

US investors in India ignore border tensions with Pakistan

NEW YORK, May 28: US investors in India are looking past escalating border tensions with Pakistan over the disputed Kashmir region and focusing on the improving prospects for corporate earnings, reports Reuters.

"So long as this does not turn into a full-blown war, it really does not change the investment scenario for us," said Rajiv Jain, who co-manages the \$1.2 billion Vontobel International Fund in New York.

"In fact, we would view any weakness in the stocks of companies we like as a buying opportunity."

A good monsoon season this year, important for India's economy, where agriculture forms about a third of the gross domestic product, bodes well for corporate earnings, investors said.

"The economy looks like it's recovering quite nicely and the micro picture looks quite good," said Arjun Divecha, managing director at Berkeley, Calif.-based Grantham Mayo Van Otterloo, with \$1.3 billion in international stocks.

Despite the political uncertainty surrounding parliamen-

tary elections due later this year and the escalating border tensions, India's economy will manage to grow at a nominal five per cent rate this year, said Joydeep Mukherji, chief analyst for India at Standard & Poor's, the rating agency.

Stocks on the Bombay stock exchange lost over two per cent, with the top-30 exchange index down 2.77 per cent at 3,863.

Many investors and analysts said the upcoming elections have created political uncertainty, but would not necessarily derail a modestly-improving economy.

"The elections, ironically, may have been a blessing in disguise for the economy. For the first time, everybody knows they will have a government for the next six months," said S&P's Mukherji.

"While the government may not be able to issue new initiatives, it may pass the backlog of economic reforms that were announced earlier this year. (Moreover), the monsoon, which is good this year, will have a far bigger impact."

S&P would maintain a stable outlook on India with a double-B rating, Mukherji said. Many foreign investors prefer consumer-oriented stocks that would benefit from a rise in consumer demand, including companies like ITC Ltd. and Bajaj Auto.

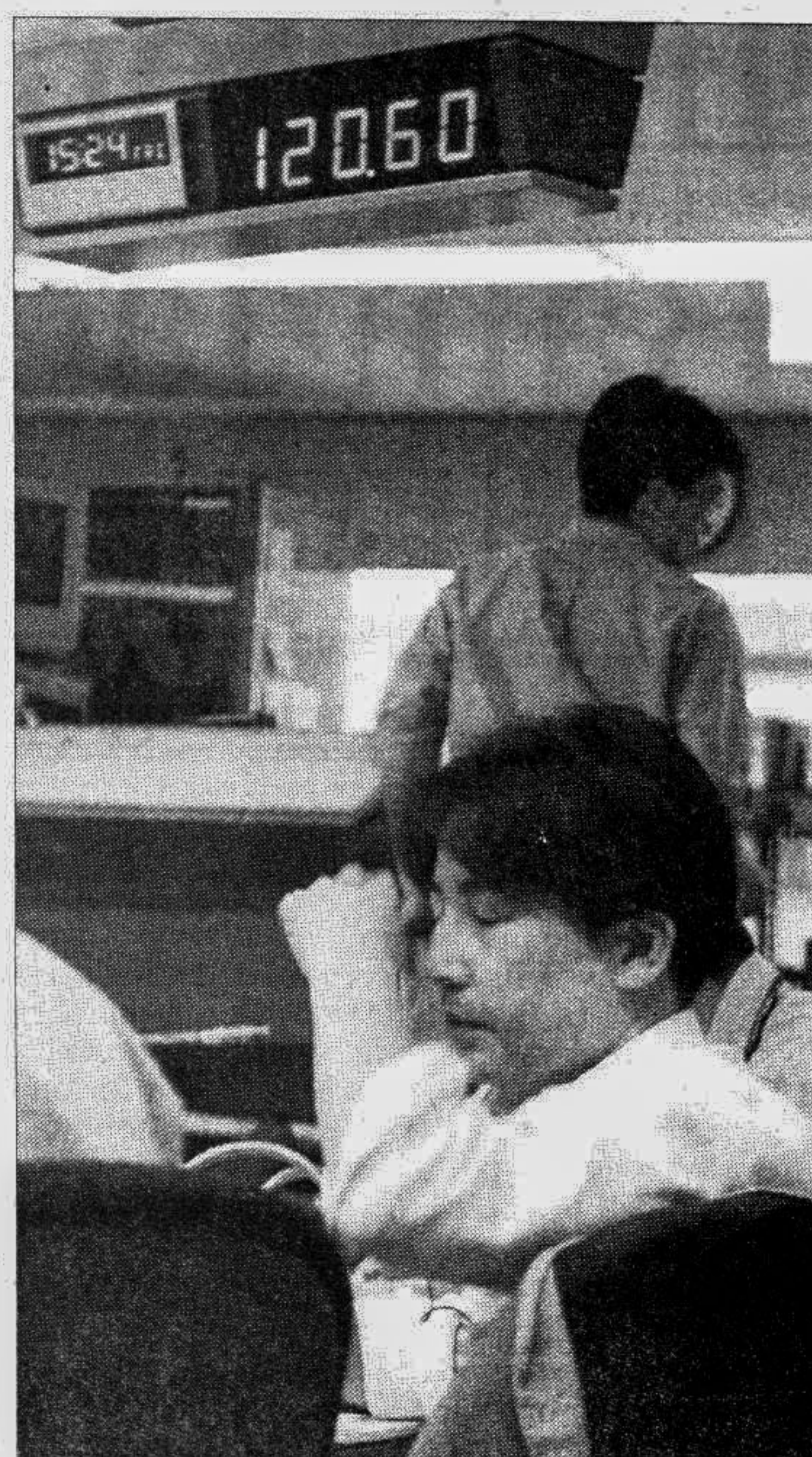
Despite the bright prospects for many companies, some money managers concede their overall asset allocation remains low due to India's fractured political system, which has kept economic liberalisation and growth moderate at best.

India will hold elections in September after the ruling Bharatiya Janata Party lost the support of a key minority partner last month.

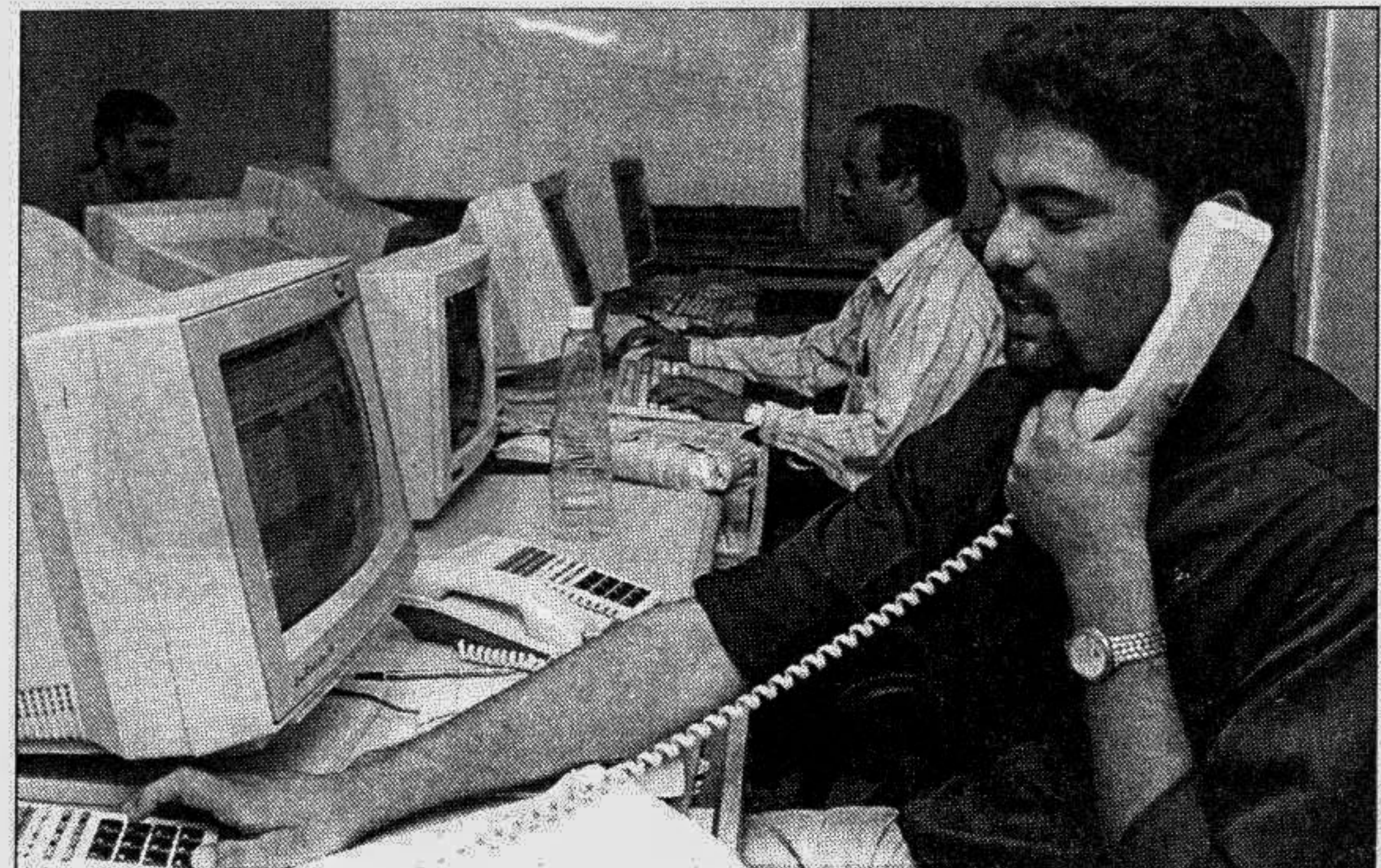
Divecha at Grantham Mayo said his investments in India are currently at two per cent of assets.

"Like its cricket team, India has once again managed to snatch defeat from the jaws of victory," he said about the upcoming elections, the third in three years.

In the ongoing World Cup cricket tournament, India lost to what is generally considered the much weaker team from Zimbabwe last week, but defeated Sri Lanka in the next match.



A money trader rubs his eyes under the price board which quoted 120.60 yen against the US dollar at a Tokyo Foreign Exchange market Friday. The Japanese yen soared against the US dollar at 120.32-35 yen, up 2.10 yen after a sharp fall in the stock market at Wall Street. — AFP photo



A stockbroker at Euro Asia Securities speaks to a client towards the end of trading Friday. The Bombay Stock Exchange fell 89.13 points, or 2.3 per cent due to the escalating border tensions between India and Pakistan. — AFP photo

Disagreement on agenda details

OECD endorses new WTO round of trade talks

PARIS, May 28: Major industrial countries formally gave their support here yesterday to a new round global trade talks to begin in November, but were unable to agree on what the agenda should be, reports AFP.

"Ministers endorsed the need for a new WTO round of multilateral trade negotiations," the Organisation for Economic Co-operation and Development said in a communiqué after its annual ministerial meeting here.

The ministers from the 29 OECD member countries agreed to "work for an ambitious, broad-based and balanced agenda for the negotiations" set to begin in Seattle, Washington in November.

The OECD members also agreed to try to achieve a "timely" conclusion, "preferably in three years," the statement said.

But on the areas to be covered, the OECD ministers said simply that they would "work

with WTO members to reach agreement on options and modalities for negotiations."

Several participants insisted that the industrial countries were moving closer to agreement on the extent of a new round, with US Trade Representative Charlene Barshefsky saying that now more than half OECD members support US calls for a wide trade agenda and the inclusion of areas such as labour and the environment.

The WTO members are committed to begin new trade talks this year on agriculture and services, an agreement reached in the previous Uruguay Round, but disagree on whether the talks should be widened, and if so to cover what areas.

Thursday's communiqué simply stated that further liberalisation of non-agricultural trade and government procurement "would produce substantial benefits for all participants" and urged the WTO to take "appropriate account" of

environmental issues in future trade negotiations.

Mexican Finance Minister Angel Gurría told a press conference that the meeting did not agree on "what exactly the round will contain and the degree to which labour, environment and ethics will be included."

He noted that there were already international for a such as the International Labour Organisation to deal with these issues, and many members felt they were better equipped to deal with them than the WTO.

The minister's statement expressed support for internationally recognised core labour standards and "promoting respect for labour rights and trade and investment liberalisation" without suggesting they should be included in the new trade talks.

The ministers also stressed the need for a new round to be "responsive to the needs of developing countries."

But many developing coun-

tries are against having a new trade liberalisation round at all, arguing that they need more time to digest the last round when they were forced to make far greater market opening efforts than the industrial world.

The OECD ministers met for the first time Wednesday with ministers from key developing countries but with little sign of the two sides moving closer to agreement.

India and Indonesia stuck to their view that no new round was necessary, while Brazil and Argentina said trade opening efforts so far were distorted in favour of the industrial countries, particularly in agriculture.

Non-OECD members "often have very liberal financial and trade policies, in contrast with some of the member countries of this organisation," Brazilian Foreign Minister Luiz Felipe Lampreia told the meeting.

WTO leadership race

ASEAN chambers support Supachai

YANGON, May 28: Chambers of commerce members from Southeast Asia meeting Friday urged the World Trade Organisation to quickly resolve its selection of a new director general, says AP.

The members pledged their support for Thailand's candidate, Supachai Pantiachakdi, and called for more fairness and transparency in the selection process.

Supachai, who is Thailand's commerce minister, is locked in a bitter race with Mike Moore, a former New Zealand prime minister. The WTO decides by consensus, but neither was able to gain one before the original April 30 passage of the deadline to choose a new chief.

The three-day meeting of the Association of Southeast Asian Nations Chambers of Commerce International, which concludes Saturday, was attended by representatives of national chambers from Brunei, Indonesia, Malaysia, Myanmar, the Philippines,

Singapore, Thailand and Vietnam.

Leading businessmen from Cambodia were also present.

"The selection process must be transparent and quickly resolved," a statement from the organization said.

Supachai's supporters have alleged that Moore's backers, led by the United States, have pressured or bribed nations into switching their allegiances to Moore.

"I cannot understand why the nomination of Supachai, which received strong initial support, was asked to be withdrawn," said Jose Conception of the Philippines delegation.

All Mchumo, the chairman of the WTO Council, angered Supachai supporters last month when he told the Thai to withdraw his candidacy because no consensus could be formed around him.

Supachai has refused to withdraw. At most recent count, he has the support of 59 countries, while Moore has 62.



Y K Ng, Chairman of Topclean Bangladesh Limited, a Singapore-Bangladesh joint venture Laundry-Drycleaning Service, inaugurates a new shop at Mirpur Thursday. The opening coincides with the company's first anniversary. — Topclean photo

'Philippines out of recession'

MANILA, May 28: The Philippine economy grew more strongly than expected in the first quarter of 1999, shaking off the ill effects of Asia's financial crisis with the help of a recovery in agriculture and steady improvement in the services sector, says AP.

"We're out of a recession," Socio-Economic Planning Secretary Felipe Medalla said Friday after releasing the economic data.

The country's gross domestic product expanded 1.2 per cent in the first quarter from a year earlier, while the gross national product, which includes the billions of dollars sent home each year by overseas Filipino workers, grew 2 per cent.

Medalla said strong dollar inflows, coupled with a 3 per cent growth in services and a 2.5 per cent expansion in agriculture, enabled the economy to outpace targets.

Wall Street faces deepest drop in months

NEW YORK, May 28: Worries of inflation and higher interest rates sent the US stock market retreating from recent record levels and into deepest drop in months, says AP.

The Dow Jones industrial average fell 235.23, a 2.2 per cent loss, to close at 10,466.93. It was the ninth-worst one-day point drop ever, and the biggest since Sept 30, 1998, when the blue-chip average fell 237.20. But in percentage terms, it was far from a record decline.

Broader market indicators also fell, although their losses were comparatively modest. The Standard and Poor's 500 fell 23.35 to 1,281.41, and the Nasdaq composite index fell 8.03 to 2,419.15.

Just this week, the Dow has tumbled 362.35 points, or by 3.3 per cent. The steep sell-off

Thursday made the previous day's 171.07-point gain seem like a distant memory.

"Yesterday's market looked really good, but without a follow-through, it's hard for stocks to pick up steam," said Barry Berman, head trader for Robert W. Baird and Co. in Milwaukee.

Some of the selling came from investors cashing in on Wednesday's rally in advance of the Memorial Day holiday weekend. But the strongest factor, analysts said, was the continuing fear that a rekindling of inflation will prompt the Federal Reserve to raise interest rates.

New government figures on the economy kept the market off balance Thursday. The Commerce Department said the US economy grew at a robust

annual rate of 4.1 per cent in the first quarter, exacerbating fears that the Fed will raise rates to prevent the economy from overheating.

That depressed bond prices, sending the yield of 30-year Treasury's rising to 5.84 per cent from 5.80 per cent Wednesday.

The Commerce Department report also revealed news that could have heartened the market. An inflation gauge tied to the gross domestic product rose a modest 1.1 per cent, and corporate profits showed a big rebound in the first three months of this year. Profits rose at an annual rate of \$31.8 billion after having fallen at a rate of \$5.3 billion in the fourth quarter of 1998.

Biman BANGLADESH AIRLINES

Head Office, Balaka, Kurmitola, Dhaka-1229, Bangladesh. Cable: Airbangla
PABX: 897400-10 Lines, 897410-10 Lines, Fax: 880-2-893005, Telex: 842649 DAG BJ

Tender Notice

Tenders in sealed cover are hereby invited in two-envelope system in group-wise from bonafide cleaning contractors for cleaning of (a) Biman Admin Building (b) BATC Building (c) Offices under General Manager, Airport Services at Terminal building, (d) Domestic Terminal (e) Cargo Complex, (f) Ramp Building at ZIA (g) Biman Sales Office at Motijheel and (h) Biman Staff quarter at Tejgaon. Tender schedule along with detail terms and conditions may be purchased from Cash and Banking Section, Biman Head Office (Balaka Bhaban), ZIA on cash payment of Taka two hundred only per set in each group in all working days up to 14th June, 1999.

Tenderers shall have to deposit earnest money @ 2.50% of the yearly quoted amount in the form of Bank Draft/Pay Order in favour of 'Bangladesh Biman' with respective financial offer. Tenders will be received in the office of General Manager, Project and Works, Biman Head Office (Balaka Bhaban), Zia International Airport, Dhaka up to 1400 hours on 15th June, 1999 and only technical offers will be opened on the same day at 1430 hours.

Biman management reserves the right to accept or reject any or all the tenders without assigning any reason whatsoever.

S M Mosaddeque Hussain
General Manager
Project and Works.

GD-454

Government of the People's Republic of Bangladesh

Roads & Highways Directorate
Office of the Executive Engineer
Chittagong Workshop Division
Dewanhat, Chittagong

Tender Notice

- Tender Notice No : 42/EE/CWD/98-99/ d-16-5-99 /2-2-1406 BS.
- Name of work : **Group No: "A"**
Supply of tyre-tube for Pay- Loader of Bandaran Road Division under (R&H) Chittagong Workshop Division. Year -1998-99.
Head of expenditure: Bandaran Road Division's ATC.
Group No: "B"
Supply of tyre-tube for Polish Pay- Loader of Bandaran Road Division under (R&H) Chittagong Workshop Division. Year-1998-99.
Head of expenditure: Bandaran Road Division's ATC.
Group No: "C"
Supply of spare parts for Cutterpillar D-5-D of Bandaran Road Division under (R&H) Chittagong Workshop Division. Year-1998-99.
Head of expenditure: Bandaran Road Division's ATC.
Group No: "D"
Supply of cylinder head for Gray-Marine Engine of Toilerdeep Ferryghat under (R&H) Chittagong Workshop Division. Year-1998-99.
Head of expenditure: 168-Road, Bridge & Ferryghat -2 Repair.
- Estimated cost : As per schedule.
- Earnest money : 2% of the estimated cost (as per group issue).
- Time limit : 20 (twenty) days from the date of list of work order.
- Eligibility of contractor : a) Roads & Highways Directorate's "A" to "C" general class contractors (R&H) Chittagong Workshop Division. Year-1998-99. b) Bonafide agents of manufacturers. c) Executive Engineer (R&H), Chittagong Workshop Division, Dewanhat, Chittagong. d) Executive Engineer (R&H), Planning Division-1, (P&D), Sarak Bhaban, Ramna, Dhaka. (only for group "A"). e) Executive Engineer (R&H), Rangamati Workshop Division, Bhedvedi, Rangamati Hill District. f) Sub-Divisional Engineer (R&H), Workshop Sub-Division, Dewanhat, Chittagong.
- Offices where tender to be had at : a) Superintending Engineer (R&H), Chittagong Workshop Circle, Sarak Bhaban, Agrabad, Chittagong. b) Superintending Engineer (R&H), Monitoring & Evaluation Circle, Sarak Bhaban, Ramna, Dhaka. (only for group-"A"). c) Executive Engineer (R&H), Chittagong Workshop Division, Dewanhat, Chittagong. d) Executive Engineer (R&H), Rangamati Workshop Division, Bhedvedi, Rangamati Hill District.
- Last date of : 07-06-99/24-2-1406 BS.
- Date & time of : 08-06-99/25-2-1406 BS up to 12:00 Noon.
- Date & time of : 09-06-99/26-2-1406 BS at 2:00 PM (in receiving tender presence of the interested attending contractors).
- Date & time of : 09-06-99/26-2-1406 BS at 2:00 PM (in opening tender presence of the interested attending contractors).

Md. Abul Kalam Khan
Executive Engineer (R&H) (CR)
Chittagong Workshop Division
Dewanhat, Chittagong.

DFP-11658-24/5
G-995

Govt of People's Republic of Bangladesh

Noakhali PWD Division, Noakhali

Tender Notice

(Tender No. 41 of 1998-99)

Sealed tenders are invited in BD Form No. 2911 for the undermentioned work as per terms and condition stated below:

Gr No	Name of work	Estimated cost	Earnest money	Time allowed for completion of work
1	Repair & renovation work to inspection Banglow attached to PWD Division, Noakhali (Ch to different development works).	Tk 1,79,157/-	Tk 3,600/-	45 (forty-five) days
2	Special repairs to bituminous carpeting road (flood damaged in 1998) attached to the Govt Staff Qtrs Building Nos. 3, 10, 2, 22, 21, 9, 20, 8, 1, 19 at Majdee, dist Noakhali during the year 1998-99.	Tk 5,80,054/-	Tk 11,625/-	30 (thirty) days
5	Price of tender schedule		Tk 425/- per set per group.	
6	Place of selling & receiving tenders		Office of the undersigned in/c all Executive Engineers' Office under PWD Circle, Comilla.	
7	Last date of selling tender		During office hours up to 8.6.99.	
8	Eligibility of contractors/ firm to compete in the tender		a) Category applicable as per financial limit of authorized enlisted contractor of PWD. b) The intending tenderers must have VAT registration TIN certificate. c) Attested copy of VAT registration and TIN certificate is to be enclosed along with the tender.	
9	Date of receiving and opening of tender		Up to 12:00 Noon of 8.6.99 and will be opened on the same day at 12:15 PM.	
10	Lottery (applicable where necessary)		If more than one tenders are received having same rate stand lowest, selection will be made by lottery to be held on 16.6.99 at 12:30 PM in the office of the undersigned in presence of the intending tenderers who like to present.	
11	The undersigned reserves the right to accept or reject any or all the tenders without assigning any reason.			

DFP-11445-23/5
G-994

Executive Engineer
PWD Division, Noakhali.

Civil Aviation Authority of Bangladesh

No. CAAB/EM-3/98-99/18

Tender Notice

- Name of works : R.M.O. E/M works services at Barisal Airport during the year 1998-99 (SH-supply of spare parts for PAPI Lighting System). Code No-3001.
- Estimated cost : Tk. 1,99,903/- only.
- Earnest money : Tk. 5,000/- only in the shape of Bank Draft/Pay Order from any scheduled bank of Bangladesh in favour of the Executive Engineer, E/M Division-3, CAAB, Kurmitola, Dhaka.
- Eligibility of the firm : CAAB, enlisted 'C' and above class E/M contractor having valid electrical licence and experience in similar nature of works.
- Precondition to purchase tender schedule : Above firms may apply with necessary papers in favour of their eligibility form purchasing tender schedule.
- Value of tender : Tk. 250/- (two hundred fifty) only papers (non-refundable).
- Place of availability of tender : a) Superintending Engineer, P&D/QS. Circle, CAAB, Kurmitola, Dhaka. b) Executive Engineer, E/M Division-3, CAAB, Kurmitola, Dhaka. c) PA to Member (Ops & Plans), Chief Engineer, H. qtrs. & Director (ZIA), CAAB, Kurmitola, Dhaka.
- Place of tender : Office of the Executive Engineer, E/M Division-3, CAAB, Kurmitola, Dhaka.
- Last date of : 9-6-99 (during office hours).
- Date & time of : 10-6-99 (up to 1200 Noon).
- Date & time of : 10-6-99 (at 12:30 PM).

In case of unavoidable circumstances, if the total transport and communication are disrupted on the date of receiving and opening tenders, it will be received and opened on the next office day. Other terms and conditions of the tender will remain unchanged.

Authority reserves the right to accept or reject any or all tenders or part thereof without assigning any reason.

Executive Engineer
E/M Division No-3
CAAB, Kurmitola, Dhaka-1229.

DFP-11650-24/5
G-993