“The deficit target of 3.6 percent of GDP is manageable... However, the revenue assumptions are ambitious.”
Selim Raihan, executive director of SANEM

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Betting on growth revival

New government’s first budget doubles down on expansion to heal economic wounds

ARUN DEVNATH

Amir Khosru Mahmud Chowdhury's first budget speech as finance minister performed a delicate, dual function: it read as an indictment of the old economic order, and served as a blueprint for its replacement. Come July 1, Khosru will have to fix the system -- and run his own playbook.

What the finance minister told parliament, in myriad ways, was that Bangladesh had been growing the wrong way. For years, the nation's economic expansion was built on borrowed money, negotiated behind closed doors, and engineered for the benefit of whoever happened to hold the keys. This budget, Khosru argued, is the first instalment of growing differently.

To understand this budget, one must realise it is not entirely about next year. Yes, there is a staggering topline number -- Tk 9,38,000 crore, the largest in the country's history -- and the usual columns of revenue and expenditure marching down the page. But the true subject is the next five years.

Khosru has formalised this vision into what he calls the 3R Strategy: one year of recovery and stabilisation, up to three years of restoration, and a five-year horizon for reconstruction and acceleration. The budget currently before parliament is merely R1 -- the year the bleeding stops and the patient is stabilised.

The economic growth target for the coming fiscal year is pegged at 6.5 percent -- an optimistic acceleration after years of sluggishness. It is a high-stakes wager that the government's deregulation push, a hoped-for revival in investment, and the clearing of political skies will rapidly translate into economic momentum. Meanwhile, the goal of containing inflation at 7.5 percent should be read as a sober admission, not a promise of relief.

The targets set for 2031 are highly specific and fiercely ambitious. The government aims for 8.5 percent growth, 5 percent inflation, and total investment reaching 40 percent of GDP. Most daunting of all, the plan seeks to quadruple foreign direct investment to 2.7 percent of GDP -- a steep hurdle for a nation that has historically struggled to attract foreign capital.

"The time has come to discard the debt-driven growth model of the past and build a self-sustaining economy driven by production, employment, and private investment," Khosru told parliament.

Whether any of this grand vision materialises depends entirely on the most stubborn metric in national life: the tax line.

The government aims to collect Tk 6,95,000 crore in revenue, requiring an 18 percent jump from the outgoing fiscal year's revised target. For a country with the lowest tax collection rate in the region, this is a Herculean goal. The history of revenue in Bangladesh is, overwhelmingly, a history of targets missed.

Yet, counterintuitively, the government shied away from raising tax rates. Corporate taxes remain frozen, and the personal exemption threshold actually rises. The strategy relies instead on collecting tax from those who currently pay nothing at all.

Tax refunds are slated to become "automated and faceless". This is not merely a bureaucratic upgrade; it is an anti-corruption measure designed to end the across-the-desk negotiations where bribes traditionally change hands. Audits will now be triggered by risk algorithms rather than an assessor's intuition about who can afford to settle. Small traders will receive a simplified, flat-rate tax. Crucially, the entire tax schedule will be published five years forward, allowing a businessperson to finally plan past the next June surprise.

Will the government be able to raise enough money in a mere 12 months? Almost certainly not. Compliance reforms pay dividends over years, while budget goals are relentlessly assessed in quarters. Still, there is a flicker of hope: the outgoing fiscal year's collections were revised upward, actually beating the original target.

Then there is the deficit, and the question of who fills it. Equivalent to 3.6 percent of GDP -- a figure certain to please the International Monetary

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NATIONAL BUDGET FOR FY27

Budget 2026-27
Tk 938,000cr
(18.7% up)

Development spending	Operating spending	Revenue target	Deficit
Tk 316,075cr	Tk 605,740cr	Tk 695,000cr	Tk 243,000cr
(29% up)	(13% up)	(23% up)	(3.6% of GDP)

Tigers seal historic series win over Aus

STAFF CORRESPONDENT

Pacers Taskin Ahmed and Mustafizur Rahman starred as Bangladesh secured their first-ever ODI series victory over reigning world champions Australia with a five-wicket (DLS) win in the rain-hit second match at the Sher-e-Bangla National Cricket Stadium in Mirpur on Thursday.

Having sealed the series with one match to spare, the Tigers will now aim for a clean sweep when the third and final ODI is played at the same venue on Sunday.

With FIFA World Cup fever beginning to build, Bangladesh’s pace attack ensured their achievements were not overlooked, as Taskin and Mustafizur reduced Australia to an unwanted record after the visitors opted to bat first. For the first time in ODI history, Australia lost their first three wickets without a run on the board, setting the tone for Bangladesh’s fifth consecutive home ODI series win.

Bangladesh had previously beaten Australia only once in 22 ODIs, before marking a significant breakthrough against one of world cricket’s traditional powerhouses with back-to-back victories.

After Nahid Rana’s fiery spell dismantled Australia in the opening ODI, Taskin and Mustafizur wasted

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2026 FIFA World Cup got off to a glittering start at Estadio Azteca with Shakira featuring in the opening ceremony yesterday, sending fans roaring. Co-host Mexico then opened the tournament with a 2-0 win over South Africa, with Julian Quinones [Inset] celebrating scoring the first goal of the competition alongside Israel Reyes. Things also turned a bit chaotic, with two South Africans and one Mexican shown direct red. PHOTO: AFP/REUTERS

Mexico opens WC with passion, parties, protests

A 2-0 win for co-host

REUTERS, *Mexico City*

Mexico launched the World Cup yesterday at the iconic Azteca Stadium with a vibrant ceremony celebrating pre-Hispanic culture, as fans packed the venue for the opening match between Mexico and South Africa against a backdrop of protests across the capital.

The match ended in favour of the co-host, who secured a 2-0 win over South Africa in a game that turned chaotic, with three straight reds shown.

Julian Quinones scored the first goal of the tournament to give Mexico the lead in the ninth minute, before Raul Jimenez sealed the game in the second half.

However, the game also had some chaos in store, as South Africa’s Sphephelo Sithole and Themba Zwane, alongside Mexico’s Cesar Montes were shown direct reds.

Before the game, supporters dressed in mariachi outfits, sombreros and green jerseys filled the stadium, while Shakira and Burna Boy performed the tournament anthem and pyrotechnics lit up the sky.

Alejandro Garcia, 50, wearing a sombrero and carrying a replica World Cup trophy, said he was proud to see

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