

# MINISTRY-WISE BUDGET ALLOCATION for FY26

Alongside regular operating costs, the Finance Division's allocation also covers pensions, emergency spending, subsidies, incentive-based loans, and interest on domestic borrowing.

President's Office	34
Legislative and Parliamentary Affairs Division	46
Armed Forces Division	47
Cabinet Division	116
Bangladesh Public Service Commission	149
Anti Corruption Commission	191
Implementation Monitoring & Evaluation Division	183
Supreme Court	250
Office of the Comptroller and Auditor General of Bangladesh	284
National Parliament	232
Ministry of Labour and Employment	438
Ministry of Textiles and Jute	480
Statistics and Informatics Division	467
Ministry of Cultural Affairs	824
Ministry of Commerce	607
Energy and Mineral Resources Division	2,178
Ministry of Information	1,110
Ministry of Expatriates Welfare and Overseas Employment	855
Election Commission Secretariat	2,956
Rural Development and Co-operatives Division	1,100
Ministry of Chattogram Hill Tracts Affairs	1,361
Ministry of Foreign Affairs	1,704
Law and Justice Division	2,075
Ministry of Environment, Forest and Climate Change	2,144
Ministry of Youth and Sports	2,423
Posts and Telecommunications Division	2,148
Ministry of Land	2,303
Ministry of Industries	1,891
Ministry of Religious Affairs	2,183
Information and Communication Technology Division	2,144
Internal Resources Division	3,126
Financial Institutions Division	3,521
Security Services Division	4,038
Ministry of Defence	40,851
Ministry of Fisheries and Livestock	3,392
Prime Minister's Office	3556
Ministry of Women and Children Affairs	5,077
Ministry of Civil Aviation and Tourism	2,455
Planning Division	10,905
Ministry of Food	29,541
Ministry of Housing and Public Works	5,110
Bridges Division	6,022
Ministry of Liberation War Affairs	7,330
Ministry of Disaster Management and Relief	10,362
Ministry of Public Administration	5,019
Ministry of Water Resources	11,204
Ministry of Shipping	10,279
Medical Education and Family Welfare Division	10,886
Technical and Madrasa Education Division	12,678
Ministry of Social Welfare	13,991
Ministry of Science and Technology	11,944
Ministry of Railways	18,072
Economic Relations Division	61,584
Public Security Division	27,001
Ministry of Agriculture	27,224
Power Division	20,342
Health Service Division	31,022
Road Transport and Highways Division	38,496
Ministry of Primary and Mass Education	35,403
Ministry of Defense	42,315
Secondary and Higher Education Division	47,564
Local Government Division	42,433
Finance Division	

## Stability takes priority over bold reforms

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leaving office, and here's what the next government should carry forward.' Since this is an interim government, it should offer a roadmap," he said.  
When asked about initiatives targeting youth, he pointed to allocations including a Tk 100 crore self-employment programme, Tk 405 crore for start-up support, and Tk 100 crore for a "Youth Festival".  
"The idea seems to be: if a young entrepreneur comes forward with a business idea – say, starting an e-commerce platform, opening a small shop, or driving for a ride-sharing service – the government will support the financing."  
On social safety net measures, Hussain noted that the major programmes like allowances for elderly women and employment generation for the poor have seen some expansion. Allowances are increased by an average of Tk 50, and coverage is expected to grow. There is also Tk 4,166 crore allocated for free healthcare services and Tk 1,000 crore for vaccination programmes.  
Minimum wage growth has also been raised from 5 percent annually to 9 percent. "All of these measures benefit the poor," the economist said.  
He also observed that growth and inflation projections in this year's budget are more realistic,

while there was a significant disconnect between macroeconomic projections and ground reality in the past.  
Birupaksha Paul, economics professor at the State University of New York, also said the "brief and restrained" budget's brevity marks a departure from the verbose and often overly ambitious targets of previous years.  
"This budget is economical in its outlook, which is a positive shift," he noted. "It avoids unnecessary verbosity and presents a more grounded fiscal plan."  
A notable milestone, he said, is that Bangladesh's GDP is projected to cross the \$500 billion mark for the first time.  
However, he expressed concern over the narrow fiscal deficit target of 3.6 percent of GDP, the lowest in recent years, arguing it could be misleading given weak revenue performance. "When revenue collection is already weak, using the fiscal deficit as a share of GDP to assess fiscal stance becomes problematic," he cautioned.  
He was also critical of the outgoing fiscal year's budget execution, noting that despite ample time, the government failed to deliver efficient spending. "The government had nearly the entire fiscal year to demonstrate performance, yet it failed to show extraordinary efficiency," he said.  
"What's troubling is that operational expenditures did not decrease accordingly. This reflects inefficiency

on the part of the government," he added.  
Fahmida Khatun, executive director of the Centre for Policy Dialogue, told a briefing at its Dhaka office yesterday that the most concerning issue is the reduction in allocation for three crucial sectors in the Annual Development Programme: education, health, and agriculture.  
The reduction in agriculture is especially critical due to its direct link to food security, she said.  
The CPD official also said lower-middle-income people will have to pay higher tax rates, while high-income groups will not see an increase due to changes in the tax slabs, which reflects a form of discrimination.  
A surprising issue is that the revenue-GDP ratio target was set at just 10.5 percent in the medium-term macroeconomic policy statement—for the year 2035. For the upcoming fiscal year, the target is 9 percent, the CPD official said.  
"This reflects a weakening of ambition. How can we ensure development with such low expectations?"  
The budget retains a provision for legalising undisclosed income, although the tax rate on such declarations has been increased.  
"This provision undermines transparent and honest, regular taxpayers. It demoralises them," Khatun said.

Ashikur Rahman, principal economist at the Policy Research Institute (PRI), said the budget demonstrates accounting precision but lacks economic ambition.  
"It underscores the government's intent to maintain macroeconomic stability through fiscal restraint, rather than pursue a bold developmental or counter cyclical agenda," he said.  
Given the current weakness of the fiscal framework, characterised by low revenue mobilisation, rising debt servicing liabilities, and declining foreign aid disbursements, the budget takes a cautious posture.  
"The emphasis is clearly on austerity and consolidation, signalling that the government is prioritising stabilisation over stimulus," Ashikur said.  
Selim Raihan, executive director of the South Asian Network on Economic Modeling, said the budget shows a genuine attempt to address discrimination and investment gaps, but remains confined by structural limitations.  
"I thought something new would be offered, but the effort to introduce change was made within the confines of an old structure," he said.  
He warned that the flaws of the existing structure will continue to haunt this budget, while the incentives are not sufficient to revive stagnant private sector investment.

## Smaller in size, larger in intent

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The voter list has been updated, and new technology is being deployed to bolster transparency.  
Ahmed's speech reflected a careful balancing act between calls for equity and stabilisation. This is a budget

that tries to do more with less and do it differently. Whether it can deliver, amid bureaucratic bottlenecks, shaky institutions, and electoral uncertainty, will depend less on what is written in budget documents but more on what the government can implement in the months leading up to the national election.

## No immediate tax relief

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affect households directly as the National Board of Revenue collects nearly 65 percent of the revenue from indirect taxes like VAT.  
For example, though plastic items have become an integral part of households, the government has doubled the VAT rate on plastic tableware, kitchenware, and also hygiene products and toiletries to 15 percent from 7.5 percent.  
Besides, a 10 percent supplementary duty has been imposed on over-the-

top (OTT) platform services for fiscal 2025-26, increasing costs at the users' end.  
The move comes as the popularity of OTT platforms is growing, driven by increased smartphone penetration, availability of internet, and rising demand for localised contents.  
On the other hand, source tax on broadband services will be reduced to 5 percent from 10 percent.  
There will also be VAT exemptions on environment-friendly items such as plates and cutlery made of clay, and plant-based materials with biodegradable components.

## Not much for youth employment

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"But loans are just a small part of what's needed," said Ahmed, also the chief of the labour reform commission.  
Capital alone would not create entrepreneurs.  
"Without support for access to land, training, international market links and regulatory assistance, even Tk 5 lakh won't be enough."  
No ministry has submitted a 10-year workforce plan to the national skills authority despite importing advanced machinery.  
There is an urgent need to coordinate among educational institutions, skills training agencies and industries to prepare the labour force.

"Without that, budget allocations alone won't solve the employment crisis."  
Ahmed stressed the need for a comprehensive, future-oriented employment strategy aligned with ongoing transformations in the industrial and labour markets.  
"We are witnessing fundamental changes in the nature of work due to automation and global shifts. Isolated initiatives cannot tackle youth unemployment – what we need is an integrated national approach involving skills development, industry demand, financing, marketing and access to infrastructure," he added.  
Prof Sayema Haque Bidisha, who teaches economics at Dhaka University, said the allocation for young entrepreneurs, the emphasis placed on various training programmes and the proposal to strengthen and establish training centres are commendable steps.  
However, she said she is not clear

about modalities of the Tk 100 crore Tarunyer Uthshob project.  
"While the allocation sounds impressive, the key concern is on what will be the structure of this festival. If it becomes just a ceremonial event, its impact may be limited."  
If the festival is designed to be employment-oriented – focused on skill-building, entrepreneurship, internships, and job creation – then it could be a truly meaningful initiative, she added.  
Rizwanul Islam Khan, former special employment adviser to the International Labour Organisation (ILO), also expressed scepticism about Tarunyer Utshob.  
"I am not clear what impact it would have on creating jobs for youths."  
He acknowledged the potential of the Tk 100 crore fund for youth entrepreneurs but emphasised the need for impartial execution.  
However, only allocating

some money and initiating a programme will not address the core unemployment issues.  
"What we need is a comprehensive strategy. Without this, meaningful solutions will not emerge," he added.  
Each year, around 2.2 million young people enter the workforce. Of them, around 1 million go abroad for employment, said Rajekuzzaman Ratan, a labour rights activist.  
"But for the remaining ones, there is no clear employment policy – not in last year's budget and not in this one either," he said, adding that many young people are being forced into jobs far below their qualifications.  
The youth entrepreneur loan scheme might worsen debt burdens without real job creation, he said.  
"In a fragile and vulnerable economy like ours, giving someone a Tk 5 lakh loan and expecting them to become an entrepreneur is unrealistic. It could simply increase their debt burden," he said.

## Most parties for specific polls date

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over reform proposals and build on the consensus reached earlier.  
He also said a "beautiful July Charter" would be unveiled after the discussions.  
The National Consensus Commission will hold another meeting with political parties today.  
"We have already reached consensus on many issues," said Yunus, also chair of the consensus commission.  
The commission was formed to review and finalise reform proposals.  
The first round of talks was held with 33 political parties, between February 15 and May 19.  
"The remaining

differences from the first round can be narrowed so that we can include more points of agreement in our July Charter. The charter will truly be a national document," Yunus said at the meeting yesterday.  
The second phase of talks comes as part of the Consensus Commission's effort to bring political parties together on key questions of electoral and governance reforms.  
BNP Standing Committee member Salahuddin Ahmed said there was no reason for the national election to be delayed beyond December.  
There is no reform that cannot be done within a month, he said. "We believe that it is possible to hold the national election within December. We must first identify the urgent reforms needed, especially those related to elections, and implement them through consensus."  
If there is agreement, all amendments, except for constitutional ones, can be implemented within a month through executive orders and even circulars, he said.  
"Therefore, there is no valid reason for the elections to be delayed beyond

December."  
Jamaat-e-Islami Nayeb-e-Ameer Syed Abdullah Muhammad Taher said that if the chief adviser announced a suitable timeframe between December and April, political parties would focus on their election preparations.  
"From December to April, if you set a date at a suitable time, we believe concerns and unease among the public will be alleviated. Political parties will focus on their election preparations, and there will be no possibility of any transitional uncertainty," he said.  
Regarding the elections, he further said, "We have requested other parties not to be too rigid about a particular date."  
NCP Convener Nahid Islam said announcing the election date before the implementation of the July proclamation would not be appropriate.  
He said that if the election date is announced before the July proclamation is out, the reforms would be disrupted.  
"The July proclamation will outline the framework for governing

Bangladesh in the future and fundamental reforms to the governance system. Once the proclamation is finalised, we will provide our party's opinion on when we want the election," he said.  
Ganosamhati Andolon Chief Coordinator Zonayed Saki demanded a roadmap to reforms, the election and trial for the July atrocities.  
Several political parties including Communist Party of Bangladesh, Socialist Party of Bangladesh, Biplobi Workers Party, urged the government to not allow a humanitarian corridor to provide aid to the people in Rakhine State and hand over the operations of the Chattogram port to a foreign organisation.  
Consensus Commission Vice President Prof Ali Riaz said that from now on the consensus commission will hold joint meetings with all political parties.  
He said that the commission will hold a discussion on recommendations on Article 70 of the constitution, women's representation and parliamentary standing committee.