

US admn turns focus to Senate as China bill advances

WASHINGTON, May 26: One day after the US House of Representatives backed a bitterly contested China trade bill, the Clinton administration turned its focus to the Senate where lawmakers threatened to throw up hurdles to final passage, reports Reuter.

Commerce Secretary William Daley met on Thursday with Senate Republican leader Trent Lott of Mississippi and other key lawmakers to urge swift action on the bill, which would grant permanent normal trade relations (PNTR) to China and set up a commission to monitor its human rights record.

"We're just starting," Daley said of the Senate negotiations over the legislation, which would permanently guarantee Chinese goods the same low-tariff access of US markets as products from nearly every other nation.

PNTR enjoys broad bipartisan support in the Senate, where passage is virtually as-

sure in June despite stiff opposition from organised labour.

Labour unions say the trade bill, which would end the annual ritual of reviewing China's trade status, would set back human rights and result in hundreds of thousands of US job losses.

Supporters, including President Bill Clinton and Republican leaders in Congress, say the legislation would open China's vast marketplace, potentially the world's largest with 1.3 billion consumers, and increase stability in the region as Beijing joins the World Trade Organisation.

According to Lott and Democratic leader Tom Daschle of South Dakota, at least 60 senators favour PNTR, enough to ensure passage and override a filibuster.

But the trade bill could still be held up by a dispute over the House's human rights commission, or possible Senate amendments pushing labour standards and Taiwan's secu-

rency.

Tennessee Republican Sen. Fred Thompson and New Jersey Democrat Robert Torricelli on Thursday introduced legislation that would combat weapons proliferation by China.

Meanwhile, Senate Foreign Relations Committee Chairman Jesse Helms, one of Clinton's harshest critics, promised to put up a fight as the trade bill advances.

China preparing for foreign competition

AP says from Beijing: China's chief trade negotiator urged state industry leaders to prepare for the foreign competition World Trade Organisation membership will bring, but said change should come gradually, state media reported Friday.

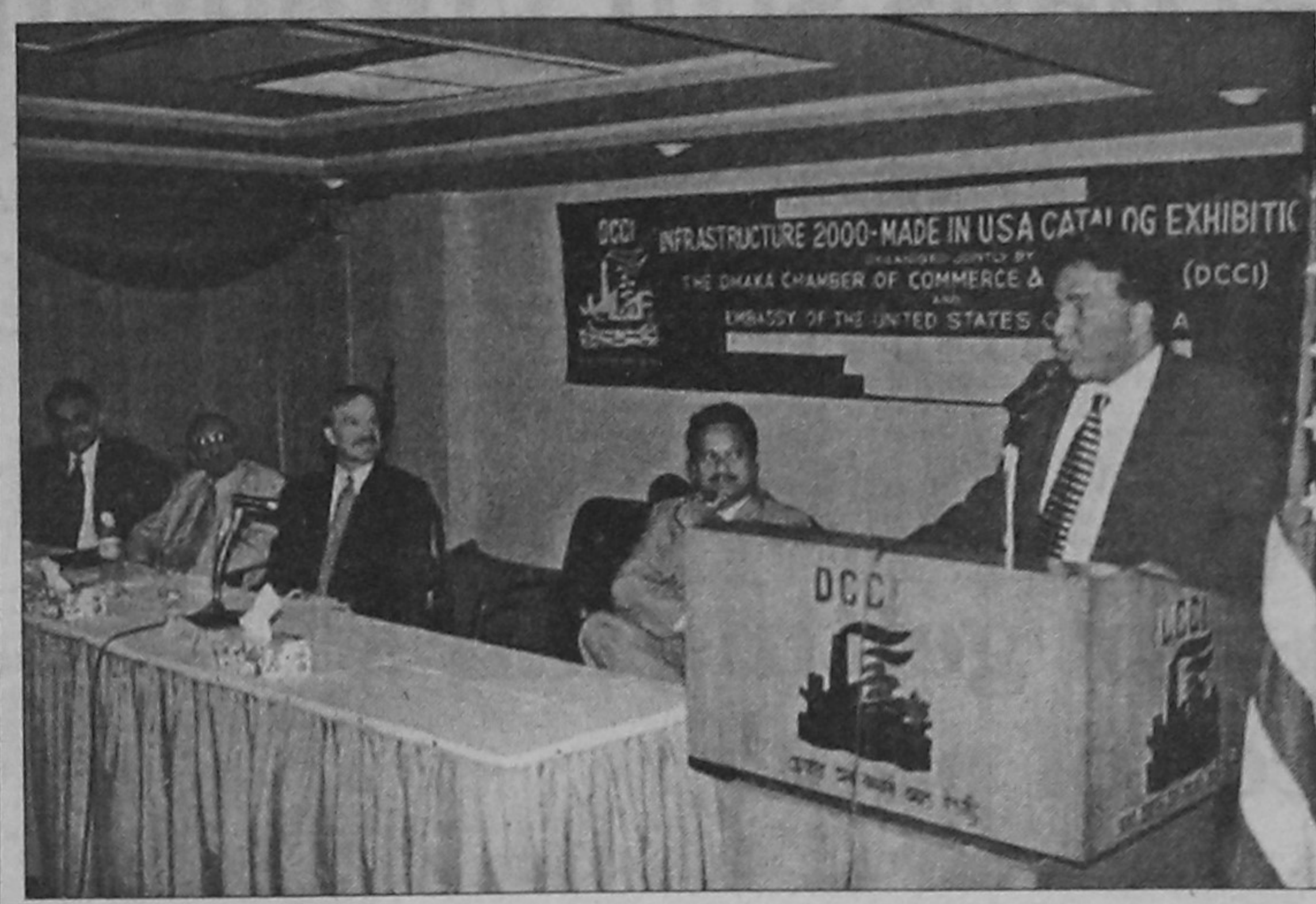
Long Yongtu's remarks, made at a forum Thursday, marked the latest phase in the Chinese government's efforts to sell the benefits of WTO to wary

executives in the struggling state sector and to the politicians and bureaucrats who support them.

The Thursday forum came hours after the US Congress voted to enhance China's trade status, boosting Chinese chances of joining WTO this year. China's Foreign Ministry said Thursday that Beijing would accelerate the remaining negotiations to join world trade's rule-making body. Entry could come later this year.

Long, who has led China's WTO negotiations, cited domestic companies' disadvantages in global economy: excess capacity, outdated equipment, poor management and too much government interference. He told the business leaders that they must change their ways if they hope to survive.

"The status quo should be broken to make the service sector a real competitor," the official China Daily newspaper quoted Long as saying.



President of the Dhaka Chamber of Commerce and Industry (DCCI) Aftab ul Islam addresses the concluding ceremony of the 2-day "Infrastructure 2000 - Made in USA Catalog Exhibition" at the DCCI auditorium on Wednesday. Former DCCI President R Maksud Khan, Economic and Political Councilor of the US Embassy in Dhaka Dan Mozena were also present on the occasion. — DCCI photo

US Catalog Show ends at DCCI

The two day 'Infrastructure 2000—Made in USA Catalog Exhibition' came to a successful end on Wednesday, says a press release.

The show was attended by more than 1,000 visitors and more than 200 gave requisition for agency/dealership/joint venture.

The closing ceremony was attended by Dan Mozena, Counselor for Commercial, Political and Economic Affairs, US Embassy, Aftab ul Islam, President of DCCI, Rashed Maksud Khan, former President, DCCI, Pushpinder Dhillon, Economic Commercial Officer of the US Embassy.

Dan Mozena termed the catalog show very successful and hoped that it would bring new businesses and new investment for Bangladesh.

Aftab ul Islam lauded the role of the US Embassy in bringing investors for Bangladesh.

The show exhibited catalogs of 93 US companies engaged in infrastructure sectors like air conditioning and refrigeration, building and construction materials, computers and peripherals, electrical power generation, franchising, medical equipment and supplies and telecommunications.

Reckitt & Colman declares Tk 3.5 dividend

Star Business Report

Reckitt & Colman has declared a dividend of Tk 3.50 per share of Tk 10 cash for its shareholders for the year 1999.

The dividend was announced at the 39th annual general meeting of the company held in Chittagong on Thursday, says a press release.

Chairman and Managing Director of the company, Abdul Haque, presided over the meeting.

During the year the turnover of the company grew by 9 per cent while its profit before tax and profit after tax clocked a growth of 14 and 20 per cent respectively.

The company has improved its working capital position and also generated substantial cash flow. The achievements were possible due to strong performance of the core products.

In 1999, Reckitt and Colman Plc, majority shareholder of Reckitt & Colman Bangladesh Limited, merged with Benckiser NV, a company based in the Netherlands. The merger took place on the 3rd of December, 1999, and a new company named 'Reckitt Benckiser Plc' was formed, which became the world's largest household cleaning company (excluding laundry detergents).

For the year 2000, the company has set challenging target in the area of turnover, profit and working capital.

It has invested substantially in marketing towards building its brands and in market research to get consumer feedback on its products and services.

GDP glitch may ruin Japan's FY 99 growth target

Miyazawa tells news confce

TOKYO, May 26: An embarrassing revision to Japan's official statistics may put even the government's meagre growth forecast for the just-ended fiscal year out of reach, Finance Minister Kiichi Miyazawa said today, reports Reuters.

Miyazawa, who as recently as last weekend was confident gross domestic product would hit the official forecast of 0.6 per cent growth for the year to March, was forced to backtrack after the government said it would replace some unfavourable bits it had earlier omitted.

Asked if this meant the GDP target would be difficult, Miyazawa told a regular news conference: "Maybe."

A more upbeat trade minister, Takashi Fukaya, however, said it remained possible to hit the full-year target because January-March data so far appear quite strong.

Miyazawa firmly rejected suggestions in a New York Times report, which first brought attention to the GDP data gap, that the statistical tinkering was political.

"I'm sure there was absolutely no political discretion exercised," he said. "That would be virtually unthinkable."

The Economic Planning Agency, in releasing revised October-December GDP data last month, did not follow usual

JS body calls for making BTMC profitable

The Parliamentary Standing Committee on the Ministry of Textiles Thursday stressed the need for steps to make the Bangladesh Textiles Mills Corporation (BTMC) a profitable one, says BSS.

The meeting also recommended effective steps to protect the interest of the weavers by reducing interest on their loans and issuing fresh credits.

Presided over by Chairman of the Standing Committee, Shamsur Rahman Sharif, the meeting was attended by Committee members Begum Monnujan Sufian, Ali Reza Raju, Mohammad Fazul Azim and ANM Ehsanul Haq.

Procedure by updating the component for financial institutions' capital spending, which was far worse than the original estimate.

The agency said it could not explain the unprecedentedly big discrepancy — a three per cent decline revised to a 37.7 per cent drop — and did not want to include it until it could confirm the new data.

The agency on Thursday said it had now confirmed the big drop and would include it in releasing January-march and fiscal 1999/2000 GDP data around June 10. The change will pull October-December GDP down 0.2 percentage point to a fall of 1.6 per cent from the previous quarter.

It also means GDP must climb 2.4 per cent in January-March to hit the full-year target, a steeper climb than the originally estimated 2.0 per cent.

Led by a corporate-sector recovery, Japan is struggling to break a two-year downturn to pull out of its worst postwar slump, but personal consumption — the bulk of the economy — remains stubbornly weak amid corporate restructuring and record high unemployment.

Miyazawa blamed still-limp consumer activity for a record string of falls in consumer prices reported earlier on Friday by the EPA.

Tokyo area consumer prices fell 0.9 per cent in May from a year earlier — a record ninth straight decline — but were unchanged from April.

Similar, nationwide consumer prices, which lag the Tokyo data by a month, fell 0.8 per cent in April from a year earlier, a record eighth drop, but they rose 0.2 per cent from March.

As a trend, prices continue to move in a stable manner," the official said.

IMF should concentrate on financial issues: Koehler

WASHINGTON, May 26: The new head of the International Monetary Fund yesterday suggested a more tightly defined role for the global lender and said it should concentrate on monetary and financial issues, reports Reuters.

In a subtle pull back from his predecessor's drive to push the IMF toward poverty alleviation, Managing Director Horst Koehler said he would be looking for separate roles for the IMF and the World Bank, both set up to rebuild a tattered world financial system after world War Two.

"The World Bank and the IMF can and must work very closely together, but there must be a clear division of labour where each side knows which its core responsibilities are," Koehler said after his first Washington news conference since taking office on May 1.

"The core responsibility, the core expertise, of the IMF is clearly in the financial field — monetary issues, exchange rate issues and everything else linked to the financial sector, and I will put a lot of stress on building up a dialogue with the private financial sector," he told reporters in German.

"We won't find a solution which improves things in a lasting way if we do not use the potential of private capital markets for boosting growth in developed countries and for boosting growth and fighting poverty in developing countries."

Koehler's comments in German expanded on the very broad outlines presented at the news conference, although he gave few details of his plans for reform the much criticised IMF.

He took a different slant from the parting messages from his predecessor. Michel Camdessus, who had urged the IMF to "listen to the voices of the poor."

Koehler, a one-time German finance ministry official, joined the IMF after a bruising international battle over who would succeed Camdessus.

He said he was also talking to community groups in his "listening tours" of borrowing countries — his first trip took in major economies in Latin America earlier this month and the second, due next week, will include five countries in Asia.

But Koehler also noted that government were anxious that opinions from "civil society" did not undermine the legitimacy of democratically elected institutions.

He also planned to meet economist Allan Meltzer, who earlier this year put out a fiercely critical report on the IMF and the World Bank. But IMF officials said it would be up to the US Treasury to deliver a formal response to the proposals, which have won supporters in Congress.

Treasury Secretary Lawrence Summers has accepted some of the Meltzer recommendations in

Honda maps out ambitious sales target

TOKYO, May 26: Honda Motor Co, Japan's second largest automaker, announced today an ambitious sales target of 16 million units for its complete product line in the business year ending on March 31, 2004, reports Reuter.

Honda also said it scored record annual sales of 11 million units, which include motorcycles, automobiles and power products such as engines, in the business year just ended and aimed for sales of seven trillion yen (\$65 billion) in 2003/4, up from 6.1 trillion yen last year.

The ambitious sales plan is in marked contrast to a gloomy earnings outlook issued by Honda last week, which shocked analysts and sent its share price sliding.

Honda shares ended morning trade in Tokyo down 5.63 per cent at 3,690 yen. The sales forecast announcement came just before the midday break, and appeared to have little effect on the share price.

Motorcycle sales were forecast to reach seven million units in the 2003/4 business year, up 2.6 million from the year just ended. Automobile sales were targeted at three million units, up 500,000, while power product sales were forecast to rise 50 per cent to six million units.

Honda said the biggest increase in its motorcycle sales would be achieved in Asia and other newly industrialised countries.

Oil prices up amid fears of US gasoline crunch

LONDON, May 26: Robust oil prices climbed higher yesterday amid renewed fears of a gasoline supply crunch this summer in the United States, the world's largest consumer, reports Reuters.

London July futures for Brent traded 57 cents higher to \$29.18 per barrel, the first close above \$29 since March 9.

July US light crude on the New York Mercantile Exchange also gained 57 cents to \$30.50.

For the United States, the world's biggest oil consumer, US crude oil at \$30 is a red rag to a bull.

But Energy Secretary Bill Richardson's subtle urging of OPEC to keep an open mind about hoisting supplies has failed to sway the oil cartel.

An informed Gulf source said on Thursday that OPEC oil producers were certain to keep production limits unchanged when they met in Vienna on June 21.

"In June for sure we will not change anything," the Gulf source said.

But if the 20-day average for a basket of OPEC crudes strays beyond the top end of a \$22-\$28 a barrel range, then 500,000 barrels per day of extra OPEC supply would automatically be released, he added.

On Tuesday, the 20-day average stood at \$26.10.

Richardson repeated on Wednesday that Washington found \$10 a barrel for oil too cheap and \$30 too dear. He is due to meet Qatar's oil minister, possibly this week, to discuss oil market conditions.

Crude oil prices sped more than 81 a barrel higher on Wednesday amid concerns of tight supplies of US summer grade gasoline.

Latest data from the American Petroleum Institute (API) released on Tuesday showed weekly stocks of reformulated gasoline down by nearly two million barrels.

Ahead of the launch of ultra-clean phase two reformulated gasoline (RFG 2) on June 1 for around a third of US motorists, the data perpetuated supply worries which had pushed US retail gasoline prices towards their highest levels on record.

A potential supply crunch prompted the US Environmental Protection Agency (EPA) recently to grant a temporary waiver to St Louis, Missouri, for RFG 2.

RECKITT & COLMAN
BANGLADESH

25TH MAY 2000
HOTEL AGRABAD, CHITTAGONG

Picture shows the 39th annual general meeting of Reckitt and Colman held at Chittagong Thursday. — Reckitt & Colman photo

US economic momentum fuels interest rate hike fears

WASHINGTON, May 26: The US economy sped ahead at a brisk 5.4 per cent annual rate in the first three months of this year, the government reported yesterday, confirming fears of further official interest-rate rises to slow it, says Reuters.

Analysts had expected a slight downward revision in first-quarter performance that was only moderately less robust than the fourth quarter's sizzling 7.3 per cent gross domestic product expansion, but Commerce left its initial estimate of total goods and services output unchanged.

With the Federal Reserve seeking a slowdown to keep inflation risks muted, the GDP report only heightened expectations that the US central bank will carry on a campaign of rate rises that has seen interest rates increased six times since last June.

"No surprise. It just tells you that the economy is growing a good clip and that the Fed is going to have to continue to raise rates," said economist Larry Rice of Josephthal, Lyon and Ross.

The economy now is in a 10th year of steady growth since

the last recession in 1990-91, so Fed policymakers fear that a shrinking supply of job seekers and torrid consumer spending may unleash inflationary wage and price rises that could bring the expansion to an end.

There were bare hints in two separate reports that costlier credit might soon start to take a toll on the economy's momentum but nothing to change the picture of an economy that still running in overdrive.

The National Association of Realtors said April sales of previously owned homes fell 6.2 per cent to an annual rate of 4.88 million as rising mortgage rates made it harder for buyers to qualify for loans. But that was from an upwardly revised 5.2 million a year in March, previously reported as a 4.83-million-a-year sales rate.

A third report from the Labour Department showed new applications for jobless pay climbed by 6,000 last week to 284,000.

But a four-week moving average of claims, which iron out fluctuations, edged up by just 500 to 291,000 — the 31st week it remained below 300,000 in a

clear signal of thriving job markets that make Fed policymakers nervous.

With GDP expected to moderate only to around a 4 per cent annual rate in the second quarter, economists said the latest economic data was likely to encourage another rate rise when Fed policymakers next meet on June 27-28.

The rapid pace of economic activity put more after-tax profits into company ledgers. Profits in the first quarter climbed 4 per cent to a seasonally adjusted annual rate \$635 billion, the biggest quarterly advance in a year since a 7.4 per cent limb in the first quarter of 1999.

Even the government flagged the exceptionally strong rate of growth.

"The first quarter of 2000 was the third consecutive quarter in which real GDP growth was substantially higher than its 3.6 per cent average rate of growth over the current economic expansion," Commerce said. The Fed would like to see growth in an even lower range nearer 3 per cent to keep a damper on prices.

Government of the People's Republic of Bangladesh

Office of the Executive Engineer, R&H
Narayanganj Road Division
Shimrail, Narayanganj

R&H Tender Invitation Notice

1. Tender notice number	122/Narayanganj Road Division year 1999-2000.
2. Name of work	Work of construction of diversion Bailey bridge above an abutment made of brick of 18.28 metre span and 4.88m height on Che 4450m to Che 4480 metres on the 5th km of Madonpur-Nayapur Bazar-Bhulta-Debrgram Road (Nayapur Bazar-Bhulta Part) under Narayanganj Road Division during 1999-2000 fiscal year.
3. Estimated cost	Taka 8,58,122/-
4. Earnest money	Taka 17,163/- in the form of Bank Draft/Treasury Chalan/Protirakkha Sanchaya Patra/5-year term Bangladesh Sanchaya Patra and Bonus Sanchaya Patra from any scheduled bank in favour of the undersigned. 35 (thirty-five) days from the date of issue of work order.
5. Time allowed for work	'A' to 'D' special class.
6. Eligibility of contractor	Executive Engineer (R&H), Road Division, Dhaka/(Manikganj/Munshiganj/Gazipur/Narsingdi/Narayanganj/Bridge Design Division-1 (Eastern Zone), Bridge Zone, Sarak Bhaban, Ramna, Dhaka/Planning & Design Division, Dhaka Zone, Sarak Bhaban, Dhaka and Sub-Divisional Engineer, R&H Vitikandi/Narayanganj Road Sub-Division.
7. Offices where tenders will be available	Superintending Engineer, R&H, Dhaka Road Circle, Dhaka/Planning, Monitoring and Evaluation Circle, Dhaka Zone, Sarak Bhaban, Dhaka/Monitoring and Evaluation Circle (P&D), Sarak Bhaban, Dhaka and Executive Engineer (R&H), Narayanganj Road Division, 31-5-2000 till office hours.
8. Offices where tenders will be received	1-6-2000 at 12-30 PM.
9. Last date and time of selling tender	5-6-2000 at 1:00 PM, Executive Engineer, R&H, Narayanganj Road Division.
10. Date and time of opening tender	6-6-2000 at 1:00 PM.
11. Date and time of lottery	266-Development.
12. Head of expenditure	Superintending Engineer (R&H), Dhaka Road Circle, Dhaka.
13. Estimate approving official	Taka 500/- per set (non-refundable). Mentionable that the tender for the said work has been invited subject to the approval of the estimate for the work and the approved rate and the estimated cost will be treated as final.
14. Cost of tender	

Md Abdul Muktedir
Executive Engineer, R&H
Narayanganj Road Division

DFP-12590-22/5
G-1006

Office of the Project Director

1000 Wireless Set Procurement Project
Ministry of Disaster Management and Relief
Bhaban-4, Room No. 206
Bangladesh Secretariat, Dhaka

Memo No: MDMR-PC-AC-1/12-99 (Part-1)/892 Dated: 16.05.2000

Local Tender Notice (Second Call)

- Local tender is invited in two envelope to procure 100 Wireless Sets of modern technology with built-in Telephone, Fax, Computer & E-Mail connection facilities under the project "Procurement of 1000 Wireless Sets for the cyclone affected and other areas of the country of the Ministry of Disaster Management and Relief.
- The tender document can be procured from the office of the undersigned (Room-206/A, Bhaban-4, Bangladesh Secretariat) at a price of Tk. 5500/- (non-refundable) for each set during the office hours up to 21.06.2000. The tender will be dropped on 22.06.2000 at 12.00 Noon in the tender box kept in front of Room No. 225, Building-4, Bangladesh Secretariat. Technical proposal will be opened on the same day at 2:10 PM in presence of the tenderers/bidders (those who remain present at the time of opening). No tender document will be sold on the day (22.06.2000) of dropping/opening of the tender.
- After procuring the tender document if there is any queries on the terms and conditions of the tender document or specification then clarification may be obtained from the undersigned on 14.06.2000 at 2:00 PM. The prospective tenderers/bidders need to come to the Conference Room, (Room-225, Building-4, Bangladesh Sectt), of this Ministry for getting required clarification.
- Matters relating to specification, general instruction performance bond etc. are given in details in the tender schedule. The bidding will be in two envelope system.
- The tenderers must be the manufacturer or the sole agent of the manufacturer of the Wireless Set.
- The authority reserves the right to accept or reject any or all tender dropped partially or wholly without assigning any reason whatsoever to anybody.
- Those who purchased tender earlier need not to purchase it again.
- This advertisement can be used to get gate pass for entry into the Secretariat or the undersigned may be contacted telephone for gate pass.

Zafar Ullah
Project Director

DFP-12708-23/5
G-1008
Ph. 8617380,8610030