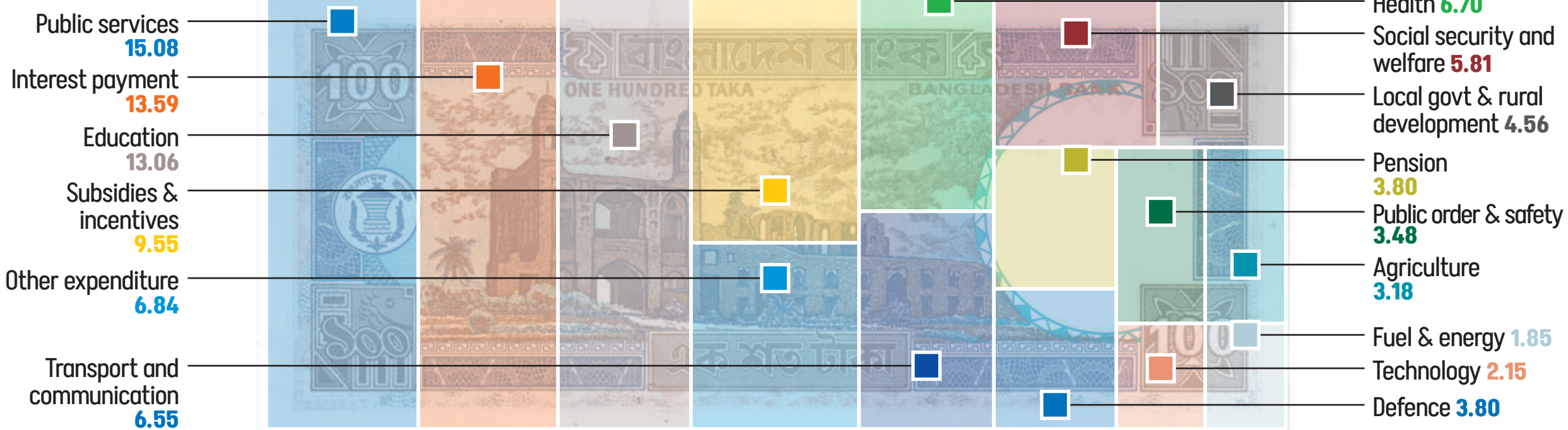


WHERE WILL THE MONEY COME FROM?



BUDGET FY27 IN TK 100

WHERE WILL THE MONEY GO?



Plan to curb inflation riddled with holes
Economists warn of high spending

AHSAN HABIB

The proposed budget has set a target of bringing inflation down to 7.5 percent in the next fiscal year from the current 9.42 percent, but economists say the finance minister has not outlined a clear plan for achieving that goal.

They also say the budget's emphasis on higher public spending appears to be at odds with the central bank's efforts to rein in inflation by keeping credit conditions tight.

The higher spending envisaged in the proposed budget includes Tk 44,000 crore for a new pay scale for public employees and an already announced Tk 60,000 crore stimulus package for struggling private sector businesses, with total expenditure set at Tk 9.38 lakh crore.

SEE PAGE 6 COL 3

Health gets biggest boost

Experts warn poor utilisation may limit gains

TUHIN SHUBHRA ADHIKARY

The health sector received the biggest boost in the proposed national budget for the next fiscal year, with a sharp increase in allocation and a package of tax concessions aimed at lowering healthcare costs for ordinary people.

Finance Minister Amir Khosru Mahmud Chowdhury proposed raising the health ministry's allocation to Tk 62,852 crore, up 50 percent from this year's original budget and 124 percent from the revised budget.

Of the total allocation proposed, Tk 35,026 crore has been earmarked for the development budget and Tk 27,826 crore for the operating budget.

Of the Tk 35,026 crore development allocation, Tk 23,522 crore has been kept as a block allocation, suggesting that the

government may undertake new projects to fulfil its election pledges.

Separately, around Tk 6,557 crore has been earmarked for health-related activities under other ministries.

This brings the total health budget to Tk 69,409 crore, which is equivalent to 1.01 percent of GDP -- marking the first time that it has crossed this threshold.

Among all sectors, the health budget recorded the highest year-on-year increase, according to the budget document.

Health economists and sector insiders welcomed the move, saying it signals a stronger policy focus on healthcare after years of relatively low public spending.

The development is in line with the ruling party's electoral manifesto, where the party promised to increase the health budget to 5

percent of GDP gradually.

Implementing such a large budget would be a major challenge given the health ministry's poor track record in utilising its development budget, said Shafiun Nahin Shimul, professor and director of the Dhaka University's Institute of Health Economics.

For instance, in the first 10 months of this fiscal year, the two divisions of the health ministry could not spend one-tenth of their development budget.

Inefficiency, corruption and bureaucratic hurdles often delay project implementation, and the new government would need to overcome these obstacles to ensure that the allocated funds are spent effectively, he said.

"Otherwise, people will not benefit from the substantial

SEE PAGE 6 COL 1

BUDGET SNIPPETS

FROM "BRAIN DRAIN" TO "BRAIN CIRCULATION"

The budget outlines strategies to connect highly educated and skilled Bangladeshi professionals living abroad with local education and research projects. The aim is to turn "brain drain" into "brain circulation" by involving non-resident Bangladeshi experts in national development.

INTRODUCTION OF A THIRD LANGUAGE

To prepare students for the global job market, the government will introduce a third language -- such as Arabic, Mandarin, Japanese, German, or Korean -- in secondary schools alongside Bangla and English.

'ONE TEACHER, ONE TAB' INITIATIVE

As part of digital education reform, teachers will be provided with tablet computers to improve classroom management and support digital learning.

'ONE CITIZEN, ONE WALLET'

To promote a cashless economy and financial inclusion, every eligible citizen will receive a secure digital wallet for personal and government transactions.

EMPLOYMENT EXCHANGES IN EVERY DISTRICT

To connect job seekers with employers, the government will set up Employment Exchanges in all districts and upazilas to support both local and international job opportunities.

Budget 'anti-people', targets 'unrealistic'
Says Jamaat, brings out protest processions

STAFF CORRESPONDENT

Leaders and activists of Bangladesh Jamaat-e-Islami's Dhaka North and South units brought out separate protest marches in the capital yesterday, denouncing the proposed FY2026-27 budget as "anti-people".

The Dhaka North unit held its procession from in front of Uttar Badda Kamil Madrasa, while the Dhaka South unit marched from the north gate of Baitul Mukarram National Mosque. Brief rallies were held before both processions.

Addressing the rally at Baitul Mukarram north gate, Jamaat Assistant Secretary General Hamidur Rahman Azad said the proposed budget did not reflect the spirit of the July 2024 uprising and instead continued the country's conventional economic approach.

He alleged that the budget had been designed to protect the interests of the wealthy while increasing the tax burden on ordinary people.

Hamidur also questioned the budget's fiscal framework, saying there was a major mismatch between expenditure and revenue projections and describing the revenue target as unrealistic.

Criticising the government's dependence on the National Board of Revenue for revenue mobilisation, he said it would create additional pressure.

SEE PAGE 6 COL 3



Taxes on almost all daily essentials, including rice, lentils, fish, meat, sugar, salt, edible oil, and spices, have been reduced to help control prices and ease the burden on ordinary people.

Mahdi Amin, prime minister's adviser



"Higher allocations alone cannot guarantee better outcomes. Weak implementation, governance failures, procurement inefficiencies, and corruption can undermine the effectiveness of public spending."

Fahmida Khatun, executive director of CPD



Although the government projects a deficit of around Tk 2.5 lakh crore, it may actually reach Tk 4.5 lakh crore... Based on this estimate, the budget could be the largest deficit in Bangladesh's history.

MP Atik Mujahid, head of NCP's shadow budget committee