



Analysis: Bangladesh Budget 2019-20

Overview

Overview

- The outgoing 2018-19 fiscal year saw the Bangladesh economy continue on its accelerated growth trajectory. GDP growth reached a record 8.13%, crossing the 8% mark for the first time. However, challenging external sector performance continued in FY19 and led to a current account deficit of USD 5 bn in the Jun-Apr period, which led to BDT depreciating by 1% YoY in June 2019. Low deposit growth rates resulted in tight liquidity situation and a general increase in interest rates, which negatively affected the capital market.
- The GDP growth target for FY19 has been set at 8.2%, which might prove challenging given rising interest rates and falling private sector credit growth. Inflation target has been set at 5.5%, which is close to the March 2019 level of 5.48%. The proposed budget size is BDT 5,231.9 bn, which is 18.22% larger than the previous budget. The revenue target is BDT 3,778.1 bn, 19.33% higher than FY19. The budget deficit is projected to be 5.04%, roughly the same as FY19.

Table: Budget Overview FY19 (BDT bn)

	FY20	FY19(R)	Growth
Budget Size	5,231.90 (18.13%)	4,425.41 (17.45%)	18.22%
Target Revenue	3,778.10 (13.09%)	3,166.13 (12.48%)	19.33%
Budget Deficit	1,453.80 5.04%	1,259.29 4.97%	15.45%
Bank Borrowing	473.64 1.64%	308.95 1.22%	53.31%
External Borrowing	680.16 2.36%	471.84 1.86%	44.15%
GDP	28,857.72	25,361.77	13.37%

Source: Ministry of Finance. Figures in parentheses indicate percentage of GDP

Table: Summary of Budget (BDT bn)

	FY20	FY19(R)	FY19	FY18(A)
Revenue	3,778.10 (13.10%)	3,166.13 (12.50%)	3,392.80 (13%)	2,165.55 (9.60%)
NBR Tax	3,256.00	2,800.00	2,962.01	1,871.03
Non-NBR Tax	145	96	97.27	72.23
Non Tax Receipt	377.1	270.13	333.52	222.29
	5,231.90	4,425.41	4,645.73	3,218.62
Expenditure	(18.10%)	(17.40%)	(18%)	(14.30%)
Non-Development	2,779.34	2,477.47	2,516.68	1,788.79
Development	2,116.83	1,734.49	1,796.69	1,221.54
<i>ADP</i>	2,027.21 (7.00%)	1,670.00 (6.60%)	1,730.00 (6.80%)	1,195.38 (5.30%)
Other	335.73	213.45	332.36	208.29
Deficit	1,453.80 (5.00%)	1,259.29 (5%)	1,252.93 (5%)	1,053.06 (4.70%)
External borrowing	680.16	471.84	540.67	264.89
Domestic borrowing	773.63	787.45	712.26	790.76
Bank borrowing	473.64	308.95	420.29	117.31
Non-bank borrowing	299.99	478.5	291.97	673.45
GDP	28,857.72	25,361.77	25,378.49	22,504.79

Source: Budget Speech, Ministry of Finance

Analysis of Budget FY20

Budget Targets

- GDP growth in FY19 reached 8.13% (provisional figure). This is the highest ever GDP recorded in Bangladesh. The FY20 budget targets GDP growth of 8.2%. The IMF has forecast GDP growth of 7.3% for 2019.
- Inflation has been steadily coming down over the years, from 10.91% in FY11 to 5.48% in March 2019. A bumper rice harvest and adequate stocks are expected to keep food inflation at low levels but increase in gas prices due to introduction of imported LNG to the gas supply network along with depreciation of BDT might cause non-food inflation to spike up.
- In FY19, import growth came down significantly to 3.88% in the Jul-Apr period, down from 25% in FY18. Export growth, on the other hand, increased noticeably to 11.92% in FY19. Depreciation of the BDT and the trade war between the US and China contributed to the healthy growth in exports.

Chart: GDP Growth

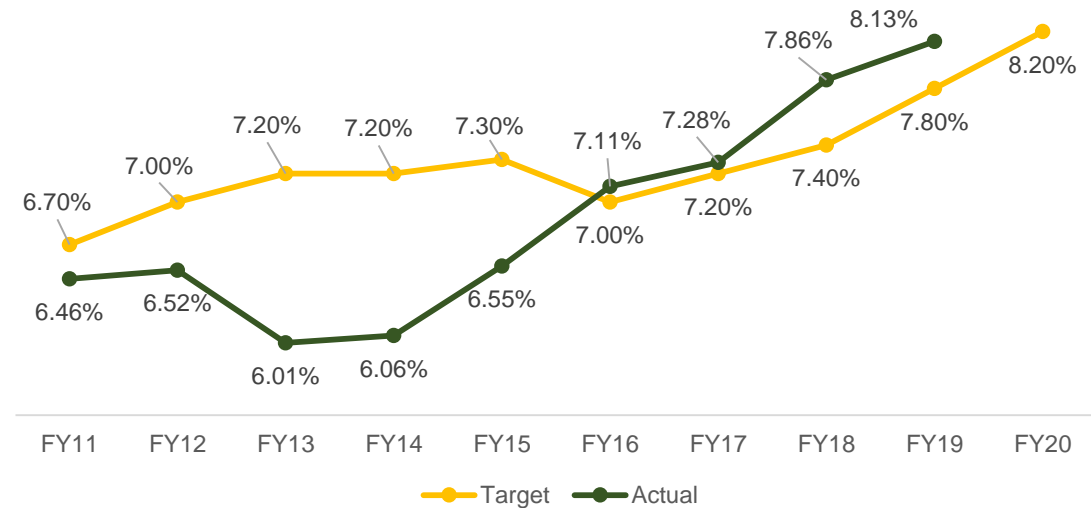


Chart: Import and Export Growth

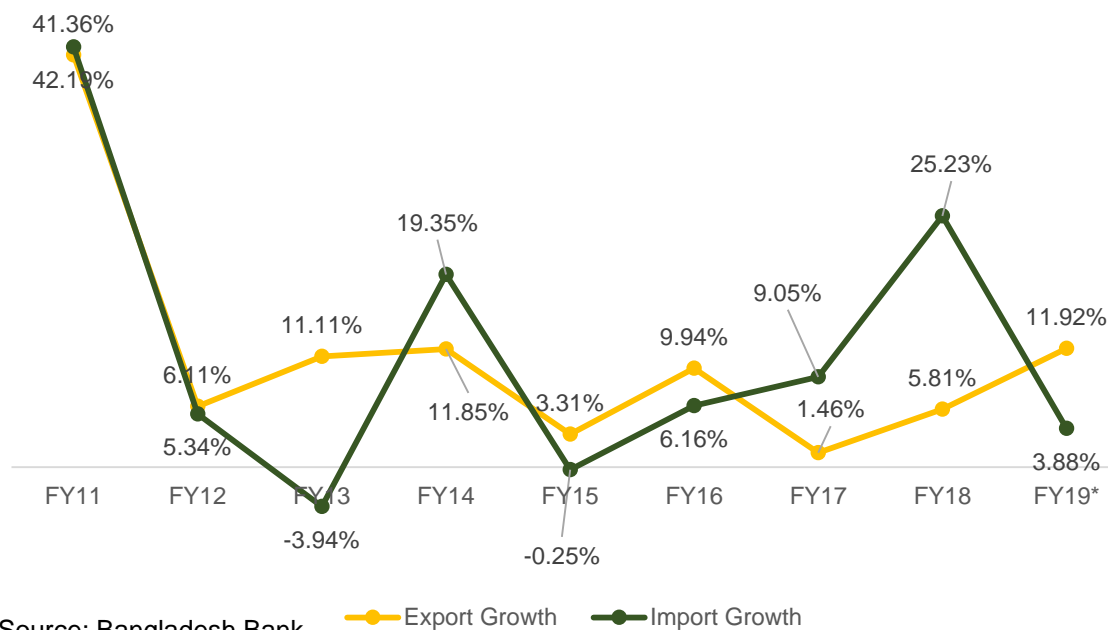
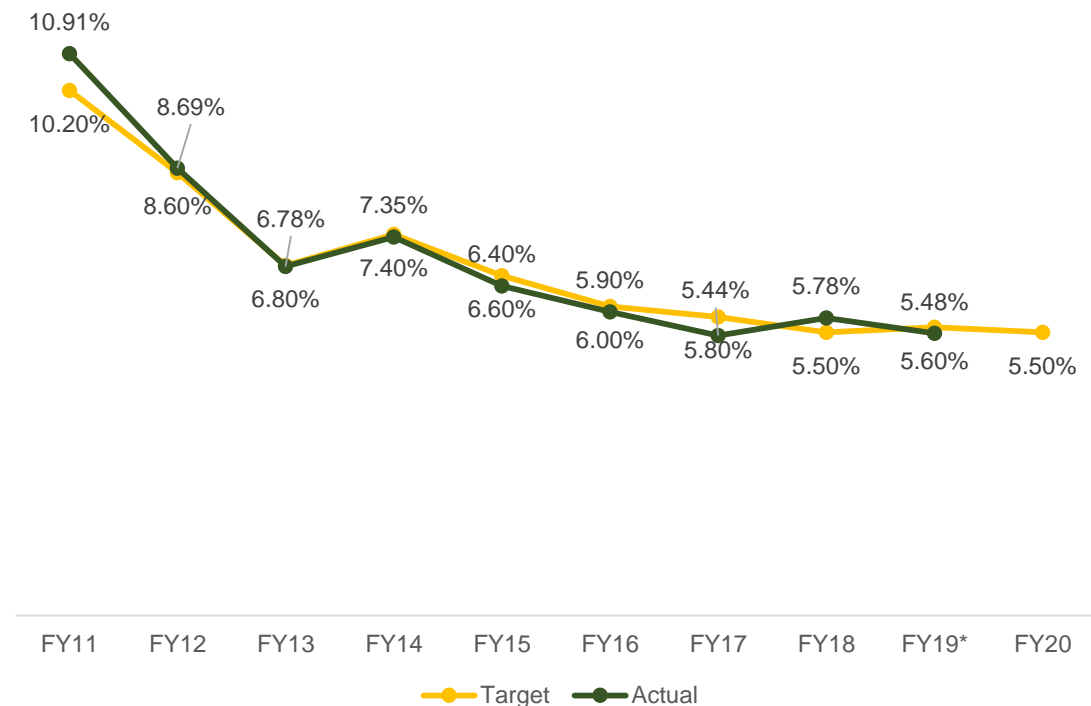


Chart: Inflation



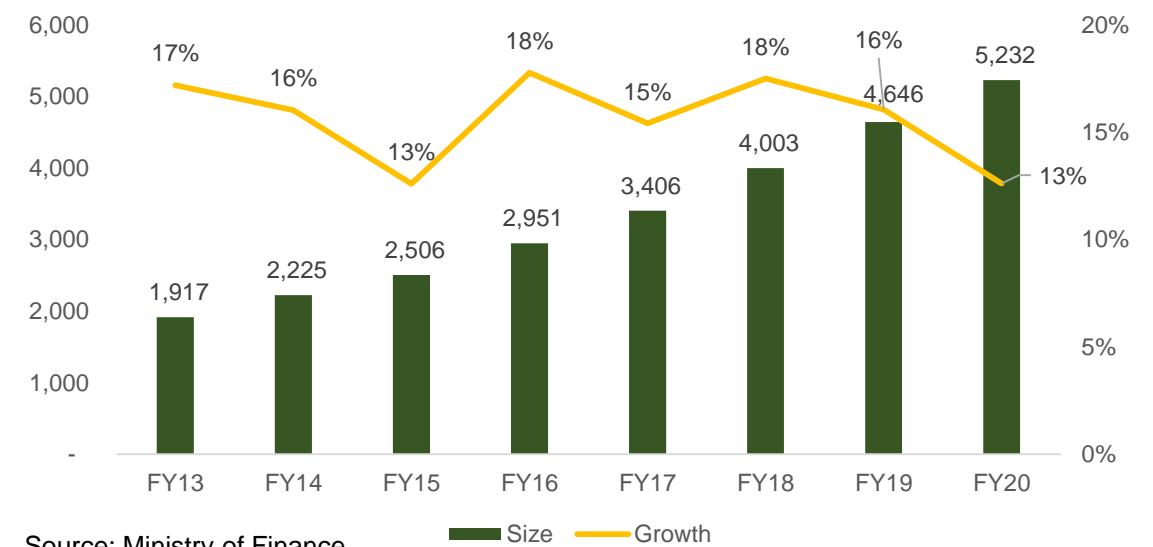
Source: Bangladesh Bank

Analysis of Budget FY20

Expenditure

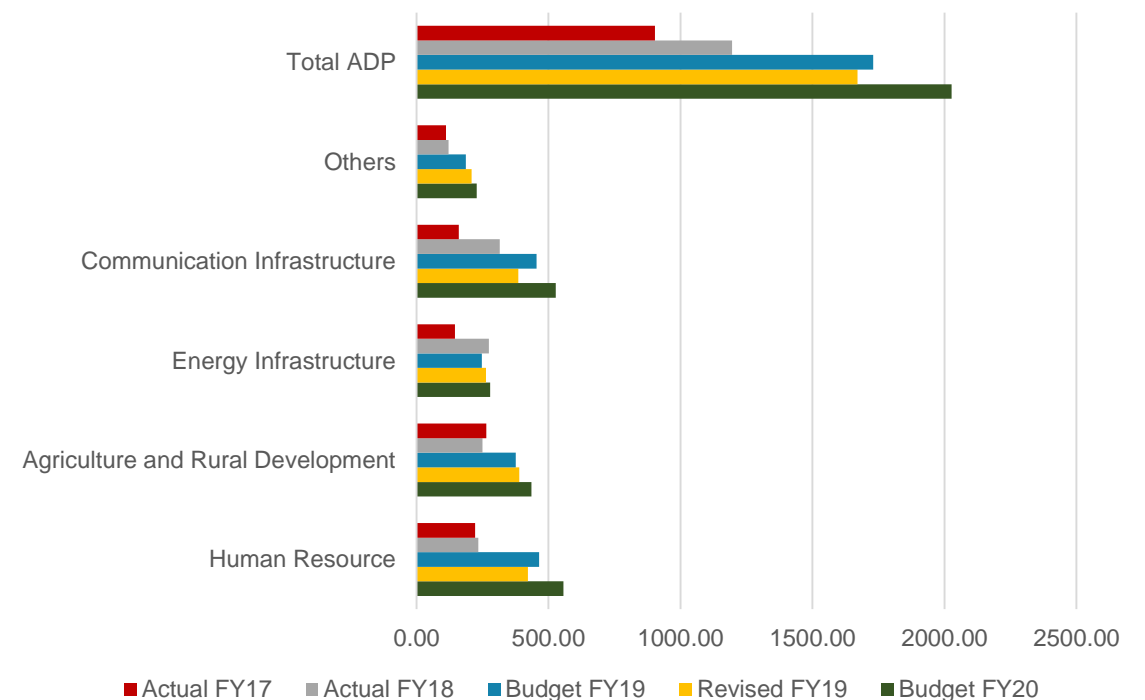
- The FY20 budget growth is more restrained compared to previous years (18.22% growth over previous year's revised budget, as compared to 25% for FY19 and 26% for FY18). This may lead to a more realistic view of the challenges faced in implementing budgets, and lead to the FY20 revised budget being closer to the initial targets. The challenges in achieving the revenue target in FY19 and the current account deficit provide a barrier to undertaking large new projects. The FY20 budget is estimated to be 18.1% of GDP as against 17.4% in FY19(R) budget. 61.2% of the budget is allocated towards operating expenses while 38.7% of the budget has been allocated towards the ADP.
- The FY20 budget has allocated BDT 332.02 bn for PPP subsidies, financial assistance to different industries, subsidies and equity investments in nationalized corporations, banks, and financial institutions, which is 6.35% of the total budget and a 72% growth from the revised FY19 budget.
- 54.94% of the FY19 ADP budget was implemented in the Jul-Apr'19 period. The FY20 ADP program is 21% greater than the revised FY19 ADP budget, and places relatively higher importance to the Human Resource and Communications infrastructure development compared to the previous years' ADP. Agriculture and Rural Development and Energy Infrastructure have also received large allocations, to accelerate development in rural areas and to meet the energy needs of a growing economy.
- Interest payments in FY20 is projected to comprise 10.91% of the FY20 budget, a decrease from the 11.01% allocation in FY19(R) budget. This may be achieved by changing the borrowing mix to include greater proportion of bank borrowing rather than national savings certificates, which carry higher interest rates.

Chart: Size of Budget (BDT bn)



Source: Ministry of Finance

Chart: ADP Sectoral Allocation



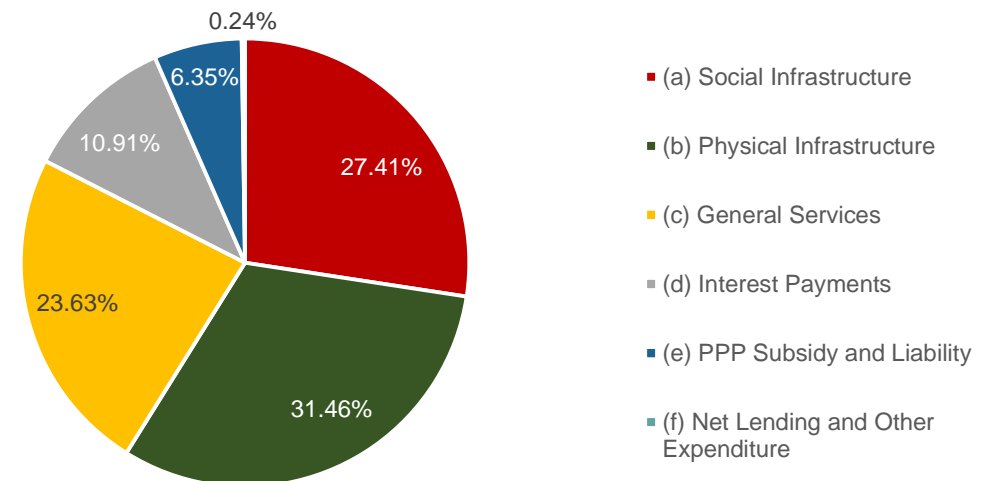
Source: Ministry of Finance

Analysis of Budget FY20

Sectoral Allocation

- Compared to the FY19, allocation to PPP Subsidy and Liability has seen a huge increase, comprising of 6.35% of the FY20 budget. Allocations towards Social Infrastructure, Physical Infrastructure, General Services, Interest Payments and Net Lending and Other Expenditure have all decreased in FY20.
- Allocation to PPP Subsidy, Communications Infrastructure and Human Resource sectors have increased by 72.8%, 32.4% and 17.6% respectively while allocation to Net Lending and other Expenditure has fallen by 47.34% compared to the revised FY19 budget.
- BDT 432.3 bn was allocated for subsidies, a 24.5% increase from FY19(R). Subsidies now accounts for 8.3% of the FY20 budget and 1.5% of GDP. Agriculture was allocated 20.8% of the of total subsidy while a 2% subsidy was introduced for workers remittances to Bangladesh.

Chart: Sectoral Allocation (%)



Source: Ministry of Finance

Ministry/Division	Budget FY20	% of Total	Budget FY19 (R)	% of Total	Growth over FY19 (R)	Budget FY19	% of Total	Growth over FY19
Human Resource	1290.56	24.67%	1097.76	24.81%	17.56%	1132.08	24.37%	14.00%
Food and Social Safety	143.73	2.75%	137.48	3.11%	4.55%	138.14	2.97%	4.05%
Agriculture and Rural Development	662.34	12.66%	596.77	13.49%	10.99%	589.29	12.68%	12.40%
Power and Energy	280.51	5.36%	265.03	5.99%	5.84%	249.2	5.36%	12.56%
Communication Infrastructure	613.6	11.73%	463.48	10.47%	32.39%	530.81	11.43%	15.60%
Public Order and Safety	276.37	5.28%	280.68	6.34%	-1.54%	265.94	5.72%	3.92%
Interest Payments	570.7	10.91%	487.45	11.01%	17.08%	513.4	11.05%	11.16%
PPP Subsidy and Liability	332.02	6.35%	192.14	4.34%	72.80%	224.16	4.83%	48.12%
Net Lending and Other Expenditure	12.45	0.24%	23.64	0.53%	-47.34%	24.89	0.54%	-49.98%
Total Budget	5,232		4,425			4,646		

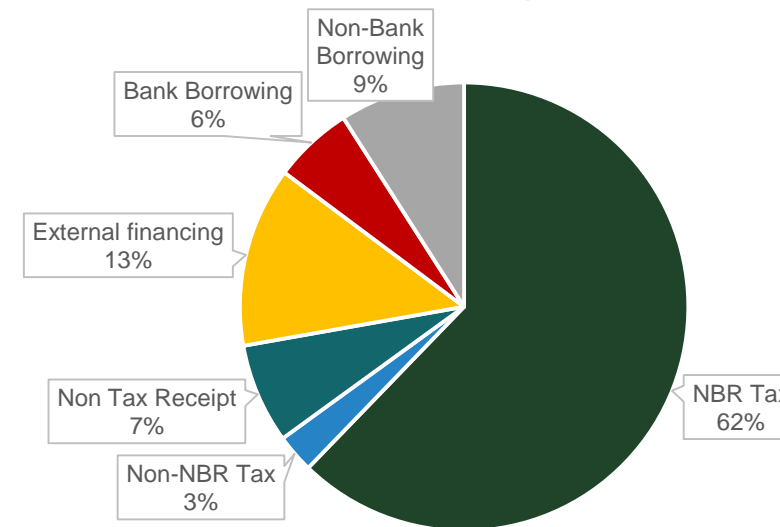
Source: Ministry of Finance

Analysis of Budget FY20

Revenue and Financing

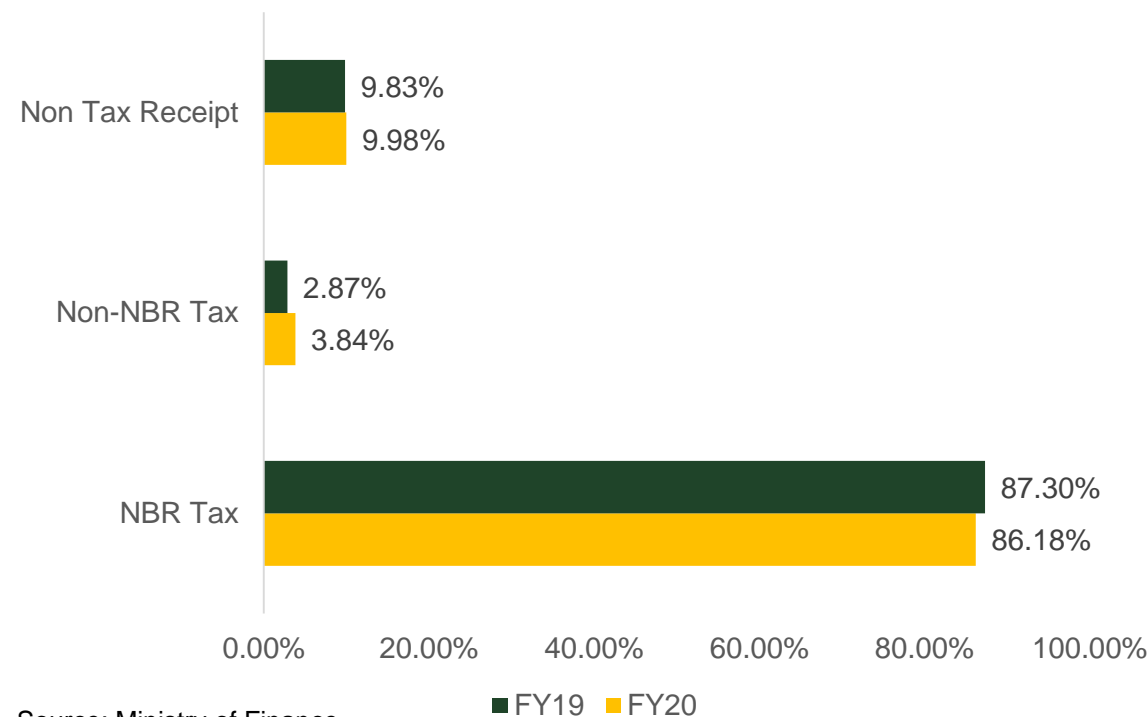
- The FY20 budget has a revenue target of BDT 3,778.10 bn, which is 19.3% higher than the target of BDT 3,166.13 bn in the revised FY19 budget. The targeted revenue growth rate for FY20 is lower than that for previous budgets. The percentage of revenue to come from NBR has decreased from 87.30% in FY19 to 86.18% in FY20.
- The VAT and Supplementary Duty Act 2012 will go into effect from 1 July 2019, which will usher in a new era in VAT collection. Electronic fiscal devices will be mandatory for VAT payers to keep track of sales. 4 VAT rates have been introduced (5%, 7.5%, 10% and 15%) with two additional rates of 2% and 2.4% for the pharmaceuticals industry. The VAT exemption threshold has been set at BDT 5 million per annum and Package VAT and Truncated value base rates have been discontinued.

Chart: FY20 Revenue and Financing Sources



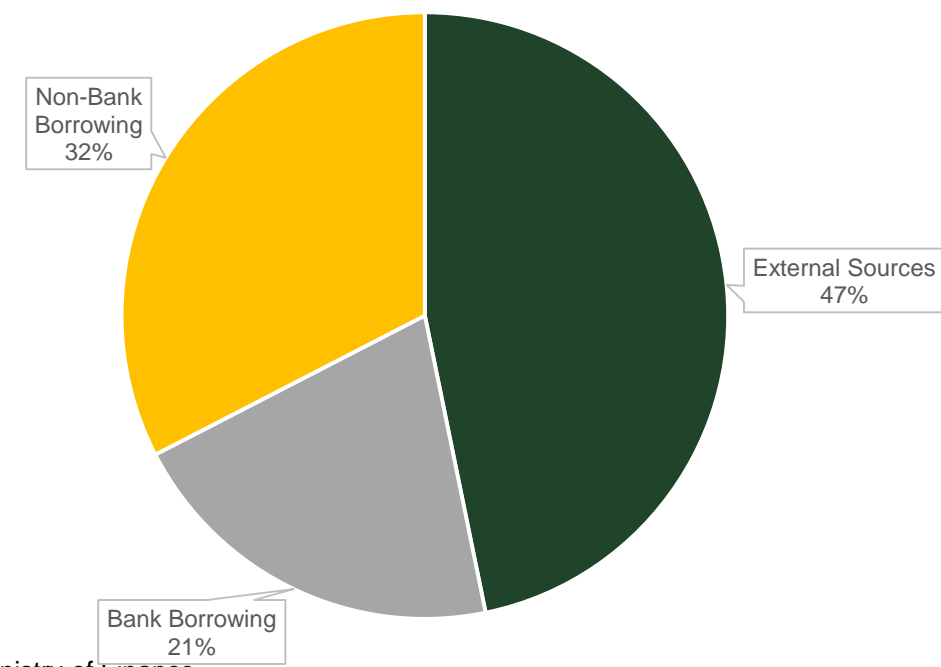
Source: Ministry of Finance

Chart: Revenue Sources (% of total)



Source: Ministry of Finance

Chart: Deficit Financing Sources



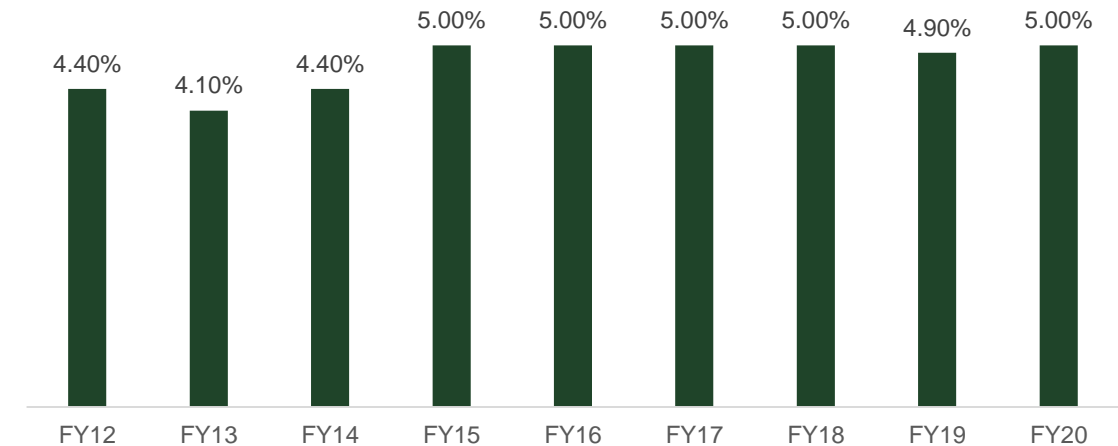
Source: Ministry of Finance

Analysis of Budget FY20

Deficit

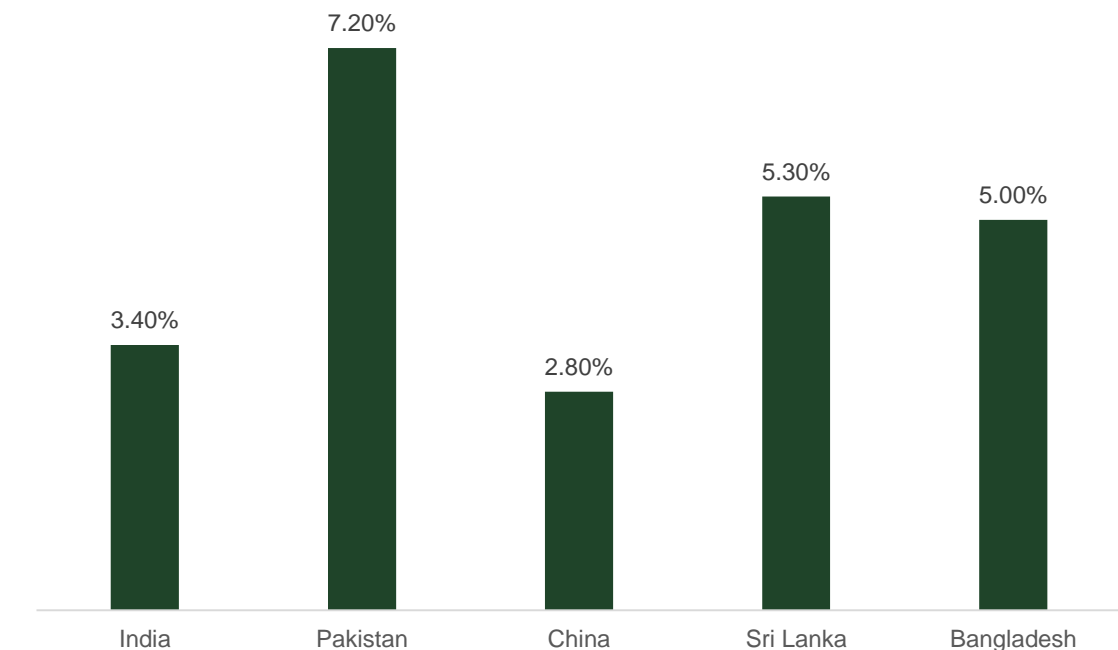
- The FY20 budget a projected deficit of BDT 1,453.80 bn, which is 27.8% of the total budget expenditure and 5.0% of GDP. The budget deficit as percentage of GDP has been kept constant at 5%, in line with previous years' budgets. The deficit is 15.40% larger than the FY19(R) budget deficit.
- The share of the deficit to be financed from external sources has seen a significant leap, from 37.47% in FY19 to 46.79% in FY20. It remains to be seen whether the government will be able to mobilize such an increase in external revenue mobilization. Non-bank borrowing target has been reduced by 37% which might be achieved by creating barriers to purchase national savings certificates. Bank borrowing target in FY20 is 53% higher than FY19(R) which might cause rates to rise further and crowd out private sector credit growth.
- The budget deficit of Bangladesh is at a moderate 5.0% of GDP, which is higher than China and India, whose deficits are 2.8% and 3.4% of GDP respectively, but lower than Sri Lanka (5.3%) and Pakistan (7.2%)

Chart: Deficit (% of GDP)



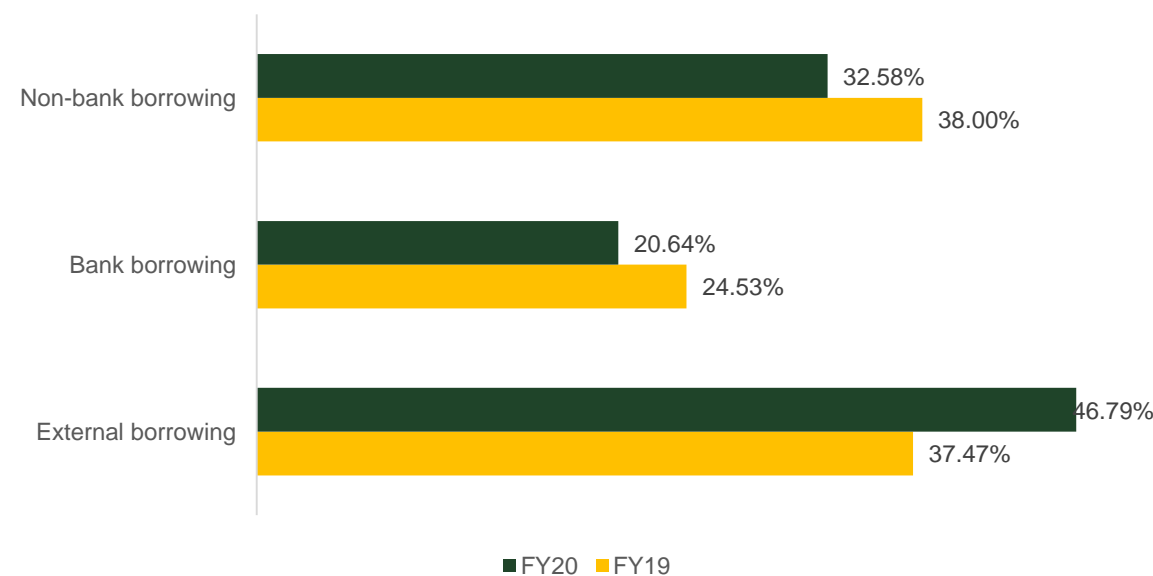
Source: Ministry of Finance

Chart: Budget Deficit in Peer Countries (% of GDP)



Source: Ministry of Finance

Chart: Deficit Financing Sources



Source: Ministry of Finance

Megaprojects

Megaproject	Cost (BDT bn)	Progress (Feb 2019)	Deadline
Padma Bridge	301.93	59.30%	Dec-19
Moheshkhali Single Point Mooring	54.26	15.00%	Dec-19
Karnaphuli Multilane Road Tunnel	84.47	28.90%	Jun-20
Payra Port Support Facilities	35.06	17.40%	Jun-20
SASEC Road Connectivity: Joydebpur - Elenga	55.93	46.30%	Jun-20
SASEC Road Connectivity: Elenga - Rangpur	118.99	3.30%	Aug-21
Dohazari-Cox's Bazar Dual Gauge Track	180.34	18.70%	Jun-22
Dhaka-Ashulia Elevated Expressway	169.01	0.40%	Jun-22
Ghorashal Polash Urea Fertilizer Project	104.61	0.00%	Jun-22
Rupsha 800MW Combined Cycle Power Plant	84.99	2.40%	Jun-22
Matarbari 2x600MW Coal-Fired Power Plant	359.84	21.40%	Jun-23
Dhaka Metro Rail	219.85	26.70%	Jun-24
Padma Bridge Rail	392.47	26.40%	Jun-24
Rooppur Nuclear Power Plant	1130.93	14.70%	Dec-25

Source: CPD

- The government allocated BDT 439.19 bn in FY20 for fast-track megaprojects, which represented 21.7% of the total ADP. The allocation towards megaprojects in the FY19 budget was BDT 288.49 bn, which comprised 17% of the total ADP for FY19. The pace of work on megaprojects is projected to pick up pace as there will be no election-related political uncertainty in FY20 unlike FY19.
- Among all the projects, Padma Multipurpose Bridge Construction project progressed most with 59.30% completed till February 2019. The Cost of this project reached to BDT 301.93 billion.
- 5 of the megaprojects are scheduled to be completed within FY20. Among these are the Padma Multipurpose Bridge, the Moheshkhali Single Point Mooring, Karnaphuli Multilane Road Project, Payra Port Support Facilities and SASEC Road Connectivity: Joydebpur – Elenga road project. However, given the current progress and rate, none of the projects are expected to meet their deadline.

Taxation - Individual

Minimum Income for Individual Tax Payer

<i>Types of Tax Payer</i>	<i>Threshold of Taxable Income</i>
General Tax Payer	BDT 250,000
Women & Senior Citizens	BDT 300,000
Persons with Disabilities	BDT 400,000
Parents of Children with Disabilities*	BDT 300,000
War-wounded gazetted freedom fighters	BDT 425,000

*Additional 50,000 limit for each disabled child

Tax Rate for other than companies

<i>For Individuals</i>	<i>Tax Rate</i>
First BDT 0.25 mn	Nil
Next BDT 0.40 mn	10.00%
Next BDT 0.50 mn	15.00%
Next BDT 0.60 mn	20.00%
Next BDT 3.00 mn	25.00%
For Others	
Tobacco products manufacturers other than company	45.00%
Non-residents (Other than NRBs)	30.00%
Registered Co-operative Society	15.00%

Surcharge Rate on Individual's Net Worth

<i>Net Wealth</i>	<i>Rate</i>
Up to BDT 30 mn	Nil
Between BDT 30 mn and BDT 50 mn*	10.00%
Between BDT 50 mn and BDT 100 mn	15.00%
Between BDT 100 mn and BDT 150 mn	20.00%
Between BDT 150 mn and BDT 200 mn	25.00%
Exceeds BDT 200.0 mn	30.00%
Minimum Surcharge (>22.5mn & <100mn)	BDT 3,000
Minimum Surcharge (>100mn)	BDT 5,000

*Or ownership of 2 motor cars or ownership of house properties aggregating to 8,000 sft or above in a city corporation

Source: Ministry of Finance

- The FY20 budget has not introduced any changes in the tax slabs and tax rates of personal income tax.
- The tax-free threshold for personal income remains at BDT 250,000.
- Individuals with net wealth greater than BDT 500 million must pay a minimum tax of higher of 0.1% of net wealth or 30% of income tax payable annually.
- The minimum net wealth exemption limit is increased to BDT 30 million from the previous BDT 22.5 million. A 10% wealth surcharge will now be applicable for owners of at least two cars or at least 8,000 sqft of housing property within City Corporation areas.
- Minimum threshold for deduction of tax at source has been increased from BDT 600,000 from BDT 400,000
- The minimum tax payment for tax payers is kept unchanged. It is BDT 5,000 for Dhaka North, Dhaka South, and Chittagong; BDT 4,000 for other city corporations, and BDT 3,000 for the rest of the country.
- NRBs who derive income from permanent establishments in Bangladesh need to pay tax on income sourced from these establishments.
- Existing provisions about undisclosed money remain the same as previous years. Undisclosed income can be invested in real estate, government treasury bonds by paying 10% tax, and voluntary disclosure of income through payment of 10% penalty in addition to regular tax. In addition, undisclosed money can be invested in economic zones or high tech industrial parks by paying 10% tax.
- Investment tax rebate has been set to 15% if total income is less than BDT 1.5 million, and 10% otherwise.

Analysis of Budget FY20

Corporate Tax and Capital Market

Corporate Tax Rates

<i>Company Category</i>	<i>Tax Rate</i>
Publicly Traded Company	25.00%
Non-publicly Traded Company	35.00%
Publicly Traded Bank, Insurance and NBFIs (ex Merchant Bank)	37.50%
Non-publicly Traded Bank, Insurance and NBFIs (ex Merchant Bank)	40.00%
Merchant Bank	37.50%
<i>Tobacco Good Manufacturers:</i>	
Cigarette Manufacturers (Public or non-public)	45.00%
Other Tobacco Product Manufacturers	45.00%
<i>Mobile Phone Operators:</i>	
Publicly Traded	40.00%
Non-Publicly Traded	45.00%
<i>Textile Manufacturers:</i>	
Non-Publicly Traded	15.00%
Publicly Traded	12.50%
Non-Publicly Traded with Green Factory Certification	12.00%
Publicly Traded with Green Factory Certification	12.00%
Dividend Income	20.00%

Source: Ministry of Finance

- Corporate tax rates remained largely unchanged
- Tax exemption on dividends received have been extended to all companies from the previous exemption on local companies only.
- Minimum tax of mobile telecommunications companies has been raised to 2% of their annual turnover from 0.75%
- Provision of 12% corporate tax on RMG factories (10% if there is a green building certificate) has been extended for 1 year.
- Reduced tax rates on publicly traded banks, insurance and financial institutions have remained unchanged at 37.50%
- Tax holiday facilities have been extended for industries beginning operations between 1 July 2019 and 30 June 2024, however, 90% of income will enjoy tax exemption in first year rather than 100% previously.

Capital Market

- Dividend up to BDT 50,000 has been exempted from income tax, instead of BDT 25,000 previously. This will reduce the tax burden on small individual investors.
- Tax rebate on investments have been increased to a flat 15% for income does not exceed BDT 1.5 million, and 10% otherwise. This step will reduce the tax burden on individuals with lower income while raising the tax burden on richer individuals.
- 15% tax has been imposed on stock dividends declared by a listed company. In addition, a 15% tax has been imposed on companies whose retained earnings and reserves exceed 50% of paid up capital. The new tax on stock dividends will eliminate the opportunity of companies to re-invest their retained earnings tax-free. Profitable companies will therefore be incentivized to pay out a greater proportion of earnings as cash dividends. However, the new tax will increase the cost of capital for companies and decrease their intrinsic value. Companies with large accumulated retained earnings and reserves are likely to increase their paid up capital with a large one-time stock dividend to increase their paid-up capital and decrease retained earnings.
- The TDS on interest from National Savings Certificates has been increased to 10% from the previous 5%. At the same time, online management system for NSC sales has been introduced. The combined measures are likely to divert capital to banks and the capital market

Corporate Tax and Capital Market

	Amended VAT Act, 1991 (Prevailing)	New VAT and SD Act, 2012
Basis	Price declared by VAT payers and approved by VAT authorities	
Rates	9 (2%, 3%, 4%, 4.5%, 5%, 7%, 7.5%, 10%, 15%)	6 (5%, 7.5%, 10%, 15%; 2% and 2.4% for pharmaceuticals)
VAT exemption threshold	BDT 3 mn	BDT 5 mn
Package VAT	Continued	Discontinued
Truncated VAT	Continued	Discontinued
Tarriff value	Continued	Continued on only 12 products
Turnover tax rate	3% if turnover below BDT 8 mn	4% for turnover between BDT 5 mn and 30 mn
Return Submission	Manual	Mix of manual and automated
Input tax credit	No credit on land, building, office equipment, vehicles and labour	Applicable for 15% rate

- The VAT and SD Act, 2012 will go into force from 1 July 2019 after many years of delays.
- VAT revenue is targeted to grow by 17.4% in FY20
- Coverage of VAT has been widened
- VAT will be based on market price
- Online services will be available for VAT registration, payment, return submission and refund
- VAT registration threshold increased from BDT 8 mn to 30 mn.
- Turnover tax rate increased to 4% for turnover between BDT 5 mn and 30 mn
- 4 standard rates (5%, 7.5%, 10% and 15%) are applicable on goods, with 2 special rates (2% and 2.4%) applicable for pharmaceutical and petroleum products
- VAT exempted for marginal traders with turnover less than BDT 5 mn
- EFD (Electronic Fiscal Device) will be mandatory for shop owners and businesses to record sales information
- VAT exemption threshold raised from BDT 3 mn to 5 mn
- VAT exemption on rent of showroom by female entrepreneur, hand-made bread and bakery items with value of upto BDT 150/kg
- VAT exemptions on pacemaker, heart valve, dialysis machine, cancer medicines
- VAT exemptions on local agricultural machines, plastic sandals and slippers
- VAT and SD exemption on raw materials for manufacture of lifts and compressors, jute based products, supply of electricity to High Tech parks, suppliers of gas and electricity to BEZA and PP projects
- Increase of SD on mobile services from 5% to 10%
- VAT on ecommerce sites set at 7.5%

Industry Implications

Bank Insurance and NBFIs

- The corporate tax rates on banks, insurance companies and financial institutions remain at 37.5%.
- Central database for large credit (CDLC) has been established for close monitoring of large loans and strengthening the monitoring system of banks and financial institutions.
- Paid up capital of banks to be increased gradually
- Bank Company Act will be amended so that amalgamation, merger and absorption of banks can be legally processed
- Instruction has been given to keep the weighted average spread of interest rates limited within 4% except for credit cards and consumer loans.
- With the assistance of Jiban Bima Corporation, the existing system to be reformed and converted into an integrated insurance system for bringing all government employees under the insurance coverage.
- Stern action to be taken against wilful loan defaulters
- Interest rates to be brought down to single digit
- Pilot project for 'crop insurance' to be introduced
- Insurance of properties generated from large projects will be covered by the local insurance companies
- Insurance for 'loss of profit' will also be introduced.
- Accident insurance for factory workers will be implemented.
- The government is planning to introduce livestock insurance, small insurance for poor women and health insurance for government employees and common people.

Fuel & Power

- VAT on LP gas set at 5%, which is likely to keep LP gas affordable, especially in addition to gas subsidies.
- VAT on petroleum trading stage kept at 2%
- Gas subsidies set at BDT 96 bn, a 113.3% rise. However, this level of subsidies will still require increase of gas price.
- Allocation to power division is BDT 266.04 bn, a 13.64% increase.

Pharmaceuticals

- Allocation to health stands at 4.9% of FY20 budget, down slightly from 5% in FY19(R)
- Cancer medicines exempted from VAT
- Heart valves, pacemakers and artificial kidneys have been exempted from VAT.
- Regulatory duty on Oxygen, Nitrogen, Argon and Carbon Dioxide has been reduced to 10% from 20% as they have extensive medical uses.
- VAT rate of pharmaceutical products at the trading stage will be only 2.4%.
- Cash incentive at the rate of 20% is being provided to encourage exports from the producers of pharmaceutical raw materials and laboratory reagents.

Telecommunications

- Minimum tax increased from 0.75% of turnover to 2% of turnover. Will affect loss-making telecoms companies.
- SD on all SIM-based services increased from 5% to 10%
- Customs duty on smartphones increased from 10% to 25%
- VAT proposed on import of telecoms equipment

ICT & Electronics

- Duty tax on transistors and crystal diodes decreased from 5% to 1%
- Duty tax on charger connector pin and SIM slot ejector pins decreased from 25% to 10%

Food

- 10% SD imposed on milk powder import from 5% previously.
- Import duty on both raw and refined sugar increased 50% and 75% respectively. Regulatory duty increased from 20% to 30%
- Regulatory duty on starch increased.
- 5% Supplementary Duty has been proposed on Ice-cream
- VAT has been proposed on Soybean oil, Palm oil, Sunflower oil & Mustard oil which are now enjoying exemption benefit.

Industry Implications

Animal Feed

- Duty and taxes of feed ingredients used Poultry/Dairy/Fish feed have been reduced to 0%

Real Estate

- Stamp duty and registration fee to be reduced for real estate sector
- Tax rate to be reduced for investment of undisclosed funds for purchase or construction of any apartment or flat, and building

Textile

- 12% tax rate for RMG factories (10% if certified green building) will continue for one more year
- 15% tax rate for textile sector companies to continue for 3 more years
- RMG factories not eligible for prevailing 4% export cash incentive to get 1% cash incentive
- Price of clothing likely to rise due to 7.5% VAT from existing 5%

Tobacco

- Price of cigarettes will increase in all segments. Proposed price per 10 segments in low segment is BDT 37 up from BDT 35 (5.7%), medium segment price will rise to BDT 63 from BDT 48 (31.3%), high segment will rise to BDT 93 from BDT 75 (24%) and premium segment will rise to BDT 123 from BDT 105 (17.1%). The supplementary duties will remain unchanged at 55% for low segment and 65% for all other segments. Demand for cigarettes is usually inelastic, however, higher duties could encourage smuggling of cigarettes from neighbouring countries.
- 10% export duty on tobacco has been lifted in FY20
- Price of zarda has a floor of BDT BDT 30 per 10 grams and gul has a floor of BDT 15 per 10 grams. A duty of 50% will also be imposed on these products to discourage their use.

Miscellaneous

- Private car ownership will be discouraged due to the imposition of 10% supplementary duty on issuance and renewal of registration, route permit, fitness certificate and ownership certificates. This will not be applicable for passenger buses, trucks, lorries, three wheelers, ambulances and school buses.
- Duties on motorcycle tyres and tubes has been increased from 3% to 5% while duties on air-filters and brakes have been cut to 15% from 25%.

Disclaimer

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