



Building an Equitable and Sustainable Economic System

National Budget Speech 2025-26

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19 Jaishthya 1432 | 02 June 2025

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Chapter One: Introduction

Dear fellow citizens, Assalamu Alaikum.

1. At the outset, I recall with the deepest respect the martyrs of our great Liberation War and the mothers and sisters, based on whose ultimate sacrifice we got an independent country. I recall with utmost respect the valiant martyrs of the July Mass Uprising, who ascended to the pinnacle of honor in the glory of forthright sacrifice. I pray to the Almighty Allah for the salvation of their departed souls.
2. After the July Mass Uprising of 2024, the Interim Government took over the responsibility of running the country at a critical time. We had the difficult task of reviving the economy left by the previous government on the brink of collapse and bringing relief to public lives by removing anarchy. I am delighted that in less than 10 months the Interim Government has already gone a long way in achieving that goal. Insha Allah, we will soon be able to fulfill the aspirations of the people that we envisaged through the July Mass Uprising.

Chapter Two: Medium-Term Policy Strategies

Dear fellow citizens,

3. After the July Mass Uprising, we had to face tough challenges such as taming high inflation, improving the law and order situation, restoring normalcy in the industrial sector by mitigating labor unrest and restoring discipline in the banking sector which was severely damaged due to unbridled corruption and mismanagement during the previous regime. From the very beginning, we have tried with utmost sincerity to solve these problems and bring the country back to normalcy. We are already on the verge of achieving stability due to a robust inflow of remittance, continuous growth in export earnings, continued production in agriculture and industrial sectors, and coordinated implementation of befitting monetary and fiscal policies. However, there are still risks in the way of achieving complete stability and reviving the economy back to its normal self.

Dear fellow citizens,

4. Real income has declined significantly in the last two years due to high inflation. After the onset of the Russia-Ukraine war, the inflation rate started increasing rapidly from the fiscal year 2022-23. As a result, inflation rose to 11.66 percent in July 2024, one of the highest in recent times. When our government assumed the responsibility to govern the country in August last year, the biggest challenge before us was to rein in uncontrollable inflation and provide relief to the people.
5. Over the past months, we have consistently adopted a contractionary monetary policy to control inflation. As a result, the policy rate was gradually enhanced by 150 basis points to 10 percent. At the same time, the Standing Lending Facility (SLF) rate increased to 11.5 percent. According to recent estimates, the weighted average interest rate of commercial banks stands at about 12 percent. Supportive fiscal policy has

also been pursued to strengthen the efforts made under the monetary policy. Overall, the government expenditure has been reduced significantly through the reduction of unnecessary expenditure. The positive effects of such a restrictive policy are already beginning to become visible. Point-to-point inflation eased from 10.89 percent in December 2024 to 9.17 percent in April 2025. We are delighted that during this year's Ramadan, the market for essential commodities was very stable. If this trend continues, point-to-point inflation will come down to 8 percent in June. However, due to this fight against inflation, our GDP growth rate may be slightly lower. According to the provisional estimates, GDP growth in FY2024-25 could be 3.97 percent. However, we expect the final estimate to be higher. We also expect that the growth rate will rise to 6.5 percent in the medium term.

Dear fellow citizens,

6. To continue the downward trend in inflation, it is important to keep the exchange rate stable against foreign currencies. However, to ensure this, it is essential to keep foreign exchange reserves stable. In view of this, we have paid keen attention right from the beginning to increase the foreign exchange reserves. The foreign exchange reserve increased to US\$ 27.4 billion in April due to the growth of remittance and stable exports, which are playing important roles in keeping the exchange rate stable. At present, the impact of inflation due to imports is somewhat less as the exchange rate of Taka is stable and inflation is low in the countries from where our goods are imported. This stability has enabled us to introduce a market-based exchange rate on May 14 this year.
7. In addition to reducing inflation, ensuring food security is also one of our main priorities. However, due to flash floods last year, the production of Aus and Aman was less than the target, causing some shortage in the stock of food grains. To overcome the shortage, we have decided to import 9 lakh metric tons of rice and 7 lakh metric tons of wheat. Against this, 8 lakh 50 thousand metric tons of rice and 2 lakh metric tons of wheat have already been imported. Besides, we are providing necessary subsidies on fertilizers and other inputs for agricultural production while ensuring fair prices for farmers at the field level. In addition, fertilizer stocks or buffer stocks have been increased to bolster food security.

8. It is very important to ensure adequate supply of energy and at the same time keep it as affordable as possible to improve the quality of life of citizens and keep the economy running. In principle, we have decided not to increase the price of electricity for the time being in the context of the prevailing high inflation. At present, the amount of subsidies given in the power sector is about 1 percent of GDP, which is very high. To reduce this gradually, a plan has been taken to reduce the overall cost of power generation by 10 percent. If this plan can be implemented, it is estimated that the cost of electricity subsidy of more than Tk 11,000 crore will be saved. We are reviewing the power purchase agreements and have taken the initiative to conduct energy audits to reduce the cost of power generation. A plan has been made to supply 648 million cubic feet of gas from domestic sources within this year and to extract an additional 1500 million cubic feet gas from local wells by 2028. Keeping these targets in mind, emphasis has been laid on increasing the capacity of the local gas exploration company BAPEX and necessary funds have been allocated for this.

Dear fellow citizens,

9. The current account balance has improved as exports continue to grow more than imports. In the July-March period of the current fiscal year, export earnings increased by 9.45 percent compared to the same period of the previous fiscal year. On the other hand, imports increased by 5.57 percent. As a result, the current account deficit narrowed to US\$ 0.66 billion at the end of March 2025 from US\$ 4.4 billion at the end of the same period in 2024. However, due to the continuation of the government's austerity policy, the pace of development projects has slowed down somewhat and as a result, the promised foreign loan disbursement for the projects is slow. In the July-March period of the current fiscal year, the amount of medium and long-term loan disbursement from foreign sources decreased by 19 percent to US\$ 4.48 billion compared to the same period of the previous year. If we can bring down inflation to the desired level, the pace of development projects will increase again. It may be noted here that by June of the current fiscal year, we expect to receive additional budget support of about US\$ 3.6 billion from various development partners.

10. There is no alternative to increasing the tax-GDP ratio to revive the economy in the medium term. However, Bangladesh's tax-GDP ratio is significantly lower than many comparable countries. We have already taken some significant steps to make the revenue sector more dynamic and increase transparency in revenue collection. The filing of income tax returns has been simplified through an automated system; new tax offices are being set up to increase tax collection and a medium- and long-term revenue strategy (MLTRS) for tax collection has been framed. In the next fiscal year, an allocation of Tk 134 crore has been made for automation of the activities of the National Board of Revenue (NBR) so that taxpayers can pay taxes more easily. In addition, an ordinance has been promulgated to separate revenue management from revenue policy to make tax management more effective and increase efficiency in tax collection. Hopefully, this will increase dynamism of revenue collection in the future and increase the financial capacity of the government.

Dear fellow citizens,

11. Although non-performing loans (NPL) increased significantly due to unprecedented embezzlement and corruption in the financial sector during the previous government, the real condition of the financial sector was kept hidden through repeated rescheduling of the defaulted loans. But we have adopted the Loan Loss Classification and Provisioning System according to international standards (BASEL-III Regulations). As a result, the total amount of NPL in this sector has increased from 10.11 percent in June 2023 to 20.20 percent in December 2024. To uncover the real picture of this sector, steps have been taken to determine the real condition of the banks through Asset Quality Review (AQR).

Dear fellow citizens,

12. Our main objective is to build a society based on the Zero Poverty, Zero Unemployment and Zero Carbon principle where everyone will have a decent life and will be free from the vicious cycle of discrimination. We want to leave a livable habitat for the next generation by implementing the dream with which the foundation of the July Mass Uprising was made. We want to bring radical improvements to the quality of people's lives. We have tried to arrange this year's budget keeping these goals in mind.

Dear fellow citizens,

13. This year's budget is somewhat exceptional. For the first time in the country's history, we are proposing a smaller budget for the next fiscal year than the budget of FY2024-25. Moving away from a growth-centric concept, we have tried to emphasize the concept of holistic development. Therefore, instead of highlighting the traditional physical infrastructure development, we have given priority to the people in this year's budget. Without ensuring the essential elements of guarantee of fundamental rights, necessary measures for good living, security of livelihood and environment free from discrimination, any state becomes ineffective, and the foundation of a society is weakened. Considering this, in this year's budget, special emphasis has been laid on education, health, good governance, civic facilities, employment etc. Besides, realizing the benefits of the Fourth Industrial Revolution, preparing for the post-LDC graduation period, mitigating the risks of climate change and ensuring sustainable development have been given appropriate priorities.

Dear fellow citizens,

14. It is not easy to deal with the instability that we are facing at the regional and global levels. We must maintain unity, have patience and be tolerant. Those who sacrificed their lives in the July Mass Uprising left a rare opportunity before us to lead the country in the right direction and build a strong foundation for the future. Our main mission in the coming days will be to establish good governance and fulfill the commitment of institutional reforms to reach that goal with all-out cooperation from the citizens.

Chapter Three: Good Governance and Institutional Reforms

Dear fellow citizens,

15. During the last one and a half decades, almost all the institutions of the country have been on the verge of collapse due to corruption and lack of good governance. Therefore, it is critical to give utmost importance to establishing good governance and putting institutional reforms in place to bring the country back on the right path. To that end, our Interim Government has formed 11 reform commissions to outline and implement necessary reforms. These are: 1) Electoral Reform Commission, 2) Police Reform Commission, 3) Judicial Reform Commission, 4) Anti-Corruption Reform Commission, 5) Public Administration Reform Commission, 6) Constitution Reform Commission, 7) Women's Affairs Reform Commission, 8) Labor Reform Commission, 9) Local Government Reform Commission, 10) Media Reform Commission, and 11) Health Sector Reform Commission. The commissions have already submitted their reports. I believe that these proposed reforms will bring positive change to the governance system of the country.

Prevention of Corruption

Dear fellow citizens,

16. We are determined to restore democratic governance and root out corruption. To this end, the amendment of the Anti-Corruption Commission Act, 2004 is underway. From July 2024 to January 2025, a total of 515 cases were registered on charges of corruption and after investigation, chargesheets were submitted to the court for 814 cases. During this period, a total of 144 cases were disposed of, among which conviction was awarded in 59 cases. The Anti-Corruption Commission is working in accordance with the United Nations Convention Against Corruption (UNCAC) regarding the return of the laundered money that went

abroad. The 'ACC Reform Commission' formed by the Interim Government has recently given their recommendations which will be implemented soon after scrutiny. Besides, taking into consideration the recommendations of the White Paper exposing the nature of unbridled corruption of the previous government, further steps are being formulated to prevent corruption in the country.

Land Laws and Land Reforms

17. Initiatives have been taken to reduce the complexity of the land laws and improve the slow pace of disposal of land-related cases. To that end, the 'Land Offences Prevention and Remedy Rules, 2024' have been adopted and the process of formulating the 'Land Zoning and Protection Act, 2025' is underway to reduce criminal and civil litigations related to land as well as to simplify land-related services. Land services have been digitalized under an automated land management system. As a result, revenue collection has increased as well as the sufferings of the service-seekers have decreased and transparency in land management has improved. To bring all the land-related services to the doorsteps of the people, the automation project of land management is taken to bring mutation, partition and consolidation of land records, and land registration, etc. under an automated system.

Election Commission Reforms

Dear fellow citizens,

18. One of the goals of the Interim Government is to establish people's voting rights through a free and fair election and to hand over power to a democratic government. In the last decade and a half, the country's electoral system has been completely tampered with. We, therefore, have given the highest priority to reform the electoral system and to this end have made amendments and reforms in various laws, policies and orders. The voter list has already been updated by the Bangladesh Election Commission (EC) to hold the next parliamentary election in a fair manner. Geographic Information System (GIS) technology is being used to ensure transparency, impartiality and proper data analysis in the election system.

Judicial Reforms

19. Thirteen monitoring committees comprising 13 judges of the High Court Division have been formed to supervise the subordinate courts across the country for the improvement of the judicial system. As a result, the rate of disposal of cases in the subordinate courts has increased. The Supreme Court Judicial Appointment Ordinance, 2025 has been promulgated for appointment of qualified judges by making the process of appointment transparent, neutral and accountable. Land has already been acquired for setting up an international standard judicial academy. Through this academy, modern and befitting training will be provided to the judges, and the relevant officials of the Supreme Court and the subordinate courts to enhance their efficiency.
20. A significant number of criminal cases filed from July 1 to August 5, 2024, to suppress the Revolution, have already been withdrawn. False and fabricated cases filed under the Anti Terrorism Act and the Cyber Security Act are being identified and withdrawn. To ensure exemplary punishment of the people involved in the crimes committed during the July Mass Uprising, the International Crimes (Tribunals) (Amendment) Ordinance, 2024 has been promulgated by the government in consultation with the stakeholders to align it with the Rome Statute and other relevant international laws. Through the ordinance, the trial process of crimes against humanity committed in the country during the July Mass Uprising has been started following international standards.

Public Security and Safety Reforms

Dear fellow citizens,

21. To improve the quality of security services, the provision of obtaining a police report for issuing a passport has been relaxed. Bangladesh has introduced e-passport in 59 missions abroad and initiatives have been taken to introduce e-passport, e-visa and e-travel permit in all missions of

Bangladesh. E-gates with sophisticated technology have been set up at various check posts to introduce automated immigration system. To transform the prisons into correctional facilities, initiatives have been taken to formulate the Bangladesh Prison and Correctional Services Act, 2025. Bangladesh and Türkiye have signed a memorandum of understanding (MoU) as part of combating various transnational organized crimes, including terrorist financing, in coordination with international partners.

Financial Sector Reforms

Dear fellow citizens,

22. During the last 15 years, the financial sector has been taken to the brink of a complete breakdown through unprecedented misgovernance. Millions of crores Taka from bank deposits have been siphoned off. Against the backdrop of the political changes after August 5, 2024, our Government has undertaken important reforms to address long-standing structural challenges in the banking sector, establish good governance and restore depositors' confidence. As part of this, the board of directors of several banks has been reconstructed. The Bank Resolution Ordinance, 2025 has been promulgated to ensure timely resolution of capital deficit, liquidity crisis, bankruptcy or existential risks and ensure financial stability. Work is underway to amend the Bangladesh Bank Ordinance, 1972 and enact the weak asset management law. As part of the reforms, three task forces have been formed whose main objectives are: (a) comprehensive qualitative review of the assets of the banks to form the basis of banking sector reform program, (b) increase the capacity and efficiency of Bangladesh Bank to ensure effective implementation of policies and regulations and maintain good governance in the banking system, and (c) take effective initiatives to recover stolen/laundered assets. Bangladesh Bank has formed the Financial Stability Committee of Bangladesh Bank has been formed to understand the dynamics of the financial sector and determine the steps to be taken to maintain the stability of the financial system.
23. The Capital Market Reform Task Force and Capital Market Reform Focus Group have been formed which consist of the concerned and experienced

people to ensure overall development of the capital market of Bangladesh, increase the confidence of the investors and ensure good governance. The task force has submitted draft recommendations on the Securities and Exchange Commission (Mutual Fund) Rules, 2001 and IPO Rules, and final recommendations on Margin Rules. To bring back momentum in the capital market, which was almost destroyed by irregularities, manipulation and corruption during the previous regime, the Interim Government has taken up plans to reduce the shares of the government in the multinational companies and included them in the capital market, provide necessary incentives to encourage the large local companies to get listed in the capital market, implement specific action plans within the shortest possible time to prevent market manipulation, bring all those involved in irregularities under the law, and reduce dependence on bank loans. Activities are also underway to increase fundraising opportunities through equity. Besides, work is underway to establish commodity exchanges and implement blockchain-based back-office software to increase transparency of the capital market and protect investors. We hope that implementation of the reform recommendations and the development of capital market infrastructure will bring back momentum in this important sector of investment.

Public Financial Management Reforms

24. Currently, the budget formulation of all ministries and departments is being done through iBAS++ to connect with the policies and performances of the government. The use of iBAS++ in field offices is rapidly expanding. Using the automated challan (A-challan) system, online revenue/fee payment is now available in all branches of 61 commercial banks and from anywhere using internet banking, debit/credit card, and mobile financial services. To expand the benefits of this system, work is underway to complete the integration of different systems in phases. Using the iBAS++ system, about 1.4 million government employees now gets salary directly in their bank accounts through Electronic Fund Transfer (EFT). EFT is also being used to pay allowances for social security programs. The scope of payment through EFT is being gradually expanded. In addition, e-Money Regulations have been drafted to create a secure and competitive environment for digital transactions.

25. To ensure preservation of correct information and proper management of grants and foreign loans, Personal Ledger (PL) accounts of 172 autonomous organizations have been opened in the Public Account of the Republic and its coverage is being increased gradually. A code of conduct has been formulated to speed up the service delivery process of the state-owned enterprises and the autonomous bodies. To ensure the accuracy of the amount of debts and contingent liabilities of these organizations, a report covering 101 organizations has been published this year analyzing the risks from these organizations and a system of integrated database titled SABRE+ has been prepared. This year, the budget of 72 companies has been prepared in this system and its coverage will be increased gradually. The Public Procurement Act has been amended to ensure greater transparency in public procurement. Besides, a platform titled 'Nagorik Sheba (Citizen Service) of Bangladesh' will be launched soon with the aim of delivering all government services online from one address in a hassle-free way. In phases, the service will be spread to the remote areas of the country by creating citizen service centers in each area. Through this initiative, income opportunities of many young entrepreneurs will be created.

Dear fellow citizens,

26. To bring the crisis-ridden economy left by the previous government back on track, the task force on Re-Strategizing the Economy and Mobilizing Resources for Equitable and Sustainable Development has provided recommendations on various issues including keeping the amount of foreign debt at a tolerable level, taking precautions in selecting development projects, addressing the challenges in the supply chain, developing physical infrastructure, diversification of export products, creating an investment-friendly environment, increasing employment opportunities, expanding environment-friendly industries, etc. Moreover, the White Paper on the state of Bangladesh economy has submitted its recommendations on corruption and economic mismanagement by the previous government. These recommendations have been taken into consideration in adopting and implementing national economic plans. I would like to extend my sincere thanks and gratitude to the people from different walks of life, including eminent economists, journalists, businessmen and civil society representatives, for providing us with

valuable suggestions before preparing this year's budget and we have tried to include their suggestions as much as possible in the budget.

Dear fellow citizens,

27. I am now presenting the supplementary budget for the FY2024-25 and the budget for the next FY2025-26.

Chapter Four: Supplementary Budget of FY2024-25

Dear fellow citizens,

28. Considering the progress of overall revenue collection and expenditure, the budget for the current fiscal year 2024-25 has been revised and adjusted. A brief statement of the revised budget has been attached as Appendix 'A': Table-1.
29. **Proposed Revised Revenue Collection:** Total revenue collection grew by 7.82 percent till March 2025 in the current fiscal year. Considering the sluggish growth in revenue collection, I propose to reduce the revenue collection target from the original budget by Tk 23,000 crore and set at Tk 5,18,000 crore in the supplementary budget for the FY2024-25.
30. **Proposed Revised Expenditure:** In the budget of the current fiscal year 2024-25, the government expenditure was estimated to be Tk 7,97,000 crore. Considering the progress of expenditure till March, I propose to reduce the government expenditure by Tk 53,000 crore and set at Tk 7,44,000 crore. Of this, I propose to reduce the size of the Annual Development Program from Tk 2,65,000 crore to Tk 2,16,000 crore.
31. **Revised budget deficit and finance:** The budget deficit for the current fiscal year was originally estimated to be Tk 2,56,000 crore. In the revised budget, the deficit has been proposed to be Tk 2,26,000 crore, which will be 4.1 percent of the GDP. Of the total deficit in the revised budget, I propose to collect Tk 1,17,000 crore from domestic sources and Tk 1,09,000 crore from foreign sources.

Chapter Five: Proposed Budget of FY2025-26

Dear fellow citizens,

32. One of the goals of this year's budget is to ensure equitable distribution of wealth and to build a discrimination-free Bangladesh. Formulation of an implementable budget maintaining the balance between revenue and expenditure is also a major goal. In this context, I am now focusing on the budget structure for the next fiscal year 2025-26. A table showing the proposed budget for the next fiscal year has been provided in Appendix 'A': Table 2.
33. The government has already taken various steps to make the tax payment and collection system modern, technology-based and people-friendly to increase revenue collection. In addition, the National Board of Revenue (NBR) has continued its efforts to achieve the target of revenue collection in the medium term, including rationalization of tax exemption. Since more than 88 percent of the total revenue comes from the sources of the NBR, its manpower has been increased to strengthen the revenue-generating activities. Besides, the issue of gradually reducing tax exemption, expanding tax net, setting a uniform VAT rate are under active consideration. In addition to these reforms in the tax system, initiatives have been taken to update various fees to increase the non-tax revenue.
34. **Proposed Revenue Earnings:** Considering all these reforms and activities in the revenue sector, I propose to collect Tk 5,64,000 crore in the next fiscal year 2025-26, which will be 9.0 percent of the GDP. Of this, I propose to collect Tk 4,99,000 crore through the NBR sources and Tk 65,000 crore from other sources.
35. **Proposed expenditure:** I propose to spend Tk 7,90,000 crore for the next fiscal year 2025-26, which will be 12.7 percent of the GDP and Tk 7,000 crore less than the budget of the previous fiscal year. Of this, I propose to

allocate a total of Tk 5,60,000 crore for the operating and other expenditures and Tk 2,30,000 crore for the Annual Development Program. In this context, I would like to mention that as no pay scale has been declared after 2015, I propose to increase special benefit for the government employees in the budget of FY2025-26. The sectoral allocation for the Annual Development Program for the fiscal year 2025-26 is presented in Table 3 of Appendix 'A'. In addition, our overall expenditure structure divided into three parts, social infrastructure, physical infrastructure and general service sector, has been presented in Table 4 of Appendix A.

36. **Proposed budget deficit and financing:** Although the expenditure on principal and interest payment of foreign loans increased due to the huge depreciation of the Taka against the US dollar during the previous government, our overall budget deficit will remain at a tolerable level. In the proposed budget for 2025-26, the deficit will be Tk 2,26,000 crore, which will be 3.6 percent of the GDP. Of the total deficit in the proposed budget, I propose to spend Tk 1,25,000 crore from domestic sources and Tk 1,01,000 crore from foreign sources. In the next financial year, the total expenditure on interest payment has been estimated at Tk 1,22,000 crore, including Tk 1 lakh crore for domestic interest payment and Tk 22,000 crore for foreign interest payment.

Chapter Six: Sectoral Priorities

Dear fellow citizens,

37. Now I present the sector-specific action plan of the proposed budget. The details of sector-wise budget allocation have been appended in Appendix 'A': Table 6.

Education

38. There is no alternative to science, technology or technical education to build a strong economic structure. This year's budget has given special priority to creating the environment for a science-based, technology-driven and employment-oriented education.

Primary and Mass Education

Dear fellow citizens,

39. The most important foundation of a child's cognitive development is laid at the level of primary education. Considering this, short, medium and long-term reform activities have been started based on the recommendations of the consultation committee formed for the development of primary education, whose main goal is to create a suitable environment and ensure quality education for the students. To ensure an enabling environment for primary education, 5,946 classrooms, 17,164 wash blocks and 4,450 tubewells have been set up in primary schools across the country in the current fiscal year. At present, construction of 21,278 classrooms, construction of 18,476 wash blocks and installation of 6,984 tubewells are underway. Besides, 9 crore 19 lakh 50 thousand 492 books have been distributed from pre-primary to class 5 in the current academic year.
40. At the primary level, all the students are being given stipend through EFT. Besides, the School Feeding program will be introduced in 150 upazilas at

a cost of Tk 5,452 crore under the 'Government Primary School Feeding Program', which will help increase enrollment rate, ensure nutrition of the students and increase school attendance. I propose to allocate Tk 2,164 crore for this purpose in the next fiscal year.

Dear fellow citizens,

41. Considering the importance of primary and mass education, I propose to allocate Tk 35,403 crore for this sector in the FY2025-26.

Secondary and Higher Education

Dear fellow citizens,

42. Existing textbooks have already been revised and updated to ensure quality education. To modernize the higher education system and align it with international standards, the curricula of all private universities have been updated based on the globally recognized outcome-based education (OBE) model. Under the Secondary and Higher Education Division, 62 projects are being implemented with an allocation of Tk 1,957 crore for educational infrastructure development and other initiatives. Besides, plans have been taken to construct ICT infrastructure, including necessary buildings, at Dhaka University, BUET and Jashore Science and Technology University, which will be used as modern classrooms, laboratories and start-up incubation centers for the ICT students. Besides, the government has provided stipends to 51 lakh insolvent meritorious students at secondary level, 8 lakh at higher secondary level and 1 lakh 65 thousand at undergraduate level in the current fiscal year. Besides, I propose to allocate Tk 1,626 crore for providing revised textbooks of the secondary and higher secondary level among the students.

Dear fellow citizens,

43. I propose to allocate a total of Tk 47,563 crore for secondary and higher education in the FY2025-26. In the budget of FY2024-25, the allocation for this sector was Tk 44,109 crore.

Technical and Madrasa Education

Dear fellow citizens,

44. Technical and vocational education plays an important role in ensuring employment opportunities both at home and abroad. At present, the enrollment rate in technical education is 19 percent. Women polytechnic and engineering colleges are being established at every divisional level, polytechnics at district level and technical schools at upazila level to substantially increase this rate in the future.
45. Besides, the government is implementing extensive programs for the development of Madrasa education. The construction of 1,135 Madrasa buildings has already been completed and construction of 513 multi-storied buildings is underway. Work is underway to bring 1,519 madrasas across the country under MPO. Besides, multimedia classrooms have been set up in 493 madrasas, which are playing a role in making madrasa education time-befitting. Besides, I propose to allocate Tk 728 crore for inclusion of stipend at the Ebtedayee level and MPO enrollment of Madrasas.

Dear fellow citizens,

46. I propose to allocate Tk 12,678 crore for the Technical and Madrasah Education Division in FY2025-26. In the budget of FY2024-25, the allocation for this sector was Tk 11,783 crore.

Health and Family Welfare

47. Building a healthy, strong and productive population by providing affordable and quality health, nutrition and family welfare services to the people is a prerequisite for national development. To bring all the citizens under universal health coverage by 2030, special emphasis has been given on expanding the scope of services, infrastructure development and recruitment of skilled human resources. To fill the vacancies in the health sector, the recruitment of doctors, nurses, technicians, pharmacists and health assistants has been accelerated, and an integrated plan has been taken to create necessary posts. Initiatives have been taken to recruit

doctors on an emergency basis through special BCS. To simplify the health services, telemedicine services have been introduced in 232 hospitals and expert consultation services have been ensured through health call centers named 'Health Window'. Besides, the monthly remuneration of private students of Masters and FCPS has been increased to Tk 35,000 from Tk 25,000. Community education allowance for medical students and allowance for nursing students have also been increased. The monthly allowance for basic subject teachers in medical education has been increased to 50 percent from 20 percent of the basic salary, which will be effective from the next fiscal year. I propose to allocate an additional Tk 4,166 crore for providing free medical services to the poor people and Tk 1,000 crore for the Expanded Program on Immunization in the next fiscal year to ensure healthcare services for the poor.

Dear fellow citizens,

48. In many developed countries, the demand for caregivers is increasing steadily. By developing skilled human resources in this sector to meet the global demand, we can expand opportunities for overseas employment and unlock new avenues for earning foreign remittances. To this end, initiatives have been taken to provide necessary training for caregivers. Besides, launching PhD courses in nursing education and establishing an international standard training center for nurse educators are being considered. To harness the benefits of demographic dividend and build a prosperous Bangladesh through the development and planned management of the population, the 'Bangladesh Population Policy 2025' is being formulated by updating the existing population policy. In addition, the formulation of the 'Bangladesh National Family Planning Strategy Paper 2025-2030' is in the final stage to achieve zero maternal deaths that are preventable and zero gender-based violence by 2030.

Dear fellow citizens,

49. Considering the importance of the health sector in the national development, I propose to allocate Tk 41,908 crore for the Ministry of Health and Family Welfare in the FY2025-26. In the budget of FY2024-25, the allocation was Tk 41,407 crore.

Employment and Skill Development

Entrepreneurship Development and Self-Employment for the Youth

Dear fellow citizens,

50. We are working to develop a pool of skilled youth and create self-employment opportunities by utilizing their immense energy and potential. The 'Tarunyer Utshob (Youth Festival) 2025' has been celebrated with huge enthusiasm around the theme 'Let's change the country, change the world'. To create self-employment, the ceiling of youth loan given to trained youths across the country has been increased to a maximum of Tk 2,00,000. The loan ceiling for successful young entrepreneurs has been increased to Tk 5,00,000. Besides, I propose to create a new fund of Tk 100 crore for the young entrepreneurs. This is the first time such a fund is going to be created. Besides, a project has been undertaken to create employment opportunities by providing training and credit facilities to 9 lakh youths by December 2028. Self-employment generating projects have also been undertaken for the family members of the injured and martyrs of the July Mass Uprising. From January 2025, freelancing training activities have been started for 28,800 educated and job-seeking youths in 48 districts of the country. To involve the youth more deeply in the process of development of the country, I propose to allocate Tk 100 crore for the celebration of 'Tarunyer Utshob (Youth Festival)' in the next fiscal year.

Skill Development

51. To make the young people of the country ready to meet the demand of the domestic and global market, steps have been taken to provide world-class technical training certificates by developing a technical training curriculum. Besides, activities are underway to establish linkages between industries, training institutes and academia to ensure job placement through demand assessment, curriculum development based on that demand and providing education/training according to the curriculum. To continue the growing trend of developing skilled human resources, a special program is being implemented to connect export-oriented and small and medium industries with global high value chains and increase their competitiveness. Through this program about 2,20,000 people will be trained in different professions.

Foreign Employment

Dear fellow citizens,

52. To increase the number of workers going abroad, the government is planning to strengthen the activities of 70 Technical Training Centers (TTCs) at the district level as well as 40 TTCs at the upazila level along with building 50 new TTCs in additional 50 upazilas. Initiatives have been taken to digitalize the departure process of the workers. Arrangements have already been made to provide exit clearance in six districts and this facility will be extended to all the districts in phases. In addition, a digital system will be introduced for submitting and redressing the complaints of the deceived workers. Initiatives will be taken to decentralize the power of Alternative Dispute Resolution (ADR) at the district level, including delegating the power of dispute resolution officer to the investigating officer and forming a complaint management cell.

Protection of Workers and their Safety

53. The present government is working for the welfare of the existing workers alongside creating new employment opportunities. To ensure continued productivity by resolving labor unrest in the industrial sector, about Tk 651.37 crore has been disbursed to various industries after August 5, 2024. Considering the prevailing high inflation, the annual increment rate of wage has been enhanced from 5 to 9 percent for the industrial sector from December 2024. Minimum wage has been announced in tanneries, soaps and cosmetics, cold storage and tailoring industries. Over the next three fiscal years, the minimum wage will be set or revised for 15 additional industrial sectors.
54. In addition, initiatives have been taken to establish a platform for coordination of employment opportunities and dissemination of information. Measures are underway to appoint an arbitrator panel and implement its activities in line with the ILO's recommendations to improve labor standards. Strategic and intensive compliance will be ensured by mapping factories, institutions and shops in labor-intensive areas. In addition, training and piloting programs will be conducted to modernize the RMG sector matching the need of the fourth industrial revolution.

Agriculture and Food Security

55. Food security is a major concern to this densely populated country. To increase agricultural production, activities are underway to develop climate resilient crop varieties and improved farming technology, supply of agricultural inputs at affordable prices, expansion of irrigation areas, development of marketing system, agricultural mechanization, etc. Subsidies are being provided where necessary. Exports of agricultural products are also encouraged after meeting the domestic demand.
56. In the current fiscal year, agricultural inputs and cash incentives have been provided under the 'Agricultural Rehabilitation Assistance' program. Small and marginal farmers affected by floods have also been provided assistance from this program. To ensure adequate supply of emergency agricultural inputs like fertilizers, our government has expedited the payment of subsidies for both imported and domestically produced fertilizers covering the trade gap and the payment of arrears in fertilizer subsidies. Subsidies for fertilizers and agricultural inputs will be continued in the next fiscal year.

Dear fellow citizens,

57. Government has taken initiatives to rationalize the use of chemical fertilizers and pesticides to protect biodiversity, maintain soil quality and keep the environment free from pollution. To increase the use of organic fertilizer, farmer groups and NGOs are also being involved in production, marketing and extension of organic fertilizers. The use of environment-friendly technologies is being promoted to prevent the wastage of water during irrigation, better use of surface water and sustainable use of ground water. To strengthen the overall agricultural production system, including prevention of post-harvest wastage different initiatives have been taken, such as - strengthening cold storage and cold chain infrastructures with packaging, developing agricultural transportation system, creating a comprehensive database of stakeholders in the agriculture supply chain, establishing specialized agro-processing zones, developing port infrastructure for export of agricultural products, etc. In addition, 59 issues hindering agricultural exports have been identified, and steps have been taken to address them.

Food Security

58. OMS and food-friendly programs are being continued to alleviate poverty and ensure food security for the low-income people. At present, OMS activities are being conducted through 1,901 centers across the country. Under this initiative, 1.22 crore families are receiving 5 kg of rice per month at a subsidized rate of Tk 30 per kg. Besides, wheat is being distributed among the listed tea garden workers at the rate of Tk 19 per kg. Furthermore, under the Vulnerable Women Benefit Program, 10,40,000 destitute women are being provided with 30 kg of rice per month. Food subsidies will continue in the next fiscal year to ensure food security for the low-income people.
59. To ensure food security as well as safe food, various initiatives like purchase of paddy directly from farmers in all upazilas through 'Krishoker App (Farmers' App)', raise awareness, provide training to ensure safe food and instant sample testing through mobile laboratories are underway. In addition, an action plan has been taken to increase the capacity of food warehouses to 37 lakh metric tons and increase the institutional capacity of tonnage and food grain management in the next fiscal year.

Fisheries and Livestock

Dear fellow citizens,

60. The Interim Government has been making relentless efforts to develop the fisheries and livestock sector to meet the demand of animal protein and ensure food and nutrition security. To meet the growing demand of safe animal protein in the country, an action plan has been taken to develop sustainable varieties of fisheries, livestock and poultry as well as achieve desired production through disease control. According to the report of The State of World Fisheries and Aquaculture 2024 of the Food and Agriculture Organization of the United Nations, Bangladesh ranked 2nd in producing fish in inland open water capture production and 5th in the world aquaculture production. Bangladesh also ranked 1st among the 11 hilsa producing countries in the world and 4th in tilapia production.
61. To increase the production of freshwater fish, the government has issued a directive to stop all types of fishing in haor areas from May 29 to June

28 every year. Special combing operations are being conducted to remove prohibited/illegal fishing nets. All types of fishing have been banned in the maritime waters from April 15 to June 11 every year. During the holy month of Ramadan this year, milk, beef, chicken and eggs were sold at affordable prices through mobile sales centers. In addition, vaccines for lumpy skin disease, avian influenza, goat pox have been invented to protect livestock. In the medium term, initiatives have been taken to modernize fish farming through mechanization of commercial fish farms and expansion of automated production systems, strengthening sustainable management of marine fisheries resources to develop blue economy and produce diversified fish and fishery products. Considering the protein demand of the country, a target has been set to produce 52,55,000 metric tons of fish in FY2025-26.

Dear fellow citizens,

62. To develop fisheries and livestock alongside the agriculture sector and ensure food security, I propose to allocate a total of Tk 39,620 crore for Agriculture, food, and fisheries and livestock in FY2025-26, which was Tk 38,259 crore in FY2024-25.

Social Security and Inclusive Development

Dear fellow citizens,

63. In this year's budget, we have focused on increasing both the number of beneficiaries and per capita allocation to reduce poverty and social inequality, and to improve the standard of living of the poor, marginalized and vulnerable people. In this context, I propose to increase the rate of several allowances from the next fiscal year. These include the monthly rate of old age allowance from Tk 600 to Tk 650, monthly allowance for widow, deserted and destitute women from Tk 550 to Tk 650, monthly allowance for the disabled from Tk 850 to Tk 900, and the rate of monthly allowance given under the mother and child benefit program from Tk 800 to 850. Besides, I propose to increase the monthly allowance rate for disadvantaged communities to Tk 650. In addition to increasing the rate of allowances of various social security programs, the number of beneficiaries will also be increased to a reasonable extent.

64. Although the inflation rate has shown a slight downward trend recently, it is still above 9 percent. To protect the marginalized people from the scourge of inflation, the Trading Corporation of Bangladesh, has been providing essential commodities like lentils, soybean oil, etc. to 57 lakh families holding smart family cards since January 2025. Besides, under the food-friendly program, 50 lakhs low-income families are currently receiving 30 kgs of rice at the rate of Tk 15 per kg for 5 months in a year. I propose to increase it to 6 months from the next fiscal year. At the same time, I propose to provide assistance to a total of 55 lakh families by covering an additional 5 lakh families under the food-friendly program. An initiative has been taken to establish a Dynamic Social Registry (DSR) to select the right person as beneficiary under the social security program.

Dear fellow citizens,

65. To preserve the history and memory of the July Mass Uprising, to rehabilitate the families of the martyrs and injured students and people, and to establish the ideology and spirit of the Mass Uprising in the state and national life, the 'July Mass Uprising Directorate' has been established. An initiative of converting Ganabhaban as 'July Mass Uprising Memorial Museum' is also underway. A policy will soon be framed to provide allowances to the family members of July Mass Uprising martyrs and the wounded will be formulated. Also, medical treatment facilities and rehabilitation programs will be offered to the wounded. An allocation of Tk 232.60 crore has been made in the FY2024-25 for allowances, treatment, grants and rehabilitation for the families of the martyrs and injured in the July Mass Uprising. I propose to allocate Tk 405.20 crore for the families of the martyrs and the injured in the July Mass Uprising in the FY2025-26.

Dear fellow citizens,

66. Considering the scope and importance of social security, I propose to allocate Tk 1,16,731 crore in the FY2025-26. However, the allocation excluding pension allowances will be Tk 81,297 crore in FY2025-26.

Investment, Industry and Commerce

Dear fellow citizens,

67. To increase private investment in the country, it is important to create a conducive environment. We are committed to identifying the existing obstacles to investment and removing them as soon as possible. Bangladesh Investment Summit 2025 was organized in April this year to highlight the benefits of investment in Bangladesh, in which about four hundred and fifty foreign investors participated. A memorandum of understanding (MoU) of US\$150 million was signed with a Chinese company and US\$110 million of foreign investment was received by start-up company ShopUp. In addition, an agreement has been signed with NASA's Artemis program under which Bangladeshi youths will be able to participate in space exploration with 53 countries of the world, including the USA.
68. Important services from BIDA are being provided online or through telephone to provide quick and easy services to the investors. The One Stop Service (OSS) portal currently provides a total of 134 services from 43 organizations. Steps have been taken to map all the investment services of the country across the sectors and include them in the OSS. In addition, Bangladesh Single Window (BSW) has been launched under the National Board of Revenue (NBR) to provide application, processing and services on a single platform to improve the business environment. BSW has started its activities through integration with different certificate, license and permit issuing agencies including BEPZA.

Dear fellow citizens,

69. The management and operation of Private Export Processing Zones (EPZ) has been entrusted to Bangladesh Economic Zones Authority (BEZA) and the long-running land related complications in Korean EPZ have been resolved. Ten economic zones (National Special Economic Zone, Srihatta Economic Zone, Jamalpur Economic Zone, Moheshkhali Economic Zone-3 (Dhalghata), Bangladesh Special Economic Zone, Chinese Industrial Economic Zone, Sabrang Tourism Park, Chandpur Economic Zone-1, Kushtia Economic Zone and Kurigram Economic Zone) are expected to be

operational in the next ten years. A pipeline of investors is being formed to increase foreign investment. By this, the investment commitment will be converted into real investment through systematic tracking. Bangladesh Investment Development Authority (BIDA) has already published the FDI Heatmap. Besides, we are paying special attention to encourage the implementation of investment projects through public-private partnership in the potential sectors of the country. For this purpose, I propose to allocate Tk 5,040 crore as public-private partnership fund in the next fiscal year.

70. Appropriate initiatives are being taken to make public investment more effective, sustainable and fruitful. In the meantime, a number of projects that are less important or are taken into political consideration have been dropped. To evaluate important infrastructure investment projects in the 'Transport and Connectivity' and 'Environment, Climate and Water Resources' sectors, financial and economic analysis is being done to determine the cost of the project and determine the potential benefits. In addition, the projects are being evaluated during the project preparation stage to determine their environmental impact and resilience against climate change. In addition, the Multi-Year Public Investment Program (MYPIP) has been formulated in coordination with the Medium-Term Budget Framework (MTBF) to increase efficiency and effectiveness of public investment and achieve the goals and objectives of the adopted national plans and SDGs.
71. We have decided to formally graduate from the group of LDCs in November 2026. As new possibilities will be created in the post-graduation period, the challenges of gradual reduction or abolition of subsidies, incentives, etc. and cancellation of the benefits received as LDCs in entering foreign markets will have to be faced. To ensure maximum benefit from the transition, the Smooth Transition Strategy (STS) has been formulated by identifying the future action plans. To increase the competitiveness of the commercial sector, short and long-term plans are being implemented for the development of the logistics sector and work is underway to implement various measures, including signing trade agreements with different trade potential countries and regional economic alliances. Currently, negotiations are underway to sign trade agreements with several countries, including China, Japan, Sri Lanka, Singapore, Malaysia, and Korea. Besides, special emphasis is being given on

establishing a solid waste treatment plant at the Savar tannery in addition to the existing Effluent Treatment Plant and operationalizing the Active Pharmaceutical Ingredient (API) park at Gazaria in Munshiganj to enhance the competitiveness of potential industries like leather and pharmaceuticals. As a result of the government's policy support, the pharmaceutical industry has achieved self-sufficiency and is now exporting medicines to more than 150 countries.

Promotion of Small and Medium Enterprises

Dear fellow citizens,

72. According to the estimates of the FY2023-24, the contribution of cottage, small and medium enterprises (SME) to the GDP of Bangladesh is about 11.89 percent. To develop this potential sector, various activities are underway to increase the skills of the entrepreneurs and improve the business environment. To increase financing facilities for marginal entrepreneurs, low-interest loans are being provided under the credit wholesale program, of which at least 23% are women entrepreneurs. In addition, necessary support is being provided for the development of the SME sector through updating of cluster mapping and demand assessment, skill development in business management by providing services in incubation centers, organizing SME product fairs, etc. The lending institutions have been instructed to increase the loan of women entrepreneurs in their loan portfolio to at least 15 percent so that women entrepreneurs can get easy loans in small, medium and cottage industries sectors. Besides, 1 percent incentive is being given to women entrepreneurs and lending institutions who repay loans on time.
73. To facilitate growth of this sector, activities have been taken for the next 3 years to fulfil several targets including creation of 15,000 new entrepreneurs, providing skill and technical training to 25,000 entrepreneurs, setting up SME product display and sales centers in divisional cities, organizing regional SME product fairs in districts, establishing a central database of CMSME entrepreneurs, distributing Tk 1,000 crore loan to 10,000 entrepreneurs of marginal level CMSME sector, including women entrepreneurs and connect 3,000 women entrepreneurs with corporate buyers through digital platforms.

Women and Children Welfare

Dear fellow citizens,

74. Ensuring women's rights, protection and economic independence is one of the main goals of our government. To ensure their safety, accommodation facilities are being provided to 1,399 women. Skill-based programs have been taken for women through the National Academy for Women Training and Development, and training is being imparted through women training centers at the upazila level. A total of 10,455 women entrepreneurs have been trained in different trades through the capacity building project of Joyeeta Foundation. Under the VWB program, 20,000 selected women have been trained for women empowerment and poverty alleviation. Under the project of establishing adolescent clubs, 7 lakh 32 thousand 450 adolescents have been given training on prevention of child marriage and prevention of gender-based violence and Sexual and Reproductive Health and Right (SRHR). A dedicated desk for women entrepreneurs has been set up in every branch of banks and financial institutions to increase the scope of financial inclusion of women and ensure business-friendly environment. Besides, a Tk 30,000 crore refinance scheme has been launched to make it easier for women to get loans and they are getting loans up to Tk 25 lakh from this scheme without any collateral. I propose to allocate a fund of Tk 125 crore in the next fiscal year to strengthen the economic empowerment of women entrepreneurs by improving the business environment for them.

Dear fellow citizens,

75. In addition to working women, there are many women in our country who dedicate their time as homemakers. Although there is no scope currently for the inclusion of their services in the GDP due to systemic reasons, it is undeniable that due to their silent and relentless efforts, the house where the working people return at the end of the day is becoming the nest of peace where our children grow up safely. But their important role is often underestimated. I express my deep respect and gratitude to them on behalf of the government and the people. In the future, necessary steps will be taken to add their contribution to GDP based on financial criteria.

76. In the current fiscal year, about 40,000 children across the country have received training on various cultural subjects for physical, mental and cultural development of children. Through this training program, efforts are made to instill creativity, patriotism and humanitarian values among the children. Besides, financial assistance has been provided to 84 families of child martyrs of the July Mass Uprising and efforts are being made to bring the children injured in the Mass Uprising back to the mainstream. Through child daycare centers, 1,700 children are being served and under another project of 20 daycare centers 1,200 children aged from 6 months to 6 years are being served.

Local Government

Dear fellow citizens,

77. A strong, effective and corruption-free local government system is essential to spread the benefits of welfare-oriented activities in all parts of the country. Services are being provided to the people under the local government system in important areas like development of transport system, birth and death registration, primary health services, environment development, provision of drinking water etc. To develop a modern urban system, various short and long-term programs are being implemented to ensure road infrastructure, safe water supply, development of drainage system, modern sewerage and primary waste management in different cities. Besides, the services provided by city corporations and municipalities are being brought under online-based automation in phases. In addition, to increase transparency and accountability in the works done by the local government institutions, opinions are being taken about the overall action plan of LGED by organizing quarterly stakeholder consultations in every district involving the students and people. This has created an opportunity to identify the scheme based on the needs of the local people and implement people-friendly development works.
78. To strengthen rural communication infrastructure, construction of 5,400 km new roads, construction of 21,500 meters of bridges/culverts, development of 104 markets and growth centers, maintenance of 8,750 km pucca roads, maintenance of 20,000 meters of bridges/culverts,

construction/expansion of 35 upazila complex buildings, and construction of 55 cyclone shelters have been targeted in FY2024-25. In addition, initiatives have been taken to include 'Social & Environmental Safeguard Issues' in all projects.

79. To properly manage the waste produced in 12 city corporations and 329 municipalities of the country, initiatives have been taken to produce electricity/fuel and bio-fertilizer by incinerating waste in an environment-friendly way following modern waste management technology. Work plans are being implemented to construct safe water sources in rural areas of the country, supply water through pipelines, establishment of water treatment plants, construction/maintenance of community/sanitary latrines throughout the country, reducing the use of ground water and increasing the use of surface water and bringing every house under hygienic sanitation system.

Power and Energy

Dear fellow citizens,

80. To ensure transparency and accountability in the power sector, the 'Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act, 2010' has been repealed. A national committee has been formed to review the agreements previously executed under the Act and to make recommendations. In addition, a separate committee has been formed to review the tariff structures of the purchase agreements, re-negotiate them and make recommendations. As part of modernizing the power distribution system, work is underway to place distribution lines and substations underground in metropolitan areas. This initiative will make the power distribution system more stable and efficient. Furthermore, an agreement under sub-regional cooperation was signed with Nepal on 3 October 2024. Under this agreement, 40 MW of hydropower will be imported at an affordable price to meet the electricity demand during summer. The construction of 2,400 MW Rooppur Nuclear Power Plant is progressing rapidly. We hope that it will be possible to supply electricity from this plant to the national grid by December of this year.

81. The process of formulating a new policy by updating the Renewable Energy Policy 2008 is in its final stage. It has been decided that 30 percent of the country's total electricity will be generated from renewable sources by 2040. Moreover, an Integrated Power Sector Master Plan has already been prepared, and under this plan, a target has been set to generate 3,400 MW of electricity from clean sources by 2028.
82. To ensure energy security, the government has taken initiatives to increase oil and gas exploration and production through its own effort. Accordingly, BAPEX has planned to carry out a 270 km geological survey, a 700 km 2-D seismic survey, and a 700 square km 3-D seismic survey between FY2025-26 and FY2027-28. In the medium term, BAPEX has planned to drill 69 wells and complete the workover of 31 wells using its own rigs. At the same time, steps are being taken to develop cost-effective and sustainable infrastructure to help control energy prices.
83. To meet the growing demand for refined oil, a project is taken to establish Eastern Refinery Limited, Unit-2, which will have the capacity to refine 3 million metric tons of crude oil every year. Besides, about US\$570 million in arrears for imports has been paid to ensure a steady supply of fuel oil. Vehicle Tracking System devices using SFDMS technology have been installed in 2,465 fuel oil tank lorries across the country to ensure transparency and safety in the fuel transportation system. This will reduce the risk of theft or adulteration during the transportation of fuel. At the same time, it will enable better management of the fuel transport through real-time monitoring of the movement and activities of these vehicles.

Road and Rail Communication

Dear fellow citizens,

84. Our government has taken initiatives to update the existing 'Road Master Plan 2009' as a part of its commitment to building a sustainable, safe, cost-effective and environment-friendly road network. Besides, the preparation of the draft 'Highway Master Plan 2040' with the assistance of the Asian Development Bank is in its final stage. The government has taken steps to amend and update several laws, rules and policies to make the road transport system more sustainable, safe and environmentally

friendly. As part of this effort, BRTA has issued Motor Vehicle Speed Limit Guidelines, 2024 and is monitoring implementation of the guidelines. Initiatives have been taken to amend the Road Transport Act, 2018 and Road Transport Rules, 2022. Furthermore, a policy is being formulated to ensure discipline and safety in the management of electric three-wheelers. To restructure the Dhaka Transport Coordination Authority, an initiative has been taken to amend the Dhaka Transport Coordination Authority Act-2012 and enact a new ordinance on the Bangladesh Urban Transport Authority. In addition, initiatives have been taken to introduce 400 electric buses to the transport system of Dhaka.

85. Mirpur-10 and Kazipara metro rail stations were damaged during the July Mass Uprising. Although previously the cost of repairs of these stations was estimated to be very high, the Interim Government carried out the repair works quickly and cost-effectively using its own manpower. In addition, after reviewing the DPP of the 'Dhaka Mass Rapid Transit Development Project (Line-5): Southern Route' it was estimated that the project cost could be reduced approximately by Tk 7,000 crore. Currently, the construction work of Dhaka MRT Line-1 and Line-5 (Northern Route) is underway. Due to comprehensive measures and close supervision of the government, this year's Eid-ul-Fitr journey was much safer and more comfortable than before.

Dear fellow citizens,

86. Rail transport is popular all over the world as it is safe, comfortable and affordable. Unfortunately, Bangladesh has not been able to achieve significant progress in this sector. We are determined to bring about a fundamental change in this situation. To this end, as per the 30-year Railway Master Plan, steps have been taken to construct railway double line track, unify gauges, introduce modern signaling system, improve rail communication with seaports, introduce upgraded locomotives and electric traction. Besides, initiatives have been taken to establish a new unit and to modernize the existing locomotive workshops to develop capacity of assembling railway coaches and wagons within the country. The project titled 'Construction of Rail cum Road Bridge over Karnaphuli River at Kalurghat' at a cost of around Tk 11,561 crore has commenced. Besides, rail communication from Dhaka to Jashore via Bhanga has

resumed and rail service has started following the completion of the construction of the Jamuna Railway Bridge.

87. In addition to significant modernization in rail transport, initiatives to reduce unnecessary expenditure in this sector have also been continued. According to the revised DPP of the 'Padma Bridge Rail Link (2nd Revised)' project, its implementation cost has been reduced by approximately Tk 622 crore. Similarly, the cost of the project "Construction of Single Line Dual Gauge Track from Dohazari to Cox's Bazar via Ramu and Ramu to Gundum near Myanmar (2nd revised)" has been reduced by approximately Tk 6,699 crore.

Information & Communication Technology and Scientific Research

Dear fellow citizens,

88. ICT Division has been working to build a youthful, innovative and inclusive Bangladesh through the development of information technology-rich human resources. Digital signatures are being introduced to ensure greater security and mobility in government work. Bangladesh Computer Council (BCC) has taken the initiative of API integration in IBAS⁺⁺ system to introduce digital signature in iBAS⁺⁺ system.
89. Mobile Financial Services (MFS) is playing an important role in building a cashless society, establishing financial governance and increasing the scope of financial inclusion. Banking services are reaching the people of remote areas through mobile financial services, which is playing an important role in sending money instantly, receiving various social safety net allowances of the government, paying service bills, receiving remittances and various financial services easily. As of January, this year, the total number of registered MFS accounts in the country was 239.3 million, of which about 42 percent were held by women.
90. ICTD Digital Labs have been set up in 5,000 educational institutions and ICTD School of Future in 300 educational institutions across the country.

Besides, 36,020 teachers are being imparted training on 'ICT in Education Literacy, Troubleshooting and Maintenance'. Huge employment opportunities have been created through freelancing as a field of proper application of youth energy. To utilize this opportunity, 'Upazila Service and Information Technology Training Centers' are being set up in 491 upazilas across the country to provide training to the youth. Considering the potential of the IT sector and encouraging new entrepreneurs in this sector, I propose to allocate Tk 100 crore as start-up fund in the next fiscal year.

91. To encourage and inspire research and development work on science and technology in the country, special research grants of about Tk 16.66 crore have been given in favor of 492 projects in different universities in the fiscal year 2024-25. In addition, initiatives have been taken to provide fellowships to 1,500 researchers and students by the Science and Technology Fellowship Trust in 2025. Considering the importance of scientific research to reach the highest level of development, I propose allocating Tk 200 crore in the next fiscal year to utilize the potentials of blue economy through extraction of marine resources and its proper management as well as for basic scientific research.

Environment and Climate Change

92. Bangladesh ranks among the countries most vulnerable to the impacts of climate change. To combat the negative impacts of climate change, the Climate Change Trust Fund is undertaking activities such as prevention of air, water and soil pollution, waste management and environment development, mitigation of climate change, assessment of the impact of health protection, enhancing women's adaptation capacity, coastal ecosystem assessment, capacity building of media to achieve climate resilience, etc. Under the time-bound reform plan, initiatives have already been taken to introduce digital monitoring system of all approved projects of Bangladesh Climate Change Trust, which will be implemented by December 2025. I propose to allocate Tk 100 crore in the next fiscal year to take necessary actions considering the depth and seriousness of climate change risks.

93. A Multisectoral Action Plan for Sustainable Plastic Management in Bangladesh has been formulated to reduce the production of plastic waste. In light of the Solid Waste Management Rules, 2021, a notification has already been issued identifying 17 products as single-use plastics and initiatives have been taken to control the use of single-use plastic. The National Award for Tree Plantation Policy (Amendment)-2025 and National Award Policy for Wildlife Conservation-2025 have been formulated. The total forest area in the country is only 15.58 percent. To increase the amount of forest in the country, 1,303 acres of forest land has been reclaimed, and afforestation has been done and as part of the forest restoration, the allocation of 720 acres of land of various agencies has been cancelled.
94. Now I am presenting to you the government's revenue earning plan for the next financial year.

Chapter Seven: Revenue Management and Revenue Collection

Direct Tax: Income Tax

Dear fellow citizens,

95. Direct tax is one of the main and sustainable sources of revenue collection for a country. It plays an effective role in reducing income inequality, ensuring social justice, and establishing a progressive tax system. Through direct taxation, a relationship of mutual trust and accountability is formed between taxpayers and the state, which is a vital prerequisite for good governance. Furthermore, through the mobilization of domestic resources, direct taxation plays a crucial role in reducing dependency on external sources and in building a self-reliant and sustainable economy.
96. To rationalize the existing tax expenditure structure and curb the culture of indiscriminate tax exemptions, a Tax Expenditure Policy and Management Framework (TEPMF) has recently been adopted for reducing tax expenditures gradually. From now on, the provision of indefinite tax exemptions will be discouraged. Authority of the National Board of Revenue for granting tax exemption will be annulled. However, tax exemption for short period may be granted in special circumstances by framing law.
97. In the current fiscal year, online tax return filing has gained significant popularity among taxpayers. This year, more than 1.6 million taxpayers have submitted their returns online, due to the mandatory requirement of online return filing for all government officials in Dhaka, Narayanganj, and Gazipur districts, as well as employees of all scheduled banks across the country and employees of certain designated companies. Plans are in place to make online return submission mandatory for all individual taxpayers in the upcoming year. Additionally, efforts are underway to enable corporate taxpayers to submit their returns online in future.

Dear fellow citizens,

98. As part of the ongoing efforts to make the country's direct tax system modern, fair, taxpayer-friendly, and investment-friendly, several notable initiatives have been undertaken in the budget for the FY2025–26. At this point, I present a summary of the major amendments, revisions, and updates brought to income tax provisions through the Finance Ordinance, 2025.
99. In line with international best practices and considering factors such as the promotion of trade and commerce, enhancement of investor confidence, and policy certainty, prospective tax rates and surcharges for the FY2025-26 assessment year were determined through the Finance Act, 2024. In continuation of this, the Finance Ordinance, 2025 has set the tax rates and surcharges for the assessment years 2026-2027 and 2027-2028. As a result, taxpayers will be able to have a clear understanding in advance of the applicable tax rates for the three assessment years 2025-2026, 2026-2027, and 2027-2028.
100. At present, the tax-free income threshold for individual taxpayers is Tk 350,000. To reduce the tax burden on low-income groups, ensure social protection and fairness, and keep pace with inflation, the tax-free income threshold for individual taxpayers has been increased to TK 375,000 for the assessment years 2026-2027 and 2027-2028. For gazetted "July Warriors", injured in the July Mass Uprising 2024, the tax-free income limit has been set at TK 525,000. Tax-free income thresholds, tax rates, and tax slabs for individual taxpayers and Hindu Undivided Families (HUFs) has been shown in Annex-B.

Dear fellow citizens,

101. Currently, the minimum tax payable by individual and Hindu Undivided Family taxpayers ranges from TK 3,000 to TK 5,000 depending on location. For the assessment years 2026-2027 and 2027-2028, if total income exceeds the tax-free limit, a flat minimum tax of TK 5,000 will apply regardless of location.

To foster a culture of tax compliance, expand the tax net, and encourage new taxpayers, the minimum tax for new taxpayers has been set at TK 1,000.

102. In order to make tax compliance easier, the 2.5% reduced corporate tax rate benefit for listed companies has been made more accessible. Instead of requiring all income, expenses, and investments to be transacted via bank transfer, now only income must be transacted through bank transfer to qualify for the reduced rate. Additionally, since merchant banks (acting as intermediaries in the capital market) are not scheduled banks, their tax rate has been reduced from 37.5% to 27.5%. Tax rates for companies, firms, associations of persons, and trusts for the assessment years 2026-2027 and 2027-2028 has been shown in Annex-B.
103. High net worth individuals contribute significantly to social development and equity by paying more taxes through the imposition of wealth surcharge on them. For the assessment years 2026–2027 and 2027–2028, the existing surcharge rates have been kept unchanged. However, in response to longstanding demands from taxpayers and to provide them with relief, a provision has been made so that surcharge will be calculated on the regular tax amount determined by applying the standard tax rate to the taxable income of individual taxpayers, and not on the basis of minimum tax payable by a taxpayer. Furthermore, although environmental surcharge is applicable if an individual owns multiple vehicles, a provision has been made to exempt electric vehicles from this surcharge to promote the use of environmentally friendly vehicles.

Dear fellow citizens,

104. To ensure voluntary compliance by taxpayers, the tax structure must be fair, transparent, and progressive. In order to encourage tax compliance and establish fairness in taxation, several measures have been undertaken through the Finance Ordinance, 2025. The major ones include:
 - To relieve taxpayers of the long-standing burden of paying excess tax due to the inability to adjust minimum tax, a provision has been

made to allow the excess amount paid (due to minimum tax) over the regular tax to be adjusted in subsequent assessment years;

- To encourage agricultural production, up to TK 500,000 of income from agriculture earned by an individual has been made tax-free;
- The maximum allowable deduction for salaried individuals in calculating taxable income has been increased from TK 450,000 to TK 500,000;
- To simplify tax compliance for employers, the maximum limit for allowable perquisites provided to employees has been raised from TK 1 million to TK 2 million;
- In addition to treatment of kidney, liver, cancer and heart, medical expenses received by employees for brain surgery and artificial limb transplantations have been exempted from tax;
- The income of the National Pension Authority and any income received by beneficiaries from the universal pension scheme under the National Pension Authority, as well as income derived from Zero-Coupon Islamic Investment Certificates, have been made tax-free;
- In addition to spouses, parents, and children, siblings (brothers and sisters) have also been included under the scope of tax-exempt donations.

Dear fellow citizens,

105. The government is making dedicated efforts to establish good governance in the capital market and restore investors' confidence. To encourage profitable and reputed domestic and foreign companies to be listed in the stock market, the gap in corporate tax rates between listed and non-listed companies has been increased from 5% to 7.5%.

Additionally, to encourage investment and transactions in the capital market, the source tax collection rate from brokerage houses on total transaction value has been reduced from 0.05% to 0.03%.

Dear fellow citizens,

106. Considering the challenge of increasing the tax-to-GDP ratio, it is necessary to rationalize the tax structure and policies to make them more effective and relevant. This will not only accelerate the collection

of essential revenue for state governance but also ensure an unhindered flow of investment and economic activities. To address existing inconsistencies in the tax framework and to expand the tax net, the following measures have been taken through the Finance Ordinance, 2025:

- Based on expected profitability, the maximum withholding tax rate for contractors has been reduced from 7% to 5%;
- To provide relief to marginal farmers and suppliers, the withholding tax rate on the supply value of essential goods such as paddy, rice, wheat, potatoes, jute, raw tea leaves, etc., has been reduced from 1% to 0.5%;
- To prevent accumulation of undisclosed fund in the hands of land sellers and to ensure property registration at actual sale value, the source tax collection rate from capital gains on land transfer has been reduced from existing 8%, 6%, and 4% to 6%, 4%, and 3% respectively depending on locality. However, based on location of the land, a minimum capital gain tax on sale of land has been fixed at ranging Taka 5 hundred per decimal to Taka 9 lakh per decimal of land.
- Based on expected profitability, a reduced advance tax rate of 2% has been imposed on 152 import items;
- To encourage environmentally friendly recycling industries, the withholding tax rate on the supply of raw materials to this industry has been reduced from 3% to 1.5%;
- Based on expected profitability and to prevent tax refunds, the withholding tax rate for gas distribution companies has been reduced from 2% to 0.6%;
- Based on potential profit margins, the withholding tax rate on oil supplies by companies involved in oil refining has been reduced from 2% to 1.5%;
- The withholding tax rate on internet service providers has been reduced from 10% to 5%;
- The withholding tax rate on interest from securities has been increased from 5% to 10%;

- The withholding tax rate on payment for electricity purchases has been reduced from 6% to 4%;
- The withholding tax rate on rent payments has been increased from 5% to 10%;
- Based on expected profitability, the advance tax rate on net sales value of cigarette manufacturers has been increased from 3% to 5%;
- Based on expected profitability, the advance tax rate on commercially plying motor vehicles has been increased rationally;
- For individual taxpayers, the turnover tax exemption limit has been raised from TK 30 million to TK 40 million;
- The turnover tax rate for mobile operators has been reduced from 2% to 1.5%;
- For all taxpayers doing business (except mobile operators, tobacco manufacturers, and carbonated beverage producers), the turnover tax rate has been set at 1%;
- To discourage cash transactions among taxpayers doing business and to simplify tax compliance, the previous provision requiring transactions to be made via banking channels has been relaxed. Now, apart from expenses for salary, rent, and raw materials, if more than 50% of total payments for all other types of expenditures are made through non-banking channels, 25% of the amount paid through non-banking channels will be treated as non-allowable expenditure.

Dear fellow citizens,

107. In order to simplify the formalities for taxpayers related to tax payments, return filing, and documentation, the following provisions have been introduced:

- Organizations such as the Bangladesh Telecommunication Regulatory Commission, Bangladesh Securities and Exchange Commission, Cantonment Boards, and other bodies, authorities, commissions, institutes, boards, academies, or similar organizations established under a law or government order and that do not engage in commercial activities and receive regular

government funding for meeting partial or full operational expenses have been exempted from the obligation to file tax returns;

- Funds, orphanages, shelters, and institutions established for religious purposes have also been exempted from the requirement to file tax returns;
- Frequency of withholding tax return submission by deducting authorities has been changed from a monthly to a quarterly basis;
- If any amount beyond the deed value is received during the transfer of land or land with infrastructure, and this excess amount is verifiable through documents and bank statements, it shall be subject to taxation at the rate applicable for capital gains;
- To resolve field-level complexities in auditing returns submitted under self-assessment scheme and to make the audit process more effective and simplified, relevant audit provisions in the tax law have been replaced;
- To expand the tax base, promote tax culture, and simplify compliance, the existing requirement to submit proof of return filing for receiving 45 services has been relaxed. Now, only a Taxpayer Identification Number (TIN) certificate is required for receiving 12 services including issuance of credit card;
- The penalty for filing returns under the self-assessment scheme beyond the specified date has been rationally reduced.

108. As part of the rationalization of tax exemptions, the following measures have been taken:

- Tax exemption benefits for certain sectors, that were set to expire on June 30, 2025, have not been extended;
- Existing Statutory Regulatory Orders that allowed long-term tax exemptions or reduced tax rates for certain sectors have been revoked;

However, to encourage marginal-level farmers and entrepreneurs involved in these sectors, income up to TK 500,000 from such activities will remain tax-free.

109. Persons who were originally Bangladeshi by birth but later renounced their Bangladeshi citizenship and have not properly paid taxes on income earned in Bangladesh and have instead transferred such funds abroad by various means will now be subject to applicable taxes and penalties on such laundered assets.
110. A 'Direct Tax Expenditure Report' is published as part of the budget process. Direct tax expenditure refers to the total revenue foregone due to tax exemptions, reduced tax rates, or similar tax benefits granted to specific groups of taxpayers for economic or social protection. Such expenditures cuts back on the potential tax revenue. According to Tax Policy Wing of the National Board of Revenue, the estimated direct tax expenditure for the fiscal year 2022-23 was TK 1,07,133 crore. Of this, TK 73,990 crore was at the corporate level and TK 33,143 crore at the individual level. Overall, direct tax expenditure for FY 2022-23 was 2.38% of GDP, compared to 2.91% in the previous year. In fiscal year 2021-22, the estimated direct tax expenditure was TK 1,15,056 crore indicating a 6.88% decrease in fiscal year 2022-23. The downward trend in tax expenditure has resulted from various initiatives taken by the government and this trend is expected to accelerate further in the future.

Value Added Tax (VAT)

Dear fellow citizens,

111. Value Added Tax or VAT is one of the most important government revenue collection source in Bangladesh. Increasing the tax-GDP ratio, supporting domestic industrial development, achieving desired revenue growth, creating new employment opportunities, attracting foreign investment, creating a business-friendly environment, reducing compliance gap, simplifying the VAT accounting system etc. have been considered as the major building blocks for preparation of the National

Budget this year. In order to achieve the VAT revenue target, some reduced rate of VAT has been upgraded to the standard rate and the supplementary duty rate has been rationalized, along with the simplification of some provisions of the law.

Dear fellow citizens,

112. The following amendments have been made to the Value Added Tax and Supplementary Duty Act, 2012:

- (a) The advance tax rate on import of industrial raw materials by manufacturing units has been reduced to 2% (two percent) from 3% (three percent). On the other hand, the advance tax rate has been fixed at 7.5 percent instead of 5 percent for commercial importers. Provision has been made that if the value added by the commercial importer at the local level does not exceed 50 percent, VAT will not be applicable again at the business level, making it as final settlement of tax. This will reduce the amount of VAT refund and ensure that commercial importers are not subject to further VAT;
- (b) Provision has been made for government, semi-government or autonomous organizations, banks, insurance companies and individuals or organizations filing zero returns, to allow submission of the return within 20 days instead of 15 days of the end of the tax period;
- (c) Provision has been made to allow VAT registered units to maintain purchase registers and sales registers by using Enterprise Resource Planning (ERP) software;
- (d) The penalty for taking unlawful input VAT rebate has been reduced to 30% to 50% range, from the previous range of 50% to 100%;
- (e) The time period for filing returns by construction companies, suppliers, and C&F agents has been changed to every 6 (six) months instead of every month;

- (f) The time period for advance tax adjustment, refund application, and taking input VAT rebates has been increased from 4 (four) months to 6 (six) months;

Dear fellow citizens,

113. In order to introduce a standard VAT system along with increasing the tax-GDP ratio, the VAT rates have been slightly increased in the following cases:

- (a) The specific tax imposed at the production stage of different “MS Products” has been increased by about 20% (twenty percent);
- (b) The VAT rate for construction company services has been increased from 7.5 percent to 10 percent;
- (c) The VAT rate for online product sales commission has been increased from 5 percent to 15 percent;
- (d) The VAT rate at the production stage of self-copy paper, duplex board/coated paper has been fixed at 15 percent instead of 7.5 percent;
- (e) The VAT rate at the production stage of all types of tableware, kitchenware, household goods, hygienic and toiletries including any similar products made of plastic has been fixed at 15 percent instead of 7.5 percent;
- (f) The specific tax amount at the production stage of “cotton yarn” has been fixed at 5 (five) taka per kg instead of 3 (three) taka per kg;
- (g) The VAT rate at the production stage of “yarn made of man-made fibre and other fibres” has been fixed at 5 (five) taka per kg instead of 3 (three) taka per kg;
- (h) The VAT rate at the production stage of blades has been fixed at 7.5 percent instead of 5 percent;

- (i) In the case of production of various types of screws, joints (connectors), nuts, bolts, electric line hardware and pole fittings including nails and bait, the VAT rate has been fixed at 7.5 percent instead of 5 percent;

Dear fellow citizens,

114. VAT and excise duty exemptions have been provided in the following areas to provide some relief to the public:

- (a) Excise duty exemption has been provided on bank balances up to 3 (three) lakh taka instead of 1 (one) lakh taka;
- (b) VAT exemption has been provided at the import stage of Liquefied Natural Gas (LNG);
- (c) VAT exemption has been provided at the production stage of all types of handicrafts/utensils including plates, bowls made of leaves, flowers or bark, handmade clay utensils and Textile Grade Pet Chips;
- (d) VAT exemption has been provided at the local business stage of sanitary napkins, packaged liquid milk and ballpoint pens;
- (e) VAT exemption has been provided at the production and business level of computer monitors up to 30 inches instead of 22 inches;
- (f) VAT exemption has been granted for lease rent of aircraft used for passenger transport;

115. The supplementary duty rate has been slightly increased, imposed or reduced in the following cases:

- (a) In order to create a barrier to illegal cigarette manufacturing, the supplementary duty rate has been increased to 300 percent from 150 percent on the import of cigarette paper by commercial importers.

- (b) OTT or over-the-top platform services has been defined and a 10 percent supplementary duty has been imposed on them;
- (c) The supplementary duty rate on all types of ice cream has been reduced to 5 percent from 10 percent.

Dear fellow citizens,

116. The following provisions have been made to increase revenue collection, encourage domestic industries and protect public interest:

- (a) The existing VAT exemption facility for the import of raw materials for sanitary napkins and diapers, which are necessary for the health protection of women and children, has been extended till June 30, 2030;
- (b) To make health services more affordable, all VAT has been exempted from import and local purchase of necessary materials and spare parts used in the manufacturing of hospital beds till June 30, 2030;
- (c) The VAT exemption at the manufacturing stage for API (Active Pharmaceutical Ingredients) production has been extended till June 30, 2030;
- (d) The existing VAT exemption at the manufacturing and assembly of mobile phones has been slightly reduced and extended till June 30, 2027;
- (e) The existing VAT exemption at the local manufacturing stage of elevators has been slightly reduced and extended till June 30, 2030;
- (f) The existing VAT exemption at the local manufacturing stage of LPG Cylinder has been slightly reduced and extended till June 30, 2027;
- (g) The existing VAT exemption at the local manufacturing stage on washing machines, microwave ovens and electric ovens has been slightly reduced and extended till June 30, 2030;
- (h) The existing VAT exemption for local manufacturing of blenders, juicers, mixers, grinders, electric kettles, irons, rice cookers, multi-cookers and pressure cookers has been slightly reduced and the exemption period has been extended till June 30, 2030;

- (i) The existing exemption at the manufacturing stage of general motor cars and motor vehicles will continue, while exemption facility at the manufacturing stage of general and ICU ambulances, hybrid and electric vehicles have been granted till June 30, 2030;
- (j) The existing VAT exemption for local manufacturing of four-stroke three-wheelers has been slightly reduced and the exemption period has been extended till June 30, 2030;
- (k) The VAT exemption for local manufacturing raw materials LABSA and SLES of soap and shampoo has been slightly reduced and the exemption period has been extended till June 30, 2027;
- (l) For lithium and graphene batteries manufacturing units, the entire value added tax has been exempted at the manufacturing stage till June 30, 2027, and all VAT in excess of 5 percent would be exempted from July 1, 2028 to June 30, 2030;
- (m) In the case of local production of e-bikes, all VAT in excess of 5 percent has been exempted till June 30, 2030;
- (n) The existing VAT exemption facility for local manufacturing of refrigerators and freezers, air conditioners and their compressors, polypropylene staple fiber and idle start-stop batteries has been withdrawn;
- (o) Supplementary duty on imports of certain essential raw materials for the manufacturing of refrigerators, freezers, air conditioners and their compressors has been exempted till June 30, 2028.
- (p) VAT exemption facility has been withdrawn from the import of sterile surgical catgut, surgical suture, lifts and skip hoists, set-top-box and ballpoint pens;

Dear fellow citizens,

117. I firmly believe that the above-mentioned steps will lead to the desired success in collecting more VAT revenue for the fiscal year 2025-26.

Import-Export Duties

Dear fellow citizens,

118. LDC graduation challenges along with the prolonged Russia-Ukraine war, instability in the Middle East, and, more recently, retaliatory tariffs on exports to the United States imposed by the Trump administration have created a context in which Bangladesh's position on the existing tariff structure on import-export trade needs to be reassessed.
119. Given these challenges, Bangladesh must strengthen her position in international trade by gradually reducing the existing import tariff rates to lower the tax burden and by entering into Preferential Trade Agreements (PTAs) or Free Trade Agreements (FTAs) with key trading partner countries. At the same time, the culture of granting duty exemptions at the individual, institutional, and governmental levels must be phased out. To reduce reliance on import duties, the customs administration must transition to a fully digitized, 'paperless and faceless,' business-friendly model.
120. To achieve these goals, after thorough review of the proposals received from various agencies, business associations, and stakeholders, significant recommendations regarding import duties and taxes are being presented in the budget for the FY2025–26.

Reorganization of the Existing Tariff Structure:

Dear fellow citizens,

121. For the upcoming fiscal year, it has been proposed to reorganize the existing six-tier customs duty structure by introducing a new tier at the rate of 3%. The proposal introduces a new 40% supplementary duty rate, alongside the existing twelve-tier structure. However, to benefit the citizens, it is proposed to keep the existing zero tariff rates unchanged

for essential goods, major food items, fertilizers, seeds, life-saving medicines, cotton, and raw materials for certain industries.

Rationalization of Tariff and Duties:

122. In order to gradually reduce the taxes and duties and as part of preparations for trade dialogue with the United States, it has been proposed to completely withdraw import duties on 110 products and reduce import duties on 65 products. In addition, supplementary duties on 9 products are proposed to be fully withdrawn, while those on 442 products are proposed to be reduced. This will ease the tax burden on citizens and reduce anti-export bias.

Tariff and Minimum Value Rationalization:

123. With Bangladesh's graduation from a Least Developed Country (LDC) to a developing country, it will be imperative to rationalize the existing tariff structure of Bangladesh Customs. In this regard, it has been proposed to eliminate all existing tariff values. Additionally, the minimum value on 84 products is proposed to be withdrawn, and the minimum value on 23 products is proposed to be increased to bring tariff values to a more rational level. As a result, this will mark significant progress toward the complete abolition of the practice of setting minimum value in the post-LDC graduation era.

Reduction of Tariff on Essential and Daily Necessary Goods:

124. To support economic growth, it's important to keep fuel prices steady. Hence, it is proposed to lower the taxes on imported crude and refined petroleum and remove fixed tariff values. This will make it easier to calculate taxes and ensure fairness between government and private refineries. Also, to support recent efforts to stabilize prices of essential items, it is proposed to reduce import taxes on refined sugar.

Support to Industrial Sector and Provision of Justified Protection:

Dear fellow citizens,

125. As part of incentivizing the industrial sector, it is proposed to reduce existing tariffs on the import of certain raw materials. These include: Kaolin clay for self-copy paper production, Limestone for calcium carbonate manufacturing, chemicals needed for abrasive paper production, duplex board, art paper, art card, and kraft liner paper used for packaging in printing, publishing, and pharmaceuticals, raw materials for local brake pad manufacturing, chemicals for small and medium-sized tanneries, and newsprint for the newspaper industry. To protect local industries, import duties are proposed to be increased on selected products, including: chlorinated paraffin wax, sealed batteries, polyester staple fiber, battery separators, parts of lift, and LED light components.

Pharmaceutical Industry

Dear fellow citizens,

126. It is proposed to expand the existing duty concessions on the import of raw materials for all types of pharmaceutical products, including cancer drugs, as well as for the production of APIs (Active Pharmaceutical Ingredients).

Agricultural

127. A new statutory regulatory order (SRO) has been proposed to provide duty concessions on the import of necessary equipment for establishing cold storage facilities, which will reduce setup costs. To encourage local production of agricultural machinery, it is proposed to reduce existing tariffs on the import of parts for the manufacturing of combined harvesters. To support pest-free and spot-free fruit production, it is proposed to reduce duty on the import of fruit bags. Furthermore, it is proposed to withdraw all types of import duties on key raw materials used in the production of pesticides.

Transport

128. It has been proposed to reduce duties on essential raw materials used in tyre manufacturing. Additionally, import duties on buses with 16–40 seats and minibuses with 10–15 seats are proposed to be reduced.

Modernization of the Bond Management System:

129. To simplify and make the bond management system more business-friendly, “Central Bonded Warehouse” and “Free Zone Bonded Warehouse” systems have been introduced. This will save time in importing raw materials for export-oriented industries. Furthermore, supplies made against domestic letters of credit have been included under the definition of “deemed export industry” and “ simultaneous deemed and direct export industry”. Moreover, import entitlement for bonded factories at a time has been increased from one-third to one-half of their total entitlement. This will reduce both time and cost for raw material imports by export-oriented companies.

Amendments to Certain Sections of the Customs Act and Introduction of New Sections:

Dear fellow citizens,

130. The new Customs Act, 2023 has already been widely recognized as modern and business-friendly. However, based on feedback from field offices and business stakeholders the following amendment and addition proposals have been made to make the law more effective and up-to-date:
- Penalty rates in cases of customs duty evasion have been reduced;
 - Import value of any imported consignment not exceeding Taka 2 thousand of duty evasion of less than Taka 2 thousand are now exempted from imposition of duty. This minimum value limit has been increased to Taka 4 thousand for both cases. Travelers including expatriate remittance earners shall get substantial relief with this initiative.

- Interest rate for delayed payments of duties and maximum time limit for imposition of interest have been fully aligned with the provisions of the VAT and Supplementary Duty Act, 2012.
- Penalties for violations of import control regulations and errors in cargo declarations have been reduced.

In addition, amendments have also been made to simplify processes and increase efficiency of various field offices for faster delivery of services.

Dear fellow citizens,

131. Health, Environment and Child Welfare

- To promote better healthcare in the country, in addition to referral hospitals, it is proposed to extend duty reductions on equipment and machinery imports to all hospitals with more than 50 beds.
- A new SRO (Statutory Regulatory Order) has been made to promote local production of environmentally friendly e-bikes.

The existing SRO on duty concessions for the import of equipment and parts for amusement and theme parks is proposed to be reissued in a more industry-friendly manner.

Chapter Eight: Conclusion

132. In just a few months, we have almost completed the task of stabilizing the country by overcoming difficult challenges. However, we still have a long way to go to reach the doorstep of complete success. Inflation has shown a declining trend in the recent months, but it is still not fully controlled. The additional tariffs imposed by the US administration last April are also likely to have adverse impacts on our economy. Moreover, although the market-based exchange rate that has been introduced recently does not seem to pose any risk for the time being, we must watch it closely to avoid any shock. Tackling all these risks and ensuring an equitable and sustainable foundation for the country's economy is now our top priority.
133. For now, we are focusing more on strengthening the foundation of the economy instead of accelerating the pace of growth. This strong foundation will serve as the steppingstone to build a resilient and sustainable future of Bangladesh. Our core objective will be to ensure quality of life for all and a system based on non-discrimination at all levels in that future Bangladesh. I seek your wholehearted cooperation to achieve this goal. Inshallah, with the sincere efforts of all of us, Bangladesh will be a beacon of inspiration for all who aspire for freedom.

Allah Hafiz

Annex A

Table A- 1: Revised Budget for 2024-25

(crore Taka)

| Sector | Budget 2024-25 | Revised 2024-25 | Actual 2024-25 (Up to March ^b) |
|--|------------------------------|------------------------------|---|
| 1 | 2 | 3 | 4 |
| Total Revenue | 5,41,000 (9.7) | 5,18,000 (9.3) | 3,09,686 (5.6) |
| NBR Tax | 4,80,000 | 4,63,500 | 2,55,082 |
| Non-NBR Tax | 15,000 | 14,500 | 6,213 |
| Non Tax Receipt | 46,000 | 40,000 | 48,391 |
| Total Expenditure | 7,97,000 (14.2) | 7,44,000 (13.4) | 3,87,120 (7.0) |
| Operating Recurrent Expenditure | 468,983 (8.4) | 4,82,876 (8.7) | 3,08,150 (5.5) |
| Development Expenditure | 281,453 (5.0) | 2,31,599 (4.2) | 71,463 (1.3) |
| In which, Annual Development Programme | 265,000 (4.7) | 2,16,000 (3.9) | 68,114 (1.2) |
| Other Expenditure | 46,564 (0.8) | 29,525 (0.5) | 7,507 (0.1) |
| Budget Deficit (Excluding Grants) | -2,56,000 (-4.6) | -2,26,000 (-4.1) | -77,434 (-1.4) |
| Financing | | | |
| External Source | 95,100 (1.7) | 1,09,000 (2.0) | 16,229 (0.3) |
| Domestic Source | 1,60,900 (2.9) | 1,17,000 (2.1) | 65,330 (1.2) |
| In which, Banking Source | 1,37,500 (2.5) | 99,000 (1.8) | 85,298 (1.5) |
| GDP | 55,97,414^a | 55,52,753^b | 55,52,753^b |

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

Table A- 2: Proposed Budget Structure for FY2025-26

(crore Taka)

| Sector | Budget 2025-26 | Revised 2024-25 | Budget 2024-25 | Actual 2023-24 |
|------------------------------------|-------------------|------------------------------|------------------------------|-------------------|
| 1 | 2 | 3 | 4 | 5 |
| Total Revenue | 5,64,000 | 5,18,000 | 5,41,000 | 4,09,812 |
| | (9.0) | (9.3) | (9.7) | (8.2) |
| In which, | | | | |
| NBR Tax | 4,99,000 | 4,63,500 | 4,80,000 | 3,61,452 |
| Non-NBR Tax | 19,000 | 14,500 | 15,000 | 8,323 |
| Non Tax Receipt | 46,000 | 40,000 | 46,000 | 40,037 |
| Total Expenditure | 7,90,000 | 7,44,000 | 7,97,000 | 6,11,392 |
| | (12.7) | (13.4) | (14.2) | (12.2) |
| Operating Recurrent Expenditure | 4,98,783 | 4,82,876 | 4,68,983 | 3,97,961 |
| | (8.0) | (8.7) | (8.4) | (8.0) |
| Development Expenditure | 2,45,609 | 2,31,599 | 2,81,453 | 2,09,090 |
| | (3.9) | (4.2) | (5.0) | (4.2) |
| In which, | | | | |
| Annual Development Programme | 2,30,000 | 2,16,000 | 2,65,000 | 1,95,234 |
| | (3.7) | (3.9) | (4.7) | (3.9) |
| Other Expenditure | 45,608 | 29,525 | 46,564 | 4,341 |
| | (0.7) | (0.5) | (0.8) | (0.1) |
| Budget Deficit (Excluding Grants) | -2,26,000 | -2,26,000 | -2,56,000 | -2,01,580 |
| | (-3.6) | (-4.1) | (-4.6) | (-4.0) |
| Financing | | | | |
| External source (Including Grants) | 1,01,000 | 1,09,000 | 95,100 | 79,777 |
| | (1.6) | (2.0) | (1.7) | (1.6) |
| Domestic source | 1,25,000 | 1,17,000 | 1,60,900 | 1,21,391 |
| | (2.0) | (2.1) | (2.9) | (2.4) |
| In which, Banking source | 1,04,000 | 99,000 | 1,37,500 | 1,23,847 |
| | (1.7) | (1.8) | (2.5) | (2.5) |
| GDP | 62,44,578 | 55,52,753^b | 55,97,414^a | 50,02,654 |

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

Table A- 3: Annual Development Programme (Sectoral Allocation)

(crore Taka)

| Ministry/Division | Budget 2025-26 | Revised 2024-25 | Budget 2024-25 | Actual 2023-24 | Actual 2022-23 |
|--|-------------------|--------------------|-------------------|-------------------|-------------------|
| (a) Human Resource | | | | | |
| 1. Ministry of Primary and Mass Education | 11,398 (5.0) | 12,764 (5.9) | 16,136 (6.1) | 7,231 (3.7) | 6,250 (3.3) |
| 2. Health Services Division | 11,617 (5.1) | 5,669 (2.6) | 13,741 (5.2) | 7,363 (3.8) | 6,660 (3.5) |
| 3. Secondary and Higher Education Division | 13,625 (5.9) | 5,428 (2.5) | 11,388 (4.3) | 4,965 (2.5) | 5,552 (2.9) |
| 4. Others | 32,833 (14.3) | 28,020 (13.0) | 38,733 (14.6) | 26,420 (13.5) | 28,087 (14.6) |
| Sub Total | 69,473 (30.2) | 51,881 (24.0) | 79,998 (30.2) | 45,979 (23.6) | 46,549 (24.2) |
| (b) Agriculture and Rural Development | | | | | |
| 5. Local Government Division | 36,099 (15.7) | 36,161 (16.7) | 38,808 (14.6) | 36,693 (18.8) | 33,534 (17.4) |
| 6. Ministry of Water Resouces | 8,490 (3.7) | 10,211 (4.7) | 8,687 (3.3) | 11,733 (6.0) | 8,696 (4.5) |
| 7. Ministry of Agriculture | 6,333 (2.8) | 3,856 (1.8) | 6,380 (2.4) | 4,197 (2.1) | 3,376 (1.8) |
| 8. Others | 4,784 (2.1) | 4,372 (2.0) | 6,079 (2.3) | 4,772 (2.4) | 3,807 (2.0) |
| Sub Total | 55,706 (24.2) | 54,600 (25.3) | 59,954 (22.6) | 57,395 (29.4) | 49,413 (25.7) |
| (c) Energy Infrastructure | | | | | |
| 9. Power Division | 20,284 (8.8) | 21,606 (10.0) | 29,177 (11.0) | 27,121 (13.9) | 25,253 (13.1) |
| 10. Energy and Mineral Resources | 2,086 (0.9) | 969 (0.4) | 998 (0.4) | 1,163 (0.6) | 1,721 (0.9) |
| Sub Total | 22,370 (9.7) | 22,575 (10.5) | 30,175 (11.4) | 28,284 (14.5) | 26,974 (14.0) |
| (d) Communication Infrastructure | | | | | |
| 11. Ministry of Railway | 7,715 (3.4) | 10,228 (4.7) | 13,726 (5.2) | 11,033 (5.7) | 11,375 (5.9) |
| 12. Road Transport and Highways Division | 32,330 (14.1) | 18,624 (8.6) | 32,042 (12.1) | 19,305 (9.9) | 26,406 (13.7) |

| Ministry/Division | Budget 2025-26 | Revised 2024-25 | Budget 2024-25 | Actual 2023-24 | Actual 2022-23 |
|----------------------|-------------------|--------------------|-------------------|-------------------|-------------------|
| 13. Bridges Division | 6,012 | 5,849 | 7,309 | 7,485 | 6,944 |
| | (2.6) | (2.7) | (2.8) | (3.8) | (3.6) |
| 14. Others | 11,789 | 11,977 | 16,005 | 9,621 | 8,578 |
| | (5.1) | (5.5) | (6.0) | (4.9) | (4.5) |
| Sub Total | 57,846 | 46,678 | 69,082 | 47,444 | 53,303 |
| | (25.2) | (21.6) | (26.1) | (24.3) | (27.7) |
| Total | 2,05,395 | 1,75,734 | 2,39,209 | 1,79,102 | 1,76,239 |
| | (89.3) | (81.4) | (90.3) | (91.7) | (91.7) |
| 15. Others | 24,605 | 40,266 | 25,791 | 16,138 | 16,040 |
| | (10.7) | (18.6) | (9.7) | (8.3) | (8.3) |
| Total ADP | 2,30,000 | 2,16,000 | 2,65,000 | 1,95,234 | 1,92,279 |

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

Table A- 4: Sectoral Allocation in Budget

(crore Taka)

| Ministry/Division | Budget 2025-26 | Revised 2024-25 | Budget 2024-25 | Actual 2023-24 | Actual 2022-23 | Actual 2021-22 | Actual 2020-21 |
|--|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| (a) Social Infrastructure | 207629 | 178659 | 206569 | 152026 | 145622 | 142568 | 126563 |
| | 26.28 | 24.01 | 25.92 | 24.87 | 25.36 | 27.42 | 27.91 |
| Human Resource | | | | | | | |
| 1. Secondary and Higher Education Division | 47563 | 39233 | 44108 | 32276 | 30496 | 28970 | 29615 |
| | 6.02 | 5.27 | 5.53 | 5.28 | 5.31 | 5.57 | 6.53 |
| 2. Ministry of Primary and Mass Education | 35403 | 35123 | 38819 | 26231 | 23815 | 23440 | 23210 |
| | 4.48 | 4.72 | 4.87 | 4.29 | 4.15 | 4.51 | 5.12 |
| 3. Health Services Division | 31022 | 21116 | 30125 | 18943 | 17664 | 20582 | 17187 |
| | 3.93 | 2.84 | 3.78 | 3.10 | 3.08 | 3.96 | 3.79 |
| 4. Others | 74957 | 65213 | 75876 | 58309 | 57723 | 55622 | 44669 |
| | 9.49 | 8.77 | 9.52 | 9.54 | 10.05 | 10.70 | 9.85 |
| Sub Total | 188945 | 160685 | 188928 | 135759 | 129698 | 128614 | 114681 |
| | 23.92 | 21.60 | 23.70 | 22.20 | 22.58 | 24.73 | 25.29 |
| Food and Social Safety | | | | | | | |
| 5. Ministry of Food | 8322 | 7862 | 6638 | 6415 | 5014 | 5310 | 3894 |
| | 1.05 | 1.06 | 0.83 | 1.05 | 0.87 | 1.02 | 0.86 |
| 6. Ministry of Disaster Management | 10362 | 10112 | 11003 | 9852 | 10910 | 8644 | 7988 |
| | 1.31 | 1.36 | 1.38 | 1.61 | 1.90 | 1.66 | 1.76 |
| Sub Total | 18684 | 17974 | 17641 | 16267 | 15924 | 13954 | 11882 |
| | 2.37 | 2.42 | 2.21 | 2.66 | 2.77 | 2.68 | 2.62 |
| (b) Physical Infrastructure | 190360 | 177561 | 216111 | 192088 | 190111 | 163944 | 141436 |
| | 24.10 | 23.87 | 27.12 | 31.42 | 33.10 | 31.53 | 31.19 |

| Ministry/Division | Budget 2025-26 | Revised 2024-25 | Budget 2024-25 | Actual 2023-24 | Actual 2022-23 | Actual 2021-22 | Actual 2020-21 |
|--|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Agriculture and Rural Development | | | | | | | |
| 7. Ministry of Agriculture | 27224 | 24696 | 27214 | 31970 | 32537 | 21334 | 12926 |
| | 3.45 | 3.32 | 3.41 | 5.23 | 5.67 | 4.10 | 2.85 |
| 8. Ministry of Water Resources | 11204 | 12684 | 11194 | 14113 | 10889 | 9400 | 7818 |
| | 1.42 | 1.70 | 1.40 | 2.31 | 1.90 | 1.81 | 1.72 |
| 9. Local Government Division | 42433 | 42358 | 45206 | 42003 | 38614 | 34000 | 32210 |
| | 5.37 | 5.69 | 5.67 | 6.87 | 6.72 | 6.54 | 7.10 |
| 10. Others | 10302 | 9601 | 11669 | 9552 | 8070 | 8109 | 8287 |
| | 1.30 | 1.29 | 1.46 | 1.56 | 1.41 | 1.56 | 1.83 |
| Sub Total | 91163 | 89339 | 95283 | 97638 | 90110 | 72843 | 61241 |
| | 11.54 | 12.01 | 11.96 | 15.97 | 15.69 | 14.01 | 13.50 |
| Power and Energy | 22520 | 22704 | 30317 | 28376 | 27065 | 22738 | 22865 |
| | 2.85 | 3.05 | 3.80 | 4.64 | 4.71 | 4.37 | 5.04 |
| Communication Infrastructure | | | | | | | |
| 11. Road Transport and Highways Division | 38496 | 24058 | 38143 | 24217 | 31192 | 30141 | 26369 |
| | 4.87 | 3.23 | 4.79 | 3.96 | 5.43 | 5.80 | 5.81 |
| 12. Ministry of Railway | 11944 | 14564 | 18072 | 14256 | 14693 | 14800 | 11967 |
| | 1.51 | 1.96 | 2.27 | 2.33 | 2.56 | 2.85 | 2.64 |
| 13. Bridges Division | 6022 | 5854 | 7318 | 7489 | 6947 | 5571 | 3943 |
| | 0.76 | 0.79 | 0.92 | 1.22 | 1.21 | 1.07 | 0.87 |
| 14. Others | 12734 | 13663 | 16965 | 10611 | 9841 | 8510 | 6654 |
| | 1.61 | 1.84 | 2.13 | 1.74 | 1.71 | 1.64 | 1.47 |
| Sub Total | 69196 | 58139 | 80498 | 56573 | 62673 | 59022 | 48933 |
| | 8.76 | 7.81 | 10.10 | 9.25 | 10.91 | 11.35 | 10.79 |
| 15. Other Sector | 7481 | 7379 | 10013 | 9501 | 10263 | 9341 | 8397 |
| | 0.95 | 0.99 | 1.26 | 1.55 | 1.79 | 1.80 | 1.85 |
| (c) General Services | 178517 | 158825 | 168701 | 107010 | 93538 | 103584 | 87021 |
| | 22.60 | 21.35 | 21.17 | 17.50 | 16.29 | 19.92 | 19.19 |
| Public Order and Safety | 33542 | 31722 | 33520 | 28698 | 25792 | 26271 | 24416 |
| | 4.25 | 4.26 | 4.21 | 4.69 | 4.49 | 5.05 | 5.38 |
| 16. Others | 144975 | 127103 | 135181 | 78312 | 67746 | 77313 | 62605 |
| | 18.35 | 17.08 | 16.96 | 12.81 | 11.80 | 14.87 | 13.80 |
| Total | 576506 | 515045 | 591381 | 451124 | 429271 | 410096 | 355020 |
| | 73.0 | 69.2 | 74.2 | 73.8 | 74.7 | 78.9 | 78.3 |
| (d) Interest Payments | 122000 | 121500 | 113500 | 114590 | 92110 | 77823 | 71536 |
| | 15.44 | 16.33 | 14.24 | 18.74 | 16.04 | 14.96 | 15.77 |
| (e) PPP Subsidy and Liability | 82420 | 101056 | 83543 | 55552 | 54091 | 34786 | 30501 |
| | 10.43 | 13.58 | 10.48 | 9.09 | 9.42 | 6.69 | 6.73 |
| (f) Net Landing and Other Expenditure | 9074 | 6399 | 8576 | -9869 | -1165 | -2670 | -3529 |
| | 1.15 | 0.86 | 1.08 | -1.61 | -0.20 | -0.51 | -0.78 |
| Total Budget | 790000 | 744000 | 797000 | 611397 | 574307 | 520035 | 453528 |

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

Annex B

Table B- 1: Tax-Free Income Threshold for Individual Taxpayers and Hindu Undivided Families

| Category of Taxpayer | Assessment Year 2025-26 | Assessment Year 2026-27 and 2027-28 |
|--|----------------------------|--|
| General Taxpayer | 3 lakh and 50 thousand | 3 lakh and 75 thousand |
| Women; and Senior Citizen aged 65 Years or Above | 4 lakh | 4 lakh and 25 thousand |
| Physically Challenged Persons | 4 lakh and 75 thousand | 5 lakh |
| Gazetted War Wounded Freedom Fighters | 5 lakh | 5 lakh and 25 thousand |
| Gazetted "July Warriors" (injured in July Mass Uprising 2024) | - | 5 lakh and 25 thousand |
| Third Gender Taxpayers | 4 lakh and 75 thousand | 5 lakh |
| <ul style="list-style-type: none"> The income tax-free threshold would be increased for parents or legal guardians of each physically challenged child/adopted child by Tk. 50,000. If both the parents of a physically challenged child are taxpayers, either of the parents will be entitled to avail the facility. | | |

Table B- 2: Tax Slabs and Tax Rates for Individual Taxpayers and Hindu Undivided Families

| Assessment Year 2025-26 | | Assessment Year 2026-27 and 2027-28 | |
|----------------------------|----------|--|----------|
| Tax Slab | Tax rate | Tax Slab | Tax rate |
| Up to Tk. 3,50,000 | Nil | Up to Tk. 3,75,000 | Nil |
| Next Tk. 1,00,000 | 5% | Next Tk. 3,00,000 | 10% |
| Next Tk. 4,00,000 | 10% | Next Tk. 4,00,000 | 15% |
| Next Tk. 5,00,000 | 15% | Next Tk. 5,00,000 | 20% |
| Next Tk. 5,00,000 | 20% | Next Tk. 20,00,000 | 25% |
| Next Tk. 20,00,000/ | 25% | On Balance | 30% |
| On Balance | 30% | | |

Table B- 3: Tax rates for companies, firms, associations of persons, and trusts for the assessment years 2026–2027 and 2027–2028

| Description | Assessment Year 2025-26 | | Assessment Year 2026-27 and 2027- 28 |
|--|----------------------------|--|--|
| | Tax Rate | Rebated Tax Rate on Compliance with the Conditions | Tax Rate |
| Publicly traded company that transfer shares worth more than 10 percent of its paid-up capital through Initial Public Offering (IPO) | 22.5% | 20% <i>Condition:</i> All types of income and receipts, and every single transaction exceeding TK 500,000 or annual total expenses or investments exceeding TK 3,600,000 must be made through bank transfers. | 22.5% Provided that, if all types of income are transacted through bank transfers during the income year, tax rate will be 20%. |
| Other companies as defined under section 2(31) of the Income Tax Act, 2023 (Act No 12 of 2023) | 27.5% | 25% <i>Condition:</i> All types of income and receipts, and every single transaction exceeding TK 500,000 or annual total expenses or investments exceeding TK 3,600,000 must be made through bank transfers. | 27.5% |
| Publicly traded banks, insurance and finance companies | 37.5% | Rebate not applicable | 37.5% |
| Non-publicly traded banks, insurance and finance companies | 40% | Rebate not applicable | 40% |

| | | | |
|--|---|-----------------------|---|
| Company producing all sorts of tobacco items including cigarette, bidi, chewing tobacco and gul | 45% (+) 2.5 % Surcharge | Rebate not applicable | 45% (+) 2.5 % Surcharge |
| Mobile phone operator company | <p>45%</p> <p>Provided that, if such a company transfers 10% of its paid-up capital (with a maximum 5% as Pre-IPO placement) through stock exchange to become publicly traded, tax rate will be 40%;</p> <p>Provided further that, if such a company transfers at least 20% of its paid-up capital through IPO, it will receive a rebate to the tune of 10% on income tax in the relevant year.</p> | | <p>45%</p> <p>Provided that, if such a company transfers 10% of its paid-up capital (with a maximum 5% as Pre-IPO placement) through stock exchange to become publicly traded, tax rate will be 40%;</p> <p>Provided further that, if such a company transfers at least 20% of its paid-up capital through IPO, it will receive a rebate to the tune of 10% on income tax in the relevant year.</p> |
| Non-resident taxpayers (excluding non-resident Bangladeshis), not being a company, firm, or Association of Persons | 30% | Rebate not applicable | 30% |
| Income from business, not being a company, producing all sorts of tobacco items including cigarette, bidi, chewing tobacco and gul | 45% (+) 2.5 % Surcharge | Rebate not applicable | 45% (+) 2.5 % Surcharge |
| Trusts and Association of Persons | 27.5% | Rebate not applicable | 27.5% |
| Firms | Same as individual taxpayers | | 27.5% |
| Cooperative Society | 20% | Rebate not | 20% |

| | | | |
|---|-----|--------------------------|-----|
| | | applicable | |
| Private universities, private medical colleges, private dental colleges, private engineering colleges, or IT-only private colleges | 15% | Rebate not applicable | 15% |

Annex C

Table C- 1: Tariff and Minimum value Rationalization measures for LDC Graduation

List of HS Codes for which tariff values have been withdrawn:

| HS Code | Description of Goods |
|------------|--|
| (1) | (2) |
| 2709.00.00 | Petroleum oils and oils obtained from bituminous minerals, crude |
| 2710.12.11 | Motor spirit of H.B.O.C type |
| 2710.12.19 | Other motor spirits, including aviation spirits |
| 2710.12.20 | Spirit type jet fuel |
| 2710.12.31 | White spirit |
| 2710.12.32 | Naphtha |
| 2710.12.41 | J.P.1 kerosene type jet fuels |
| 2710.12.42 | J.P.4 kerosene type jet fuels |
| 2710.12.43 | Other kerosene type jet fuels |
| 2710.12.49 | Other kerosene |
| 2710.12.61 | Light diesel oils |
| 2710.12.62 | High speed diesel oils |

List of HS Codes for which minimum values have been withdrawn:

| Heading | HS Code | Description of Goods |
|---------|-------------|---|
| (1) | (2) | (3) |
| 02.01 | All HS Code | Meat of Bovine animals, fresh or chilled. |
| 02.02 | | Meat of Bovine animals, frozen. |
| 02.06 | | Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen. |
| 20.08 | All HS Code | Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included. |
| 27.10 | 2710.19.21 | Base oil imported in bulk by VAT registered petroleum products processing or blending industries |

| Heading | HS Code | Description of Goods |
|---------|-------------|--|
| (1) | (2) | (3) |
| | 2710.19.31 | Lubricating oils that is oil such as is not ordinarily used for any other purpose than lubrication, excluding, any mineral oil which has its flashing point below 220°F by Abel's close test |
| | 2710.19.39 | Other lubricating oil |
| | 2710.19.91 | Mineral oil which has its flashing point at or above 200°F and is ordinarily used for the batching at jute or other fibre, imported only by VAT registered manufacturing industries |
| 34.03 | 3403.99.20 | Semi-synthetic lubricating oil |
| | 3403.99.30 | Synthetic lubricating oil |
| 72.06 | All HS Code | Iron and non-alloy steel in ingots or other primary forms (excluding iron of heading 72.03) |
| 72.07 | All HS Code | semi-finished products of iron and non-alloy steel |
| 72.13 | All HS Code | Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel. |
| 72.14 | All HS Code | Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling |
| 72.15 | All HS Code | Other bars and rods of iron or non-alloy steel. |
| 72.18 | All HS Code | Stainless steel in ingots or other primary forms; semi-finished products of stainless steel |

List of HS Codes for which Minimum Values have been Increased:

| Heading | HS Code | Description of Goods | Unit | Existing Minimum Value USD/Unit | Proposed Minimum Value USD/Unit |
|---------|------------|---|------|---------------------------------|---------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 18.06 | | Chocolate and other food preparations containing cocoa: Other, in blocks, slabs or bars: | | | |
| | 1806.31.00 | Filled | kg | 4.00 | 10.00 |
| | 1806.32.00 | Not Filled | kg | 4.00 | 10.00 |
| | 1806.90.00 | Other | kg | 4.00 | 10.00 |
| 33.04 | 3304.10.00 | Lip make up preparation: | | | |
| | | Lipstick | kg | 20.00 | 40.00 |

| Heading | HS Code | Description of Goods | Unit | Existing Minimum Value USD/Unit | Proposed Minimum Value USD/Unit |
|---------|---|--|----------|---------------------------------|---------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | Lip liner, Lip gloss, Lip gel and like products | kg | | 20.00 |
| | 3304.20.00 | Eye make-up preparation (eye shadow, eye liner, eye brow pencil, mascara & like products) | kg | 7.00 | 10.00 |
| | 3304.30.00 | Manicure or pedicure preparations | kg | 5.00 | 10.00 |
| | 3304.91.00 | Powders, whether or not compressed | kg | 5.00 | 10.00 |
| | | Other Cosmetics: | | | |
| | 3304.99.10 | Face and/or skin cream | kg | 8.00 | 20.00 |
| | 3304.99.20 | Moisture lotion | kg | 8.00 | 10.00 |
| | 3304.99.90 | Make-up kit, foundation & like products | kg | 6.00 | 12.00 |
| | | Mehendi Cone Facewash | kg kg | | 2.00 10.00 |
| 34.01 | 3401.19.00 3401.20.00 3401.30.00 | Facewash | kg | 6.50 | 10.00 |
| 83.01 | All HS Code (excluding 8301.10.00, 8301.30.00 & door locks of HS Code 8301.40.90) | Locks for motor vehicles, other locks clasps and frames with clasps, incorporating locks and parts, key presented separately | kg | 2.50 | 3.00 |
| | 8301.10.00 | Padlocks | kg | 2.50 | 3.00 |
| | 8301.30.00 | Locks for furniture | kg | 3.00 | 3.50 |
| | 8301.40.90 | Door locks | kg | 4.00 | 5.00 |
| 85.16 | 8516.60.00 | Other ovens; cookers (except rice cooker), cooking plates, boiling | u | 6.00 | 12.00 |

| Heading | HS Code | Description of Goods | Unit | Existing Minimum Value USD/Unit | Proposed Minimum Value USD/Unit |
|---------|------------|---|------|---------------------------------|---------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | rings, grillers and roasters | | | |
| 95.03 | 9503.00.90 | Other toys (inflatable toys, toy balloon, toy laser light, glass marble, toy mask, puffer toy etc.) | | 3.50 | 4.00 |

Table C- 2: Reduction of Duties and Taxes on Essential and Daily Necessity Commodities

List of HS Codes for which Customs Duty Rates have been Rationalized:

| HS Code | Description of Goods | Existing CD Rate | Proposed CD Rate |
|------------|--|------------------|------------------|
| (1) | (2) | (3) | (4) |
| 2709.00.00 | Petroleum oils and oils obtained from bituminous minerals, crude | 5% | 1% |
| 2710.12.11 | Motor spirit of H.B.O.C type | 10% | 3% |
| 2710.12.19 | Other motor spirits, including aviation spirits | 10% | 3% |
| 2710.12.20 | Spirit type jet fuel | 10% | 3% |
| 2710.12.31 | White spirit | 10% | 3% |
| 2710.12.32 | Naphtha | 10% | 3% |
| 2710.12.41 | J.P.1 kerosene type jet fuels | 10% | 3% |
| 2710.12.42 | J.P.4 kerosene type jet fuels | 10% | 3% |
| 2710.12.43 | Other kerosene type jet fuels | 10% | 3% |
| 2710.12.49 | Other kerosene | 10% | 3% |
| 2710.12.61 | Light diesel oils | 10% | 3% |
| 2710.12.62 | High speed diesel oils | 10% | 3% |

Reduction of Import Duty on Refined Sugar:

| Sl. No. | H.S. Code | Description | Existing Rate | Proposed Rate |
|---------|------------|---------------|---------------|---------------|
| (1) | (2) | (3) | (4) | (5) |
| 1 | 1701.99.00 | Refined Sugar | 4500/- per MT | 4000/- per MT |

Table C- 3: Rationalization of tariff rates to support the industrial sector and ensure fair protection

List of HS Codes for which Customs Duty have been reduced or increased:

| Sl. No. | H.S. Code | Description | Existing Rate (%) | Proposed Rate (%) |
|---------|--|--|-------------------|-------------------|
| (1) | (2) | (3) | (4) | (5) |
| 1. | 2507.00.90 | Kaolin clay | 15 | 10 |
| 2. | 6813.81.00 | Brake linings and pads | 10 | 15 |
| 3. | 4801.00.00 | Newsprint paper | 5 | 3 |
| 4. | 3208.90.90 | Sandpaper coating material | 25 | 15 |
| 5. | 3909.40.90 | Phenolic Resin | 10 | 5 |
| 6. | 2833.29.20 | Chromium Sulphate | 5% | 1% |
| 7. | 3201..20.0 | Wattle Extract | 5% | 1% |
| 8. | 3201.90.00 | Tanning extracts of vegetable origin | 5% | 1% |
| 9. | 3202.10.00 | Synthetic Organic Tanning Substances] | 5% | 1% |
| 10. | 3202.90.00 | Acid Dyes and Preparation | 5% | 1% |
| 11. | 3403.91.00 | Lub Preparations for Nes Treatment of Tex, Leather | 5% | 1% |
| 12. | 3824.89.00 | Chlorinated paraffin wax | 10 | 15 |
| 13. | 8507.20.10 | Sealed Maintenance Free (SMF) | 15 | 25 |
| 14. | 5503.20.00 | Polyster Staple Fibre | 0 | 1 |
| 15. | 8507.90.10 | Separator | 10 | 25 |
| 16. | 8431.31.00 | Parts of lift | 1 | 15 |
| 17. | 8539.90.10 8539.90.20 8539.90.30 8539.90.90 | Parts of LED light | 10 | 25 |

List of HS Codes for which Supplementary Duties have been reduced/ increased:

| Sl. No. | H.S. Code | Description | Existing Rate (%) | Proposed Rate (%) |
|---------|------------|--|-------------------|-------------------|
| (1) | (2) | (3) | (4) | (5) |
| 1. | 2517.10.90 | Limestone | 10 | 0 |
| 2. | 6808.00.00 | Panels, boards, tiles, blocks and similar articles of vegetable fibre, of straw or of shavings, chips, particles, sawdust or other waste, of wood, agglomerated with cement, plaster or other mineral binders. | 10 | 20 |
| 3. | 6809.11.00 | Faced or reinforced with paper or paperboard only | 10 | 20 |

Table C- 4: Extension of Existing Duty Exemption Facilities on the Import of Raw Materials for the Pharmaceutical Industry

The following materials have been included in the SRO related to the import of raw materials used in the production of anti-cancer medicines:

| SL No. | H.S. Code | Description |
|--------|------------|--------------------------|
| (1) | (2) | (3) |
| 1 | 2934.99.90 | Fostamatinib |
| 2 | 2934.99.90 | Deucravacitinib |
| 3 | 2934.99.90 | Peficitinib hydrobromide |
| 4 | 2934.99.90 | Povorcitinib |
| 5 | 2934.99.90 | Ivarmacitinib |
| 6 | 2934.99.90 | Rilzabrutinib |
| 7 | 2934.99.90 | Momelotinib |
| 8 | 2936.90.00 | Levoleucovorin |
| 9 | 2933.99.00 | Ganciclovir |
| 10 | 2937.90.00 | Tezepelumab |
| 11 | 2937.90.00 | Faricimab |
| 12 | 2937.90.00 | Lecanemab |
| 13 | 2937.90.00 | Ustekinumab |

| SL No. | H.S. Code | Description |
|--------|------------|--------------|
| (1) | (2) | (3) |
| 14 | 2937.90.00 | Ligelizumab |
| 15 | 2937.90.00 | Anifrolumab |
| 16 | 2937.90.00 | Dostarlimab |
| 17 | 2937.90.00 | Brolucizumab |
| 18 | 2937.90.00 | Nirsevimab |
| 19 | 2937.90.00 | Bimekizumab |
| 20 | 2937.90.00 | Aducanumab |
| 21 | 2937.90.00 | Astegolimab |
| 22 | 2937.90.00 | Lebrikizumab |
| 23 | 2937.90.00 | Donanemab |

The following materials have been included in the SRO concerning the import of ingredients by pharmaceutical raw material manufacturers:

| SL No. | H.S. Code | Description |
|--------|------------|---|
| (1) | (2) | (3) |
| 1 | 2827.60.00 | Potassium Iodide |
| 2 | 2827.39.00 | Ferric chloride Hexahydrate |
| 3 | 2836.99.90 | Cesium carbonate |
| 4 | 2904.99.00 | p-Toluene sulphonyl chloride |
| 5 | 2909.19.00 | Diisopropyl ether |
| 6 | 2914.69.00 | 2-Chloro-1,4-naphthoquinone |
| 7 | 2914.79.00 | (1R)-(-)-10-camphorsulfonic acid |
| 8 | 2915.21.00 | Glacial Acetic Acid |
| 9 | 2917.39.10 | Isophthalic Acid |
| 10 | 2918.14.00 | Citric acid monohydrate |
| 11 | 2918.29.00 | Trans-4-(4-Chlorophenyl) cyclohexane carboxylic acid (ATQ KSM-1) |
| 12 | 2921.30.00 | DICYCLOHEXYLAMINE |
| 13 | 2922.49.00 | 5-Amino-2,4,6-triiodoisophthalic acid |
| 14 | 2930.90.90 | Mercaptomethyl acetic acid |
| 15 | 2932.99.00 | 4-Chloromethyl-5-methyl-1,3-dioxol-2-one (OLS-2) |
| 16 | 2933.29.00 | 4-(1-Hydroxy-1-methylethyl)-2-Propyl-1H-Imidazole 5-Carboxylic acid ethyl ester (OLS-1) |
| 17 | 2933.99.00 | N-(triphenylmethyl)-5-(4-bromomethylbiphenyl-2-yl)tetrazole (OLS-3) |

| SL No. | H.S. Code | Description |
|--------|------------|--|
| (1) | (2) | (3) |
| 18 | 2933.31.00 | [5-Bromo-3-[(1R)-(2,6-dichloro-3-fluorophenyl)ethoxy]pyridin-2-yl]amine (CTB KSM-1) |
| 19 | 2933.39.00 | Methyl quinazoline |
| 20 | 2933.39.90 | (S)-1-Boc-3-hydroxypiperidine |
| 21 | 2933.39.90 | (S)-1-Boc-3-hydroxypiperidine |
| 22 | 2933.49.00 | Montelukast alcohol |
| 23 | 2933.59.90 | 3-(4-Phenoxyphenyl)-1H-pyrazolo[3,4- d]pyrimidin-4-amine |
| 24 | 2933.59.90 | Bromo-Xanthine |
| 25 | 2933.59.90 | N-(5-Amino-2-methylphenyl)-4-(3-pyridyl)-2-pyrimidineamine (IMT-4) |
| 26 | 2933.59.90 | N1-[2-(Dimethylamino)ethyl]-5-methoxy-N1-methyl-N4-[4-(1-methyl-1H-indole-3-yl)-2-pyrimidinyl]-1,2,4-benzenetriamine (OBA) |
| 27 | 2933.99.00 | 1-Pyrrolidinecarboxylic acid BEPE (UP-2) |
| 28 | 2933.99.00 | N-[5-[(4-methylphenyl)sulfonyl]PPDE (UP-1) |
| 29 | 2933.99.00 | Osimertinib nitro Intermediate |
| 30 | 2933.99.00 | RMT-2 |
| 31 | 2933.99.00 | TFT-1 |
| 32 | 2934.99.90 | Sacubitril Calcium |
| 33 | 2934.99.90 | tert-Butyl 4-[4-(4,4,5,5-tetramethyl-1,3,2-dioxaborolan-2-yl)-1H-pyrazol-1-yl]piperidine-1-carboxylate (CTB KSM-2) |
| 34 | 2935.90.00 | 6-[(1E)-2-[4-(4-fluorophenyl)-6-isopropyl-2-[methyl(methylsulfonyl)amino]-5-pyrimidinyl]vinyl]-2,2-dimethyl-1,3-dioxane-4-Tert-Butyl acetate (RT) |
| 35 | 2942.00.90 | (2S)-1-(Chloroacetyl)-2-pyrrolidinecarbonitrile (EMP) |
| 36 | 3802.10.00 | ACTIVATED CARBON |

Table C- 5: Agriculture Sector

The following components have been included in the existing SRO related to the manufacturing of combined harvesters:

| SL No. | H.S. Code | Description |
|--------|------------|--|
| (1) | (2) | (3) |
| 1 | 4010.39.90 | Rubber Track for combine harvester |
| 2 | 8483.10.00 | Hydrostatic Transmission for combine harvester |

Reduction of Import Duty on Fruit Bags:

| Sl. No. | H.S. Code | Description | Existing Rate (%) | Proposed Rate (%) |
|---------|------------|-------------|-------------------|-------------------|
| 1. | 4819.40.00 | Fruit Bag | 25 | 5 |

The following materials have been incorporated into the notification to facilitate the reduction of import duties on inputs used by pesticide manufacturing industries:

| SL No. | H.S. Code | Description |
|--------|------------|--|
| (1) | (2) | (3) |
| 1 | 2904.10.90 | Sodium p-methoxy fatty Amidobenzene Sulfonate (LS) |
| 2 | 3804.00.00 | Sodium Lignosulphonate |

Table C- 6: Transport Sector

The following materials have been incorporated into the relevant notification to support local tyre and tube manufacturing industries:

| SL No. | H.S. Code | Description |
|--------|------------|-------------|
| (1) | (2) | (3) |
| 1 | 7312.10.00 | Steel cord |
| 2 | 7326.20.10 | Bead Wire |
| | 7326.20.90 | |

To develop effective public transport system, import duties have been reduced in case of importation of the following vehicles:

| Sl. No. | H.S. Code | Description | Existing Rate (%) | Proposed Rate (%) |
|---------|------------|---|-------------------|-------------------|
| (1) | (2) | (3) | (4) | (5) |
| 1. | 8702.90.40 | Vehicle having seating capacity exceeding 10 but not exceeding 15 | SD-20 | SD-10 |

| Sl. No. | H.S. Code | Description | Existing Rate (%) | Proposed Rate (%) |
|---------|---|---|-------------------|-------------------|
| (1) | (2) | (3) | (4) | (5) |
| 2. | 8702.10.30, 8702.20.30, 8702.30.30, 8702.90.21 | Vehicle having seating capacity exceeding 15 but not exceeding 40 | CD-10 | CD-5 |