

TDM	729.89	915.51	185.62	▲25.43%	FLR	660.27	745.28	85.01	▲12.88%
HUM	749.73	924.29	174.56	▲23.28%	UVD	155.59	181.57	25.98	▲16.70%
DMW	833.72	1004.01	170.29	▲20.43%	QUV	440.55	540.21	99.66	▲22.62%
YZJ	903.49	1127.46	223.97	▲24.79%	HZT	285.51	344.98	59.47	▲20.83%
GLY	982.07	1219.39	237.32	▲24.17%	PCW	811.44	1029.66	218.22	▲26.89%
VDA	113.74	143.41	29.67	▲26.09%	AIK	361.77	451.39	89.62	▲24.77%
UVV	468.08	535.41	67.33	▲14.38%	ZJJ	858.36	994.57	136.21	▲15.87%
HJS	545.49	659.05	113.56	▲20.82%	RHJ	894.79	1046.68	151.89	▲16.97%
EGC	566.96	664.69	97.73	▲17.24%	VGV	425.08	509.95	84.87	▲19.97%

PPJ	912.63	1038.36	125.73	▲13.78%	ZBK	391.59	491.48	99.89	▲25.51%
UAQ	1309.55	1655.62	346.07	▲26.43%	BNY	969.21	1130.65	161.44	▲16.66%
DAQ	1295.17	1641.66	346.49	▲26.75%	SDM	735.44	913.39	177.95	▲24.20%
PNR	654.33	775.84	121.51	▲18.57%	TQQ	1323.91	1646.42	322.51	▲24.36%
ZIM	181.99	220.52	38.53	▲21.55%	OIS	543.42	667.24	123.82	▲22.79%
...

Reporting on the national budget

Dr Mohammad Abdur Razzaque
Chairman, RAPID

10 principles of effective budget reporting



PRECISE ACT

P – Precise

R – Resourceful

E – Engaging

C – Contextual

I – Informed

S – Substantive

E – Ethical

A – Accurate

C – Collaborative

T – Transparent



PRECISE ACT

- P - Precise: Present numbers and analysis, avoiding misunderstandings and misinformation.
- R - Resourceful: to access reliable sources of information, data and their interpretation
- E - Engaging: Stories, including visuals and human interest elements relatable to the audience.
- C - Contextual: Can we see the broad pictures (e.g., comparing with previous years or other sectors)
- I - Informed: Having an informed understanding of the budget process, components, and fiscal policies.
- S – Substantive: Identifying key trends, patterns, and discrepancies in budget data, leading to insightful and in-depth reporting.
- E - Ethical: Adhering to ethical standards, such as ensuring accuracy and fairness, promotes responsible journalism and fosters public trust in budget reporting.

PRECISE ACT

- A - Accurate: Prioritizing accuracy ensures correct and up-to-date information, minimizing the risk of misleading the audience or perpetuating misconceptions.
- C - Collaborative: Embracing collaboration with experts, peers, and stakeholders helps gain diverse perspectives and insights, resulting in more comprehensive and well-rounded budget reporting.
- T - Transparent: Practicing transparency in reporting, including citing sources and explaining methodologies, enhances credibility and allows readers to assess the reliability of the information presented.

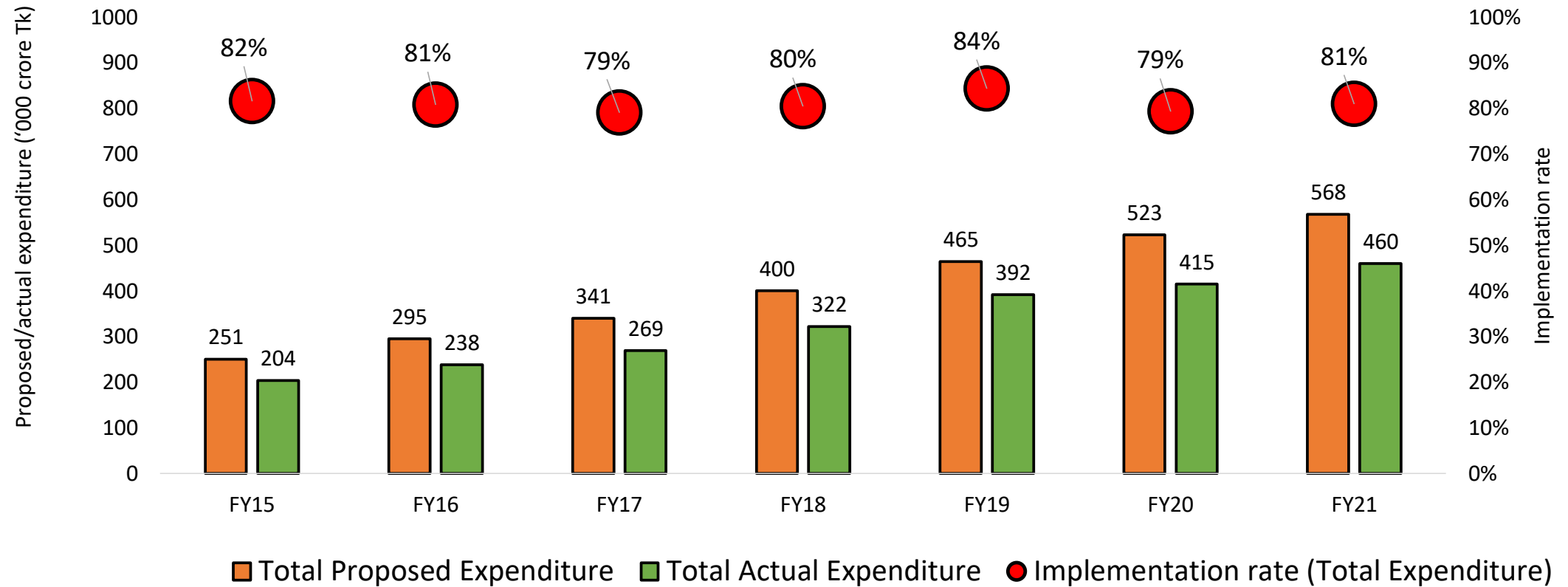


Understanding the main contents:

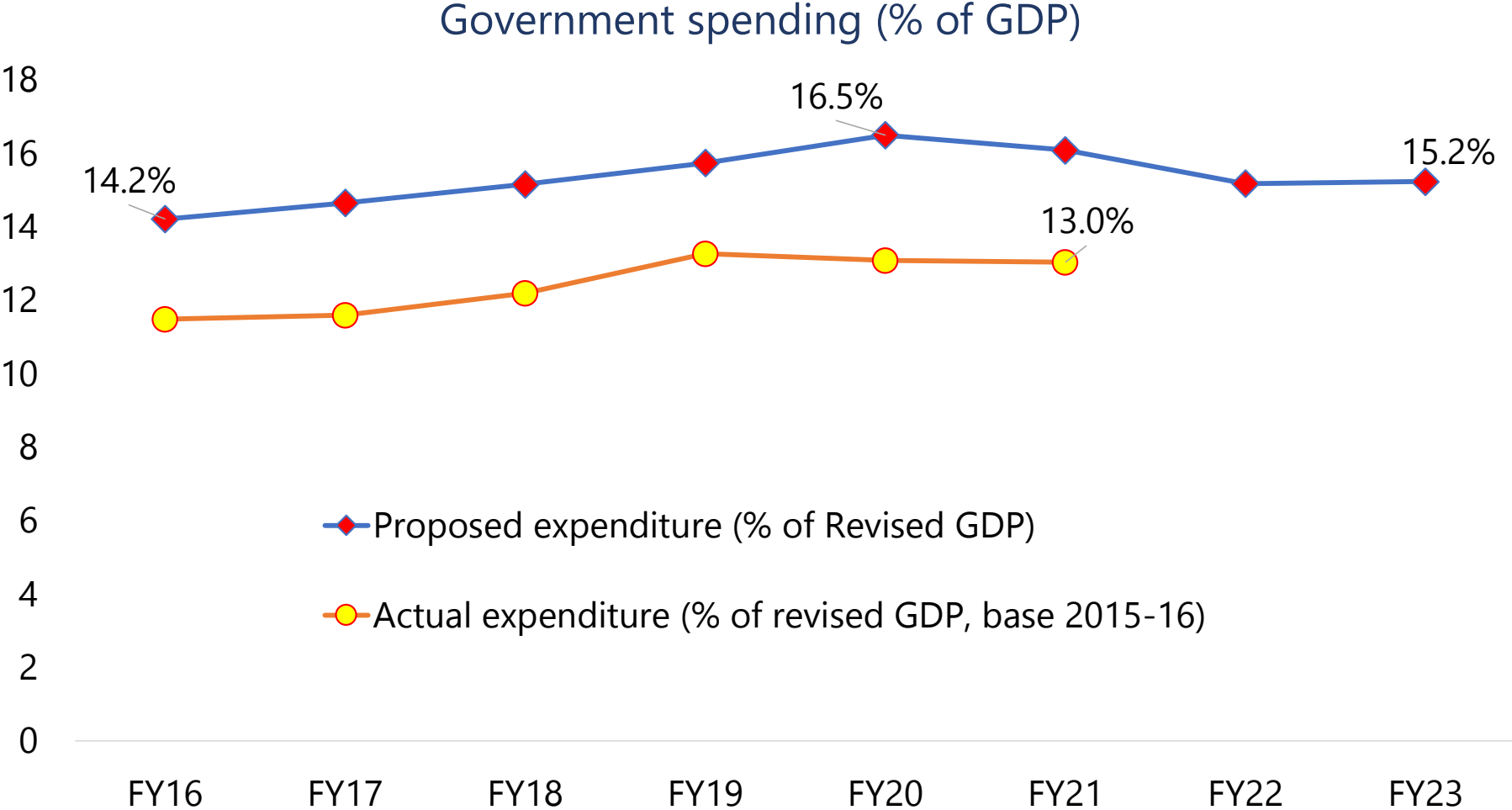
Budget 2022-23

Indicators	Budget (2022-23) Crore TK	% of GDP (2022-23)	Budget 2021-22 (R) Crore TK	% of GDP (2021-22) (R)	% Change over revised budget
Budget (overall size)	678,064	15.2	593,500	14.9	14.2
GDP (Base Year 2015-16)	4,449,959		3,976,462		11.9
Budget Deficit (% of GDP)	245,064	5.5	5.1		
GDP Growth Target	7.5		7.25		
Income					
Revenue Income	433,000	9.7	389,000	9.8	11.3
NBR-tax revenue	370,000	8.3	330,000	8.3	12.1
Non-NBR Tax	18,000	0.4	16,000	0.4	12.5
Non-tax revenue	45,000	1.0	43,000	1.1	4.7
Financing					
Domestic Borrowing	146,335	3.3	124,288	3.1	17.7
Domestic Borrowing (Bank)	106,334	2.4	87,287	2.2	21.8
Foreign Borrowing (net)	95,458	2.1	77,020	1.9	23.9
Expenditure					
Operating Expenditure	411,406	9.2	366,627	9.2	12.2
Interest Expenses	79,530	1.8	71,213	1.8	11.7
Development Expenditure	259,617	5.8	221,948	5.6	17.0
Annual Development Plan	246,066	5.5	209,977	5.3	17.2

Proposed budget size vs actual spending



Actual spending is just 13% of GDP – calculated using the 2015-16 base year.



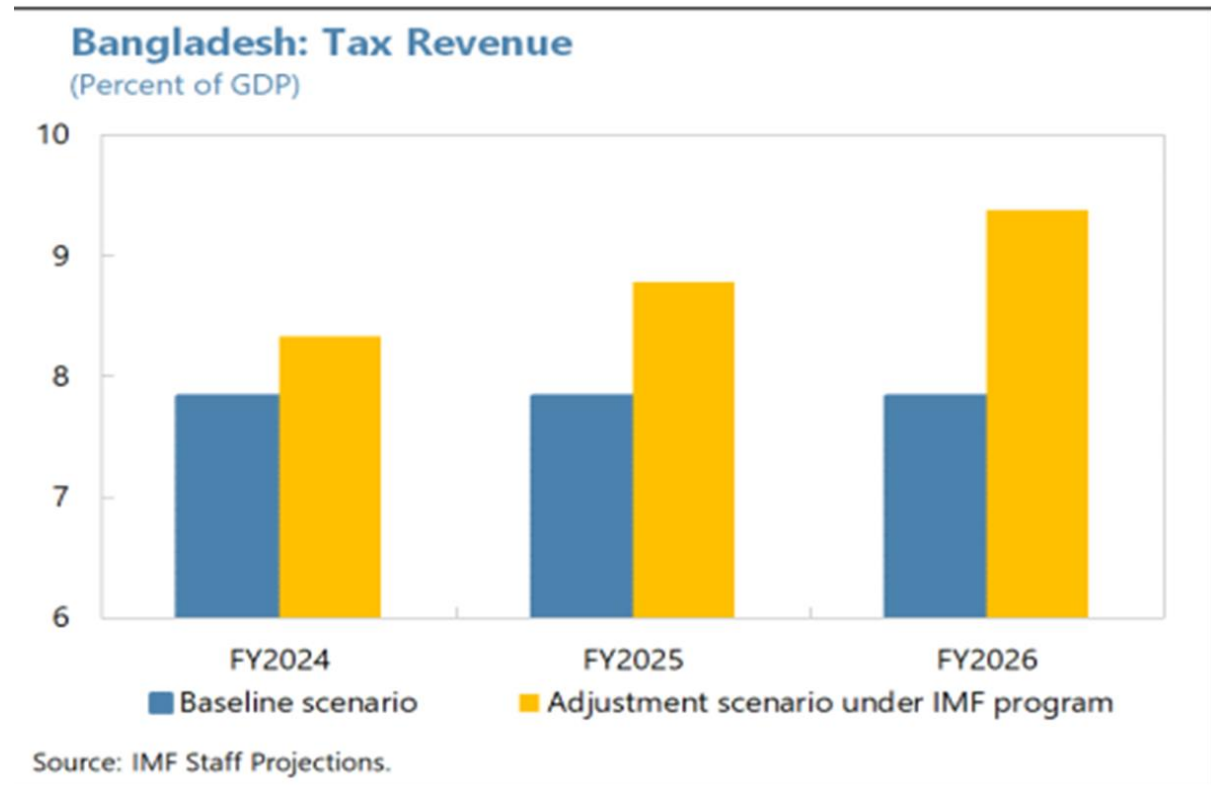
NBR revenue collection vis-à-vis targets

- NBR is given a target collection of TK3,70,000 crore (8.4% of GDP).
- Despite high growth in import revenue (around 20%), actual collection in FY22 was 89% of the target set for the on-going year.

	Budgetary target (crore Tk)	Actual collection (crore Tk)	% of target achieved	% of GDP-base year 2015-16
FY20	325,600	218,408	67.1	6.9
FY21	330,000	259,881	78.8	7.4
FY22	330,000	292,880	88.9	7.4
FY23 (up to February)	370,000	204,157	55.2	4.5

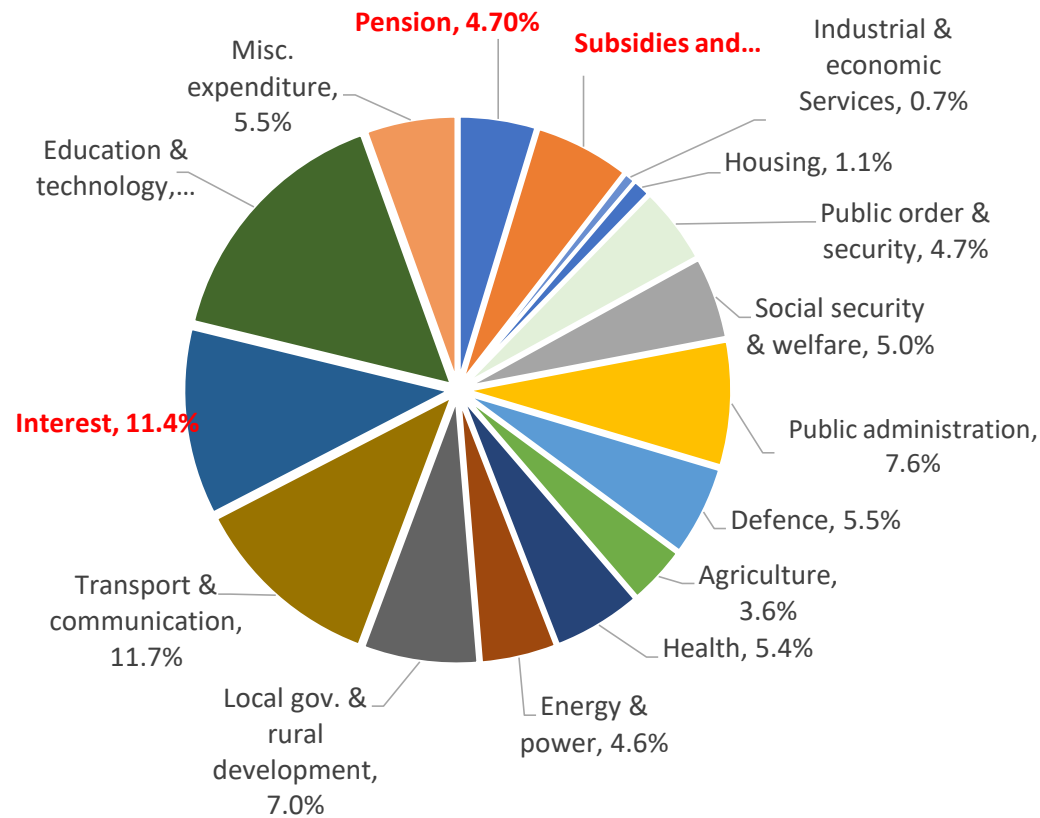
Revenue target according to IMF projection

One of the key IMF conditions is to increase tax-GDP ratio by 0.5 percentage points by FY24 with a subsequent rise of 0.5 percentage points in FY25 and 0.7 percentage points in FY26.

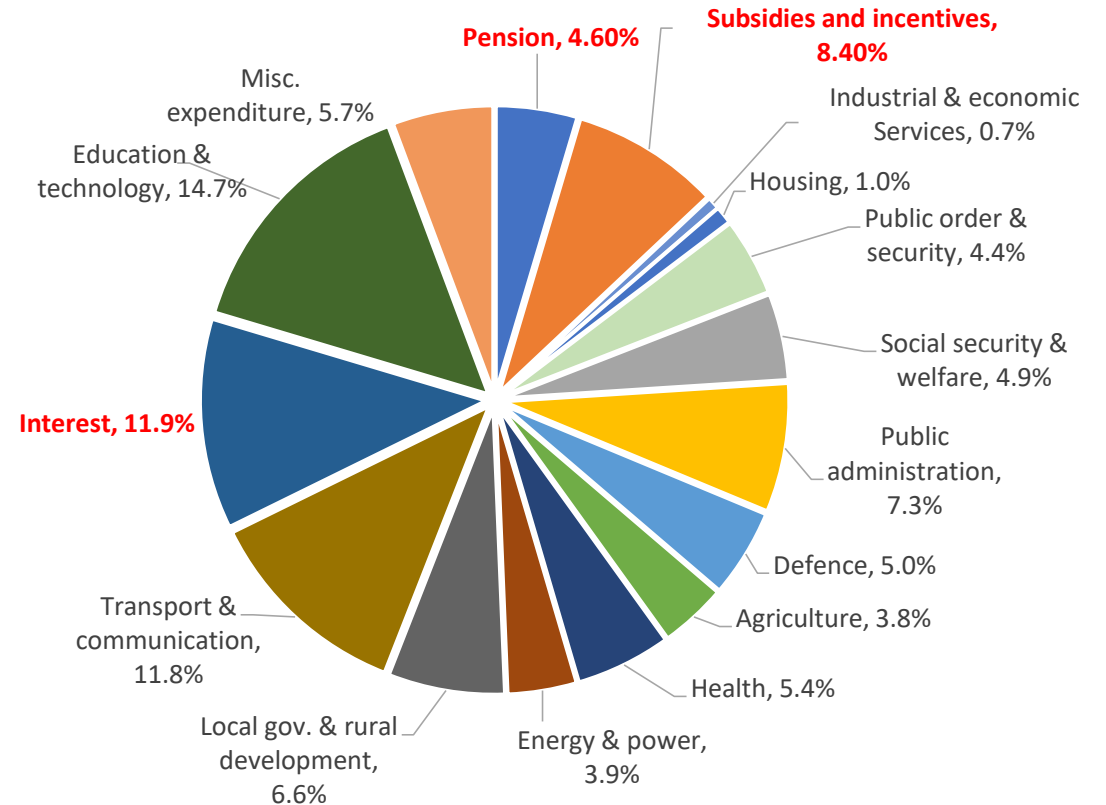


Put yourself in Finance Minister's shoes: What will be your allocations to different sectors?

Resource Distribution: Proposed Budget FY22



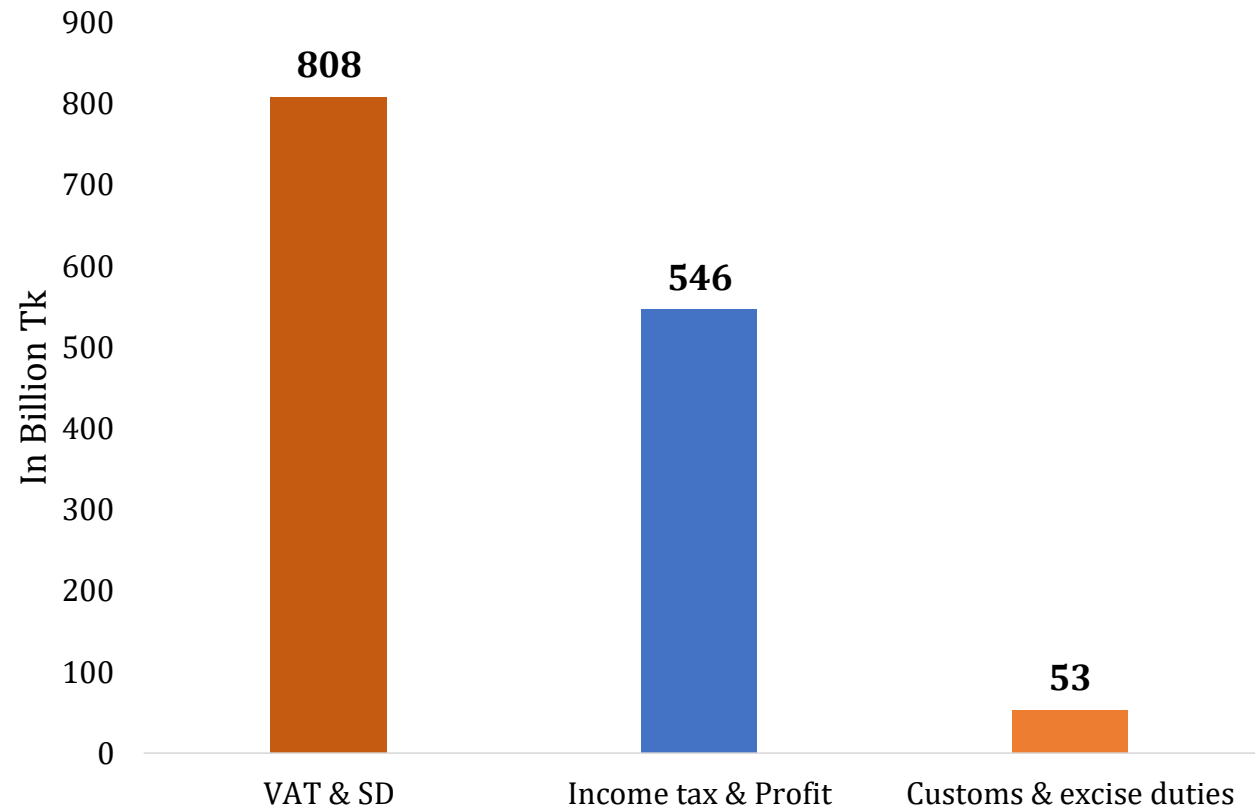
Resource Distribution: Proposed Budget FY23



Highlighted issues in the Upcoming Budget 2023-24

- To meet the IMF revenue target which is lower than the government target, the NBR needs to collect an additional Tk.1.4 trillion (about 41% of tax revenue) in the last four months of the current fiscal year.
- Of them, an additional Tk 808 billion needs to be collected from VAT and SD, followed by Tk. 546 billion from income tax and profit and Tk.53 billion from Customs and excise duties.

Additional Revenue needed in last four months



Highlighted issues for the Budget 2023-24

- For fiscal 2023-24, the government plans to present a 12% larger budget of Tk 7.6 trillion. The entire revenue collection objective is Tk. 5 trillion, a 15% increase over the current fiscal year. The National Board of Revenue has been charged with collecting Tk 4.3 trillion out of the total, which is 16.2 percent more than last year.
- Subsidies and incentives will exceed Tk1.1 trillion in FY24 budget (up from Tk 0.82 trillion).

Highlighted issues for the Budget 2023-24

- Perhaps the tax-free income limit for individuals will rise from Tk 330,000 to Tk 350,000.

- IMF outlines social security spending: **Allocation for social safety net is Tk 1.14 trillion or 2.55% of GDP, to increase in FY24 to Tk 1.3 trillion or 3% of GDP.** The Ministry of Finance to expand support for elderly, widows, disabled, adding 7.35 lakh more beneficiaries in FY23-24. However, govt must not include pensions and interests on savings tools in the budget allocation for the social safety net sector, the visiting team of the IMF has told officials concerned.

Issues for discussion

Consider the available information in responding to these issues:

- (1) What should be the economic growth ambition for the next year?
- (2) Raising more government revenue – what are the options? Any factors that can undermine revenue effort?
- (3) Is mobilizing more revenue from domestic sources good?
- (4) We are facing external crises (global uncertainty) and our foreign reserves being under pressure – so let's go for more foreign borrowing – good idea?

Making budgetary commitments in an election year

- What are the areas for higher level of political commitments?
- What are the determinants for political decisions – constituents, interest groups, quality of democratic accountability, etc.
- What role for journalists?

Policy debate: Can we comment on the following budget analysis?

This year the government is going to announce another record-breaking budget. Bangladesh has the largest government budget amongst the LDCs, yet the people are not getting major benefits. This year the size of the economy will fall as the GDP growth is expected to decline from 7.3% to 6.5%. Given the rising inflationary pressure, the government must increase spending to improve economic growth performance.

Everyone's main point is that the budget making process for so long has not benefited the poor with the big businesses being the main beneficiaries. They are paying less taxes but making the most out of government budget.

According to IMF, we need to increase tax revenue by 15 thousand crores. It is possible to achieve this target annually with the money that is extorted on our roads.

Clothing merchants are of the view that after the increase in gas prices, "If we bring clothes from India, then the profit will be more." Our major weakness is that our raw material comes from outside, so the price becomes high. The budget should emphasize production of raw materials and laws should be made to support production by giving tax exemptions. Otherwise, it is never possible to reduce the price.

Comment on the following...

Two of our most essential sectors are education and health. Education gets just 2 percent of GDP, but UNESCO recommends an allocation of 7 percent. The government should immediately double the share of education in the budget.

As such, the allocation to the health sector is less than 1 percent of GDP, which is appallingly low. The proposed allocation to this sector should be at least 5 percent of GDP. A higher health spending will benefit the poor and vulnerable population groups.

The social security sector shows higher allocations as the cost of pensions is included in that budget. The allocation should be increased to at least 4 percent of GDP after excluding pension.

People pay taxes. But those who pay taxes, what are the benefits for them? They should be given some advantage somewhere? Over 90 percent of the country's total taxes come from the private sector. But all the benefits go to the government sector. Why would people be motivated to pay taxes?



Thank you!