

Star BUSINESS



Education, health to take 28% of ADP

Planning Division proposes Tk 3 lakh crore development budget for FY27

REJAUL KARIM BYRON and AHSAN HABIB

The government may allocate Tk 83,557 crore for development works in the education and health sectors in the fiscal year 2026-27, accounting for more than one-fourth of the proposed Annual Development Programme (ADP).

The Planning Division placed the proposal yesterday at a meeting to finalise the ADP for FY27, chaired by Finance Minister Amir Khosru Mahmud Chowdhury.

Allocation and implementation of ADP in the two major sectors were almost stagnant at low levels in recent years.

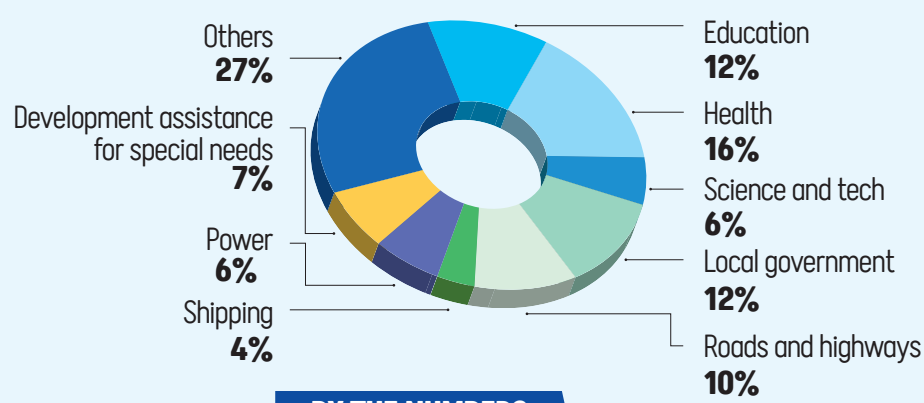
In line with the BNP's election manifesto, the government intends to gradually raise spending in both sectors to 5 percent of GDP each.

For the upcoming fiscal year, the combined allocation for education and health is nearly double the original budget allocation for the current fiscal year and about four times the revised budget.

In the current fiscal year, the combined allocation for health and education stood at Tk 45,822 crore, which was later revised down to Tk 21,873 crore.

According to the Planning Division's proposal, the total ADP for FY27 is set to rise to Tk 3 lakh crore, up 50 percent from the

DRAFT ADP ALLOCATIONS FOR FY27 (in %)



BY THE NUMBERS

- Allocation of Tk 1.07 lakh crore for new projects
- Tk 17,000Cr for family and farmer cards, and three other new programmes

SOURCE: PLANNING DIVISION

revised ADP of Tk 2 lakh crore for the current fiscal year.

Of the total ADP allocation for FY27, the government will finance Tk 1.9 lakh crore, while Tk 1.1 lakh crore is expected to come from development partners.

The ADP will be finalised at a National Economic Council meeting on May 18, to be presided over by Prime Minister Tarique Rahman. Before that, planning and finance ministry officials will meet again on May 16 to refine the draft.

At yesterday's meeting, the Planning Division was directed to submit a proposal benchmarking allocations against GDP, according to planning ministry officials. It was also directed to assess

whether projects are aligned with the BNP's election manifesto.

This year, a structural change has been introduced by allocating a higher share of funds to new projects. For instance, Tk 1.07 lakh crore has been set aside for unapproved projects and programmes, of which Tk 17,000 crore is designated for social development covering special needs.

Planning ministry officials said the allocation covers spending on family cards, farmer cards, tree plantation, canal digging, and monthly honoraria and festival allowances for religious leaders of different faiths.

For ongoing projects, Tk 1.92 lakh crore may be allocated under the ADP. The government has also decided to review around 1,300 ongoing projects to determine whether they remain necessary, with those found redundant to be removed from the ADP.

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BSEC sets out rules for converting closed-end mutual funds

AHSAN HABIB

The Bangladesh Securities and Exchange Commission (BSEC) has issued a directive setting out how existing closed-end mutual funds can be converted into open-end ones.

The move follows years of debate over the future of closed-end funds. In 2018, amid heavy criticism from market analysts, the BSEC allowed several funds to extend their tenure without seeking approval from unitholders.

Closed-end mutual funds raise a fixed pool of money from investors, usually for 10 years, and invest it in shares, bonds and other assets. Their units are listed and traded on the stock exchange.

Open-end funds, by contrast, are not listed. Investors buy units directly from the fund manager at the prevailing net asset value and can redeem them at any time at a price based on that value.

After the Awami League was ousted from power in August 2024, a taskforce appointed by the interim government recommended that all closed-end funds should be redeemed at maturity and that no extensions should be permitted.

Subsequently, the BSEC amended the mutual fund rules to bar any extension of tenure for existing closed-end schemes.

Under the revised regulations, fund managers must call a special general meeting within 30 days if the six-month average market price of a fund's units remains at least 25 percent below the six-month average net asset value.

If at least 75 percent of unitholders vote in favour,

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Oil jumps 3%

REUTERS, Houston

Brent crude futures jumped as much as 3 percent on Friday, a day after the US and Iran traded air strikes, but pared gains as traders hoped for a longer pause in the fighting that has shut shipping in the Strait of Hormuz.

Brent crude futures settled at \$101.29 a barrel, up \$1.23 or 1.23 percent, after rising as much as 3 percent during the session.

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