

India needs to lure more foreign investment to boost growth

IMF finds fiscal gap unsustainable

NEW DELHI, June 7: India's fiscal deficit is unsustainable and the country needs to attract more foreign direct investment in order to boost growth, the International Monetary Fund's new managing director said yesterday, reports Reuters.

"The fiscal situation today is not sustainable," Horst Koehler warned at a news conference, adding that current deficit levels were a matter for concern.

"Both the central (federal) and state governments need to contain their deficits. There is a need to reduce budget deficits of Indian public administration."

The fiscal deficit of the federal government is estimated at 5.6 per cent of gross domestic product (GDP) in 1999/2000, up from 4.5 per cent a year earlier. The combined fiscal deficit of the state and federal govern-

ments in 1999/2000 was nine per cent of GDP.

Asked specifically what India needed to do further, he said: "Fiscal consolidation in the short term and secondly the country should be opened more to competition and foreign direct investment."

Koehler, in India on a two-day visit, the last stop of a five-nation tour, said the country also needed to accelerate economic reforms to push economic growth onto a faster track.

"India has already achieved a lot but this is not enough."

But, he added: "I am totally convinced that this government will continue with necessary (economic) reforms."

Indian GDP grew 5.9 per cent in 1999/2000. The government has set a target of 7.0 per cent

growth in 2000/01, which it wants to further accelerate in the years ahead.

"The minister said that the objective of the government is to achieve 8-10 per cent growth in the medium term," he said, referring to discussions held in the morning with Finance Minister Yashwant Sinha.

Koehler said higher growth is necessary if the aspirations of the huge population — which crossed the one billion mark in May — are to be met.

"This (the growth objective) is ambitious but possible. It is doable if there is acceleration of the reform process," he said.

India started an ambitious economic reform programme in 1991 when it faced a severe balance of payments crisis.

The fragility of the country's external sector has improved

since then.

Total external debt has fallen to 22.3 per cent of GDP at end-December 1999 from 30.4 at end-March 1991 and the debt service ratio has improved to 18.2 per cent of current receipts from 35.3 in the same period.

Other notable achievements of the reforms programme include the opening up of the state-run monopoly insurance sector to private and foreign competition and the introduction of international capital adequacy and bad debt norms for banks.

The government has also started diluting its stake in state-run banks and since last year has embarked on an ambitious privatisation plan. Last month, it said it would sell 60 per cent in Air-India, the country's international carrier.



Hamidul Huq, Additional Managing Director of United Commercial Bank Ltd (UCBL), addresses as chief guest the certificate awarding ceremony of a course on "Banking Laws and Practices" at UCBL Training Institute. A H M Nurul Islam Choudhuri, Principal of the institute, is also seen. — UCBL photo

Survey boosts hopes for Japanese growth

TOKYO, June 7: Japanese companies showed a strong willingness to spend on new plant and equipment in January-March, bolstering expectations that the economy snapped out of a half-year slide with a strong spurt of growth in the quarter, reports Reuters.

The Ministry of Finance said in a closely watched survey today that firms boosted capital spending by 3.3 per cent from a year earlier, dwarfing forecasts and indicating a hefty bounce for the second-biggest component of gross domestic product.

It was the first rise in nine quarters and beat forecasts ranging from a fall of 1.6 per cent to a rise of 0.75 per cent.

Economists said this will translate into a healthy quarter-on-quarter capital spending climb in January-March GDP, to be announced on Friday.

Japan has been crawling out of its worst postwar skid, propelled by rising profits, industrial output and capital spending to feed hungry overseas markets and a domestic information technology boom.

But the improvement remains constrained by weak

personal spending — comprising three-fifths of GDP — as near-record unemployment, corporate cost-cutting and gnawing worries about future pension payouts keep households on the defensive.

HSBC's Morgan said the jury will be out on a rebound in personal incomes and, thus, consumption until second-quarter data is released. "But obviously if corporate profits are going up, that should have a positive impact on bonuses and output should have a positive impact on incomes, too."

The surveys also found quarterly profits climbing 38.7 per cent from a year earlier, with firms expecting them to rise 18.8 per cent in the fiscal year that began in April.

The data bolstered the government's assessment that the world's second-biggest economy "continues to recover gradually" — a ministry official. Economists had expected January-March GDP to just manage the two per cent quarter-on-quarter growth needed to hit the government's official target of 0.6 per cent growth for the full fiscal year.

Oil prices stabilise after attack of OPEC jitters

LONDON, June 7: World oil markets recovered some of their poise yesterday after conflicting policy statements by dominant OPEC power Saudi Arabia scared prices lower on Monday, reports Reuters.

July Brent Blend crude ended 2 cents firmer at \$28.59 a barrel after sliding 68 cents on Monday.

Traders were sifting through a continuing slew of statements by OPEC officials signalling the cartel may be ready to contemplate an output hike at a policy-making meeting on June 21.

Dealers want to know if the Organisation of the Petroleum Exporting Countries will make good on an informal pact to lift output by 500,000 barrels per day if prices continue to rise.

OPEC President Ali Rodriguez said there were no plans to delay an increase if the sta-

bility pact's trigger is reached — something analysts say could happen as early as Wednesday.

Rodriguez has said the trigger will activate when the 20-day average of a basket of OPEC crudes rises above \$28 a barrel.

Asked if there was a likelihood of delaying the production hike due to differences within OPEC, Rodriguez told reporters: "that is not planned, but obviously I am in constant communication with other ministers and any recommendations they make will be taken into account."

The average for the OPEC basket for the last 20 days to Monday stood at \$27.90 a barrel.

Saudi Oil Minister Ali al-Naimi on Monday signalled the stability pact needed more preparation before it could be used — but he also later said

Japanese capital investment up for first time in two years

TOKYO, June 7: Capital investment spending by Japanese corporations rose 3.3 per cent in the January-March quarter on-year, the first increase in more than two years, a government survey showed Wednesday, reports AP.

The Ministry of Finance quarterly report also said that corporate current profits rose a robust 38.7 per cent during the January-March period compared with a year earlier — a good sign for an economy struggling to break out of its longest slump in 50 years.

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Directorate General Defence Purchase
Ministry of Defence
New Airport Road, Tejgaon, Dhaka-1215

Re-Tender Notice

1. Sealed tenders in local currency are invited from bona-fide Manufacturers/Dealers/Suppliers (For enlisted firm only) for evaluation of the following item for Bangladesh Army.

Ser No.	Nomenclature	Date of selling	Date of opening	Currency	Tender No
1.	Various type of Teleprinter Paper page (without carbon) Qty=03 line items	11-6-2000	11-7-2000	12-7-2000	Local currency 214/894/P-2

2. Tender schedule with detailed specifications/conditions will be available on payment as per I/T selling rate (non-refundable) during office hours between 0800 hours to 1300 hours. The tender can be dropped latest by 1000 hrs and opened at 1005 hours on the specified date of opening in presence of all tenderers (if present).

ISPR/Misc/2000/493
DPP-14027-4/6
G-1098

Major
For Director General

RHD Notice Inviting Tender

- Tender notice : T-123/99-2000 P&S Divn Dhaka.
 - Name of work : Supply of spare parts for JM Road Roller for different road division. Under RHD, Procurement & Storage Division, Tejgaon, Dhaka. Charge to T&R during the year, 1999-2000.
 - Estimated cost : As per schedule.
 - Earnest money : Tk 2% of the estimated cost.
 - Time allowed for completion of work : 15 (fifteen) days from the date of issue of work order.
 - Category of contractor : AB&C class contractor under RHD, 'D' class enlisted contractor Equipment Control & Procurement Circle, Dhaka & 'E' class enlisted contractor of this division. According to financial capacity.
 - Tender documents : Executive Engineer, RHD, Procurement & Storage Division, Tejgaon, Dhaka/Executive Engineer, RHD, Equipment Control Division, Tejgaon, Dhaka.
&
Sub-Divisional Engineer, RHD, Procurement & Storage Sub-Division, Tejgaon, Dhaka on all working days.
 - Tender document : 1. Superintending Engineer, RHD, Equipment Control & Procurement Circle, Dhaka.
2. Executive Engineer, RHD, Procurement & Storage Division, Tejgaon, Dhaka.
 - Tender document : will be sold up to 18-6-2000.
 - Closing time & date of tender : 19-6-2000 at 12:00 Noon.
 - Date & time of opening tender : 19-6-2000 at 12:01 PM.
 - Lottery date & time of tender : 20-6-2000 at 1:30 PM.
- Executive Engineer, RHD**
Procurement & Storage Division
Tejgaon, Dhaka.
DPP-14037-4/6
G-1103

BCIC International Tender Notice

বিসিআইসি'র পণ্য শিল্পায়নে জাতীয় অগ্রগতির প্রতীক

The Managing Director, Zia Fertilizer Company Limited (ZFCL), Ashuganj, Brahmanbaria-3403 invites sealed quotation in two envelope system for supply of 1000 Kgs ETHYLENE GLYCOL against Tender Enquiry No. ZFCL/OS-2172 on C&F (C) Chittagong basis. Tender documents will be available from the office of (1) BCIC, 30-31, Dilkusha C/A., Dhaka, (2) BCIC Branch Office, 6, Agrabad C/A., Chittagong and (3) ZFCL on cash payment of Tk. 400/-. Tender shall be dropped in the tender box kept in the office of the General Manager (Commercial), ZFCL up to 2.30 PM on 5-7-2000. Quotations will be opened immediately after closing. No tender document will be sold on the opening date. ZFCL reserves the right to accept/reject any or all the tenders without assigning any reason whatsoever.

BCIC-439-29/5/2000
DPP-13905-4/6
G-1100

General Manager (Commercial)
Zia Fertilizer Company Limited

BCIC International Tender Notice

বিসিআইসি'র পণ্য শিল্পায়নে জাতীয় অগ্রগতির প্রতীক

Managing Director, Khulna Newsprint Mills Ltd., Town Khalishpur, Khulna invites sealed quotation under 2 (two) envelope system against International Tender Enquiry No. KNM/PD(F)-09/2000 Dated: 15-05-2000 for Purchase of Steel Wire Rope on C&F (C) Mongla liner term basis under CASH FOREIGN EXCHANGE. The quotation will be received within 11.00 AM on 03-07-2000 in the office of the Sr. General Manager (Purchase), BCIC, Dhaka, Dy Police Commissioner (North), Khulna and Addl Chief Manager (Purchase), KNM Ltd., Khulna which shall be opened immediately thereafter. Tender documents shall be available on payment of Tk. 50.00 (fifty) per set (non-refundable) from 1) KNM Ltd., Khulna 2) BCIC, 30-31, Dilkusha C/A., Dhaka & 3) BCIC Branch Office, 6, Agrabad C/A., Chittagong. Earnest money is Tk. 1% of the total quoted C&F (C) value. No tender documents shall be sold on the date of opening. The authority reserves the right to accept or reject any or all bids without assigning any reason thereof.

BCIC-437-29/5/2000
DPP-13905-4/6
G-1102

Addl. Chief Manager (Purchase)
For Managing Director

Bangladesh Power Development Board

রাত ১১টা থেকে ভোর ৬টার মধ্যে সেচ পাম্প চালান

Tender Notice

- Name of work : Rehabilitation of 160 three phase & 2552 single-phase meters & service connections and installation of poles for electric connections at more than 100 ft distance & drawing LT line under BSCIC feeder sourced from Baraikandi 33/11 KV sub-station in Sylhet town under 2nd phase of 18-Town Electric Supply Construction Division-7, PDB, Sylhet.
 - Estimated cost : Tk. 16,94,877/50 only.
 - Tender to be had at : (A) Project Director, 18-Town Electric Supply Project, PDB, Dhaka.
(B) Superintending Engineer, Operation & Maintenance Circle, PDB, Sylhet.
(C) Divisional Commissioner, Sylhet Division, Sylhet.
(D) Rupali Bank, Rekabi Bazar Branch, Sylhet, on permission of the undersigned.
 - Price of purchasing tender : Tk 1,700/- only (non-refundable) per set to be deposited at Rupali Bank, Rekabi Bazar Branch, Sylhet in SND-15.
 - Amount of earnest money : Earnest money at the rate 2.50% (two point five zero per cent) of quoted amount should be deposited with tender through Bank Draft/Pay Order from any scheduled bank in favour of Project Director, 18-Town Electric Supply Project, PDB, Dhaka.
 - Eligibility of tenderer : Up to current year renewed electrical licence holder 18-Town Project's pre-qualified 'A' class contractor having VAT & Income Tax clearance certificate for the last financial year. 25-6-2000.
 - Last date of purchasing tender : 26-6-2000 up to 12:30 PM.
 - Tender to be submitted at : (A) Project Director's Office, 18-Town Electric Supply Project, PDB, Dhaka.
(B) Office of Superintending Engineer, Operation & Maintenance Circle, PDB, Sylhet.
(C) Office of the Divisional Commissioner, Sylhet Division, Sylhet.
(D) Office of the undersigned, PDB, Sheikhghat, Sylhet.
 - Date & time of submitting tender : 26-6-2000 up to 12:30 PM.
 - Date & time of opening tender : 26-6-2000 at 1:00 PM.
- Executive Engineer**
18-Town Electric Supply
Construction Division-7,
PDB, Sheikhghat, Sylhet.
Biddut-Jana:2242(5)/99-2000
DPP-13956-4/6
G-1105

Exchange Rates

Following are yesterday's Standard Chartered Bank rates of major foreign currencies against Taka:
Central Bank USD/BDT Rate: Buying-BDT50.85/Selling-BDT51.15

TT/OD	BC	Currency	TT Clean	OD Sight	OD Transfer
51.2800	51.3100	USD	50.9050	50.7363	50.6477
0.4844	0.4847	JPY	0.4671	0.4656	0.4648
31.0487	31.0668	CHF	30.3620	30.2614	30.1546
30.2662	30.2839	SGD	29.1669	29.0702	29.0195
34.978	34.9952	CAD	34.1369	34.0238	33.8962
5.8395	5.8429	SEK	5.7399	5.7209	5.7090
30.7424	30.7603	AUD	27.9468	27.8542	27.6536
13.6401	13.6481	MYR	13.2548	13.2109	13.1775
6.6151	6.6189	HKD	6.4980	6.4764	6.4626
13.7835	13.7915	SAR	13.4644	13.4198	13.3858
14.0771	14.0853	AED	13.7440	13.6984	13.6635
0.0462	0.0462	KRW	0.0454	0.0452	0.0451
78.3917	78.4376	GBP	76.7647	76.5103	76.2248
49.0442	49.0729	EUR	47.1075	46.9514	46.8694

Usance export bills

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
50.8001	50.4866	50.0682	49.5870	49.0641	47.8925

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Thai Baht	Mal. Ringgit	Indo. Rupiah	Sing. Dollar
44.54/44.59	51.75/52.10	39.12/39.15	3.7995/05	8605/8625	0.4590/0.4600

US dollar

Buying	Selling	1 Month	3 Months	6 Months	2 Months
50.7550	51.3100	USD 6.64125	6.94	7.0625	7.45
50.6550	51.2900	GBP 6.11813	6.26125	6.41703	6.60094

Market commentary
On Wednesday the interbank foreign exchange market was active and the demand for dollar stabilised a little. The high dollar demand mainly prevailed because of increased import pressure. Call money market is still maintaining its upward trend and call rate ranged between 10.5 and 11.5 per cent.

In the international markets, euro held firm on Wednesday eyeing seven week highs it set against dollar amid mounting expectations that the US and Eurozone interest rate differential would narrow rather than widening in coming months. Meanwhile, Swiss franc was tracking the buoyant euro and hitting seven-week peaks against dollar. In other places, yen was holding steady against dollar and euro, underpinned by capital market spending data by the Finance Ministry on Wednesday, which raised expectations of strong first quarter economic growth.

Shipping Intelligence

Chittagong Port
Berth position and performance of vessels as on 7.6.2000

Berth No.	Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival	Leaving
J/1	Lady Hind	Wheat (P)	Gang	Angelic	5/5	9/6
J/2	Al Shams	C Clink	Pada	NWSL	4/6	13/6
J/4	Handy Humanity	Wheat (P)	Darb	Total	28/1	10/6
J/5	Larak	Sugar (G)	Bang	SBS	2/6	13/6
J/6	Arktis Crystal	Oil (Copro)	Sing	Litmond	29/5	9/6
J/7	A.A. venture	Oil (Log)	Yang	Cla	25/5	9/6
J/8	Jin Hong Hal	Wheat (P)	P Said	OWSL	7/5	16/6
J/9	Yong Jiang	Oil	S Hal	BDSHP	1/6	11/6
J/10	Osg Argosy	Cont	Col	Everest	26/5	7/6
J/11	Kota Sanga	Cont	Sing	Pil (BD)	31/5	8/6
J/12	Petrina	Wheat (P)	Alba	MSA	22/5	12/6
J/13	Green Island	Oil (P)	Sing	Royal	7/5	12/6
CCT/1	Tiger River	Cont	Sing	Nol	26/5	7/6
CCT/2	Xpress Makalu	Cont	Sing	RSL	27/5	7/6
CCT/3	Qe Teal	Cont	P Kel	QCSL	30/5	7/6
RM/14	Ocean Pride	Cement	Uzan	PSAL	12/5	11/6
RM/15	Ocean Prayer	C Clink	Pada	PSAL	12/5	8/6
CCJ	Allegro	C Clink	Krabi	RML	4/6	10/6
GSJ	Fortuna Australia	Wheat (G)	Aust	SSST	29/5	9/6
RM/3	Rosa-T	CDSO	Loren	Sealfit	25/5	8/6
RM/5	Undok-1	Cement	Sing	SBS	22/5	13/6
DOJ	Banglar Jyotir	Repair	Sing	BSC	R/A	7/6
DD	Banglar Moni	Repair	Sing	BSC	R/A	7/6
DDJ	Banglar Shikha	Repair	Sing	BSC	17/4	12/6
CUJL	Mary Nour	Cement	Lank	BSC	29/5	10/6
Kato(U)	Torm Pacific	Urea	Pena	QI	26/5	7/6

Vessels due at outer anchorage					
Name of Vessels	Date of Arrival	Last Port Call	Local Agent	Cargo	Loading Port
Shun An	7/5	Yang	RML	Gl	-
Arabella (Cont) 28/5	7/6	P Kel	QCSL	Cont	Sing
Banga Biraj	7/6	P Kel	BDShip	Cont	Sing
Tug Sumatras	7/6	Sing	ARL	-	-
Areopolis	8/6	Tuba	MBL	C Clink	-
Banglar Doot	7/6	Pak	BSC	Rice	-
Apex	7/6	Hochi	Cindy	Rice	-
Esco Virgo	8/6	-	Prog	GI (Copro)	-
New Mariner	9/6	S Pore	Everett	Urea	-
Vladi	15/6	Pusa	Sinoben	-	-
Fua Kavenga	7/6	Sing	Allseas	GI (Copro)	-
Norbuk Oak	8/6	Pada	NWSL	C Clink	-
Kota Benjaya (Cont) 29/5	8/6	Sing	Pil (BD)	Cont	Sing
Pu Cheng	10/6	-	Prog	GI (Malze)	-
Banglar Robi	9/6	Sing	BSC	Cont	Sing
Ava	9/6	Yang	MTA	Malze	-
Jutha Parichart (Cont) 24/5	10/6	S Pore	RSL	Cont	-
QC Pintall (Cont) 28/5	10/6	S Pore	QCSL	Cont	Sing
Orient Independence (Cont) 31/5	10/6	P Kel	BDShip	Cont	Sing
Jaanli	10/6	Sing	Cross	Cont	Sing
Egasco Fortune	11/6	Const	BSL	Gl	-
B Birol (Cont) 31/5	11/6	P Kel	BDShip	Cont	Sing
Kapitan Petro Voivoda	12/6	Col	BBA	Gl	-
Banga Bijo	13/6	-	BDShip	Cont	Sing
Boxer Capt Cook	13/6	-	BDShip	Cont	Sing
Sin Hal	13/6	-	Pil	Cont	Sing
Kota Cahaya	15/6	Sing	Pil (BD)	Cont	Sing
Actuarlia	15/6	-	QCSL	Cont	Sing
Da Fa	17/6	Sing	RSL	Cont	Sing
Asian Leader	22/6	-	JF	Vehi	-