THE DAILY Star ON FRIDAY
YOUR RIGHT TO KNOW
DHAKA FRIDAY MAY 29, 2026
Regd. No. DA 781 | Jaishtha 15, 1433 BS | www.thedailystar.net | Zilhajj 11, 1447 Hijri

"They are right now in between this very dangerous zone of war and peace, and it is not in anybody's interest that this war continues."
EU foreign policy chief Kaja Kallas on US-Iran war

Govt gunning for 6.5pc growth next year

REJAUL KARIM BYRON

The government is setting a high growth target for the next fiscal year, banking on the possibility of stability returning to the Middle East by June next year and the expansionary fiscal and monetary policies being pursued.

Even though GDP growth has been declining for three consecutive years, the government is targeting 6.5 percent growth for the next fiscal year, The Daily Star has learned from finance ministry officials involved with the proceedings.

This is much higher than the economic outlooks from the World Bank, the International Monetary Fund, and the Asian Development Bank, which projected Bangladesh's GDP growth between 4 and 5 per cent.

"The government always sets a high growth target, while development partners provide more conservative projections," said a finance ministry official, adding that the BNP-led government has begun taking several measures after assuming office to boost growth.

To boost public investment to deliver the high GDP growth, the annual development programme for the next fiscal year will be increased by 50 percent to Tk 3 lakh crore.

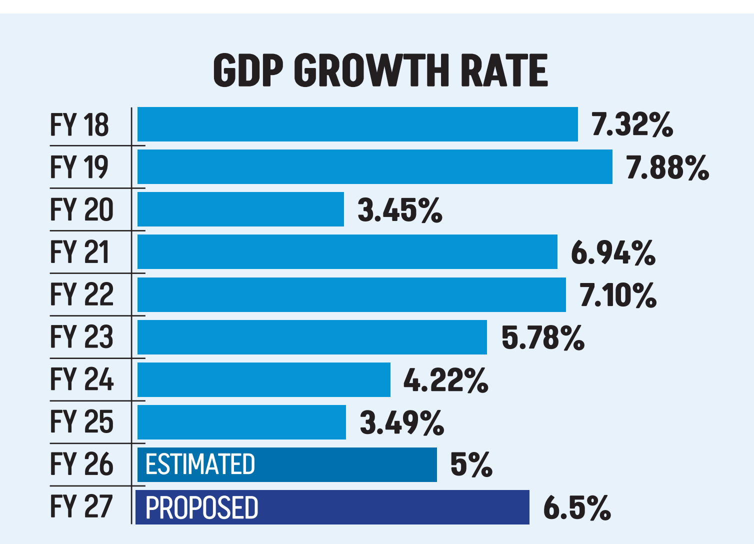
On the other hand, to encourage private investment, policy interest rates will be reduced from July. Besides, the Bangladesh Bank has already announced a stimulus package of Tk 60,000 crore.

"The current economic situation in Bangladesh is stagflationary -- and under the current global conditions and with this pace of reform, 6.5 percent is pie in the sky, I would say," said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

Growth projections depend on improvements in key "choke points" in the economy: banks, ports, the National Board of Revenue, roads and markets.

"Whether ports function properly, whether extortion occurs in roads and markets -- all these things matter."

Without reforms in policies and institutions, these choke points will not open.



"The knots must be untied first," he said, adding that the solution is not more government spending or investment, but making institutions and policies investment-friendly.

For instance, as many as 35,000 factories are idle simply because there is no gas.

In such cases, higher spending cannot increase production.

"Therefore, instead of chasing targets, the question is whether we can do better than this year."

Reforms are needed in areas like port functioning, banking and energy.

"Everything cannot be changed overnight. But there must be a roadmap -- what is being done, what will be done -- a clear plan. The journey is long, but progress must be visible. Without these, turning growth around -- even to 5 percent, let alone 6 percent -- will be difficult in the current context."

If the Strait of Hormuz remains closed, the economy will be hit until the situation is resolved, he said.

Globally, commodity prices are rising due to supply constraints, while

SEE PAGE 2 COL 1

Bangladesh's Umehla Marma (left) celebrates with Ritu Porna Chakma (middle) and captain Maria Manda after scoring the second goal in a 4-2 win over Maldives in their SAFF Women's Championship opener at the Pandit Jawaharlal Nehru Stadium in Goa, India, yesterday. The victory secured the defending champions a place in the semifinals. Story on page 4.
PHOTO: SAFF

Iran, US reach tentative deal

Say sources; MoU, which will extend truce by 60 days, awaits Trump approval

REUTERS, *Washington/Dubai*

The United States and Iran reached an outline agreement yesterday to extend their ceasefire pending the approval of President Donald Trump, after Iran had targeted a US air base in Kuwait following US strikes on what Washington called an Iranian drone operation.

According to a source familiar with the matter, the two sides agreed a memorandum of understanding to extend the truce for 60 days

Trump has repeatedly said the end of the war is close but told media at a cabinet meeting on Wednesday he was not yet satisfied by the negotiations and that the US was not discussing easing sanctions, one of Tehran's demands.

The latest attacks, while limited, highlighted the fragility of negotiations to turn the tenuous early-April ceasefire into a lasting agreement to end the three-month-old war -- which has killed thousands -- and reopen the vital Strait of Hormuz.

Parties to get 60 days to settle nuke issue, others to end war | **Iran launches 'measured' attack on US base after hit on drone site** | **US warns Oman against involvement in Hormuz tolls**

but the plan still needed Trump's signoff. The news was first reported by Axios, which said that negotiations on Iran's nuclear programme would be held during that period. It was later carried out by major news outlets including Al Jazeera.

The reports prompted oil prices to reverse course and trade lower on hopes of a potential reopening of the Strait of Hormuz.

US Central Command said US forces had shot down five Iranian attack drones and struck a ground control station in the port city of Bandar Abbas that was about to launch a sixth. Kuwaiti forces had then intercepted a ballistic missile fired towards the country, which hosts a large US base.

"These actions were measured, purely

SEE PAGE 2 COL 5

Cattle oversupply leaves traders with heavy losses

HELEMUL ALAM *and* SHAHEEN MOLLAH

It was around 1:00pm yesterday. By then, most sacrificial animals across Dhaka had already been sacrificed, but Habibur Rahman was still sitting at the Kachukhet cattle market with his two remaining bulls, hoping to reduce his mounting losses.

Around 1:30pm, one of the bulls was finally sold for Tk 80,000 to Majidul Islam.

Majidul, who lives in the Cantonment area, said the trader had demanded Tk 100,000 the previous night, but he refused to offer more than Tk 80,000. Before leaving, the trader gave him his phone number and asked him to return if he could not find another suitable cow.

Yesterday, the trader contacted him and agreed to sell the animal for Tk 80,000 after failing to find another buyer.

Habibur, a roadside fruit seller, said he had brought nine cattle from Kishoreganj after borrowing nearly Tk 400,000.

He said two cattle generated only small profits, while he suffered losses ranging from Tk 25,000 to Tk 40,000 on several others. One cow sold for Tk 80,000 had originally cost Tk 123,000. Including transportation, labour and feed costs, the total expense rose to around Tk 133,000.

"I lost more than Tk 50,000 on this cow alone," he said.

Habibur's experience was not isolated. Many sacrificial animals remained unsold this year due to weak demand and an oversupply of cattle across markets in the capital.

At Kachukhet cattle market yesterday morning, many trucks were seen leaving with unsold cattle as traders

SEE PAGE 2 COL 5

No Eid for children with measles

Five more deaths push outbreak toll to 565

TUHIN SHUBHRA ADHIKARY

Just yards from Mohakhali's bustling bus terminal, where thousands streamed out of Dhaka to celebrate Eid in their village homes yesterday, a starkly different scene unfolded inside the DNCC Dedicated Covid Hospital -- now repurposed as a measles treatment facility.

While the ground floor appeared relatively quiet, the first floor remained unchanged from the past few weeks -- crowded, tense, and heavy with the cries of sick children.

Infants and toddlers infected with measles whimpered in pain as anxious parents tried desperately to soothe them. Two nurses and a lone doctor moved swiftly from bed to bed, straining to provide care amid the relentless demand.

While the rest of the country celebrated Eid with their families and loved ones, inside these wards parents and healthcare workers spent the day locked in a struggle to save young lives.

"How can parents celebrate Eid when their child is sick?" asked Lipi Akhter, mother of seven-month-old Rayan, her voice breaking amid the ward's chaos.

SEE PAGE 2 COL 1

Traders returned home with some 100-150 sacrificial animals from Shahjahanpur cattle market in the capital yesterday. This Eid, a surplus of cattle left many traders with unsold stock.
PHOTO: ANISUR RAHMAN

Govt committee begins probe into deaths of 6 newborns

STAFF CORRESPONDENT

A government probe committee has begun investigating the unusual deaths of six newborns at Ad-din Medical College Hospital in the capital's Moghbazar.

The committee has brought in senior paediatricians from other hospitals and engineers from the Public Works Department to examine every possible aspect.

"We started our investigation on Wednesday night and are carrying out our work keeping all aspects in mind," Md Mohsin, joint secretary at the health ministry and chief of the probe committee, told The Daily Star yesterday.

Six infants, aged between one and three days, died within a span of a few hours from 6:00am Wednesday in a post-operative room of the hospital. The exact cause of the deaths could not be confirmed immediately. However, health officials suspect a technical failure may have caused the tragedy.

Prof Zahid Raihan, additional director general (administration) of the Directorate General of Health Services, on Wednesday said, "We do not think the sudden deaths of six children occurred due to treatment complications. We suspect some technical issue or fault may have been responsible."

SEE PAGE 2 COL 4