

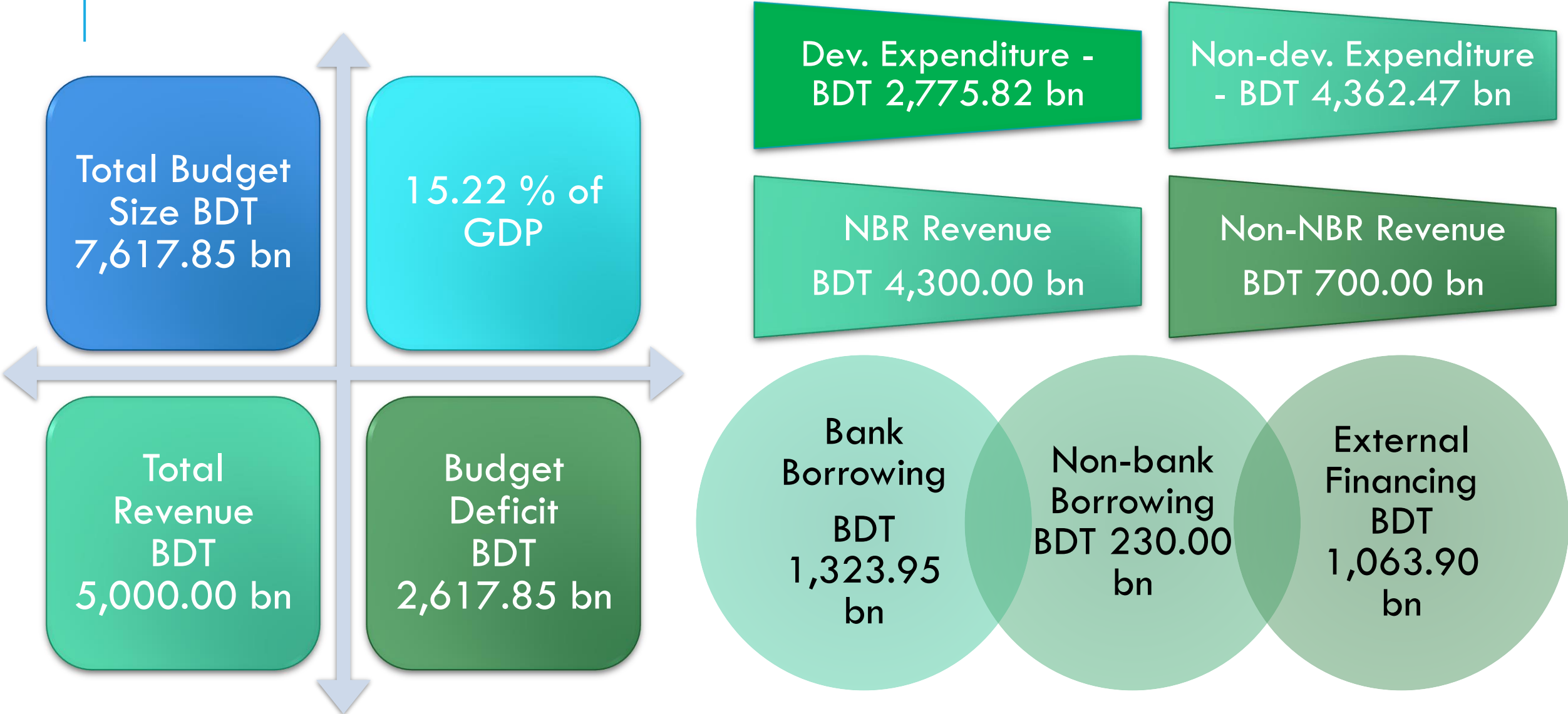
NATIONAL BUDGET REVIEW FY 2023-24



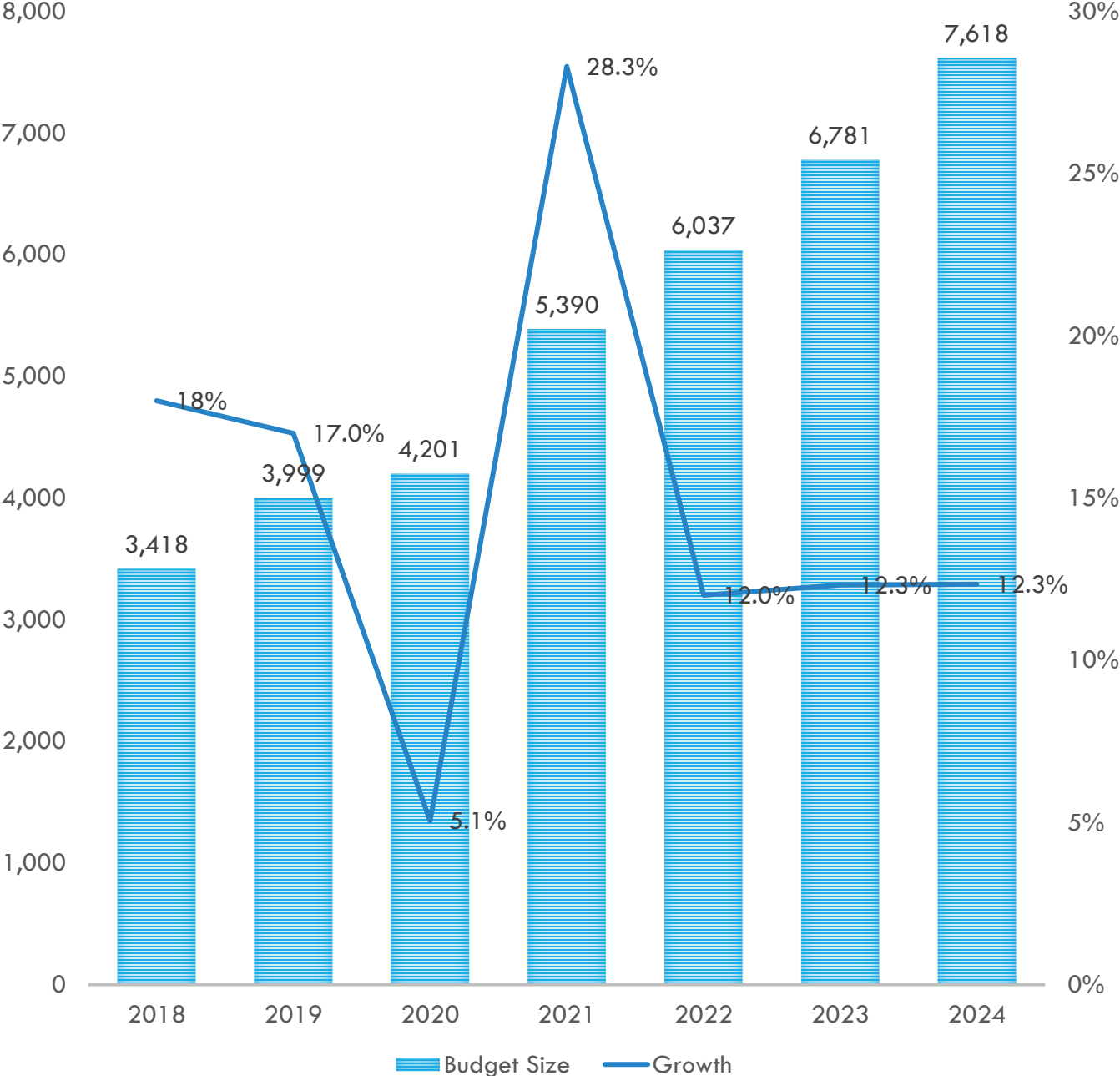
Research Department
Bank Asia Securities Limited



BUDGET SNAPSHOT



PREVIOUS YEARS BUDGET SIZE & GROWTH

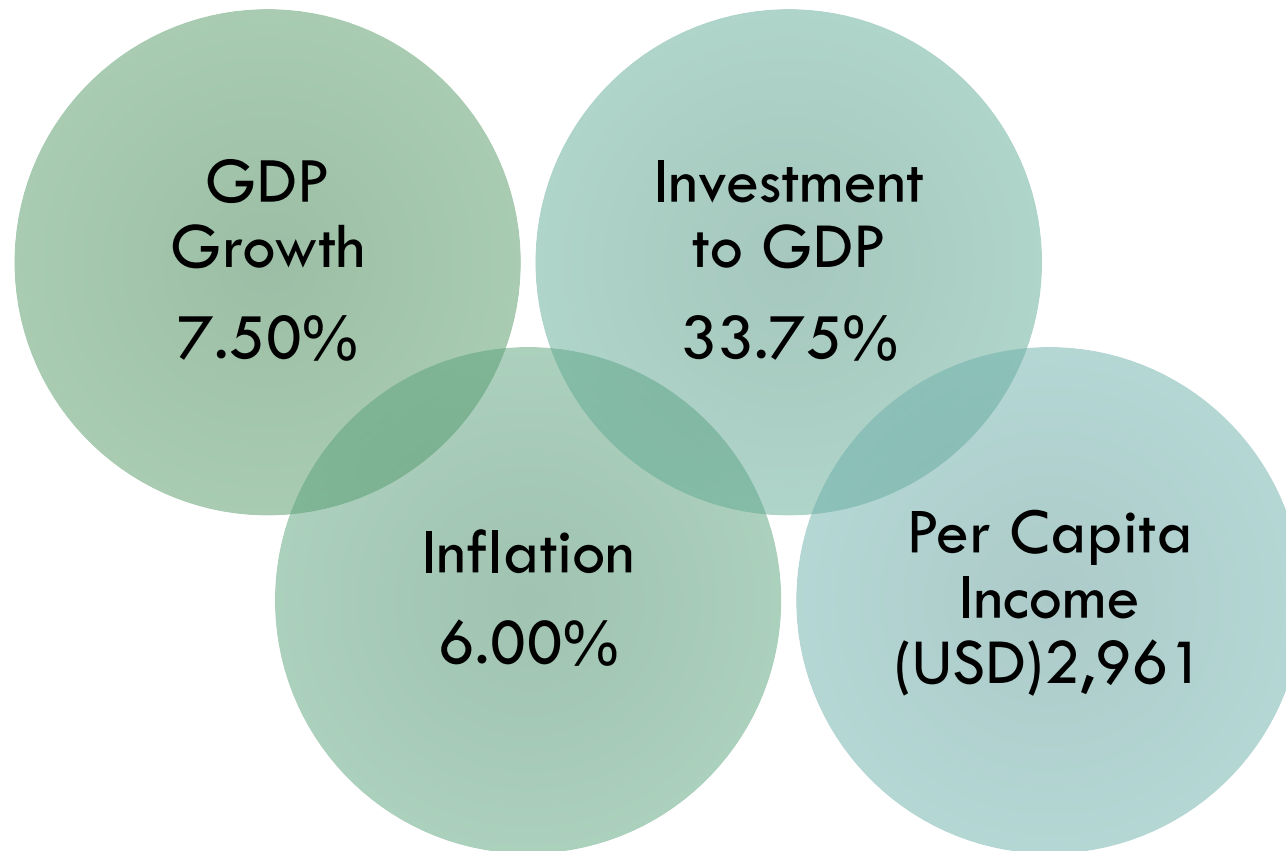


BUDGET STRUCTURE

(BDT bn)

Particulars	FY'24	R. FY'23	FY'23
Budget Size	7,618	6,605	6,781
% of GDP	15.2%	14.9%	15.2%
Revenue Earnings (A):	5,000	4,330	4,330
NBR Tax Revenue	4,300	3,700	3,700
Non-NBR Tax Revenue	200	180	180
Non-Tax Revenue	500	450	450
Public Expenditure (B):	7,618	6,605	6,781
Non-dev Expenditure	4,362	3,901	3,732
Dev. Expenditure	2,776	2,416	2,596
ADP	2,630	2,276	2,461
Others	480	288	452
Budget Deficit (B-A):	2,618	2,275	2,451
Financing:			
Domestic Sources	1,554	1,404	1,463
Bank Borrowing	1,324	1,154	1,063
Non Bank	230	250	400
Ext. Borrowing	1,064	871	987

MACROECONOMIC TARGETS



INDIVIDUAL TAXATION

Total Income	Tax Rate
Till BDT 350,000	0%
Next BDT 100,000	5%
Next BDT 300,000	10%
Next BDT 400,000	15%
Next BDT 500,000	20%
The rest amount	25%

Any individual have E-tin have to pay a minimum tax of BDT 2,000.

Wealth surcharge: Tax-free ceiling rises to BDT 4.0 cr from BDT 3.0cr

General
Tax Payer
BDT
350,000

Women,
Senior
Citizen
(≥65
years)
BDT
400,000

Physically
Challenged
and Third
Gender
BDT
475,000

War-
wounded
Freedom
Fighters
(Gazetted)
BDT
500,000

CORPORATE TAXATION

Description	Existing 2023-24	*Applicable if fails to meet the condition
Publicly traded company (Free-float more than 10%)	20.0%	22.5%
Publicly traded company (Free-float less than 10%)	22.5%	25.0%
Non-publicly traded company	27.5%	30.0%
One Person Company (OPC)	22.5%	25.0%
*Condition: All receipts and income must be transacted through bank transfer and all expense and investment over BDT 12 lakhs must be made through bank transfer.		

Type of Organization		Existing Rates	Proposed Rates
Financial Institutions	Publicly traded Bank, Insurance and FIs	37.5%	Unchanged
	Non-publicly traded Bank, Insurance and Financial Institution	40.0%	Unchanged
	Merchant Bank	37.5%	Unchanged
Tobacco Companies	All sorts of Tobacco Manufacturing Company (including cigarette, bidi, gul, chewing tobacco)	45.0% + 2.5% (surcharge)	Unchanged
Telecom	Publicly Traded Mobile Operator	40.0%	Unchanged
	Non-publicly traded Mobile Operator Company	45.0%	Unchanged
	Private university, medical, dental and engineering college	15.0%	Unchanged

SECTOR IMPLICATIONS

ENGINEERING

Extension of VAT exemption period up to FY25 for production home appliances such as Washing Machine, Microwave Oven, Electric Oven, Blender, Juicer, Mixer, Grinder and up to FY24 for production of refrigeration and freezers.

Import duties on freewheel & sprocket is increased from 10.0% to 15.0%.

Inclusion of 7 new raw materials used in manufacturing of LED/ Energy Saving Lamps in the list of import duty and vat exempted materials.

Custom duty on electronic panels is increased from 1.0% to 10.0% and from 1.0% to 5.0% for sandwich panels.

Withdrawal of advance tax from import of aircraft engines, turbo engines, aircraft parts, and solar-powered water distillation plants

Increase in supplementary duty to 20% from 0% on Microwave Ovens.

Custom duty on electronic panels is increased from 1.0% to 10.0% and from 1.0% to 5.0% for sandwich panels.

Withdrawal of advance tax from import of aircraft engines, turbo engines, aircraft parts, and solar-powered water distillation plants.

POSITIVE

WALTONHL,
SINGERBD, BDLAMPS,
SALAMCRST, SSSTEEL,
NAHEEACP,
BBSCABLES,

Reduction of VAT from 15% to 5% on Terephthalic acid, Ethylene glycol, hot rolled stainless steel.

Reduction of import duty from 15% to 5% on coils with a thickness of 3mm –10 mm cold rolled stainless steel used in coils manufacturing industry.

Exemption of VAT in excess of 5% at the production stage on “optical fiber cable” till June 30, 2024.

FUEL & POWER

Removal of the clause of payment of minimum capacity charge at the time of the contract of existing rental power plants or rent-operated power plants.

VAT on LPG cylinder manufacturers is raised from 5.0% to 7.5% at production stage.

Withdrawal of concessional facilities on 3 raw materials/ equipment (Pickled Hot-Rolled coils, Flat-rolled products of iron or non-alloy steel, Welding wire) used in local LPG cylinder manufacturing industry.

Specific duties on petroleum oil, jet fuels and diesel is changed from 10.0% to BDT 13.75/litre.

Withdrawal of subsidized rate on the import of PHC/SPC/PC Pole and SPC Pole products by power distribution companies

Withdrawal of VAT on import of petroleum oil, jet fuels, motor spirits, diesel and furnace oil which is currently between 5% to 15.0%

POSITIVE

Power
Generation
Companies

NEGATIVE

Power Generation
Companies,
MJLBD, EPGL,
INTRACO

PHARMACEUTICALS & CHEMICALS

VAT exemption on anti-malaria and anti-tuberculosis drugs at production stage.

Inclusion of more than 100 cancer related medicines under the existing concession banner.

Import silicon tube, raw material for IV canula, to be under the existing concession banner.

Three more raw material for diabetes medicine under the existing concession banner.

Withdrawal of advance tax on import of chemicals used in the production of pesticides and herbicides.

Increase regulatory duty from 3% to 20% on foreign perfumed soaps and face washes.

Extension of additional 5% VAT exemption facility on two raw materials of soap and shampoo for one year.

POSITIVE

ACMELAB, ACI, ACI
FORMULA, ACTIVEFINE,
RENATA,
SQURPHARMA,
BXPHARMA,
JHRML, JMISMDL,
ORIONINFU

TOBACCO

Lower slab cigarette to become BDT. 45 (SD increased to 58%) from BDT 40 (SD 57%)

Middle slab cigarette raised at BDT. 67 from BDT 65 (SD unchanged)

High slab 10-sticks cigarette at BDT. 113 from BDT 111 (no change SD)

Premium slab 10-sticks cigarette at BDT. 150 from BDT 142 (no change SD) -
Negative impact on BATBC

Impose supplementary duty on liquid nicotine, transdermal nicotine of 150.0%

The duty on electronic cigarettes increased by 212.0%

Supplementary duty increase from 100.0% to 150.0% on cigarette paper



NEGATIVE

BATBC

BANK & FINANCE

The government is formulating the “Secured Transaction Act, 2022” to increase the use of intangible assets as collateral.

Initiatives have been taken for the development of MFS system while also introducing universal Bangla QR for digital payment to create 'Cashless Bangladesh'

POSITIVE

All listed Banks

CEMENT

Increase of specific duty on clinker import by BDT 200.0 per ton.

Imposition of tax incidence of 43.0% on calcium carbonate.

Rise in the specific rate of duty for commercial importers from BDT 750 to BDT 950.

Dolomite, a raw ingredient for portland cement, will be subject to a 30% supplementary duty at import stage

Travel & leisure

Withdrawal of concessionary rate facility on importing materials used in hotel construction and decoration.

Reduction of duty tax on import of some particular Amusement Park Equipments.

POSITIVE

LHBL

NEGATIVE

ARAMITCEM,
CONFIDCEM,
CROWNCEMNT,
HEIDELBCEM,
MEGHNACEM,
PREMIERCEM

POSITIVE

SEAPEARL

NEGATIVE

SEAPEARL, UNIQUEHRL,
PENINSULA

IT

15.0% VAT is imposed on software import.

Supplementary duty increased from 5.0% to 25.0% on software import.

Imposition of VAT of 5.0% on software production and customization services.

VAT exemption for production of optical fibers.

Government created a fund of BDT 1.0 bn for research and innovation under “Smart Bangladesh”.

Extension of VAT exemption period up to FY 2026 for IT equipment.

Set up initiative of 109 Hi-Tech Parks/Software Technology Parks/IT Training and 72 Incubation Centre by Hi-Tech Park Authority.

**Both POSITIVE &
NEGATIVE**

**GENEXIL, ITC,
BSCCL,
AAMRANET,
BDCOM**

TEXTILE

Exemption of the existing 7.5 % VAT on the sale of waste cotton, fabric waste and man-made fiber fabric waste.

Import Duty has been increased to 15% from 10% on natural or artificial abrasive powder or grain on a base of textile material.

POSITIVE

Promoting Man
Made Fiber
Producing Textile
Co.

NEGATIVE

All the relevant
Textile Co.

Service & Real Estate

Property registration tax in several areas, including Dhaka, Chattogram, Narayanganj, and Gazipur, is set to be doubled from the existing 4% to 8%.

NEGATIVE

EHL

CERAMICS

Reduction of Custom Duty from 10% to 5% on Melamine/Decalcomania Paper Imported by Tiles, Sanitary & Tableware Products Manufacturing Industry



Paper and Printing

Imposition of 7.5% VAT on tissue products (toilet tissue, napkin tissue and facial tissue/pocket tissue) from existing 5.0%.

Extended period for VAT and SD exemption on import of certain raw materials used in the production of sanitary napkins and diapers.



FOOD & ALLIED

Imposition of supplementary duty of 20.0% on import of processed nuts and fruits and 15.0% VAT and 25.0% custom duty on import of fresh and dried dates.

Tax incidence on import on cashew nuts increased from 15.2% to 43.0%.

The VAT-free threshold for the production of handmade biscuits is raised from BDT 150.0 to BDT 200.0 & handmade cakes is increased to BDT 300 from BDT 250.0.

Reduction of tax on sweetmeat shop from 15.0% to 7.5%.

POSITIVE

RAHIMAFOOD

NEGATIVE

OLYMPIC, RDFOOD,
FUWANGFOOD

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About Bank Asia Securities Ltd

Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

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Bagura City Corporation, Bogura
Sadar, Bogura.

Rajshahi Digital Booth

Chamber Bhaban(2nd Floor),
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Rajshahi-6100.

Cumilla Digital Booth

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Holding # 465/401, Race
Course,
Cumilla City Corporation,(Ward
09) Cumilla.