BAMU
Budget Analysis and Monitoring Unit
Bangladesh Parliament Secretariat

বাংলাদেশ জাতীয় সংসদ

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National Budget 2026–2027: Summary

সহযোগিতায়
CENTRE FOR POLICY DIALOGUE
CPD Parliamentary Studies

1. Background

After a prolonged period of political uncertainty and the interim government phase, Bangladesh has begun a new economic journey under an elected government. On 11 June 2026, Finance Minister Amir Khasru Mahmud Chowdhury presented the proposed national budget for FY2026–27 in Parliament. This is the first full budget of the BNP-led government and the first formal document outlining the implementation of its electoral commitments.

However, this budget has been prepared in a challenging macroeconomic environment. Over the past several years, the economy has faced a difficult period marked by high inflation, declining foreign exchange reserves, inadequate revenue mobilisation, and sluggish investment growth. In addition, the energy crisis resulting from geopolitical instability in the Middle East and growing uncertainty in global trade have placed further pressure on the economy.

In response to these realities, the government has begun taking targeted measures across a number of sectors since assuming office. Table 1 provides a summary of the government's major initiatives in eight key sectors: agriculture, health, education, information technology, power and energy, transport, women and children, and local government [Table 1].

Table 1: Key Initiatives of the Current Government: A Sector-wise Brief Overview*

Sector	Notable Initiatives Undertaken
Agriculture	⦿ Waiver of agricultural loans, including interest, of up to TK 10,000 for 1.2 million farmers; TK 1,568 crore allocated in the revised budget ⦿ Free supply of seeds, fertilisers, and inputs to 2.522 million marginal farmers (TK 401.60 crore) ⦿ Farmer Card pilot: cards distributed to 22,065 farmers in 10 districts, offering 10 types of benefits
Health	⦿ Directive to reopen 6 unused children's hospitals in Rangpur, Khulna, Rajshahi, Barisal, Sylhet, and Cumilla ⦿ Initiative to introduce e-Health cards; deployment of special security personnel in hospitals
Education	⦿ Abolition of the annual re-admission fee; doubling of scholarship amounts at all levels ⦿ Pilot for free distribution of school uniforms to 200,000 primary students
Science, Information and Communication Technology	⦿ Formation of a committee to introduce PayPal and international payment gateways ⦿ Provision of ID cards to 7,500 freelancers (target: 200,000 within 5 years) ⦿ Initiative to provide free Wi-Fi connectivity in 1,500 educational institutions
Power and Energy	⦿ Signing of 12 new IPP contracts totaling 918 megawatts (average 7.80 cents/kWh) ⦿ Addition of 35 megawatts to the national grid under the rooftop solar and net metering programme
Transport and Communication	⦿ Special directive to transform Bangladesh Railway from a loss-making into a profitable entity ⦿ Effective measures taken to curb ticket black-marketing and corruption
Women and Children	⦿ Family Card pilot: monthly cash assistance of TK 2,500 provided to 37,567 families
Local Government and Rural Development	⦿ Work started in 54 districts under the 20,000-kilometer canal and river restoration programme

Source: BNP Election Manifesto 2026 and relevant media reports.

In this context, the new government's interventions are built around two parallel priorities. On the one hand, there is a need to ensure immediate stability by controlling inflation, strengthening social protection, and providing relief to citizens. On the other hand, there is a need to lay the foundation for long-term structural reforms. The commitments made in the current government's election manifesto across sectors such as agriculture, health, education, power and energy, and information technology make the FY2026–27 budget the first major opportunity to translate these promises into action.

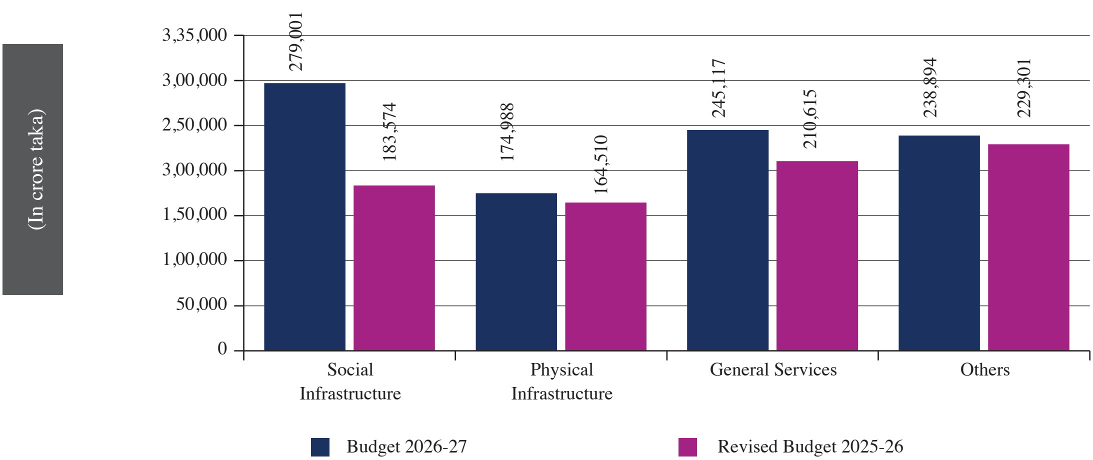
2. Budget 2026–27 Allocation Proposal

Among the four major sectors in the proposed budget for FY2026–27, the Social Infrastructure sector shows the highest increase in allocation (Figure 1). The allocation for this sector in the revised FY2025–26 budget was Tk 183,574 crore, which has risen to Tk 279,001 crore in the proposed FY2026–27 budget. This represents an increase of Tk 95,427 crore, or approximately 51.98 per cent, the highest among all sectors.

On the other hand, the Physical Infrastructure sector remains the lowest-allocated among the four major sectors. Allocation for this sector has risen from Tk 164,510 crore to Tk 174,988 crore, indicating growth of approximately 6.4 per cent.

Allocation for the General Services sector has risen from Tk 210,615 crore to Tk 245,117 crore, equivalent to growth of approximately 16.4 per cent. During the same period, allocation for the other sectors category has risen from Tk 229,301 crore to Tk 238,894 crore, reflecting an increase of approximately 4.2 per cent.

Figure 1: Sector-wise Allocation of FY2026-27 Budget

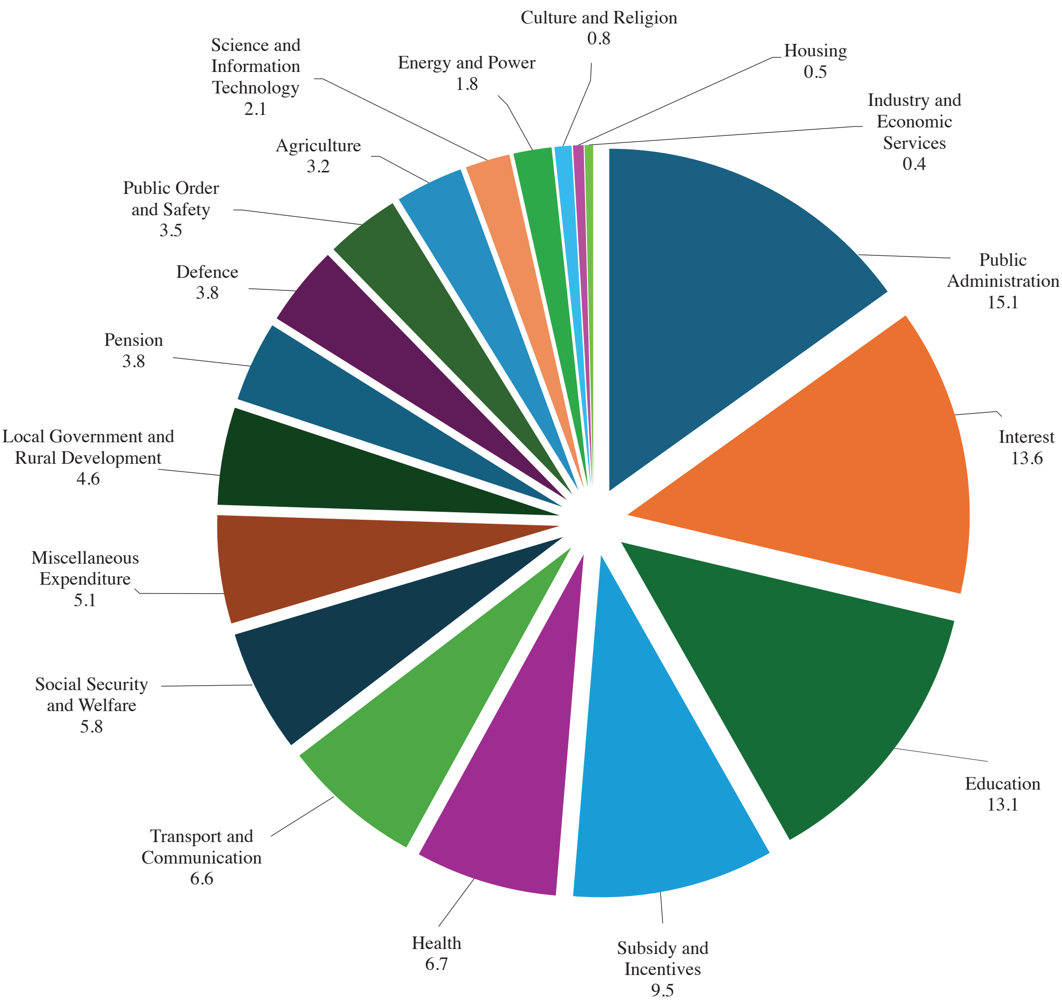


Source: Budget Speech, 2026-27, pp. 183-184.

3. Expenditure Proposal of the FY2026–27 Budget

An analysis of the sectoral distribution of resources under the Operating and Development Budget for FY2026–27 shows that the highest allocation has been given to the Public Administration sector, accounting for 15.1 per cent of the total budget (Figure 2). This is followed by Interest Payments (13.6 per cent) and the Education sector (13.1 per cent). Together, these three sectors account for more than 40 per cent of the total budget resources. In addition, 9.5 per cent of the allocation has been given to the Subsidy and Incentives sector. Among development-oriented expenditures, notable allocations are observed in Health (6.7 per cent) and Transport and Communication (6.6 per cent). At the same time, significant allocations have been made to Social Security and Welfare (5.8 per cent) and Local Government and Rural Development (4.6 per cent).

Figure 2: Sector-wise Expenditure Proposal for FY2026-27 (as Percentage of Total Budget)



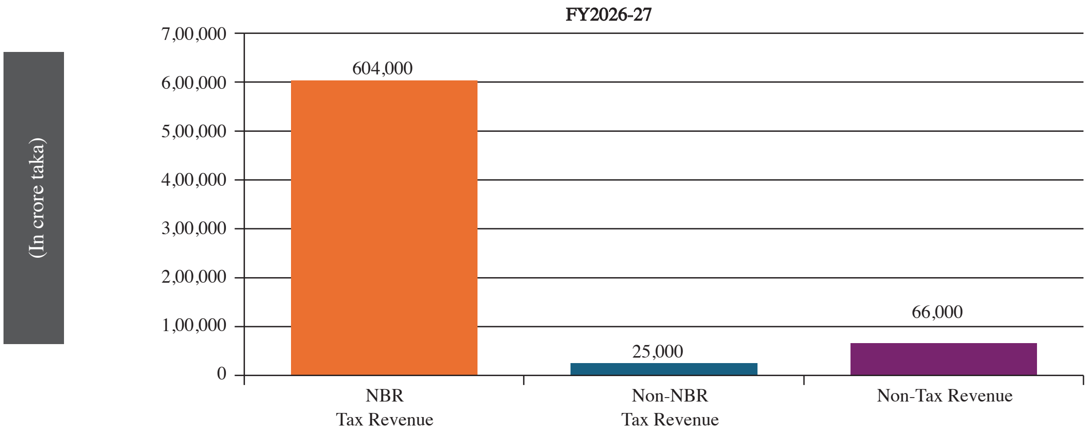
Source: Budget Summary, 2026–27, Statement 2A, p. 17.

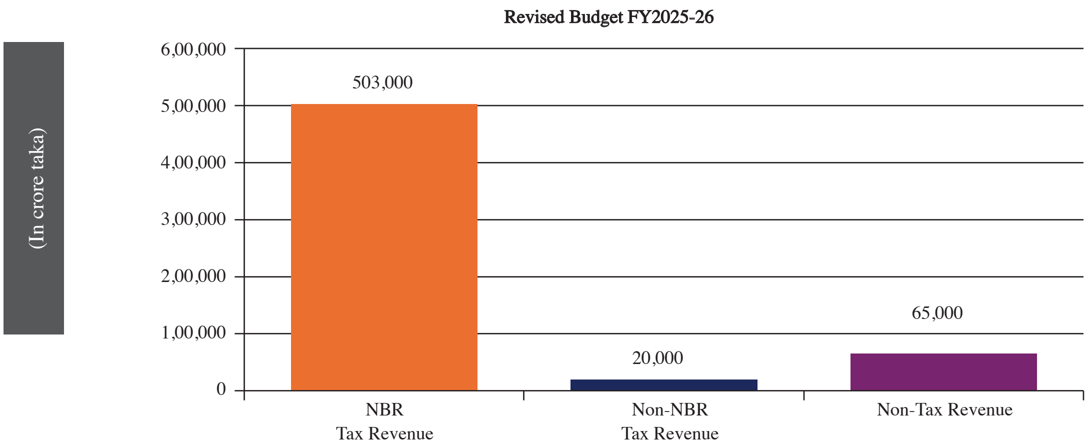
4. Proposed Revenue Income of the FY2026–27 Budget

In the revised budget for FY2025–26, the Government of Bangladesh had set a total revenue income target of Tk 588,000 crore. Of this, Tk 503,000 crore was estimated to come from National Board of Revenue (NBR)-controlled taxes, Tk 20,000 crore from non-NBR taxes, and Tk 65,000 crore from non-tax receipts.

Building on this, the proposed budget for the upcoming FY2026–27 sets a total revenue income target increased by 18.2, to Tk 695,000 crore. Under this new proposal, NBR-controlled tax revenue is targeted to grow by 20.1 per cent to Tk 604,000 crore, and non-NBR tax revenue is targeted to grow by 25 per cent to Tk 25,000 crore. In contrast, the growth rate for non-tax revenue has been kept comparatively low, with 1.5 per cent growth proposed, aiming to collect Tk 66,000 crore from this category.

Figure 3: Ministry-wise Budget Allocation for the Education Sector in FY2026-27





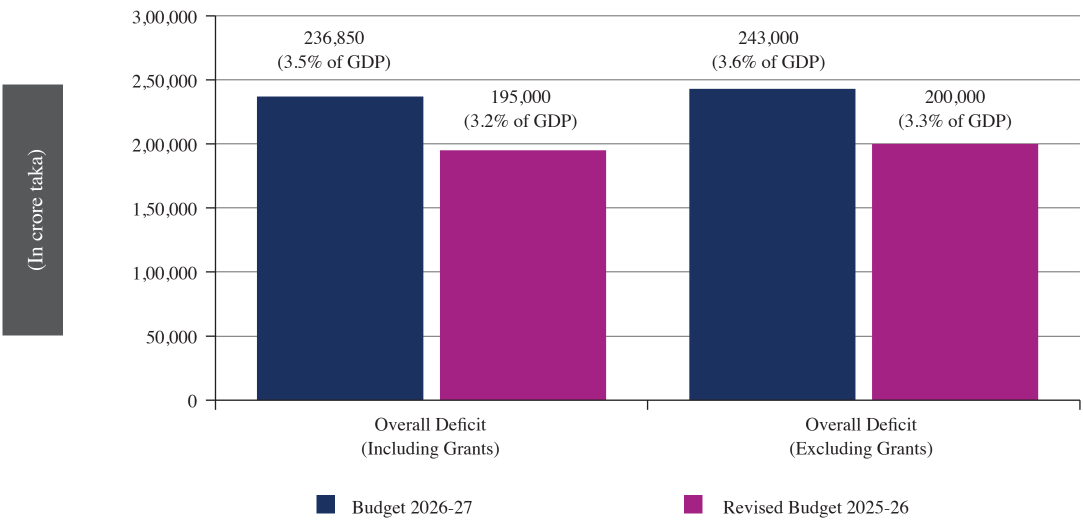
Source: Budget at a Glance, 2026–27.

5. Deficit and Financing of the FY2026–27 Budget

In the proposed budget for FY2026–27, the overall budget deficit including grants has been set at Tk 236,850 crore, or 3.5 per cent of GDP. In the revised budget for the current FY2025–26, this deficit had been set at Tk 195,000 crore (3.2 per cent of GDP). On the other hand, excluding grants, the deficit in the proposed budget stands at Tk 243,000 crore, or 3.6 percent of GDP. In the revised budget for FY2025–26, this deficit excluding grants was Tk 200,000 crore (3.3 per cent of GDP).

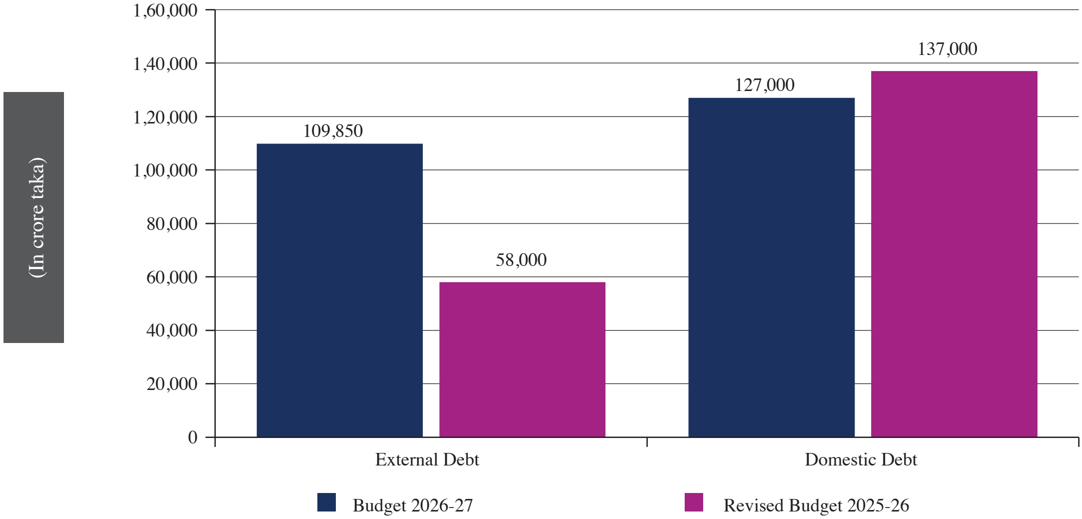
As always, in the proposed FY2026–27 budget, the government has identified foreign and domestic borrowing as the main sources for financing the deficit. According to the budget proposal, the target for foreign borrowing has been set at Tk 109,850 crore, and the target for domestic borrowing at Tk 127,000 crore. Compared to the revised FY2025–26 budget, the foreign borrowing target has been increased significantly (by 89.4 per cent), while a plan has been adopted to somewhat reduce reliance on domestic borrowing.

Figure 4: Sector-wise Allocation of the Budget for FY2026-27



Source: Budget Speech, 2026–27, p. 183.

Figure 5: Budget Deficit Financing Proposal for FY2026-27

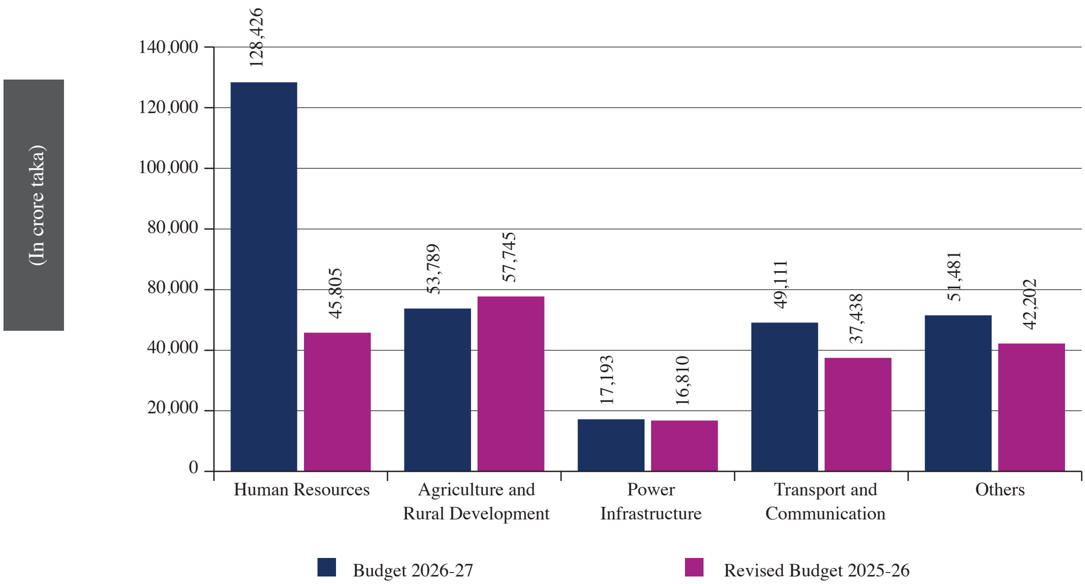


Source: Budget at a Glance, 2026–27.

6. Proposal for the Annual Development Programme of the FY2026–27 Budget

An analysis of the sector-wise allocation of the Annual Development Programme shows notable changes between the revised FY2025–26 budget and the proposed FY2026–27 budget. The Human Resources sector shows the largest increase in the proposed FY2026–27 budget, with allocation rising from Tk 45,805 crore to Tk 128,426 crore. Allocation for the Transport and Communication sector has risen from Tk 37,438 crore to Tk 49,111 crore. Similarly, allocation for the other sectors category has risen from Tk 42,202 crore to Tk 51,481 crore. The Energy and Infrastructure sectors show a comparatively modest increase, with allocation rising from Tk 16,810 crore to Tk 17,193 crore. On the other hand, Agriculture and Rural Development is the only sector where allocation has decreased, falling from Tk 57,745 crore to Tk 53,789 crore.

Figure 6: Sector-wise Allocation of the Annual Development Programme (ADP)



Source: Budget Speech, 2026–27, p. 182.

6. Conclusion

The current government continues to work toward the long-term goal of building a sustainable and inclusive economy. Overall, there is a visible effort to maintain appropriate allocations in the national budget to ensure stable development across Bangladesh and improve the living standards of the population. However, alongside increased allocations, it is now most urgent to strengthen revenue collection, overcome longstanding weaknesses in ADP implementation, and achieve visible progress in institutional reform. The government's desired goals can only be achieved if good governance, transparency, and accountability are ensured across all sectors, including agriculture, health, education, power and energy, and information technology. The success of the new government's first budget will depend not on the size of the allocation, but on its capacity to translate policy commitments into tangible outcomes, which is essential for Bangladesh's future.

*References: BNP Election Manifesto 2026 and related news media reports.