A BRIEF REVIEW ON THE NATIONAL BUDGET :: FY 2020-21

- On June 11, 2020 the Finance Minister, AHM Mustafa Kamal, presented the much anticipated National Budget **aiming 8.2% target GDP growth for FY 2020-21** which is 3.0% higher than the revised target of 5.2% growth for the last FY 2019-20. Meanwhile, the country has achieved 8.15% GDP growth in FY 2018-19. The Finance Minister mentioned four main strategic stances- **a) increased public expenditure, b) special credit facilities, c) expansion of safety net and d) liquidity infusion** which are very much in the right direction to overcome the possible negative impact of the COVID-19 pandemic on the economy and people.
- The **inflation rate during this year is forecasted at 5.4%**. This rate was 5.35% as of May 2020.
- **Budget Size:** The total size of the proposed budget is **BDT 5.68 trillion registering 13% growth** than that of the revised budget of FY 2019-20 which is **18% of GDP**. Over the years, the Country has witnessed progress in its budget size.

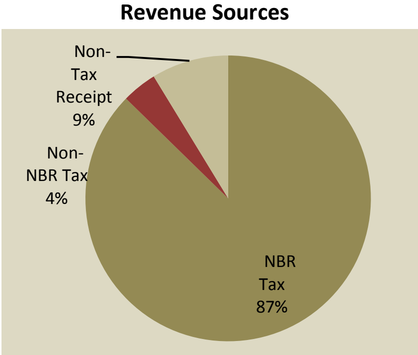
Budget Structure for the FY 2019-20 (BDT bn)

Particulars	2020-21	2019-20 (Revised)	Growth	% of total
Total Revenue	**3,780**	**3,481**	**9%**	**100%**
NBR Tax	3,300	3,005	10%	87%
Non-NBR Tax	150	126	19%	4%
Non-Tax Receipt	330	350	-6%	9%
Total Expenditure	**5,680**	**5,016**	**13%**	**100%**
Non Development	3,112	2,749	13%	55%
Development	2,150	2,024	6%	38%
Other Expenditure	418	243	72%	7%
Budget Deficit	**1,900**	**1,535**	**24%**	
Financing				
Domestic Financing				
a) Bank	850	824	3%	45%
b) Non-Bank	250	150	67%	13%
External Financing	800	562	42%	42%

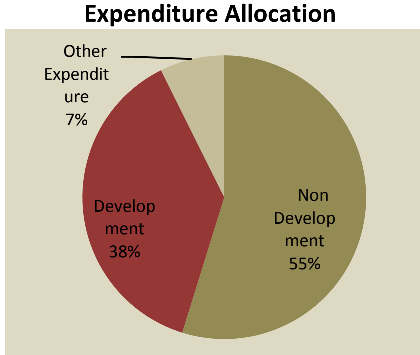
Historical Budget and Budget Deficit

Particulars	2017-18	2018-19	2019-20	2020-21
Budget Size (BDT bn)	4,003	3,917	5,016	***5,680***
Growth	26%	-2%	28%	***13%***
% of GDP	18%	15%	18%	***18%***
Development Budget	1,537	1,511	2,024	***2,150***
Growth	74%	-2%	34%	***6%***
% of GDP	7%	6%	7%	***7%***
Non-Development Budget	1,938	2,178	2,749	***3,112***
Growth	18%	12%	26%	***13%***
% of GDP	9%	9%	10%	***10%***
Deficit (BDT bn)	1120	1,398	1,535	***1,900***
% of Budget	28%	36%	31%	***33%***
% of GDP	5%	6%	5%	***6%***

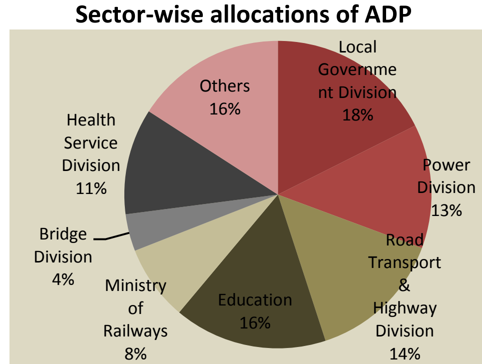
Revenue Sources



Expenditure Allocation



Sector-wise allocations of ADP

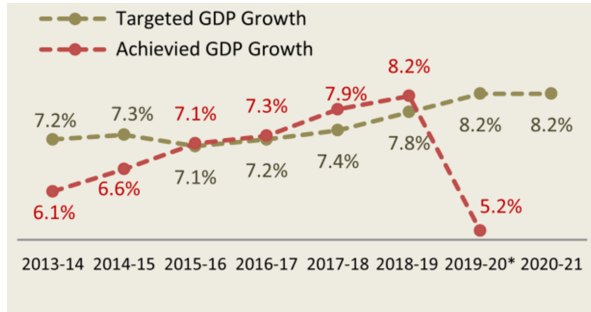


- **Revenue**: The targeted revenue is set to **BDT 3.78 trillion which is 9% higher** over the last year's revised budget emphasizing on increasing the **NBR tax revenue that will contribute around 87% of total revenue target.**
- **Expenditure:** Total expenditure in the National Budget has been **augmented by 13%** than that of the revised budget of FY '20 to BDT 5.68 trillion. Of this total expenditure 55% are for non-development expenditure grew by 13% over the revised budget of FY '20, 38% are for Development Expenditure grew by 6% over the revised budget of FY '20 and 6% are for Other Expenditure grew by 57% over the revised budget of FY '20.
- **Budget deficit:** The proposed budget estimates the overall budget deficit for the next FY at **BDT 1.90 trillion which is 33% of the proposed budget** and **6% of GDP**. Of the deficit, **BDT 800 billion will be financed from external sources which are 2.52% of GDP and BDT 1,100 billion from domestic sources which is 3.47% of GDP.**
- **ADP Composition:** The proposed budget allocated BDT 2.05 trillion in annual development program (ADP) **which is 6.3% higher over last year's revised allocation which is 6.5% of GDP and 36.1% of the proposed budget.**

MACRO-ECONOMIC PARAMETERS:

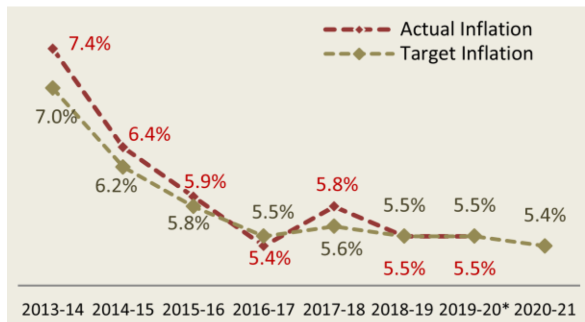
- **GDP Growth: The proposed budget has set an overambitious target to achieve 8.2% growth in the next FY 2020-21.** Increase in investment, incentive to the entrepreneurs, ensure social safety net will be the vibrant force in realizing the target growth. **The provisional GDP growth for FY 2019-20 was 5.2% due to the fall in exports and lower than expected growth in remittances** based on worldwide lockdowns arising from the impact of Covid-19.
- **Investment: The Government aims to take total investment at 33.5% of the GDP (of which private sector investment is 25.3% and public sector investment is 8.1% in the FY 2020-21** which was 20.8% in the revised target of FY 2019-20. The government has created working capital loan facility with a subsidized interest rate for large industries and for the Cottage, Micro, Small and Medium Enterprises.
- **Inflation: The proposed budget targets to keep the rate of inflation at 5.4% for FY 2020-21.** By the end of May 2020, overall inflation rate stood at 5.5% compared to 5.6% in the same period last year. The government will increase money supply to the economy while making a delicate balance between increased money supply and possible inflationary pressure.
- **Money and Credit:** By the end of April 2020, the growth of broad money and domestic credit growth stood at 13.23% and 15.13% respectively which were very much within the targets set by the BB, while private sector credit growth was 8.82% as of April 2020 which was far behind than the target of 14.8%.
- **Imports and Exports: Exports registered 17.99% drop during Jul-May of FY 2019-20** over the same period of last year**.** Up to April of FY 2019-20, **import has registered a negative growth of 8.77% over the corresponding period of the previous year**. The falling trend of exports and imports are expected to continue in the coming days due to the global lockdown amid the coronavirus outbreak.
- **Interest Rates:** To make the industrial and business sectors more competitive, the government has brought the interest rate on bank loans within the single digit. This new interest rate (in the case of loan, the highest rate is 9%) has been made effective from April 2020.

GDP Growth



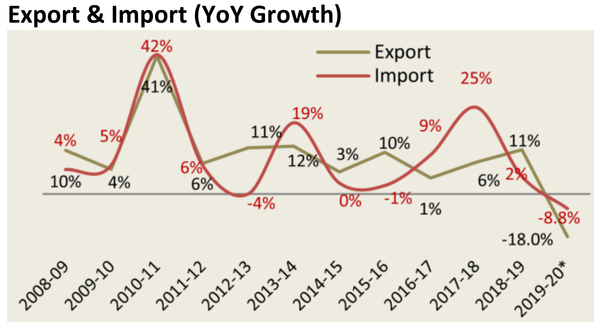
*provisional

Inflation



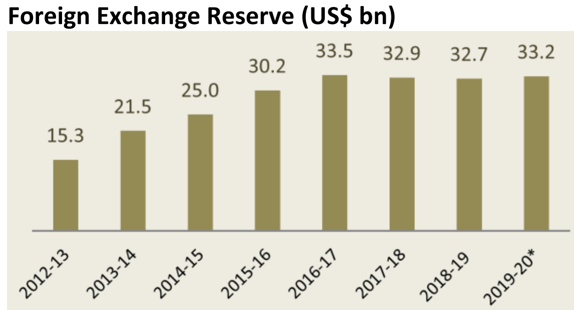
*May 2019-20

Export & Import (YoY Growth)



*2019-20: Export up to May 2020 and Import up to Apr 2020

Foreign Exchange Reserve (US$ bn)



*2019-20: Upto May 2020

- **Exchange Rate:** The nominal exchange rate of BDT against USD has dropped in last one year. **As on June 12, 2020, exchange rate (BDT/US$) was 84.95 which was 84.50 at the end of FY 2018-19.**
- **Remittance Income: Foreign remittance has grown by 8.72% in the first 11 months of the FY 2019-20 compared to the same period in the previous year.** To encourage bringing foreign remittance through legal channels, an incentive at the rate of 2% on money remitted by expatriate Bangladeshi which was declared in the budget of last fiscal year will continue to the next year. However, due to the outbreak of coronavirus in major destinations for Bangladeshi migrant

workers and the drastic fall in global crude oil prices affecting the Middle East countries, growth in inward remittances will slow down in the coming days.

- **Balance of Payments: Bangladesh's current account deficit stood at $4.13 billion in the first 10 months of the fiscal year** which was 5.25 billion at the end of 2018-19. At the onset of the coronavirus pandemic, there was a drastic fall in demand in the United States and European market and as a result, export orders to our export sectors including the readymade garments began to witness cancellation and postponements.
- **Foreign Exchange Reserve:** As on June 10, 2020, foreign exchange reserve is USD 34.35 bn which was USD 32.72 bn at the end of FY 2018-19. According to London-based weekly, which was published on 2nd May 2020, Bangladesh was ranked top 9^{th} stronger position compared to 66 emerging countries based on four measures of financial strengths like as percentage of GDP, total foreign debt, costs of borrowing and foreign exchange reserves.

CHANGES IN TAXATION

Company Tax Rate

	Existing Rates	Proposed Rates
Publicly Traded Company	25%	*Unchanged*
Non-publicly Traded Company	35%	*32.5%*
Publicly traded Bank, Insurance and Financial Institution (other than Merchant Bank)/Newly established Bank, Insurance, and Financial institutions approved by government in 2013	37.50%	*Unchanged*
Non-publicly traded Bank, Insurance and Financial Institution	40%	*Unchanged*
Merchant Bank	37.50%	*Unchanged*
Cigarette, bidi , zarda, chewing tobacco or other tobacco products manufacturing company	45%	*Unchanged*
Mobile Phone:		*Unchanged*
Publicly traded	40%	*Unchanged*
Non-publicly traded	45%	*Unchanged*
Dividend Income	20%	*Unchanged*

Tax Rate Other Than Company

	Existing	Proposed Rates
General Taxpayers	*2 lakh 50 thousand*	3 lakh
Women and senior citizen aged 65 years and above	*3 lakh*	3 lakh 50 thousand
Person with disability	*4 lakh*	4 lakh 50 thousand
Gazetted war-wounded freedom fighters	*4 lakh 25 thousand*	4 lakh 75 thousand
General Tax Rate:		Unchanged
On first Taka 3 lakh		Nil
On next Taka 1 lakh		5%
On next Taka 3 lakh		10 %
On next Taka 4 lakh		15%
On next Taka 5 lakh		20%
On the balance of total income		25%
Special Tax Rate:		Unchanged
Cigarette, bidi, zarda, chewing tobacco, gul or any other tobacco product manufacturer	45 percent	Unchanged
Income of non-resident	30 percent	Unchanged
Income of Co-operative Society	15 percent	Unchanged

IMPLICATION ON CAPITAL MARKET

- The government wants to **allow investment of black money in the capital market** which may boost up the cash-flow in the market but such a move hardly yielded good return in the past. The finance minister said anyone can invest their undisclosed money in the stock market by paying a 10% tax where the **lock-in period will be three years**.

This incentive may influence taxpayers to legalize their undisclosed money through investment in the capital market which might have the positive impact on revival of the market but imposition of lock-in period for a period of three years might discourage the investors to go for long term investment.

IMPACT ON THE SECTORS AND THE LISTED COMPANIES

Bank & Non-Bank Financial Institution

- The GOB has aimed to **borrow BDT 850 billion from banking system** in FY 2020-21 which is 15% of the proposed budget which were 3% higher over the revised budget of 2019-20 to meet the deficit financing which is already in a liquidity crisis. In the FY '20 budget, the government aimed to borrow BDT 474 billion from the banking system. Moreover, withdrawal of surplus funds of state-owned enterprises from the banking system will add pin to the banks.
  This will create a fresh crowding out situation for the private sector.
- Corporate tax structure of the banking system has been **unchanged at 37.5%**.
- The budget proposed to accept investment between July 1, 2020 to June 30, 2021 without any question on the sources of invested fund in the purchase or construction of any apartment or flat, and building if tax is paid at certain rates.
  Banks and non-bank financial institutions will be benefited with this measure.
- The proposed budget of FY 2020-21 has **increased the excise duty rates on bank balance**. However, the applicable excise duty rates will remain unchanged in cases where the bank account balance does not exceed BDT 1.0 million at any time during a year. The proposed changes are mentioned below:

Balance	Current Excise Duty (BDT)	Proposed Excised Duty (BDT)
0 – 1,000,000	Nill	Nill
1,000,001 – 10,000,000	2,500	3,000
10,000,001 – 50,000,000	12,000	15,000
50,000,001 and above	25,000	40,000

Related Listed Companies: ***All listed banks and financial institutions***

Food & Allied

- The budget proposed VAT exemption of locally produced mustard oil and reduction of VAT rate to 5% from the existing 15% for manufacturing maize starch and potato flakes made of locally produced potatoes.
  *These initiatives will benefit the business of **OLYMPIC, GHAIL, AMCL(PRAN), RDFOOD, BANGAS, FUWANGFOOD***
- The budget proposed to reduce the tax deducted at source on the import of garlic and sugar to 2% from existing 5%.
  *These initiatives will benefit the business of **OLYMPIC, GHAIL, AMCL(PRAN), RDFOOD, BANGAS***
- The budget proposed to bring down the rate of tax deduction at source at the stage of local supply of essential commodities, such as rice, atta, potato, garlic, onion, etc. from 5% to 2% irrespective of the base price.
  *Lower tax deduction at source will reduce the raw material sourcing cost which will benefit the business of **OLYMPIC, GHAIL, AMCL(PRAN), RDFOOD, BANGAS***

Tobacco Industry

The budget didn't propose any change in the current tax structure for the tobacco manufacturers. To reduce the consumption of tobacco products and maximize revenue collection from this sector, the budget proposed to revise the *Tobacco Tariffs & SD of cigarette and bidi as follows:*

Cigarette Segment	Price (10 Sticks)			Supplementary Duty		
	Exiting	Proposed	*Change*	Exiting	Proposed	*Change*
Premium	BDT 123	BDT 128	*4.10%*	65%	65%	*0%*
High	BDT 93	BDT 97	*4.30%*	65%	65%	*0%*
Medium	BDT 63	BDT 63	*0.00%*	65%	65%	*0%*
Low	BDT 37	BDT 39	*5.40%*	55%	57%	*2%*
Bidi Segment	**Price**			**Supplementary Duty**		
	Exiting	**Proposed**	***Change***	**Exiting**	**Proposed**	***Change***
Non-filter bidi (25 Sticks)	BDT 14	BDT 18	*29%*	30%	30%	*0%*
Filter bidi (20 Sticks)	BDT 17	BDT 19	*12%*	40%	40%	*0%*

The budget proposed to -

- Increase the price of the high and premium segment by 4.3% & 4.1% respectively and keep the supplementary duty rate to the existing 65.0%;
- keep the existing price and supplementary duty rate of the medium segment unchanged;
- increase the price of low segment cigarette by 5.40% and also increase the supplementary duty by 2%;

The customers of the low segment cigarette are relatively more sensitive to the price changes. The proposed 5.40% increase in the low segment price may lead the consumers to switch to the cheaper brands. To curve the tobacco consumption at the lower level, the government has increased the price of low segment significantly over the last two years. The sales volume in this segment may decline which may decline the profitability of the tobacco manufacturing companies as more than 50% of industry volume comes from the low segment.

Premium and High segments will face a 4.1% & 4.3% price hike. The cigarette manufacturers are likely to experience decline in their sales volume in these segments.

The budget also proposed to-

- Raise the price of handmade non-filter 25-sticks Bidi by 29% and supplementary duty kept unchanged.
- Price of 20-sticks filter bidi increase by 12% where supplementary duty will remain unchanged.
- To reduce the consumption of smokeless tobacco products, the budget proposed to fix the minimum retail price at BDT 40 per 10 grams for zarda and BDT 20 per 10 grams for gul and fix the supplementary duty rate at 55%.

  Price of non-filter bidi and filter bidi has been increased significantly compared to the filtered bidi which might shift demand of non-filtered bidi to filtered bidi.

Related listed company: ***BATBC***

Engineering

- The government has cut allocation in the mega projects at a time when those are already supposed to miss the deadline due to the Covid-19 pandemic.
  This initiative will have <u>negative impact</u> on the business of ***BSRMLTD, BSRMSTEEL, GPHISPAT, RSRMSTEEL, SSSTEEL***
- To protect the domestic industry, the budget proposed to expand the existing concessionary duty benefit on the import of raw materials by the refrigerator and air conditioner compressor manufacturing industry. The budget proposed to reduce the custom duty to 1% from existing 10% on lubricating/cutting oil/anti-rust preparations containing petroleum or bituminous mineral oils and artificial graphite.
  Compressor manufacturer will enjoy better margin which will benefit the business of ***WALTON***
- The budget proposed to reduce custom duty to 1% from existing 10% on agricultural machineries i.e Roller Chain, Ball Bearings, M.S Sheet (1mm-3mm), Gear Boxes and parts thereof, Steering, Wheel Parts (Rim) etc.

This will facilitate the business of ***ACI, RUNNERAUTO & IFADAUTOS***

- To encourage expansion of **mobile phone assembling** in the country, the budget proposed to extend the current 5% VAT exemption facility by one more year. In addition, to protect the local industry the budget proposed to set the minimum assessable value of cellular phones at the import stage.
  This will facilitate the business of ***WALTON***
- The budget proposed to increase VAT at the rate of 7.5% from the existing 5% on the showroom stage of furniture.
  This will increase the cost of business of ***SINGERBD***
- To ensure expansion and protection of the domestic shipbuilding industry, the budget proposed to withdraw the existing duty exemption on the importation of dredgers.
  This will facilitate the business of ***WMSHIPYARD***
- The budget proposed to reduce the duty on the import of refractory cement to promote the steel industry. In addition, it also proposes to increase regulatory duty of three raw materials (FerroManganese, Ferro-Silicon, Ferro-Silico-Manganese) from existing 10% to 15% to protect the steel raw materials manufacturing industry. The budget proposed to increase the existing regulatory duty on the import of finished products for the C.R. coil industry to protect this sector.
  These initiatives will positively impact the business of ***BSRMLTD, BSRMSTEEL, GPHISPAT, RSRMSTEEL, SSSTEEL, APOLOISPAT & SALAMCRST***
- The budget proposed to reduce the duty on the import of photographic plates of plastic from existing 25% to 15% to promote the plastic and packaging industry.
  This will facilitate the business of ***BENGALWTL, DESHBANDHU, GOLDENSON, NAVANACNG, NPOLYMAR, NTLTUBES, OAL***
- The budget proposed to reduce the duty on ethylene/propylene imported by VAT registered PVC/PET resin manufacturing industry.
  This will facilitate the business of ***DESHBANDHU, NPOLYMAR, YPL***
- The budget proposed to accept investment of undisclosed money in the purchase or construction of any apartment or flat, and building if tax is paid at certain rates.
  This initiative will facilitate the business of ***BSRMLTD, BSRMSTEEL, GPHISPAT, RSRMSTEEL, SSSTEEL, APOLOISPAT & SALAMCRST***

Fuel & Power

- The budget proposed to reduce the existing customs duty rate from existing 10% to 5% on the import of base oil, the main raw material of the lube-blending industry, to promote the said industry in Bangladesh. In addition, the minimum value for base oil, lubricating oil and liquid paraffin has been proposed to be rationalized.
  This will facilitate the business of ***MJLBD***
- The budget proposed to withdraw the exemption benefit on the import of furnace oil to discourage the installation of furnace oil-based power plants.
  This initiative will negatively affect the business of ***BARKAPOWER, PTL, SUMMITPOWER, CONFIDCEM, SPCL, KPCL***
- To provide incentives to the emerging LPG cylinder and auto tank manufacturing industry, the budget proposed to extend concessionary tax benefits on several new raw materials and rationalize existing tax benefits.
  This will facilitate the business of ***MJLBD, NAVANACNG***

Pharmaceuticals & Chemicals

- To support activities related to detection and prevention of corona virus, the budget proposed to exempt VAT on medicines, test kits of Covid-19 on the import, manufacturing and trading stages.
- The budget has also proposed to exempt the duty at the manufacturing and trading stages for locally manufactured COVID-19 medicine, Personal Protective Equipment (PPE), Surgical Mask (including face mask) to protect health workers and on the raw materials required to locally produce hand sanitizers.
  This will facilitate the business of ***BXPHARMA, SQURPHARMA, BEACONPHAR, RENATA, ACI, ACMELAB, RENATA***
- The budget proposed to increase supplementary duty from 5% to 10% on locally manufactured cosmetics.
  This initiative will <u>negatively affect</u> the business of ***KEYACOSMET, KOHINOOR, MARICO***
- The budget proposed to decrease the existing rate of customs duty to 10% from 15% of Linear Alkyl Benzene Sulphonic Acid (LABSA), one of the basic raw materials of the detergent industry.
  This will facilitate the business of ***KEYACOSMET, KOHINOOR,***
- The budget proposed to expand the tax benefit on sanitary napkin and diaper industry by decreasing the rate of customs duty on the import of raw material.
  This will facilitate the business of ***ACI***
- The budget proposed to reduce import duty on essential raw materials for locally producing autoclave machines used for sterilizing medical instruments.
- The budget proposes to retain the existing 0% import duty for importing fertilizers, seeds and lifesaving drugs.
  This will facilitate the business of ***ACI, BXPHARMA, SQURPHARMA, BEACONPHAR, RENATA, ACI, ACMELAB, RENATA***

Information Technology

- To encourage the growth of local ICT sector, only 5% VAT rate on domestic production of Loaded PCB (Printed Circuit Board), Unloaded PCB and Router have been proposed in the budget.
  Related Listed Company: ***AAMRANET, AGNISYSL, BDCOM, GENEXIL, ADNTEL, ITC***

Telecom

- The budget proposed to raise the supplementary duty from 10% to 15% on the services provided through mobile phone SIM/RIM card.
  This will increase the voice call rates that may decline the average minutes per user which might have <u>negative impact</u> on the voice revenue of the mobile operators.
- The budget proposed to encourage expansion of mobile phone assembling locally by extending the current 5% VAT exemption facility by one more year. In addition, to protect the local industry the budget also proposed to set the minimum assessable value of cellular phones at the import stage.
  These initiatives will facilitate the smartphone penetration in the country.

  Related listed company: ***GP***

Textile

- To encourage local textile industries, the budget proposed to impose fixed VAT at the rate of BDT 6 per kg from the existing 5% ad valorem VAT on Polyester, Rayon and all other synthetic yarn, and at the rate of BDT 3 per kg from the existing BDT 4 per kg on all kinds of Cotton Yarn.
- Considering the current situation of the RMG sector, the budget proposed to reduce the existing duty rate to 15% from 25% on the import of certain products (such as RFID Tag, Industrial Racking System, Cutting Table, etc.) to promote export-oriented garments and textile industries.
  Cost of production of RMG industry would decrease.
- Existing provisions of bonded warehouse licensing rules will be rationalized to ensure proper utilization of bond facilities.
- The budget has proposed a reduction of withholding tax rate from 1.0% to 0.5% on export proceeds to RMG.
- The budget proposed to continue to provide an export incentive of 1% in the next fiscal year to the RMG industry.
  This initiative would improve the financial condition of the textile companies.
- The tax rate for readymade garments is 12%. The rate is 10% if there is green building certification. Besides, for textile sector tax rate is 15%. This advantage of lower tax will expire by 30 June, 2020. The budget FY2020-21 proposed to continue this particular tax advantage for the next two years.
  Reduction of withholding tax, continuation of special tax rates and export incentives would relief the manufacturer to some extent.
- The budget proposed to exempt the duty at the manufacturing and trading stages for locally manufactured Personal Protective Equipment (PPE), Surgical Mask (including face mask) to protect health workers.

  Related listed stocks: ***Most of the listed textile companies***

Service & Real Estate

- The budget proposed to accept investment between July 1, 2020 and June 30, 2021 without any question on the sources of invested fund in the purchase or construction of any apartment or flat, and building if tax is paid at certain rates.
  Construction material sectors, EHL, DBH, NHFIL *will be benefited.*
- To expedite the clearance of imported goods to remove port congestion, the budget proposed to reduce the discretionary adjudicating power of customs officers, and reconstitute the Appellate Tribunal for speedy disposal of litigations.
  This will benefit the business of ***SAPORTL, SAIFPOWER***

Tannery

- To diversify export by tapping the potential of the footwear industry, the budget proposed to reduce the duty rate to 15% from existing 25% of raw materials i.e. Textile Fabrics Laminated with Polyvinyl Chloride and Textile Fabrics Laminated with Polyurethane (Artificial Leather).
- The budget also proposed to reduce the supplementary duty to 0% from existing 20% on Printed Knitted or Crocheted Fabrics.
  These initiatives will reduce the cost of production. Related Listed Company: ***APEXFOOT, BATASHOE, FORTUNE, LEGACYFOOT & SAMATALETH***

Paper & Printing

- The budget proposed to reduce the duty from existing 25% to 15% on import of washing and cleaning agent for the paper industry.
  This initiative will have benefited ***BPML, HAKKANIPUL, KPPL***

Ceramics

- The budget proposed to accept investment of undisclosed money in the purchase or construction of any apartment or flat, and building if tax is paid at certain rates.
  This initiative will facilitate the manufacturers of ceramics business
- Imposition of Supplementary duty at the rate of 10% has been proposed on Ceramic Sink, Basin, etc. at the manufacturing stage.
  This initiative might have negative impact on the business of ***RAKCERAMIC***

Cement

- The government has cut allocation in the mega projects at a time when those are already supposed to miss the deadline due to the Covid-19 pandemic.
  This initiative will have negative impact on the business of cement manufacturers
- The budget proposed to accept investment of undisclosed money in the purchase or construction of any apartment or flat, and building if tax is paid at certain rates.
  This initiative will facilitate cement manufacturers
- The budget proposed to increase CD from 5.0% to 10.0% on prepared additives for cement, mortars or concretes.
  Local cement manufacturers may face challenges due to the rise in production cost.
  Related listed stocks: All ***the listed cement companies***

Miscellaneous

- To ensure sustainable development in the Fish, Poultry and Dairy sector, the budget proposed to continue the existing tax exemptions, and extend such exemptions to two new raw materials (Soya bean oil cake from existing 5% to 0% and Soya protein concentrate from existing 10% to 0%).
- The budget also proposed to increase the existing duty rate on the import of cuts and offal of chicken to provide protection to local poultry sector.
  This will benefited the local poultry feed manufacturers.
  Related Listed Company: ***AMANFEED, NFML, FINEFOOD***

Bond Market

- The government has taken steps for flourishing the bond market to the investors as a source of long term financing. In case of source tax deduction, the government proposed for deduction at the time of payment of interest and discounts on bond from upfront deduction earlier.
- In addition, instead of the present provision of deducting withholding tax on the value of bond transactions, the budget proposed introduction of withholding tax deduction on the commission fixed by the Bangladesh Securities and Exchange Commission (BSEC), the regulatory body for the capital market.

  This initiative will facilitate the flourishing of a strong bond market in the country which will act as an alternative source of financing.

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