

Budget FY2023-24: allocation for aviation, tourism reduced, travel tax on domestic flight, foreign travel costlier

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Dhaka: The budget allocation for the Ministry of Civil Aviation and Tourism in the fiscal year 2023-24 has been proposed to be reduced. Moreover, in the proposed budget at the parliament, the Finance Minister mentioned to bring domestic flight passengers under travel tax while increasing it to 67 per cent for international air travellers.

On June 1, Finance Minister AHM Mustafa Kamal said this while reading the proposed budget for fiscal year 2023-24 at the national parliament.

The finance minister said the budget allocation for the Ministry of Civil Aviation and Tourism for fiscal year 2023-24 will be BDT 6,597 crore, BDT 407 crore less from the current BDT 7004 crore for FY2022-2023.

Also, the operational cost of the ministry has been reduced for FY2023-24 to BDT 54 crore, from the current BDT 72 crore for FY2022-2023.

Now, according to the proposed budget, domestic air passengers will have to pay BDT 200 travel tax.

Internationally, air travel tax to SAARC countries has been increased by 67 per cent to BDT 2000, to the Middle East by 33 per cent to BDT 4000 and to any other country by 50 per cent to BDT 6000.

Also, for travel to any country by road or sea, the travel tax has been upped to BDT 1000 from the current BDT 500.

Before this, nine years ago travel tax was upped last by the National Board of revenue in 2014.

In the nine months of the fiscal year 2022-2023 till March, the government received BDT 1069 crore travel tax, marking a 94 per cent increase. It is more than the target set for the current fiscal year by the revenue authorities.

According to Civil Aviation Authority of Bangladesh's data, 50 lac passengers travelled by air in 2022 from Bangladesh to abroad, a 145 per cent up from the BDT 20 lac in the previous year.

Also, the number of domestic air travellers increased by 70 per cent in 2022 to 5.5 million lac from the previous year.

Hence, the finance minister proposed such budget allocation in an effort to reduce unnecessary air travel to save dollars and develop a new revenue sector.

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