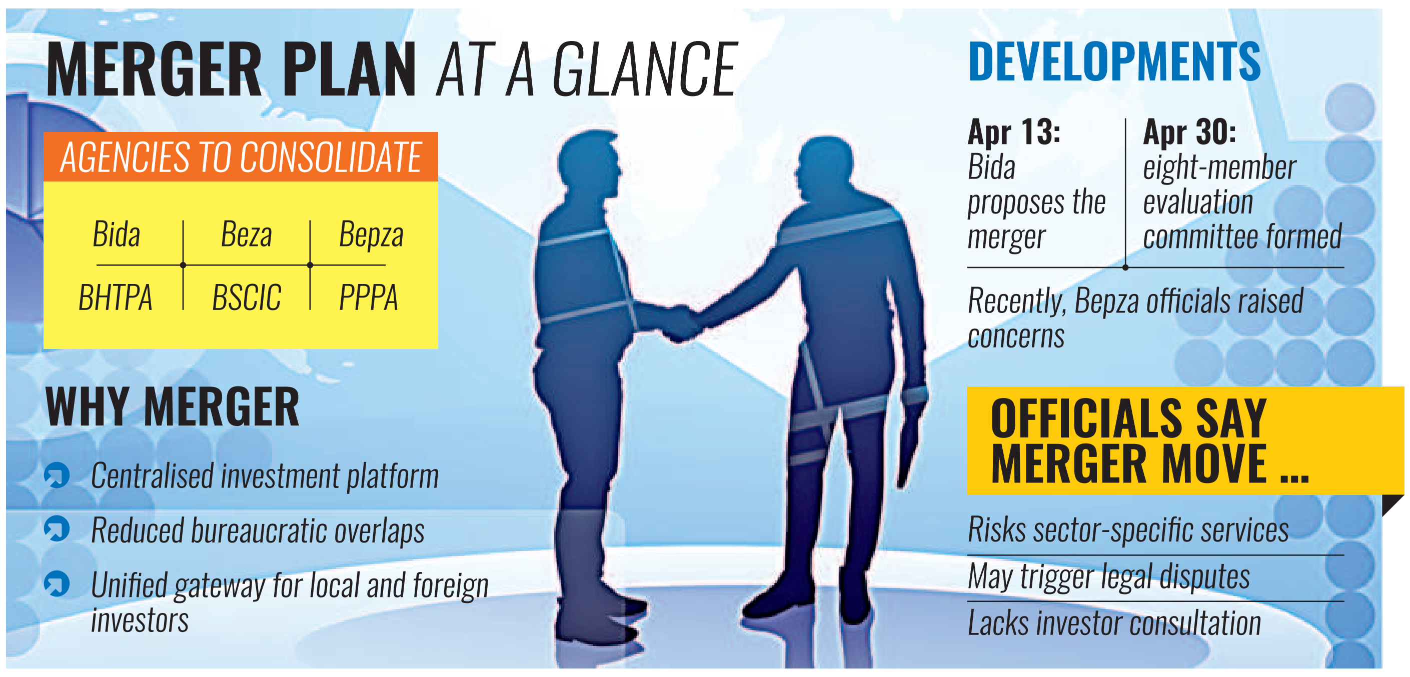
# Govt moves to merge investment bodies to ease business

## Stakeholders fear consolidation may hurt specialised services

JAGARAN CHAKMA




The Chief Adviser's Office has recently formed an eight-member committee to assess the proposed merger of several investment-related agencies under the single umbrella of the Bangladesh Investment Development Authority (Bida).

By cutting red tape and boosting business confidence, the consolidation will streamline services for both foreign and domestic investors, said officials.

The agencies being considered for merger are the Bangladesh Economic Zones Authority (Beza), the Bangladesh Export Processing Zones Authority (Bepza), the Bangladesh Hi-Tech Park Authority (BHTPA), the Bangladesh Small and Cottage Industries Corporation (BSCIC), and the Public-Private Partnership Authority (PPPA), alongside Bida itself.

The move follows a recommendation made at a meeting of Bida's governing board on April 13, attended by Chief Adviser Muhammad Yunus.

In line with that recommendation, the Chief Adviser's Office issued a gazette notification on April 30, announcing the formation of the assessment committee.

This review panel is led by Industries Adviser Adilur Rahman Khan, with Bida and Beza's Executive Chairman Ashik Chowdhury acting as member secretary.

Other members include Commerce Adviser Sk Bashir Uddin, International Affairs Envoy to the Chief Adviser Lutfey Siddiqi, Bangladesh Bank Governor Ahsan H Mansur, Principal Secretary to the Chief Adviser M Siraz Uddin Miah, Senior Secretary of the public administration ministry Md Mokhles Ur Rahman, and Finance Secretary Md Khairuzzaman Mozumder.

According to the gazette, the committee will examine all aspects of Bida's proposal and provide its opinion on the feasibility and implications of merging the six institutions.

**Fears over loss of sector-specific focus**

The plan has stirred unease among stakeholders, who said that folding all the agencies into one may water down their specialised mandates and weaken investor services.

At present, these investment promotion agencies (IPAs) run under different laws and serve specific sectors such as export zones, hi-tech parks, and economic zones.

Each has its own regulatory framework, incentive schemes, and investor base — elements that require tailored strategies.

A blanket merger could strip the agencies of their niche strengths, according to an internal assessment by Bepza.

The agencies also alleged that the merger decision was made without enough consultation, especially with investors already in business in Export Processing Zones (EPZs).

"As direct stakeholders, investors deserve to be informed and allowed to assess the potential opportunities and risks," said a Bepza official, preferring anonymity.

The internal Bepza assessment notes that each IPA has legally binding agreements with investors based on its own operational rules. A sudden restructuring could cause legal disputes and even lead to international arbitration, possibly damaging Bangladesh's reputation as an investment destination.

A single centralised body may also slow down rather than speed up business processes, leading to bureaucratic delays that contradict the fast-track provisions built into the original laws governing these agencies.

**'Promising on paper, but will it work?'**

Economists, too, have voiced mixed reactions over the merger move.

Selim Raihan, an economics professor at Dhaka University and the executive director of local think tank South Asian Network on Economic Modeling (Sanem), said the idea has merit, but its effectiveness will depend on the execution.

"In our country, numerous initiatives are taken, but they often fail to deliver due to a lack of coordination, bureaucratic complexities, and inefficiency," said the economist.

According to him, the merger itself is not necessarily problematic.

"What is crucial is building an effective organisation that can deliver services efficiently and on time," he added.

Taskeen Ahmed, president of the Dhaka Chamber of Commerce and Industry (DCCI), said that the government's decision to merge multiple investment agencies into a single authority holds significant promise for attracting more foreign direct investments (FDIs).

"This move could streamline services, reduce bureaucratic red tape, and foster a more investor-friendly environment," said Ahmed.

He further said that a unified body would enhance inter-agency coordination and policy consistency, ultimately lowering the cost of doing business in Bangladesh.

# What's really undermining health insurance?

MD KAWSER HOSSAIN

A few days ago, famous Bangladeshi cricketer Tamim Iqbal suffered a major heart attack during a match. Around the same time, Bollywood actor Saif Ali Khan was attacked in his own residence. These incidents are stark reminders that life can change in an instant. But are we prepared, especially financially, for such moments?

A 2022 study by the Bangladesh Institute of Development Studies (BIDS) found that 6.1 million people in the country fell below the poverty line after covering medical expenses. According to the World Bank, nearly 74 percent of healthcare costs in Bangladesh are paid directly by households, placing a huge burden on families. In other words, many Bangladeshis are just one medical emergency away from financial ruin.

Health insurance offers a safety net, shielding families from the devastating financial impact of unexpected medical events. While more citizens are slowly beginning to benefit from insurance when hospitalised, the vast majority still remain without coverage. Why is that? Is it a matter of affordability or attitude?

The answer, in many cases, lies in attitude. Financial literacy in Bangladesh remains low. Most people are unfamiliar with tools that can protect their hard-earned savings from unforeseen crises. Health insurance is one such tool. It can provide critical financial stability during times of illness or injury.

US Congresswoman Janice Schakowsky once said, "Without health insurance, getting sick or injured could mean going bankrupt, going without needed care, or even dying needlessly."

Unfortunately, health insurance penetration in Bangladesh remains alarmingly low, largely due to a lack of awareness and education. As a result, individuals bear the full cost of treatment. In contrast, neighbouring countries are faring much better.

According to GlobalData, India's health insurance sector grew by 17.8 percent in 2023, driven by rising out-of-pocket medical expenses, greater awareness of lifestyle diseases, and easier access to insurance through digital channels. Even in Pakistan, more people are recognising the value of health insurance. Statista projects the market size there will reach roughly $191.84 million by 2025.

Perception remains the biggest barrier in Bangladesh. Many urban professionals earning decent salaries rely solely on limited employer-provided coverage, often capped at Tk 1 to Tk 2 lakh and full of restrictions. Worse still, many employers offer no coverage at all. Small business owners and the self-employed are usually left out entirely. Many see personal insurance as a luxury, or even a waste of money.

But it is worth remembering that corporate policies may not fully cover medical expenses, and they lapse when one changes jobs. Illness, however, does not wait. Securing an individual policy early in life ensures continuous coverage and lower premiums.

Currently, for just Tk 13,000 to Tk 22,000 a year (depending on age), anyone can buy an individual health insurance policy with broad coverage. That works out to about Tk 35 per day — less than the cost of a coffee in a high-end café. There are even tax savings if health insurance is bundled with a life policy.

If you want to avoid having your savings wiped out by medical bills — or worse, being forced into debt — then individual health insurance is not optional. It is essential.

*The writer is the vice president (health insurance) at Pragati Life Insurance PLC.*

# DBH Finance's profit rose 2% in 2024

STAR BUSINESS REPORT

DBH Finance PLC reported slightly higher profit in 2024, though profit declined in the first quarter of 2025.

The company posted a profit of Tk 100.83 crore for 2024, registering a modest growth of 2 percent from the previous year.

Its earnings per share stood at Tk 5.07, up from Tk 4.95 in 2023, according to a disclosure on the Dhaka Stock Exchange website.

DBH Finance's board announced a 15 percent cash and 2 percent stock dividend for the year ended December 31, 2024.

The stock dividend was proposed to utilise retained earnings as paid-up capital in order to strengthen the company's capital adequacy and support its future business expansion, DBH said in the disclosure.

The company reported a negative net operating cash flow per share (NOCFPS) of Tk 0.38 for 2024, compared to a positive Tk 43.18 in the previous year.

Receipts from other operating income rose by Tk 83.67 crore during the year.

However, the growth was offset by a rise in cash outflows due to an increase in loans and advances of Tk 83.59 crore, along with a fall in deposits from banks and other customers by Tk 88 crore, resulting in the negative NOCFPS, said DBH.

In its unaudited financials for the first quarter of 2025, DBH reported a 10 percent year-on-year drop in profit to Tk 15.61 crore.

# OpenAI abandons plan to become for-profit company

AFP, *San Francisco*

OpenAI CEO Sam Altman announced Monday that the company behind ChatGPT will continue to be run as a nonprofit, abandoning a contested plan to convert into a for-profit organization.

The structural issue had become a significant point of contention for the artificial intelligence (AI) pioneer, with major investors pushing for the change to better secure their returns.

AI safety advocates had expressed concerns about pursuing substantial profits from such powerful technology without the oversight of a nonprofit board of directors acting in society's interest rather than for shareholder profits.

"OpenAI is not a normal company and never will be," Altman wrote in an email to staff posted on the company's website.

"We made the decision for the nonprofit to stay in control after hearing from civic leaders and having discussions with the offices of the Attorneys General of California and Delaware," he added.

OpenAI was founded as a nonprofit in 2015 and later created a "capped" for-profit entity allowing limited profit-making to attract investors, with cloud computing giant Microsoft becoming the largest early backer.

> **"OpenAI is not a normal company and never will be," OpenAI CEO Sam Altman says**

This arrangement nearly collapsed in 2023 when the board unexpectedly fired Altman. Staff revolted, leading to Altman's reinstatement while those responsible for his dismissal departed.

Alarmed by the instability, investors demanded OpenAI transition to a more traditional for-profit structure within two years.

Under its initial reform plan revealed last year, OpenAI would have become an outright for-profit public benefit corporation (PBC), reassuring investors considering the tens of billions of dollars necessary to fulfill the company's ambitions.

Any status change, however, requires approval from state governments in California and Delaware, where the company is headquartered and registered, respectively.

The plan faced strong criticism from AI safety activists and co-founder Elon Musk, who sued the company he left in 2018, claiming the proposal violated its founding philosophy.

In the revised plan, OpenAI's money-making arm will now be fully open to generate profits but, crucially, will remain under the nonprofit board's supervision.

"We believe this sets us up to continue to make rapid, safe progress and to put great AI in the hands of everyone," Altman said.

# Trust Bank's profit fell 11% in 2024

STAR BUSINESS REPORT

Trust Bank PLC reported lower profits in 2024 while announcing stock dividends to strengthen its capital and support business expansion.

The bank's profit fell 11 percent year-on-year to Tk 372.31 crore in 2024, according to the company's financial statements.

The bank's consolidated earnings per share (EPS) stood at Tk 4.03 for the year ended December 31, 2024, down from Tk 4.62 a year earlier.

Its consolidated net operating cash flow per share (NOCFPS) rose significantly to Tk 55.43 from Tk 9.86 during the same period.

Trust Bank's board has recommended a 15 percent dividend for the year — 7.5 percent in cash and 7.5 percent in stock.

The stock dividend was proposed to strengthen the bank's capital base to support business expansion, the bank said in a recent Dhaka Stock Exchange (DSE) filing.

In a separate disclosure, Trust Bank said its consolidated EPS for the January-March quarter of 2025 stood at Tk 0.32, slightly lower than Tk 0.35 in the same period last year. Its NOCFPS, however, improved to Tk 13.82 from Tk 7.10.

As of March 31, 2025, sponsor-directors held 60 percent of the bank's shares, institutional investors held 22.25 percent, foreign investors 0.02 percent, and the general public 17.73 percent, DSE data showed.

Trust Bank, sponsored by the Army Welfare Trust, operates 119 branches and SME centres, eight sub-branches, 283 ATM booths, and over 500 point-of-sale terminals.

The private commercial bank has been in operation since 1999, as per its website.

# Beijing's firm yuan nudge can cool Asia forex rally

REUTERS, *Hong Kong*

Foreign exchange traders just had their wings clipped by the People's Bank of China. In the wake of a sharp rally for Asian currencies, they were expecting the country's central bank to make way for further falls against the dollar when it announced the yuan's trading band midpoint on Tuesday. The fact that it did not speaks volumes about Beijing's strategic approach to the ongoing trade war — most of it good.

The central bank set the fix around which the yuan trades 2 percent in either direction at 7.2008 per dollar on return from Monday's national holiday. That's hardly changed from its level on Friday and triggered a partial reversal for the less-regulated offshore rate, which had risen 1 percent against the greenback over the long weekend.

The steady hand from Beijing is welcome news for Chinese exporters already suffering from Washington's triple-digit tariffs on the country's goods. It is also in keeping with President Xi Jinping's mandate for a steady dollar exchange rate — not one so strong that it threatens to heap further disruption on a shaky economy already grappling with geopolitical upheaval.

The move will also provide a much-needed anchor for the rest of the region - thanks to China's massive trading relationships with nearby peers - after other central banks noted their own currencies rallying hard against the US dollar. Reuters reporting on an outsize 8 percent rise for the Taiwanese dollar over two days pins the blame on local exporters and insurers converting into the world's reserve currency, initially in response to easing Sino-American tensions. Malaysia's ringgit and South Korea's won are also up about 3 percent and 2 percent this month, respectively, while Japan's yen has risen 0.5 percent.

On top of that, talk of de-dollarization has percolated in recent weeks as concerns grow over exposure to a more volatile US. Yet there is little sign of a structural shift to another currency, and Beijing's move to rein in yuan appreciation shows that China has little appetite to replace king dollar quite so quickly.


**A bank employee is counting 100-yuan notes at a bank counter in Nantong, in China's eastern Jiangsu province. Beijing's move to rein in yuan appreciation shows that China has little appetite to replace king dollar quite so quickly.** PHOTO: AFP/FILE

Instead, Tuesday's trading band fix suggests Chinese leaders are keeping cooler heads after the initial hotting up with the US got both sides hit with stratospheric levies. Talks between Beijing and Washington now look more likely, but even once commenced they are likely to drag on interminably. In the interim, Xi's preference for currency stability is likely to tamp down on foreign exchange volatility, both for his own country and the rest of Asia.

The People's Bank of China set the yuan's exchange rate at 7.2008 per dollar on May 6. The country's onshore-traded currency is allowed to move 2 percent in either direction. The midpoint is little changed from its previous level and triggered a partial reversal of gains for the less-regulated offshore exchange rate.

Asian currencies have rallied hard against the dollar amid talk of potential de-dollarisation and hopes for trade war de-escalation. The Taiwanese dollar is up more than 6 percent against the US currency this month, while the Korean won has climbed more than 2 percent.