

## Bid to tackle economic doldrums

## Beijing plans to ramp up deficit spending

BEIJING, Mar 6: Calling for special measures to stoke economic growth and counter soaring unemployment, China's government on Saturday proposed a massive expansion in its deficit to finance a public works spending campaign, reports AP.

Without the planned 56 per cent increase in the deficit — to 150.3 billion yuan (\$18.16 billion) — economic growth will falter even as unemployment worsens and government revenues wither, Finance Minister Xiang Huaicheng said while outlining the 1999 budget to the national legislature.

Overall, the government plans to spend 738.9 billion yuan (\$89.4 billion), 14.7 per cent more than last year, with increases targeted for infrastructure projects, grain subsidies, unemployment relief and the military, Xiang said.

The People's Liberation Army, the world's largest military, will get a 12.7 per cent spending increase to 104.65 billion yuan (\$12.7 billion). The hike continues the double-digit increases the PLA has enjoyed for most of the decade and demonstrates its political influence.

Xiang provided no details about the defence budget. Western

analysts believe China's actual defence spending is as much as three times higher than the published figure.

The Defence Department acknowledged last year that the budget covers basic operating expenses, maintenance and salaries. Purchases of sophisticated weapons at home and abroad are not included.

Some of the funds for the military are earmarked to make up for revenues lost when the PLA relinquished its commercial businesses, Xiang told the legislature. Communist Party head Jiang Zemin ordered the divestment last year in part to cut down on rampant corruption and smuggling.

Corruption has plagued the government's reform programme. In opening the annual session of the National People's Congress on Friday, Premier Zhu Rongji said punishing corrupt officials was key to saving off popular unrest.

Smuggling alone is estimated to have cost China \$12 billion a year in lost revenues and business, Xiang earmarked 3 billion yuan (\$363 million) to help the military, customs authority and other agencies fight smuggling.

He warned local governments to stop trying to hide

funds in unauthorised accounts and squander public money on high living and bad investments.

"These problems have severely disrupted economic order, given rise to corruption, impaired the image of the party and the government and caused strong resentment among the people," Xiang told the delegates inside the main chamber of the Great Hall of the people.

Outside the government building, police took away a young steel worker after he unfurled a poster. It bore the Chinese character for 'grievance' writ large in black ink and accused officials at the Anshan Steel Works in northeastern Liaoning province of refusing him disability pay after an industrial accident.

Xiang and Zeng Peiyan, the minister for state planning, both expressed worries about growing unemployment as more state industries lay off workers to cope with free-market reforms.

They spent much of their time explaining to the 2,807 deputies, most of them provincial power brokers, the need to go deeper in debt.

Deficit spending will continue the public works programmes begun last year to

make sure the economy grows at 7 per cent and generates jobs, they said.

"We have the capacity to attain this target, but we will have to work very, very hard," Zeng told the delegates.

Crippling debts at state industries, saturated markets, slowing foreign investment exacerbated by Asia's financial crisis and a public fear of the changes and reluctant to spend their savings have slowed China's economy. Last year, China managed 7.8 per cent growth, although the US State Department pegs the actual rate between 3 and 5 per cent.

"Adopting a pro-active financial policy, increasing financial investment and building more infrastructure facilities to stimulate economic growth constitute special measures taken in a specified period," Xiang said.

To alleviate the fiscal pain, Xiang said the central government will bear the burden, issuing 341.5 billion yuan in bonds both overseas and at home.

He promised that Beijing would cover any local budget shortfalls from social security spending — a move to ensure officials set aside enough money to care for the growing numbers of unemployed.



Prof Hafiz G A Siddiqi speaks at the 1st AGM of the Institute of Management Consultants Bangladesh (IMCB) held recently. M Saidul Haq MBA, President of IMCB, and Prof M Shamsul Haque, Treasurer of IMCB, are also seen in the picture.

## Ukrainian parliament votes against WB loan

KIEV, Mar 6: Ukraine's leftist parliament voted down two loan agreements with the World Bank, including a deal to modernise Kiev's decrepit heating system, a news report said Friday, reports AP.

The parliament also opposed a \$16.4 million loan to purchase computer equipment to develop a national treasury, but did ratify a \$22 million loan to modernise plants that use ozone-destroying substances.

President Leonid Kuchma approved the 20-year, \$200 million heating loan in November. The credit was intended to repair and build boiler houses, improve the capi-

tal's power plants and provide for better management of the heating system.

Kiev's outdated heating system is the third-largest in the former Soviet Union after Moscow and St. Petersburg, providing heat and hot water to most of the capital's 3.5 million residents and its industries.

It was not immediately clear why parliament voted down the World Bank deals, though the leftists who dominate parliament have said before they believe foreign aid does more harm than good for Ukraine's economy.

Several other World Bank projects in Ukraine never got off the ground because parliament failed to ratify them.

## Brazil, IMF revise \$41.5b loan accord

WASHINGTON, Mar 6: The International Monetary Fund and Brazil concluded negotiations Friday on revising an agreement covering a \$41.5 billion financial rescue package to help the country confront a currency crisis, the IMF announced, says AP.

Brazilian participants in the talks were returning home this week to review terms with senior officials and details, according to the IMF, would probably be announced Monday.

The documentation will be reviewed this weekend in Brasilia and Washington, said Shailendra Anjaria, the IMF's director of external relations. "It is expected that management of the IMF will be in a position on Monday to recommend to the executive board the completion of the review and that the memorandum on economic policies will be made public shortly."

The announcement is expected to clear the way for Brazil to receive second instalment of \$9 billion that is part of the rescue package provided by the IMF and 20 bilateral

lenders.

Brazil received a first payment of \$9.5 billion last December.

The original loan programme, and the fiscal and monetary policies it required, had to be revamped after the floating of the country's currency the real. Brazilian authorities had spent billions of dollars in reserves trying to keep the real's dollar within a specific range.

The inability to keep the real steady has led to higher interest rates, a larger government budget deficit and growing inflation, all of which have forced Brazil to remodel its IMF-approved economic policies and goals.

Brazil raised interest rates Thursday by six points to 45 per cent in an effort to stem the inflationary pressures that are threatening to swamp Latin America's largest economy.

The central bank said it would use part of the \$9 billion it expects to receive from the IMF to intervene occasionally in the foreign exchange markets and increase liquidity.

## Monthly Currency Roundup

## Local Forex Market

The major part of last month witnessed subdued activities in the local forex market was due to strikes called by the opposition parties. Although the interbank forex market was quiet during the strike, demand for US dollar remained high. This phenomenally high demand for dollar was mainly due to increased import liabilities by different banks and thin inward remittances. During the first week of February dollar traded at 2 to 3 paise above the central bank's selling rate of BDT 48.65 in the interbank market. A number of banks had to purchase dollar funds from the central bank after failing to manage it from the interbank players. During the last part of the month, most of the authorised dealers were forced to buy USD funds from the central bank to square their short position. Dollar buying from the central bank also exerted pressure on the money market due to cash outflow of local currency.

In the first week, dollar traded in a range of BDT 48.65 and BDT 48.68, but in the second week, it traded in a high but narrow range of BDT 48.68 to BDT 48.78.

In the interbank market, the daily average foreign exchange turnover for the month was USD 51.82 million [Source: Bangladesh Foreign Exchange Dealers' Association].

In the kerm market, demand for cash USD declined and it traded in a steady range of BDT 48.50 and BDT 48.80.

Movement of Major Currencies against Taka (mid rate)					
Currency	Feb 1	Feb 7	Feb 14	Feb 22	Feb 28
US Dollar	48.67	48.67	48.68	48.73	48.73
GB Pound	80.0548	78.8138	79.4239	78.9280	77.8803
DEU Mark	28.3220	28.0713	28.0698	27.3457	27.4427
Ind Rupee	1.1444	1.1465	1.1462	1.1487	1.1487

## Money Market

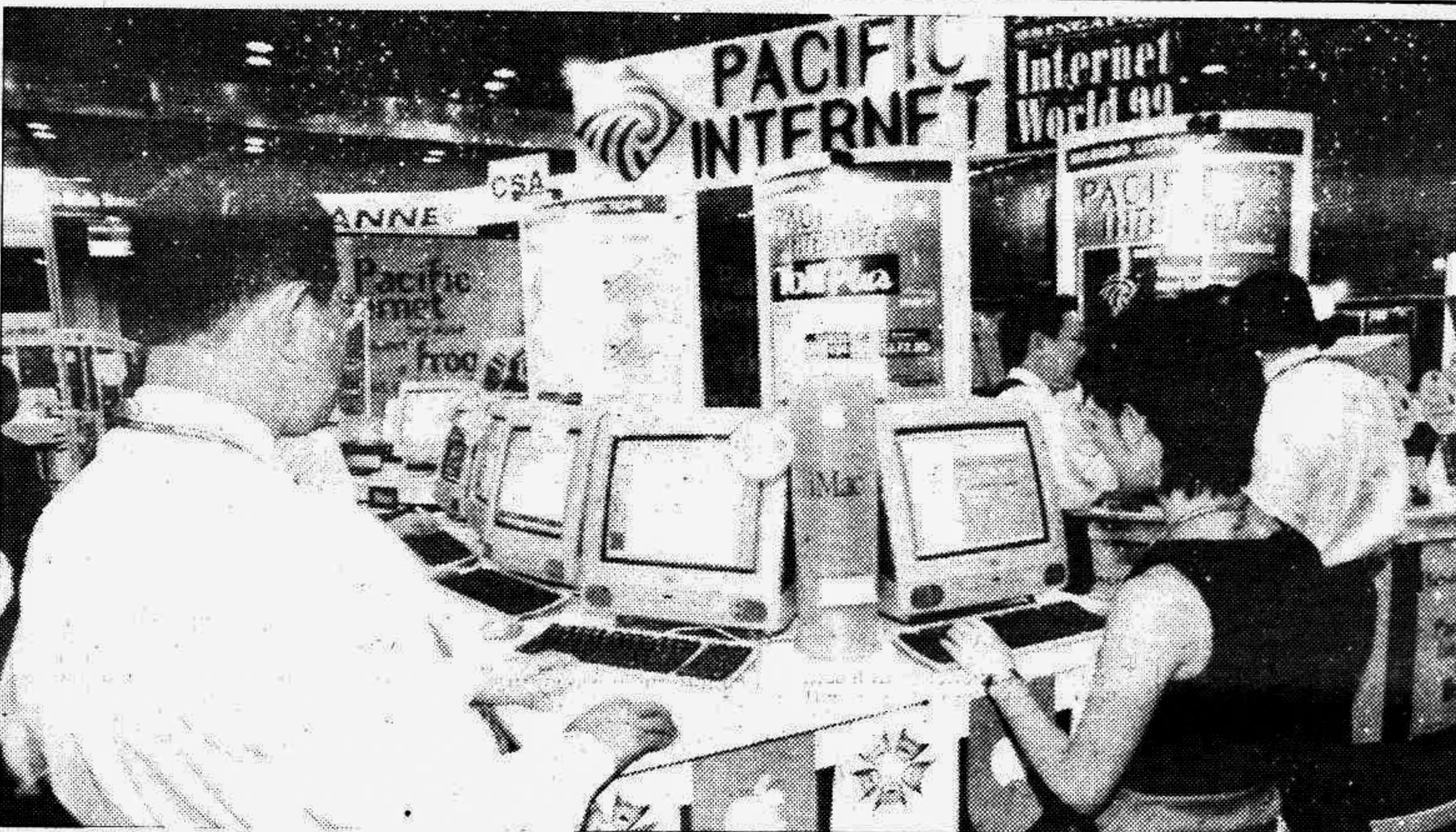
Bangladesh Bank accepted treasury bills worth BDT 22267 million: BDT 16041 million for 28 days at the rate of 7.6275 per cent, BDT 2130 million for 91 days at 8.5875 per cent, BDT 860 million for 182 days at 9.215 per cent, BDT 2303 million for 364 days at 9.6875 per cent and BDT 933.50 million at 10.3625 per cent. A total of Tk 1799.20 million treasury bills matured in February.

Treasury Bill Acceptance Status									
		Feb 7		Feb 15		Feb 23			
Tenor	Accepted	Yield	Accepted	Yield	Accepted	Yield	Accepted	Yield	
28	2996	7.55	6085	7.59	3940	7.64	3340	7.72	
91	160	8.55	1500	8.6	150	8.65	300	8.65	
182	20	9.18	160	9.2	180	9.19	500	9.29	
364	553	9.6	850	9.65	110	9.7	730	9.8	
2	300	10.32	240	10.44	110	10.27	2835	10.42	

Treasury Bill Outstanding as on Feb 28						
Amount in Mio	28 Days	91 Days	182 Days	364 Days	2 years	Total
Yield in per cent	7.6373	8.7546	9	9.8165	11.01	4799.5

Earlier in the month, the call rate dropped and ranged between 6 to 7 per cent as funds withdrawn during Eid started flowing back to banks accounts. Later, the call rate stood high at 10 to 10.5 per cent due to payment against treasury bills.

— Standard Chartered Bank



SINGAPORE: Visitors browse the Internet at one of the booth of the Internet World Asia Singapore '99 exhibition Wednesday in Singapore. A recent survey showed that worldwide the Internet had grown by 46 per cent in 1998 compared to 1997 and the number of computers connected to the web reached 43 million from just some two million in 1994.

—AFP photo

ভূতত্ত্ব ও খনিবিদ্যা বিভাগ  
রাজশাহী বিশ্ববিদ্যালয়  
বিজ্ঞপ্তি

ভূতত্ত্ব ও খনিবিদ্যা বিভাগ, রাজশাহী বিশ্ববিদ্যালয় কর্তৃক আনুমানিক ৫,০০,০০০/- (পাঁচ লক্ষ) টাকার দেশীয় এবং বৈদেশিক মূল্যায়ন-বিত্তি শিক্ষা সহায়ক দু'ব্যাতি ও বৈজ্ঞানিক যন্ত্রপাতি জয়ের নিমিত্তে প্রকৃত লাইসেন্সধারী প্রতিষ্ঠান/ইন্ডেন্ট্র/এজেন্টদের নিকট হতে সীলমোহরকৃত নামে দরপত্র আবেদন করা যাচ্ছে। টেন্ডারের শর্তাবলী সম্বলিত সিডিউল অত্র বিভাগ হতে আগামী ৭-৩-৯৯ইং তারিখ হতে ২২-৩-৯৯ইং তারিখ পর্যন্ত নিম্নস্বাক্ষরকারীর অফিস থেকে সংগ্রহ করা যাবে। টেন্ডার জমা দেওয়ার শেষ তারিখ দেশীয় মূল্যের জন্য ২৩-৩-৯৯ইং ও বৈদেশিক মূল্যের জন্য ৭-৪-৯৯ইং তারিখ সকাল ১০-০ টা পর্যন্ত। দেশীয় ও বৈদেশিক মূল্যের দরপত্র খোলার তারিখ যথাক্রমে ২৩-৩-৯৯ইং ও ৭-৪-৯৯ইং সকাল ১০-৩০ টায় টেন্ডারদাতাদের উপস্থিতিতে (যদি কেহ উপস্থিত থাকে) টেন্ডার খোলা হবে। বিভাগীয় কর্তৃপক্ষ যে কোন/সকল টেন্ডার গ্রহণ ও বাতিল করার অধিকার সংরক্ষণ করে। দরপত্রসমূহ কোষাধ্যক্ষ অফিসে রক্ষিত রাস্তে ফেলতে হবে।

প্রফেসর মুশফিক আহমদ  
সভাপতি

নং-০০৬০১(২)/৯৯/বিজ্ঞা/পপজ  
(৩.৩.৯৯)  
জিডি-১৬৯

ভূতত্ত্ব ও খনিবিদ্যা বিভাগ  
রাজশাহী বিশ্ববিদ্যালয়

## Qatar Airways becomes Airbus A320 operator

Qatar Airways has become a new Airbus A320 operator.

It took the delivery of the first of four leased A320s from Singapore Aircraft Leasing Enterprises (SALE) recently, says a press release.

The Middle-East carrier will receive the three subsequent aircraft during March and April this year.

The four leased A320s will permit Qatar Airways to successfully match growth and expansion over its Middle-East regional network and on routes to the Indian sub-continent from its Doha base in Qatar.

All the A320s will be powered by International Aero Engines (IAE) V2500 engines and will accommodate 144 passengers in a luxurious two class layout.

To date, the A320 Family has booked over 1,936 orders, of which more than 940 have been delivered to some 83 operators worldwide.

## Metal: Weekly Roundup

## Gold gains while silver slips

LONDON, Mar 6: Gold prices rose this week along with a general improvement in commodity prices, trading on the London bullion market at 288.05 dollars, up 1.15 dollars on the week, reports AFP.

Meanwhile, Switzerland delayed a referendum on the level of its gold reserves, although authorities said that the country's gold surplus could still be sold off at the start of next year.

Gold prices were boosted by speculative buying, especially on New York's COMEX market. One major buyer on COMEX may have been responsible for a dip in reserves of 197,880 ounces to 661,796 ounces, traders there said.

There was little reaction in the gold market to British Chancellor of the Exchequer Gordon Brown's call for easing Third World debt, entailing the sale of about a billion of IMF gold reserves.

SILVER: Silver prices fell 20 cents to 5.22 dollars an ounce on the London bullion market on speculative moves on the lease rate, at which investors rent the metal on the paper market.

Meanwhile, investors continued to wonder what Warren Buffet, the almost legendary US speculator, has done with the 129.7 million ounces of silver he announced last year that he had snapped up in London.

PLATINUM AND PALLADIUM: Platinum and palladium, the sister precious metals, both fell this week on selling as investors took profits from last week's strong performance.

Prices also fell in reaction to the award of a 10-year export quota announced by Russian producer Norilsk prompting speculation that Russian exports stopped since late last year, will soon recommence.

Russia is the second biggest platinum producer after South Africa and the biggest palladium producer.

Palladium closed in London at 345 dollars an ounce, down nine dollars, while platinum lost 11 dollars to 372 dollars an ounce.

COPPER: Copper prices rose slightly this week on the London Metal Exchange (LME) as technical factors outweighed poor general prospects for the market.

Three-month copper rose 6.8 dollars to 1,410.30 dollars a

tonne, while LME warehouse reserves rose 8,900 tonnes to 702,975 tonnes.

The Rudolf Wolff Brokerage said that surprisingly good US economic performance was pushing up the dollar and US stock market, but that this was not helping copper and other base metals and their prolonged slump.

The dollar's rise is unlikely to restore consumer confidence in metals and will further delay required cuts in production capacity, as producers outside of the US are given a life line, analysts Martin Squires said.

Non-US producers are getting more to their own currency back when they sell the dollar-priced commodity and therefore have no incentive to cut volumes, although in the long term.

This, and the continued economic uncertainty in Japan and the emerging world should see the base metal's path of least resistance remain on the downside for the next three months," Squires said.

ZINC: Three-month zinc rose 1.8 dollars to 1,056.3 dollars a tonne as reserves fell 575 tonnes to 309,125 tonnes.

ALUMINIUM: Aluminium prices fell in London this week against a poor outlook for world demand and steadily mounting reserves on the London Metal Exchange.

Three-month aluminium fell 27.7 dollars to 1,163.8 dollars a tonne, while LME reserves rose 3,200 tonnes to 814,725 tonnes.

The market was hit by poor technical factors and the Rudolf Wolff Brokerage said that prices could fall to 1,150 dollars a tonne in coming weeks.

US aluminium recyclers, meanwhile, said they expected a rise in demand for aluminium from 22.6 billion ounces in 1997 to 24 billion ounces in 2001, as the US economy keeps growing.

NICKEL: Nickel prices broke through the 5,000 dollar level this week and reached a 10-month high as Russian giant Norilsk continued to experience export problems.

Three-month nickel rose 152.5 dollars to 5,060 dollars a tonne, while LME reserves rose 360 tonnes to 60,882 tonnes.

Traders said that Norilsk was having export problems due to freezing in the Arctic port of Murmansk.

"Further pushing up prices, nickel benefits from very good technical factors," said Edward Blake, analyst at Rudolf Wolff Brokerage.

TIN: Tin prices fell on the LME this week, although they were boosted by nickel prices and good technical factors.

Three-month tin fell 15 dollars to 5,302.5 dollars a tonne, while reserves rose 1,485 tonnes to 9,185 tonnes.

## Government of the People's Republic of Bangladesh

Office of the Executive Engineer (RHD)

Ferry Division, Tophkhana

Sylhet

## Tender Notice

- Tender Notice No : 40 (98-99) dt. 22-2-99.
- Name of work : As per group list.
- Nature of contractor : 1. A to C General Category of (RHD).  
2. D General of Dhaka Ferry Circle.  
3. E General of Ferry Division, Sylhet.
- Name of offices where tender documents will be available : 1. Executive Engineer, (RHD), Ferry Division, Sylhet.  
2. Executive Engineer, (RHD), Ferry Construction Division, Dhaka.  
3. Executive Engineer, (RHD), Ferry Maintenance Division, Dhaka.  
4. Sub-Divisional Engineer, (RHD), Ferry Sub-Division, Sylhet.
- Name of offices to receive tender : 1. Superintending Engineer, (RHD), Ferry Circle, Dhaka.  
2. Executive Engineer, (RHD), Ferry Division, Sylhet.  
3. Executive Engineer, (RHD), Ferry Construction Division, Dhaka.  
4. Executive Engineer, (RHD), Ferry Maintenance Division, Dhaka.
- Last date of selling : 22-3-99 up to 12-00 noon.
- Last date and time of receiving tender : 22-3-99 up to 12-00 noon.
- Date and time of opening tender : 24-3-99 at 12-30 PM.
- If lowest tender is more than one then date and time of lottery : To be announced later.
- Group list

Group No.	Name of work	Estimated cost	Earnest money	Time allowed for completion of work	Tender Form No
1.	Supplying brand new spare parts for different engines and machineries under Ferry Division, Sylhet during the year-1998-99.	Tk. 2,35,000/-	Tk. 4700/-	15 (fifteen)	2908
2.	Repairing 3 (three) nos of fuel pump of 75 HP Ford Engine for different ferries and supplying spare parts under Ferry Division, Sylhet during the year-1998-99.	Tk. 1,97,150/-	Tk. 3943/-	-do-	2911
3.	Supplying brand new spare parts for 110 HP DAF Engine Model-615 under Ferry Division, Sylhet during the year-1998-99.	Tk. 1,39,000/-	Tk. 2780/-	-do-	2908
4.	Supplying brand new spare parts for 110 HP and 210 HP DAF 620, 615 & 1160 Model Engine under Ferry Division, Sylhet during the year-1998-99.	Tk. 1,31,000/-	Tk. 2620/-	-do-	2908

Naseem Ahmed

Executive Engineer (Mech.) (CC)  
(RHD), Ferry Division  
Tophkhana, Sylhet.

DFP-4185-2/3  
G-396

## Biman Bangladesh Airlines Biman BANGLADESH AIRLINES

ZIA INTERNATIONAL AIRPORT, KURMITOLA, DHAKA. PHONES: 894771-9, 894730-4, CABLE: AIRBANGLA, TLX: 642649 DABG BJ FAX: 880-2-893028

Stores & Purchase Directorate

## International Tender

Ref: DACPP/INT'L Tender/010/98-99 Dated: 23-02-1999

Sealed tender is hereby invited for supply of following items to Biman Bangladesh Airlines:

Sl No	Tender Number	Description of Goods	Cost of Schedule
01.	DACPP/INT'L TENDER/010/98-99 DT 23-2-99	VHP/AM SETS TRANSCEIVER 131.6 MHZ WITH 10% STANDARD SPARES	TK 2000.00 OR US\$ 50.00 PER SET.

Tender schedule with details specification, terms and conditions will be available at the cost of US\$ 50.00 per set or BDT 2000.00 per set (non-refundable) from Accounts Officer (Cash & Banking), Biman Admin Building, Zia Int'l Airport, Dhaka and Asstt Manager, Accounts (Cash & Banking), Balaka, Head Office, Zia Int'l Airport, Dhaka and office of the Divisional Commissioner (1st 12-Storey Govt Office Building, 1st floor, Room No 206), Segunbagicha, Dhaka-1000 as well as with Finance Manager, Biman, Bangkok, Hong Kong, Singapore, Tokyo, Dubai, London, Rome, Paris, Frankfurt, Amsterdam, Brussels & New York on cash payment on all working days up to 06-04-99. A formal application in company's letter head pad mentioning tender number and date shall be required for purchasing the tender documents.

Sealed tender should be dropped in the tender box kept in the office of the Deputy General Manager, Purchase, Stores & Purchase Directorate, Biman Admin Building, Zia Int'l Airport, Dhaka. Main Entrance Biman Medical Center Security Counter (ground floor), Farmgate, Dhaka and office of the Divisional Commissioner (1st 12-Storey Govt Office Building, 1st floor, Room No 206), Segunbagicha, Dhaka latest by 1100 hrs Bangladesh Standard Time (BST) on 07-04-1999. In case of direct offer foreign manufacturer/principal must submit their offer as per terms mentioned in the tender schedule. Tender box will be opened on the same day at 1400 hrs BST at the premises of Stores & Purchase Directorate, Biman Admin Building, Zia Int'l Airport, Dhaka in presence of the tenderers (if any).

Biman management reserves the right to accept/reject any or all tenders, increase or decrease the quantity of items without assigning any reason whatsoever.

DFP-4222-2/3  
G-397

Deputy General Manager Purchase.