14
Structure: Estimates of Revenue Income, Estimates of Expenditure, Budget Deficit and Financing, Annual Development Programme, Overall Expenditure Structure	14-15
Chapter V: Reform Programmes	
Public Financial Management: Medium Term Budget Framework, Multi-module Database (iBAS), Reforms in Expenditure Management, ADP Implementation, New Budget Classification Structure and District Budget, Information Technology in the Public Financial Management, Strengthening Audit	16-18
Ensuring Private Participation in the Infrastructure Sector: Public-Private Partnership, Institutional Framework, Progress of PPP Projects and Future Plans	18-19

Financial Sector: Sovereign Credit Rating, Modernisation of Bangladesh Bank, Reforms in Financial Sector, Anti-Money Laundering, Reforms in Insurance Sector	19-20
Capital Market: Capital Market Restructuring, Surveillance and Clearing & Settlement System, Financial Reporting Act and Council	20-21
Business Environment: Reducing Cost of Doing Business, Regional Trade, Ensuring Fair Competition and Transparency, Economic Zones	22-23
Chapter VI: Some Key Sectors	
(I) Power and Energy Sector	24-27
Power: Power Generation Situation, Power Generation Plan, Alternative Sources	24-26
Energy: Energy Production, Offshore Exploration of Oil and Gas, Onshore Exploration of Oil and Gas, Development of Energy Management	26-27
(II) Agricultural and Rural Development	27-36
Agriculture: Agricultural Inputs Support, Seeds, Protection of Soil Quality, Incentive for Maize and Beet Cultivation, Agriculture Credit and Crop Insurance, New Variety of Paddy, Widening the Area of Cultivable Land, Agricultural Marketing, Agricultural Research, e-Agriculture	28-31
Fisheries and Livestock: Development of Fisheries Sector, Development and Management of Marine Fisheries	31-32
Food Security: Food Security Programme, Emergency Food Stock	32-33
Water Resources: Recent Achievements, Increased Navigability, Development of Haor and Wetland, Rehabilitation of Landless People in Coastal Areas, Development of Flood Forecasting and Warning System	33-34
Rural Development: Construction and Development of Rural Infrastructure, Supply of Safe Drinking Water, Sanitation, Protecting Interest of Marginalised People,	35-36

Rural Electrification	
(III) Human Resource Development	36-45
Overall Education Sector: Implementation of Education Policy, Elimination of Disparity and Quality Enhancement in Education Sector, Decentralisation of Education, Higher Education, Prime Minister's Education Assistance Foundation	37-38
Primary and Mass Education: Achievement in Primary Education Sector, Qualitative Improvement of Primary Education, Prevention of Drop-out, Information Technology in Education Sector	38-39
Health and Family Welfare: General Health Service, Urban Health, Community Clinic, Population, Family Planning, Manpower and Infrastructure Development, ICT in Health Services, Nutrition	39-42
Culture: Promoting Bangalee Culture, Archeological Exploration	42-43
Religion: Religious Harmony, Hajj, Mosque and Temple based Education Programme	43-44
Youth and Sports: National Service, Training and Micro Credit, Sports Infrastructure and Management, Achievement in Sports	44-45
(IV) Physical Infrastructure	45-52
Roads and Bridges: Integrated Transport Policy, Strategic Transport Plan, Easing Traffic Congestion in Dhaka and Chittagong City, Achievements in Road Sector, Padma Bridge	45-48
Railways: Priority on Rail Communication, Expansion of Railway Service, Rail Infrastructure Expansion	48-49
Water Transportation : Sea Port, Land Port	50-51
Civil Aviation: Capacity Building of Biman	51
Housing and Planned Urbanisation: Plot Development and Flat Construction, Housing Fund, Housing Policy	52
(V) Industrialisation	53-56
Private Sector Development, Stimulus Package for Export Industry, Environment-friendly Industrialisation, Product Quality Control, Equity and Entrepreneurship	53-55

Fund, Strengthening TCB, Tourism Industry, Revitalising Jute Sector, Sugar Industry	
Small and Medium Enterprise (SME): Refinancing in SME Sector, Women-friendly SME Programme, BSCIC Industrial Estate	55-56
(VI) Climate Change and Environment	56-60
Climate Change, Coping with Disaster, Disaster Resilient Houses and Shelters, Capacity Building for Rescue Operation, Using Digital Technology for Mitigating the Risk of Disaster, Reducing Air Pollution, Waste Management, Medical Waste Management, Maintaining Environmental Balance, Preserving Biodiversity	56-60
(VII) Digital Bangladesh	60-63
Information Technology Services: e-Service for Marginal People, e-Governance, e-Commerce, Postal e-Centre, Development of e-Services, Expansion of Internet and Telecom Services	60-62
Digital Infrastructure: Telecommunication Infrastructure, Regional Information Highway, Technology Park, Recognition as an Outsourcing Destination, Producing Expert Professionals	62-63
Chapter VII: Public Welfare	
Poverty Alleviation and Social Security: Social Empowerment, Citizen Core Data Structure, Different Types of Allowances, Welfare of Orphans, Survey on the Physically and Mentally Challenged, Autism, Welfare of the Physically and Mentally Challenged, Rehabilitation of Beggars, Rehabilitation of Hardcore Poor, Employment of Hardcore Poor, Micro Credit	64-68
Employment Generation: Expansion of employment opportunities, Skill Development	68-69
Expatriate Welfare and Overseas Employment: Expatriate Welfare Bank, Expansion of Labour Market, Expatriate Voting Right and Automated Emigration Process	69-70
Women and Children Welfare: Ensuring Women Rights, Widening the Scope of Women's Participation,	70-72

Expansion of Women's Employment Opportunity, Children Welfare	
Welfare of Freedom Fighters: Preserving the memories of Liberation War, Allowance, Ration and Medical Facility for Freedom Fighters, Housing for the Freedom Fighters	72-73
Minority and Underprivileged Community: Protecting Interest of Ethnic Minorities, Socio Economic Development of the Hill Tracts, Development of Ethnic Minority Cultures, Disadvantaged Communities	73-74
Chapter VIII: Good Governance	
Parliamentary Activities	75
Public Administration: Reforms in Public Administration, Welfare of Government Employees	75-76
Local Government	76-77
Land Management: Digital Land Management, Planned Rural Housing, Rehabilitation of the Landless, Land Protection and Dispute Resolution	77-79
Combating Corruption: Preventing Corruption	80
Rule of Law: Law and Justice, Trial of War Criminals and Sensational Cases, Legal Aid, Strengthening Law Enforcing Agencies, Passport	80-81
Development of Mass Media: Development of Broadcasting Media, Improving Quality of Journalism, Development of Film Industry	81-82
Foreign Policy: Restoring Image of the Country, Conquering the Maritime Boundary, Regional/Sub-regional Cooperation	83-84
National Defense: Modernization of the Armed Forces	84-85
Chapter IX: Revenue Sector	
Revenue Mobilisation: Fundamental Principles of Revenue Mobilisations, Reform Activities, Income Tax Act, VAT Act	86-89
Direct Taxes	89-94
Income Tax: Minimum Tax Payable, Continuing Incentive to Capital Market, Financial Discipline, Transfer Pricing and Tax Evasion, Product	89-94

Diversification in Agriculture and Incentive to Industrial Raw Materials Production, Tax Holiday and EPZ, Prime Minister's Education Assistance Trust Fund, Expansion of Source Tax and Rationalisation of Tax-Rate Deducted at Source in Export and Others, Strengthening Audit, Strengthening Tax Refund System, Reforms in Tax Administration and Modernisation	
Indirect Taxes	94-104
Value Added Tax (VAT): Protecting Interest of the Taxpayers, Expansion of Turnover Tax Benefits, Protection of Taxpayers' Interest, Trade VAT, Tariff Value and Truncated Base, Amendment of Laws	94-98
Import Duty and Supplementary Duty: Assistance to Local Industries, Duty Slabs, Rationalization of Tariff Rates, Duty on Importing ETP Equipments for Export Oriented Industries, Determining Value for New and Old Vehicles, Enforcing Copyright and Intellectual Property Right Laws, Automation of Bond System, Capacity Building of Customs Administration and Tenure of PSI System, WCO Standards, Solar Water Distillation Plant, Changing H.S. Code of Bangladesh Customs Tariff, Separate H.S. Code for Hilsha Fish.	98-104
Chapter X: Conclusion	
Conclusion	105-106
Annex	
Annex A	107-132
Annex B	133-149

In the name of Allah, Most Gracious, Most Merciful

Mr. Speaker

1. I seek your kind permission to present the Supplementary Budget for the fiscal year 2011-12 and the Budget Estimates for the fiscal year 2012-13 before this august House.

Permission

**Chapter I
Introduction and Background**

2. At the outset of presenting the fourth budget of the present Grand-Alliance Government, I recall with profound respect the architect of our independence, the greatest Bangalee of all times, the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman. It is because of his visionary leadership Bangladesh came into being as an independent and sovereign nation 41 years ago. I remember with high esteem the great comrades of Bangabandhu - the four martyred national leaders of Bangladesh. I also remember with great respect the freedom fighters, the finest sons of this soil and the sacrifices they made. I pay my homage to all the martyrs who sacrificed their lives in all the movements starting with the language movement leading to the movement against the rule of autocracy and fundamentalism. I also pay my tribute to those brave souls who laid down their lives for the cause of building a modern and democratic Bangladesh.

Tribute

3. Today is 7th June - a memorable day in our history. On 6th February 1966, Bangabandhu Sheikh Mujibur Rahman gave an outline of autonomy for this part of the then Pakistan at the Lahore Press Conference. In his own language it was the '6-point Programme - our demand for survival'. This programme was endorsed by the council meeting of Awami League on 19th March 1966. Bangabandhu was arrested on 6th May on charges of carrying out campaign for this programme. His arrest, in fact, gave momentum to the 6-point movement.

The progressive part of the students' community - Chatra League and Chatra Union, followers of Awami League and supporters of 6-point movement, on this very day, turned this demand into a grand charter. That day, as many as 41 supporters embraced martyrdom who were gunned down by the police. Around 1,000 supporters were arrested. I begin my speech by paying homage to those brave souls.

4. It was indeed a challenging task for us to prepare this year's budget in the midst of recent uncertainties of global economy. As always, the Hon'ble Prime Minister Sheikh Hasina extended her cooperation by providing invaluable guidance and advice to advance this difficult task to successful completion. Her confidence on me remained firm. I am earnestly grateful to her. Like each year, while preparing the budget this year, I exchanged views with the Hon'ble members of parliamentary **Acknowledgement** standing committees of different ministries, the social elites, renowned economists, professionals, trade bodies, NGO leaders, media people and secretaries of all the ministries and divisions. They all obliged me by providing valuable suggestions and prudent comments. Besides, I attended two discussion meetings held in Mymensingh and Sylhet to listen to the views of farmers and people from different walks of life on budget. I am thankful to those who attended the meetings and offered valuable suggestions. At the same time, I thank all the officers and staff of Finance Division and National Board of Revenue for successfully completing the arduous job of preparing the budget.

5. You may please recall that, in the first budget of this Government, I gave an outline of a new Bangladesh, where economy will be driven by innovative technology and high performing growth. Where commodity prices will stabilize, income-poverty and human-poverty will come down to the lowest level, all will have access to education and health and people **The Vision** will find ways to demonstrate their creativity. There, social disparity will disappear and social justice will be established. In that cherished land, participatory democracy will be firmly rooted and capacity to tackle climate change disasters will be enhanced. That Bangladesh will emerge as 'Digital Bangladesh' through innovative use of ICT. This journey towards development and prosperity will help Bangladesh attain middle income status by 2021. All our budgets are instrumental to realising that dream.

Mr. Speaker

6. We were elected with a huge popular mandate on December 29, 2008 and formed our Government on January 6, 2009. We put in place our 'Vision 2021' with a commitment to build a happy and prosperous Bangladesh. As you know, we have already formulated the 'Perspective Plan' (2010-2021) and the 'Sixth Five Year Plan' (2011-15) consistent with the Vision. All three budgets that we prepared in the last three years were part of these plans and were targeted towards achieving our

Budget: A Tool for Realising the Vision
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commitments we made to our people. In each of these budgets, we highlighted our progress on how far we could implement our declared commitments, what we could not achieve and to what extent we could make headway in terms of fulfilling our commitments set out in our Vision. Of the tables appended to the budget speech, in the 1st table, I have presented a list of policies and programmes declared in the last three years' budgets that have been successfully completed, in the 2nd one – a list of priority policies and programmes in progress and in the 3rd one - a list of policies and programmes we are yet to undertake.

7. I would like to reaffirm that we may not have been completely successful in realising our commitments but have covered a long way towards what we aimed to achieve. Achievements from our relentless endeavours are, by no means, negligible. In the last few years, despite a number of external and internal shocks, we never deviated from our avowed goals. In just three years, we have doubled the level of internal revenue mobilisation; at the same time, the size of ADP has increased twofold. As a result, the consistent pace of the economy didn't suffer even during the time of the global recession or its recent resurgence. Necessary investments have been ensured in energy, social infrastructure and ICT sectors. We enhanced efficiency by removing all supply constraints by using the approach of planned development. We have been able to sustain the growth rate by simplifying the process of service delivery, expanding targeted social safety net programmes and ensuring time-befitting and prudent macroeconomic management. Simultaneously, we have made considerable progress by establishing social justice through reduction of poverty and inequality. The discernible improvements in our social indicators have enhanced the image of our country as well as the

Government in the international arena. The full credit for this achievement exclusively belongs to the hard-working citizens of this country. Their innate resilience against any adversity is our mainstay for realising the Vision.

8. This journey, however, is not smooth at all. We are saddled with innumerable obstacles and the liabilities of past mismanagement. Removing all the obstacles in only three years is not easy. Given this, we have prioritised our challenges and allocated resources accordingly. At the same time, we kept on augmenting our internal and external resource mobilization and adopting appropriate policy strategies. Our efforts are targeted – sustaining macroeconomic stability, boosting public and private investments and moving up the trajectory of high inclusive growth. The budget for the next year that I am presenting today before this august House has been prepared in continuation of the budgets for the previous years. I firmly believe that this budget will take us one step forward in building a happy, prosperous and caring Bangladesh.

Chapter II

Macroeconomy and Global Perspective

Mr. Speaker

9. Before I present the budget proposals, I would like to focus briefly on the global and internal economic contexts on which the budget for FY 2012-13 has been prepared. Here, in the 4th table appended to the budget speech, I have presented the trend of selected indicators over the last three years.

10. As you know, FY 2008-09 was the year of global recession when we formed our Government. To confront the recession, we successively declared two stimulus packages. As a result, we could keep the negative impact of that recession on the economy of Bangladesh at a minimum level. During this period, the average global growth plummeted (-0.6 percent), export declined (-11 percent) and remittance went down (-6.3 percent). Against this backdrop, our growth remained stable (5.7 percent), export grew (10.3 percent) and remittance went up (22.4 percent).

Global Perspective

11. In next couple of years following the recession, global output increased, export and remittance surged. However, in 2012, it was observed that the speed of global recovery was, in reality, less than expected. Although the US economy rebounded to some extent, the growth slowed down due to sovereign debt crisis in the EU countries and the escalating geo-political risk. On the other hand, the growth performance of emerging and developing economies was also low because of slow rate of global growth and restrained monetary policies. In coming years, the dynamics of growth will largely depend on the duration of the second spell of recession and fluctuations of fuel price.

12. According to the latest forecast, the growth of global economy may stand at 3.5 percent in 2012. The developing and emerging economies might grow at 5.7 percent. In pace with the economies of other emerging and developing countries, we have been able to sustain the economic growth in Bangladesh. In FY 2010-11, we

Growth

achieved a growth rate of 6.7 percent and as per the provisional estimates of BBS, in FY2011-12 the growth will be 6.3 percent. In my opinion, in this estimate BBS did not factor in a number of aspects namely, bumper *Boro* harvest, surge in internal demand from the month of April, our remarkable achievement in power generation and improved ADP implementation. For all these reasons, I am confident that by the end of this month – the closing month of current fiscal year, our GDP growth will stand in the neighbourhood of 7 percent. We have set our growth target at 7.2 percent for FY2012-13 on the basis of our expectations that a satisfactory growth in trade and agriculture sectors will continue as the global economy turns around by 2013, there will be a consistent credit flow to the development sectors and, above all, deficits in power, energy and infrastructure will decrease gradually.

13. In the last three years, we had an export growth of 21.2 percent. In the current fiscal year, up to April 2012, the export growth is 8.4 percent compared to that of the corresponding period of the previous fiscal. The global demand for our exports went down due to low growth in major overseas markets, especially, EU countries. However, we kept on expanding regional trade in tandem with product and market diversification. This will help us in sustaining the export growth in coming years. Besides export, our import increased by 22.2 percent on an average in the last three years. In the current fiscal year, up to April 2012, import grew by 8.7 percent. Although import growth of capital machinery and industrial raw materials decreased during this period, there was an overall growth in those items in the last three years. During this period, import of capital machinery increased by 20.7 percent and that of industrial raw materials increased by 19.8 percent. Side by side, during this period, we had to increase import of petroleum products to keep it consistent with our development strategies.

14. Remittance grew by 9.8 percent on an average in the last three years. This growth momentum is continuing in current year as well registering 10.4 percent growth during July-April period of the current fiscal year. Up to April this year, manpower export standard stands at 5.66 lakh. In order to increase manpower export and remittance inflow, we are persistent in our efforts to enhance the skill base of our labour force. We are continuing our diplomatic efforts to find new labour markets.

15. In the first half of the current fiscal year, we observed that foreign currency reserve is depleting and the exchange rate of Taka going down.

Current Account

Immediately, we adopted somewhat restrained monetary and fiscal policies. This yielded result and there is a current account surplus of US\$ 455 million up to March of the current fiscal.

16. The exchange rate of Taka against dollar is settling down. On 29

**Foreign Exchange Reserve
and Exchange Rate**

May, 2012 the rate stood at Tk. 81.9. Our foreign exchange reserve stands at US\$ 9.5 billion which is sufficient to foot three month's import bills.

17. The rate of food inflation has decreased since the second quarter of the current fiscal. However, non-food inflation remains at double digits level. After a long time, by the end of April 2012, general inflation came down to single digit level, i.e., 9.9 percent on point to point basis and food inflation to 8.1 percent. We took measures to keep the supply and

Inflation

distribution channels for daily necessities uninterrupted, monitor market on a regular basis and increase productivity in agriculture. As a result, we see a satisfactory and sustained growth in agriculture. This year we have had a bumper '*Boro*' production. The food stock is also at a comfortable level. In addition, by observing austerity in public spending and generating more revenues, we have been successful in keeping budget deficit at a tolerable level. I am hopeful that, as a combined effect of these steps, the inflation situation will ease up further in coming days.

18. We are pursuing a restrained monetary policy to manage aggregate demand. Up to March 2012, the growth of money supply, on year on year basis, stood at 17.6 percent. Private sector credit flow grew by 19.4 percent. We intensified our supervision over the activities of banks to

Monetary Policy

ensure that credits are channeled to the productive sectors; especially to see that industrial term loans and SME loans are used meeting the principles of propriety. Our efforts to control the flow of credits to non-productive sectors are continuing. I hope these steps will create a positive effect in containing inflation.

Chapter III

Budget for FY2011-12: Problems and Corrections

19. Here, I would like to briefly dwell upon the state of economy and on the revised budget of the current fiscal year i.e. FY2011-12. The fiscal situation in FY2009-10 and 2010-11 was broadly stable. Budget deficit was within the tolerable limit. Revenue income increased during this period. We could increase the size of ADP and also the rate of ADP utilisation. I have already tabled two quarterly reports before this august House on current year's fiscal situation. In my second quarterly report, I highlighted the probable revised budget framework for FY2011-12. However, it was done at a point of time in the fiscal year, when the activities of the ministries/divisions/departments were generally gathering pace. I, therefore, expressed my expectations that the picture of income and expenditure would be brighter in the remaining months of the fiscal year. As a sequel to that, I am now presenting a brief account of the proposed revised budget for FY2011-12:

- In the budget for FY2011-12, the target for revenue income was set at Tk. 1,18,385 crore (13.2 percent of GDP). In the revised budget, the target for NBR revenue has been enhanced by Tk. 500 crore while the target for non-NBR revenue collection has been kept unchanged. The revised target for non-tax revenue has been set at Tk. 18,600 crore after slashing down the original target by Tk. 4,000 crore following a decision of the Government to stagger 2G license fee to 3 years from its current duration of 2 years. Consequently, the revised target for total revenue collection stood at Tk. 1,14,885 crore (12.6 percent of GDP). We are hopeful that the current fiscal year's revenue collection will surpass last year's actual collection (almost 0.8 percent of GDP).

Revised Revenue Targets

- The total public expenditure was estimated at Tk. 1,63,589 crore in the current fiscal year's budget (18.2 percent of GDP). It has now decreased to Tk. 1,61,213 crore (17.6 percent of GDP) after a reduction of Tk. 2,376 crore in the revised budget. In the case of ADP, the allocation has been decreased to Tk. 41,080 crore due to

Revised Expenditure Targets

the fact that the utilisation of project aid did not meet the expectation. On the other hand, an amount of Tk. 20,477 crore was allocated in the original budget for subsidy in agriculture, power and energy sectors. In the revised budget, this allocation has been increased to Tk. 30,154 crore after an additional allocation of Tk. 9,677 crore. This additional resource has been provided by reappropriating allocations made against PPP initiatives, investment in shares and equities and by slashing down discretionary expenditure.

- In the original budget, deficit was estimated at 5.0 percent of GDP. It will now stand at 5.1 percent of GDP with a slight increase from the original budget. Out of this 1.3 percent of GDP will be financed from external sources and the rest 3.8 percent from domestic sources. Again out of this 3.8 percent, 3.2 percent will be financed by

Budget Deficit

 borrowing from banking system. In order to maintain overall economic stability, we need to take measures to reduce our dependence on banking sector in financing budget deficit. In doing so, we have enhanced the rate of interest on savings instruments and simplified the investment conditionalities.
- In my three previous budget speeches, I mentioned that successful implementation of ADP is a big challenge for us. In this regard, the Planning Commission is closely monitoring the progress of project implementation of large 10 ministries. To address the issue, I personally met with all the ministries/divisions on three occasions. We are emphasizing on extensive coordination

Revised ADP

 among ERD, Ministry of Planning, project executing line ministries and development partners. In tandem, we are attaching much importance to the implementation, monitoring and evaluation of foreign aided projects having large allocations. ADP implementation capacity has largely enhanced. While in FY2008-09 actual ADP spending was Tk. 19,438 crore (3.16 percent of GDP), in the current fiscal year it has grown into Tk. 41,080 crore which is 4.49 percent of GDP.

Mr. Speaker

20. Over the last two years, the price of fertilizer and food in international market has been increasing along with the rise in fuel price. The adverse impact of such price hike on an import-dependent country like ours is quite obvious. I, therefore, cautioned in my last budget speech that we may have to take some hard decisions in tackling the challenges arising from increasing fuel price. I pointed out that we might have to augment revenue income while reducing expenditure on less important items including subsidies. There might even be a need to observe austerity. Moreover, money supply might have to be tightened and exchange rates readjusted. In the first half of current fiscal, we saw a record rise in public expenditure. It was mainly due to the subsidy liabilities of agriculture, energy and power sectors. As an immediate reaction to this situation, government borrowing from the banking system surged with resultant rise in interest rates. This further led to the decline in private sector credit flow to some extent. It also created pressures on foreign currency reserves and made exchange rate unstable. We instantly went for a restrained monetary and fiscal regime. Our priorities were realigned and expenditure rationalised. As a result, since the beginning of the latter half of the year, the momentum in the macroeconomy was restored. I hope we will be able to sustain the economic stability and the growth dynamics in the coming days.

Recent Economic Scenario

21. Here, I would like to draw your attention to the fact that in theory, investment declines and industrialisation slows down with the rise in interest rates. In the current fiscal, interest rates were pushed a bit upward due to monetary policy tightening and increased government borrowing from the banking system. The Government, therefore, has adopted a policy to keep its bank borrowing to a minimum in the next fiscal year. We, however, believe that generally interest rates should be left to be decided by the market forces so that optimum allocation of resources is ensured. Empirical research reveals that investment-interest rate correlation is not very much significant. When an economy is in the take off stage, there are ample opportunities for earning high returns on investments. As a result, high interest rates are not likely to impede investment.

22. Our subsidy payment is going up due to lack of sufficient price adjustment to match the upward trend of fuel price in the international market. This is intensifying pressure on financial sectors, on government budget and on the macro-economy. In this situation, we have to reduce subsidy, especially fuel subsidy. We have to put a tight rein on expenditure against non-productive sectors as well. Revenue income has to be augmented. Credit flow to non-productive sectors has to be controlled. We have to keep pursuing restrained monetary policy. At the same time, we have to ensure that growth is not adversely affected or private sector investment is not hampered. To that end, we have to create enough fiscal and monetary space. The rate of utilisation of foreign aid has

Economic Strategies

to be increased. We have to find ways on how to get the foreign aid commitments released and quickly utilise the same. The Non Resident Bangladeshis are to be encouraged to invest in Bangladesh. If needed, sovereign bonds may be issued and resources so gathered can be used only on big projects having national priority. Its worth noting that the size of the budget in the normal process will grow each year together with a growth of non-development expenditure. When a nation creates assets, it is essential to operate and maintain them to get return consistently. All expenses incurred for the operation and maintenance of those assets are borne on the non-development budget. As we all know that failure on these two counts often leads to lower utilisation of economy's capacity which eventually may harm the national development.

Chapter IV FY2012-13 Budget Structure

Assumptions

Mr. Speaker

23. Now I would like to reflect briefly on the overall budget structure of FY 2012-13. The next fiscal year's budget has been prepared based on a number of assumptions under the Medium Term Macroeconomic Framework. The building blocks of this framework are – continuity in pursuing monetary and fiscal policy strategies and ensuring Global Economy macroeconomic stability. It is assumed that in 2013, world economy will recover from the economic recession that re-emerged especially in Europe in 2012. As a result, world economic growth will gather pace raising the demand for Bangladeshi exports. In the 5th table appended to the speech, a matrix on budget structure while in the 6th and 7th tables data on the overall budget and sector wise ADP allocations have been presented.

24. With the Extended Credit Facility (ECF) with IMF being effective, the development partners and potential investors will be more confident about Bangladesh. Due to this, we are expecting a rise in Foreign Direct Investment (FDI). It will also make the disbursement of foreign aid in the pipeline easier and increase project aid utilisation rate. Thus, implementation of Annual Development Programme (ADP) will gather momentum. In order to make the saving instruments Fiscal and Monetary Space (*Sanchaypatra*) attractive to the public, we have harmonised its interest rate with other existing rates prevailing in the market. Moreover, we have taken steps to repackage and rebrand the conventional diaspora bonds and adopted appropriate market promotion policies. As a result, financing from the saving instruments and bonds will increase in the proposed budget. At the same time, this will not crowd out the private sector. The resulting fiscal and monetary space will be supportive in implementing development programmes of the Government. This will accelerate private sector investment. In this backdrop, the GDP growth target for FY2012-13 has

been set at 7.2 percent. GDP growth rate will increase to 8 percent by FY2014-15.

25. The agriculture sector will help continue our growth trend. Production of flood-draught -salinity resistant seeds, targeting of **Sustained Growth in Agriculture** government assistance in the sector, provision of uninterrupted power supply for irrigation, and increased flow of agricultural credit will continue. These will result in enhanced agricultural productivity, crop intensity and its diversification.

26. At the moment, the main impediment to investment consists of infrastructural deficit and lack of good governance. We have laid emphasis on infrastructural development. We are effectively pursuing the agenda of expanding the coverage of electrification rapidly. We are also exploring ways for ensuring optimum energy diversification. We are continuing our endeavors for extension and development of railways, roads, waterways together with land ports, sea ports and airports. PPP **Private Sector Investment** framework has been established. We are making rapid progress in terms of digitizing Bangladesh and at the same time taking steps to reduce the cost of doing business. Hopefully, these steps will crowd in private investment. Many expressed concerns about the state of investment in private sector which are not founded on facts. In the previous fiscal year, private sector credit growth was enormous i.e. 26 percent. Compared to that, it is projected to be only 16 percent this year. The private sector credit stood at Tk. 3,40,713 crore by June, 2011, while in the current fiscal year it is projected to be Tk. 3,95,227 crore.

27. The ongoing legal, procedural and structural reforms in revenue **Revenue Mobilisation** sector will continue. Alternative Dispute Resolution (ADR) system introduced in the current fiscal will play a significant role in scaling up revenue collection. As a result of re-fixation of the rates of non-NBR tax and Non-Tax Revenue, revenue collection will be further augmented.

28. The budget has been proposed on the assumption that the prices of fuel will be automatically adjusted in harmony with international prices along with planned adjustment of power tariff. Initially, non-food inflation

may remain high due to higher fuel prices and lagged effect of food inflation. However, monetary tightening initiatives along with fiscal consolidation will continue. Because of the outlook of declining trend in food prices in international market and satisfactory domestic agricultural production, we are expecting the food prices to settle at a tolerable level.

Inflation

The increased supply of foreign exchange will keep the exchange rate stable. As a result, inflation will moderate. Given this scenario, we are expecting to bring down inflation to 7.5 percent in the next fiscal year and to 5.0 percent in the medium term.

Structure

Mr. Speaker

Now, I will briefly present the proposed income and expenditure estimates for FY2012-13.

29. The revenue income for FY 2012-13 has been estimated at Tk.1,39,670 crore which is 13.4 percent of GDP, of which NBR tax revenue is Tk. 1,12,259 crore (10.8 percent of GDP). Revenue from non-NBR sources has been estimated at Tk.4,565 crore (0.4 percent of GDP). Tk.22,846 crore (2.2 percent of GDP) will be collected as Non Tax Revenue (NTR).

Estimates of Revenue Income

30. The total expenditure for FY 2012-13 has been estimated at Tk.1,91,738 crore (18.1 percent of GDP). The allocation for non-development and other expenditure is Tk.1,36,738 crore (13.1 percent of GDP). Expenditure for ADP has been estimated at Tk.55,000 crore (5.3 percent of GDP).

Estimates of Expenditure

31. The overall budget deficit will be Tk.52,068 crore which is 5.0 percent of GDP. Of this amount Tk. 18,584 crore (1.8 percent of GDP) will be financed from external sources and Tk.33,484 crore (3.2 percent of

Budget Deficit & Financing

GDP) will be financed from domestic sources. Of the domestic financing, Tk.23,000 crore (2.2 percent of GDP) will come from the banking sources and Tk.10,484 crore (1.0 percent of GDP) will come from non-bank sources. For the purpose of financing the deficit we are placing emphasis on mobilising the concessional loans from external sources as before.

32. Like the previous three budgets, without catering to the needs of any particular region, we have determined the size of ADP by factoring in the issues of regional parity, improved infrastructure and quality of expenditure as outlined in our election manifesto. In the ADP, 25.5 percent, 29.9 percent, 17.3 percent and 14.8 percent of total allocation have been proposed for human resource sector (education, health, and other related sectors), agriculture sector (agriculture, rural development and rural institutions, water resources), power and energy sector and communication sector (road, railway, bridges and other related sectors) respectively.

Annual Development Programme

33. I have already presented the allocation structure of ADP for FY2012-13. Now, I would like to focus on the overall expenditure (development and non-development) structure of the proposed budget in this august House which will give an idea about the sectoral allocation and priorities of the overall budget. We may classify different ministries/divisions into three groups based on their functions – social infrastructure, physical infrastructure and general services sectors. In the proposed budget 24.2 percent of total outlay has been allocated to social infrastructure sector of which 20.5 percent has been proposed for human resource (education, health, and other related sectors) sector. 27.8 percent of total allocation has been proposed for physical infrastructure sector of which 14.9 percent has been proposed for overall agriculture and rural development, 7.0 percent for communication sector, 5.0 percent for power and energy sectors. 19.3 percent of total allocation has been proposed for general services sector. 4.9 percent of total allocation has been proposed for Public-Private Partnership (PPP), financial assistance for different industries, subsidy, and equity investment in nationalised banks and financial institutions. 12.2 percent has been proposed as interest payments. Rest 11.7 percent will be spent for net lending and other expenditures. I hope that the proposed budget in the context of domestic and external environment will support growth, contain inflation and reflect aspirations of the general people.

Overall Expenditure Structure

Chapter V

Reform Programmes

Public Financial Management

Mr. Speaker

34. Our resources are limited. We, therefore, need to ensure optimum use of the limited resources. In order to ensure enhanced transparency and accountability in public financial management, we are committed to take forward the ongoing reform initiatives. Reform is a continuous process and without reform existing stalemate in the traditional system can not be dismantled for improvement. Now, I will briefly discuss our achievements and future plans in this area.

35. As part of reforming the budget preparation process, we have already brought all ministries/divisions including all constitutional bodies under the Medium Term Budget Framework. Thus, we have put in place a system to ensure resource allocation in line with Government policies and

Medium Term Budget Framework

 priorities and undertake performance assessment of the Government offices/organisations. Currently, we are working on deepening this process. To fulfill this objective, creation of budget management wings/branches in all the ministries/divisions will be completed by this fiscal end.

36. Alongside enhancing institutional capacity, we are continuously working to improve technical capacity of government agencies. All ministries/divisions are now preparing budget using computer based multi-

Multi-module Database (iBAS)

 module database (iBAS). We have plans to extend this network to different directorates/agencies and district/upazaila offices. Gradually, multi-module database will be used not only in case of budget preparation but also in case of budget implementation and monitoring including revenue collection and fund release in future.

37. There is no alternative to sound expenditure management to achieve targeted outputs. To this end, we are continuing with our efforts on expenditure management reforms. We have taken steps to strengthen economic management by building appropriate macroeconomic model and database. Steps have also been taken to develop Government's Debt

Reforms in Expenditure Management	Management and Financial Analysis System. We have taken steps to prepare Annual Cash Plan consistent with our borrowing requirements. In addition, steps have been taken to create a database to enhance transparency in the management of public shares and equities. As per our commitment, we have started mapping of economic codes as a step towards unification of development and non-development budgets. These initiatives are expected to protect us from internal and external economic shocks.
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38. Two committees have been formed to recommend the ways and means of mitigating delays and difficulties in project approval process. Hopefully, from September next, the implementation of recommendations

ADP implementation	of these committees would be started. In this respect, we have our shortcomings as well. We have not yet been able to formulate the policies required for simplification of the processes of formulation, processing, implementation and evaluation of development projects. Our efforts, however, are continuing.
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39. In the previous budget speech, I mentioned about revising the existing budget classification structure to make it more consistent with

New Budget Classification Structure and District Budget	international practices. We have already prepared a draft classification structure which is now under scrutiny. I hope to finalise this structure by the next fiscal year. On its finalization, the technical difficulties faced in the preparation of district budget, which we have earlier promised to prepare, will be largely removed.
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40. Recently, we have introduced 'Electronic Fund Transfer' (EFT) in

Information Technology in the Public Financial Management	three ministries on pilot basis. Under this system, after directly transferring money to his account, the beneficiary is informed about the transfer through cell phone and internet. There is a plan to extend this facility to all the ministries by next year and
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successively to district level. The digitization process of treasury challan will be completed in the next fiscal year. We have also initiated the development of a central employee database covering data on salary, pension, payroll and other relevant information for all the officers/staff of the republic. We are contemplating to create a pension fund in the next fiscal year.

41. A draft Audit act has been prepared as promised. After required **Strengthening Audit** scrutiny, I hope to table the bill in the parliament next fiscal year. Performance audit has been undertaken in 5 ministries. Hopefully, the reports will be issued within this year. Gradually, this activity will be expanded.

Ensuring Private Participation in the Infrastructure Sector

Mr. Speaker

42. In my first budget speech, I mentioned about PPP initiatives to meet investment deficit in infrastructural developments and maintenance. In order to ensure Government participation and create a transparent and strong PPP framework, we have established a PPP office as a separate **Public-Private Partnership** entity. This office has started functioning with full financial and functional autonomy. Given the complexities inherent in contractual framework of PPP, capacity building of the officials of the ministries/division is underway. A law has been drafted consistent with the guidelines prepared for policies, strategies and selection and approval processes of projects under PPP.

43. As part of the PPP initiatives in FY2009-10, we created technical assistance fund, Viability Gap Fund (VGF) and infrastructure investment **Institutional Framework** fund. We have finalised the policy guidelines on technical assistance and VGF. In the Finance Division, a full-fledged PPP unit has been established. This unit will put in place a PPP manual by this month. An investment fund called Bangladesh Infrastructure Finance Fund Limited (BIFFL) has been established.

44. Although the number of PPP projects is not as expected, a considerable number of such projects have been approved. I am hopeful these projects will be implemented soon. A number of PPP projects on power plants, land ports and other infrastructures have been successfully implemented. Eight projects under five ministries/divisions to be implemented on pilot basis have been identified. According to a preliminary estimate, probable investment in these projects will be around Tk. 3,000 crore.

Progress of PPP Projects and Future Plans

Financial Sector

Mr. Speaker

45. International credit rating agencies Moody's and Standard and Poor's have reviewed and retained the credit rating position of Bangladesh. This indeed is a great success in the context of recent downgrading of credit ratings of many developed countries. This speaks of our financial discipline and sound macroeconomic management. This credit rating will facilitate enhanced external investment and trade.

Sovereign Credit Rating

46. We have undertaken a number of reform initiatives to establish an efficient financial sector. By installing LAN and WAN across all the divisions/offices, Bangladesh Bank, in its entirety, has been brought under a web-based internet connectivity. ERP (Enterprise Resource Planning) software has been installed to carry out accounting as well as human resource management activities effectively. A long term plan has been adopted to install Enterprise Data Warehouse and National Switch keeping in sight the wider target of implementing e-Commerce.

Modernisation of Bangladesh Bank

47. In FY2010-11, I made a commitment to establish one 'Probasi Bank' (Expatriate Welfare Bank) under private ownership. Meanwhile, approval has been accorded to establish three 'Probasi Banks' under private ownership. Besides, we have already prepared a draft amendment to the Bank

Reforms in Financial Sector

Company Act 1991. A special committee has been formed to scrutinise the draft. The draft is expected to be finalized by next financial year.

48. I expressed our commitment to prevent money-laundering and financing for terrorism in the previous budget speech. By this time Anti-Money Laundering Act, 2012 and Anti-Terrorism (Revised) Act, 2012 **Anti-Money Laundering** have been formulated. This will facilitate exchange of information on money laundering and also strengthen activities related to the recovery of laundered money. At the same time, this will enhance the image of Bangladesh in the international arena. Of late, the Banking and Financial Institutions Division has published a detailed report on this subject. This report has been presented with the budget documents.

Mr. Speaker

49. The role of a strong insurance sector is vital for the economic activities of the country as well as for the expansion of trade and commerce and related risk mitigation. I mentioned in my previous budget speech about the establishment of an Insurance Development and **Reforms in Insurance Sector** Regulatory Authority (IDRA) to ensure legal and structural reforms in the insurance sector. This authority has finalized six regulations and working on five more with a view to establishing discipline in the insurance industry. These rules and regulations, if applied properly, will protect the interests of the insurance policy holders on the one hand and bring dynamism in the insurance industry on the other.

Capital Market

Mr. Speaker

50. Undoubtedly, the role of capital market is important for capital formation, industrialization and employment generation. Despite worldwide economic slowdown, our capital market remained buoyant. Later on, this buoyancy could not be sustained. It is sad but true that during the last one year the market went through massive correction in market capitalization and index. We took different initiatives to rectify the situation. This has created an environment which will restore stability in

the stock market. At the same time, we have taken an initiative to restore investors' confidence and declared several incentive packages for the capital market.

51. The face value of a share of all listed companies and mutual funds of two stock exchanges has been reset at Tk. 10. It has been made mandatory for the sponsor-directors of a company to hold individually at least 2 percent and collectively 30 percent of share of the paid up capital. The old legal provisions on book-building procedure, mutual fund and **Capital Market Restructuring** paid up capital have been updated. We have taken an initiative to amend the relevant laws to make the activities of Securities and Exchange Commission transparent and accountable. However, in my opinion special reform interventions are needed to address instability in the capital market and to prevent its unwarranted volatility. To this end, we will introduce demutualization programme in the stock exchanges by the next fiscal year. It will bring transparency in the functions of the stock exchanges and the market system.

52. In order to ensure transparency and accountability in the transactions of the capital market, the monitoring system has been strengthened with the introduction of modern surveillance system. In parallel, a separate Clearing and Settlement Company **Surveillance and Clearing & Settlement System** is going to be established to facilitate disposal of stock exchange transactions within the shortest possible time. In future, we shall also take up initiative to establish a special court for the disposal of capital market related cases.

53. In my previous budget speech, I mentioned about the importance of Financial Reporting Act for establishing stability in the capital market. It is by no means possible to prevent over valuation or under valuation of **Financial Reporting Act and Council** stock markets unless the accounts of the business entities are transparent and reliable. By now, a draft of this act has been prepared. After necessary scrutiny, I hope to present the Act in the Parliament for approval next fiscal year.

Business Environment

Mr. Speaker

54. Now, let me inform you about the progress so far made in bringing about three basic changes to the business process through seven steps that I mentioned in my previous budget speech to be undertaken to reduce the cost of doing business. In order to assist the new entrepreneurs, initial preparations for automation of land registration process have been completed. As a first step towards digital land management, the digitization of all land related information of 62 districts excluding the hill tract districts have commenced. An initiative has been taken to establish One Stop Service Centre at RAJUK. At the same time, we are working

Reducing Cost of Doing Business
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 for digitalization of all land deeds. Hopefully, on completion of this activity by April 2013, the time taken for issuance of registered deeds will come down from 7 days to 2 days. Side by side, we are working to complete installation of a trade portal as promised by 2013. In order to minimize business related complications, a data centre have been established in the Supreme Court with 5 dedicated benches in the High Court Division to hear and dispose off the cases arising from tax, money and labour related disputes. To move in tandem with modern international trade practices, work is in progress to procure ASYCUDA-World for automated estimation of duties and levies for advance declaration and cargo clearance and to deposit treasury *chalans* online or through mobile phones instead of using the paper based ones.

55. We have adopted a liberal policy in conducting our foreign trade. Following this policy, we have signed different regional and bilateral trade accords recently. As a result, the SAFTA (South Asian Free Trade Agreement) member countries have largely reduced their sensitive lists.

Regional Trade

 India has allowed duty free access to all goods except 25 for the SAARC's Least Developing Countries (LDC). Under the SAARC Agreement on Trade in Services (SATIS), the member countries have exchanged primary 'offer list' and 'request list'. Further, the member countries of Asia-Pacific Trade Agreement (APTA) including Bangladesh have signed a framework agreement. We have also established border *haats* (*Shimanto haat*) with India. The size/scope and

number of these border *haats* will be increased gradually. We will soon finalise the forthcoming import and export policies.

56. Fair competition is essential for trade. In my previous budget speech, I pledged to formulate ‘Competition Act’. Meanwhile, the draft

**Ensuring Fair Competition
and Transparency**

bill has been placed before the Parliament. A Competition Commission will be formed once the bill is passed. As a result, it will be easier to prevent illegal practices in competition. We have begun the process of bringing the multi level marketing companies and societies under a legal framework and making their activities transparent as well.

57. Seven sites have been primarily selected for establishing economic zones under the ‘Bangladesh Economic Zones Act 2010’. I am confident that we shall soon move much ahead of the competing countries with respect to expansion of trade. As part of the implementation process, we

Economic Zones

have made the legal framework on the trade bodies time-befitting. In these zones, the private sector will play the dominant role. The zone planning, communication system, infrastructural development and land acquisition will be done by the government. However, the entrepreneurs will have to ensure other arrangements needed for establishing an economic zone.

Chapter VI

Some Key Sectors

Mr. Speaker

58. Now, I would like to present before this august House the achievements of our government in various sectors in the last three years, sector wise plans for the coming year, future plans and sector wise budget allocations in order to implement those plans.

(I) Power and Energy Sector

Power

Mr. Speaker

59. Power is the main driving force of our socio-economic development and poverty reduction efforts. From the very beginning, we underscored the importance of this sector and accordingly attached highest priority to power and energy sector in our election manifesto. We laid emphasis on a comprehensive action plan. By now, we have prepared the Power Sector Master Plan (PSMP) 2010. We kicked-off our implementation agenda by installing new power plants, upgrading transmission and distribution system, diversifying renewable energy sources and identifying ways to ensure economic use of power. Despite all these efforts, due to load-shedding, people in Dhaka and elsewhere has been suffering a great deal. A question, then, might be asked; what is the result of all these initiatives? In response, I would like to submit that some of the development activities have lagged effect and their impact only become visible after a certain period. I am confident that the results of all our endeavors will become visible to the nation by 2013.

60. When we formed our government in 2009, the demand for electricity was 5,600 MW against which 3,525 MW of electricity could be generated. At that time, we had at our disposal a total of 33 power plants

Power Generation Situation

 under both public and private sectors. We had 8,305 km transmission lines, 103 sub-centers and 2,56,143 km distribution lines. The demand for electricity in the country now stands at 7,518 MW and we are producing 6,066 MW.

Now, we have got as many as 79 power plants under both public and private sectors. However, because of accelerated demand, power shortage is being strongly felt.

61. According to our commitment made in the budget for FY2009-10, we have laid an additional 523 km of transmission line and 22,857 km of new distribution line and set up 10 new sub-stations till April, 2012. A total of 1.30 crore subscribers have been brought under new connectivity network in the last three years. The percentage of population under the coverage of electricity supply has been raised from 47 percent to 53 percent. We have been able to add 3,300 MW of additional electricity to our national grid from January, 2009 to April, 2012. You will agree with me that the power situation as of now in the country is much better than any other time in the past.

62. In my budget speech for FY2009-10, I had mentioned that we will produce additional 5,000 MW of electricity by 2013. By this time, the demand for electricity has gone up substantially. The per capita electricity consumption rate has increased from 220 kwh to 265 kwh. We have, **Power Generation Plan** therefore, planned to produce 8,294 MW of electricity by 2013 in addition to our previous target. Agreements have been signed to install 52 power plants both under public and private sectors to achieve this goal. We are expecting that these plants will go into commercial production by FY2013-14. Moreover, installation of 30 power plants having capacity to produce 5,600 MW of electricity is in progress. These new power plants will come into operation by 2015-16.

63. We will be able to generate 700-800 MW of additional electricity by undertaking BMRE of old gas fired power plants by February 2015. In the context of growing demand for power, 250 MW of electricity will be imported from India by 2013. In addition to this, import of electricity from Myanmar, Nepal, and Bhutan is under way. Moreover, steps have been **Alternative Sources** taken to construct coal based power plants with a capacity of 2,938 MW of electricity under joint venture investment by 2016. We also have taken initiatives to produce 5,000 MW of electricity from nuclear energy by 2030. . Besides, we have kept unhindered the process of diversifying energy sources. Thus far, 70 MW of electricity has been produced from renewable energy sources

under public and private sectors. We have a plan to produce 500 MW of electricity from renewable energy sources by 2020. We hope that by adopting various energy savings measures we will be able to save 350 MW of electricity by 2013. Alongside, power distribution agencies have installed 56,415 prepaid meters to ensure receipt of cent percent revenue. Another 35,000 prepaid meters will be installed in near future.

64. I am placing today a second update of the report on 'Road Map towards Development of Power and Energy Sector' before this august House. This report will provide a complete picture of our achievements in power and energy sector, existing problems and our action plans to address them.

Energy

65. As natural gas is environment-friendly and less expensive, its demand has been increasing gradually. As an outcome of various actions taken to increase extraction of natural gas over the last three years, it has been possible to extract additional 405 mncft of natural gas daily. At the same time, the extractable reserve of gas has increased from 20.6 tcf to

Energy Production

 26.8 tcf. 365 mncft has been supplied to the national grid through connecting pipelines. We have a plan to add 1,285 mncft of natural gas to the national grid by 2013. Now, we are producing 2,100 mncft of natural gas from 24 gas fields. Approximately, 7.00 lakh MT of coal are now being extracted from *Barapukuria* Coal mine annually for use at the *Barapukuria* Thermal Power Plant. I am hopeful that we will be able to complete the task of upgrading the capacity of the Eastern Refinery threefold by December 2013 as promised in my last budget speech.

66. Despite little progress in importing LNG and formulating laws and policies on coal extraction and import, our remarkable success in the energy sector has been the achievement of winning international legal

Offshore Exploration of Oil and Gas
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 recognition of our rights and sovereignty over the 200 nautical miles exclusive economic zone and the adjacent continental shelf in the Bay of Bengal. This recognition has opened up for us a door of immense potential for exploration of oil and gas within the maritime boundary.

67. We have strengthened our efforts to explore new onshore gas fields. Steps have been taken to strengthen BAPEX (Bangladesh Petroleum Exploration and Production Company Limited). We have already procured one deep drilling and work-over rig. Procurement of one more drilling rig is underway. I am pleased to inform you – BAPEX has already discovered oil reserve at *Haripur* and *Kailashtila*. The drilling of wells of newly discovered gas field ‘*Sunetro*’ has begun. In order to explore oil and gas fields onshore at several points, 2-D and 3-D seismic surveys have been conducted.

Onshore Exploration of Oil and Gas

68. We have created a gas development fund to develop the gas sector. The ‘Gas Development Fund Rules, 2012’ has also been issued to make it operational. We have been working to update the National Energy Policy.

Development of Energy Management

A draft Coal Policy has been framed and it has been posted to the concerned ministry’s website to elicit opinions from the public and also from foreign and local experts. The draft of ‘Sustainable Energy Development Authority Act, 2011’ has already been approved by the cabinet.

69. I propose to allocate Tk. 9,544 crore for power and energy sector, development and non-development budget combined, for the next fiscal year.

(II) Agricultural and Rural Development

70. Agriculture is the life line of Bangladesh. In fact, the question of our survival is inextricably linked with the survival of our farmers. As with the last three budgets, I have considered agriculture and rural development sectors together. I have, therefore, treated rural infrastructure, rural housing and sanitation, land and water resources, fisheries and veterinary, rural electrification and development of small and medium scale industries as an integral part of agriculture. Bearing this in mind, I propose necessary budget allocation for this sector.

Agriculture

Mr. Speaker

71. We have been experiencing consistent growth in our agriculture sector over the last three years. This sector has posted an average growth rate of 4.7 percent per year. Only the crop sub-sector has registered an average growth rate of 5.6 percent. We have a target to make Bangladesh self-sufficient in food by 2013. To achieve this target, we have already framed 'National Agricultural Policy, 2011'.

72. We are providing all possible supports to our farmers. As part of this process, we have already issued 'Agricultural Inputs Support Card' to as many as 1.40 crore farmers across the country. They have been given the opportunity of opening a bank account by depositing only Tk.10. In FY 2010-11, we compensated 3,46,100 farmer families who were affected by flash floods in the haor areas by providing them with fertilizer and **Agricultural Inputs Support** seeds free of cost. In FY2011-12, as many as 3,65,206 farmer families from 56 districts received fertilizers and seeds free of cost to produce 'Ufshi Aush and Bona Aush' (Narica). Aside from this, we have also arranged to supply power tillers, tractors and other agricultural equipment to the farmers of 35 districts at subsidised price. A total subsidy of Tk. 17,092 crore has been granted for Urea and Non-Urea fertilizer in the last three years. I propose an allocation of Tk. 6,000 crore for agriculture subsidy in the budget for FY2012-13.

73. We have strengthened Bangladesh Agriculture Development Corporation (BADC) to enhance its capacity to supply high yielding variety seeds. BADC used to supply 18 percent of *Boro* seeds in FY 2008-09. It now supplies about 60 percent of *Boro* seeds. In FY2011-12, **Seeds** implementation of a programme for distribution of 1,44,000 MT of seeds of various crops through BADC is in progress. A target has been set to produce 1,66,252 MT of seeds in the next fiscal. 'SAARC Seed Bank' has been established to ensure availability of quality seeds. Moreover, the scope of hybrid paddy cultivation is increasing. As of March of FY2011-12, hybrid paddy has been cultivated in 7,30,000 hectares of land.

74. We have taken various steps to enhance the production and use of organic fertilizers alongside the use of inorganic fertilizers to improve the quality of soil. In addition to monitoring of 68 lakh compost pile, 20 lakh **Protection of Soil Quality** new compost pile have been set up during the last three years. At the same time, training has been imparted to 15.87 lakh farmers and 56,659 agriculture extension officers and staff on the latest and most appropriate technology.

75. During FY2011-12, Tk. 5.69 crore was allocated for the small and marginal farmers to facilitate corn cultivation. Alongside, agricultural credit is being provided at only 4 percent interest rate for corn cultivation. This incentive will be continued in the next budget. We are verifying the prospect of cultivating beet-sugar as a raw material for sugar production. The decision to provide incentive in this sector will be taken in future on the basis of research findings. **Incentive for Maize and Beet Cultivation**

76. In the current fiscal year, up to April, 2012, 73.9 percent of agricultural credit has been disbursed against a target of Tk. 13,800 crore. In the next fiscal year, the target of agricultural credit will be raised to Tk. **Agriculture Credit and Crop Insurance** 14,130 crore. In the previous budget, I made a commitment to introduce a pilot programme for crop insurance. I am pleased to inform you that a crop insurance scheme on pilot basis has been introduced at *Madhabpur* upazila under the district of *Habiganj* with the sponsorship of Shadharan Bima Corporation.

77. The most of the food grains in the country are produced in the Barind area of the northern region. To meet the increasing demand for food grains, we are giving emphasis on extension of paddy cultivation in flood, saline and drought prone areas. We are emphasizing on innovation of new-varieties of paddy. The cultivation of salinity-resistant *Bina-8* and **New Variety of Paddy** *Bri-47* paddy has already begun. Besides, new varieties of paddy called *Bri-53* and *54* for salinity-prone areas and *Bri-51* and *52* for the flood prone areas have been invented. The piloting of these new varieties is taking place and their cultivation will begin soon. In addition, another variety of drought-prone paddy called '*Narica*' has been collected from Africa. Meanwhile, it has been possible to eradicate *Monga* permanently by cultivating *Bina-7* along

with adoption of integrated farming activities and implementing social safety net programmes.

78. Production of sufficient food grains for a huge population in a limited space of arable land is indeed a daunting task. For this reason, we **Widening the Area of Cultivable Land** have laid emphasis on expanding cultivable land. We have been able to bring 15,67,000 hectares of land under cultivation by addressing the water logging problem, expanding irrigation facilities through utilisation of surface water in southern region and draining out water in haor areas.

Mr. Speaker

79. In order to ensure fair prices for farm produces, we have already formed 490 ‘Farmers Marketing Group’ and 18,000 ‘Farmers Club’ and **Agricultural Marketing** built growers’ market in 60 upazilas, and wholesale markets in 21 districts. In the next fiscal, we have a plan to form 800 farmers’ clubs and construct 8 assemble centres.

80. I mentioned in my last budget speech that, for the present government, the event of decoding genome sequencing of jute had been an epoch-making success in agricultural research. It has opened up further **Agricultural Research** opportunity for inventing new stress resistant high yielding varieties of jute. I firmly believe that the ‘Endowment Fund’ created for agricultural research will have important contribution in overall agricultural research including finding of high yielding varieties of jute and application of important research findings. In this regard, ‘Bangladesh Agricultural Research Council Act, 2012’ will help take agricultural research forward.

81. We are trying to provide solutions to the farmers on farming issues via agricultural information centre, video conferencing and mobile SMS. **e-Agriculture** Currently, the agricultural information communication centres in 95 unions have started their activities and steps have been taken to open such centres in another 150 unions. All the unions across the country are maintaining information databases. Agricultural services are also being provided through these databases.

82. I propose to allocate Tk. 8,917.52 crore, development and non-development budgets combined, for the Ministry of Agriculture in the budget for FY2012-13.

Fisheries and Livestock

Mr. Speaker

83. The importance of fisheries and livestock sub-sector is crucial in Bangladesh where agriculture is the mainstay of its economy. The contribution of this sub-sector to GDP is 8 percent. Also, almost 90 percent of animal protein in our daily food intake comes from this sector.

84. In the current fiscal year, fish production will increase to 32.2 lakh MT. We have further strengthened our programmes for releasing fish fries in open water bodies. The number of fish-sanctuaries in the rivers and

Development of Fisheries Sector
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 water bodies has been increased to 500. As a result, 12 virtually extinct species of fish have reappeared. We have ensured safe breeding of *Hilsha* and increased the number of shrimp farms. Together with this, we have extended the facility of fisheries sub-sector based e-services.

85. Bangladesh has got immense potential of marine fishing from its 1,66,000 square KM maritime territory. The prospect of such fishing has got even brighter as our legal right has been established on additional 1,11,000 square km of sea after the verdict passed by the International Tribunal for the Law of the Sea concerning maritime boundary delimitation in the Bay of Bengal. We hope that an infinite scope will be opened up by marking off new fishing spots in this extended area.

Development and Management of Marine Fisheries

86. We hope that, in the next year, with proper research, legal framework and incentives, fish production might exceed 34 lakh MT mark. Milk production will be 30 lakh MT, while meat production will be 20 lakh MT and egg production will be 791 crore. Yet I regret the fact that despite various incentives, domestic milk production can only meet 20 percent of the total demand.

87. I propose to allocate Tk. 949.73 crore, development and non-development budgets combined, for the fisheries and livestock sector in the budget for FY2012-13.

Food Security

Mr. Speaker

88. We have always laid emphasis on food security. It is known that food production is being threatened by unexpected risks arising from climate change across the world. This has made the food market unstable. In this context, to ensure inter-generational food security, we have already formulated 'Country Investment Plan for Food Security' and the 'National Food Policy Plan of Action' which are under implementation.

89. It is indeed a formidable challenge for the Government to ensure fair price for the agricultural produces while keeping the prices of food grains within the purchasing power of the poor. In the meantime, we have distributed 12 lakh fair price cards among the poor farmers. Besides, we have enhanced the allocation and widened the coverage of VGD, VGF, GR and food for works programme. The number of beneficiaries of these programmes is about 3 crore.

Food Security Programme

90. You will be glad to know that we have now a stock of 14,76,115 MT of food grains in the government silos, which has surpassed the previous record. This stock will ensure supply of foods during emergency. In the current fiscal year, the prices of food grains have gone down in the domestic market compared to those of the previous years. For this reason, the sales volume of rice under OMS programme has been reduced to ensure fair price of food grains. We have also increased domestic procurement of food grains. I am pleased to let you know that our government has procured a record 3.50 lakh MT of rice during the *Aman* season. The Government has decided to procure another 10 lakh MT of food grains during the *Boro* season. Given that the number of population is growing, I mentioned in my previous budget speech that we want to raise the storage capacity of Government silos to 22 lakh MT by 2015 to maintain emergency stock. In the last 3 years, we have increased the storage capacity of government silos from

Emergency Food Stock

14.50 lakh MT to 16.50 lakh MT and it will be further raised by 2.40 lakh MT by 2013, Inshallah.

Water Resources

Mr. Speaker

91. Water is one of our main resources. We, therefore, attached importance to water planning, development and management from the beginning. The ‘Bangladesh Water Usage Act 2012’ has been approved in principle by the cabinet. However, we have not yet been able to amend the ‘Water Resource Planning Act, 1992’ as per our commitment.

92. During the last three years, we have carried out 43.10 km of dredging, repairing and maintenance of 140.30 km river bank, repairing of 251.20 km flood control structure and reclaimed about 300 hectare of land from the sea. At the same time, 1.60 lakh acre of land has been freed from flood while another 0.87 lakh acre has been brought under irrigation facilities. 49 km of new irrigation canal has been excavated and 33.8 km has been re-excavated. 20 big towns, 70 Upazila headquarters and 500 important historical places have been protected from river erosion. Additional 97.50 metric ton of crops have been produced in 60 hectares of land by controlling flood and ensuring water drainage.

Recent Achievements

93. In order to increase the navigability of rivers and prevent river erosion, we have given stress on capital dredging together with maintenance dredging. Dredging of the *Buriganga*, *Turag*, *Balu*, *Pungli* and *Dhaleshwari* rivers are going on under the *Buriganga* reclamation programme. The second phase of dredging in the *Gorai* river has been completed to reduce the problems of salinity and siltation in the southern region. We are looking forward to completing the feasibility study on the Ganges Barrage project in this fiscal year. Side by side, the design work of the barrage is progressing fast. In the Ganges-Brahmaputra Basin, Bangladesh performs the responsibility of flashing out almost all waters, even though only 6-7% land of this Basin falls into the territory of Bangladesh. In discharging this responsibility, we have to bear the brunt of heavy siltation and onslaught of frequent floods. In order to discharge this responsibility in an

Increased Navigability

appropriate manner, we should continue to carry out regular dredging in some selected rivers. Therefore, we shall identify those rivers in future and seek participation from our neighbouring countries in carrying out maintenance dredging in these rivers.

94. The task of creating a database and an integrated master plan for the overall development of *Haor* and wetlands is in progress. I trust this task will be completed within the next fiscal year. We have also taken initiatives for prevention of flash flood and water drainage in the *Haor* areas.

**Development of Haor
and Wetland**

95. 15,903 acres of land have been allotted to 11,298 landless families by recovering the rising *char* lands from illegal encroachment in the coastal areas. In the next five years, steps will be taken to rehabilitate another 9,586 families in 5,550 hectares of land. Alongside, we plan to reclaim 20,000 hectares of land by building cross dams in the coastal regions. By this arrangement, 16,000 poor families will be rehabilitated.

**Rehabilitation of
Landless People in
Coastal Areas**

96. We are now able to make 3-days advance flood forecast at 38 points. Making 7-days advance forecast would soon be possible through upgradation of the system. We are continuing with our efforts to quickly reach the flood forecasts to the people.

**Development of Flood Forecasting
and Warning System**

Besides, for the purpose of climate change adaptation and disaster risk mitigation, measures of salinity forecasting and basin development will be undertaken in the coastal areas.

97. I propose to allocate Tk. 2,890.74 crore, development and non-development budgets combined, for the water resources sector for FY2012-13.

Rural Development

Mr. Speaker

98. In order to develop the rural economy, we undertook various projects of infrastructure development during the past three years. In our current tenure, 12,409 km of rural road and 1,37,880 meter of bridges and culverts have been constructed up to January 2012. Another 81,887 km of rural road and 84,052 meter of bridges/culverts, 979 growth centres and market places have been developed.

**Construction and
Development of
Rural Infrastructure**

As many as 722 Union Parishad complexes have also been built. Bearing in mind 2021, an infrastructure development and maintenance plan has been formulated to ensure balanced development of rural areas.

99. For the purpose of supplying safe drinking water throughout the country, addressing water logging problems and constructing sewerage system in the urban areas, 29 development projects are being implemented by the Public Health Engineering Department and WASA. The present Government has built 1,30,823 arsenic free water sources across the country.

Supply of Safe Drinking Water

Now for every 95 people in rural areas there is at least one source of safe drinking water. We hope to build another 42,000 safe water sources in the next fiscal year. In my first budget speech, I pledged to ensure safe drinking water for all by 2011. We are slightly lagging behind in this regard. Till now, we have been able to bring 88 percent people under the coverage of safe drinking water.

100. We have set the target to ensure 100 percent sanitation by 2013. Our progress in this sector is satisfactory. So far, we have built and supplied 8,22,384 low-cost sanitary latrines. Presently, about 91 percent families in Bangladesh have come under sanitation coverage which is the highest among the SAARC countries.

Sanitation

101. We have formulated the ‘Bangabandhu Poverty Alleviation and Rural Development Academy Act, 2012’ for the purposes of conducting research on poverty alleviation and imparting vocational and technical training to the rural people. We have established 128 cooperative markets

**Protecting Interest of
Marginalised People**

throughout the country so that rural people can buy daily essentials at a fair price. This system has ensured preserving the quality of essential commodities and sale of farm produces at a fair price. We have plans to expand the programme throughout the country.

102. Rural Electrification is our priority programme as it is one of the means to realise our Vision. We have brought additional 2,107 villages under the coverage of rural electrification during the last three years. Additional 13,084 km power distribution lines have been set up. Now, the total number of villages under rural electrification is 48,711(65 percent). The total number of beneficiaries is about 4.5 crore. Total distribution line

Rural Electrification

 now stands at 2, 27,667 km. In rural areas where electricity cannot be supplied from the grid, about 11.20 lakh solar home systems have been established with the assistance of Rural Electrification Board and IDCOL. The work is in progress for installing 190 solar irrigation pumps and 200 bio-gas power plants. Recently, as per our commitment, steps have been taken to produce electricity from the husk of paddy with the financial assistance from IDCOL. I hope, we will be able to supply electricity to every village by 2021. Meanwhile, we have installed 15,000 bio-gas plants to solve the energy problem of the rural people.

103. I propose to allocate Tk.13,549 crore for the Local Government Division, Rural Development and Cooperatives Division, development and non-development budgets combined, for the FY2012-13.

(III) Human Resource Development

Mr. Speaker

104. Educated and skilled human resource is the main driver of development of an economy. We have, therefore laid emphasis on human resource development. I propose a total allocation of Tk. 39,390 crore for human resource development in the budget for FY 2012-13.

Overall Education Sector

Mr. Speaker

105. Our Government is attaching highest priority to education as the most important strategic tool for eradication of poverty and development.

Implementation of Education Policy

We have formulated an Education Policy, 2010 assimilating the essence of the charter for change, 'Vision 2021' and our commitment for building Digital Bangladesh. We have planned to implement this Policy in phases.

106. In a bid to eliminate disparity in the education sector, the Government has started distributing books free of cost to the students of primary level including secondary, *dakhil*, vocational and *ebtedai* levels from FY2011-12 throughout the country. As planned, a total of 23 crore books have already been distributed in 2012. Distribution of stipends is

Elimination of Disparity and Quality Enhancement in Education Sector

another ongoing initiative to promote female education. Currently the male-female student ratio is 47:53, which is the 2nd highest in South Asia. Besides, as many as 43.38 lakh students from the secondary to graduation level have been awarded stipends. We have also given emphasis on teachers' training, in particular on subjects like Mathematics and English, to enhance the quality of education. We are also laying emphasis on expansion of vocational and technical training and to develop appropriate skilled manpower for export to the overseas markets. At the same time, in an attempt to search creative talents throughout the country, a 'Creative Talent Hunt Policy, 2012' has been formulated. I hope this initiative will see successful implementation from the next fiscal year.

107. Various kinds of facilities are being enhanced along with infrastructure development to improve the teaching environment of the educational institutions. Construction work of academic buildings of 1,500

Decentralisation of Education

colleges have been initiated. In order to remove urban-rural disparity in education, we have established as many as 306 model high schools in those upazilas, where there is no government high school. Construction and other physical infrastructure works are underway to build another 164 model high schools.

108. In order to reorient our higher education more towards science and technology, we have established a Science and Technology University at Pabna. There is also a programme to establish a Digital University at Gazipur and Bangabadhu Science and Technology University at **Higher Education** Gopalganj. Besides, we have established University of Professionals in Dhaka, and Begum Rokeya University at Rangpur. Moreover, we have taken steps to establish two public universities at Rangamati and Barishal, and Rabindra University at Kushtia. We believe that, these initiatives will enable our new generation to face new and emerging challenges of this century.

109. Education is the fundamental right of human being. We have, **Prime Minister's Education Assistance Foundation** therefore, taken an initiative to establish a Trust Fund to ensure education for the poor and underprivileged meritorious students. A law titled 'Prime Minister's Education Assistance Trust Act, 2011' has already been enacted.

Primary and Mass Education

Mr. Speaker

110. Eradication of illiteracy by 2014 is one of our prime commitments. Even though it took a little longer, we have ensured cent percent enrolment at the primary level as per our commitment. We have **Achievements in Primary Education Sector** introduced pre-primary education programme for the children of 3-5 years age group. From 2011, examination on completion of primary education has started taking place throughout the country under a uniform system. As a result, it is now possible to assess the merits of primary students using a set of uniform criteria. A policy on non-formal education has been formulated to eradicate illiteracy.

111. Along with its expansion, we are determined to enhance the quality of primary education. Already, we have **Qualitative Improvement of Primary Education** brought down the teacher-student ratio to 1:47 from 1:50 and want to bring it down further to 1:40. In order to ensure necessary infrastructure and academic environment, we have taken up for implementation a comprehensive

sector wide programme (Third Primary Education Development Program, PEDP-3) at a cost of Tk. 58,359 crore. A total of 47,680 teachers will be recruited under this programme. We had a plan to raise the number of female teachers in primary schools to 60 percent. Already, we have raised the number to 58.4 percent. In my previous budget speech, I mentioned about the establishment of 1500 new primary schools. Already, construction of a total of 780 primary schools is at the completion stage. In addition, we have brought required reforms in primary education management by establishing Primary Teacher Training Institute (PTI) in 12 district headquarters, formulating a manual on inclusive education, organising training for the teachers on the manual and restructuring school management committees.

112. The present Government is continuing the stipend programme, at a **Prevention of Drop-out** cost of about Tk. 4,000 crore, intended to prevent dropping out due to poverty. In addition, a School Feeding Programme has been taken up to increase the rate of enrolment and retain the students at school.

113. We have a plan to introduce e-Learning in all the educational **Information Technology in Education Sector** institutions across the country. Already, multimedia classrooms have been set up in each model primary school. ICT labs have been installed in 3,172 secondary and higher secondary schools.

Health and Family Welfare

Mr. Speaker

114. One of our election pledges is to ensure quality health services for all. To fulfill this pledge, we have prepared the 'National Health Policy, 2011'. The 'National Drug Policy 2005' is being updated. The policies **General Health Service** and programmes that we have adopted over the last three years in this sector have now started yielding intended results. We have earned enviable success among the SAARC countries in terms of reduction of maternal mortality and infant mortality rate as well as increased life expectancy. According to Bangladesh Demography and Health Survey 2011, the under-5 infant mortality rate has been reduced to 53 from 65 per thousand over the past

four years. Likewise, the maternal mortality rate has also gone down to 1.94 from 3.5 per thousand. Currently, one third of the country's women in confinement receive the assistance of the trained health workers during child birth. To increase this number further, we are taking an initiative to train 40,000 health workers of various tiers over the medium term. There is an ongoing programme titled 'Maternal Health Voucher Scheme' to improve maternal health of poor pregnant mothers in 46 upazilas. We have planned to expand this programme to another 27 upazilas. Beside this, 24-hour emergency maternal care service will be provided in 96 upazila health complexes.

115. In order to improve the health quality of poor city dwellers living in 6 city corporations and 5 municipalities in Bangladesh, primary health **Urban Health** care service is being provided through 27 urban maternity clinics, 167 urban health centres and 656 satellite clinics. 30 percent of the services delivered at the urban health centres are provided free of cost. Beside this, we are continuously trying to popularise the alternative health care system. To this end, steps have been taken to prepare necessary rules and to recruit manpower.

116. In the budget for FY2009-10, we had committed to establish **Community Clinic** 13,500 community clinics. As of now, 11,409 clinics have been commissioned. As many as 7.56 crore people have taken services from these clinics in the last three years. The remaining 2,091 clinics will hopefully be set up and made operational by FY2012-13.

117. In my previous budget speech, I mentioned about undertaking a post-enumeration check (PEC) of the Population Census and Household **Population** Survey 2011. Meanwhile, Bangladesh Institute of Development Studies (BIDS) has published the results of the PEC. According to this, the population of Bangladesh now stands at an estimated 14.80 crore. We are working on our Population Policy to update it. One of our future challenges will be to ensure food, clothing, shelter, health and education for this population.

118. We want to increase the rate of contraceptive use by 80 percent within 2021 to address the enormity of the problem arising from the growing population. We have, therefore, made adequate budget allocation for this purpose. We have built up sufficient stock of contraceptives which can meet the demand up to 2013. In the meantime, the rate of use of contraceptives has increased to 61 percent from 56 percent during the period from 2007 to 2011.

Family Planning

119. We have taken up the task of upgrading in phases all upazila and district level hospitals to 50 bed and 250 bed hospitals respectively. In the meantime, 251 upazila health complexes have been upgraded to 50-bed, 16 district hospitals to 100-bed and 8 district hospitals to 250-bed hospitals respectively. In order to improve the physician-population ratio, we have recruited 3,551 physicians and have established five new medical colleges. In parallel, steps have been taken to increase the number of nurses and paramedics to improve the doctor, nurse and paramedics ratio to internationally accepted 1:3:5. For this purpose, five institutes of health technology have been established and there is a plan to establish ten more. In addition, we have a plan to construct 5 new nursing colleges and upgrade 15 nursing institutes to nursing colleges. In the last three years, 6,391 health assistants, 370 health technologists, 605 nurses and 856 family welfare visitors have been recruited.

Manpower and Infrastructure Development

120. In my previous year's budget speech, I pledged to increase the use of ICT in health service. We have already taken an initiative to introduce e-Health programme. In 482 hospitals at zila and upazila level, a programme has been launched to provide health services through mobile phone. Internet connectivity has been provided to 800 health organisations. Telemedicine facility has been introduced in 8 hospitals through which patients can now take advice of medical specialists at upazila and zila level. Side by side, a system has been introduced for disseminating information on breast-feeding, pregnancy, national immunisation programme and timetable of feeding vitamin-A capsule to the people through SMS. Our successful application of ICT in health sector has been widely acclaimed and the Hon'ble Prime Minister has been honoured with the prestigious 'Digital Health for Digital Development' award by the United Nations.

ICT in Health Services

Mr. Speaker

121. We have certain failures in parallel to our success. We are still lagging behind in terms of achieving the MDG nutrition targets. Currently, 36 percent of our infants are under-weight. A National Nutrition Service Programme has been taken up to overcome the problem of malnutrition. In our nutrition scheme, being delivered under the community nutrition programme, we want to raise the rate of local participation up to 50 percent from 25 percent. Primarily, we have a plan to cover 35 percent pregnant mothers and infants to provide them with food supplements at the Upazila level. Aside from this, 90 percent of the children will be administered Vitamin 'A' capsule. We have earned record success in increasing awareness on the benefit of breast feeding. Our target was to scale up the percentage of exclusive breast feeding for six months by lactating mothers to 50 percent by 2016. However, we have been able to raise this percentage to 64 percent by 2011.

Nutrition

122. I propose to allocate Tk. 9,355 crore for FY2012-13, development and non-development budgets combined, for the Ministry of Health and Family Welfare.

Culture

Mr. Speaker

123. Culture epitomises the history and spirit of a nation. As a nation, we are religious, but at the same time, we are also liberal and non-communal. In order to preserve our national entity and to develop our indigenous culture, we took up a special programme under non-development budget at a cost of Tk. 100 crore in FY2010-11. In tandem, we have taken an initiative to promote our nearly extinct folk-culture. Since we assumed office, we adopted a range of programmes for practicing, collecting, preserving and developing Bangla language, literature and culture. To this end, I made a commitment in the budget for FY2011-12 to establish a National Art Gallery at the premises of Shilpakala Academy and to develop *Bangladesh Lok O Karushilpa Foundation*. Two projects are being implemented for this purpose. We organised season-bound cultural events in all 64 districts. Several steps were taken to promote the

Promoting Bangalee Culture

reading habit. We have also formulated an integrated policy for supply of books to the libraries. Public libraries have been set up in 31 districts and setting up 14 more are underway.

124. I believe we can uphold the positive image of our country before the outside world through extensive promotion and publicity of our cultural heritage. To this end, steps have been taken to establish cultural centres in different countries. Hopefully, two cultural centres will be established in Kolkata and New York next year. Steps have been taken to explore and preserve the archaeological sites. The preservation and development programme of archaeological sites is going on throughout the country including *Mahasthangarh*, *Paharpur*, *Kantajeu*, *Mahabaleshwar* and *Bagerhat*. Excavations and exploration work in *Wari-Bateshwar* and *Bikrampur* are also in progress.

**Archeological
Exploration**

125. I propose an allocation of Tk. 195.57 crore, development and non-development budgets combined, for the Ministry of Cultural Affairs.

Religion

Mr Speaker

126. We believe in liberal religious culture. Consistent with this, we organised trainings for religious leaders and held ten inter-religion dialogues. As many as 3,433 imams, *shebaites*, priests, Buddhist monks have been trained. In FY2012-13, a further 3,500 such people will be trained and 12 more inter-religion dialogues will be organised. We are determined to prevent violence on and discriminatory treatment against the religious minorities. We are continuing to work to safeguard their social status and ensure equal rights everywhere in the national and social life as enshrined in the Constitution.

Religious Harmony

127. We are consistently successful in setting up Hajj camps, carrying Hajj pilgrims safely and providing all-out support during the performance of Hajj in Saudi Arabia. In FY 2011-12, a record number of pilgrims performed their Hajj. We expect that the number of

Hajj

pilgrims will surpass the 1,20,000 mark in FY2012-13. Moreover, we are providing informational services to the pilgrims by opening a website.

128. We are continuing with the mosque and temple-based pre-primary and religious education programmes. In the last three years, 23.40 lakh students were imparted pre-primary education, 65,770 were imparted mass education and 10.23 lakh individuals were imparted literacy on the Holy Quran through this programme.

**Mosque and Temple based
Education Programme**

129. I propose to allocate a total of Tk. 265.70 crore, development and non development budgets combined, for the Ministry of Religious Affairs in the budget for FY2012-13.

Youth and Sports

Mr. Speaker

130. Our youth community bubbles up with the most creative energy. We have introduced national service to involve the youths in national development programme. Under this programme, temporary employment opportunities have been created in Kurigram, Borguna, Gopalganj and Rangpur districts. As of now, 56,801 unemployed youths - male and female, have been trained. Two years temporary employment opportunities have been created for 56,126 youths. In FY2012-13, there is a plan to provide training to 17,744 youths and to create temporary employment opportunities for 56, 959 youths, under this programme.

National service

131. Throughout the country skill-enhancing training programme for the unemployed youths is going on in 111 formal and 476 non-formal training centres. In the last three years, a total of 13,11,797 individuals were trained. In FY2012-13, there is a target to train a further 4,37,265 people. To encourage self-employment, the Directorate of Youth Development has distributed Tk. 219.33 crore as micro-credit among 1,15,460 trained youths, male and female, from January 2009 to March 2012.

Training and Micro credit

132. In my previous budget speech, I mentioned that 5 cricket stadiums were upgraded to the international standard for holding the World Cup Cricket. The overall management including inauguration ceremony of ICC **Sports Infrastructure and Management** World Cup 2011 held in Bangabandhu National Stadium has been widely acclaimed. The process of modernisation and renovation of stadiums and women sports complexes is going on at the district level throughout the country including Dhaka. Moreover, we are working for the revival of the nearly extinct games, rooted in our rural culture.

133. Recently, Bangladesh cricket team has brought special honour for the nation by becoming the runners-up in Asia Cup. Our female cricketers have earned one-day status in cricket arena. Our mentally challenged boys **Achievements in Sports** and girls have earned a special distinction by winning 44 medals including 29 gold medals in the World Special Olympic 2011 held in Athens. We believe that our players will bring more successes in future. Special facilities are necessary for organising sports for disabled persons. They require play-grounds and special types of sports items. I declare a special allocation for disabled persons for the Ministry of Youth and Sports.

134. I propose an allocation of Tk. 687.61 crore for non-development and development budgets combined, for the Ministry of Youth and Sports in the budget for FY 2012-13.

(IV) Physical Infrastructure

Roads and Bridges

Mr. Speaker

135. In my previous budget speeches, I laid emphasis on integrated development in communication sector. To this end, Integrated Multimodal **Integrated Transport Policy** Transport Policy (IMTP), 2012 has been framed. ‘Dhaka Transport Coordination Authority Act, 2012’ has also been approved. Under this Act, Dhaka Transport Coordination Authority (DTCA) has already been formed. I hope this Authority will have a strong role in the Capital’s transport coordination.

136. From the outset, we have attached importance to building a sustainable, safe and quality mass transport system to achieve desired socio-economic development. With this aim in view, a 20-year Strategic Transport Plan (STP) has been approved by the Government to establish discipline in the road transport sector, reduce accidents and ease traffic congestion. Under this plan, steps have been taken to implement the MRT-6 (Mass Rapid Transit, Line-6). Besides, steps are also underway to launch Bus Rapid Transit (BRT) for rapid movement of buses between *Gazipur* and Hazrat Shahjalal International Airport and between Airport and *Sadarghat*. The Elevated Expressway will connect Hazrat Shahjalal International Airport (HSIA) with ‘Mayor Mohammad Hanif flyover instead of *Kutubkhali* point on Dhaka-Chittagong highway by extending it to Kamalapur. As a result, its length will be shortened by 3 km from 26 km as was planned earlier. The activities relating to land acquisition and utilities transfer are in progress to facilitate the construction of the Dhaka Elevated Expressway. In addition, steps have also been taken to construct Dhaka-Ashulia Elevated Expressway from Hazrat Shahjalal International Airport to Chandra. Despite our sincere efforts, there has not been much headway in the construction of circular roads and railways around Dhaka.

Strategic Transport Plan

137. We hope to complete within the next fiscal year the much expected integrated development project of Hatirjheel area with Begunbari khal to ease growing traffic congestion in Dhaka city. Construction of 10 km long ‘Mayor Mohammad Hanif Flyover’ from *Jatrabari* to *Palashi* and about 3 km long *Kuril* flyover will be completed within 2012, Insha Allah. Besides, construction of flyovers at *Maghbazar-Mouchak* and *Paltan to Dhaka-Mawa* roads point and an overpass at Banani rail crossing are underway. A plan of constructing a continuous corridor under PPP from *Amin Bazar* to *Palashi* has also been undertaken. In Chittagong, 5 more flyovers are being constructed by the Chittagong Development Authority.

Easing Traffic Congestion in Dhaka and Chittagong City

138. In order to build a safe and quality road communication system, we have adopted a 20-year Road Master Plan and taken a range of steps to implement the plan. For your information, I would like to present some statistics that will illustrate our achievements in the road sector. After assumption of office this time, we have reconstructed, broadened and

strengthened a total of 2,912 km of national, regional and district roads. As many as 1,063 bridges and culverts and 7,2 93 km road have been repaired. It should be pointed out that road density in Bangladesh is the highest in the world. There is 2,079 km of road in every 1,000 square km area. For this reason, we are laying more emphasis on regular and quality maintenance of the existing roads rather than on construction of new ones. I believe that if we can properly enforce traffic rules and introduce road pricing, traffic congestion will not only be reduced, additional resources will be generated for road maintenance. We have planned to take an initiative to let the Roads and Highways Department and the Local Government Engineering Department together conduct a survey on mapping all roads across the country and on the basis of that survey develop a 20-year plan for this sector. This plan should factor in the following aspects:

Achievements in Road Sector
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- (1) avoid construction of new roads to restrain expansion of road network
- (2) no new road to be constructed within the current road network except union and rural roads
- (3) highest priority will be given to the repair and maintenance of the existing roads. This will require a crash programme to accomplish the repair and maintenance work neglected so far
- (4) development projects for the existing roads may be undertaken where necessary subject to appropriate survey
- (5) in widening road network, vertical method should be adopted rather than the horizontal one
- (6) the participation of local community should be ensured in the road maintenance work and therefore, a portion of maintenance cost should be disbursed to them
- (7) where possible, toll collection system should be introduced for roads and bridges

- (8) steps should be taken to introduce road pricing for the use of roads
- (9) in order to ease traffic congestion, sedan cars should not be allowed to ply the city roads unless three passengers travel together. Otherwise, extra toll should be imposed.

139. The work of several key projects including conversion of Dhaka-Chittagong Highway into four lanes and Nabinagar-DEPZ-Chandra Road, development of Joydebpur-Mymensingh road and construction of Teesta Bridge Project are going on in full swing. A flyover has been opened for traffic to ease cargo transport in the Chittagong port. Besides, we have launched the Project Monitoring System (PMS) at the Road Division. Soon, e-Tendering would be operationalised.

140. The construction of Padma Bridge is one of the main election pledges of the present Government. The detailed design of 6.15 km long Padma Bridge including its DPP was finalised by October 2010. The programme of land acquisition and rehabilitation of project affected people will be completed by the end of this fiscal year. There are several proposals under PPP as well as from development partners for the construction of the bridge at our disposal. Hopefully, the construction of the bridge will begin soon. On the other hand, steps have been taken to construct the 2nd Padma Bridge at Paturia-Goalanda point under PPP. The feasibility study of Bekutia Bridge over the river Kacha across the Pirojpur-Jhalokathi road has been completed.

Padma Bridge

Railways

Mr. Speaker

141. I mentioned in my previous budget speech that by giving special priority to railways we have created a new ministry called ‘Ministry of Railways’. We have taken initiatives to change Bangladesh Railway into a corporate organization. To this end, the system of Lines of Business (LOB) has already been introduced in Bangladesh Railway. We are considering to undertake the implementation of 231 projects at a cost of

Priority on Rail Communication

Tk. 1,25,929 crore under a 20 year Railway Master Plan. Our aim is to turn railway into a modern mode of transportation by improving the quality of service.

142. Already, 15 pairs of new train have been added. The services of 8 pairs of train of different routes have been expanded. Side by side, we have undertaken projects to construct new rail lines and reconstruct the old ones. Steps have been taken to connect Bangladesh Railway to sub-regional, regional and international railway networks. In order to link with Trans-Asian Railway, the construction of railway tracks from *Dohajari* via *Ramu* to *Cox's Bazar* and from *Ramu* to *Gundum* is continuing. I mentioned in my previous budget speech that under the e-Ticketing programme, we have introduced the facilities for obtaining ticketing information and tickets via cell phones and internet.

143. Steps have been taken to upgrade *Dhaka-Chittagong* railway corridor to double line tracks. An agreement has been signed to construct double line tracks in *Tongi-Bhairab Bazar* and *Laksham-Chinki Astana* sections. In future, we have plans to construct third and fourth lines in *Dhaka-Tongi* and dual gauge double tracks between *Tongi-Joydevpur* and *Dhaka-Narayangonj* sections. We also have plans to gradually construct double line tracks in different important sections of the country including the *Khulna-Parbatipur* section. Alongside, we have taken steps to construct the 2nd *Bhairab* and 2nd *Titas* Bridges. Already, 9 locomotives have been added to the train fleet and procurement of 11 more is under process. Steps have been taken to collect additional 26 broad-gauge locomotives, 246 tank wagons, 220 flat wagons and 10 sets of DEMU (Diesel Electric Multiple Unit) in future. Moreover, a total of 55 wagons have been procured. Procurement of another 37 locomotives and 465 wagons is underway.

144. The total allocation for railway in the budget of FY2008-09 was Tk. 2,127 crore which was enhanced to Tk. 3,891 crore in FY2011-12 resulting in 83 percent increase over the last three years. I propose to allocate Tk. 10,390 crore for roads and railways sector, development and non-development budgets combined, for the next fiscal year.

Water Transportation

Mr. Speaker

145. Bangladesh is a riverine country. Water transportation as an alternative mode of communication and transportation system is, therefore, immensely important. Implementation of the integrated plan undertaken for the development of waterways is in progress. Under this plan, procurement of 18 dredgers is underway and 2 have already been procured to enhance navigability of waterways; 53 lakh cubic meters of dredging has been completed; 4 inland river ports have been established and 2 others have been modernized. Moreover, 2 container river ports have been established. Landing facilities have been created at *Kachpur*, *Sandwip* and *Kumira*. A total of 35 km of waterways and 5.5 km of walkways have been built around Dhaka city to prevent illegal encroachment. Already, a number of private sector organisations are engaged in river dredging and many of them have their own dredgers. However, all big dredgers are owned by the government. There should be coordination between the government and private sector organisations in the use of dredgers. Therefore, it would be appropriate to constitute a steering committee comprising representatives from inland water transport agencies, two river port agencies, Ministry of Water resources and private sector entities.

146. Recently, the *Chittagong* sea port has attained international standard in terms of competence indicators. About 92 percent of total imports and exports of the country is handled through this port. The process of automating the port has already been completed to ensure greater efficiency in service delivery. In order to ease container congestion at the *Chittagong* port, an inland river-based container terminal with a

Sea Port

 handling capacity of 1,60,000 TEUs container has been constructed at Pangaon near Dhaka. Both the arrival of vessels and the cargo handling capacity at *Mongla* - the second sea port of Bangladesh, have increased. Because of its convenient location, this port has bright prospects of transporting transit cargos of India, Nepal and Bhutan. We have adopted plans to create various facilities at the *Mongla* port including dredging of the *Poshur* River. In order to ease goods transportation from this port, effective steps have been taken to put up railway tracks from *Khulna* to *Mongla*. Besides, we are continuing with

our efforts to attract foreign investment in constructing a deep sea port at *Sonadia*.

147. One of our election pledges was to raise the capacity of land ports. Accordingly, development and operation of 6 land ports on Build, Operate and Transfer (BOT) basis has already kicked off. At the **Land Port** *Benapole* land port, storage facilities for imported and exported cargo have been created. Development of *Bhomra* and *Nakugao* land ports are going on in full swing. Besides, the work of putting up commercial facilities at *Ramgar* and *Thegamukh* land ports is also going on.

Civil Aviation

Mr. Speaker

148. We made a pledge to turn Bangladesh *Biman* into an efficient and service-oriented organization. In this area, we may not have achieved much success but we are continuing our efforts. We have a plan to procure 10 aircrafts for Bangladesh *Biman* in phases. Two aircrafts were added to the fleet by end of 2011. Two more will be collected by 2013. Side by side, according to our commitment, the processes of travel and cargo carrying by *Biman* have been brought under e-Commerce. Our efforts are continuing to upgrade *Hazrat Shahjalal International* Airport to a Category-1 airport within the next fiscal year. The work for developing Cox's Bazar Airport has already begun. We also have a plan to transform Khan Jahan Ali STOL port into a full-fledged domestic airport. At the express interest of the Bhutan Government to use Syedpur Airport, negotiations are now going on between the two Governments. Besides, we have agreed in principle to undertake a plan to build Bangabandhu Sheikh Mujib International Airport as an international aviation hub with all modern amenities at the outskirts of Dhaka. The pre-feasibility study, in this respect, has already been completed.

Housing and Planned Urbanisation

Mr. Speaker

149. Unplanned urbanisation with growing population is a huge problem for Bangladesh. By 2015, the population size of urban areas will be one-third of the total population of Bangladesh. We are determined to improve the living standards of this huge population through planned urbanisation. In line with Vision-2021, we want to ensure housing and modern city life for all by 2015. To this end, detailed area plans for Dhaka, Chittagong and Sylhet and structural plans for divisional cities of Sylhet and Barisal have already been formulated.

150. To ensure housing for all, we have taken the task of developing 75,688 plots and constructing 2,12,998 flats in Dhaka and other divisional, **Plot Development and Flat Construction** district and upazila headquarters. To fulfill the commitment of Hon'ble Prime Minister, we have taken steps to build four satellite towns around Dhaka city. A memorandum of understanding has already been signed with the Government of Malaysia to build satellite cities under PPP at *Dhamrai* and *Kamrangir Char* of Dhaka.

151. The Awami League Government in its previous tenure introduced **Housing Fund** a housing fund to provide housing for the poor. So far, a total of Tk.160.50 crore has been allotted to this fund. Till February 2012, a total of Tk.132.20 crore has been released from this fund. The total number of flats constructed using this fund is 51,368.

152. Bangladesh National Building Code (BNBC) has been amended to ensure construction of environment-friendly and safe buildings. We have **Housing Policy** formulated required policies to bring the real estate businesses under one umbrella. We have taken necessary measures to bring urban planning and use of land by private residential projects together with ensuring protection of cultivable land under a legal framework.

153. I propose to allocate Tk. 1,461.74 crore for the housing and public works sector, development and non development budgets combined, for the next fiscal year.

(V) Industrialisation

Mr. Speaker

154. In order to build a vibrant industrial sector as well as to enhance the contribution of this sector to GDP from 30 percent to 40 percent by 2021, we formulated the ‘**National Industrial Policy, 2010**’. The salient features of this policy include modernising the economy, transforming it structurally, diversifying economic base, enhancing productivity and promoting small and medium enterprise sector.

155. A developed and responsible private sector is the key driver of an economy. Therefore, in a bid to develop a dynamic private sector as well as to expand the industrial sector, we are providing special incentives in the form of exemption from duty/tax, exemption from double taxation, **Private Sector Development** imposition of tax at a lower rate, cash support and support from the risk mitigation fund for potential industries like agro processing, readymade garments and knitwear, ship building and expansion of country’s own merchant fleet, light engineering and jute and leather goods. We are also continuing the process of establishing new industries and restructuring the existing ones by injecting working capital and industrial term loans through bank and financial institutions. Up to 31st December of the current fiscal year, the amount of industrial loan disbursed stood at Tk. 25, 059.89 crore.

156. To address the impact of global recession, we took a number of steps including providing stimulus package for the export-oriented **Stimulus Package for Export Industry** industries. In the previous fiscal year, we successfully addressed the problems arising in the textile sector, particularly the yarn and clothing sub-sector. Special cash incentives have been provided to the textile sector during FY2011-12 to make good the losses due to sudden cotton price escalation in 2010 and 2011.

157. After a long lapse of twenty years, we have begun the task of establishing a new fertilizer factory namely **Shahjalal Fertilizer Factory**. Besides, a Pharmaceutical Industrial Park is being set up at *Gazaria*, Munshigonj. We are also working relentlessly to shift all the tannery

factories spread all over the country including *Hajaribag* of Dhaka city to the Leather Industrial City being built around the vicinity of Dhaka metropolis. Installation of the Central Effluent Treatment Plant (CETP),

Environment-friendly Industrialisation

construction of dumping yard and installation of central water supply plant are progressing speedily in the new industrial city. In order to encourage industrial units to install effluent treatment plants, different kinds of tax concessions have been given. Credit will be extended for this purpose under refinancing scheme of Bangladesh Bank.

158. An agency called South Asian Regional Standard Organization (SARSO) has been established to set appropriate standards of quality for

Product Quality Control

manufactured goods, enhance quality control capacity and maintain balance in the quality of goods in the SAARC region. This will facilitate expansion of export in the SAARC countries and remove intra-trade technical problems.

159. We would like to encourage investment in risky but potential software and food processing industries. To this end, a total of Tk. 2,100 crore has so far been allocated to EEF (**Equity and Entrepreneurship Fund**). Out of which, an amount of Tk. 1,225 crore has been released. The

Equity and Entrepreneurship Fund

projects established under EEF have been making significant contributions to the agriculture and industrial sector. EEF assisted projects have generated 17,000 permanent and seasonal employment.

160. Apart from importing essential commodities by the private sector, we have taken initiatives to import essential commodities by the public

Strengthening TCB

sector to reduce market price and to ensure competitive price of commodities. As part of this initiative, the institutional and manpower structure of the state-owned Trading Corporation of Bangladesh (TCB) has been completely reorganised.

161. The tourism industry holds out immense potential for our economy. In order to develop and promote the tourism industry, **National**

Tourism Industry

Tourism Policy, 2010 has been formulated. Meanwhile, physical infrastructure and communication systems of the tourism centres namely *Cox's Bazar*,

Kuakata, Bandarban and Jaflong have been developed. **Cox's Bazar Development Authority Act, 2012** has been approved in principle by the cabinet. I believe, this act will have a special role in developing the tourism industry. With a view to attracting tourists from abroad, steps have also been taken for promotional advertisements in local and international media.

162. In order to revitalize the jute sector, it has been decided to turn BJMC into a profitable organisation by converting it into a holding company. Under the work plan adopted for this purpose, the Government **Revitalising Jute Sector** has assumed the liability of all past bank loans and obligations of the entity to the tune of Tk. 2,827 crore. Along with this, we are providing all kinds of assistance to BJMC including cash support to buy raw jute. We hope that BJMC will now be a profitable organisation by ensuring proper utilisation of all Government assistances.

163. A digital *e-Purji* system has been introduced to prevent wastage in public sector sugar mills, bring transparency in sugarcane purchase and prevent harassment of farmers. As a result, sugarcane farmers are now receiving sugarcane purchase order/*purji* by mobile phones through SMS. **Sugar Industry** This new system has been acclaimed both at home and abroad. Recently, this has got the South-East Asia's best technological award called Manthan Asia Award. Our sugar mills remain in operation for only 5 months. Two options are available to make these mills self-sustaining. Some of the mills can refine crude sugar. The second option is to use beet sugar instead of sugarcane as raw materials. The government is planning to provide incentives for these two options.

Small and Medium Enterprise (SME)

Mr. Speaker

164. Development of SME sector is one of our main agenda. In order to develop this sector, we fixed a target of Tk. 23,995 crore in the previous budget to be disbursed by the banks and financial institutions as SME loans. In line with this, the banks and financial institutions have strengthened the process of disbursing SME loans. Up to April, 2012, an amount of Tk. 2,330.14 **Refinancing in SME Sector**

crore has been refinanced under the SME refinancing scheme of Bangladesh Bank.

165. As many as 64 SME helpline centres have been set up at the district level BSCIC Industrial Assistance Centres and another 7 in different trade bodies. All SME entrepreneurs, both male and female, are receiving required information services and training from these centres.

**Women-friendly
SME Programme**

All the bank and non-bank financial institutions have been directed to set up dedicated desk for women entrepreneurs. At the same time, at least 15 percent of the refinancing scheme has been allocated for the women entrepreneurs. Moreover, a collateral-free loan programme up to Tk. 25 lakh has been introduced for them. The National SME Women Entrepreneurship Award has been introduced by the SME Foundation to patronise the innovative women entrepreneurs. Apart from this, I propose to make a lump sum allocation of Tk. 100 crore for the women entrepreneurs.

166. Bangladesh Small and Cottage Industries Corporation (BSCIC) has so far established 74 industrial estates across the country to provide infrastructural facilities to private entrepreneurs in setting up small and cottage industries. Up to March, 2012, as many as 9,699 industrial plots have been allotted to different industrial units. In FY2010-11, goods worth Tk. 29,027 crore were manufactured in these industrial units, out of which, goods worth Tk. 16,659 crore were export commodities.

BSCIC Industrial Estate

(VI) Climate Change and Environment

Mr. Speaker

167. In terms of climate change vulnerability, Bangladesh is the most vulnerable country in the world. Given this reality, Bangladesh has played an important role in the recently concluded 'Climate Change Summit'.

Climate Change

Bangladesh has made substantial contribution towards establishing 'Green Climate Fund' and extending 'Second Commitment Period of Kyoto Protocol'. We have drawn out the 'Bangladesh Climate Change Strategy and Action Plan, 2009' to tackle the challenges of climate change. Moreover, a law titled

‘Climate Change Trust Act, 2010’ has already been enacted. We have created a fund titled ‘Bangladesh Climate Change Trust Fund (BCCTF)’ with our own resources. A total of Tk. 2,100 crore has been allocated for ‘Bangladesh Climate Change Trust Fund (BCCTF)’ over the last three years. A total of 82 projects on various issues including afforestation have been undertaken with the support of this fund. I am proposing to allocate Tk. 400 crore to this fund for the next fiscal year. Besides, another fund titled ‘Bangladesh Climate Change Resilience Fund (BCCRF)’ has been created with an amount of US\$ 113.5 million with financial support from different development partners.

168. We are working to formulate a local plan with a view to measuring the risk of calamities and mitigate them. In parallel, we have prepared a **Coping with Disaster** practical guide to build people’s awareness on these issues. In addition, the ‘National Disaster Management Plan, 2010-15’ has already been approved and actions are underway to implement the plan.

169. We have constructed 724 barrack houses and allotted them to **Disaster Resistant Houses and Shelters** 7,240 landless families in the coastal areas. Besides, a total of 6,186 cyclone resistant houses are being constructed with the financial assistance from Bangladesh Climate Change Trust Fund. Construction of 74 flood rehabilitation centres in flood-prone and river erosion areas and 100 cyclone centres in coastal areas is in progress.

170. In recent time, the threat of earthquake across the country including the capital city has intensified. It is, therefore, essential to enhance our capacity to cope with its eventuality. In order to cope with **Capacity Building for Rescue Operation** disasters, we have procured essential equipment, emergency vehicles and water vessels. Steps have also been taken to procure more equipment and other accessories. ‘Bangladesh National Building Code’ is being properly applied for construction of earthquake resistant buildings. In addition to these, we have continued our efforts to prepare ‘Earthquake Risk Map’ and update ‘Standing Order on Disaster’. An initiative has been taken to formulate a contingency plan for quick rescue from disaster.

171. We are taking steps to transmit early warning of disasters through cell phone network of Grameen Phone and Teletalk. Initially, the piloting of this programme has begun in cyclone-prone Cox's Bazar and flood-prone Sirajganj districts. In addition, a pilot programme to broadcast the daily news on weather forecast across the country through Interactive Voice Response (IVR) has been concluded recently.

Using Digital Technology for Mitigating the Risk of Disaster

172. In order to reduce the level of air and industrial pollution, 11 full-time 'Air Quality Monitoring Centres' have been established to measure the level of air pollution. We have taken steps to establish energy saving and environment-friendly brick fields. Meanwhile, a total of 500 brick fields have been transformed using new technology.

Reducing Air Pollution

173. The development of waste disposal management in 64 city corporations and municipalities across the country is underway with the financial support from Bangladesh Climate Change Trust Fund. As an example of our sincerity, we are formulating regulations for hazardous, ship breaking, solid and electronic waste management. Besides, a programme has been undertaken to increase the use of green fertilizers instead of chemical fertilizers. Meanwhile, Effluent Treatment Plants (ETP) has been installed in 280 industries. We have taken steps to control river pollution due to industrial waste in greater Dhaka district. A policy decision has been taken to provide soft loans to the owners of industrial units to facilitate installation of Effluent Treatment Plants (ETP) in industry premises. For this purpose, Bangladesh Bank has created a fund with an allocation of Tk. 200 crore.

Waste Management

174. We want to create a disease free environment for our citizens. High temperature incinerators have already been established in ten specialized hospitals and three medical college and hospitals to dispose off medical wastes. In the next two years, another 25 district hospitals, four medical college and hospitals and three specialized hospitals will brought under the coverage of modern waste management system. Beside this, disposal pit has been

Medical Waste Management

installed in 206 upazila health complexes and plan is underway to install another 106 disposal pits.

175. We have constituted the Environment Court with a view to secure a habitable environment for our posterity. We have formulated the Environment Conservation Act. We have also taken steps to prepare policies in this regard. The Department of Forest has been implementing 19 projects and 9 programmes meant for afforestation, re-plantation, maintaining biodiversity, development of eco-tourism and human

Maintaining Environmental Balance

resources. As many as 28 locations of the country have been declared as reserved forest areas, which represents 1.8 percent of the total area of our country. During the last three years, block gardens over 31,267 hectare of land and strip forests covering 11,445 kilometre of land have been created. In addition, raising as many as 256.57 lakh of plants has been completed. In FY2012-13, a target has been set to create block garden over 15,000 hectare of land and strip forests covering 4,500 kilometres. It also includes raising of 22.94 lakh plants against the target of 80 lakh. For proper management of various programmes in environmentally vulnerable areas, appropriate regulations have been finalised.

176. Bangladesh is rich in biodiversity. In order to preserve the invaluable biological resources of the country, we have already formulated the ‘National Action Plan, 2020.’ Under this plan, we have also worked

Preserving Biodiversity

out the ‘National Bio-Safety Framework’ and its implementation is in progress. We have been working on formulating separate legal framework to ensure biodiversity and safety. Besides, actions are underway in the costal areas and wetlands like Cox’s Bazar, St. Martin’s Islands and *Hakaluki haor* to preserve biodiversity, enable its effective management and sustained utilisation.

177. Bangladesh is extremely concerned about the protection and development of environment. Therefore, this issue has become central to our overall planning process. Different ministries like Ministry of Forest and Environment, Ministry of Agriculture, Ministry of Fisheries and Livestock, Ministry of Local Government, Rural Development and Cooperatives, Ministry of Power, Energy and Mineral Resources and Ministry of Land have their own environment agenda. Our aim is to

prepare an integrated master plan encompassing all the environment related projects of different ministries to be implemented under a comprehensive programme on environment and climate change. I hope this master plan will be prepared by next year and the development partners will come forward with support.

(VII) Digital Bangladesh

Mr. Speaker

178. The entire nation has shown solidarity with the Hon'ble Prime Minister's dream of establishing a 'Digital Bangladesh'. To fulfill this dream, we are attaching equal importance to establishing e-Governance including e-Services, e-Education and e-Commerce. We have established a new ministry namely 'Ministry of Information and Communication Technology'. ICT will be the principal means of transforming Bangladesh into a middle income country by 2021.

Information Technology Services

179. The Hon'ble prime Minister has been honoured with the South-South Award for her path breaking contribution to the improvement of the living standard of women and children through the use of ICT. Union

e-Service for Marginal People

 Information and Service Centres have been established in 4,501 unions to provide information and services to people living in remote areas. People are already reaping benefits of this initiative. About 40 lakh people on a monthly basis receive services from these centres. This has enhanced transparency and accountability of field administration.

180. In my 2009-10 budget speech, I made a commitment to introduce e-Governance by 2014. All ministries/divisions, directorates and

e-Governance

 departments have established their own websites which they update regularly. As committed, E-Tendering and e-GP (Electronic Government Procurement) have been introduced in government offices on a pilot basis. Now, people can easily access all government gazettes, necessary forms, circulars/rules and other government publications through internet. Side by side, initiatives have been taken to create national e-Governance architecture under the A2I

programme to develop appropriate information management framework at national level.

181. We pledged to commence e-Commerce by 2012. We have completed all the preparations for introducing electronic/digital signature

e-Commerce

 necessary for secured exchange of online information. Office of the Controller of Certifying Authority has also been established for issuance of electronic certificates. Besides, we have taken effective steps to establish e-Payment gateway leading to introduction of e-Commerce. Hopefully, we will be able to achieve this target.

182. Cash card and mobile money order services have been introduced

Postal e-Centre

 in the country by using postal services. Steps have been taken to convert 8,000 village post offices and 500 upazila post offices into 'e-Centres'.

183. We have formulated the National ICT Policy to develop and expand information technology related services. Under this policy, as many as 306 action items are being implemented over short, medium and long term. We have reduced the telephone and internet call charges significantly. As a result, the quality and coverage of these services are

Development of e-Services

 increasing rapidly. The number of telephone users has increased to about 8.8 crore. At present, tele-density in the country is 61 percent and internet density is 21.3 percent. An initiative has been taken to enhance the submarine cable bandwidth capacity from 44.6 to 160 Gbps (Gigabit per second). The charge for bandwidth usage has been reduced to one third. Although, Bangla ranks 6th amongst the world languages in terms of population, the size of the Bangla web content is only 0.5 percent. We plan to increase the use of Bangla on the web. To this end, all district information windows, websites and national e-Database have been developed in Bangla. In order to increase e-Literacy, as many as 40,000 officers/staff of district and upazila level have received training. Around 5,000 portals have been established at district, upazila and union levels. In addition, by June 2013, multimedia class rooms will be installed in 20,500 educational institutions across the country.

184. In order to get connected with the 2nd submarine cable, Bangladesh has joined the SEA- ME-WE-5 consortium. Two companies have been awarded with WiMAX (Worldwide Interoperability Microwave Access) licenses to take broadband facility to the village level. 7 Divisional towns, 46 districts and 36 upazilas have been brought under optical fibre network. Installation of this network in 1000 unions is also underway. Up to now, 400 upazilas including 25 inaccessible hilly upazilas have been brought under Teletalk network. 448 upazilas will hopefully be brought under Teletalk network by June, 2012. Currently, installation of 3G technology and extension of existing 2.5G network through Teletalk is in progress.

Expansion of Internet and Telecom Services

Digital Infrastructure

185. Six private organizations have been awarded with ITC (International Terrestrial Cables) licenses to make international telecommunication interminable. All necessary formalities have been completed by another 22, 18 and 33 organizations to receive IGW (International Gateway), ICX (International Exchange) and IIG (International Internet Gateway) licenses, respectively. Out of 482 Upazilas in the country, digital telephone exchange has been established in 455 Upazilas. By June 30, 2012, new digital exchanges will be established in 20 out of 22 Upazilas of 3 hill-districts. Apart from this, all the Upazilas across the country has been brought under mobile internet network.

Telecommunication Infrastructure

186. A ‘Central Information Centre’ has been established in Bangladesh Computer Council. Bangladesh National Data Center has been internationally recognized as a data centre containing three layers of security. We have taken steps to build nationwide regional information highway. Hopefully, installation of 55 kilometer long optical fibre cable from *Panchaghar* to *Banglabandha* will be completed by June 2013. Information highway infrastructure to connect with India, Nepal, and Bhutan will be built. Besides, an initiative has been taken to construct ‘National E-governance Architecture’ under the programme of ‘Support to Digital Bangladesh’ with a view to establishing the targeted framework of information management at the national level.

Regional Information Highway

187. Building a Hi-Tech Park at Kaliakoir, Gazipur and a software technology park at Janata Tower to create a world class investment environment for promoting Hi-Tech industry are in progress. ICT Incubator programme is ongoing and steps have been taken to establish technology parks in all divisional towns including Dhaka.

Technology Park

188. Because of our sincere efforts, Bangladesh has recently been branded by the international ICT community as an outsourcing destination. Through outsourcing, employment has been generated for about 10,000 youth having ICT experience. They have earned approximately US\$ 10 million. Income of the software industry has increased from US\$ 35 million of previous year to US\$ 46 million in FY2010-11.

Recognition as an Outsourcing Destination

189. I expressed my optimism that each year 4,000 computer engineers and scientists will be produced in the country. Presently, as many as 5,000 computer engineers and scientists are graduating each year from different institutions. Steps have been taken for manufacturing and marketing of mobile phones and laptops in the local market. Commercial production of optical fibre cable has also been started.

Producing Expert Professionals

190. Along with the budget documents of last year, I placed before this august House a booklet titled 'Progressing Towards Digital Bangladesh'. This year, I am presenting an updated version of that booklet. This will apprise the nation of our various programmes, their progress and future plans. After a while, I would present a brief statement on the issues of land management digitization as outlined in this booklet.

Chapter VII Public Welfare

Poverty Alleviation and Social Security

Mr. Speaker

191. I mentioned at the outset of the budget speech like the previous budget speeches - we are striving to build a happy, prosperous and caring Bangladesh free from hunger and poverty. This is my as well as our Government's ambition and now it has become an aspiration of the whole nation. To this end, we have been working relentlessly, have formulated policies accordingly, allocated resources to relevant programmes and

Social Empowerment

 continued this trend in the next year too. As part of comprehensive efforts, we put emphasis on infrastructure as well as human resources sector. Special importance was attached to digitising the country. At the same time, our efforts to reduce regional disparity remained uninterrupted. We have continuously striving to lift all the people out of poverty who is living below the poverty line. Along with ensuring their social security, we want to empower this destitute population as well. Our aim is to enhance their strengths and capacity so that they can free themselves from the shackles of poverty.

192. Incidence of poverty and disparity has been reduced and wage of labour has increased as a consequence of our different social security and social empowerment interventions. According to 'Household Income and Expenditure Survey 2010', poverty head count ratio has reduced from earlier 41.0 percent to 31.5 percent. Already, we have brought 30.1 percent of rural and about 25.3 percent of all the families of the country under the coverage of social safety net programmes.

193. At the same time, according to our earlier commitments, we have taken steps to ensure proper use of public money by avoiding duplication of social safety net programmes. In this connection, the citizen core data

Citizen Core Data Structure

 structure has been finalised. Steps have been taken to form national population register and database for the hardcore poor. The scope of micro credit schemes has been widened. Besides, as indicated in our earlier

commitment in the previous budget, a 'Pension Insurance Scheme' is being piloted in the sadar upazila of Nilphamari district.

194. Now, I am highlighting the scope of various allowance schemes and allocation for this sector in FY2012-13:

- I propose to allocate Tk. 360 crore as insolvent freedom fighters allowance for 1,50,000 beneficiaries
- The number of beneficiary for Maternity Allowance was 60,000 in FY2008-09. I propose to raise the number to 1,01,200 and allocate Tk. 42.50 lakh for them in FY2012-13
- As many as 77,600 working mothers of 61 district headquarters and female RMG workers of Dhaka, Narayanganj and Gazipur are receiving Poor Lactating Mothers' allowance at the rate of Tk. 350

Different Types of Allowances

 per month. I propose to include another 78,000 mothers under this programme in FY2012-13
- I propose to allocate Tk. 891 crore for 24,75,000 beneficiaries of Old Age allowance
- I propose to allocate Tk. 331.20 crore for 9,20,000 widows and divorced/abandoned women receiving allowance at the rate of Tk. 300 per month
- As many as 7,50,000 women are receiving monthly 30 kg of food grains, in total 2,71,000 MT under VGD programme. I propose to continue this programme in the next fiscal year
- I propose to increase the number of VGF cards from 3.11 crore to 3.42 crore
- I propose to allocate a total of Tk. 14.61 crore for the backward Dalit, Harijon, gypsy and eunuch communities.

195. The monthly per head subsistence allowance for children of public orphanages has been increased from Tk. 500 to Tk. 2000. I propose to allocate Tk. 28.50 crore to this sector in FY2012-13. Moreover, I propose to allocate a total of Tk. 66 crore for children of private orphanages where each child will receive Tk. 1,000 monthly.

Welfare of Orphans

196. The present Government is committed to ensure overall development of the physically and mentally challenged community. We believe, in order for mainstreaming them, this neglected section of the society should be brought under the social safety net coverage. For this purpose, initially we need accurate data on the disabled and autistic population. We have undertaken a survey to this end. Now, budget allocation in the form of financial support for education of the disabled people is provided under the Ministry of Social Welfare. This allocation will continue to be made against this ministry. However, responsibility of programme administration will lie with the Ministry of Education.

Survey on the Physically and Mentally Challenged

197. According to available statistics, the total number of autistic children is about 1.5 lakh. An 'Autism Resource Centre' has been established in Mirpur, Dhaka to create social awareness on autism. Presently, the construction work for building a park at the premises of 'Autism Resource Centre' is in progress. Moreover, the guardians of autistic children are receiving training on a regular basis. We have opened a full free autistic school in 2011. Its coverage will be further expanded, InshAllah.

Autism

198. Around 20,000 physically and mentally challenged persons have received medical treatment from mobile 'One Stop Physiotherapy Unit' established in different parts of the country. We have established 35 'Disabled Service and Assistance Centres' in 34 districts. I am proposing to establish 30 more centres in the next fiscal year. Besides, the disabled students are receiving stipends. I propose to allocate Tk. 170 crore in FY2012-13 for different schemes undertaken for the welfare of the disabled population.

Welfare of the Physically and Mentally Challenged

199. I announced in my previous budget speech that we would take initiatives to eradicate begging as a profession. Accordingly, a survey has **Rehabilitation of Beggars** already been conducted on 10,000 beggars in the Dhaka city. Among them, 2,000 beggars are going to be rehabilitated in Mymensingh, Barisal, Dhaka and Jamalpur districts. I propose to allocate Tk. 10 crore in this sector for FY2012-13.

200. With a view to alleviating poverty, the project titled ‘**One House, One Farm**’ is being implemented in 17,388 villages of 64 districts. This project has directly benefited 10,38,000 families. As many as 1,09,000 **Rehabilitation of Hardcore Poor** families have been rehabilitated in two phases under ‘Ashrayan’ project undertaken in 1997. Moreover, approximately 9,000 families have been rehabilitated by building pucca houses for homeless people of the coastal regions. I propose to allocate Tk. 650 crore for these two schemes in FY2012-13.

201. In continuation of past years’ interventions, we want to carry on with the self-employment generation scheme for the hardcore poor in the next fiscal year. This scheme is not only reducing their poverty but also **Employment of Hardcore Poor** building capacity of the poor. Side by side, small rural infrastructure is being built by their labour for their own welfare. I propose to allocate Tk. 1,200 crore for implementation of the self-employment generation scheme for the hardcore poor in the next fiscal year.

202. Micro credit is playing a vital role in empowering the poor by increasing their income. In addition to creating opportunities for self-employment, micro credit is keeping the wheels of the rural economy by injecting money supply to the rural areas. The different **Micro Credit** ministries/divisions/agencies of the government distribute approximately Tk. 2,002 crore as micro credit every year. Beside the government, different NGOs including PKSF, BRAC, Grameen Bank, ASA, Proshika, Shakti Foundation and TMSS are pursuing micro credit programmes. All these NGOs together disburse Tk. 31,343 crore as micro credit annually. On the whole, around Tk. 33,345 crore is being channeled into Bangladesh economy as micro credit.

203. I would like to allocate Tk. 22,750 crore in FY2012-13 for all the programmes to be implemented under the social security and empowerment schemes.

Employment Generation

Mr. Speaker

204. I talked about inclusive growth in my previous three budget speeches. I made a promise to bring down both income and human poverty to a minimum level. To implement this pledge, we took initiatives to increase employment opportunities for our people from the beginning.

Expansion of Employment Opportunities
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For this purpose, we laid emphasis on agriculture and rural development. We took steps to provide training to the youth and create overseas employment opportunities for them as well. We have begun formulating action plans under this policy. Initiatives for the expansion of small and medium industries have been undertaken. To this end, we have expanded the credit programmes. Besides, we have taken steps to set up labour intensive industries. During the past three years, our initiatives, directly or indirectly, contributed to generating employment for a huge number of unemployed people. Side by side, a significant number of employment opportunities were also created in the private sector.

205. Alongside generating employment opportunities, we have also taken necessary steps to create skilled manpower as per our election pledges. We believe that skill development leads to increase in income and improvement of living standards. For this reason, we have taken a number of steps to generate better employment for all. We have formulated the

Skill Development

National Skill Development Policy, 2011, begun formulating action plans under this policy and established Cabinet Committee on Skill Development, Manpower Export and Remittance. The National Skill Development Council Secretariat has been established. There is a plan to gradually strengthen the council. In this initiative, we would like to engage everyone including the private sector and the NGOs. We would also like to ensure inter-ministerial coordination on this issue under the guidance of the cabinet. In order to further accelerate the implementation of skill development programme, I propose to keep aside, for the time being, an amount of Tk. 50 crore under

the budget allocation for Finance Division. Meanwhile, an endowment fund of Tk. 140 crore has been created under the Ministry of Expatriate Welfare and Overseas Employment to provide training to the people aspiring for overseas employment. Income of Tk. 16 crore accrues to this fund annually.

206. According to the latest data, the number of unemployed population above 15 years is 26 lakh. About 13.4 lakh people enter the job market every year. In the past three years, an estimated total of 17.57 crore man months of employment have been created under various government programmes. Moreover, 1.99 lakh people have been directly recruited to various posts in different government offices from 2009 to December 2011. Under various government programmes, we have set a target of creating an estimated total of 597.13 lakh man months of employment in FY2012-13.

Expatriate Welfare and Overseas Employment

Mr. Speaker

207. Remittance inflow is particularly important for our economy. We, therefore, have identified manpower export as one of the priority sectors. In my previous three budget speeches, I pledged to take necessary steps to **Expatriate Welfare Bank** develop this sector. One of our pledges - the 'Expatriate Welfare Bank' has already been made operational. This bank is extending 'Immigration Loan' to those who like to go abroad and 'Rehabilitation Loan' to the ones returning home.

208. We are actively pursuing the issue of exploring new labour markets in addition to the existing ones. As a result, manpower export has begun to countries like Poland, Papua New Guinea, Algeria, South Africa, Angola and Congo. We are taking steps to expand labour markets in **Expansion of Labour Market** different regions of the world including the continents of America and Africa. Considerable progress has been made in opening up the Malaysian labour market which remained closed till now. The legalization of around three lakh Bangladeshi immigrants, staying illegally in Malaysia, is nearly completed. We have increased the manpower of labour wings in our

missions abroad. Besides, we have opened new labour wings in three Bangladesh missions abroad. Through these collective efforts, overseas employment has been generated for 14.33 lakh Bangladeshi workers in the last three years. Last year, we repatriated all Bangladeshi workers who were affected by the political turmoil in Libya. Cash assistance at the rate of Tk. 50,000 per head has been provided to rehabilitate 36,656 affected persons.

209. Our aim is to increase manpower export and the flow of remittance by developing skills of Bangladeshi citizens. To this end, remittance houses are being opened in Saudi Arabia, Malaysia, Kuwait, Abu Dhabi, Oman and Los Angeles. At the same time, we want to channel worker's remittances more into investment. A cabinet committee has been formed to carry out regular review of different initiatives and programmes undertaken in this connection.

210. To provide the expatriates with voting rights as promised earlier, we have approved the Voter List Amendment Act 2010. Steps have been taken to automate the immigration process. Using Smart Card with 'Biomatrix Finger Print' sensor, immigration clearance certificate is being issued to every worker going abroad. Online VISA verification and issuance of registration permit has begun. Registration through mobile phones is also being ensured. I firmly believe that all these initiatives will establish discipline and good governance in manpower export.

Expatriate Voting Right and Automated Emigration Process

Women and Children Welfare

Mr. Speaker

211. More than half of the population of this country is women. Without women development holistic development of the country would remain a distant reality. Therefore, immediately after forming the government, we adopted 'women empowerment' as a priority agenda. The government has already formulated a time-befitting 'Women Development Policy'. Side by side, to ensure women's share in national budget, we formulated gender budget for 4 ministries in FY2009-10. In

Ensuring Women Rights

continuation, I am presenting gender budget for 25 ministries this year before this august House. Besides, ‘The Domestic Violence (Prevention and Protection) Act-2010’ has been enacted to prevent violence against women. The draft Hindu Marriage Registration Act 2012 framed for protecting the rights of Hindu women has received the nod of the cabinet. We have taken a wide range of steps to prevent all forms of social crimes against women including eve-teasing. The duration of maternity leave has been extended from four to six months keeping in mind the welfare of the new-born as well as the mother.

212. Participation of women in all sectors including the judiciary, the executive and the legislative organs of the state has been ensured. The number of reserved seats for women in the parliament has been raised to 50. A legal provision has been made to include three elected women representatives in each union parishad. These steps have been also been acclaimed by the international community. According to the World Economic Forum’s ranking Bangladesh has achieved 11th position amongst 134 countries of the world in terms of ‘Political Empowerment of Women’.

Widening the Scope of Women’s Participation

213. Different types of training are being imparted for the development of women’s skills and entrepreneurship, and ensuring wide participation in the labour market and economic empowerment. Implementation of a project worth Tk. 223.33 crore is underway to engage 80,000 ultra-poor women and marginalized farmers of three northern districts of the country in income generating activities. Moreover, ‘Joyeeta Biponi Kendra’ has been launched for display and sale of products of cooperative societies registered with the Department of Women Affairs. Steps have been taken to construct new hostels to ensure housing facility for the working women. For the benefit of the working women, 42 day care centres have been established in 5 divisional towns and 13 district headquarters including Dhaka.

Expansion of Women’s Employment Opportunity

214. We have already formulated the ‘National Child Labour Elimination Policy-2010’ and ‘National Child Policy-2011’. As many as 1,66,000 children have been taken out of hazardous professions and brought under primary education programme. Two lakh children of 4-6

years of age have been brought under the pre-primary education scheme. **'Shishu Bikash Kendra'** has been established in 6 big districts to rehabilitate street-children into safe and normal life. A National Coordination Committee has been formed to prevent women and child trafficking. Besides, surveillance of law enforcing agencies at all trafficking-prone points has been further strengthened. However, we have not been able to commence an integrated development programme for the girl child as promised in the previous budget. Hopefully, we will be able to take up this programme next fiscal year.

Children Welfare

Mr. Speaker

Welfare of Freedom Fighters

215. One of the main objectives of our government is to ensure overall welfare of the freedom fighters, the great sons of the soil. In the previous three budgets, I expressed my firm commitment to adopt effective steps for overall welfare of the freedom fighters as well as for preserving the history and memories of our great liberation war. Accordingly, we have restarted the construction of **'Swadhinata Stambho'** at Suhrawardy Udyan. Construction of a building for the **'Muktijoddha Jadughar'** has also begun. Besides, we have taken initiatives to pay homage to distinguished citizens and organizations of different countries to acknowledge their contribution to the glorious liberation war. We have so far honoured 83 persons and organisations including the former Indian Prime Minister late Indira Gandhi. Cataloguing the names of foreign friends who contributed to our liberation war will be an ongoing process.

Preserving Memories of Liberation War

216. The programmes for providing allowances and ration to the families of martyred freedom fighters as well as the insolvent and war-wounded ones are continuing. Side by side, we have formulated a policy on providing overseas medical treatment to war wounded freedom fighters. Under this policy, a freedom fighter will be eligible to receive financial assistance up to a predetermined ceiling for overseas treatment. In my previous budget speeches, I promised to grant the privilege of free traveling on trains, buses and launches to the freedom

Allowance, Ration and Medical Facility for Freedom Fighters

fighters of 65 years age and above as respected citizens. We have not yet been successful on this count. However, we are actively working on this issue.

217. As many as 2,971 residential units are being built for the insolvent and landless freedom fighters. We have also taken steps to build multi-storied buildings for the families of war-wounded and martyred freedom fighters on different abandoned properties under public-private partnership programmes. Moreover, construction of a residential-cum-commercial building for the freedom fighters in Mohammadpur, Dhaka is in progress.

Housing for the Freedom Fighters

Minority and Underprivileged Community

Mr. Speaker

218. Our Government is strongly committed to protect the interests and ensure overall development of the minority communities including the ethnic minorities of the country. We are working to preserve and protect all the rights and privileges they are entitled to enjoy as a citizen of the country. Meanwhile, a ‘Treaty Implementation Committee’ has been formed for full implementation of the ‘Chittagong Hill Tracts Peace Treaty’. A ‘Land Commission’ has been working to resolve the land related disputes of the hill districts. The participation of regional zila parishads of the three hill districts in this programme has been ensured.

Protecting Interest of Ethnic Minorities

219. We have undertaken a good number of projects for the socio-economic development of the inhabitants of hill tracts. Under these projects, mobile health clinics and satellite health clinics in the remotest places of 6 Upazilas have already been made operational. Moreover, 60 community schools and 72 pre-primary community schools have been established. In future, 3,500 community centres will be established under these projects. The same number of community workers will be trained on issues like primary health care, informal education, water and environmental development and community development. As many as 1 lakh children will be brought under pre-primary schooling

Socio Economic Development of the Hill Tracts

programme. Besides, steps will be taken to improve the sources of drinking water and sanitation system. We have also taken several programmes for the agricultural and infrastructural development of the hill tracts.

220. The Government has already taken a wide range of initiatives for the restoration and development of small ethnic cultures in Rangamati, Khagrachari, Bandarban, Cox's Bazar, Rajshahi, Moulvibazar and Mymensingh districts. For this purpose, two cultural centres are being established at Birishiri of Netrokona district and Ruma of Bandarban district. In recognition of all these initiatives, the Hon'ble Prime Minister has been honoured with the 'Cultural Diversity Award' by the UNESCO.

**Development of Ethnic
Minority Cultures**

221. We are working for the welfare of deprived and marginalised communities of the country. Meanwhile, we have started construction of a 'Sweeper Colony' in Dhaka. We have plans to build similar housing facilities in other city corporations and district towns. At the same time, I am proposing a special allocation for the eunuch (*hijra*), the gypsy (*bedays*) and the backward *Harijon* community in the next year's budget.

Disadvantaged Communities

Chapter VIII

Good Governance

Parliamentary Activities

Mr. Speaker

222. Our government is working relentlessly to institutionalise democracy. We believe, in parliamentary democracy, the parliament should be the centre of all political activities. At the very first session of this parliament, 48 Standing Committees were formed where representations from the opposition party and coalition parties of the Grand Alliance were secured. These committees have so far sat for 1,315 meetings and come up with 4,974 recommendations. These committees are making significant contribution to ensuring transparency and accountability in every sphere of public administration.

223. A separate TV channel called ‘Sangsad Bangladesh’ has been launched. With a view to disseminating information regarding parliament, a ‘Media Centre’ has been established. All news and circulars of the Parliament Secretariat are being displayed on the website. Alongside, these news and information are circulated to public and private mass media by email. Digital countdown system has been introduced inside the parliament to monitor the timing of parliament members’ statements.

Public Administration

Mr. Speaker

224. We have initiated massive reform programmes to develop a competent public administration befitting of the 21st century. As per our commitment, our efforts are continuing to introduce ‘Performance Based Evaluation System’ in place of traditional ‘Annual Confidential Report’ (ACR) to evaluate the performance of the public officials. Hopefully, it will be made operational from the next year. In addition, with a view to enhancing professional knowledge, skill and capacity of civil servants, we are finalising the ‘National Training Policy’ for them. We have placed special emphasis on e-Governance to add transparency and momentum in

Reforms in Public Administration

public administration. Initially, a number of ministries have introduced 'Digital File Tracking System'. All the Deputy Commissioners' offices have started providing e-service to the clients. We could not finalise the 'Civil Service Act' as committed. However, we are continuing with our efforts to frame this law.

225. We are taking care of the privileges and welfare of government employees. In this fiscal year, the retirement age limit of the government

Welfare of Government Employees
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 employees has been extended from 57 to 59 years. A 150-bed modern hospital has been established for government employees in Dhaka city. Besides, entitled government officers are receiving interest free loans to purchase cars.

Local Government

Mr. Speaker

226. I believe there is no alternative to strengthening the local government system for effective decentralisation of power. Therefore, we have taken steps to further strengthen union parishads and make them more competent. Meanwhile, elections in 4,441 union parishads have been held. Steps have also been taken to train up the elected representatives and enhance their competence. We have made necessary arrangements for direct allotment of government funds to union parishads to expedite the development process.

227. At the same time, the 'Upazilla Parishad (Amendment) Act 2011' has been enacted to make Upazila parishad more effective. The appointment of Administrators has added momentum to the activities of Zila parishads. In order to improve civic amenities, Dhaka City Corporation has been divided into two parts, namely - North and South. Besides, elections were held in Narayanganj and Comilla after constituting city corporations. The creation of two more City Corporations are at the final stage.

228. Empowerment of local government is essential for enhancement of efficiency in executing development programmes where community at large is involved. The present Government could not make much headway

in this regard during its current tenure. However, it has paved the way for necessary reforms. All arrangements for transfer of subjects to Upazila parishads are nearly in place. Substantial progress has been made in furthering the election process of Zila parishad. Massive administrative reforms are required for future delegation of power as well as allocation of responsibilities to local administration. A self contained administrative arrangement has to be built up for local government and decentralisation of power. I hope as I also have received the assurance of the Hon'ble Prime Minister that we will be able to present an outline on this issue before the end of our tenure. I propose to allocate Tk. 1,015.36 crore, development and non-development budget combined, for union parishads, Tk. 436.60 crore for Upazila parishads and Tk. 350.70 crore for Zila parishads.

Land Management

Mr. Speaker

229. Land is the scarcest resource of Bangladesh. Therefore, there is no alternative to ensuring optimum use of land. Accordingly, we took special care in dealing with land management issues while formulating the proposed budget for FY2012-13.

230. In the previous budget, I promised to take steps for digitization of the land management system. Our key objective is to ensure transparency and accountability in land administration and management through introduction of digital land management system for both updating land records and making them available online, conducting digital survey with satellite technology, preparing digital maps and records, and introducing Certificate of Land Ownership (CLO) in place of the existing land records (*khatiyān*). To this end, work is in progress in four areas:

Digital Land Management

- a. Under 'Digital Land Survey and Preservation of Records Project', data-entry for *khatiyān* information is going on in 55 districts under the Ministry of Land. Asian Development Bank (ADB), in this respect, identified 45 Upazilas under 7 districts, where land information service centres will be established.

This project will be implemented across the country in the same manner ADB assisted projects are implemented.

- b. Implementation of Digital Survey Project is underway under the Ministry of Land. Surveys in 152 Upazilas under 21 districts have already been completed. Based on this, land-zoning is now in progress. It will be completed across the country in the next two years.
- c. Steps have been taken to preserve records digitally in the office of Inspector General of Registration. This method will help clients obtain registered deed at the time of registration.
- d. Directorate of Land records and Survey (DLRS), with the help of the Surveyor General and SPARSO, has taken initiatives to prepare countrywide digital maps and incorporate them in survey activities. Recently, the EU and the Government of the Republic of Korea have extended their assistance to this initiative.

231. Having taken all these measures we, now, plan to prepare a roadmap for a system of total land management which will be performed by one single office. Within next three months, Ministry of Land, together with DLRS, Directorate of Registration, SPARSO and development partners, will finalise this roadmap. The implementation of this roadmap will begin immediately. Adequate allocation has been made for this purpose in this budget. Once this initiative is fully implemented, every land owner will be given a CLO which, in turn, will help solve all disputes in land ownership. Besides, all land related services (survey, registration, changes in ownership and category) will be delivered from the same office.

232. Once the Digital Land Management System (DLMS) is in place, the beneficiaries of district and Upazila levels will get the latest information on records and maps of any plot of any Upazila in the concerned district in the quickest possible time and will also be able to collect those records within the shortest possible time on payment of fees determined by the government. This project will be implemented by the private sector on BOT (Build-Operate-Transfer) basis retaining overall

control in the hands of the government. For this, feasibility of participation of various organisations has been studied following Public Private Partnership (PPP) principles. In order to save implementation time, the entire task of computerising *Khatiayn* and *Mouza* maps as well as digitising land records and survey will be shared among area-wise local private organisations. There will be a provision for distribution of *khatiyans* and maps with the help of private organisations.

233. As per our election manifesto, I made a commitment in the previous budgets to build rural housing around union and Upazila growth centres. As a preliminary step, land zoning programme is being **Planned Rural Housing** implemented in 152 Upazilas of 21 districts. InshAllah, this programme will be implemented in the rest 40 districts by next two years. Side by side, in line with my previous commitment, the rates of land transfer fees and taxes have been reduced to 6 percent for towns and 8 percent for city areas.

234. Since assumption of office, the present Government has distributed **Rehabilitation of the Landless** 52,424 acres of khas land among 1,01,896 landless families. As many as 7,199 landless families who were victims of natural disaster have been rehabilitated in *khas* lands. 2,016 flats have been constructed for the rootless slum dwellers and low-income people of Dhaka on the *khas* land at *Bhashantek*. While distributing *khas* land, we have issued *kobuliot*-deed in the names of both husband and wife to ensure women rights over the land. We are also providing loans and vocational trainings to make these destitute families self reliant.

235. The long awaited ‘Vested Property (Amendment) Act 2011’ has been approved by the parliament to settle disputes arising from such properties. Hopefully, through this act, the long pending disputes over **Land Protection and Dispute Resolution** vested properties will be resolved satisfactorily. We have already brought the issue of management of *Balu Mahals* and *Jal Mahals* under a legal framework. Steps have also been taken to bring issues of land use and protection of farmlands under a legal framework.

236. I propose to allocate Tk 738.32 crore, development and non-development budgets combined, for the land sector.

Combating Corruption

Mr. Speaker

237. We have formulated the ‘Anti-Corruption Commission (Amendment) Act, 2011’ to make Bangladesh free from the evil influence of corruption. The act is now at the final stage of approval. Moreover, we **Preventing Corruption** are providing the Anti-Corruption Commission with adequate administrative, financial and legal supports. I want to draw your kind attention to the fact that we believe in full independence of the Commission. However, in the name of combating corruption, infringement of anyone’s fundamental rights should not be lost sight of.

Rule of Law

Mr. Speaker

238. Along with creating a time befitting legal framework, we are committed to take judicial services to the doorsteps of people. During the present tenure of our Government, 168 laws and 16 ordinances have been enacted. A new edition of our constitution has been published in the light **Law and Justice** of the judgment given in the ‘Fifth Amendment Case’. We have taken steps to introduce Alternative Dispute Resolution (ADR) mechanism in civil courts to ensure speedy disposal of cases; introduction of such mechanism in criminal courts is also underway. In order to reduce harassment of litigants, case cause lists and verdicts are now being displayed on ‘Digital Display Boards’.

239. One of our main agenda is the trial of war criminals. In the previous budget speech, I spoke about formation of an International Tribunal with an Investigation Agency and a Prosecution Team for smooth **Trial of War Criminals and Sensational Cases** disposal of the trial. Recently, we have established a second Tribunal to expedite the trial of these cases. Hopefully, we will see the end of the trial within the tenure of the present Government. Besides, trial of important cases including the killing of 4 national leaders, 21st August grenade attack case, 10-trucks arms haul case of Chittagong and the BDR revolt case are now heading towards speedy disposal.

240. We have created posts of ‘District Legal Aid Officer’ in 64 districts to provide legal aid services to the extreme poor. With the same objective, the National Legal Aid Organization (formation of Upazilla and union committees, their responsibilities and functions) Regulations 2011 has been framed. Under this legal framework, relevant committees have already been formed in most of the upazilas and unions. Till date, this organization has provided legal aid to as many as 32,994 insolvent people across the country. Under this mechanism, 14,574 cases have already been disposed of at government cost.

Legal Aid

241. We have taken various steps for the modernization of the law enforcing agencies. As part of strengthening the police force, a separate investigation unit has been created. Besides, steps are underway to form specialized police units like ‘Tourism Police’ and ‘National Police Bureau of Counter Terrorism’ to prevent terrorist activities. Industrial Police has already been formed to ensure production friendly environment in the industries. Besides, community policing activities have been operationalized. During the tenure of the present government, a total of 16,448 persons have been appointed to different posts of the police department. Moreover, the government has decided to build Fire Service and Civil Defense Stations in 156 Upazilas where there is no fire station at the moment. For the Coast Guard, 5 defender fast boats and 20 tornado boats have been procured.

Strengthening Law Enforcing Agencies

242. We have started formulating ‘Passport Act 2012’ in order to simplify and modernize the process of issuing passport and visa. At present, Machine Readable Passport is being issued from 34 divisional and regional passport offices across the country and 20 Bangladesh Missions abroad.

Passport

Development of Mass Media

Mr. Speaker

243. Our government strongly believes in the free flow of information. We have enacted the Right to Information Act to ensure transparency and accountability in all spheres of the state. The Information Commission has

also been established. In the previous budget speech, I spoke about framing a law to provide legal protection to whistleblowers. You will be happy to know that the act has already been approved by the Parliament.

244. In order to establish discipline in the broadcast of satellite television channels, we have framed the ‘Cable Network Operation and Licensing Rules 2010’. We have accorded approval to 2 FM radio stations and 2 private television channels in FY2011-12. Besides, digital broadcasting has been started on pilot basis in Dhaka, Chittagong and Khulna centres of BTV.

**Development of
Broadcasting Media**

245. In order to improve their skills, Press Institute of Bangladesh has imparted training of different tenures to 18,491 journalists. Work is also in progress for expansion and modernisation of Bangladesh Press Institute Complex at a cost of Tk. 9.54 crore. In addition, we have issued ‘Journalist Assistance Allowance/Grants Guidelines 2012’ to provide assistance to the financially insolvent journalists.

**Improving Quality
of Journalism**

246. The long cherished demand of film artists has been fulfilled through government’s recognition of film and film related activities as an industry. We have also issued a Guideline on Allowing Government Grants for Making Short Films, 2011. Film Societies (Registration) Act 2011 has been enacted to create opportunities for screening first-rated movies and art films. We have declared 3rd April as ‘National Film Day’. Besides, work is in progress to formulate a policy on providing financial assistance to insolvent film artists. These days, the cine theatres across the country are in deplorable state and recreation facilities have drastically squeezed. To improve this situation, we have decided to provide incentives for building Cineplex. The prospective entrepreneurs will be given tax concessions and we are determined to bring qualitative change in this regard by rationalizing tax rates.

Development of Film Industry

Foreign Policy

Mr. Speaker

247. With our successful diplomatic efforts, we have been able to uphold Bangladesh as a progressive, democratic and secular state in the international arena supplanting the negative image of a country infested with terrorism, extremism and corruption. The Hon'ble Prime Minister attended the 66th session of the UN General Assembly along with some of her cabinet colleagues. There she had the privilege of chairing different sessions or being the key-note speaker. As a mark of recognition to her contribution to the welfare of women and children through information technology, she was honoured with the South-south Award. She also made

Restoring Image of the Country

remarkable contribution to the preparatory work for the Rio+20 summit to be held this month. In this session of the UN General Assembly, the idea of 'Culture of Peace' mooted by Hon'ble Prime Minister was accepted and her proposal on 'People's Empowerment and Development' was unanimously adopted. Bangladesh was elected as the Chair of the Financial and Economic Committee of the UN General Assembly. At the same time, Bangladesh was also elected as the chair of UN Peace Building Commission. The UN Secretary General visited Bangladesh from 13-15 November 2011 and spoke highly about the progress of the country and its leadership. Apart from this, conferences on 'Counter Terrorism' and 'Financial Inclusion Workshop' were held in Dhaka under the auspices of the United Nations.

248. I have already talked about our historic victory in the maritime boundary lawsuit. Through the historic verdict of ITLOS (International

Conquering the Maritime Boundary

Tribunal for the Law of the Sea) on 14 March 2012, Bangladesh's sovereign right has been established over 200 nautical miles and continental shelf in the Bay of Bengal. Besides, International Maritime Bureau (IMB) has recently revised its list of countries with high risk of piracy excluding Bangladesh. This is also an outstanding achievement for us.

249. We have consolidated our friendly relations with the neighbours under the strong leadership of Hon'ble Prime Minister. It is our firm belief

that the road connecting China-Myanmar-Bangladesh-India will be constructed and through this, close connectivity will be established among the population of this region. It is, indeed, our timely initiatives that have ensured access of 46 garment products to the Indian market. The Indian

Regional/Sub-Regional Cooperation

authority has agreed to keep the Tin Bigha Corridor open for 24 hours to ease travel to Dahagram-Angarpota enclave. We have started implementing various roads and railways projects under the SAARC Regional Multimodal Transport Study (SRMTS) to increase regional connectivity. Because of our diplomatic efforts, the permanent secretariat of BIMSTEC and headquarter of South Asian Regional Standard Organization (SARSO) have been set up in Dhaka.

National Defense

Mr. Speaker

250. We are pledge-bound to build up a strong and modern defense force capable of addressing the challenges of the 21st century. Today, our armed forces imbued with the spirit of our liberation war are discharging their overseas peace-keeping duties with reputation. Currently, Bangladesh tops the list of countries sending troops to the UN Peace Keeping Mission. Currently, as many as 11,000 Bangladeshi peace keepers are engaged in UN peace keeping missions. Over the last three years, Bangladesh peace keeping missions earned foreign exchange equivalent to a total of Tk. 4,430 crore. This year's foreign exchange earnings from this source is equivalent to Tk. 1,980 crore.

251. For the first time in history, sophisticated military weapons including MBT-2000 tanks, self propelled guns, weapons locating radar, armoured personnel carriers (APC), armoured recovery vehicles and helicopters have been procured for the armed forces. With a view to developing a time-befitting three dimensional naval force, a naval commando force has been formed.

Modernization of the Armed Forces

Two maritime helicopters have been purchased. Besides, we have procured naval ship, missile system, large patrol craft, patrol craft and oil tanker for the navy. To modernise the air force, short range missiles from land to air and portable fuel storage bladders have been collected. Modern war planes and helicopters are

being procured. Installation of an overhaul plant for war planes is also underway. In parallel with purchasing modern weaponry, we have taken initiatives to upgrade operational capabilities and effectiveness of the three forces through high quality training.

252. I propose to allocate Tk.12,985 crore for the defense sector in FY2012-13, which is Tk.851 crore higher than the previous year's allocation.

Chapter IX

Revenue Sector

Revenue Mobilization

Mr. Speaker

253. I have already presented before this august House, the overall expenditure plan for FY2012-13. I have also described in details how this plan will benefit the economic, social and administrative spheres of the country. At this stage, I would like to place the proposed revenue mobilization programme for the next fiscal year. I will discuss in details how the revenue mobilization programme for FY2012-13 will contribute to the augmentation of government revenues along with reduction of income inequality, expansion of agriculture, industry and commerce, construction of physical infrastructure, conservation of environment, growth of employment and investment and establishing good governance.

254. From the very first year of this government, we laid down the fundamental principles of revenue collection which still remain in force.

Fundamental Principles of Revenue Mobilization

We want to raise revenue income particularly from domestic sources. The Revenue Department has already demonstrated its efficiency and dedication which resulted in increased revenue collection every year. Now, I would like to enumerate below some of the specific activities related to revenue collection:

- Mobilizing domestic resources by expanding tax base and tax net
- Establishing social equity by removing income inequality
- Providing protection to domestic industries and ensuring their expansion
- Providing incentive for savings and investment
- Promoting small and medium enterprises
- Discouraging import of less important and luxury goods

- Reducing the opportunity of interpersonal communication between the taxpayers and tax collectors
- Limiting the discretionary powers of tax officials
- Finding easy and alternative solutions to tax disputes and litigations
- Creating business and tax payer-friendly environment; mitigating harassment in tax payment
- Using IT in all spheres of tax administration and transforming the tax collection system from manual to online

255. Our policy is to augment tax revenue by implementing massive reforms and automation in tax administration. Consistent with the Hon'ble Prime Minister's vision for Digital Bangladesh, we have already brought **Reform Activities** under automation most of the units of customs and tax administration. We also have taken up a programme for expanding the coverage of automation in the near future. The reform programmes already implemented and the agenda of reforms to be undertaken are as follows:

- Alternative Dispute Resolution(ADR) to reduce the number of revenue related litigations has been introduced
- e-Filing system for income taxes has been introduced on a limited scale
- Online tax payment system has been introduced
- Online TIN/BIN registration system will be introduced by next September and the process of verification of online information will be interfaced with the National Identity Card Database of Election Commission
- Transfer Pricing has been proposed to be incorporated in the tax law

- Steps have been taken to process submission, assessment and tax refund of VAT and IT returns centrally and online
- Steps are being taken to preserve VAT related data and returns submitted by the SMEs under an automated system
- Steps have been taken to introduce ASYCUDA World technology for full automation of customs administration; a related training programme is underway.
- 140 Assistant Commissioners and 100 Assistant Revenue Officers have been recruited recently for customs and VAT administration to cope with the increasing volume of work. In addition, recruitment of 800 Assistant Revenue Officers is under process.
- Training is being provided to the officials of all levels of revenue administration both at home and abroad to enhance their efficiency.
- Finally, it will be possible to dispose of the existing PSI system and carry out all custom related functions by the customs department itself.

256. In 1984, an Ordinance was promulgated amending the Income Tax law. By this time, a good deal of changes has taken place in tax regime and the Ordinance of 1984 has been amended in many ways. This year's

Income Tax Act

 money bill will also introduce some changes to this Ordinance. As per our commitment, the Direct Tax Bill will be tabled before the House within this calendar year. A draft of this bill has been posted in NBR website for quite some time. A high powered committee is now examining the bill.

257. Likewise, an Act on Value Added Tax (VAT) was promulgated in 1991. Prior to this legislation, there was no VAT system in the country. Instead, there was a system of collecting sales tax and excise duty. While enacting this law, it was stated that this was a new beginning and the law would be updated subsequently. This Government on assumption of office reviewed the existing VAT Act and the related SROs and came to a conclusion that the rules and regulations governing VAT have become cumbersome. In all my budget speeches, I have repeatedly mentioned

about the need for reforms of VAT law. In the last two years, we brought about significant changes in the law. We had in our mind to recast the entire law in the last fiscal year. This time, on the basis of extensive consultation with the business community, a new bill will be placed before parliament very soon. When first introduced, the

VAT Act

 implementation of the VAT law took several years. This time, we rather propose that the law will be fully implemented by 2015. Meanwhile, in the Finance Bills of 2010 and 2011, a few amendments were incorporated. Some amendments have also been proposed in this year's Finance Bill. I feel fulfilled in being able to propose amendments to this important law. I take this opportunity to put on record my sincere thanks and gratitude to NBR officials, taxpaying stakeholders and the relevant interests groups of the civil society.

258. Generally, the changes made in the VAT law or in the rates of import and export duties take effect right after the budget pronouncement. This convention is of recent origin. This time, we are reverting to the old convention of giving effect to new tax proposals only after the budget is passed. Henceforth, all tax proposals, and all changes in relevant VAT/customs/income tax laws will take effect from 1st of July.

Direct Taxes

Income Tax

Mr. Speaker

259. The role of direct taxes is significant in establishing a society based on equity and justice as well as ensuring socio-economic development. Among various sources of direct taxes, income tax is the major source of our revenue. Due to globalization and increasing trade liberalization, the international trade-based revenue is gradually declining. Therefore, in order to augment revenues, there is no other alternative to raise collection of income tax. With a view to modernizing overall tax management, bringing dynamism in tax administration, ensuring transparency and accountability, introducing multi-faceted reforms in adjudication of tax cases, preventing tax evasion, expanding tax base and creating a investment-friendly tax regime along with introduction of online submission of TIN applications, IT returns and tax payments, I would like to place some important income tax proposals before this august House.

260. To start with, without changing the rates of individual and corporate taxes for FY 2012-2013, I propose to retain the rates announced in FY2011-12. We think an opportunity should be given for evaluating the impact of amendments introduced in the last three years. In this context, I propose to retain the threshold of tax free income for individual taxpayer at Tk. 180,000 (One lakh eighty thousand). Considering economic growth and increase in per capita income, I propose to increase the minimum tax payable by an individual taxpayer to Tk. 3,000 in FY2012-13 from Tk. 2,000 fixed three years ago. It will be clear from Table-1 given below:

Table-1: Proposals	
(a) <u>Individual Tax Rate:</u>	
On first Tk. 1,80,000 of taxable income.....	Nil
On next Tk. 3,00,000 of taxable income.....	10 percent
On next Tk. 4,00,000 of taxable income.....	15 percent
On next Tk. 3,00,000 of taxable income.....	20 percent
On the balance of taxable income.....	25 percent
<ul style="list-style-type: none"> • Income threshold for Women and aged taxpayers (65 years of age and above) Tk. 2,00,000/- • Income threshold for physically-challenged taxpayers Tk. 2,50,000/- • Increase minimum tax payable from Tk. 2,000/- to Tk. 3,000/- 	
(b) <u>Corporate Tax Rate:</u>	
Mobile Company:	
Publicly traded.....	35 percent.
Other than publicly traded.....	45 percent.
Cigarette Company:	
Publicly traded.....	35 percent.
Other than publicly traded.....	42.5 percent.
Bank, Insurance and Financial Institutions	
(Other than merchant bank).....	42.5 percent.
Merchant Bank.....	37.5 percent
Private Limited Company.....	37.5 percent.
Company Registered with	
Stock Exchange.....	27.5 percent.

261. The present government is firmly committed to expand and strengthen the capital market along with maintaining its stability. Keeping last year's incentives provided for development of the capital market intact, I propose to provide some new incentives. To this end, I propose to reduce the income tax rate of merchant banks from 42.5 to 37.5 percent. Alongside, if any company transfers 20 percent of its paid up capital through Initial Public Offering (IPO) to capital market, it will enjoy 10 percent tax rebate on its payable tax in the relevant year. Moreover, dividend income amounting to Tk. 5000 will be exempted from tax.

Continuing incentive to Capital Market

262. One of the prime objectives of the present Government is to bring discipline and enhance transparency in transactions of trade, commerce and financial sector of the country. In this context, it is important to encourage transactions through banking channels and discourage cash transactions. For this, I propose to include necessary provisions in the income tax law to encourage carrying out of business transactions through banking channels. If implemented, it would reduce the risk of carrying cash on one hand and enhance transparency and discipline in the financial sector on the other. Subsequently, this will have positive impact on tax collection. The new system is presented in Table-2 shown below:

Financial Discipline

<u>Table-2</u>	
(1)	There should be provision requiring payments, other than payment for purchasing raw materials, over Tk. 50,000 to be made through banking channels. Payment over Tk. 50,000 in a single transaction would not be considered to be an expense, if not transacted through banking channel.
(2)	Deduction of tax at source at the rate of 15 percent instead of 10 percent at the time of paying interest in case the taxpayers do not have TIN.
(3)	Any loan received by a company from any other company or individual other than through banking channel will not be approved.
(4)	Individual assessee may receive loan of not more than Tk. 5 lakh in cash from one or more sources. Any loan or gift exceeding Tk. 5 lakh would be treated as taxable income of the recipient if not received through banking channel.

263. Globalization and gradual advancement in Information Technology (IT) offer both prospects and challenges. This has contributed to unprecedented expansion of trade and commerce on one hand and opened up new scope for tax

evasion on the other hand. I propose to introduce necessary amendments in the Income Tax law to prevent the scope of tax evasion through transfer pricing in the pretext of trade liberalization and IT advancement. However, to ensure effective enforcement of this system, enhancement of technical capacity of revenue administration and trained manpower is essential. Necessary measures will be taken to impart training to revenue officers on transfer pricing and improve revenue administration's own database.

**Transfer Pricing
and Tax Evasion**

264. Providing incentives for production of high yielding agricultural products used as industrial raw materials is essential. This also helps diversify agricultural production. To this end, I propose 50 percent exemption of tax on the income derived from production of maize and sugar beet. Besides, considering their location, I propose to allow tax holiday for 5 and 7 years to industries that produce cholesterol free rice bran oil from husk of paddy.

**Product Diversification in
Agriculture and Incentive
to Industrial Raw Materials
Production**

265. In the existing system, industries established in the Government EPZ (Export Processing Zone) may enjoy tax holiday. One of the objectives of the present Government is to ensure balanced development and industrialization by encouraging both public and private initiatives. To this end, I propose to extend uniform tax holiday facilities to all industries established both in public and private EPZs.

Tax Holiday and EPZ

266. To preserve and promote our cultural heritage, I propose to allow tax holiday facilities for construction of cinema halls and Cineplex for 5 and 7 years considering the location of establishments. I also propose to provide them with other tax incentives.

267. I have already mentioned about our Hon'ble Prime Minister's noble initiative to provide assistance to poor students to have access to education. To this end, I propose to allow tax exemption for donations to the fund created under the Prime Minister's Education Assistance Trust Fund Act, 2011. The details of the proposal are given below:

**Prime Minister's
Education Assistance
Trust Fund**

To consider donations to the fund created under the Prime Minister's Education Assistance Trust Fund Act, 2011 as taxpayer's expenses subject to a ceiling. No tax shall be payable on such donation. Company assessee may donate a maximum amount of Tk. 08 (eight) crore or 20% of its income, whichever is less. Individual assessee may donate a maximum amount of Tk. 01(one) crore or 20% of his/her income, whichever is less.

268. It is important to encourage export trade to reduce trade deficit and increase domestic production. It is to be noted that I have already proposed diversification of exports and continuation of export trade incentives. It is also essential to collect taxes from exports for the interest of the country. Side by side, we need to prepare a level-playing field for promoting exports by imposing taxes on all kinds of export trade equally. To this end, I propose to make a provision for deducting tax at source at a uniform rate i.e. 1.2 percent from all kinds of exports. At the same time, I also propose to update and rationalize the rate of deduction of taxes at source in all other sectors. It has been made clear in Table-3 below:

Expansion of Source Tax and Rationalization of Tax-Rate Deducted at Source in Export and others

Table-3

1. To impose a uniform rate of tax of 1.20 percent deducted at source on all kinds of exports in place of existing rates of 0.60 percent and 0.70 percent.
2. To increase the rate of tax on privately owned car, jeep and microbus to be deducted at source at the time of renewal of its registration and fitness. To rationalize the rate of presumptive tax on public transport including bus, truck and prime mover etc.
3. To deduct tax at source at the rate of 1 percent on the total amount received by International Gateway (IGW) Services and 5 percent on the amount paid by IGW to other operators in regard to international telephone calls.
4. To deduct tax at source at the rate of 5 percent and 3 percent considering the location of property at the time of selling land by any land developer company.
5. To deduct tax at source at the rate of 2 percent on the post-paid mobile phone bill and on the amount to be recharged or on prepaid card amount.

269. Submission of tax returns under Universal Self-Assessment scheme is one of the initiatives of the present Government to modernize the tax system. This scheme allows a taxpayer to assess his own income and tax thereon and submit his return which is treated as final. However, steps are underway to strengthen the audit system and prepare a 'Risk-based Revenue Audit Manual' to prevent taxpayers from abusing the scheme. This initiative will help maintain check and balance in taxation, inspire the responsible taxpayers and accelerate the tax collection process.

Strengthening Audit

Mr. Speaker

270. There is hardly any instance of taxpayer being refunded the money which he paid in excess of the amount due to him. The present Government is taking steps to resolve this issue. Effective measures have been taken so that the taxpayer can receive the refund of excess tax paid sitting home. Taxpayers would soon be able to reap the benefit of this initiative.

Strengthening Tax Refund System

271. The present Government has taken a number of steps including the expansion of tax administration and its modernization to put in place a time-befitting and service-oriented tax system. To keep pace with the technological progress, electronic payment of taxes has been introduced recently. In the meantime, online submission of tax return has been introduced in 02(two) tax zones and by the next fiscal year, most of the tax zones of the country are expected to be brought under this scheme. Among other initiatives by the present Government to add momentum to the tax management, Management Information System for Taxation (MIST) and Central Processing Unit has been made functional in order to get connected to the Central Web Portal by the next fiscal year. Besides generating other benefits, this measure would facilitate the taxpayers to submit TIN applications online. In addition, efforts are underway to decentralize tax administration up to Upazilla level to provide services to the taxpayers. It is undeniable that the implementation of any noble venture requires the efforts of honest, skilled and diligent manpower as well as ensuring proper incentives for them. Appropriate steps are being taken in this regard.

Reforms in Tax Administration and Modernization

Indirect Taxes

Value Added Tax (VAT)

Mr. Speaker

272. We collect four types of indirect taxes namely, (1) Value Added Tax (VAT), (2) Supplementary Duty, (3) Import Duty, and (4) Export Duty. Import and Export Duties are solely imposed on foreign trade merchandise. Supplementary Duty is imposed on both imports and domestic production. Previously, most of the revenues were used to be collected from import duty. At

present, the contribution of import duty has gone down to one-third of the total revenue.

273. Currently, domestic Value Added Tax is the single highest source of government revenue. Revenue collection keeps growing as expected as an outcome of the multifaceted reform interventions made by our Government in the last three and half years, positive change in the mindset of the taxpayers and consumers in respect of tax payment and the sincerity of the revenue department officials. This domestic source of revenue has high growth potential in the context of our growing economy. Our proposals have been prepared on the basis of the growth potential of local value added tax, the prospect of economic growth and interests of business and consumer communities. In order to make the existing Value Added Tax Act, 1991 time-befitting and compliance-friendly for taxpayers and consumers, the present government in consultation with the business community and other concerned stakeholders, have substantially reformed the Act over the last three years since assumption of office. In continuation of the reform process, this year in the same manner, we have taken initiatives to bring necessary changes in the scope, rates, bases, rules and procedures of existing taxes to protect the interests of the small taxpayers under the Value Added Tax Act, 1991. Now, I would like to place before this august House the following proposals.

**Protecting interest of
the Taxpayers**

274. Considering the contribution made by the Small and Medium Enterprise (SME) sector and its huge potential for our economy, the present government is committed to support development of the small producers and traders of this sector by providing necessary assistance and protection. Accordingly, the government reduced the turnover tax rate from 4 percent to 3 percent on annual turnover of up to Tk. 60 (Sixty) lakh in the last budget. With a view to further supporting this sector, I place the following proposals:

**Expansion of Turnover
Tax Benefits**

- (i) Full exemption of turnover tax on annual turn over up to Tk. 7 lakh
- (ii) Imposition of 2 percent turnover tax on annual turnover over Tk. 7 lakh up to Tk. 24 lakh, and
- (iii) Continuation of 3 percent turnover tax on annual turnover over Tk. 24 lakh up to Tk. 60 lakh.

275. Presently, producers and traders of products like lozenge, biscuit, chanachur, shoes and sandal, coconut oil, laundry soap, jam, jelly, PVC pipe, beauty parlour have to pay VAT irrespective of their annual turnover. In order to create employment opportunities, we propose to allow small firms of these sectors having maximum turnover up to Tk. 60 (sixty) lakh to enjoy the above turnover tax facility instead of paying the existing 15 percent VAT.

276. Imposition of a single rate of VAT following a single rule at all points of supply namely, import, production, service rendering, wholesale and retail sale can deliver maximum benefits to the VAT system. In the past, however, in the absence of proper accounting method of VAT, tax could not be uniformly imposed and collected at the wholesale and retail points. From the first introduction of VAT till date, trade VAT has been imposed at different rates at different points. To be specific, presently advance VAT is applicable at 3 percent on commercial imports at import stage, 2 percent at local wholesale and retail stage, 4 percent on supplies by procurement providers, 15 percent for traders paying tax on actual value addition, Tk. 100 per MT on M.S. rod and bar, and Tk. 1800 to Tk. 6000 per year for small shopkeepers depending on turnover and locations. This multiple system has created disparity among producers, traders, taxpayers, consumers as well as scope for large scale tax evasion and procedural complexities. In the interest of trade and revenue collection, this multiple VAT rates need to be changed. Considering this reality, a uniform trade VAT rate at 4 percent at all levels of wholesale and retail sales including advance VAT is proposed to abolish the existing multiple rates of VAT. However, for traders willing to pay VAT on actual value addition, a 15 percent VAT would be applicable for them along with providing input tax credit and adjustment facility on easy terms.

277. In order to rationalize, to some extent, the conflict of interests of traders, consumers and revenue due to wide disparity of existing duties and taxes between imported and domestically produced refrigerators and motor cycles, I place a few proposals. The existing tax structure at import stage of these goods will remain unchanged. However, as the demand of these goods is mostly met through import, an additional 20 percent regulatory duty that has been imposed recently is being withdrawn to keep the market price of these imported goods at a reasonable level.

278. As I mentioned earlier, we have declared a stimulus package for film industry. As part of this package, the rate of VAT is also being reduced. To protect this industry, the prevailing 35 percent supplementary duty is proposed to be withdrawn while 15 percent VAT will continue.

279. Considering the harmful effects of smoking, we are committed to reduce the use of tobacco every year. We do not provide credit for tobacco cultivation. Further, a 10 percent duty is realized on tobacco export. I propose to enhance the existing value slabs of cigarettes by 10 percent and supplementary duty from existing 36, 55, 58, and 60 percent to 39, 56, 59 and 61 percent respectively.

280. Our ceramic industry is already a developed sector and in addition to fulfilling domestic demand, this sector has been participating strongly in the global market. Considering this, the prevailing 15 percent supplementary duty on domestically produced ceramic products such as bathtub, washbasin, and commode is proposed to be fully withdrawn to protect the domestic industry.

Mr. Speaker

281. In order to rationalize the existing tax-bases, it is proposed to (a) increase tariff value of goods such as bricks, biscuits, cake, juice to some extent in keeping with market prices, (b) fix tariff value on tissue paper, domestically produced spectacles frame, commercial supply of newsprint, (c) reduce existing tariff value of C.R coil, G.P sheet, C.I sheet for the interests of the poor people, and (d) withdraw the existing truncated base and the related tax payment system of consultancy firm, supervisory firm, audit and accounting firm, security service, coaching centre, legal consultant, rent-a-car firm, event manager and human resource provider.

Tariff Value and Truncated Base
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282. In order to make the Value Added Tax Act, 1991 more comprehensible, compliance-friendly, effective against tax evasion by imposing pecuniary and other penalties according to the degree of offences, reducing the amount of fine in some cases and discretionary power of the officials, and rationalizing the provision of appeal, it is proposed to amend certain sections of this Act such as sections 37 and 55. In addition, Alternate Dispute Resolution (ADR) system has been introduced as a means of speedy disposal of disputes relating to value added tax. I propose to bring necessary amendments in relevant acts and rules to make the system more effective. Further, I place the following proposals on: (a) rules to be followed by wholesalers and retailers, (b) rules for central registration, (c) rules for VAT officials' rewards/incentives based on performance, (d) rules for rebate on tax on imported services, (e) fixing timeline at each quarter instead of every month for submission of returns for certain goods and services including exports, and (f) provision for mandatory price declaration by some of specified service sectors.

Amendment of Laws

283. With a view to protecting interests of agriculture, industry, health, education and export sectors, I propose to allow VAT exemption or reduction at different transaction points of the following goods and services:

Table-4

(a) Import Stage:	Waste paper – a raw material of newsprint paper. Sterile Surgical Catgut & Suture.	Exemption
	Crude and refined Palm oil, Soybean oil and Palm Olen	Concession: (VAT reduced from 15 percent to 10 percent on certain condition and for upto 30 June, 2013.)
	Fruits and flowers except Date	Imposition of 15 percent tax
(b) Production Stage:	Agricultural machines for applying granular urea	Exemption
	Organic fertilizer	Exemption
	Rice, Wheat crushing machines	Exemption
	Rice bran oil	Exemption
	Shoes and Sandals of plastic and rubber of value up to Tk. 100	Exemption
	All types of fruits and flowers	Exemption
(c) Services:	Location and establishment rent receiver of industries including 100 percent export oriented ones	Exemption
	Private medical colleges and Engineering colleges	

Import Duty and Supplementary Duty

Mr. Speaker

284. Against the backdrop of gradual decline of import duties, additional 5 percent regulatory duty was imposed in FY2010-11 on the commodities having highest customs duty (25 percent) with a view to protecting local industries and ensuring revenue growth. This additional regulatory duty will remain unchanged in FY2012-13. However, in most of the cases, supplementary duty is proposed to control the import of unnecessary and luxury goods.

Assistance to Local Industries

285. To keep the price of commodities within the reach of mass people, the existing zero rate of import duty on food, fertilizer, seeds, cotton and medicine will continue in the next fiscal year.

286. Still a substantial amount of revenue is collected from import duty and supplementary duty at import stage. Existing import duty structure

Duty Slabs

 consists of four slabs (0%, 5%, 12% and 25%) and the slabs for supplementary duty are EIGHT (20%, 30%, 45%, 60%, 100%, 250%, 350% and 500%). I propose to add one more slab of 150 percent of supplementary duty.

287. Changes have been made to import and supplementary duties imposed on some particular commodities. For instance, there are rebates and duty reduction on some of them and increased duties on others. The main objectives of such interventions are to protect local industries and to control price of essential commodities. The aforesaid changes in the rates and exemptions are shown in the following table:

Rationalization of Tariff rates
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Table 5: Some Proposals for Import duty, Supplementary duty and VAT for FY2012-13

Sl	Particulars of commodity	FY 2011-12				FY 2012-13			
		Import Duty (%)	Suppl. Duty (%)	VAT (%)	Total Tax burden including AIT and ATV (%)	Import Duty (%)	Suppl. Duty (%)	VAT (%)	Total Tax burden incl. AIT and ATV (%)
1	Edible Oil: Crude sunflower oil	12	0	15	38	5	0	10	16
2	Nutritional supplement for pregnant women and lactating mothers	25	20	15	90	25	0	15	59
3	Machineries for pharmaceutical industries: Air Handling Unit (AHU), Heating, Ventilation and Air Conditioning (HVAC)	25	60	15	152	3	0	0	3
	Streptokinase	12	0	15	38	0	0	0	0
	Insulin pen	5	0	15	29	0	0	0	0
4	46 essential item of pharmaceutical industry	12 to 25	0	15	38 to 59	5	0	15	29
5	Information technology: Multimedia Projector	25	0	15	59	5	0	15	29
	Flash drive, flash card, SD card	25	0	15	59	3	0	0	3
	Server rack	25	30	15	105	25	0	15	59
6	Public transport: Safety glass	25	0	15	59	12	0	15	38
	Brake shoe/brake pad	25	0	15	59	12	0	15	38
7	Ceramic industry: Flint/grinding pebbles	25	20	15	90	25	0	15	59
	Silex/lining/abrasive/polishing disc,	25	60	15	152	25	0	15	59
	Alumina ball	12	0	15	38	3	0	0	3
	Supplementary duty of tiles and crockery have been increased in order to protect the ceramic and glass industry	25	45	15	128	25	60	15	152
8	Ship building industry: Transmission shaft, Propeller, Anchor,	12	0	15	38	5	0	0	5
	High capacity welding rod	25	0	15	59	5	0	0	5
9	Air conditioner	25	60	15	152	25	100	15	213

288. Import and other duties have been substantially reduced from some items of public transport, information technology, medicine, ceramics and ship building industry. Import duty and VAT on edible sunflower oil has been reduced. In addition, considering the nutrition of mother and child, supplementary duty on nutritional supplement for pregnant women and lactating mothers has been reduced substantially.

289. It is notable that government has taken various steps for the development of poultry and livestock sector. In continuation of that and to meet the growing demand of milk through artificial livestock breeding, steps will be taken to have consultation with all the stakeholders concerned regarding the reduction of import duty on necessary equipment.

290. To encourage installation of Effluent Treatment Plant (ETP) for preventing environmental pollution, the current rate of import duty is only 3 percent while it is only 1 percent in the case of export oriented industries. In addition, all duties and taxes in excess of 3 percent are waived in this fiscal year on the imported chemicals (not locally produced) required for running ETP. I propose to introduce zero percent duty instead of existing 1 percent in the coming FY2012-13 in case of importing equipment to install ETP plants for the export oriented industries.

**Duty on Importing ETP
Equipment for Export
Oriented Industries**

291. 25 percent flat rate of depreciation was introduced in FY2010-11 in order to prevent fraudulent practices of declaring the used/reconditioned vehicles relatively older than actual by tampering import documents and taking advantage of previous depreciation facility. I propose to retain the current depreciation facility in the coming fiscal year along with 10 percent dealer's commission. However, according to the existing Import Policy Order, import of used/reconditioned vehicles up to five years old is allowed. This depreciation facility will be applicable for vehicles of five years old instead of existing three years. In addition, to prevent the practice of false declaration of the price of imported new cars, I propose to make rules that the value of a new car can in no way be lower than that of a used or reconditioned vehicle of same model, brand and

**Determining Value for
New and Old Vehicles**

cylinder capacity (cc) manufactured in the same country. Besides, I propose further rationalization of existing supplementary duties on vehicles import.

292. In addition, the rates of supplementary duty on vehicles for FY2012-13 are presented below:

Table-6

SL	Particulars of the Vehicle	Supplementary Duty (%)	Total Tax Burden (%)
a	Cylinder capacity up to 1,500 cc	45	129
b	Cylinder capacity from 1,501 cc to 1,800 cc	100	213
c	Cylinder capacity from 1,801 cc to 2,000 cc	150	290
d	Cylinder capacity from 2,001 cc to 2,750 cc	250	445
e	Cylinder capacity from 2,751 cc to 4,000 cc	350	599
f	Cylinder capacity over 4,000 cc	500	830
g	Microbus of cylinder capacity up to 1,800 cc	30	105
h	Microbus of cylinder capacity from 1,801 cc to 2,000 cc	60	152
i	CKD vehicle, station wagon and jeep (except 3 wheelers) up to 2,000 cc	30	105
j	CKD vehicle over 2,000 cc	45	129

293. In addition, the duty imposed on hybrid cars having engine capacity of 2,000 cc will now be imposed on the cars of 2,500 cc engine capacity. It is to be noted that, in addition to supplementary duty, 25% of import duty, 5% of regulatory duty, 15% of VAT, 5% of AIT and 3% of ATV will be imposed.

294. Customs authority is responsible for preventing import of goods violating copyrights and intellectual property rights. I propose to amend the Customs Act 1969, so that section 15 of the Act can facilitate resolving any dispute arising from the violation of Trademark Act, Copyright Act and Patent and Design Act.

Enforcing Copyright and Intellectual Property Right Laws

Mr. Speaker

295. Customs bond system plays a significant role in facilitating export in Bangladesh. Most of the export oriented industries including the

readymade garments and its backward linkage industries operate through bonded warehouse system. Steps have been taken to digitize the operation of these houses. The bonders will soon be able to submit Utilization Declaration (UD) and Utilization Permission (UP) application online and receive approval without visiting Customs Bond Commissionerate. Similarly, efforts are underway to reduce the alleged irregularities of diplomatic bonded warehouse by rationalizing quantity of import, ensuring privileged person passbook verification and promptly distributing tax exemption letter issued by the Ministry of Foreign Affairs. At the same time, steps have been taken to automate the operation of these warehouses. Customs Bond Commissionerate, Dhaka has been working to develop a Bond Management Information System (BMIS). For the extended use of this system and to expand it to all the bond sectors, initiatives are taken to follow Public-Private Partnership model. It is expected that the bond system will be completely automated at the end of this fiscal year. It will boost export and reduce the cost of doing business.

Automation of Bond System

296. In spite of steps taken for the expansion of customs administration, its full implementation is yet to take place and a valuation database has not yet been established. For these reasons, abolishing the PSI system had to be deferred several times. The government has already taken several steps to avoid any potential problem in fixing import duty once the PSI system is discontinued. This system will surely be abolished by December this year . Installing the UNCTAD developed ASYCUDA World software in five custom houses and ten land customs stations is in progress. By using this software all customs formalities starting from declaration of goods to the release of the same will be done automatically online and costs of trade and other barriers will be reduced substantially. All the major custom houses and stations of the country will be brought under this coverage by 2013. The prices of all the imported goods will be preserved in a database in this system, and custom houses and land custom stations across the country will be able to exchange these information. Steps have also been taken to place a number of specially trained customs officers in some of the missions abroad.

Capacity Building of Customs Administration and Tenure of PSI System

297. The customs department of Bangladesh is now playing a more active role internationally. Recently, the government has decided to adopt the

World Customs Organization (WCO) International Convention on Simplification and Harmonization of Procedures (Revised Kyoto Convention). As a result, our customs department will follow the international standards and best practices set by the WCO in its day-to-day operations. In addition, Bangladesh has signed the WCO SAFE Framework of Standards with a view to strengthen the security and participation of customs department in trade liberalisation. Diversity and innovation in the role of customs department has increased manifolds in this century. Its role has been extended from preventing entrance of counterfeit medicine and other goods to urgently clearing relief goods during the time of natural disasters. To ensure more active participation in these efforts, representation of customs department in the World Customs Organization in Brussels need to be increased. The process of such placement is underway.

WCO Standards

298. Currently, in Bangladesh, there is no separate H.S. Code for solar power driven water distillation plant. It is reported that initiatives for establishing such plants have been taken in many parts of the country. In this context, I propose to provide import tariff exemption to this product similar to capital machineries by allocating a separate H.S. Code.

Solar Water Distillation Plant

299. Considering the volume of import and export, launching of new products due to technological advancement and on the basis of proposals made by the member countries, World Custom Organization changes the six digits H.S. Code in every five years. After 2007, such changes have been made again in 2012. As documents of such changes have been received from WCO, I propose to introduce necessary amendments and changes in Bangladesh Customs Tariff (BCT) and other relevant SROs.

Changing H.S. Code of Bangladesh Customs Tariff

300. At present, a plenty of *Hilsha* fish is exported from Bangladesh. Currently, there is no separate H.S. Code for *Hilsha* fish in Bangladesh Customs Tariff (BCT). Instead, other fishes are also exported using the same code and as a result, authentic data regarding *Hilsha* export cannot be reported. In this context, I propose to introduce a separate H.S. Code for ensuring the accurate record of *Hilsha* export.

Separate H.S. Code for Hilsha Fish

Chapter X

Conclusion

Mr. Speaker

301. You are aware that though we shall have one more opportunity to propose a budget, the responsibility of its implementation will lie with the next government. In this regard, this is the last complete budget of this government. This is why, in my opening remarks, I identified this budget as a great challenge. From the very beginning, therefore, I tried sincerely to present before the nation the extent of our achievements in the implementation of the initiatives, work plans and commitments that we outlined in the last three budgets.

302. At the end of the budget speech, let me once again reiterate that we have made a good start in implementing the master plan of development for Bangladesh we initiated on the basis of 'Vision 2021'. We have not only been able to accelerate the economic growth, but also have brought down rapidly the income and human poverty. Increasing significantly from FY2007-08 onwards, the financial deepening of our economy has now reached 56 percent. During the last three years, trade openness of our economy has increased from 26 percent to 69 percent. The responsibility of implementing the unfinished tasks that we planned to execute will lie with the next government. We believe in a democratic polity and therefore whoever comes to power will set an inimitable example by accomplishing our unfinished tasks.

Mr. Speaker

303. Today, I recall the unfailing message of the Father of the Nation, 'you won't be able to subdue the spirit of seven crore people'. No regime could defeat us then. Defying all odds, we achieved our independence and a sovereign Bangladesh at the cost of lives of the millions. We had a dream of building a happy and prosperous country, free from exploitation and deprivation. But, that cherished dream of the Bangalees faltered time and again. The reactionary forces hatched evil design to stall our progress. We were afflicted with the cruel words of harsh critics from home and abroad. Many abusively called us 'bottomless basket' and 'test case of development'. Then came the darkest episode of our history. The Father of

the Nation was killed along with his family members. Conspiracies were plotted to destroy the spirit of liberation. But, Bangabandhu's most favourite Bangalee nation was indomitable. The eternal flame of the spirit of liberation that he ignited within us shall always guide us forward. We are sailing through innumerable adversities taking the country forward in our journey to a higher growth trajectory.

304. Today, the world recognizes us as a country of immense potentials. Bangladesh has been recognized as the next potential member of the aristocratic club (7 percent club) of economies for achieving high growth for an extended period. Bangladesh has been grouped as one of 11 3G (Global Growth Generators) countries. Bangladesh has also been included in a group of 26 economies along with China and India as a country of economic prospects. The rare victory that we secured in the maritime boundary suit in the International Court has further strengthened our position in the comity of nations.

305. The people of this country is our priceless asset. What we have achieved so far could only be possible at the cost of their highest forbearance and sacrifice. We have unlocked the door of immense opportunities. Making them a reality will largely depend on sustained political peace and stability and above all, on democracy. We should demonstrate political wisdom and create a tolerant environment. We should show respect to the continuity of our national agenda for development and its progress. We should further advance the dynamism of our economy for the sake of the nation. We would resist any ill-motivated interruption. I am confident we would act wisely and understand the spirit of the people and their hopes and aspirations. We shall stand united and build a prosperous, happy and caring Bangladesh. We are confident - our people, our country will emerge victorious and stand upright with dignity. It's only a matter of time.

Joy Bangla

Joy Bangabandhu

Long Live Bangladesh

Annex-A

**Table-1: Successfully Implemented Policies or Programmes
Included in the Last Three Budgets**

SI No	Budget Commitments
Budget and Planning	
1.	Perspective Plan 2010-21 formulated
2.	6th Five-Year Plan formulated
3.	The 2009 global recession successfully tackled
4.	Sovereign Credit Rating (Moody's and Standard & Poor's) achieved and retained
5.	The time horizon of 3 year MTBF extended to 5 year in the perspective of Sixth Five Year Plan
6.	Budget and Planning wing created in all Ministries/Divisions
7.	Public Finance and Budget Management Act, 2009 enacted
8.	Economic code based mapping of development and non-development budget initiated
9.	All Ministries/Divisions brought under MTBF
10.	Performance Audit undertaken on pilot basis
Financial Sector	
11.	Money Laundering Prevention Act, 2012 enacted in line with international standards by repealing the act of 2009
12.	Anti-Terrorism (Amendment) Act, 2012 enacted by amending Anti-Terrorism Act, 2009
13.	Insurance Act, 2009 Passed
14.	Insurance Development and Regulatory Authority Act, 2009 passed and the Insurance Development and Regulatory Authority established
15.	Bangladesh Development Bank Ltd. established by merging Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Shangstha
16.	The face value of all shares and mutual funds listed with the stock exchanges reset to Tk 10
17.	The mandatory provision for sponsor-directors of listed limited companies to hold individually minimum 2.0 percent and collectively 30 percent share made
18.	Securities & Exchange Commission (Public Issue) Rules, 2006 amended
19.	Securities & Exchange Commission (Mutual Fund) Rules, 2001 amended

**Table-1: Successfully Implemented Policies or Programmes
Included in the Last Three Budgets**

(Contd...)

20.	Securities & Exchange Commission (Merchant Banker & Portfolio Manager) Rules, 1996 amended
21.	Network between all departments of the head office and the branches of central bank established
22.	The total accounting and human resource management system of Bangladesh Bank brought under Enterprise Resource Planning (ERP) software
Business Environment	
23.	Bangladesh Economic Zones Act, 2010 enacted. Eestablishment of Bangladesh Economic Zone Authority under process. Seven sites have already been identified.
24.	One-stop investment service introduced
25.	Import-Export policy updated
26.	Full-fledged bond commissionerate and appellate commissionerate established in Chittagong
27.	PPP Technical Assistance Fund and Economic Viability Fund Guidelines approved
28.	PPP Office established
29.	Bangladesh Infrastructure Finance Fund Limited (BIFFL) formed
Power and Energy	
30.	Power Sector Master Plan approved
31.	3300 MW of electricity added to the national grid by May 2012
32.	Additional 523 kilometer of transmission lines and 22,857 kilometer of distribution lines laid out and 10 new sub-stations installed
33.	Pre-paid meter to reduce system loss of electricity introduced
34.	Gas Development Fund formed and Gas Development Fund Policy issued
35.	Use of energy saving bulbs introduced
36.	Power and Energy Fast Supply Enhancement (Special Provisions) Act, 2010 enacted
37.	Bangladesh Gas Act, 2010 enacted
38.	Energy source diversified
39.	Extractable oil reserve of 55 million barrel in Koilashtila and Haripur discovered
40.	Production Sharing Contract (PSC) with Conocophillips to explore oil and gas in 02 offshore blocks signed

**Table-1: Successfully Implemented Policies or Programmes
Included in the Last Three Budgets**

(Contd...)

Integrated Agriculture and Rural Development	
41.	Agricultural equipment assistance card introduced and facility to open bank account with 10 Tk provided
42.	Expansion of cultivable land area/scope of multiple crop production ensured
43.	Seed production, supply and storage capacity enhanced
44.	Water logging problems in Haor areas removed
45.	Haor board formed
46.	Agriculture Research Council Act, 2011 for strengthening national agricultural research program approved
47.	Plantation of salinity tolerant BINA-8 and BRI-47 rice initiated
48.	Salinity tolerant BRI-53 and 54, BRI-51 and 52 for flood prone area invented
49.	The programme for applying fertilizers on the basis of digitally assessed soil fertility in 30 Upazilas introduced
50.	Database in all unions across the country established
51.	12 lakh fair price cards among the poor distributed
52.	91 percent population brought under sanitation coverage
53.	SAARC Seed Bank Agreement signed
54.	Tk. 500 crore worth refinancing fund established for share croppers
55.	Removal of water logging in the southern and western regions
56.	12 endangered species of fish saved
57.	Fish Feed and Animal Feed Act, 2010 enacted
58.	Fish Hatchery Act, 2010 enacted
59.	Cattle Grazing Land Policy for the Cooperatives, 2011 issued
60.	Animal Slaughter and Meat Quality Control Act, 2011 enacted
61.	Plant Quarantine Act, 2010 enacted
62.	Medium term programmes for capital and maintenance dredging adopted
Overall Education Sector	
63.	Education Policy issued
64.	Free books at secondary level distributed
65.	Private University Act, 2009 enacted
66.	Public Universities in Barishal and Gopalganj established
67.	The rate of stipend enhanced to 100 percent in monga/cyclone/river erosion/slum areas
68.	Area wise educational institutions established

**Table-1: Successfully Implemented Policies or Programmes
Included in the Last Three Budgets**

(Contd...)

69.	The number of male and female stipend raised to 43.38 lakh
70.	Talent hunt programme undertaken
71.	Rules to provide subvention to the registered and community primary school teachers equal to the salary of govt. primary school teachers formulated.
72.	370 primary schools affected by Flood/river erosion reconstructed
73.	School feeding program in poverty-stricken areas launched
74.	Cent percent textbooks at primary level distributed
75.	Prime Minister's Education Assistance Trust Act, 2012 enacted and Prime Minister's Education Assistance Foundation established
Health and Family Welfare	
76.	11,409 Community Clinics launched
77.	5 new medical colleges and 5 Institutes of Health Technology established
78.	Upazila hospitals upgraded to 50 bed and District hospitals to 250 bed
79.	Bangladesh Medical and Dental Council Act, 2010 enacted
80.	National Health Policy, 2011 formulated
81.	Sample survey done in collaboration with foreign experts within three months of the completion of population census
82.	Patients Welfare Fund Policy formulated
83.	e-Health programme introduced
Youth and Sports, Culture and Religion	
84.	Bangabandhu Krirashebi Welfare Foundation Act, 2010 passed and Bangabandhu Krirashebi Welfare Foundation established
85.	Small Ethnic Groups Cultural Institution Act, 2010 passed
86.	International Mother Language Institute Act, 2010 passed
87.	National Hajj Policy, 2010-14 issued
Infrastructure	
88.	Dhaka Transport Coordination Authority Act, 2012 passed and Dhaka Transport Coordination Authority established
89.	Construction of Pangaon internal container terminal completed
90.	Real Estate Development and Management Act, 2010 passed
91.	Bangladesh National Building Code (BNBC) amended
92.	Colony constructed to resolve housing problems of underprivileged community

**Table-1: Successfully Implemented Policies or Programmes
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(Contd...)

Industrialization	
93.	Industrial Policy, 2010 approved
94.	Policy framed to provide group-wise Tk 50,000 SME loan for women entrepreneurs.
95.	Not less than 15 percent of the total amount of refinancing scheme has been allocated for women entrepreneurs.
96.	Bank liabilities and certain other liabilities of BJMC paid by the government and jute sector revitalized
97.	EPZ workers Welfare Association and Industrial Relations Act, 2010 passed
98.	Mandatory Use of Jute Package Act, 2010 passed
99.	Facility for refinancing SME sector through four funds continued
100.	Bangladesh Textile University Act, 2010 passed
101.	Policy and Strategy for Public-Private-Partnership (PPP), 2010 issued
102.	Bangladesh Rubber Policy, 2010 issued
103.	National Salt Policy, 2011 issued
104.	Ship-breaking and Recycling Policy, 2011 issued
105.	Jute Policy, 2011 issued
106.	National Skill Development Policy, 2012 issued
107.	Labour Welfare Association and Industrial Relations Act, 2010 passed
108.	Bangladesh Tourism Board Act, 2010 passed
109.	National Tourism Policy, 2010 issued
110.	Bangladesh Tourism Reserved Area and Special Tourism Zone Act, 2010 passed
111.	Trademarks Act, 2009 passed
112.	Consumer Rights Protection Act, 2009 passed
113.	Chartered Secretaries Act, 2010 passed
114.	Cash incentive for strategic industries continued
115.	Steps have been taken to write off loans of 279 sick industries of RMG sector
116.	Steps have been taken to write off loans of 69 sick industries of Jute and Textile sector
117.	Loan repayment time for frozen food industries extended
118.	Digital e-Purji introduced for sugar cane farmers and Manthan Asia Award achieved

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(Contd...)

Climate and Environment	
119.	Climate Change Trust Act, 2010 passed and Climate Change Trust Fund created
120.	Bangladesh Climate Change Strategy and Action Plan, 2009 issued
121.	Bangladesh Climate Change Resilience Fund created
122.	Effluent Treatment Plant Fund created
123.	Bangladesh Environment Conservation (Amendment) Act, 2010 passed
124.	Environment Court Act, 2010 passed
125.	Hazardous Waste and Ship-breaking Waste Management Rules, 2011 issued
126.	National Disaster Management Plan 2010-15 approved
127.	National Institute of Bio-Technology Act, 2010 passed
Digital Bangladesh	
128.	4501 Union Information and Service Centers established
129.	National ICT Act, 2009 passed and ICT Policy, 2009 issued
130.	Science and Technology Development Trust Act, 2011 passed
131.	Rules/regulations/guidelines issued under the digital signature programme
132.	e-Commerce licensing guidelines, audit guidelines and CPS guidelines formulated and certified company selected
133.	Programme for bringing all government offices under an integrated IT network to operationalise e-Governance initiated
134.	e-Procurement and e-Monitoring system for all types of government purchases introduced
135.	Air travel/cargo carrying brought under e-Commerce
136.	National Information and Communication Technology Policy, 2009 issued
137.	International Long Distance Telecommunications Services (ILDTS) Policy, 2010 issued
138.	National Science and Technology Policy, 2011 issued
139.	Bangladesh High - Tech Park Authority Act, 2010 passed
140.	National Museum of Science and Technology Act, 2010 passed
Poverty Reduction and Social Security	
141.	One stop service for disabled persons introduced
142.	The number of beneficiaries of old Age allowance raised from 2 million to 2.48 million

**Table-1: Successfully Implemented Policies or Programmes
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(Contd...)

143.	Employment opportunities in the monga prone northern areas generated
144.	The storage capacity for food grains raised from 14.50 lakh to 16.50 lakh metric tons and the quantity of food stock raised to 14.76 million metric tons
145.	‘Ghore Phera’ program restarted
146.	‘One house one farm’ project initiated
147.	Shelter homes for the floating population of cities constructed
148.	Vagrant and Shelter less Persons (Rehabilitation) Act, 2011 passed
149.	Bangabandhu Rural Development Academy and Poverty Reduction Act, 2012 passed
150.	Wildlife Victim Compensation Policy, 2010 issued
151.	Forest Conservation Victim Compensation Policy, 2011 issued
152.	Cyclone Shelter Construction, Maintenance and Management Policy, 2011 issued
Employment and Welfare	
153.	National Service introduced and coverage gradually expanded
154.	Manpower exported to 15 new countries
155.	Immigration and Skills Development Fund created
156.	Expatriate Welfare Bank Act, 2010 passed and Expatriate Welfare Bank established
Women and Child Welfare	
157.	Women Development Policy approved
158.	Gender-sensitive budget formulated
159.	Share for women in the budget ensured
160.	The bank credit facilities ensured/expanded giving priority to women entrepreneurs
161.	National Child Labor Elimination Policy, 2010 issued
162.	Child development center for deprived street children established
Welfare of Freedom Fighters	
163.	Policy on provision of ration for freedom fighters issued
164.	The rate of monthly allowance for the freedom fighters enhanced from Tk 900 to Tk 2000
165.	Medical assistance provided to the nationally honored freedom fighters

**Table-1: Successfully Implemented Policies or Programmes
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(Contd...)

Good Governance	
166.	Economic rights over 200 nautical mile in the Bay of Bengal and its continental shelf established following the historic verdict delivered by ITLOS
167.	Death sentence of 5 convicts of the Bangabandhu murder case executed
168.	Right to Information Act, 2009 passed
169.	National Pay Scales, 2009 implemented
170.	Border Guard Act, 2010 passed
171.	The Public Interest related Information Disclosure (Protection) Act, 2011 passed
172.	The Constitution (Fifteenth Amendment) Act, 2011 passed
173.	The Vested Property Return (Amendment) Act, 2011 passed
174.	Graffiti Writing and Poster Pasting (Control) Act, 2012 passed
175.	Human Trafficking Prevention and Control Act, 2012 passed
176.	Mutual Assistance in Criminal Matters Act, 2012 passed
177.	Pornography Control Act, 2012 passed
178.	Election Commission Secretariat Act, 2010 passed
179.	Electoral Roll Act, 2009 passed
180.	National Human Rights Commission Act, 2009 passed
181.	Mobile Court Act, 2009 passed
182.	National Identity Registration Act, 2010 passed
183.	Comprehensive policy for providing books in libraries issued
184.	Skill Development Fund worth Tk.140 crore created
185.	Local Government (Union Parishad) Act, 2009, Local Government (Municipality) Act, 2009 and City Corporation Act, 2009 passed
186.	Balumahal and Soil Management Act, 2010 passed
187.	Government Jalamahal Management Policy, 2009 issued
188.	Land zoning on the basis of land use completed in 21 districts
189.	Rate of tax deduction at source for land registration reduced
190.	Consistency established in providing rations to different disciplined forces
191.	National Skill Development Policy, 2011 issued
192.	Cable Network Operation and Licensing Rules, 2010 issued
Tax Administration and Tax Law	
193.	Customs and VAT administration expanded up to Upazila level
194.	System of online payment of taxes introduced

**Table-1: Successfully Implemented Policies or Programmes
Included in the Last Three Budgets**

(Contd...)

195.	Holding tax fair in September each year at all divisional towns introduced
196.	A two page income tax return form for low income tax payers under the spot assessment programme introduced
197.	Provision for tax rebate on corporate social responsibility spending introduced
198.	The remuneration of Ministers, State Ministers and Members of Parliament declared taxable
199.	Payment of taxes on salary income by the government employees from their own sources introduced
200.	Tax exemption and tax holiday facilities curtailed
201.	Tax information and service centers established in Dhaka and Chittagong
202.	2 new custom houses, 1 bond commissionerate, 4 VAT commissionerates, 3 appeal commissionerates, 56 VAT divisional offices and 146 VAT circles established through administrative reorganization
203.	Chittagong Custom House (Import and Export) unified

Table-2: Implementation of the priority programmes in progress

Sl. No.	Budget Commitments	Implementation Progress
Budget and Planning		
1.	Formulating policy for preparation, processing, implementation and evaluation of projects	Policy formulation committee has delivered their recommendations. Now, policy amendments, modifications and revisions are at final stage
2.	Ensuring appropriate use of project aid	Steps have been taken to accelerate implementation of projects and to resolve other attendant problems by holding tripartite meetings among development partners, implementing Ministries and ERD. The process is continuing
3.	Overseeing ADP implementation of 10 large Ministries/Divisions	Project monitoring has been given emphasis. Out of 576 projects, already 239 projects have been inspected till March 2012
4.	Drafting of Audit Act	A draft has been prepared.
Financial Sector		
5.	Amendments to the Bank Companies Act and Financial Institutions Act	A committee of 7 members is examining the draft amendments proposed by Bangladesh Bank.
6.	Controlling unethical financial practices	Introduction of penal measures against any banking activity in the name of cooperatives without the approval of Bangladesh Bank. The progress of bringing the multi-level marketing companies and social organisations under a legal framework is underway.
7.	Installing National Payment Switch	Installation of National Payment Switch is underway in the light of National Information and Communication Policy
8.	Inclusion of buy-back rules in the Companies Act, 1994	Amendment of the Companies Act, 1994 is in progress.
9.	Amendment to the Securities and Exchange Commission Act, 1993	In progress
10.	Amendment to the Securities and Exchange Commission Rules, 1987	In progress
11.	Financial Reporting Act	Draft Financial Reporting Act in place

Table-2: Implementation of the priority programmes in progress**(Contd...)**

Business Environment		
12.	Bringing down the time taken for delivering registered documents	Efforts are underway to reduce the time taken for delivery of registered documents to 2-7 days.
13.	Digitization of Land Registration	Initial preparations completed
14.	Automation of Judiciary	Cause lists and results of cases are being electronically displayed to reduce litigants' harassment
15.	Use of modern technology in all units of the customs department for advance cargo declaration and customs clearance as well as auto generation of customs receipts accounts	Procurement of ASYCUDA-World software is in progress.
16.	Digitisation of treasury chalans	Activities are in progress in respect of depositing all kinds of government receipts online and through mobile phones
17.	Finalising the Competition Act, 2012	Competition Act, 2012 has already been placed before the Parliament
18.	Digitised land survey and management	Land survey process is being digitized in 61 districts
Power and Energy		
19.	Construction of Ruppur Nuclear Power Plant	An agreement has been signed with the Russian Federation to construct Ruppur Nuclear Power Plant
20.	Construction of coal fired power plants	Process is underway to construct several coal fired power plants to produce 2,938 MW of electricity by the year 2016
21.	Conducting feasibility study for small hydraulic power projects	In progress
22.	Producing 500 MW of electricity from paddy husk	A draft feasibility report has been prepared and would be finalised this year
23.	Updating the National Energy Policy	Updating of the policy is at final stage
24.	Formulation of Coal Policy	The final draft of the policy has been prepared
25.	Launching natural gas exploration in the bay	About 10 mncft of gas is being extracted daily from Sangu Gas Field. A contract has been signed with Conoco-Phillips for gas exploration

Table-2: Implementation of the priority programmes in progress**(Contd...)**

26.	Importing 500 mncftd of Liquefied Natural Gas (LNG) from Qatar by December 2012	The process of importing 500 mncftd of LNG from Qatar by June 2013 is underway
27.	Enacting Sustainable Energy Development Authority Act, 2012	The draft act has been prepared and now under revision and will be placed before the Parliament soon
28.	Threefold enhancement of the capacity of Eastern Refinery	In progress
29.	Installation of Single Point Mooring	Installation of Single Point Mooring is progressing to reduce time lag and waste in unloading imported crude oil
Integrated Agriculture and Rural Development		
30.	National Agricultural Policy, 2012	The formulation of policy is in progress
31.	Ensuring supply of improved seeds	Supply of 1,47,000 MT of improved seeds is underway through BADC
32.	Crop Insurance	Under the supervision of Shadharan Bima Corporation, the crop insurance scheme is being piloted at Madhabpur, Hobiganj.
33.	Providing irrigation facilities to lands protected from floods	Implementation of 14 projects worth Tk. 1,790 crore underway which is likely to produce an additional 33 million MT of food grains
34.	Using surface water for expansion of irrigation	Surface water is being used for irrigation and expansion of such irrigation is underway
35.	Recovery of land by reducing soil salinity and waterlogging	9,586 families to be rehabilitated by recovering 5,550 hectares of land within next five years
36.	Framing Agricultural Land Protection and Land Use Act	Draft act has been prepared and stakeholder's consultation is going on
37.	Formulation of a comprehensive master plan for the development of Haors and wetlands	Pre-feasibility study has been completed
38.	Establishing a modern laboratory to produce vaccine for bird flu	A government financed project titled 'Modernisation of Vaccine Production Technology and Extension of Laboratories' is underway for the prevention, diagnosis and treatment of animal diseases

Table-2: Implementation of the priority programmes in progress**(Contd...)**

39.	Expanding training facilities of the livestock farmers and organising regular exhibitions	Various projects and programmes under both ADP and revenue budget are ongoing at upazila level
40.	Achieving self-sufficiency in food by the year 2012	The target year has been revised to 2013
41.	Formulating a food policy to meet the need of time	Formulation of the policy is underway
42.	Adopting an integrated approach for procurement, building reserve and distribution of food	Government has already issued an SRO against illegal hoarding. In FY2011-12, the amount of total procurement, stock and distribution of food grains are 19.35 lakh, 8.80 lakh and 14.25 lakh MT respectively
43.	Expanding capacity of food godowns	The capacity of the government food godowns has been increased from 14.5 lakh to 15.0 lakh MT
44.	Formulating Bangladesh Water Use Act	Bangladesh Water Use Act, 2012 has been approved by the cabinet
45.	Reducing dependency ratio of ground and surface water to 50:50	Work is in progress. This dependency is now 1.7: 98.4.
46.	Excavating the river <i>Gorai</i>	The second phase of the project to restore the river <i>Gorai</i> is going on
47.	Capital dredging and river management	The capital dredging and river training of Ganges, Padma, Brahmaputra, Jamuna and Meghna has been started
48.	Constructing a barrage over the river Ganges	The ongoing feasibility study for constructing the barrage to ensure integrated water management of the river Ganges will be completed in two years
49.	Ensuring clean water flows in the rivers surrounding Dhaka	A plan has been adopted to start implementing the work from next fiscal year and completing it within two years
50.	Integrating all the growth centres with district headquarters	The development work 29,495 km roads connecting the growth centers of LGED has already been completed
51.	Rural electrification by using renewable energy and solar power	Already 70 MW power is being generated from renewable energy sources. A project is underway to produce 49 MW of electricity from solar power.
52.	Bangabandhu Poverty Reduction and Rural Development Academy Act	Bangabandhu Poverty Reduction and Rural Development Academy Act 2012 drafted

Table-2: Implementation of the priority programmes in progress**(Contd...)**

Education Sector		
53.	Forming permanent Education Commission in line with the Education Policy	Formation of Education Service Commission is underway
54.	Forming accreditation council to monitor education standard of the private universities	The process of forming the council is underway in the Ministry of Education
55.	Making computer/vocational education compulsory at the secondary level by 2013	Decision has been taken to include contents on computer/vocational education in the new curriculum.
56.	Establishing technical institute in each upazilla	Establishing such institutes is underway in 35 upazilas
57.	Modernising madrasa education	Modernisation of 1,000 madrasa is ongoing under Secondary Education Sector Development Programme (SESDP).
58.	Extending free education up to bachelor level in phases	40 percent of female undergraduate students are currently being provided with stipend. But, in areas like beels and haors and other inaccessible part of the country, the coverage is 100 percent
59.	Making National Skill Development Council more effective	The secretariat of National Skill Development Council has been established and efforts are underway to make it operational
60.	The ratio of teacher and student will be improved from 1:50 to 1:40 in FY 2011-12	The activities for such improvement are going on. Currently, the ratio is 1:47
61.	Ensuring placement of at least 5 teachers in every primary school	Recruitment of new teachers is underway
62.	Achieving 100 percent enrolment at primary level by 2010	By the end of 2011, 99.3 percent enrolment has been achieved
63.	Making computer and vocational education compulsory at primary level by 2021	A decision has been taken to include computer and vocational education in the new curriculum of primary level
64.	Establishing 1,500 primary schools in the areas where there is no school	Approval for establishing schools in 1,340 such villages has already been given. Tender has been floated for construction of 780 schools

Table-2: Implementation of the priority programmes in progress**(Contd...)**

65.	Establishing child-friendly learning centres in char, haor, tea garden and other remote areas	A project titled 'Second Chance and Alternative Education Project' has been taken up to establish specially designed child-friendly learning centers in inaccessible areas
Health and Family Welfare		
66.	Modernising alternative healthcare	Formulating relevant regulations is underway
67.	Updating the National Population Policy	The draft policy has now been revised
68.	Promoting telemedicine	Steps have been taken for such promotion
69.	Increasing the number of nurses and paramedics and enhancing their skills	Health workers are being trained by the Department of Health through in-service training
70.	Establishing the Institute of Tropical and Infectious Diseases	Construction work completed
71.	Upgrading 9 nursing institutes to nursing colleges	7 nursing institutes have been upgraded to nursing colleges
72.	Establishing 12 new nursing institutes	12 new nursing institutes have been established
Physical Infrastructure		
73.	Finalising the Integrated Multimodal Transport Policy (IMTP)	The policy will be finalised by the next fiscal year
74.	Road Master Plan	Initiative taken to formulate Road Master Plan
75.	Road Fund.	Road Fund Board Act, 2012 drafted. Stakeholder consultation is underway
76.	Feasibility study of the Mass Rapid Transit (MRT) line-6	A project has been formulated for the implementation of Mass Rapid Transit (MRT) line-6
77.	Upgrading Dhaka-Chittagong highway into four lanes	The project will be completed by FY2013-14
78.	Construction of Dhaka Elevated Expressway	Construction of the expressway has begun. Construction of 3 flyovers and 1 overpass is in progress
79.	Construction of the Padma Bridge	Construction of the bridge will start around September in the next fiscal year
80.	Finalising the 20 year master plan for Bangladesh Railway	Taking up of 231 projects involving Tk. 1,25,929 crore is under consideration under the master plan

Table-2: Implementation of the priority programmes in progress**(Contd...)**

81.	Implementation of Railway Sector Improvement Project	The ongoing project will be completed by 2014
82.	Adopting integrated dredging programme to increase the navigability of the waterways and development of river ports	Procurement of 18 dredgers is underway. 53 lakh cubic meter of dredging has been completed in the last three years. This is an ongoing process
83.	Excavating the harbour of the river Poshur	61,000 cubic meters of excavation has been completed using government's own resources
84.	Enhancing the capacity of the land ports	Operational capacity of six land ports being enhanced under Build-Operate-Transfer method
85.	Procuring Cargo handling equipment and capital dredging project for the Mongla port	In Progress
86.	Procuring 10 Boeing aircrafts by the year 2015	Two aircrafts have been handed over. Two more will be delivered by 2013
87.	Planned urbanisation	3 project proposals have been formulated to develop satellite cities
88.	Developing 22,800 plots and constructing 26,000 flats for the low and middle-income people in next three years	25,383 flats have already been built and allotment of plots is underway
89.	Amending the National Housing Policy, 1999	In progress
90.	Amending the Bangladesh National Building Code	In progress
Industrialisation		
91.	Supporting small and medium enterprises and cottage industries and providing incentive for self-employment generation activities	Under the SME refinancing scheme, an amount of Tk. 1,806 crore has been refinanced to 19,339 beneficiaries up to 30 th April, 2012.
92.	Conducting feasibility study on transit	The Ministry of Commerce has formed a core committee and the committee has already submitted its report
93.	Cox's Bazar Development Act	Cox's Bazar Development Act 2012 has been approved in principle by the cabinet
Climate and Environment		
94.	Making the river Buriganga free from pollution	The program is ongoing

Table-2: Implementation of the priority programmes in progress**(Contd...)**

95.	Bringing 20 percent of land of the country under afforestation programme by the year 2015	Current progress rate is about 13 percent
Digital Bangladesh		
96.	Connecting Bangladesh with the second submarine cable	A Memorandum of Understanding was signed on 28 th December, 2011
97.	Developing telecommunications network	1,450 km of optical fiber network has been installed. A project titled 'Introduction of 3 G network technology and expansion of 2 .5 G network' is under implementation
98.	Introducing Digital File Tracking System	Digital File Tracking System has been introduced on trial basis
99.	Graduating to e-Governance by 2014	Bringing all government offices under one network and introducing e-tendering system is ongoing. A regulatory framework in this regard is already in place
100.	Installing digital telephone exchanges in upazila growth centers across the country	Digital telephone exchanges have already been installed in 455 upazilas. Installation of such exchange in 20 out of 22 upazilas in 3 hill districts is expected to be completed by June 2012
Poverty Reduction and Social Security		
101.	Bringing poverty rate down to 15 percent by 2021	The activities undertaken for achieving the target are in progress. The current rate is 31.5 percent
102.	Providing healthcare services and support inputs to the disabled persons	35 Disable Service and Assistance Centers have been established in 34 districts during 2009-12
103.	Introducing Maternal Health Voucher Scheme for the low-income working mothers in urban areas	The number of beneficiaries has been increased to 77,600 and each of them is receiving Tk 350 per month.
104.	Raising maternity allowance for poor mothers to Tk. 350	As many as 1,01,200 beneficiaries receiving this allowance
105.	Survey of the disabled population	Survey is underway
106.	Eradication of begging as a profession	Rehabilitation of beggars has begun. Tk. 7 crore has been allocated for this programme
107.	Creating a database on the beneficiaries of social safety net programmes using the National ID database	Work is underway to create the database. A project undertaken for the purpose has been sent to Planning Commission for approval

Table-2: Implementation of the priority programmes in progress**(Contd...)**

108.	Introducing Pension Insurance Scheme for the welfare of the deprived and low-income group	Introduction of the scheme is underway. A pilot scheme has been introduced at Nilphamari Sadar Upazilla
Women and Child Welfare		
109.	Establishing day care centres and maternity clinics in garment factories	Ministry of Commerce and the Ministry of Health and Family Welfare are implementing projects in this regard
110.	Increasing the number of day care centers for children	32 day care centers have already been started. 3 more will start soon
111.	Establishing <i>Shishu Bikash Kendra</i> in six big cities	<i>Shishu Bikash Kendras</i> in six big cities are in operation
Freedom Fighter Welfare		
112.	Preserving the history and memories of the liberation war	Five relevant projects are ongoing
113.	Updating the list of the freedom fighters	The committee in this regard has been reconstituted. The guideline is also being amended
114.	Bringing all freedom fighters within the fold of regular allowance system in the next fiscal year	In progress
115.	Providing ration to the freedom fighters	Ration is provided to 7,838 families of war-wounded and martyred freedom fighters
Good Governance		
116.	Introducing compulsory application of Alternative Dispute Resolution (ADR)	A committee headed by the Solicitor of the Law and Justice Division has submitted a report on inclusion ADR procedures in CrPC. The report will soon be placed before the cabinet
117.	Completing of the trial of the war criminals	The trial is going on
118.	Decentralising the power of central government through strengthening the local government institutions	The Zila Parisads are being restructured. In addition, the Upazila Parishad (Amendment) Act, 2011 has been promulgated
119.	Ensuring supply of safe drinking water to all	Supply has been ensured for 88 percent people of the country
120.	Ensuring 100 percent coverage of sanitary latrine by FY2010-11	The target year has been shifted from 2011 to 2013. Already, the coverage is 91 percent.

Table-2: Implementation of the priority programmes in progress**(Contd...)**

121.	Distributing khas land in an integrated manner for the purposes of <i>housing and implementation of adarsha gram</i> and <i>ashrayan</i> projects	Ministry of Land is implementing cluster village programme after the successful implementation of <i>Adarsa Gram</i> programme
Tax Administration and Tax Law		
122.	Amending the income tax law	Drafting of a new direct tax law is underway
123.	Introducing online submission of income tax return throughout	The process of extending the online submission facility across the country is underway
124.	Introducing automation at the field level income tax offices	The process is underway
125.	Modernising the Tax Identification Number (TIN) system	Modernising the system through online connectivity of TIN with National ID database is underway
126.	Extending the operation of Large Taxpayer's Unit (LTU) to Chittagong	The process is underway
127.	Incentivising the honest taxpayers	Offering tax cards for the highest taxpayers is under active consideration
128.	Appointing income tax advisors	The process is underway
129.	Formulating new Value Added Tax (VAT) law in FY 2011-12	The formulation of the law is under progress
130.	Facilitating online VAT registration and submission of return	The process is ongoing
131.	Abolishing the Pre Shipment Inspection (PSI) system	Action is underway to abolish the PSI system by December 2012

Table-3: Priority programmes yet to be completed

Sl No.	Budget Commitments
Budget and Planning	
1.	District budget
Business Environment	
2.	Introducing One Stop Service Centre for issuing construction related clearance certificates
Integrated Agriculture and Rural Development	
3.	Formulation of Shrimp Policy
Health and Family Planning	
4.	Expanding National Nutrition Programme to 123 Upazilas
5.	Raising the doctor, nurse and health care worker ratio to 1:3:5 in the health centers and hospitals
Physical Infrastructure	
6.	Construction of circular road around Dhaka
7.	Construction of circular railway around Dhaka
8.	Construction of Dhaka Eastern Bypass
9.	Turning Bangladesh Biman into an efficient and service oriented organization. Cooperation or joint venture with a foreign competent organization.
10.	Settlements/township in union/rural growth centres/towns/city suburbs
Industrialisation	
11.	Celebrating Tourism Year 2011 and holding SAARC Tourism Mart on January 2012
Women and Child Welfare	
12.	Implementation of a coordinated development programme for girl child by fiscal year 2012-13
Good Governance	
13.	Undertaking an integrated programme to solve growing traffic congestion /water supply/sewerage/environment related problems of Dhaka Metropolitan City
Tax Administration and Tax Law	
14.	Establishing the National Tax Tribunal
15.	Establishing Reserve for Reward and Financial Incentives Fund
16.	Establishing Tax Information Management and Research Centre
17.	Upgrading the post of Director General of central Intelligence cell to grade 2 of national pay scales

Table-4: Recent Trends of Macroeconomic Indicators

Indicator	Unit/Growth	2008-09 (Actual)	2009-10 (Actual)	2010-11 (Actual)	2011-12 (Till April)
Real GDP	Growth (%)	5.7	6.1	6.7	6.3
Inflation	YoY growth (%)	6.7	7.3	8.8	10.8
Money supply (M2)	YoY growth (%)	19.2	22.4	21.3	17.6*
Credit to private sector	YoY growth (%)	14.6	24.2	25.8	19.4*
Export	Billion US dollar Growth (%)	15.6 (10.3)	16.2 (4.1)	22.9 (41.5)	19.8 (8.4)
Import	Billion US dollar Growth (%)	22.5 (4.1)	23.7 (5.5)	33.6 (41.8)	29.8 (8.7)
Remittances	Billion US dollar Growth (%)	9.7 (22.4)	11.0 (13.4)	11.7 (6.0)	10.6 (10.4)
Current account balance	Billion US dollar (% of GDP)	2.4 (2.7)	3.7 (3.7)	1.0 (0.9)	0.45* (0.5)
Foreign exchange reserve	Billion US dollar (In Months of Imports)	7.5 (3.8)	10.7 (5.1)	10.9 (3.7)	9.5** (3.0)
Exchange rate (average)	Taka/US dollar Depreciation (%)	68.8 (0.3)	69.2 (0.6)	71.2 (2.9)	81.9*** (15.0)

* July-March, 2012; ** Reserve on 29 May 2012; *** Average rate on 29 May 2012

Source: Bangladesh Bank, Bangladesh Bureau of Statistics

Table-5: Budget Structure

(Year: 2008-09 to 2012-13)

(In crore Tk.)

Item	Budget 2012-13	Revised 2011-12	Budget 2011-12	Actual 2010-11	Actual 2009-10	Actual 2008-09
1	2	3	4	5	6	7
Total Revenue	1,39,670 (13.41)	1,14,885 (12.56)	1,18,385 (13.16)	92,991 (11.81)	75,905 (10.99)	64,568 (10.50)
of which						
(a) NBR tax	1,12,259 (10.78)	92,370 (10.10)	91,870 (10.21)	76,248 (9.68)	59,742 (8.65)	50,216 (8.17)
(b) Non-NBR tax	4,565 (0.44)	3,915 (0.43)	3,915 (0.44)	3,300 (0.42)	2,743 (0.40)	2,653 (0.43)
(c) Non-tax Revenue	22,846 (2.19)	18,600 (2.03)	22,600 (2.51)	13,443 (1.71)	13,420 (1.94)	11,699 (1.90)
Total Expenditure	1,91,738 (18.41)	1,61,213 (17.62)	1,63,589 (18.18)	1,27,872 (16.24)	1,00,979 (14.62)	89,314 (14.52)
(a) Non-development current expenditure	99,496 (9.55)	91,823 (10.04)	87,851 (9.76)	77,469 (9.84)	67,013 (9.70)	62,282 (10.13)
(b) Development Expenditure	60,137 (5.77)	45,651 (4.99)	50,642 (5.63)	35,733 (4.54)	28,115 (4.07)	21,684 (3.53)
of which ADP	55,000 (5.28)	41,080 (4.49)	46,000 (5.11)	33,284 (4.23)	25,553 (3.70)	19,438 (3.16)
(c) Other Expenditure	32,105 (3.08)	23,739 (2.60)	25,096 (2.79)	14,670 (1.86)	5,851 (0.85)	5,348 (0.87)
Budget deficit	-52,068 (-5.00)	-46,328 (-5.06)	-45,204 (-5.02)	-34,881 (-4.43)	-25,074 (-3.63)	-24,746 (-4.02)
Financing	52,068	46,328	45,204	34,881	25,074	24,746
(a) External	18,584 (1.78)	11,859 (1.30)	17,996 (2.00)	4,687 (0.60)	9,254 (1.34)	4,734 (0.77)
(b) Domestic	33,484 (3.22)	34,469 (3.77)	27,208 (3.02)	30,194 (3.83)	15,820 (2.29)	20,012 (3.25)
Of which Bank	23,000 (2.21)	29,115 (3.18)	18,957 (2.11)	25,210 (3.20)	-2,092 (-0.30)	13,793 (2.24)
GDP	10,41,360	9,14,784	8,99,670	7,87,495	6,90,571	6,14,943

(Numbers in parentheses are expressed in percentage of GDP)

Table-6: Sector Wise Distribution and Priority of Total Budget

(Year: 2008-09 to 2012-13)

(In crore taka)

Ministry/Division	Budget 2012-13	Revised 2011-12	Budget 2011-12	Actual 2010-11	Actual 2009-10	Actual 2008-09
(a) Social Infrastructure	46,296 (24.15)	40,283 (25.0)	42,890 (26.2)	36,169 (28.2)	30,934 (30.5)	26,631 (29.8)
Human Resources						
1. Ministry of Education	11,583 (6.04)	10,633 (6.60)	10,850 (6.63)	10,079 (7.86)	8,712 (8.58)	6,538 (7.32)
2. Ministry of Primary & Mass Education	9,825 (5.12)	7,727 (4.79)	8,956 (5.47)	8,304 (6.47)	6,838 (6.74)	5,331 (5.97)
3. Ministry of Health and Family Welfare	9,333 (4.87)	8,149 (5.05)	8,869 (5.42)	7,287 (5.68)	6,271 (6.18)	5,101 (5.71)
4. Others	8,649 (4.51)	7,219 (4.48)	7,129 (4.36)	6,068 (4.73)	4,937 (4.86)	4,133 (4.63)
Sub-Total :	39,390 (20.54)	33,728 (20.92)	35,804 (21.89)	31,738 (24.75)	26,758 (26.36)	21,103 (23.63)
Food and Social Security						
5. Food Division	1,080 (0.56)	1,104 (0.68)	1,360 (0.83)	1,194 (0.93)	353 (0.35)	5,528 (6.19)
6. Disaster Management & Relief Division	5,826 (3.04)	5,451 (3.38)	5,726 (3.50)	3,237 (2.52)	3,823 (3.77)	0 (0.00)
Sub-Total :	6,906 (3.60)	6,555 (4.07)	7,086 (4.33)	4,431 (3.45)	4,176 (4.11)	5,528 (6.19)
(b) Physical Infrastructure	53,330 (27.81)	45,983 (28.52)	46,074 (28.16)	38,734 (30.20)	30,934 (30.47)	24,878 (27.85)
Agriculture and Rural Development						
7. Ministry of Agriculture	8,909 (4.65)	9,260 (5.74)	7,406 (4.53)	8,438 (6.58)	7,350 (7.24)	6,977 (7.81)
8. Ministry of Water Resources	2,855 (1.49)	2,241 (1.39)	2,228 (1.36)	2,040 (1.59)	1,838 (1.81)	1,461 (1.64)
9. Local Government Division	12,453 (6.49)	10,331 (6.41)	10,909 (6.67)	9,037 (7.05)	7,653 (7.54)	5,936 (6.65)
10. Others	4,436 (2.31)	4,441 (2.75)	4,244 (2.59)	3,648 (2.84)	2,816 (2.77)	2,040 (2.28)
Sub-Total :	28,653 (14.94)	26,273 (16.30)	24,787 (15.15)	23,163 (18.06)	19,657 (19.36)	16,414 (18.38)
Power and Energy	9,544 (4.98)	7,957 (4.94)	8,311 (5.08)	7,233 (5.64)	3,469 (3.42)	2,550 (2.86)
Communication Infrastructure						
11. Roads Division	4,244 (2.21)	4,181 (2.59)	7,450 (4.55)	5,584 (4.35)	4,828 (4.76)	3,704 (4.15)
12. Ministry of Railways	4,900 (2.56)	3,791 (2.35)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)
13. Bridges Division	1,161 (0.61)	688 (0.43)	2,245 (1.37)	385 (0.30)	331 (0.33)	0 (0.00)
14. Others	3,020 (1.58)	1,802 (1.12)	1,585 (0.97)	1,080 (0.84)	1,464 (1.44)	674 (0.75)
Sub-Total :	13,325 (6.95)	10,462 (6.49)	11,280 (6.90)	7,049 (5.50)	6,623 (6.52)	4,378 (4.90)

Table-6: Sector Wise Distribution and Priority of Total Budget

(Year: 2008-09 to 2012-13)

(In crore taka)

Ministry/Division	Budget 2012-13	Revised 2011-12	Budget 2011- 12	Actual 2010- 11	Actual 2009-10	Actual 2008-09
15. Other Sectors	1,808	1,291	1,696	1,289	1,185	1,536
	(0.94)	(0.80)	(1.04)	(1.01)	(1.17)	(1.72)
(c) General Service	37,002	30,970	36,444	25,350	20,512	18,335
	(19.30)	(19.21)	(22.28)	(19.77)	(20.20)	(20.53)
Public order and Safety	9,837	8,622	8,740	5,857	5,473	6,676
	(5.13)	(5.35)	(5.34)	(4.57)	(5.39)	(7.47)
16. Others	27,165	22,348	27,704	19,493	15,039	11,659
	(14.17)	(13.86)	(16.94)	(15.20)	(14.81)	(13.05)
Total :	136,628	92,887	94,733	81,553	67,076	52,023
	(71.26)	(57.62)	(57.91)	(63.59)	(66.07)	(58.25)
(d) Interest Payment	23,302	19,796	17,997	15,622	14,867	15,358
	(12.15)	(12.28)	(11.00)	(12.18)	(14.64)	(17.20)
(e) PPP, Subsidy & liabilities	9,409	7,459	8,109	1,849	3,199	1,547
	(4.91)	(4.63)	(4.96)	(1.44)	(3.15)	(1.73)
(f) Net lending & other expenditure	22,399	16,722	12,075	10,533	1,075	2,567
	(11.68)	(10.37)	(7.38)	(8.21)	(1.06)	(2.87)
Total Budget	191,738	161,213	163,589	128,257	101,521	89,316

(Numbers in parentheses are expressed in percentage of total budget)

Table-7: Sector Wise Allocation of Annual Development Programme

(Year: 2008-09 to 2012-13)

(In crore Tk.)

Ministry/Division	Budget 2012-13	Revised 2011-12	Budget 2011-12	Actual 2010-11	Actual 2009-10	Actual 2008-09
(A) Human Resources						
1. Ministry of Primary & Mass Education	4,382 (8.0)	2,460 (6.0)	3,514 (7.6)	3,151 (9.5)	2,700 (10.6)	2,049 (10.5)
2. Ministry of Health and Family Welfare	3,825 (7.0)	3,036 (7.4)	3,562 (7.7)	2,551 (7.7)	2,468 (9.7)	1,932 (9.9)
3. Ministry of Education	2,554 (4.6)	1,976 (4.8)	2,143 (4.7)	1,598 (4.8)	1,352 (5.3)	937 (4.8)
4. Others	3,257 (5.9)	1,893 (4.6)	1,934 (4.2)	1,236 (3.7)	790 (3.1)	727 (3.7)
Sub-total	14,018 (25.5)	9,365 (22.8)	11,153 (24.2)	8,536 (25.6)	7,310 (28.6)	5,645 (29.0)
(B) Overall Agriculture						
5. Local Government Division	10,815 (19.7)	8,896 (21.7)	9,405 (20.4)	7,573 (22.8)	6,444 (25.2)	4,854 (25.0)
6. Ministry of Water Resources	2,176 (3.9)	1,544 (3.8)	1,507 (3.3)	1,349 (4.1)	1,138 (4.5)	855 (4.4)
7. Ministry of Agriculture	1,242 (2.3)	1,022 (2.5)	1,038 (2.3)	1,025 (3.1)	905 (3.5)	724 (3.7)
8. Others	2,204 (4.0)	1,917 (4.7)	1,718 (3.9)	1,246 (3.7)	807 (3.2)	800 (4.1)
Sub-total	16,437 (29.9)	13,379 (32.6)	13,748 (29.9)	11,193 (33.6)	9,294 (36.4)	7,233 (37.2)
(C) Overall Energy						
9. Power Division	7,890 (14.3)	7,186 (17.5)	7,153 (15.6)	6,028 (18.1)	2,098 (8.2)	2,306 (11.9)
10. Energy and Mineral Resources Division	1,608 (2.9)	726 (1.8)	1,114 (2.4)	987 (3.0)	1,260 (4.9)	214 (1.1)
Sub-total	9,498 (17.3)	7,912 (19.3)	8,267 (18.0)	7,015 (21.1)	3,358 (13.1)	2,520 (13.0)

Table-7: Sector Wise Allocation of Annual Development Programme

(Year: 2008-09 to 2012-13)

(In crore Tk.)

Ministry/Division	Budget 2012-13	Revised 2011-12	Budget 2011-12	Actual 2010-11	Actual 2009-10	Actual 2008-09
(D) Overall Communication						
12. Ministry of Railways	3,310 (6.0)	2,266 (5.5)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
11. Roads Division	2,652 (4.8)	2,847 (6.9)	4,598 (10.0)	2,952 (8.9)	2,546 (10.0)	1,658 (8.5)
13. Bridges Division	1,161 (2.1)	688 (1.7)	2,245 (4.9)	384 (1.2)	331 (1.3)	0 (0.0)
14. Others	1,044 (1.9)	307 (0.7)	679 (1.5)	295 (0.9)	175 (0.7)	109 (0.6)
Sub-total	8,167 (14.8)	6,108 (14.9)	7,522 (16.4)	3,631 (10.9)	3,052 (11.9)	1,767 (9.1)
Total	48,120 (87.5)	36,764 (89.5)	40,690 (88.5)	30,375 (91.3)	23,014 (90.1)	17,165 (88.3)
15. Others	6,880 (12.5)	4,316 (10.5)	5,310 (11.5)	2,909 (8.7)	2,539 (9.9)	2,273 (11.6)
Total ADP	55,000	41,080	46,000	33,273	25,553	19,438

(Numbers in parentheses are expressed in percentage of total ADP)

Annex-B

The items for which customs duty/supplementary duty have been increased or decreased are as follows:

- (a) The cylinder capacity (c.c.) and supplementary duty slab of motor vehicle applicable for this FY 2011-12 have slightly changed for the forthcoming FY2012-13:

Description of motor vehicle	Supplementary Duty (%)
(a) up to 1500 c.c.	45
(b) 1,501 c.c.to 1,800 c.c.	100
(c) 1,801 c.c.to 2,000 c.c.	150
(d) 2,001 c.c.to 2,750 c.c.	250
(e) 2,751 c.c.to 4,000 c.c.	350
(f) 4,001 c.c. or more	500

- (b) **The items for which customs duty is reduced**

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
1.	0506.90.10	Bone ash	12	5
2.	1512.11.00	Crude sunflower-seed or safflower oil and fraction thereof	12	5
3.	1901.90.20	Dry mixed ingredients of food preparations in bulk	25	12
4.	2106.90.30	Soya protein based food preparations in bulk imported by VAT registered food processing industry	25	12
5.	2619.00.00	Slag, dross (other than granulated slag), scalings and other waste from the manufacture of iron or steel.	12	5
6.	2620.99.10	Fly ash	25	12

(b) The items for which customs duty is reduced

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
7.	2804.90.00	Selenium	12	5
Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
8.	2811.29.10	Silica gel imported by VAT registered refrigerator manufacturing industry	12	5
9.	2824.90.20	Red lead oxide	12	5
10.	2825.50.00	Copper oxides and hydroxides	12	5
11.	2826.19.10	Sodium silicon fluoride	12	5
12.	2833.11.00	Disodium sulphate	12	5
13.	2834.29.10	Sodium nitrate	12	5
14.	2902.19.10	Cyclopentane imported by VAT registered refrigerator manufacturing industry	12	5
15.	2902.44.00	Mixed xylene isomers	12	5
16.	2902.50.10	Styrene imported by VAT registered paint manufacturing industries	12	5
17.	3302.10.10	Mixtures of odoriferous substances and mixtures of a kind used in beverage and food manufacturing and imported by VAT registered beverage and food industries, containing alcohol not exceeding 0.5% absolute per volume or free from alcohol	25	12
18.	3507.90.10	Streptokinase	12	0
19.	3920.10.20	Other plates, sheets, film, foil and strip of polymers of ethylene imported by VAT registered personal hygiene products manufacturers	25	12

(b) The items for which customs duty is reduced

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
20.	4410.11.10	Particle board imported by VAT registered furniture exporting industries	25	12
21.	5602.10.10	Needleloom felt and stitch-bonded fibre fabrics imported by VAT registered personal hygiene products manufacturers	25	12
22.	6813.20.90	Other friction material and articles thereof containing asbestos	25	12
23.	7007.11.00	Toughened (tempered) safety glass: of size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels	25	12
24.	7208.52.10	Other, not in coils, not further worked than hot-rolled of a thickness of 4.75 mm or more but not exceeding 10 mm imported by VAT registered iron/steel products, motorcycle and transformer manufacturing industry	12	5
25.	7208.53.10	Other, not in coils, not further worked than hot-rolled of a thickness of 3 mm or more but less than 4.75 mm imported by VAT registered iron/steel products, motorcycle and transformer manufacturing industry	12	5

(b) The items for which customs duty is reduced

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
26.	7208.54.10	Other, not in coils, not further worked than hot-rolled of a thickness of less than of 3 mm imported by VAT registered iron/still products, motorcycle and transformer manufacturing industry	12	5
27.	7210.70.20	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, painted, varnished or coated with plastics of a thickness of more than 0.6 mm	25	12
Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
28.	7212.20.10	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm electrolytically plated or coated with zinc imported by VAT registered motorcycle manufacturing industry	12	5
29.	7212.40.10	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm Painted, varnished or coated with plastics imported by VAT registered motorcycle manufacturing industry	12	5

(b) The items for which customs duty is reduced

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
30.	7304.39.10	Tubes, pipes and hollow profiles, seamless, of iron Other, of circular cross-section, of iron or non-alloy steel imported by VAT registered motorcycle manufacturing industry	12	5
31.	7315.11.20	Roller chain of kind used exclusively in motor cycles	25	12
32.	8483.10.10	Crank shaft imported by VAT registered motorcycle manufacturing industry	12	5
33.	8511.20.10	Ignition magnetos imported by VAT registered motorcycle and manufacturing industry	12	5
34.	8511.40.10	Starter motors imported by VAT registered motorcycle manufacturing industry	12	5
35.	8528.61.00	Projector of a kind solely or principally used in an automatic data processing system of heading 84.71	25	5
36.	8528.69.00	Other projectors	25	5
37.	8535.21.00	Automatic circuit breakers for a voltage of less than 72.5 kV	12	5
Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
38.	8535.29.00	Other automatic circuit breakers	12	5
39.	8536.20.00	Automatic circuit breakers	12	5
40.	8544.11.10	Winding wire of copper imported by VAT registered transformer manufacturing industries	25	5

(b) The items for which customs duty is reduced

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
41.	9018.39.20	Insulin pen	5	0
42.	9029.20.10	Speed indicators and tachometers; stroboscopes meter assembly imported by VAT registered motorcycle manufacturing industry	12	5
43.	9405.40.40	LED tube light	25	12

(c) The items for which customs duty is increased

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
1.	1511.10.90	Crude palm oil (excluding imported by VAT registered edible oil refinery industries)	0	12
2.	3909.20.90	Other melamine resins (excluding imported by VAT registered melamine products manufacturing industries)	5	12
3.	4015.11.00	Surgical gloves, mittens and mitts:	5	12
4.	4015.19.00	Other gloves, mittens and mitts:	12	25
5.	4802.55.90	Other paper and paperboard, not containing fibres obtained by a mechanical or chemical process or of which not more than 10% by weight of the total fibre content consists of such fibres of weighing 40 g/m ² or more but not more than 150 g/m ² , in rolls (excluding ECG and ultrasonogram recording paper)	5	25

(c) **The items for which customs duty is increased**

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
6.	5502.00.90	Artificial filament tow (excluding imported by VAT registered manufacturing industries)	5	12
7.	6810.19.10	Railway sleepers	5	12
8.	7209.18.90	Other flat-rolled products In coils, not further worked than cold-rolled (cold-reduced) of a thickness of less than 0.5 mm of primary quality	12	25
9.	7321.90.00	Parts of stoves, ranges, grates, cookers	5	12
10.	7607.11.90	Other aluminium foil not backed rolled but not further worked (excluding imported by VAT registered manufacturing industries)	5	12

(d) **The items for which supplementary duty is waived**

Sl. No	H.S.Code	Description	Existing Rate (%)	Proposed Rate (%)
1.	1901.90.40	Nutritional supplement for pregnant women and breast feeding mothers, put up for retail sale	20	0
2.	1901.90.91	Imported in bulk by VAT registered food processing industries	20	0
3.	2103.90.10	Mixed seasoning imported by VAT registered foodstuff manufacturing industries	20	0

(d) The items for which supplementary duty is waived

(Contd..)

Sl. No	H.S.Code	Description	Existing Rate (%)	Proposed Rate (%)
4.	2517.10.10	Flint/grinding pebbles imported by VAT registered ceramic products manufacturing industries	20	0
5.	4410.11.10	Particle board imported by VAT registered furniture exporting industries	20	0
6.	6802.29.10	Silex/lining/abrasive/polishing disc imported by VAT registered ceramic products manufacturing industries	60	0
7.	8301.20.10	Locks of a kind used for motorcycle imported by VAT registered motorcycle manufacturing industry	20	0
8.	8418.69.93	Freezer or storage box of exceeding 2000 L capacity imported by VAT registered ice-cream manufacturing industries	30	0
9.	9403.20.10	Other metal furniture specially design to receive apparatus of heading 84.71 and 85.17	30	0
10.	9405.40.40	LED tube light	60	0

(e) The items for which supplementary duty is increased

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
1.	03.04 (All H.S.Codes)	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen.	0,20	20
2.	07.09 (All H.S.Codes)	Other vegetables, fresh or chilled.	0	20

(e) The items for which supplementary duty is increased

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
3.	0802.90.11 0802.90.19	Betelnuts	20	30
	0804.50.31 0804.50.39	Mangosteens	20	30
	0805.10.10 0805.10.90	Oranges	20	30
	0805.20.10 0805.20.90	Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids	20	30
	0805.40.10 0805.40.90	Grapefruit, including pomelos	20	30
	0805.50.10 0805.50.90	Lemons (Citrus limon, citrus limonum) and limes (Citrus aurantifoli, citrus Latifolia	20	30
	0805.90.11 0805.90.19 0805.90.21 0805.90.29	Other citrus fruit, fresh or dried	20	30
	08.06 (All H.S.Codes)	Grapes, fresh or dried	20	30
	4.	08.07 (All H.S.Codes)	Melons (including watermelons) and papaws (papayas), fresh.	0
5.	08.08 (All H.S.Codes)	Apples, pears and quinces, fresh	20	30
6.	08.09 (All H.S.Codes)	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh.	0	30
7.	0810.90.10 0810.90.90	Other fresh fruits	20	30
8.	0902.30.00	Black tea (fermented) and partly fermented tea, in immediate packings of a content not exceeding 3 kg	0	20
	0902.40.00	Other black tea (fermented) and other partly fermented tea	0	20

(e) The items for which supplementary duty is increased

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
9.	1702.30.20	Liquid glucose	20	30
	1702.30.90	Other glucose and glucose syrup	20	30
	1702.40.00	Glucose and glucose syrup, containing in the dry state at least 20% but less than 50% by weight of fructose, excluding invert sugar	20	30
10.	20.07 (All H.S.Codes)	Jams, fruit jellies, marmalades, fruit or nut puree and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter.	20	30
	20.09 (All H.S.Codes)	Fruit juices (including grape must) and vegetable juices, unfermented not containing added spirit, whether or not containing added sugar or other sweetening matter.	20	30
	21.03 (All H.S.Codes, Excluding 2103.90.10)	Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard.	20	30
11.	2105.00.00	Ice cream and other edible ice, whether or not containing cocoa	0	30
12.	22.01 (All H.S.Codes)	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow	20	30
	22.02 (All H.S.Codes)	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09.	100	150

(e) The items for which supplementary duty is increased

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
13.	3917.21.00	Tubes, pipes and hoses, rigid of polymers of ethylene	0	30
	3917.22.00	Tubes, pipes and hoses, rigid of polymers of propylene	0	30
	3917.23.90	Tubes, pipes and hoses, rigid of polymers of vinyl chloride (excluding PVC shrinkable tube (plain))	0	30
	3917.29.90	Tubes, pipes and hoses, rigid of other plastics (excluding Silicone tubing for laboratory use; Hoses pipe for gas cylinder)	0	30
14.	4802.54.90	Other paper and paperboard, not containing fibres obtained by a mechanical or chemi-mechanical process or of which not more than 10% by weight of the total fibre content consists of such fibres of weighing less than 40 g/m ² (excluding yellow base paper imported by VAT registered manufacturing industries)	0	20
15.	4813.10.90 4813.20.90 4813.90.90	Cigarette paper excluding imported by VAT registered manufacturing industries	60	100
16.	48.18 (All H.S.Codes)	Toilet paper and similar paper, cellulose wadding or webs of cellulose fibres, of a kind used for household or sanitary purposes, in rolls of a width not exceeding 36 cm, or cut to size or shape; handkerchiefs, cleansing tissues, towels, tablecloths, serviettes, bed sheets and similar household, sanitary or hospital articles, articles of apparel and clothing accessories, of paper pulp, paper, cellulose wadding or webs of cellulose fibres.	30	45
17.	4821.10.00	Printed labels	20	45
18.	5605.00.10	Metalized round yarn	0	20

(e) The items for which supplementary duty is increased

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
19.	58.01 (All H.S.Codes)	Woven pile fabrics and chenille fabrics, other than fabrics of heading 58.02 or 58.06.	45	60
20.	60.01 (All H.S.Codes)	Pile fabrics, including "long pile" fabrics and terry fabrics, knitted or crocheted.	0, 45	60
	60.02 (All H.S.Codes)	Knitted or crocheted fabrics of a width not exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than those of heading 60.01.	0	60
	60.03 (All H.S.Codes)	Knitted or crocheted fabrics of a width not exceeding 30 cm, other than those of heading 60.01 or 60.02	0	60
	60.04 (All H.S.Codes)	Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other those of heading 60.01	0	60
	60.05 (All H.S.Codes)	Warp knit fabrics (including those made on galloon knitting machines), other than of headings 60.01 to 60.04	0	60
	60.06 (All H.S.Codes)	Other knitted or crocheted fabrics	0,45	60
21.	61.01 (All H.S.Codes)	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, knitted or crocheted, other than those of heading 61.03.	45	60
	61.02 (All H.S.Codes)	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), windcheaters, wind-jackets and similar articles, knitted or crocheted, other than those of heading 61.04.	45	60

(e) The items for which supplementary duty is increased

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)	
21.	61.03 (All H.S.Codes)	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear), knitted or crocheted.	45	60	
	61.04 (All H.S.Codes)	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swimwear), knitted or crocheted.	45	60	
	61.05 (All H.S.Codes)	Men's or boys' shirts, knitted or crocheted.	45	60	
	61.06 (All H.S.Codes)	Women's or girls' blouses, shirts, and shirt-blouses, knitted or crocheted.	45	60	
	61.07 (All H.S.Codes)	Men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles, knitted or crocheted.	45	60	
	61.08 (All H.S.Codes)	Women's or girls' slips, petticoats, briefs, panties, nightdresses, pyjamas, negliges, bathrobes, dressing gowns and similar articles, knitted or crocheted.	45	60	
	61.09 (All H.S.Codes)	T-shirts, singlets and other vests, knitted or crocheted.	45	60	
	61.10 (All H.S.Codes)	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted.	45	60	
	61.11 (All H.S.Codes)	Babies' garments and clothing accessories knitted or crocheted.	45	60	
	61.12 (All H.S.Codes)	Track suits, ski suits and swimwear, knitted or crocheted.	45	60	
	6113.00.00		Garments, made up of knitted or crocheted fabrics of heading 59.03, 59.06 or 59.07.	45	60

(e) The items for which supplementary duty is increased

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
21.	61.14 (All H.S.Codes)	Other garments, knitted or crocheted.	45	60
	61.15 (All H.S.Codes)	Panty hose, tights, stockings, socks and other hosiery, including graduated compression hosiery (for example, stockings for varicose veins) and footwear without applied soles, knitted or crocheted.	45	60
	61.16 (All H.S.Codes)	Gloves, mittens and mitts, knitted or crocheted.	45	60
22.	61.17 (All H.S.Codes)	Other made up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments or of clothing accessories.	45	60
23.	62.01 to 62.10 (All H.S. Codes)	All kinds of readymade garments and similar articles of men, women and children (excluding swimwear)	45	60
24.	67.02 (All H.S.Codes)	Artificial flowers, foliage and fruit and parts thereof; articles made of artificial flowers, foliage or fruit.	0	45
25.	69.07 (All H.S.Codes)	Unglazed ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes and the like, whether or not on a backing.	45	60
	69.08 (All H.S.Codes)	Glazed ceramic flags and paving hearth or wall tiles; glazed ceramic mosaic cubes and the like, whether or not on a backing.	45	60
26.	69.10 (All H.S.Codes)	Ceramic sinks, wash basins, wash basin pedestals, baths, bidets, water closet pans, flushing cisterns, urinals and similar sanitary fixtures.	45	60
27.	69.11 (All H.S.Codes)	Tableware, kitchenware, other household articles and toilet articles, of porcelain or china.	45	60
	69.12 (All H.S.Codes)	Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china.	45	60

(e) The items for which supplementary duty is increased

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
27.	69.13 (All H.S.Codes)	Statuettes and other ornamental ceramic articles.	45	60
	69.14 (All H.S.Codes)	Other ceramic articles.	45	60
28.	7002.39.90	Glass tube	20	30
29.	7003.12.00	Cast glass and rolled glass non-wired sheets of coloured throughout the mass (body tinted), spacificed, flashed or having an absorbent, reflecting or non-reflecting layer.	20	30
	7003.19.00	Other cast glass and rolled glass of non-wired sheets	20	30
	7003.20.00	Cast glass and rolled glass wired sheets	20	30
	7003.30.00	Cast glass and rolled glass profiles	20	30
30.	70.04 (All H.S.Codes)	Drawn glass and blown glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked.	20	30
	70.05 (All H.S.Codes)	Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked.	20	30
31.	8414.51.10	Domestic table, floor, wall, window, or roof fans, with a self-contained motor of an output not exceeding room fans	30	45
	8414.90.10	Parts of fan	30	45
32.	8415.10.90	Air conditioning machines in CBU (Excluding requiring more than 90,000 BTU or equivalent)	60	100
	8415.20.00			
	8415.81.90			
	8415.82.90			
8415.83.90	8415.90.10	Parts for imported by VAT registered air conditioner manufacturing industry	20	30

(e) The items for which supplementary duty is increased

(Contd...)

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed Rate (%)
32.	8415.90.90	Parts for other importers	45	60
33.	8418.99.90	Other refrigerators, freezers parts (excluding imported by VAT registered refrigerator and freezer manufacturers)	0	30
34.	8544.42.00	Other electric conductors for a voltage not exceeding 1,000V fitted with connectors	0	20
35.	9404.21.00	Mattresses of cellular rubber or plastics, whether or not covered	0	30
36.	95.03 (All H.S.Codes)	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds.	0,20	30
37.	9504.40.00	Playing cards	20	45

(f) The items for which VAT is waived/partially waived/imposed at import stage

Sl. No	H.S. Code	Description	Existing VAT rate	Proposed VAT rate
1.	1511.10.90	Crude palm oil imported by cosmetics industries	10%	15%
2.	1512.11.00	Sunflower-seed or safflower oil and fraction thereof	15%	10%
3.	3507.90.10	Streptokinase	15%	0%
4.	5403.31.00	Other yarn, single of viscose rayon, untwisted or with a twist not exceeding 120 turns per metre	15%	0%
5.	9018.39.20	Insulin pen	15%	0%

(g) The items for which specific rate of duty is increased

Sl. No	H.S. Code	Description	Existing Duty	Proposed Duty
1.	2523.10.20	Cement clinker imported by VAT registered manufacturers of cement	BDT 350 per MT	BDT 500 per MT
2.	2523.10.80	Other cement clinker imported by other	BDT 550 per MT	BDT 750 per MT
3.	8908.00.00	Vessels and other floating structures for breaking up.	BDT 1,000.00 per LDT	BDT 1,200.00 per LDT

(h) The items for which concessionary benefit is given by SRO

(a) Capital Machinery

Sl. N	H.S. Code	Description	Existing Rate (%)	Proposed S.R.O Rate (%)
1.	6903.20.20	Alumina ball	12	3
2.	8415.81.20	Air handling unit & HVAC system for pharmaceutical industries requiring more than 90,000 BTU or equivalent	25	3
3.	8415.82.20	Air handling unit & HVAC system for pharmaceutical industries requiring more than 90,000 BTU or equivalent	25	3
4.	8419.40.20	Solar power water distillation plant	3	3
5.	8418.69.93	Freezer or storage box of exceeding 2000 L capacity imported by VAT registered ice-cream manufacturing industries	25	3

(b) Raw Materials of Ship building

Sl. No	H.S. Code	Description	Existing Rate (%)	Proposed S.R.O Rate (%)
1.	8483.10.00	Transmission shaft	12	5
2.	8487.10.00	Propeller	12	5
3.	7316.00.00	Anchor	12	5
4.	8311.10.00	Coated electrodes of base metal for electric-arc-welding rod	25	5

