



# National Budget 2022-23: Summary

## Power and Energy



Implemented by


**BAMU**

Budget Analysis and Monitoring Unit  
Bangladesh Parliament Secretariat

Technical Cooperation



Funded by  
the European Union

Supported by  DT Global



সেন্টার ফর পলি ডায়ালগ (সিপিডি)  
Centre for Policy Dialogue (CPD)

**BUDGET  
HELPDESK  
2022**

## **Power and Energy**

### **1. Background and the Main Features of the Power and Energy Sector's Budget**

Power and energy are among the main driving forces of the economy and essential elements of development. In Bangladesh's agricultural, industrial, and services sectors there is a high demand for electricity, oil, gas, and natural resources. To make "Vision 2041" a reality, the government is continuing power sector development and reform and restructuring activities.

Top priority has been given to increasing production capacity to meet the high demand for electricity and fuel. Alongside, private investments are being encouraged too. On top of this, top priority has been given to gaining energy efficiency, increasing the usage and range of renewable energy, and ensuring power-energy price stability. In this sector, one notable initiative is the Rooppur Nuclear Powerplant which is expected to start generating by the year 2025-26.

For the last 13 years, to increase power generation the government has worked tirelessly and because of that the country's total power generation capacity (Captive and Renewable Fuels) has increased to 25,566 Megawatts. In this time frame, 5,213 circuit kilometers circulation and 3,36,000-kilometer distribution lines have been built. The system loss in power distribution has decreased to 8% from 14%. Currently, 34 power stations have been built with a capacity of 13,530 Megawatts around Bangladesh.

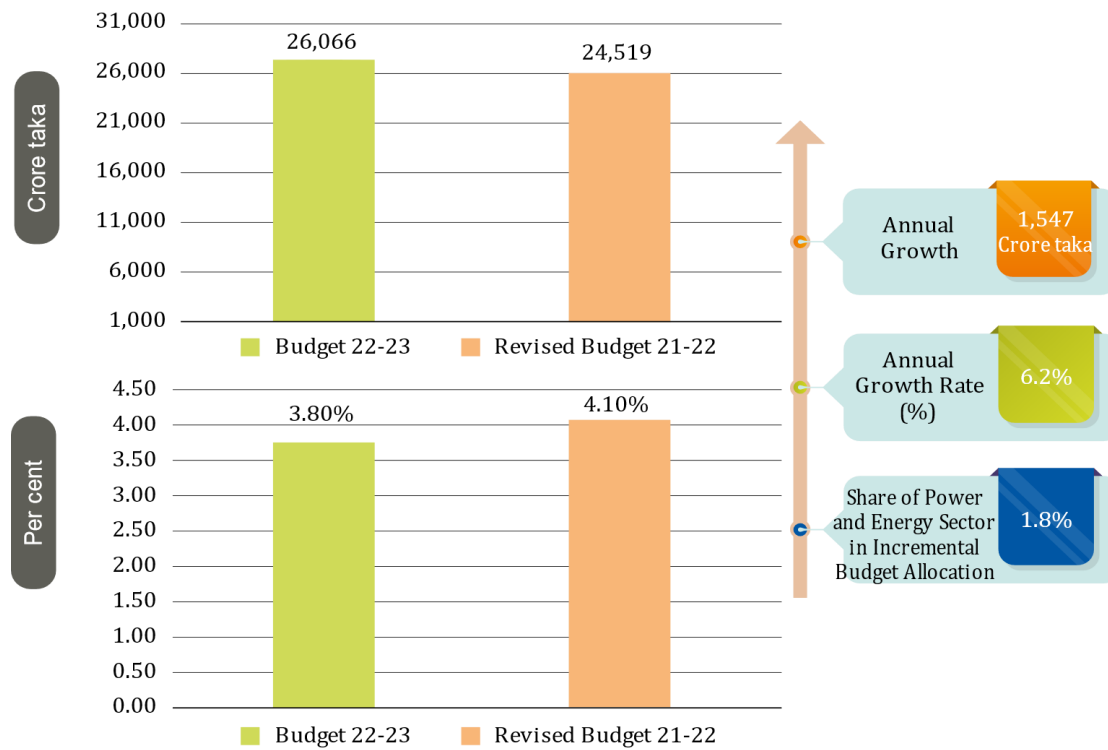
In the budget for the fiscal year of 2022-23, allocations in the power sector have increased by 5.78% and it has been proposed to increase the allocation for energy and mineral resources by 13.68%. Due to the increase in oil and gas prices all around the world, subsidies have increased for the Power and Energy sectors in the 2022-23 budget.

According to the 8th five-year plan, by 2025 10% of the total fuel supply will be renewable fuels. In the 2022-23 budget, 4 out of 20 ADB projects are renewable fuel projects.

### **2. Proposed Budget for FY2022-23 and the Power and Energy Sector**

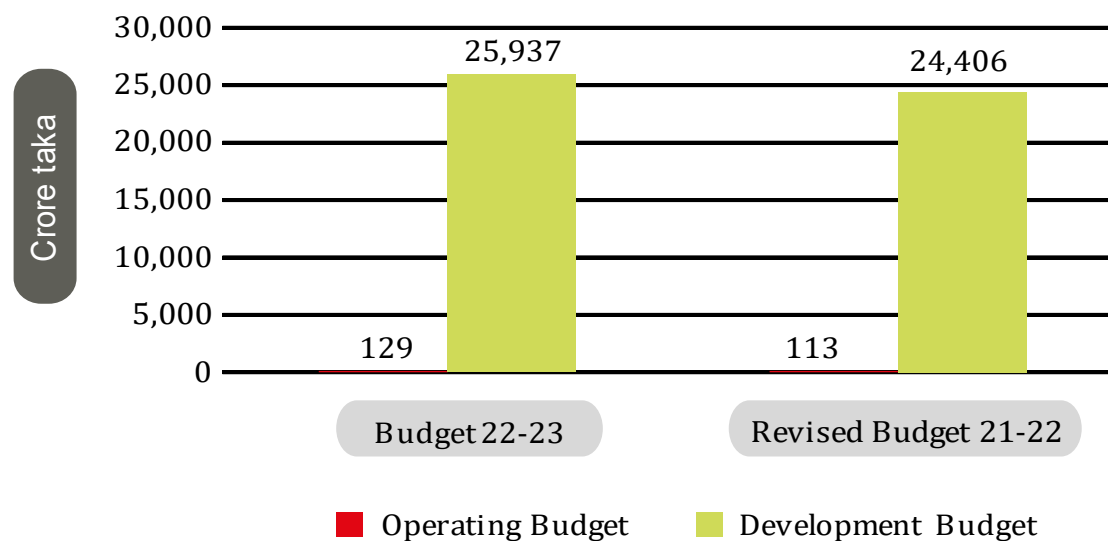
The expenses for the development of fuel and electricity sectors are a lot more than its operating expense. For 2022-23, the total proposed budget for the Power and Energy sector is 26,066 crores taka which is 3.8% of the whole budget. Considering the year 2021-22's revised budget, there is a 6.2% increase in the new proposed budget (Figure-1).

**Figure 1: Proposed Budget of FY2022-23: Power and Energy Sector**



Source: Budget in Brief 2022-23, MoF

**Figure 2: Operating and Development Budget Allocation for the Power and Energy sector**

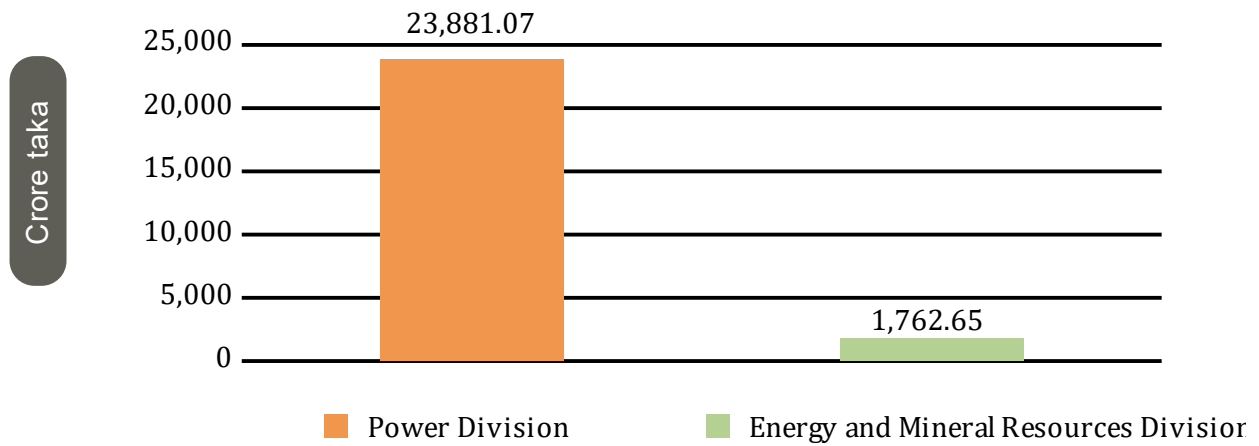


Source: Budget in Brief 2022-23, 9 June 2022

### 3. Annual Development Plan and Allocation for the Power and Energy Sector

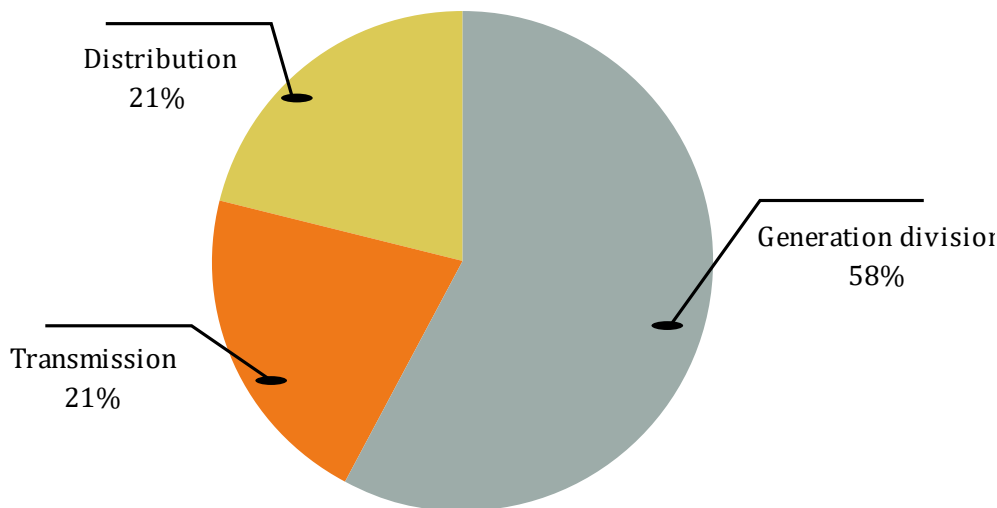
In the annual development plan, Power and Energy and the department of mineral resources have been allocated 25,937 crores taka of which 93.13% is for the electricity sector (Figure-3). Most of the development expenses will be used for the production of electricity and fuel (Figure-4).

**Figure 3: Annual Development Plan and Allocation for the Power and Energy Sector**



Source: Annual Development Plan (2022-23)

**Figure 4: Sectorwise Distribution of Annual Development Plan Allocation for the Power and Energy Sector**



Source: Annual Development Plan (2022-23)

## 4. Conclusion

Continuous expansions of power and energy sectors are crucial to attain the goals of the 8<sup>th</sup> five-year plan (2021-25) and the SDG (2015-30), and to make Bangladesh an upper-middle income country by 2031w. Aligned with the medium-term economic plan, special priority and importance have been given to the Power and Energy sector in the proposed budget for the fiscal year 2022-23.