
BUDGET FY2022-23: TARGETING BOTH PROTECTION & PROSPERITY
June 09, 2022

Yearly Notations

FY2021A – Actual
FY2022R – Revised
FY2023B – Budget

Executive Summary

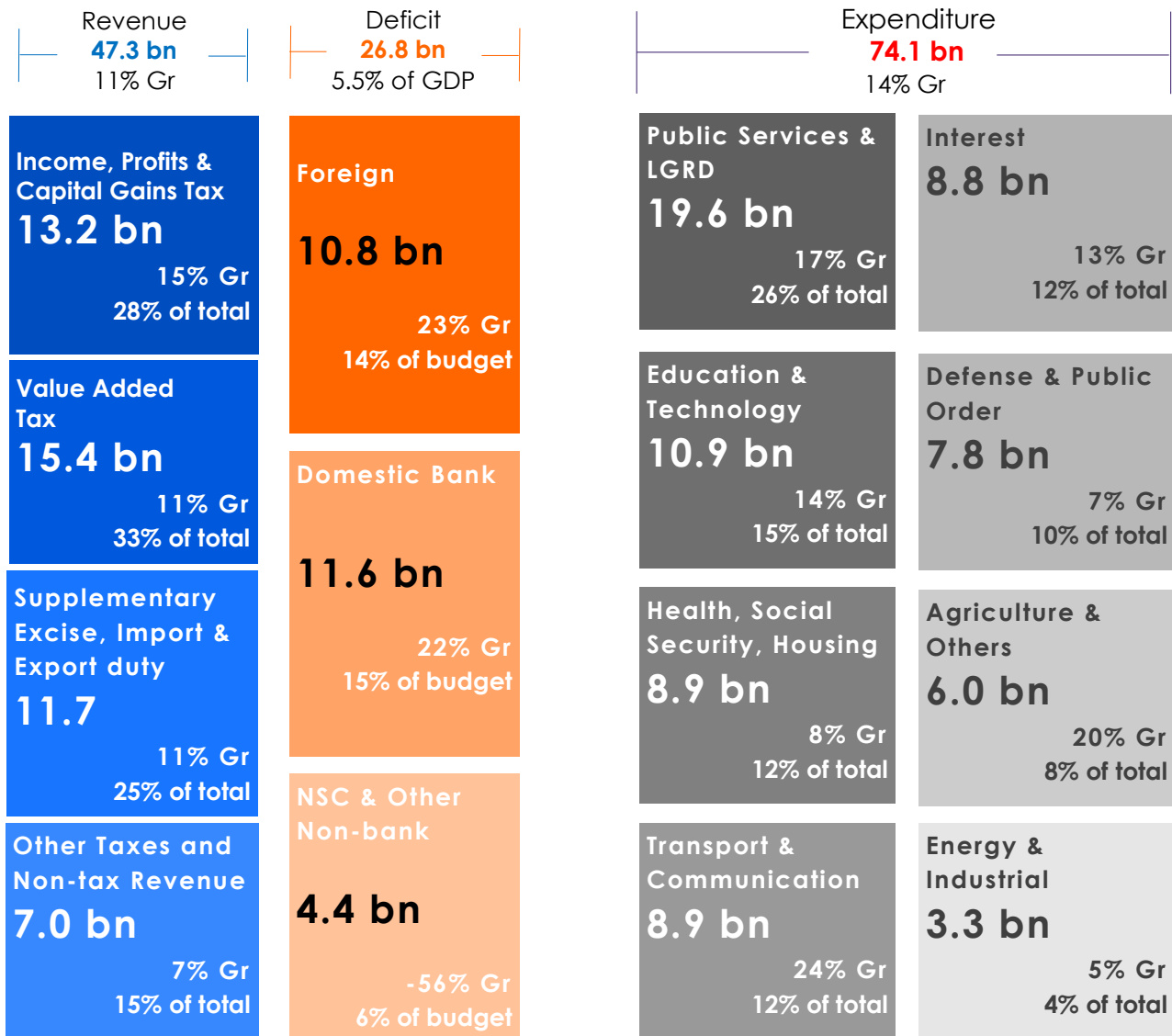
- FY2022-23 budget sizes at USD 74.1 bn, having a revenue target of USD 47.3 bn and deficit of USD 26.8 bn (5.5% of GDP, vs. 6.2% in FY2021-22). Annual Development Program (ADP) stands at USD 26.9 bn (36.3% of budget), 17.2% up from FY2021-22 Budget.
- Of the total budget deficit (USD 26.8 bn), USD 16 bn (60% of deficit) would be financed from domestic sources. Of this, USD 11.6 bn will be sourced from banking sector.
- GDP growth rate for FY2021-22 has been revised at 7.25% from original 7.2% target. For FY2022-23, GDP growth rate has been targeted at 7.5%, with the expectation of a revived economy despite challenges.
- For FY2022-23, GoB eyes inflation containment as top priority, with a strategy to “increase the supply while reducing the growth in demand”. Inflation for FY2021-22 is revised at 5.8%, from original 5.3% expectation in last budget. For FY2022-23, targeted inflation is 5.6%.
- GoB recognizes multiple challenges for the growth target including shocks from imported inflation, second wave of pandemic, vaccination priorities and healthcare needs, economic risks from Russia-Ukraine conflict, as well as rising demands. We understand inflation containment would require GoB to successfully manage each of these challenges.
- We see GoB is prioritizing its focus on-
 - Broadening the revenue base via more inclusive approach across existing and new avenues. Higher focus has been given on domestic sourcing, with banking sector continuing as a large source.
 - Domestic manufacturing and export prioritization to reduce pressure on external front. Also promoting remittance and discouraging non-essential imports to stave off BoP pressures.
 - Streamlining tax & VAT practices for a business accommodative approach while ensuring revenue targets stay achievable.
- Noticeable changes have been introduced to make revenue collection efforts more streamlined. Provision for shifting tax disputes at high court to ADR channel, mandatory submission of tax filings, etc. would be helping expand tax base if implemented properly.
- Vaccination progress and pandemic management efforts continue in the planned path, already putting the economy on a recovery trajectory. Elevated focus on food safety from increased local production and support for local manufacturing would help employment generation.

In short, Budget FY2022-23 eyes maintaining socio-economic stability amid external pressures and continuing economic recovery in an inflationary environment as primary priorities, in a pre-election landscape. Thus, current budget continues being accommodative to businesses and individuals alike by introducing populist steps that aids economic needs. Meanwhile, revenue efforts are strengthened through focusing higher financial inclusion, and stronger reliance on internal sources. We also see a re-prioritization of expenditures to manage the pressures and continue economic momentum past pandemic. We are cautiously optimistic on the outcome, given GoB can pull through the scenario well.

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**** For more details on numbers and statistics of the national budget for FY2022-23, please refer to the Appendix.**

BUDGET FY2022-23: THE FISCAL SKELETON
Figures in USD


1 USD = BDT 91.5

<i>Figures in BDT billion</i>	2022-23 Budget	Change*	% of Budget	% of GDP	2021-22 Revised	2020-21 Actual
Expenditure						
Non Development Current Expenditure	3,732	9.6%	55.0%	8.4%	3,406	2,659
Development Expenditure	2,596	17.0%	38.3%	5.8%	2,219	1,695
Other Expenditure	452	45.9%	6.7%	1.0%	310	248
Total Expenditure	6,781	14.2%	100.0%	15.2%	5,935	4,602
ADP	2,461	17.2%	36.3%	5.5%	2,100	1,605
Interest Payment	795	11.7%	11.7%	1.8%	712	706
Revenue						
NBR Tax	3,700	12.1%	54.6%	8.3%	3,300	2,639
Non-NBR Tax	180	12.5%	2.7%	0.4%	160	59
Non Tax Receipt	450	4.7%	6.6%	1.0%	430	589
Total Revenue	4,330	11.3%	63.9%	9.7%	3,890	3,287
Deficit Financing						
External	987	23.1%	14.6%	2.2%	802	481
Domestic	1,463	17.7%	21.6%	3.3%	1,243	826
Bank	1,063	21.8%	15.7%	2.4%	873	327
Budget Deficit	2,451	19.8%	36.1%	5.5%	2,045	1,315
GDP (Estimated)	44,500	11.9%	6.6x	100.0%	39,765	35,302

*Change over FY2021-22 Revised, Source: Ministry of Finance

TAX RATE FOR COMPANIES

- GoB proposed reducing the tax rate for listed companies with 10%+ paid up capital offloaded via IPO, to 20.0% from 22.5% for FY2022-23, subject to conditions* (Please see table below).
- The tax rate for non-listed companies reduced from existing 30.0% to 27.5% in FY2022-23*.
- However, the tax rate for listed and non-listed bank, insurance, non-bank financial institution, telecom and tobacco remained unchanged in the proposed budget for FY2022-23.
- The existing tax rate of 25.0% for companies applicable as one-person companies (OPCs) was slashed down to 22.5%* as well.
- If any employer employs 10 % or more than 25 persons from the physically challenged or the third gender community, the employer will be entitled to get 75 % of the salary paid to these people or 5 % of the tax payable, whichever is less, as tax rebate.

Description	Existing FY 2021-22	Proposed FY 2022-23	In case of failure to comply with the condition*	Impact
Publicly traded company that transfer more than 10% of its paid up capital through IPO	22.5%	20.0%	22.5%	Positive
Publicly traded company that transfer 10% or less than 10% of its paid up capital through IPO	22.5%	22.5%	25.0%	Unchanged
Non-publicly traded company	30.0%	27.5%	30.0%	Positive
One person company	25.0%	22.5%	25.0%	Positive
Publicly traded bank, insurance, and financial institution (except merchant bank)	37.5%	37.5%	N/A	Unchanged
Non-publicly traded bank, insurance and financial institution	40.0%	40.0%	N/A	Unchanged
Merchant Bank	37.5%	37.5%	N/A	Unchanged
Company producing all sorts of tobacco items including cigarette, bidi, chewing tobacco and gul	45.0% + 2.5% (Surcharge)	45.0% + 2.5% (Surcharge)	N/A	Unchanged
Publicly traded mobile operator company	40.0%	40.0%	N/A	Unchanged
Non-Publicly traded mobile operator company	45.0%	45.0%	N/A	Unchanged
Association of persons	30.0%	27.5%	30.0%	Positive
Artificial juridical person and other taxable entities	30.0%	27.5%	30.0%	Positive
Private university, private medical, dental and engineering college of private college solely dedicated to imparting education on ICT	15.0%	15.0%	N/A	Unchanged

*Condition: all receipts and income must be received through bank transfer and all expenditures and investments in excess of BDT 1.2 mn must be made through bank transfer

Source: Ministry of Finance, BRAC EPL Research

Tax at Source reduction:

GoB proposes the following reduction in source tax:

- Supply of trading goods: 5% from 7%
- Supply of books (except GoB supply): 3% from 7%
- Supply of raw materials to Manufacturers: 4% from 7%
- Bank interest for company: 20% from 10%
- Export Proceeds: 1% from 0.5%
- Terminal operation/ship handling : introduced 5% on gross bill

GoB also proposed the following changes in tax:

- Services rendered by resident taxpayers: reduced to 10% from 12%
- Other non scheduled payments to non-residents: reduced to 20% from 30%

PERSONAL TAXES RATES

- Tax applicable for individual taxpayers remained unchanged from FY2020-21. Current tax structure will also be effective on third gender. For third gender, tax free income ceiling would be BDT 350,000 (see Annex).
- The zero capital gain on listed securities and rules on advance tax over dividends have not been changed.

START-UP BUSINESS

- Exemption from all filing requirement except for Tax returns
- Can set off and carry forward losses over a period of nine years
- Restrictions on expenditure withdrawn
- Turnover tax at 0.1% instead of 0.6%

INCENTIVIZING INBOUND FOREIGN ASSETS

Provision added to income tax ordinance 1984 to promote foreign flow of funds. Per this rule, starting July 01 2022 and ending in June 30 2023, if a taxpayer declares money & assets earned abroad and pays tax on it, no authority, including NBR, will raise any question as to the source of such assets. The proposed rates are-

- 15% for immovable property not repatriated to Bangladesh
- 10% for movable property not repatriated to Bangladesh
- 7% for cash & cash equivalents repatriated to Bangladesh

CAPITAL MARKET

- The incentive pertaining to investing undisclosed money in the capital market will expire on June 30 2022. Latest budget has not provided any extension of this facility.
- The tax rules regarding capital gain and dividend from investing in listed companies remain unchanged.
- The multitude of positive tax adjustments, including corporate tax reduction for listed firms, lower rate for exporting firms and others will have a positive impact on majority of the listed stocks.

TELECOMMUNICATION

No Change in Tax

- Turnover tax is kept at 2%.
- Corporate tax rate is kept at 40% for listed telcos

Incentives/Tariffs Continuing in FY2022-23 Budget :

- The VAT exemption facility on manufacturing and assembling of mobile phones that was extended for two more years back in FY2021-22 budget, is expected to continue since GoB has not proposed otherwise.
- Increased tariff on import of feature phones (from 10% to 25%) continues.

Proposed Developments in FY23 Budget:

- Proposed increase in SD rate from 0% to 10% for optical fibre cables. We understand all telcos including **Robi (DSE ROBI: Bloomberg: ROBI BD)** and **Grameenphone (DSE: GP, Bloomberg: GRAM BD)** could experience increase in maintenance costs for their optical fibre infrastructure.
- On retail level, this would increase broadband prices since ISP companies rely on imported optical fibre cables for high-speed connectivity. Some of the listed ISP companies that could be moderately affected from the proposal include **AAMRANET (Bloomberg: AAMRANET BD)**, **AAMRATECH (Bloomberg: AAM BD)**, **DAFFODILCOM (Bloomberg: DAFODILC BD)**, **AGNISYS (Bloomberg: AGNISY BD)**, **BDCOM (Bloomberg: BDCOM BD)** **ADNTEL (Bloomberg: ADNTEL BD)** and **INTECH (Bloomberg: INTECH BD)**.

- Proposed curtail of rate of source tax on bandwidth payment made to non-residents from 20% to 10%. **ITC (Bloomberg: ITC BD)** could benefit from the proposed change.
- Proposed VAT exemption on 4G revenue sharing with BTRC could eliminate double taxation, improving profit of the mobile operators, in particular **ROBI (Bloomberg: ROBI BD)** and **GP (Bloomberg: GRAM BD)**.
- Existing 5% VAT exemption on trading of mobile handsets have been withdrawn. This would increase cost of ownership of mobile device, however may not have outright affect on **ROBI** and **GP**.

TOBACCO

- GoB has proposed to increase the price of 10-stick cigarettes; BDT 142.0 for premium segment, BDT 111.0 for high segment, BDT 65.0 for medium segment, and BDT 40.0 for low segment.
- Supplementary duties for cigarettes have been kept unchanged, 57% for low segment while 65% for the rest. Considering the inflationary pressure, we estimate the price increase would work in favour of tobacco companies like **British American Tobacco Bangladesh (DSE: BATBC, BLOOMBEG: BATB BD)**.
- From government's perspective, relative price inelasticity in the premium & high segment coupled with higher revenue contribution to state coffer provided room for increase in the proposed minimum price. Meanwhile, low-end segment, which accounts for sheer majority of the sticks sold, would experience price increase to a lesser degree, softening adverse impact on the revenue collection. In addition, the increase in low-end cigarette price is minimal enough to avoid switching towards illicit cigarettes.

Table: Existing and proposed price slabs and supplementary duty structure

	Existing price per 10 sticks	Proposed price per 10 sticks	% Change	Existing SD	Proposed SD	SD Change (bps)
Premium	135	142	+5.19%	65%	65%	unchanged
High	102	111	+8.82%	65%	65%	unchanged
Medium	63	65	+3.17%	65%	65%	unchanged
Low	39	40	+2.56%	57%	57%	unchanged

Source: Ministry of Finance, BRAC EPL Research

Handmade Non-filter Bidi				
	Existing Price	Proposed Price	% Change	SD
25 sticks	18	18	0%	
12 sticks	9	9	0%	30% (unchanged)
8 sticks	6	6	0%	

Source: Ministry of Finance, BRAC EPL Research

Handmade Filter Bidi				
	Existing Price	Proposed Price	% Change	SD
20 Sticks	19	19	0%	
10 Sticks	10	10	0%	40% (unchanged)

Source: Ministry of Finance, BRAC EPL Research

Corporate Tax Rate (Unchanged)	Existing FY 2021-22	Proposed FY 2022-23
All sorts of tobacco including cigarette, bidi, chewing tobacco, gul, manufacturing company	45% + 2.5% (Surcharge)	45% + 2.5% (Surcharge)

BANKS, FINANCIAL INSTITUTIONS & MFS

- GoB has suggested that bad loan which is written off for all type of tax payers, except for individuals, to consider as taxable income for the concerned loan defaulter. We welcome this move, as previously the proceeds from the write off was tax exempted. As such, putting that income under tax jurisdiction puts pressure on the willful loan defaulter as well as increase the tax revenue for GoB, if complied.
- GoB has proposed to put capital gain tax on the Govt. securities. However, there is yet to be any indication on the tax rate. We expect the tax rate to be similar to the capital gain tax rate on non govt. securities which is 15%. Such move is expected to adversely impact the investment income of the banks.
- GoB has suggested to withdraw tax on the service charge of Mobile Financial Services (MFS). We see this move to positively impact MFS wing of banks, **bKash (DSE: BRACBANK, Bloomberg: BRAC BD) and Rocket (DSE: DUTCHBANGL, Bloomberg: DUBA BD)**
- In order to encourage remittance via legal channel, GoB has increased the incentive on remittance by 0.5% to 2.5% since Jan 2022. Additionally, GoB has withdrawn the mandatory provisions for submission of earnings documents of the remitters in case of availing cash incentives against remittance exceeding the amount of USD 5,000. We expect that these moves will motivate remitters to send money via banking channel resulting in increase of fee income. Among the listed banks, banks with high remittance inflow like **Islami Bank (DSE: ISLAMIBANK, Bloomberg: ISLAMI BD) and Dutch Bangla Bank (DSE: DUTCHBANGL, Bloomberg: DUBA BD)** is expected to benefit the most.
- SME sector continue to get benefit in the proposed budget as well, the incentives provided in this budget are:
 - Increase of Custom Duty (CD) on the import of some of the finished products which are produced by the local SMEs.
 - Tax exemptions on the import of some of the raw materials used in the manufacturing of industrial goods.
 - Tax exemption for the SMEs owned by woman with an annual turnover of up to BDT 7 Mn.

The incentives provided for the SME industry will reduce both import costs and tax burdens. A growing SME sector is necessary for financial institutions which are focused on SMEs. A few listed FIs such as **BRAC Bank (DSE: BRACBANK, Bloomberg: BRAC BD)** and **IDLC Finance (DSE: IDLC, Bloomberg: IDLC BD)** are expected to have some positive impacts from these policies.

PHARMACEUTICALS

- MoF has proposed to withdraw tariff benefits on the import of raw materials for hand sanitizers, masks and PPE production, increasing the cost of production for **Reckitt Benckiser (DSE: RECKITBEN, Bloomberg: RECKIT BD)**, **ACI Limited (DSE: ACI, Bloomberg: ACI BD)** and PPE manufacturer like **Beximco (DSE: BEXIMCO, Bloomberg: BEXIMC BD)**.
- VAT on local manufacturing stage and VAT (including Advance Tax) and SD on import and local purchase of raw materials for manufacturing Active Pharmaceuticals Ingredients (API) are proposed to be exempted till Dec 31, 2025. Such move is expected to benefit **Active Fine (DSE: ACTIVEFINE, Bloomberg: ACTVC BD)**, **Square Pharma ((DSE: SQURPHARMA, Bloomberg: SQUARE BD)**, **Beximco Pharmaceuticals (DSE: BXPBARMA, Bloomberg: BXPBAR BD)** and **ACI Ltd. (DSE: ACI, Bloomberg: ACI BD)**.

AUTOMOBILE

- GoB has proposed to exempt VAT at the local manufacturing stage and VAT (including Advance tax) & SD on import and local purchase of raw materials and parts to manufacture motor car and motor cycle up to 2500 CC till 30 Jun 2030. However, in case, if the manufacturer can not meet the conditions of complete manufacturing, a 5% VAT will be applicable at the manufacturing stage from 2026.

- MoF has proposed a 5% VAT at the manufacturing stage of 3 wheelers. However, VAT (including Advance Tax) and SD will be exempted on the import of raw materials and parts till 30 Jun 2025.

Extension of Existing Benefits:

- The 20 year tax holiday benefit will continue for the automobile (3 wheelers and 4 wheelers) manufacturing firms with investment worth at least of BDT 1,000 Mn (USD 10.9 Mn).

Among the listed companies, **Runner Automobiles Ltd. (DSE: RUNNERAUTO, Bloomberg: RUNNERAU BD)** has an assembly plant for 2 wheelers. Additionally, the company is expected to start a 3 wheelers manufacturing plant from the mid of 2022. As such, once operational, we expect RUNNERAUTO to be eligible for the 20 year tax holiday.

Apart from that, **Ifad Autos Ltd. (DSE: IFADAUTOS, Bloomberg: IFAD BD)**, **Energypac Power Generation Ltd. (DSE: EPGL, Bloomberg: EPGL BD)**, and **Aftab Autos Ltd. (DSE: AFTABAUTO, Bloomberg: AFTABA BD)** have assembly plants. We expect these companies to be positively impacted by the VAT exemption. However, the VAT exemption after 2026, would depend on the fulfillment of conditions of becoming a complete manufacturer.

GoB also proposed VAT exemptions at the manufacturing and trading stage of power tiller, benefiting **ACI Limited (DSE: ACI, Bloomberg: ACI BD)**.

CONSUMER DURABLES

To support the local consumer durables industry, the government proposed the following facilities:

- Withdraw full exemption and impose 5% VAT at the local manufacturing stage on refrigerator and freezers and to continue existing exemption facilities on the imported and local purchase of raw materials and equipment till 30 Jun 2023.
- Exclude lift and skip hoist from capital machinery SRO and impose 5% CD from the existing 1% at the import stage of these products.
- Reduce the CD to 10% from the existing 25% on the metal frames for LCD/LED TV panels imported by the Industry IRC Holders.

Extension of Existing Benefits:

- The 10 year tax holiday provided to the home and kitchen appliances manufacturing facility will continue.
- VAT exemption for the production of compressors of refrigerator and freezers to continue till 30 Jun 2025.

The proposed changes are expected to impact both **Walton (DSE: WALTONHIL, Bloomberg: WALTONHI BD)** and **Singer (DSE: SINGERBD, Bloomberg: SINGER BD)**. 5% VAT at the local manufacturing stage on refrigerator and freezers would increase the cost the production for both the companies. However, Walton being the only compressor producer in Bangladesh, is expected to get benefit from the VAT exemption on compressor. Additionally, Walton has started to produce elevator. As such, the increase of CD on import of elevator is expected to positively impact Walton. Reduction of CD to 10% on the metal frames for LCD/LED TV would benefit both the companies. Additionally, the 10 year tax holiday provided for the home and kitchen appliances would be positive for both SINGERBD and WALTONHIL.

POWER AND FUEL

- Power generation capacity has been increased to 25,566 MW as of Jun 2022 from 4,900 MW in 2009. At present, 34 power plants with total capacity of 13,530 MW are under construction.
- ~3.8% of the total budget has been allocated for energy and power sector.
- Existing 5.0% VAT for manufacturing LPG cylinder has been extended for FY2022-23 as well. In addition, exemption of VAT on first stage purchase of LPG in bulk has been proposed. **MJL Bangladesh (DSE: MJLBD, Bloomberg: MJL BD)** and **Energypac Power Generation (DSE: EPGL, Bloomberg: EPGL BD)** are expected to benefit from these facilities.

FOOD & FAST MOVING CONSUMER GOODS SECTOR

- Regulatory Duty on Carbon dioxide has been proposed to be reduced from 15% to 5%. This would benefit carbonated beverage, frozen food, and other food processing activities. **AMCL(PRAN) (Bloomberg: AMCL BD)** could potentially benefit from the reduction. **LINDEBD (Blomberg: LINDEBD BD)** may be exposed to this event.
- Reduction in corporate tax rate for non RMG exporting companies might benefit footwear exporters like **FORTUNE and APEXFOOT (Blomberg: APEXF BD)**.
- Proposed customs duty on Chiller for cold storage would be reduced to 10% from previous 25%, lowering total tax incidence to 37%. **GHAIL (Bloomberg: GHAI BD)** through its subsidiary could benefit from it.

AGRI CHEMICALS

- Proposed customs duty on Fungicides has been reduced to 10% from 25%.
- Proposed exemption of Advance Tax on the following items: Castor Oil Polyglycol 36-37, Solvesso 150 (APAC), Genapol 100, Propoconazole Technical 220 KG 22D, Dodecylbzols Acid Branched CA-S Sol.
- New items included in the SRO no. 186/2020 offering concessional facility: 1-methyl-2-pyrrolidone, 1-hexanol, Polyoxyethylene sorbitan mono-oleate, Castor oil ethoxylated, Solvesso 100, and Stearyl-alcohol ethoxilated
- **Impact:** Potentially positive for **ACI (Bloomberg: ACI BD)**, **ACMEPL** and **Mamun Agro (DSE: MAMUNAGRO ; SME Board)**

CONSTRUCTION MATERIAL

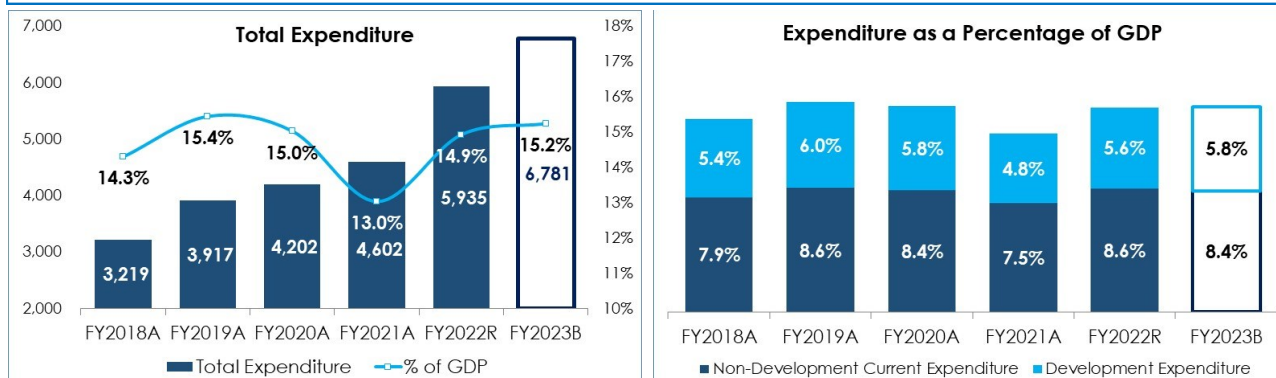
- GoB proposed to reduce tax on import of HR coil and zinc, raw material of galvanized iron sheets or steel products, to 3% from the existing 5%. Such move is expected to benefit **Anwar Galvanizing (DSE: ANWARGALV, Bloomberg: ANWARG BD)**.
- VAT of M.S. products at the trading stage has been reduced to BDT 200 per Metric Ton from the existing BDT 500 per Metric Ton, reducing the cost of the production. Steel companies like **BSRM Limited (DSE: BSRMLTD, Bloomberg: BASR BD)**, **BSRM Steel (DSE: BSRMSTEEL, Bloomberg: BSRM BD)**, **GPH Ishpat (DSE: GPHISPAT, Bloomberg: GPH BD)**, etc. are expected to get benefit from it.
- GoB has suggested to withdraw the VAT exemption at production stage of Concrete Ready Mix. Among the listed companies, **M.I. Cement (DSE: MICEMENT, Bloomberg: MICM BD)** is exposed to this.
- Import Duty has been proposed to increase to 15% from the existing 10% on electrodes, benefiting **Linde Bangladesh (DSE: LINDEBD, Bloomberg: LINDEBD BD)**.

RMG

- Prevailing tax rate of 15% for the textile sector has been extended till Jun 30, 2025.
- Export incentive of additional 1.0% along with various existing incentives in the RMGs continues.
- Source tax on export proceeds has been proposed to be increased to 1.0% from that of 0.5% which would result in lower receivables.
- Proposed VAT exemption on sub contracts between manufacturing units under bonded facility would improve profitability of the export-oriented RMGs.
- VAT exemption proposed at manufacturing stage to produce Textile Grade Pet Chips, which would benefit manufacturers of polyester filament yarn and staple fibres.
- Proposed reduction in VAT on yarn made from man-made fiber (MMF) and other fibers from BDT 6.0 per kg to BDT 3.0 per kg, which would help textiles and spinners specializing in MMFs.

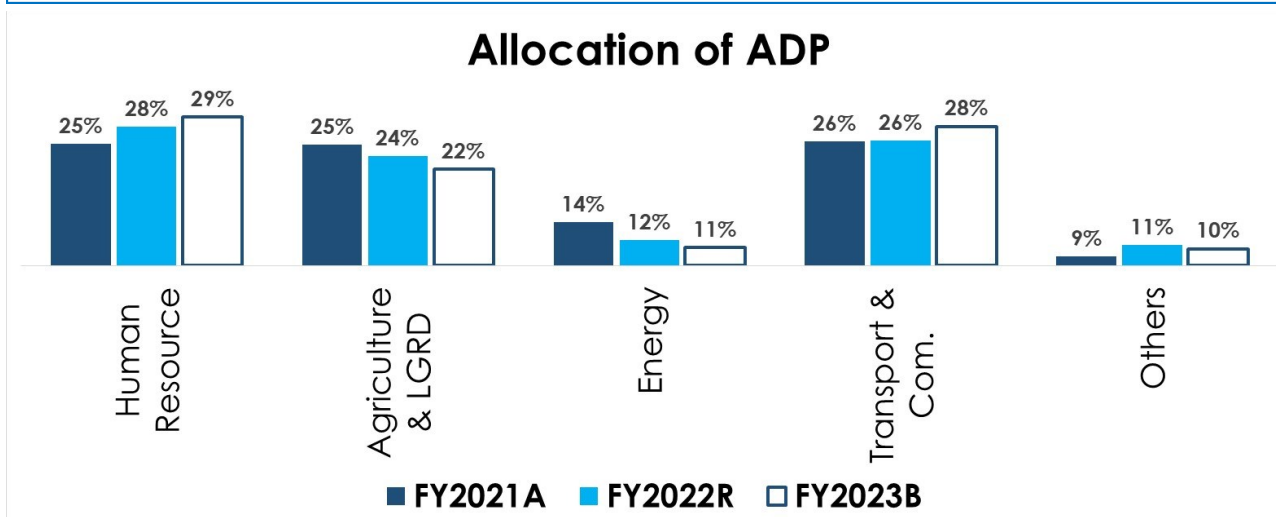
OTHERS

- Import duty on wheat gluten (domestic poultry) has been proposed to 15% from previous from 25%, while proposed import duty on sugarcane molasses (cattle feed) has been reduced to 10% from 15%. **INDEXAGRO (Bloomberg: INDEXAGR BD), AMANFEED (Bloomberg: AMANFEED BD), and NFML (Bloomberg: NFML BD)** could benefit from the proposal.
- Proposed continuation of the concessions and zero tariffs on manufacturing and trading for poultry, dairy and fish feed products as per Customs S.R.O. No. 128-Ain / 2020/79 / Customs. In addition, test kits, feed grade molasses and cane molasses have been proposed to be included in the aforementioned SRO in the FY2022-23 budget. The aforementioned feed companies would benefit from the proposal.
- Import duty of "transmission or conveyor belts or belting" has been proposed to be increased to 5% from 1.0%. This could affect manufacturing companies (e.g. cement, food, packaged meal) requiring imported conveyor belt .
- To benefit local electrode manufacturing and wire drawing Industry, the GoB proposes reduction of import duty on the import of Bars & Rods of alloy steel to 5% from previous 10%. Wire rod could see reduction in Supplementary Duty from 45% to proposed 0%.
- 5% source tax on lease of water bodies owned by other than GoB, benefiting the fisheries and hatcheries.

APPENDICES
GOVERNMENT EXPENDITURES


Source: Ministry of Finance

Source: Ministry of Finance

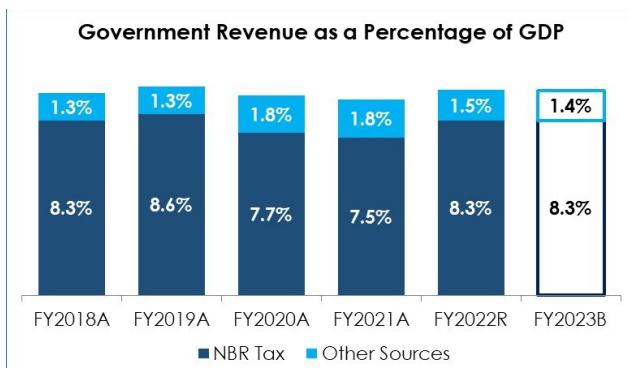
ALLOCATION of ADP


Figures in BDT billion	2022-23 Budget	Change*	% of Total	2021-22 Revised	2020-21 Actual
Human Resource	722	23%	29%	586	408
Agriculture & LGRD	536	8%	22%	496	407
Energy	259	6%	11%	244	228
Transport & Com.	687	26%	28%	544	413
Others	256	12%	10%	230	150
Total	2,461	17%	100%	2,100	1,605

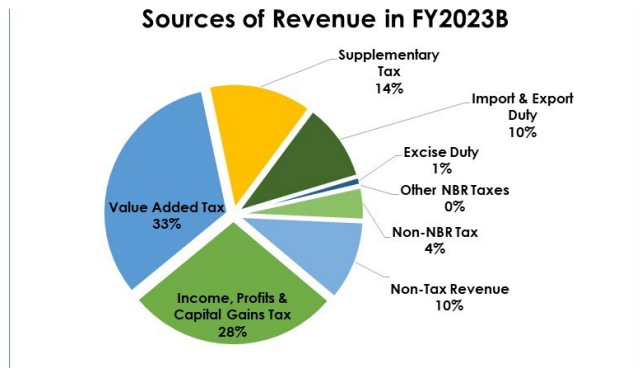
*Change over FY2020-21 Revised, Source: Ministry of Finance

APPENDICES

REVENUE COLLECTION



Source: Ministry of Finance



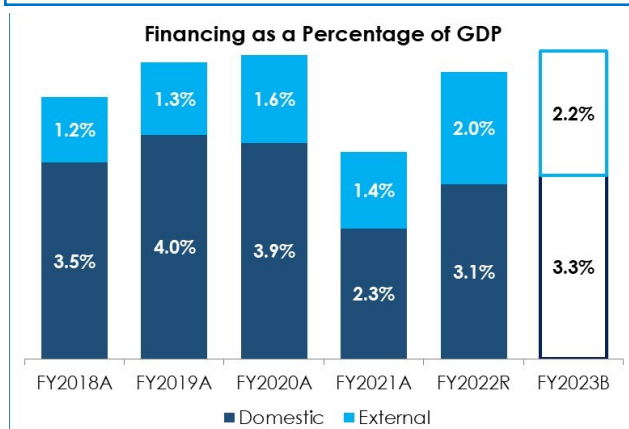
Source: Ministry of Finance

SOURCES OF TAX

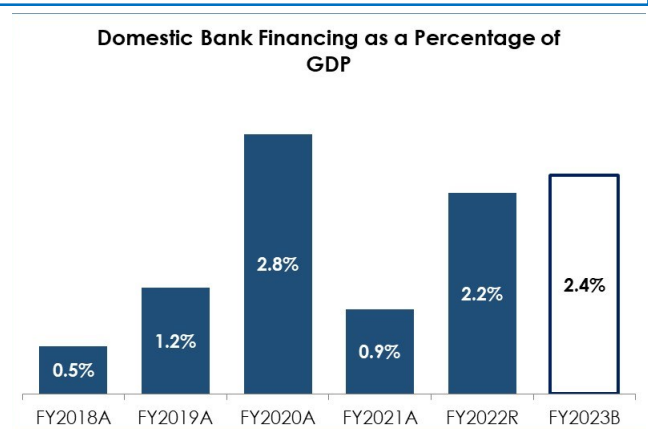
Figures in BDT billion	2022-23 Budget	Change*	% of Total	2021-22 Revised
Income, Profits & Capital Gains Tax	1,210.2	15%	28%	1,053.2
Value Added Tax	1,411.9	11%	33%	1,275.7
Supplementary Tax	585.2	7%	14%	545.0
Import & Export Duty	440.6	16%	10%	381.1
Excise Duty	41.3	8%	1%	38.3
Other NBR Taxes	10.8	60%	0%	6.8
Non-NBR Tax	180.0	13%	4%	160.0
Non-Tax Revenue	450.0	5%	10%	430.0
Total	4,330.0	11%	100%	3,890.0

*Change over FY2021-22 Revised, Source: Ministry of Finance

FINANCING THE DEFICIT



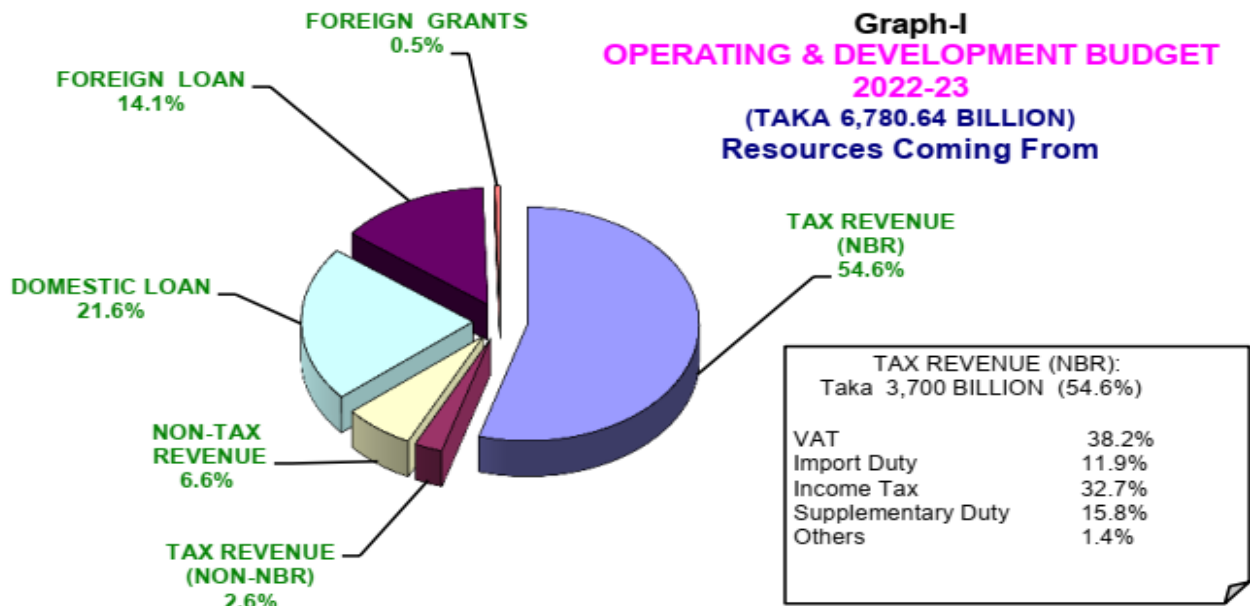
Source: Ministry of Finance



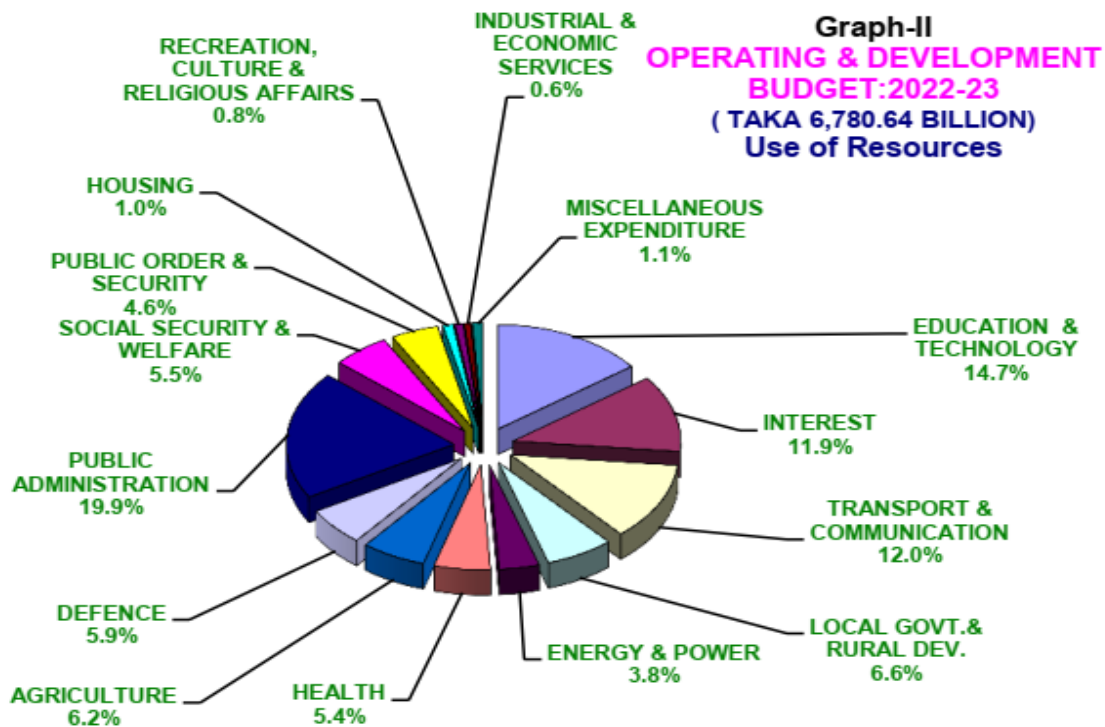
Source: Ministry of Finance

APPENDICES

OPERATING & DEVELOPMENT BUDGET



Source: Ministry of Finance



Sector-wise Resource Distribution (Including Subsidies & Incentives and Pension)

Source: Ministry of Finance

APPENDICES
TAX RATES FOR INDIVIDUALS

AS PER LAST BUDGET (FY2021-22)		PROPOSED (FY2022-23)	
Tax Exemption Threshold	in BDT	Tax Exemption Threshold	in BDT
General Taxpayers	300,000.0	General Taxpayers	300,000.0
Women, Third Gender & Senior Citizen (65 years+)	350,000.0	Women, Third Gender & Senior Citizen (65 years+)	350,000.0
Person with Disability	400,000.0	Person with Disability	400,000.0
War-wounded Freedom Fighters	425,000.0	War-wounded Freedom Fighters	425,000.0
General Tax Rate	Tax Rate	General Tax Rate	Tax Rate
On First, BDT 300,000.0	Nil	On First, BDT 300,000.0	Nil
On Next, BDT 100,000.0	5.0%	On Next, BDT 100,000.0	5.0%
On Next, BDT 300,000.0	10.0%	On Next, BDT 300,000.0	10.0%
On Next, BDT 400,000.0	15.0%	On Next, BDT 400,000.0	15.0%
On Next, BDT 500,000.0	20.0%	On Next, BDT 500,000.0	20.0%
On the Balance of Total Income	25.0%	On the Balance of Total Income	25.0%
Special Tax Rate		Special Tax Rate	
Income of Non-Resident	30.0%	Income of Non-Resident	30.0%
Tobacco Products Manufacturers	45.0%	Tobacco Products Manufacturers	45.0%
Income of Co-operative Society	15.0%	Income of Co-operative Society	15.0%

There are no changes declared in FY2022-23 budget speech

Source: Ministry of Finance

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

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