Budgetary Proposals FY 2013-2014

by

Policy Research Centre.bd (PRC.bd)

(A Civil Society Think Tank)

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A Civil Society Think Tank

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Foreword

PRC.bd budget proposals for FY 2013- 2014 plan to highlight on some important issues that may impact on the overall performance of the economy. With the on-going political crisis there is a strong possibility that the NBR will miss its target for revenue generation through its conventional channels of tax collections. Exports will increase compared to the last year but the percentage increase will be less than the previous year. The foreign remittance from the wage earners will continue to increase with the increased demand for workers from countries that had temporarily stopped recruitment. This sector has proven to be highly stable and has kept the foreign currency reserves at a level to cover 5 months imports for the country.

The private sector banks have continued to perform well including the foreign banks. The nationalized commercial banks (NCBs) and the two agricultural banks have shown capital adequacy problems. The shortfalls will be in excess of over Tk. 45,000 million that is required to be paid by the government to make-up for the capital adequacy limits. The disturbing political clashes and strikes have taken a heavy toll on the socio- economic progress of the nation. The over 6% growth rate may not be achieved FY 2013-2014 as predicted by the IMF and the World Bank if the present political impasse continues. The country's hopes and aspirations of becoming a middle income country by 2021 may not be achieved if the political crisis is not solved amicably on a priority basis.

The PRC.bd Team has put a lot of efforts to produce the enclosed Budgetary Proposal for FY2013-2014 based on extensive research. The proposal highlights the achievements and failures for the year ending FY 2013-2014. Specific recommendations have been made to ensure successful implementation of the budget. We are confident that the budgetary proposals unveiled by the PRC.bd in the presence of the print and electronic media will be useful for the concerned government authority in finalizing the budget for FY 2013-2014.

Professor Dr. Akbaruddin Ahmad
Chairman

Acknowledgement

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Executive Summary on PRC bd. Budgetary Proposals FY 2013-2014

1. Policy Research Centre bd. (PRC.bd) has been conducting policy research since its inception. A Budgetary Proposals for FY 2012-2013 was presented last year. A post Budgetary Review for FY 2012-2013 was also prepared and sent to the stake-holders. During 2011, 2012, and 2013(on-going) PRC.bd has organized a number of conferences, seminars, and dialogues on different issues of national importance namely on Trade and Commerce, Tourism, Banking, Food Security, Climate Change, Regional Integration: SAARC, Education and so forth.

2. PRC.bd Budgetary Proposals for FY2013 - 2014 plan to highlight some important issues that may impact on the overall performance of the economy for the 12 months period ending June 30, 2014. With the on-going political crisis there is a strong possibility that the NBR will miss its target for revenue generation through its conventional channels of tax collections. Exports will increase compared to the last year but the percentage increase will be less than the previous year. The foreign remittance from the wage earners will continue to increase with the increased demand for workers from countries that had temporarily stopped recruitment. This sector has proven to be highly stable and has kept the foreign currency reserves at a level to cover 5 months imports for the country.

3. There are some limitations in the overall system and these tradeoffs which create dilemma are growth vs. macro-economic stability, subsidy requirement vs. other priorities, government borrowing vs. private sector credit demand, exchange rate fluctuation vs. export etc. These are the challenges of public finance intensifying macroeconomic pressures. Both the government and the International Monetary Fund (IMF) have agreed to follow the prescribed fiscal measures, along with contractionary monetary policy and orthodox exchange rate. Economists and political analysts have serious objections against the provisions of austerity measures contained in the Memorandum of Economic and Financial Policies (IMF-MEFP) and termed these as the causes of slowing down the economic growth.

4. The government is preparing to fix Tk. 1.36 trillion tax-revenue collection targets for the upcoming fiscal year expecting a 21 percent growth over the previous one. On total tax revenue, share of income tax and VAT wings might be set at 35 percent each while customs will contribute 25 percent. The tax-revenue collection target is Tk. 1.12 trillion for the current fiscal year. The tax-free limit for individual taxpayers is Tk. 2, 00,000 while the highest corporate tax rate is 42.5 percent in Bangladesh. Corporate and individuals' income tax rate is unlikely to be changed and also tax-free limit for individual taxpayers may remain the same. A 10% increase in tax revenue collection is expected to be Tk. 1.23 trillion for FY 2014. The current exemption limit may be enhanced to Tk. 250,000 for all male assesses, Tk. 300,000 for women and disabled persons, and minimum tax payable may be enhanced to Tk. 3500 from the current level of Tk.3000. 10% of the amount offered for legalizing undisclosed income may be charged as

income tax. Zero VAT and tax incentive should be given to companies involved in the software development, research, marketing, development and exports.

5. Small and Medium Enterprise (SME) should get a tax holiday of 5 years if the business is based in the metropolitan areas and 10 years if it is based outside the metropolitan areas. This will encourage the investors to set up business enterprises outside the metropolitan areas. The entire income from the agricultural sector including agro-industry should be declared as tax free. This will encourage entrepreneurs to invest in this area. A tax holiday for at least 10 years may be considered for all agro-based industrial units.The budget for FY 2013-2014 should have substantial funds allocated to give a big boost to the tourism sector that will provide employment opportunities for the unemployed youth and generate revenues for the entrepreneurs and the government.

6. Unification of Social Safety Net Program (SSNPs) is needed for specified purpose and selection of aimed regions and groups. There should be interaction between concerned ministries for appropriate implementation of the program. Resources should be allocated for a central web-based database that will to manage the overall integrity of on-going, continued and new SSNPs.

7. The government has extended the 3 years export policy to 10 years. In support of the new thrust sectors, the budget FY 2013-2014 should have additional allocations.

8. Duty on cars up to 1600 cc should be reduced by 50% to assist middle income group affordable vehicles.

9. The initial cost of the Padma Bridge project in 2008 was Tk. 10, 000 crores. The cost has, however, been revised in 2012 at over Tk. 20,000 crores. The government has decided to allocate Tk. 6, 852 crores in the next ADP and Tk. 7, 000 crores, Tk. 5, 000 crore and Tk. 300 crores have been allocated for the next three years i.e. FY 2015 to FY 2017. Such allocations will have a negative impact on the other priority sectors.

10. As the initial cost of solar system is high, the funds may be channeled through the NGOs in collaboration with the solar panel suppliers. The rural customer will be able to repay cost of the solar panel on installment basis.

11. Foreign Direct Investment (FDI) in the country's total investment is declining. The flow of FDI in the form of equity, and reinvestment has been showing an erratic movement because of political unrest, hazardous conditions of the industries, procedural complicacy, etc. and it is very difficult to assess its future trends.

12. Overall budget deficit has been estimated about 5.53 percent (Tk. 46,400 crore) of GDP for FY 2013 which was around 5.1 percent in the revised budget for FY 2012. For financing the deficit, the government relied on borrowing from the banking system in FY

2012. In FY 2013, the govt. restored the balance in financing the budget deficit. In FY 2013 high foreign financing target (56.7 percent growth over the revised budget for FY2012) had been set with expected gross foreign aid flow of USD 3.2 billion. Borrowing from non-banking sector will also be almost double. In spite of funding dilemma in meeting public expenditure, the government is planning to reduce bank borrowing by (-) 21.0 percent. As it appears, the programmed fiscal framework has been prepared in a manner that has followed ideal principles of public finance.

13. The enclosed Budgetary Proposals FY 2013-2014 attempt to cover very significant issues such as financial pressure, tax revenue, whitening black money, farming, information & communication technology, small and medium enterprises, energy and power, energy pricing, tariff, subsidy, education, agricultural credit, health, tourism, environmental, transportation, road communication, railways / sea/ river system, sea port development, civil aviation, social safety, crop production, food safety, and so forth. Special concentration is given on fiscal issues, tax incentives, textile, frozen fish, ship building, light engineering, Padma Bridge financing, floatation of sovereign bonds, solar system, stock exchange, exports and imports. A significant number of recommendations have been made for the consideration of the government and the stakeholders.

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I. Introduction:

a. PRC. bd Budget Proposal:

PRC.bd budget proposals for FY2013 - 2014 plan to highlight on some important issues that may impact on the overall performance of the economy for the 12 months period ending June 30, 2014. With the on-going political crisis there is a strong possibility that the NBR will miss its target for revenue generation through its conventional channels of tax collections. Exports will increase compared to the last year but the percentage increase will be less than the previous year. The foreign remittance from the wage earners will continue to increase with the increased demand for workers from countries that had temporarily stopped recruitment. This sector has proven to be highly stable and has kept the foreign currency reserves at a level to cover 5 months imports for the country. The private sector banks have continued to perform well including the foreign banks. The nationalized commercial banks (NCBs) and the two agricultural banks have shown capital adequacy problems. The shortfalls will be in excess of over Tk. 45,000 million that is required to be paid by the government to make-up for the capital adequacy limits. The disturbing political clashes and strikes have taken a heavy toll on the socio- economic progress of the nation. The over 6% growth rate may not be achieved FY 2013-2014 as predicted by the IMF and the World Bank if the present political impasse continues. The country's hopes and aspirations of becoming a middle income country by 2021 may not be achieved if the political crisis is not solved amicably on a priority basis.

b. Review of the last Budget:

The budget 2012-13 has snapped the govt.'s political wisdom to foster development through resource management. Major tradeoffs which create dilemma are growth vs. macro-economic stability, subsidy requirement vs. other priorities, government borrowing vs. private sector credit demand, exchange rate: fluctuation vs. export. These are the challenges of public finance intensifying macroeconomic pressures. Both the government and the International Monetary Fund (IMF) have agreed to follow the prescribed fiscal measures, along with contractionary monetary policy and orthodox exchange rate. Economists and political analysts have serious objections against the provisions of austerity measures contained in the Memorandum of Economic and Financial Policies (IMF-MEFP) and termed these as the causes of slowing down the economic growth. The macroeconomic pressures created by wrong policies along with political chaos and financial mismanagement by commercial banks will scale down the real GDP (Gross Domestic Product) growth in FY 2012-13 against projection of 7.2 percent.

Table: Growth Rates and Contribution to Growth

Sector	Growth (%)			Contribution to Growth		
	FY11	FY12	FY13	FY11	FY12	FY13
Agriculture	5.1	2.5	4.4	1.0	0.5	0.8
Industry	8.2	9.5	9.9	2.4	2.8	3.0
Services	6.2	6.1	7.1	3.0	2.9	3.4
GDP	6.7	6.3	7.2	6.7	6.3	7.2

Source: BBS data and Sixth Five Year Plan (SYFP)

For FY 2012-13 deficits were targeted at 5% of GDP that is about Tk. 521 billion in terms of volume, which may increase to about Tk. 550 billion by the end of the fiscal year due to increase in govt. expenditure, mismanagement of resources, inefficiency in revenue collection, etc. During the FY 2012-13 the govt. has to borrow about Tk. (340 billion) 34, 000 crore from the banking sector (as disclosed by some senior bankers in a talk show).

During the FY 2013, interactions of current financial resource management and monetary policy to curb inflationary pressure decelerated investment in the private sector due to increase in the cost of fund. Thus, ever increasing government borrowing and high demand for foreign exchange have squeezed the scope for domestic investment. Currently the economy is on pressure to pay import bills. Growth rate of exports have been to decline. Contractionary monetary policy also restrained the import of capital machineries and intermediate good.

In February 2013, rate of point-to-point inflation came down to slightly below double-digit at about 9.20 percent. This inflation caused the decrease in aggregate demand and scaled down the rate of expansion of the economy, as the current economic growth in Bangladesh is a consumption-led one.

Implementation of ADP till December 2012 was about 34 percent. Political unrest, delay in fund allocation, mismanagement of resources, etc. hampered the achievement of both physical and financial progress of the development projects. Moreover, some of the projects taken under ADP suffer from political expediency.

The flow of foreign aid/ grant/ loan in the current fiscal year is comparatively lower than those of other fiscal years because of corruption in financial management of Padma Bridge project. In addition, inflow of FDI has been declined due to political unrest, financial mismanagement by the domestic entrepreneurs, chaos in the banking sector, etc. Keeping the loan from the World Bank aside, the assistance from other foreign sources has also been shrunk. These proponents have created pressure on public investment, holding back the process of growth in the country.

Regarding poverty reduction which is concerned with the manifestation of social property relationship has squeezed the scope for employment generation opportunity. Overall impact will lead to stagnation in the pace of reduction in poverty. If the forecasted reduction on rate of poverty is halted from the desired level and the rate of graduation from poverty goes down or stagnates, the rate of economic growth will be scaled down.

II. Financial Pressure:

In order to support the expensive rental power stations the imported fuel costs have spiraled to over Tk. 560 billion (5.6 crore). Import subsidies for the agricultural sector and price support schemes have put additional pressure on the government revenues. Budget deficit for 2013- 2014 may remain at 5% of GDP and the financing of this Budget may remain a major issue for implementation. Bank borrowings by the government are expected to remain over Tk. 200 billion (20,000 crore). Allocation of funds for the safety net program will put additional pressure in the current Budget. Employment generation for the poorest section of the society is expected to add to the financial pressure. Fund availability to implement the social safety net program shall put further financial pressure.

III. Tax Revenue:

The government is preparing to fix Tk. 1.36 trillion tax-revenue collection targets for the upcoming fiscal year expecting a 21 percent growth over the previous one. On total tax revenue, share of income tax and VAT wings might be set at 35 percent each while customs will contribute 25 percent. The tax-revenue collection target is Tk. 1.12 trillion for the current fiscal. The tax-free limit for individual taxpayers is Tk. 2, 00,000 while the highest corporate tax rate is 42.5 percent in Bangladesh. Corporate and individuals' income tax rate is unlikely to be changed and also tax-free limit for individual taxpayers may remain the same. A 10% increase in tax revenue collection is expected to be Tk. 1.23 trillion for FY 2014. Essential entities like REHAB calls for reduction in registration fees on flat as well as plots and expects the support from the concern authority.

Tax Proposal:

a. Exemption limit currently stands at Tk. 200,000. This slab may be enhanced to Tk. 250,000 for all male assesses.

b. The slab may, however, be increased to Tk. 300,000 for women and disabled persons.

c. Minimum tax payable may be enhanced to Tk. 3500 from the current level of Tk.3000.

d. Local district level tax net generation through introduction of valued added tax against services could be used for generation of funds for livelihood creation as part of vulnerable group development (VGD) among other uses of its introduction.

IV. Loss of Government Revenues:

Revenue Loss on account of untaxed or under-taxed individuals is serious cause of huge financial loss for the state. An effective monitoring mechanism is required to be set up in every district to encourage prospective tax payers. It will be worthwhile to institute awards at the district and upazila level for the top tax payers. Business houses that are small may be encouraged to pay the minimum tax as a token of social responsibility. Business concerns that have been issued a trade license should be motivated to pay the minimum tax to ensure the trade license renewal. This will enlarge the tax net and enhance the tax revenues by at least 10%. Monitoring transfer pricing and money laundering issues can restrict government loss of revenues of over Tk. 160 billion (1.6 crore) annually. A tax friendly approach by the officials of NBR is essential to avoid harassment by the tax officials to ensure smooth collection of revenues without any corruption. To reduce the loss of the revenues NBR has taken a move to enhance the capacity of its research wing so that sector-based analysis can be conducted properly in order to justify imposition or exemption of any tax.

V. Legalization/Whitening Black Money:

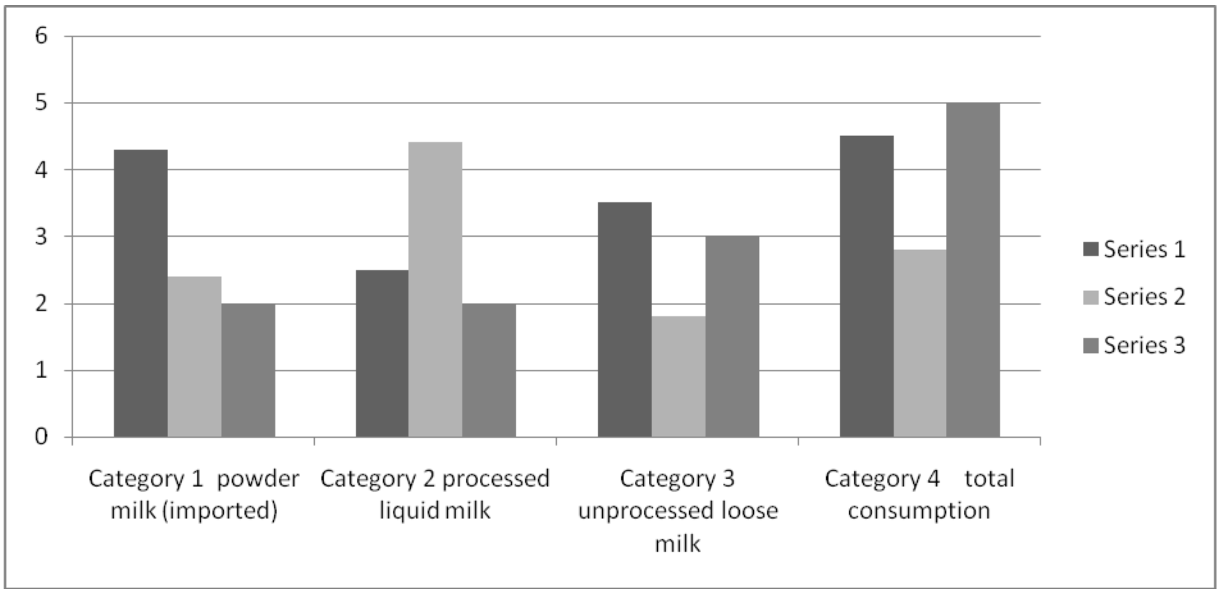
When the state gives this opportunity to its citizens to whiten or legalize black money to most it may appear to be highly unethical. However, with the present FDI slowing down and the stock market depressed, it is necessary from the economic stand point to mop up the undisclosed wealth and black money from individuals who should give an undertaking to invest such funds in economic activity including investment in the share market, industries etc. and not in any unproductive areas.

Tax Proposal: 10% of the amount offered for legalizing may be charged as income tax.

VI. Farming Sector:

With 70% of the population engaged in the farming sector directly or indirectly, the agricultural sector including horticulture, fish farming, poultry and allied activities should be treated as the thrust sector. The two agricultural banks and some commercial banks are involved the agricultural credit operations. This sector has assumed a very important position as it provides self employment opportunity to the rural population in general and the women folk in particular. Women farmer effort to boost agricultural product including fish, fruits and vegetables are important aspects of self employment opportunity to develop to the rural population in general and the women folk in particular. Women farmer effort to boost agricultural product including fish, fruits and vegetables are important aspects of self employment and income generation. This will help in export diversification with targeted markets that have a large Bangladeshi migrant population in countries viz. Middle East, Europe and USA. A unified definition of farmer under the agriculture extension policy will not only regularize services for women farmers but will act as a process of empowerment and increase productivity in general of the agro thrust sector.

The dairy sector is utterly neglected in the country and something must be done to upgrade its status on the policy manual. Millions, mostly the poor, depend on rearing cows for their livelihood. A chart is given below to represent the dairy sectors present situation



Local dairy farming and processing require more support from the government like:
1. Exemption of all imported duties, taxes /excise, AIT, ATV on all the primary and secondary inputs for the locally processed and packaged dairy products viz, liquid milk, as for poultry sector.

2. Exemption of VAT for all the primary and secondary inputs at import stage for locally processed and packaged liquid milk.
3. Exemption of VAT at the manufacturing stage for all locally produced dairy products.

Source: The Financial Express

VII. Information & Communication Technology:

This sector has been declared as the thrust sector. To develop this sector in the shortest possible time we need to give attractive tax incentives as follows:

Tax Proposals:

a. Zero tax incentive should be given to companies involved in the software development, research, marketing, development and exports.

b. VAT charges for internet users should be zero % to ensure wider coverage.

c. Import duty on computers, spare parts and accessories may be reduced to zero % to encourage wider use of ICT services for enhancing efficiency and productivity.

Fund Allocation:

Hi-Tech Park initiated by the government is required to be completed. These panels should ensure that hi speed internet connectivity is available for web based application development. Adequate fund allocation for this project should be made in the next budget.

VIII. Small and Medium Enterprises:

a. Substantially increased allocation is needed for the Equity Entrepreneurship Fund (EEF) to cover all labor intensive sectors.

b. Import duty structure on machinery and equipment should be brought down to zero for both export oriented and industries targeted for the local market.

c. The government may allocate from the Budget at least Tk. 10 billion (1000 crore) for SME purposes to be disbursed through nominated commercial banks under the supervision of the Bangladesh Bank at an interest rate below 7%. This will adequately boost this sector and increase net employment and contribute to reducing poverty.

Income Tax proposal:

a. Small and Medium Enterprise should get a tax holiday of 5 years if the business is based in the metropolitan areas and 10 years if it is based outside the metropolitan areas especially information for traditional national production for its revival and international marketing. This will encourage the investors to set up business enterprises outside the metropolitan areas.

IX. Energy and Power Sector:

a. Gas supply has remained short of its high demand in the country. The gas supply increased to around 11% in 2013 to 11,345 mmcm as compared to 2012. The four fertilizer factories had to be shut down on account of its high gas consumption and the overall short supply of gas that had to be diverted to more critical areas like power generation plants that consumes 55% of the total gas supply of the nation. Energy

Ministry is going to have Tk. 2,300 crore in the new budget in comparison of this FY allocation Tk. 1,600 crore.

b. Electricity generation and supply increased from over 3200 MW in 2009 to over 6000 MW in 2012. Actual generation of over 6200 MW is much below the installed capacity of over 8900 MW. The high cost quick rental power generation has been an expensive exercise for the nation. Coal based power generation is the most appropriate solution. Cross border hydro- electric power generation in collaboration with Nepal, Bhutan and India may be the right approach for Bangladesh to import electricity from cross border sources. This proposal is time consuming but on a long term basis could be a good solution to get regular supply at a cheaper cost.

c. Govt. intention of working out longer engagement with rental power generation as reported in media recently should be applauded but should revisit arrangement with QRP companies to decrease the tariff of electricity purchase.

X. Energy Pricing:

a. Tariff & Subsidy: Prices of electricity, gas and petroleum products have been altered many times during the tenure of the government. Setting of tariffs has been undertaken to minimize the pressure of huge amount of money given for generating diesel-based power generation which is as high as 51 percent of total subsidy. On the other hand, revisit contradictory statement increment of tariffs has opposite effect on firms and house hold income. Therefore, increasing supply of electricity at higher generation cost has to be offset with higher tariffs resulting in burden on household's income and consumption. Price tagging of energy is also tied with the IMF-ECF conditionalities.

b. Fund Allocation: The government is expected to allocate necessary funds for repairing, fixing, refurbishment and other works to restart the power station which were vandalized during political violence in last few months. The government should make necessary allocation of fund in the next fiscal to undertake those urgent work if needed.

c. Project Implementation: The government should focus on maintaining implementation of BPDB and IPP projects. (22 projects will be done in FY2014:10 BPDB and 12 IPPs) with an observation to decrease the share of power supply from QRRs which is likely to lower the financial burden as well. Timely implementation of non –gas based power plants for example dual-fuel power plants and combined cycle power plants have to be implemented on a priority basis.

d. Timely Maintenance: In order to ensure timely maintenance or implementation of projects, funding, collection of fines/charges, and putting pressure to IPPs/QRRs for supply of electricity as per the contract, the administration of the Ministry of Power and BPDB should be strengthened.

XI. Education Sector:

In the FY12-13, budget on Education and technology was quite satisfactory in term of the previous years. Primary and Mass Education Ministry had been allocated Tk. 43.82 billion (4,382 crore) whereas the full amount on Education and Technology was Tk. 74.02 billion (7,402 crore). Annual Development Program on Education Division was Tk. 2,554 crores. In Education Development program like Secondary, Higher Secondary and College Education, EED, Technical and Vocational Education, UGC and MoE approx. Tk. 20 billion (2000 crore) was allocated. The amount must be increased by at least 10% in this year as services are increased to a great extent. Education Development Program needs to be strengthened for ensuring the quality aspect of education with more emphasis on lesson plan, lesson delivery plan and teacher capacity building.

XII. Agricultural Credit: This may be offered at a substantially reduced rate of interest to the farmers and agro-based industry to give a boost to their output.

Tax Proposal: The entire income from the agricultural sector including agro- industry should be declared as tax free. This will encourage entrepreneurs to invest in this area. A tax holiday for at least 10 years may be considered for all agro-based industrial units.

XIII. Health Sector:

ADP Outlay: The budget for the Annual Development Programme was Tk. 3,825 crores in the last FY and it is expected to be higher FY 2014 as activities have been increased in different areas. Moreover, Health Population and Nutrition Sector Development Program (HPNSDP) has estimated its budget up to 2016 and that needs are be supported as follows.

Total Estimated Cost	=	Tk 56,993.54 Crores (US$ 7.7 billion)
Revenue Budget	=	Tk 34,816.88 Crores (US$ 4.7 billion)
Development Budget	=	Tk 22,176.66 Crores (US$ 3.0 billion)
GOB Contribution	=	Tk 43,420.38 Crores (US$ 5.9 billion)
DP Contribution	=	Tk 13,573.16 Crores (US$ 1.83 billion)

Source: Ministry of Health and Family Welfare, GoB

Development activities of HPNSDP are being implemented by MOHFW, DGHS, DGFP and other agencies through 32 operational plans. World Bank and JICA are providing credit and grants; whereas other DPs (DFID, SIDA, USAID, CIDA, EC, AusAID, Kfw, WHO, UNICEF, UNFPA, GIZ, UNAIDS, GFATM, GAVI, etc.) are providing grants. Total DP contribution to the development budget is about 61.29%. The percentage should be higher than that of the previous year as services like specialized, medical college, district, union and such hospitals are increased in numbers by the existing and newly introduced entities such as DGHS, DGFP, NIPORT, DGDA, DNS, HED, TEMO, and so forth.

XIV. Tourism Sector:

The tourism sector could be the next RMG sector with massive growth prospects. Bangladesh offers many tourist attractions, including archaeological sites, historical mosques and monuments, longest natural beach in the world, picturesque landscape, hill forests and wildlife, rolling tea gardens and tribes. Each part of the country offers specifically different scenery, flavors and food. It is home to the Royal Bengal Tigers, pink dolphins, historical temples made of red earth. Every year a part of national budget is contributed on tourism sector.

Budgetary allocation for infrastructural development to boost the tourism sector in Bangladesh for both local and foreign tourists is important. Cox's Bazar and Kuakata sea beaches need to be upgraded to attract larger number of tourists both from home and abroad. Tour operator companies should be given tax-free import of vehicles, equipment required for the tourism industry that includes motels, resorts, hotels etc. In-bound tourism from various affluent countries around the world can provide substantial revenue generation provided world class facilities are set up in indentified tourist destinations within Bangladesh. A separate fund should be allocated to be managed by the Bangladesh Bank and distributed through the banking channel to provide low interest bearing loan to the companies operating in the tourism sector. Identifying potential tourist spots scattered over different places of the country and modernization and expansion of existing ones. Involving local government institutions in tourism activities shall promote tourism. Create infrastructure and improve management of the tourism industry through Public Private Partnership (PPP) arrangements. Investing in developing and airing advertisement of Bangladeshi tourism is essential in other in other international television channels for promotion of this sector. Establish Exclusive Tourist Zones for foreign tourists. So the budget for FY2013-2014 should have substantial funds allocated to give a big boost to the tourism sector that will provide employment opportunities for the unemployed youth and generate revenues for the entrepreneurs and the government.

XV. Environmental Sector:

Bangladesh is the most vulnerable country among the LDC countries and has played a key role towards establishing Green Climate Fund. Over the last three years Tk. 2,100 crores has been allocated for 'Bangladesh Climate Change Trust Fund (BCCTF)'which include a total of 82 projects.

Fund Allocation: For FY 2013-2014, Tk. 500 crores is being proposed to add to this fund to undertake various projects for the disaster management and for climate resilience.

Introduction of Hospital Waste Management for logistic support, capacity development and community awareness- Tk. 300 crores may be allocated.

Smokeless brick making technology to control air pollution.Tk.500 crores to upgrade 1% of the existing brick fields (5000).

Municipal Solid Waste Management from 4 dumping sites of Dhaka city instead of 3 dumping site require Tk.1724 crores/year (At present 3 dumping site require Tk. 1068 crores/year).

Slum Development Project due to Climate Migration –Tk. 200 crores
Effluent Treatment Plant for Leather Industries –Tk. 500 crores
Air Pollution Control from Vehicles in Dhaka City- Tk. 500 crores

Allocation should be increased to strengthen the archaeological sector's capacity for restoration and maintenance of historical and attractive tourist spots. Govt. should also implement a project in the FY to map historical and archaeological sites and put them under demarcated zone so as to ensure protection and maintenance of them. Privately owned historical sites should be provided with interest free loans for restoration and conversion in to historical hotels and resorts as seen in India.

XVI. Transportation Sector:

Duty Structure: For the transportation sector particularly on buses for mass transit may be reduced by 50% to allow people of low and middle income group safe and comfortable journey.

Duty on cars up to 1600 cc should be reduced by 50% to assist middle income group affordable vehicles.

Policy Making: Conditionalities under the IMF-ECF program have set parameters that constrained government's flexibility in policymaking in a number of critical areas including fixation of fuel price, levels of subsidy and government borrowing. Slow implementation of major infrastructure projects, including in transport and energy sectors, undermined growth potentials of the economy.

Credit Facilities: The structure of credit to the private sector appears to be changing over the years. The share of advances to major real sectors such as manufacturing, services and agriculture related activities has been systemically decelerated while that of trade, construction, transport and other activities has systemically increased.

XVII. Road Communication:

Transit Facility: In Budget FY 2013- 2014 we have to give a special focus on preparing required infrastructures for providing transit facility to India.

Construction Cost: Cost of construction and maintenance of roads and highways is relatively higher in Bangladesh on account of heavy rainfall. Major highways are required to be developed into four lanes and the quality of roads be enhanced to bear additional load of larger vehicles of up to 15 tons.

Road Maintenance: Higher budgetary allocation for effective road maintenance and management is required to ensure efficient communication system. Traffic congestion presently faced by the general population is getting out of control.

Fund Allocation: Concerted efforts are required to allocate resources for traffic planning, management and coordination. The present loss of time by commuters if computed and quantified in monetary terms can be an eye opener for the government.

XVIII. Railways:

In order to partially solve traffic congestion in major cities of Bangladesh, the facility available with Bangladesh Railway (BR) needs to be enhanced. A review of the railway train fare structure fixed in 1992 needs to be reviewed. This sector needs major budgetary allocation for improvement of the BR system. Railway connectivity with the bordering states of India will boost trade and commerce. This will require substantial funds allocation for infrastructural development of the BR system. Recent introduction of Chinese EMU commuter trains for short hauls has been the right step and many more comfortable trains are required to connect important cities and towns to ease the current traffic congestion in major roads and highways. Cox's Bazar rail link should be implemented in the next FY to increase tourism and commerce between the region and other parts of the country.

XIX. Sea/ River System:

Transportation by Steamers: This can be a cost effective solution for the transportation of the general masses and goods movement. Budgetary allocation for the dredging of the heavily silted river system is essential to ensure efficient riverine communication.

Sea Port Development: The Chittagong and Mongla ports require further development to handle larger volumes of import-export business. With the present growth rate these two sea ports will require larger budgetary allocation to enhance container handling facilities. Chittagong port facilities may be further upgraded to allow it to operate as an Entreport to become an important hub for the South Asia region to boost import/export and transshipment business.

XX. Civil Aviation Authority of Bangladesh (CAAB):

Capacity Building: Bangladesh Airlines cannot operate flights to the USA on account of CAAB being downgraded to category 2 from category 1 by US Federal Authority. The capacity building of CAAB shall require additional budgetary allocation. The present international airports in Dhaka-Chittagong and the proposed Cox's Bazar international airport will require substantial funding to promote regional and international tourism and economic hub.

Financing New Fleet for Biman: The appointment of a foreign national as the new CEO/MD is a step in the right direction. Fund allocation is needed to finance a new fleet of aircraft to replace the old and obsolete aircrafts to enhance the overall image of Biman and make it financially viable organization.

XXI. Social Safety Net:

Unification of Social Safety Net Program (SSNPs) is needed for specified purpose and selection of aimed regions and groups. There should be interaction between concerned ministries for appropriate implementation of the programs. Resources should be allocated for a central web-based database that will manage the overall integrity of on-going, continued and new SSNPs.

In the western regions of the country, the geographical dispersion of SSNP is highly concentrated. Assistance should be given to affected areas and severely poor, depending on the report of the Household Income and Expenditure Survey (HIES) 2010. Special safety net allocation should be also made for the poor and marginalized char dwellers.47 banks and some financial institutions have disbursed Tk. 305 crore for CSR last year alone with the consultation with Bangladesh Bank. Concerned government authority should take this CSR under special consideration so that most of the commercial entities move on with such issues and contribute in national economy collectively.

XXII. Crop Production and Food Safety:

Marketing Structure: Modifying marketing structure and practices are needed for fair market prices at the consumer level and help farmers/growers in receiving a minimum profit to buy their agricultural products. An Agriculture Price Commission should be set up which will monitor prices and set a floor price for agricultural commodities. It should also maintain artificially demand and supply of agro product to ensure fair market for both producers and consumers.

Subsidy & Price Support: To maintain good production of agriculture sector, subsidy and price support programs should be input. The government should improve the allocation efficiency through close monitoring of the dispersion mechanism.

Crop Insurance: The GoB has decided to introduce crop insurance for farmers on a pilot basis in a certain number of Upazilas to save the farmers from climatic shocks. This plan should be also introduced in the other areas e.g., poultry, livestock and fisheries.

Research: Funds should be allocated to carry out research for improving flood and drought tolerant varieties to maximize the agricultural growth.

Food Safety Authority: Funds should be allocated to establish the Food Safety Authority for improving and regulating food safety regulations.

XXIII. Proposed Budgetary Measures:

a) The government has extended the 3 years export policy to 10 years. In support of the new thrust sectors, the budget FY 2013-2014 should have additional allocations.

b) A national data bank containing detailed information on import, export, costing etc. should be set up for the 3 year export policy.

c) The government has minimized the cost associated with the migrants working overseas. Adequate provision should be made towards this in the Budget FY 2013-2014.

Consolidated allocation for vulnerable groups should be disbursed through the Bangladesh Bank Tk. 10 account to reduce leakages in the system. Govt. should also pilot few VGD (Vulnerable Group Development) projects for developing collective labor intensive SME for vulnerable as means to reduce the number of poor and putting them in to sustainable ascending cycle out of poverty.

XXIV. Important Budgetary Issues:

The budget for the year 2013- 2014 will be confronted with implementation issues. These issues are structural in nature and may change over due course of time. Budget implementation issues have been identified as follows:

1. Fiscal Issues 2. Governance Issues 3. External Issues

1. Fiscal Issues: This is in respect of income expenditure shortfall which may arise on account of political instability, inefficiency, and corruption and governance issues. A budget that is targeted towards the upcoming elections and highly ambitious in nature can meet shortfalls. A realistic budget that is achievable should be the target notwithstanding any political party that comes to power in the next election.

Tax /Fund Allocation Proposal:

a. Tax Incentives: it should be given to exporters obtaining orders and executing the same in countries which are non- traditional markets. Apparel exporters falling under the SME category may be given 2% on f.o.b as a special incentive. Funds may be allocated for this particular area.

b. Selected Sectors: Sectors like textile, frozen fish, ship building and light engineering are allowed cash incentives of 2% to 20%. Keeping in line with the governments' digital Bangladesh policy, cash incentives of 20% may be allowed to the ICT industry for promotion of this sector. Provisions for funds are required to be made in this budget to cover this area.

c. ICT Sector: ICT sector has been declared as the thrust sector and the most prioritized sector in the export policy in 2012-2015. In order to make this sector successful special funds are required to be allocated to complete the Hi-Tech Park in Kaliakoir.

d. Fund Allocation for API : Substantial funds are required to be allocated for setting up the Active Pharmaceutical Ingredient (API).This project has been delayed for a long time.

e. Funds for BSTI Labs : Special funds may be allocated for setting up BSTI labs at the land ports at Banglabandha, Benapole and Hilly. This will facilitate trade between Bangladesh and India.

f. Special Export Fund: It may be set up and adequate fund allocation may be made to facilitate new entrants in the export trade.

g. Jute Sector Funding: Budgetary allocation for the jute sector has to be enhanced which in the recent years have marked an upward swing in respect of export of jute and jute goods. This sector which used to be the backbone of the economy in the past requires concerted efforts and adequate fund allocation to strengthen BJMA, BJA and BJMC. Jute mills under government management which are closed require refurbishment of plant and machinery and proper maintenance so that these mills and factories can be opened to give employment to the workers earlier retrenched and to further increase jute good exports. Carrying bags made of jute which is biodegradable needs to be implemented in right earnest to replace the polythene bags which are not environmentally friendly.

h. Padma Bridge Financing: The government has decided to finance the Padma bridge through its own internal resources. There is a strong likelihood that such a situation may have an adverse impact on the socio- economic well being of the country. It will require funds to be diverted from other productive sectors. It will be worthwhile if the government continues to negotiate with donors like JICA and ADB to obtain requisite funding. This will restrict internal resource mobilization to an acceptable level. The initial cost of the project in 2008 was Tk. 10, 000 crores. The cost has, however, been revised in 2012 at over Tk. 20,000 crores. The government has decided to allocate Tk. 6, 852 crores in the next ADP and Tk. 7, 000 crores, Tk. 5, 000 crore and

Tk. 300 crores have been allocated for the next three years i.e. FY 2015 to FY 2017. Such allocations will have a negative impact on the other priority sectors.

i. Floatation of Sovereign Bonds: Compared to the World Bank financing interest rates which are essentially soft in nature the idea of floating sovereign bonds at relatively high interest rates of 5.5% for a term of 10 years for US$ 1 billion may cause serious problems for repayment on schedule. It will be worthwhile studying the case of Srilanka which issued sovereign bonds in 2011 at 6.25%. This is a very high rate. Standard and Poor Rating Services rated Srilanka at B+ and Modys' rated Srilanka at B1. These are indications of a positive outlook. Incidentally, these ratings are lower than Bangladesh's rating of BB- as against the higher rating for India at BBB- and a lower rating for Pakistan that stands at B-. The Malaysian proposal for the Jamuna bridge was signed as a MoU in 2012. The Malaysians made a proposal of US$ 2.3 billion as loan repayable in 26 years the amount of which shall increase to US$ 5.2 billion as the amount repayable by Bangladesh. For the same project the Chinese made an offer of USD 1.95 billion credit line with 20 years maturity without any interest. The government has allowed proceeding with the financing of the Padma bridge with its internal resources. International construction firms may not be interested to bid for this project unless they are convinced that adequate resource for financing is confirmed. The Indian funding of US$ 200 million grant for the Padma bridge project has enabled the government to open a foreign currency account with this money for the project.

j. Solar System: Budgetary allocation is required to be made in substantial volume to enable solar systems to be installed in rural areas where electricity is not available. This will transform the lives of the rural masses. As the initial cost is high, the funds may be channeled through the NGOs in collaboration with the solar panel suppliers. The rural customer will be able to repay cost of the solar panel on installment basis. Budgetary allocation may be made to allow subsidy to the first time user of solar system that will allow the cost of the system to be reduced to a level that is within the purchasing power of the people.

k. Light Engineering: i) Under the public private partnership (PPP), a separate park may be established for the Light Engineering industrial units.

ii) A special fund may be created to provide loans at a reduced interest rate for the entrepreneurs operating under the Light Engineering Category.

l. Stock Exchange: i) To support large infrastructural activities the government may introduce "Special Bond" to attract foreign and non-resident Bangladeshis.

ii) To streamline the stock exchange operations a capacity building of DSE, CSE and SEC is required for professional skills development of various levels of operational stuff and executives.

iii) Necessary laws may be passed for the demutualization of the two stock exchanges to enhance transparency and to prevent insider trading.

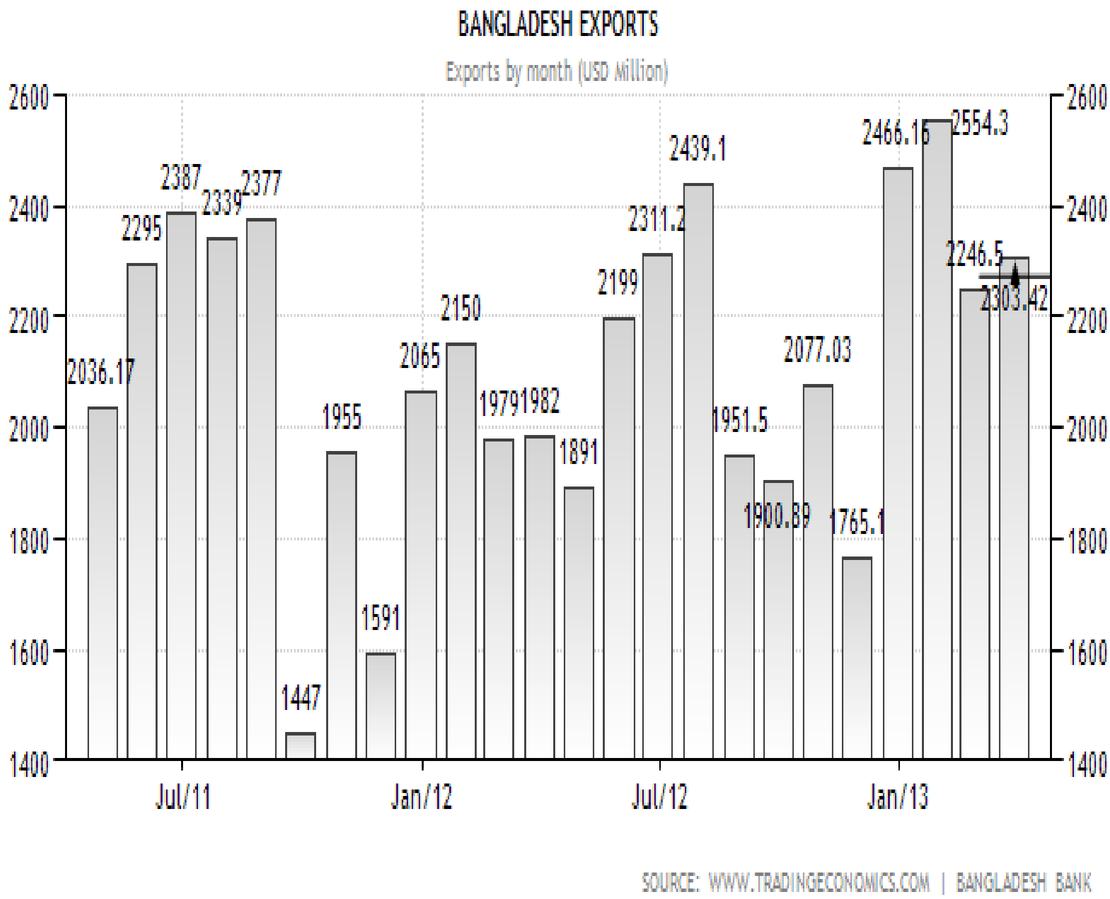
2. Governance Issues: The current volatile political situation in the country has been a cause of reduced investments in the country. This includes both FDI and local investments. Election year budget in the past has been over ambitious and implementation process has always been a major issue. As the overall governance has hit the lowest level it will be a difficult exercise to reverse the present trend within a reasonable timeframe during the tenure of this government.

3. External Issues: One of the most important factors that can directly impact the Budget for FY 2013-2014 is the further slide in the Euro Zone economic growth. A decrease in the exports to the European market and import from those areas can have a negative impact on the Bangladesh economy. Remittance income from the overseas Bangladeshi wage-earners is the hallmark of the Bangladesh economy. Any decrease in the inflow of foreign currency from abroad can negatively impact the economy and can lead to budget implementation issues. Economic recovery has now become a global issue in the industrialized countries and this can affect our export performance. Concerted efforts will be required to increase flow of FDI and foreign assistance and ensure uninterrupted flow of foreign remittance from the expatriate Bangladeshi workers.

XXV. Exports:

Exports measure the amount of goods or services that domestic producers provide to foreign consumer. These are goods that are sent to another country for sale. In the past, export of commercial quantities of goods normally required involvement of the customs authorities in both the country of export and the country of import. More recently, with the advent of small trades over the internet such as through Amazon and e-Bay, exports have largely bypassed the involvement of Customs in many countries due to the low individual values of these trades. Nonetheless, these small exports are still subject to legal restrictions applied by the country of export. The bar diagram below indicates the position of Bangladesh exports. The world economy is trying to improve from the crisis faced last year. The US economy is set to continue its recovery to grow at 2% for 2013 and 3% in 2014 and the EU zone is projected to post negative growth. USA and EU are the two important markets for Bangladesh, so exporting them high quality goods is likely to transmit a good signal for Bangladesh.

In the few recent months, Bangladesh's export has increased after the initial slowdown. The slow recovery of economy in the developed countries will have negative implications for export performance of Bangladesh. Therefore, for the running of robust export performance in the next fiscal year 2013-2014, substantial increase in the budget will be needed.


BANGLADESH EXPORTS
Exports by month (USD Million)
2600
2400
2200
2000
1800
1600
1400
2036.17
2295
2387
2339
2377
1447
1955
1591
2065
2150
1979
1982
1891
2199
2311.2
2439.1
1951.5
1900.89
2077.03
1765.1
2466.16
2554.3
2246.5
2303.42
Jul/11
Jan/12
Jul/12
Jan/13
SOURCE: WWW.TRADINGECONOMICS.COM | BANGLADESH BANK

XXVI. Imports:

a. Total import payments of Bangladesh (including EPZ) during the quarter October-December 2012 stood at Tk 6,57,833 million (or US$ 8,109.7 million) as compared to Tk 6,80,566 million (or US$ 8,332.3 million) for the quarter July-September 2012 . A comparative position of import payments by mode of financing for the quarters October-December'2012 and July-September is given below.

Table of Imports

(Amount in Millions)

Import by mode of financing	October-December, 2012			July-September, 2012			Changes	
	Amount		Percentage of total	Amount		Percentage of total	Taka (1)-(4)	USD (2)-(5)
	Taka	USD		Taka	USD			
	1	2	3	4	5	6	7	8
Cash	574,945	7088.3	87.4	571,590	6998.0	84.0	3355 (+0.6)	90.3 (+1.3)
Loans/Grants	3440	42.5	0.5	345	4.2	0.1	3095	38.3
Short term loans (IDB)	28,047	344.9	6.4	64,575	790.7	6.4	-36,528	-445.8
Other unclassified imports	2842	35.1	0.2	2279	27.9	0.2	563	7.2
A. Sub-total	609,274	7,510.8	92.6	638,779	7,820.8	93.9	-29,505	-310
B. Imports of EPZ	48,559	598.9	7.4	41,777	511.5	6.1	6,782	87.4
Total Import: (A+B) (c&f)	657,833	8,109.7	100.0	680,566	8,332.3	100.0	-22,733 (-3.3)	-222.6 (-2.7)

Note: Figures in parentheses indicate percentage of change.

Deposits

Deposits held in DMBs	(Taka in Millions)				
Items	**February, 2013**	**January, 2013**	**February, 2012**	**Percentage Changes of February, 2013 over**	
				January, 2013	**February, 2012**
Demand Deposits*	485,617	481,246	462,480	0.91	5
Time Deposits*	4,568,378	4,486,388	3,767,147	1.83	21.27
Total	5,053,995	4,967,634	4,229,627	1.74	19.49

Source: Statistics Department, Bangladesh Bank.

Note: * Excludes Interbank Deposits and Government Deposits.

Bank Credit

Bank Credit	(Taka in Millions)				
Items	**February, 2013**	**January, 2013**	**February, 2012**	**Percentage Changes of February, 2013 over**	
				January, 2013	**February, 2012**
Advances	4,162,904	4,140,494	3,617,690	0.54	15.07
Bills (Import & Inlands Bills)	221,377	208,003	240,215	6.43	-7.84
Investments	1,131,057	1,110,745	882,139	1.83	28.22
Total	5,515,338	5,459,242	4,740,044	1.03	16.36

XXVII. Budget Impact on FDI

Foreign Direct Investment (FDI) in the country's total investment is declining. In FY2008-09, FDI in total investment increased after continuous declining in three successive fiscal years. The global economic recession adversely affected the flow of FDI in the country. Economic update of Bangladesh Bank exhibits that the share of FDI in total investment was 4.42 percent in FY 2008-09, 3.73 percent in FY 2009-10 and 2.87 percent in FY 2010-11. Another exposition of the senior officials of Bangladesh Bank snaps that the share of FDI in total investment was about (Tk. 2,15,300 crore) 2.95 percent in FY 2011-12 and if the existing incentive provisions remain in same strata in the current financial year it will about 3 percent in (Tk. 2,28,600 crore) FY 2012-13. The flow of FDI in the form of equity, and reinvestment has been showing an erratic movement because of political unrest, hazardous conditions of the industries, procedural complicacy, etc. and it is very difficult to assess its future trends.

XXVIII. Borrowing from Banks by the Govt.

Overall budget deficit has been estimated about 5.53 percent (Tk. 46,400 crore) of GDP for FY2013 which was around 5.1 percent in the revised budget for FY2012. For financing the deficit, the government relied on borrowing from the banking system in FY2012. In FY2013, the govt. restored the balance in financing the budget deficit. In FY 2013 high foreign financing target (56.7 percent growth over the revised budget for FY2012) has been set with expected gross foreign aid flow of USD 3.2 billion. Borrowing from non-banking sector will also be almost double. In spite of funding dilemma in meeting public expenditure, the government is planning to reduce bank borrowing by (-) 21.0 percent. As it appears, the programmed fiscal framework has been prepared in a manner that has followed ideal principles of public finance.

Annexure

Current Money Supply

(Taka in million)

Components	February, 2013	January, 2013	February, 2012	Percentage Changes of February, 2013 over January, 2013	Percentage Changes of February, 2013 over February, 2012
1. Currency Outside banks	659637	654130	575825	0.84	14.56
2. Deposits of Financial Institutions with Bangladesh Bank (except DMBs)	3190	3004	2540	6.19	25.59
3. Demand Deposits with DMBs*	485617	481246	462480	0.91	5
4. Time Deposits with DMBs*	4568378	4486388	3767147	1.83	21.27
5. Money Supply (M1) (1+2+3)	1148444	1138380	1040845	0.88	10.34
6. Money Supply(M2) (4+5)	5716822	5624768	4807992	1.64	18.9

Current Bank Deposit and Credit

Deposits held in DMBs (Taka in Millions)

Items	February, 2013	January, 2013	February, 2012	Percentage Changes of February, 2013 over January, 2013	Percentage Changes of February, 2013 over February, 2012
Demand Deposits*	485617	481246	462480	0.91	5
Time Deposits*	4568378	4486388	3767147	1.83	21.27
Total	5053995	4967634	4229627	1.74	19.49

Source : Statistics Department, Bangladesh Bank.
Note: * Excludes Inter bank Deposits and Government Deposits.

Annexure

Bank Credit

Items	February, 2013	January, 2013	February, 2012	Percentage Changes of February, 2013 over	
				January, 2013	February, 2012
Advances	4162904	4140494	3617690	0.54	15.07
Bills (Import & Inlands Bills)	221377	208003	240215	6.43	-7.84
Investments	1131057	1110745	882139	1.83	28.22
Total	5515338	5459242	4740044	1.03	16.36

Annexure

Monthly data of Wage Earner's Remittance

Year/Month	Remittances (In million US dollar)	(In million Taka)
2012-2013		
March	1229.36	96605.19
February	1163.18	91904.24
January	1326.99	105559.90
December	1287.31	103667.10
November	1102.15	89770.10
October	1453.69	118199.50
September	1178.83	96345.80
August	1178.65	96078.80
July	1201.15	98218.00

Year/Month	Remittances (In million US dollar)	(In million Taka)
2011-2012		
June	1070.86	87671.30
May	1156.82	94685.70
April	1083.89	88683.90
March	1109.14	90683.30
February	1133.01	94142.10
January	1221.41	101890.00
December	1147.22	91399.00
November	908.79	69504.30
October	1039.48	78709.30
September	855.44	63790.20
August	1101.79	82028.30

Bangladesh received more than $1.18 billion in the remittances in April, down by 3.82 percent from the previous month . However the amount in April was about 9 percent higher than that in the same month a year ago. Remittances rose 15.9 percent to 12.30 billion in the first ten months (July- April) of the current fiscal year, from $10.61 billion in the same period last year. This is the 17th month in a row that remittances remained above the one billion dollar mark.

Monthly Weighted Average Rate of Interest on Deposits and Advances

Sl No	Name of Banks	W. Avg. Deposits	W. Avg. Advances	Spread
	March, 2013			
	State Owned Banks	7.57	11.26	3.69
1	Agrani Bank Limited	7.43	12.66	5.23
2	Janata Bank Limited	8.38	11.71	3.33
3	Rupali Bank Limited	8.13	12.1	3.97
4	Sonali Bank Limited	6.94	9.89	2.95
	Specialised Banks	9.9	12.61	2.71
5	Bangladesh Krishi Bank	9.33	11.4	2.07
6	Rajshahi Krishi Unnayan Bank	7.49	9.25	1.76
7	BASIC Bank Limited	11.21	16.35	5.14
8	Bangladesh Development Bank Limited	9.8	10.65	0.85
	Foreign Banks	5.84	14.4	8.56
9	Standard Chartered Bank	5.6	15.46	9.86
10	State Bank of India	9.47	14.47	5
11	Habib Bank Ltd.	8.41	13.81	5.4
12	Citibank N.A	3.68	12	8.32
13	Commercial Bank of Ceylon Limited	8.17	14.27	6.1
14	National Bank of Pakistan	11.9	13.93	2.03
15	Woori Bank	3.09	13.3	10.21
16	The Hong Kong and Shanghai Banking Corporation. Ltd.	4.87	13.3	8.43
17	Bank Al-Falah Limited	9.88	14.89	5.01
	Private Banks	9.29	14.56	5.27
18	AB Bank Limited	9.74	14.92	5.18
19	Islami Bank Bangladesh Ltd	7.47	11.44	3.97

20	National Bank Limited	9.81	15.14	5.33
21	The City Bank Ltd.	7.95	14.89	6.94
22	IFIC Bank Limited	10.17	15.21	5.04
23	United Commercial Bank Limited	9.44	14.57	5.13
24	Pubali Bank Limited	8.11	13.45	5.34
25	Uttara Bank Limited	8.5	14.65	6.15
26	ICB Islamic Bank Ltd.	4.24	6.32	2.08
27	Eastern Bank Limited	9.26	14.83	5.57
28	National Credit & Commerce Bank Ltd	10.36	14.59	4.23
29	Prime Bank Ltd	9.25	15.64	6.39
30	Southeast Bank Limited	10.29	15.12	4.83
31	Dhaka Bank Limited	9.88	15.71	5.83
32	Al-Arafah Islami Bank Limited	10.44	14.8	4.36
33	Social Islami Bank Ltd.	10.04	15.63	5.59
34	Dutch-Bangla Bank Limited	6.04	14.59	8.55
35	Mercantile Bank Limited	10.38	14.54	4.16
36	Standard Bank Limited	10.48	15.4	4.92
37	One Bank Limited	9.63	15.3	5.67
38	EXIM Bank Limited	10.31	15.3	4.99
39	Bangladesh Commerce Bank Limited	10.24	15.69	5.45
40	Mutual Trust Bank Limited	10.33	15	4.67
41	Premier Bank Limited	10.22	16.09	5.87
42	First Security Islami Bank Limited	11.16	15.56	4.4
43	Bank Asia Limited	10.27	15.24	4.97
44	Trust Bank Limited	9.94	13.98	4.04
45	Shahjalal Bank Limited	10.53	15.42	4.89
46	Jamuna Bank Ltd	9.82	15.97	6.15
47	BRAC Bank Limited	7.65	16.8	9.15
	All Banks	8.67	13.73	5.06