

Meeting macroeconomic targets biggest challenge in budget : CPD

June 12, 2026

Online Desk : The Center for Policy Dialogue (CPD) said achieving the macroeconomic targets set out in the proposed budget for fiscal year 2026–27 will be the government’s biggest challenge. The organization noted that nearly all macroeconomic indicators are currently under pressure. CPD has described the proposed national budget for fiscal year (FY) 2026-27 as a significant step towards economic recovery, highlighting its emphasis on human development, social protection and private-sector-led growth.

Speaking at a review event titled “National Budget 2026–27: CPD’s Review” held Friday morning at a hotel in Gulshan, Dhaka, CPD Executive Director Dr. Fahmida Khatun made the remarks.

Presenting CPD’s budget analysis, Executive Director Dr. Fahmida Khatun said the budget’s guiding philosophy, “Journey Towards a Democratic, Humane and Inclusive Economy,” reflects national priorities aimed at generating employment and improving people’s welfare.

“The underlying philosophy of the proposed FY27 budget appears to be one of economic recovery through human development, private-sector-led growth, and social protection. Alongside physical infrastructure, this budget also emphasises jobs, entrepreneurship, education, healthcare, and welfare,” she said.

She said that this orientation broadly aligns with the BNP’s election manifesto, which stressed employment generation, private investment, business-friendly policies, deregulation, and improvements in the social sector.

She welcomed the introduction of a five-year roadmap for Personal Income Tax (PIT), saying it would provide taxpayers with greater predictability regarding future tax obligations.

Fahmida Khatun also praised the proposed incentive-and-penalty mechanism for tax return submissions, including a five percent incentive for early filing, which she believes will strengthen compliance and reduce the need for repeated extensions of filing deadlines.

She highlighted the reduction of corporate tax for private universities, medical colleges and IT-based educational institutions from 15 percent to 10 percent, noting that it had previously recommended such a move to support the education sector.

She termed it inspiring that health and education remain among the top five sectors in the Annual Development Programme (ADP).

According to her, the health sector allocation has increased by around 50 percent to Tk 62,852 crore, while education received Tk 1,22,495 crore, marking a 28 percent rise from the previous fiscal year.

She also welcomed the introduction of the Family Card and Farmer’s Card programmes under the government’s social protection framework.

The Family Card Programme will support around 41 lakh beneficiaries, including female-headed and landless households, making it the largest women-focused social protection initiative in the proposed budget, she added.

She said that the Farmer’s Card Programme is expected to benefit about 42.5 lakh marginal farmers through direct cash assistance and subsidised agricultural inputs, contributing to food security and rural development.

Dr. Khatun further praised a number of green and technology-oriented fiscal measures included in the budget.

These include a zero percent tax rate for the solar power sector until 2035, reduced annual income tax on electric vehicles (EVs), and the withdrawal of import duties on EV charging equipment.

She also noted the extension of VAT exemptions on locally manufactured computers and ICT products until 2030 and the proposal to remove SIM card taxes, which could help expand digital access.

She said the budget offers additional support to domestic industries through VAT exemptions on agricultural fertilisers and raw materials used in medicine production.

Fahmida Khatun also welcomed VAT exemptions on imported heart rings and intraocular lenses, saying the measures would help lower healthcare costs for patients.

In her concluding remarks, Dr. Khatun said the larger budget presents an important opportunity for the government to accelerate economic recovery.

She added that the strong emphasis on entrepreneurship, education and social welfare provides a solid foundation for building a more humane and inclusive economy, provided that implementation is effective and efficient.

CPD Distinguished Fellow Professor Mustafizur Rahman, among others, spoke on the occasion.