

BRAC Bank's net profit jumps 47% in Q1

STAR BUSINESS REPORT

BRAC Bank PLC, one of the leading private commercial banks in the country, posted higher profits in the first quarter of its financial year 2025, driven by increased investment and interest income.

The private lender's net profit rose 47 percent year-on-year to Tk 486.33 crore in the January-March quarter, according to its financial statements.

The private lender earlier reported a 73 percent surge in consolidated profit to Tk 1,431.84 crore in 2024.

Its consolidated earnings per share (EPS) stood at Tk 2.27 for the January-March quarter of 2025, up from Tk 1.54 (restated) in the same period of 2024.

The bank said the increase in EPS was primarily due to higher profits generated in the quarter under review.

Its net operating cash flow per share rose to Tk 54.40 in the first quarter of 2025 from Tk 30.84 (restated) a year ago.

The bank attributed the growth to increased deposit mobilisation and bank borrowings, while loan portfolio expansion was comparatively lower.

EBL to issue Tk 800cr bond

Q1 profit rises 6%

STAR BUSINESS REPORT

Eastern Bank PLC (EBL) is set to issue a Tk 800 crore bond to strengthen its capital.

The unsecured, non-convertible, fully redeemable, floating rate bond will have a tenure of seven years, according to a disclosure posted by the bank on the Dhaka Stock Exchange (DSE) website.

On May 12, the bank's board, in a meeting, approved the bond, which is subject to approval from the relevant regulatory authorities.

In a separate disclosure, the private commercial bank reported a profit of Tk 181.92 crore in the first quarter of 2025, whereas the profit figure stood at Tk 659.9 crore for the whole of 2024. The bank's consolidated earnings per share rose 6 percent year-on-year to Tk 1.14 for the January-March quarter.

The consolidated net operating cash flow per share surged to Tk 12.18 for January-March 2025, from Tk 2.14 (restated) in the corresponding period a year ago.



Amid the scorching summer heat, labourers unload sacks of onions brought on handcarts from local warehouses to be shipped to different parts of the country via trawlers. Exhausted from the hard work, they toil from 6 in the morning until night, earning between Tk 1,000 and Tk 1,500 per day. The photo was taken on Sunday from the Balurghat area of Barishal city.

PHOTO: TITU DAS

Political parties call for policy reforms to restore investor confidence

STAR BUSINESS REPORT

A diverse group of political parties yesterday called upon the interim government to bring about sweeping reforms to investment policies and procedures to restore investor confidence and pave the way for sustainable economic growth in Bangladesh.

Raising concerns over issues ranging from infrastructure planning to institutional inefficiencies, they emphasised the urgent need for transparency, accountability, and sustainable strategies.

The 17 political parties made the call while taking part in a discussion with the Bangladesh Investment Development Authority (Bida) on the latter's premises.

They include the Communist Party of Bangladesh (CPB), the Socialist Party of Bangladesh (Marxist), Bangladesh Jamaat-e-Islami, National Citizen Party (NCP), and Liberal Democratic Party (LDP).

Bangladesh Nationalist Party, one of the country's major political parties, did not take part in the discussion.

"The country needs to carefully examine its investment policies to make sure that foreign direct investment (FDI) truly benefits the nation," said MM Akash, an economist and a CPB member.

"Every investment must answer four questions—who will invest, why, where, and how will it benefit the nation," he said.

Akash advocated against overlooking inequality and competitiveness and emphasised that past mistakes in investment policies must help reshape current decisions.

"Even though the national FDI strategy has merit, we must guard against policy bias that favours certain investors," he said.

"Foreign capital must not compromise national interest," he said, raising questions over the rationale behind prioritising foreign operators over capable local firms at the Chattogram port.

"Political continuity is now crucial for the business environment. Investors need certainty more than incentives," said Akash.

Zonayed Saki, chief coordinator of Ganosamhati Andolon, urged the government to focus on promoting local investment, noting that environmental degradation and systemic harassment continue to deter capital inflows.

"The push for FDI must go hand in hand with laying a foundation for sustainable domestic growth. Energy supply, port infrastructure, and LNG capacity need urgent upgrades," he said.

"The country needs to carefully examine its investment policies to make sure that foreign direct investment truly benefits the nation," said MM Akash, an economist

He also called for a revamp of the One Stop Service (OSS) of Bida and highlighted the disparity in access to bank credit, where large defaulters often enjoy greater privileges than small borrowers.

Tania Rob, senior vice president of Jatiya Samajtantrik Dal, suggested giving priority to local investors alongside foreign investors to ensure an inclusive investment environment.

Without ensuring a smooth business environment for local investors, foreign investors will not be encouraged to come to Bangladesh, she said.

Hamidur Rahman Azad, assistant secretary general of Jamaat-e-Islami Bangladesh, said development projects must undergo thorough evaluation before being undertaken, with environmental impact receiving the highest priority.

"Infrastructure such as roads has caused significant environmental harm. Projects like

the Payra port, initiated on a river unsuitable for a major port, reflect a lack of proper assessment," Azad said.

He also criticised high interest rates, which he argued discourage investment, and pointed to pervasive corruption and extortion—often backed by political actors—as a major barrier to business.

While welcoming recent reforms, Azad underscored that much more needs to be done to ensure transparency and accountability.

Nasiruddin Patwari, chief coordinator of the NCP, stressed the need to prioritise the youth and address environmental concerns more proactively.

"The dream of turning Bangladesh into a manufacturing hub will not materialise without a skilled workforce. Technical education must be emphasised to match industrial needs," he said.

Abul Khayer, assistant secretary general of Islami Andolon Bangladesh, identified the challenges of investment and employment generation.

He alleged that starting a local business can involve navigating up to 18 different agencies, often requiring bribes.

If this is the experience for locals, the situation is even worse for foreign investors, Khayer said.

Ashik Chowdhury, executive chairman of Bida, said all investment agreements were being pursued with national interest and security in mind.

"Chattogram is not just a regional asset—it is the country's primary port. We are addressing longstanding port delays and upgrading infrastructure in line with national priorities," he said.

Chowdhury announced that 10 economic zones would be allocated with consistent commitments for the next five to seven years to ensure a stable investment environment.

He emphasised the need to extend benefits to existing investors to maintain confidence.

Dealing with financial corruption with zero tolerance

AF NESARUDDIN

It is a matter of great concern that Bangladesh has been experiencing widespread corruption for many years at almost all levels, impacting the growth of the economy and the country as a whole. Unbelievable cost overruns for national projects, siphoning off of funds mercilessly, severe noncompliance with rules and regulations, the exercise of excessive powers and undue influence, lack of disciplinary action against wrongdoers, political patronisation, etc., have contributed to this frustrating situation. When vested interests, greed, and unhealthy competition for making money are involved, it is very difficult to curb corruption because the habit of corruption has already flowed into the veins. In a society where people's status is measured in terms of money rather than looking at the background of how that money was earned, it is again difficult to bring society back on the right track.

No doubt, large scale and high level corruption takes place in connivance with other associates, producing fake and unauthentic documents and records. Surprisingly, corrupt people tend to shift the blame to others under some pretext or otherwise. In this regard, a few basic questions are to be answered from the right perspective. Who violated rules and regulations? Who accorded the approval? What were the process lapses? Were any unauthorised powers exercised? And who were the ultimate beneficiaries of the transaction, directly or indirectly?

Universally, power and money have a close link. High levels of integrity, ethical standards, morality, accountability, freedom from greed, in some cases religious fear, enviable personal reputation, and so on help in reducing corruption. Prompt legal actions and bringing the culprits to task play an important role in minimising the level of corruption to a large extent, if not entirely.

Experience says the most common areas of corruption, among others, are procurement, public services, taxation, management of public properties, and financial fraud.

It is a common phenomenon that corruption is taking place in a visible manner, especially unearthed in

media reports, but no actions are initiated instantly. Actions are usually taken and experts involved at a later stage when the damage is already done. In many cases, due to delayed initiatives for investigations and fraud examinations, vital evidence and records are destroyed or removed, putting the investigations in a challenging situation. Even because of the lengthy legal process, culprits get away from penalties, and in many cases, recovery outcomes become insignificant. Furthermore, the lack of competent and independent experts is also another important factor. The nature of crime and corruption has changed due to digitalisation and the use of technology. Hence, investigation processes, their tools and mechanisms, and approaches have to be changed as well.

Committing corruption and helping to commit corruption are the same. Whistleblowing is important and has to be built into the system. Whistleblowers must be protected by law as well. The role and knowledge of law enforcement authorities, especially the persons involved in fraud investigation, are very important.

Many times, the government has initiated measures to curb corruption without any visible success. Basic reasons for the repeated failures are attributable to delayed investigation, lack of sufficient and competent experts, political patronisation, corrupt instigation personnel, and so on. Political will and sincere efforts of the country's leadership are prerequisites in curbing corruption. When the top leadership in the country and his/her family members are free from corruption, more than 50 percent of corruption is gone. Then, if legal actions are initiated and culprits are brought to task, corruption is further reduced to a large extent.

There is no evidence in the world that a corrupt country has developed. Temporary or short-term economic development may be seen in a few cases as exceptions. Developed countries, among others, possess a corruption-free society, good governance, and penal actions against corruption, and in fact, this has a direct link with a low corruption index. We should continue to strengthen our efforts to adopt a policy of zero tolerance without any delay. Otherwise, all initiatives taken will not produce any favourable results, and ultimately the country's economic growth will remain at a low level.

The writer is a senior partner of Hoda Vasi Chowdhury & Co and past president of The Institute of Chartered Accountants of Bangladesh



China lifts Boeing ban after US trade talks

AFP, Beijing

China has lifted a ban on domestic airlines accepting new Boeing aircraft, a report said Tuesday, after Beijing and Washington agreed to temporarily lower tariffs in a major de-escalation of their trade war.

Last month the American aircraft maker confirmed that Chinese airlines had stopped accepting delivery of new planes due to huge tit-for-tat levies imposed by both sides.

But Bloomberg News reported Tuesday that Chinese officials have begun to tell domestic carriers they can resume orders of US-made aircraft, quoting people familiar with the matter.

Boeing did not immediately respond to a request for comment.

The news comes after the two countries announced Monday they would drastically reduce tariffs for 90 days, as well as continue negotiations.

Washington's fresh duties on many imports from China had come to 145 percent, while Beijing had hit back with duties of 125 percent on US goods.

Monday's announcement after talks in Geneva saw the United States lower tariffs to 30 percent, and China reduce its own to 10 percent.

US President Donald Trump dubbed the outcome a "total reset" and said talks with counterpart Xi Jinping could soon follow.

The company had planned to deliver around 50 aircraft to China in 2025, its chief executive Kelly Ortberg said last month.

US tariff pause on Beijing puts pressure on 'China-plus-one' countries

REUTERS

A new US-China agreement to pause sky-high tariffs on each other is pressuring manufacturing hubs such as Vietnam and Mexico to make their own, better deals with the US to continue benefiting from a "China-plus-one" strategy by global producers.

In the new world order dictated by President Donald Trump's shifting announcements of tariffs, countries measure their success not by the terms of their trade deals with the US but by how they compare to other countries.

For the last five weeks, many nations facing significant duties under Trump's now-paused "reciprocal" global tariff regime announced on April 2 took solace from having better rates than China, which saw US tariffs on Chinese imports ratchet up from 20 percent to an embargo-like 145 percent from March to May.

Vietnam, for example, was better off than China with a 46 percent rate, while Thailand was at 36 percent and Malaysia at 24 percent.

Given their comparative advantage, manufacturing hubs anticipated further moves by multinational corporations to set up shop in their countries and decrease their dependency on China,

potentially adding to a years-long trend known as "China-plus-one".

Now, everything is up in the air again following a breakthrough in US-China trade talks that resulted in a 90-day reprieve from the astoundingly high

tariffs on China, leaving a base 30 percent import tax rate for made-in-China products.

Tariffs on China still remain higher than competing industrial hubs paying 10 percent under Trump's 90-day pause

on the reciprocal duties, but some experts said the deal could halt some of the momentum pushing multinationals to further shift supply chains outside of China.

"The rules of the game are still uncertain," said Diego Marroquin Bitar, an expert on North American trade who also works as a consultant. "I think companies are just going to delay their investments as much as they can."

Starting in his first term, Trump sought to leverage tariffs on China to force companies to relocate manufacturing to the US.

The "reshoring" to the US largely did not materialise, but over the past decade companies such as Apple did start looking for alternatives to China, with a focus on countries that offered relatively low labour costs and smaller tariffs.

Southeast Asian nations were among the biggest beneficiaries, along with Mexico, but if the US-China tariff pause is extended, those countries could see their comparative advantage dissipate.

Vietnam, Thailand and Malaysia are currently negotiating their own tariff deals with the United States. Mexico, which avoided reciprocal tariffs, is also seeking to reduce separate import duties on specific products such as automobiles.



Vietnamese garment factory workers folding apparel at a factory in Ho Chi Minh City on April 3. For countries like Vietnam, the unexpected US rapprochement with Beijing ratchets up pressure to reach their own sweeter deals.

PHOTO: AFP