

# G7 squeezes China, warns of growth slowdown

AFP, Washington

The world's top finance leaders said Friday order was returning to financial markets but warned of lingering instability likely to dampen economic growth as they turned up the heat on China to ease its currency restrictions.

Representing Britain, Canada, France, Germany, Italy, Japan and the United States, Group of Seven ministers convened on the 20th anniversary of the Wall Street stock market crash, and US Treasury Secretary Henry Paulson said today's financial market upheavals were very much on their minds.

"The general feeling around the table was that there are some markets returning to normalcy as risk has been reassessed and repriced," Paulson told a news conference after the talks.

"In other markets, that reassessment will take longer."

While the global economy is now in the fifth year of "robust" momentum, "recent financial market turbulence, high oil prices, and weakness in the US housing sector will likely moderate this growth," the ministers and central bankers warned in a statement.

They noted that the functioning of financial markets was improving after having been rocked by a credit crisis, a byproduct of the meltdown in the US subprime -- or high-risk -- mortgage market.

The upbeat assessment however came with a note of caution.

"Strong global fundamentals and well-capitalized financial institutions provide a sound and resilient basis but uneven condi-

tions are likely to persist for some time and will require close monitoring," the ministers said.

The meeting in addition called for action to prevent future turmoil, stressing that market players had to police themselves.

"We expect market participants to address many of the shortcomings that were exposed by recent events," the statement said.

The United States has come under criticism for allowing loose lending practices to flourish in a climate of low interest rates, which fueled a years-long housing boom, speculation and the emergence of little-understood complex financial instruments backed by mortgages.

The real estate bubble burst last year, triggering loan defaults and foreclosures as well as a credit crunch that spread worldwide, roiling markets in August.

"Our response to recent financial turbulence must be based on full analysis of its causes," the G7 finance chiefs said.

The Group of Seven in its closely scrutinized final communiqué said it welcomed steps by China to increase the flexibility of its currency, the yuan.

But it added: "In view of its rising current account surplus and domestic inflation we stress its need to allow an accelerated appreciation of its effective exchange rate."

The United States and several of its trading partners have repeatedly urged China to adopt a more flexible currency regime,

contending that the Chinese yuan is being held artificially low and thereby giving Chinese exports an unfair advantage on world markets.

Earlier in the day the deputy governor of the Chinese central bank, Wu Xiaoling, insisted that Beijing was indeed moving to reform its exchange rate mechanism.

"Moving the exchange rates in the absence of economic restructuring policies will hurt China," Wu told a forum at the Peterson Institute of International Economics.

"Since China is one of the driving forces of the global economy, this will accordingly hurt the global economy. Therefore China's authorities decided to reform the foreign exchange regime in a controlled manner on its own initiative and in a gradual fashion."

China in 2005 ended the fixed peg of the yuan to the dollar by allowing it to float within a relatively narrow range but the move has failed to stem pressure from US and European officials for faster action.

The ministers had no mention in their final statement of the steadily eroding dollar, notably against the euro.

The greenback on Friday plunged to an historic low as they euro rose to a record 1.4319 dollars, largely on fears for the continued good health of the US economy in the face of surging oil prices.

But Paulson, repeating Washington's oft-stated conviction, declared: "I believe a strong dollar is in our nation's interest."

## Wall St marks crash anniversary with fresh tumble

AFP, New York

Wall Street shares took a dive Friday as fresh worries about the outlook for the economy and earnings heightened skittishness on the 20th anniversary of the New York market crash.

The Dow Jones Industrial Average plummeted 366.94 points (2.64 percent) to end at 13,522.02 and the tech-heavy Nasdaq sank 74.15 points (2.65 percent) to 2,725.16.

The broad-market Standard Poor's 500 index plummeted 39.45 points (2.56 percent) to 1,500.63.

The market rout came after several major companies, especially in the financial sector, reported soft earnings and suggested that profits would be hurt by economic conditions in the coming months.

"The stock market took it on the chin as this week's negative bias, continued credit/sub-prime concerns and a few more earnings disappointments applied the pressure," analysts at Briefing.com said in a note to clients.

"Whether it was merely a coincidence or a psychological factor for the market, today marked the 20th anniversary of the October 1987 crash when the Dow dropped 508 points."

Andy Brooks, head of trading at T. Rowe Price, said the slide was most likely an emotional reaction to the anniversary of "Black Monday," which saw the largest single-day point drop for the Dow.

## Indian shares fall 2.44pc on capital control fears

AFP, Mumbai

Indian share prices slid 2.44 percent in volatile trade on Friday as investors chose to unwind positions fearing capital flows on concerns over sharper flow controls, dealers said.

They said the markets could drop further until clarity emerges on a regulatory proposal to curb capital flows into India.

The benchmark Sensex index fell 438.41 points to close at 17,559.98, off the day's low of 17,226.18.

Trading was halted on Wednesday as indices plunged more than nine percent but recovered to close down 1.76 percent after officials moved to reassure investors.

"Investors' nerves are still rattled. We expect the markets to remain choppy on low volumes until clarity on the P-note proposal comes through," said a dealer with brokerage ULK Securities.

Capital goods, metal, banking and property stocks all suffered. The proposed regulatory change, issued late Tuesday, concerns participatory notes or P-notes, which allow overseas investors to gain exposure to Indian stocks anonymously.

Dealers said the expiry of the monthly derivatives contract next week is likely to cause a further sell-off.

## Vietnam Airlines in \$18.8m profit

AFP, Hanoi

State-owned Vietnam Airlines said Saturday that it had earned pretax profits of 18.8 million dollars in the first nine months of 2007, almost as much as the whole of last year.

The national flag carrier said it had earned more than 83 percent of its target for the whole of 2007. It did not compare its performance with the same period last year.

But the airline said in a statement that it had faced obstacles. "Despite the air transport market's growth of 17 percent year-on-year in the first nine months of the year, there remained a number of difficulties in the business environment," it said.

These included competition on international and domestic routes and higher fuel prices, it added. The carrier transported more than 5.8 million passengers between January and September, a year-on-year increase of 12.7 percent.

Some 3.4 million were Vietnamese and 2.3 million were foreigners, with the latter figure up by only one percent against the same period last year.

It also transported more than 82,400 tonnes of cargo. Vietnam Airlines, one of the most successful state-owned enterprises earmarked to be partly privatised soon, made a full-year pretax profit of 304.5 billion dong (19 million dollars) last year.



PHOTO: FRIENDSHIP

Youngone Corporation, a leading multinational company in readymade garment sector, yesterday handed over 50 sewing machines to Friendship, a non-profitable volunteer organisation, to provide training for the underprivileged adolescents and women so as to improve their livelihood. Runa Khan, executive director of Friendship, and officials from Youngone were present at the handover ceremony.

## Asia-Pacific growth to slow to 7.2pc in 2008: IMF

AFP, Washington

The International Monetary Fund said Asia-Pacific economic regional growth is expected to slow to 8.0 percent this year and to 7.2 percent in 2008 if China keeps a tight rein on monetary policy.

The moderation in growth is being driven by slipping external demand, particularly from the United States and Europe, according to the IMF's new Regional Economic Outlook report on the Asia-Pacific area.

"This forecast also assumes an effective policy tightening in China and some slowdown from that," David Burton, director of the IMF Asia and Pacific department, said at a news briefing here.

The outlook for growth in

emerging Asia is increasingly uncertain due to the US subprime crisis that erupted in August, rattling financial markets worldwide.

"A further bout of global financial volatility could have significant spillovers on the region, including by potentially reversing capital inflows," Burton said.

Asked about China's currency, regarded by the IMF, the United States and most of the Western world as undervalued, Burton said: "China has made a start" in allowing it to appreciate.

After the Chinese government delinked the renminbi from the dollar in 2005, the Chinese yuan currency has fallen about 10 percent in real effective terms, and about 10 percent in nominal effective terms, he said.

"They should pay more attention" to a basket of currencies, he said, "not just the dollar rate."

The Chinese government's measures to cool the sizzling economy, including interest rate hikes, have been insufficient, according to recent data.

China's inflation rate hovered at near 10-year highs in September as the economy edged closer to overheating, a top planning official said Thursday, signaling that more cooling measures were on the way.

The consumer price index rose 6.2 percent in September and 4.1 percent for the first nine months of the year, National Development and Reform Commission vice chairman Zhu Zhixin told journalists.

## Financial services to be next engine of Indian growth

PTI, New York

India has said its growth story, steered mainly by IT and telecom so far, will shift gear towards financial services to drive expansion.

"It is our intention to make financial services the next growth engine for India," Finance Minister P Chidambaram said at ICICI Securities Investor Conference here Thursday.

As the economy becomes more open and trade intensity increases big financial flows would be intermediated in India, he said.

Pointing out that India is a purchaser of international financial services, he said there is an opportunity for India to become a provider to these services as well.

He cited a recent report to state that these services were valued at USD 13 billion a year and would rise to USD 48 billion by 2015.

A government constituted committee had earlier this year submitted its recommendations on making Mumbai an International Financial Centre.

"It is, therefore, our intention to make Mumbai an International Financial Centre," he said, adding the report is in the public domain and the process of building a consensus on the key recommendations is on.

Pointing out that outlook for the Indian economy is positive, Chidambaram said the factors that are driving the current growth are domestic consumption, rise in investment, increase in employment and increase in productivity of both labour and capital.



PHOTO: GRAMEENPHONE

Prashant Savla, manager (Finance & Operations) of Sun Pharmaceutical (Bangladesh) Ltd, and Rahat Khan, manager (Direct Sales) of Grameenphone Ltd, among others, pose for photographs at a corporate agreement signing ceremony recently. As per the deal, the pharmaceutical company will get complete communication facilities under the 'Business Solutions' package of the mobile phone operator.

Government of the People's of Republic of Bangladesh					
Local Government Engineering Department					
Office of the Upazila Engineer					
Upazila: Lohagara, District: Chittagong					
Invitation for Tenders (IFT for Goods)					
Tender Notice No: 01/2007-2008					
Sealed tenders are hereby invited from the eligible tenderers as defined in the tender documents for the under listed goods as per terms & conditions stated below:					
1	Project name	Primary Education Development Programme-II (PEDP-II)			
2	Source of funds	ADB, IDA, DFID, EU, NORAD, Netherlands, Canada, SIDA and GoB.			
3	List of goods:				
Sl. No.	Package No.	Name of goods	Amount of tender security (Tk)	Price of tender document (Tk)	Time for completion
01.	PEDP-II/CTG/LOHG/39.477	Supply of Fur. At Adhunarar GPS Supply of Fur. At Amirabad GPS Supply of Fur. At Arniol GPS Supply of Fur. At Boro Halla GPS Supply of Fur. At Chakirhan GPS Supply of Fur. At Chumali GPS Supply of Fur. At Chumali Hakmia GPS	25500.00	750.00	90 days
02.	PEDP-II/CTG/LOHG/39.478	Supply of Fur. At Dakhin Sukhachan Shansahab GPS Supply of Fur. At Dakhin Purbu Amirabad GPS Supply of Fur. At Dakhin Sukhachan GPS Supply of Fur. At Gournishan GPS Supply of Fur. At Faranga GPS Supply of Fur. At Madhya Amirabad GPS Supply of Fur. At Madhya Boro Halla GPS Supply of Fur. At Malik Soang GPS Supply of Fur. At Mosuda GPS	24500.00	500.00	90 days
03.	PEDP-II/CTG/LOHG/39.479	Supply of Fur. At Nanscha GPS Supply of Fur. At Pashim Amirabad GPS Supply of Fur. At Pashim Chanda GPS Supply of Fur. At Purbu GPS Supply of Fur. At Purbu Purbu GPS Supply of Fur. At Purbu Sukhachan GPS	24000.00	500.00	90 days
04.	PEDP-II/CTG/LOHG/39.480	Supply of Fur. At Salgor GPS Supply of Fur. At Senar Hat GPS Supply of Fur. Sukhachan Moulavipara GPS Supply of Fur. At Sukhachan Hakmia GPS Supply of Fur. At Uttar Adhunarar GPS Supply of Fur. At Bhabanpur GPS	19000.00	500.00	90 days
4	Date, time and place of tendering meeting	Date: 05-11-2007, Time: 12:00 noon Place: Office of the undersigned.			
5	Last date, time and places of selling tender documents	Date: 14-11-2007 Time: Up to 4:00pm. Places: (a) Office of the Additional Chief Engineer (Maintenance), LGED, LGED Bhaban, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207. (b) Office of the undersigned. (c) The Executive Engineer, LGED, Dist. Chittagong. (d) The Upazila Engineer, Upazila: Salkania, Dist. Chittagong.			
6	Last date, time and places of receiving tender	Date: 15-11-2007 Time: Up to 12:00 noon. Places: (a) Office of the undersigned. (b) The Executive Engineer, LGED, Dist. Chittagong. (c) The Upazila Nirbahi Officer, Upazila: Lohagara/Salkania, Dist. Chittagong. (d) The Upazila Engineer, Upazila: Salkania, Dist. Chittagong.			
7	Date, time and place of opening of tender	Date: 15-11-2007 Time: 3:00pm Place: Office of the undersigned.			
8. Tender shall be valid of a period of 90 days after tender opening and must be accompanied by the tender security specified above. The authority reserves the right to accept or reject any or all the tenders without assigning any reason whatsoever. Interested tenderers may obtain further information from the undersigned and purchase the tender documents in Cash/Treasury Chattr/Bank Draft from the places mentioned above. The tenderer or their authorised representatives are allowed to attend the opening of tenders.					
ASM Rashedur Rahman Upazila Engineer Tel. No. 03034-56025					

Government of the People's Republic of Bangladesh	
Ministry of Agriculture	
Barind Multipurpose Development Authority	
Office of the Executive Director	
Barendra Bhaban, Rajshahi-6000	
Fax 88-0721-761897	
E-mail: bmdahq@bmda.gov.bd	
7021-761368, 760786	

Tender Invitation Notice							
1	Ministry/Division	Ministry of Agriculture (MOA).					
2	Agency	Barind Multipurpose Development Authority (BMDA).					
3	Procuring entity name	Executive Director, Barind Multipurpose Development Authority, Rajshahi.					
4	Procuring entity district	Rajshahi.					
5	Invitation for	Construction of Submerged Weir.					
6	Invitation Ref. No. & date	Tender No: Barind/Raj-35/2007-2008 Memo No: Date:					
7	Procurement method	Open tendering method.					
8	Budget and source of funds	GOB.					
9	Project name	Barind Rain Water Conservation & Irrigation Project.					
10	Tender Package No.	RWC/W-13/SW/PT/35 (07-08) RWC/W-14/SW/SP/35 (07-08) RWC/W-15/SW/PS/35 (07-08) RWC/W-16/SW/GGMP/35 (07-08).					
11	Tender last selling date	During office hours up to 20.11.2007.					
12	Tender closing date and time	Date: 21.11.2007	Time: 12:30				
13	Tender opening date and time	Tender will be opened on 21.11.2007					
14	Name & address of the office(s)	Address:					
	-Selling tender document (principal)	Office of the Executive Director, BMDA, Barendra Bhaban, Rajshahi.					
	-Selling tender document (others)	1. Office of the Executive Engineer, BMDA, Rajshahi/Chapainawabganj/Naogaon-1, 2 Region. 2. Assistant Engineer, BMDA, Godagari/Gomostapur/Porsha/Shapahar/Potnola Zone.					
	-Receiving tender document	1. Office of the Executive Director, BMDA, Barendra Bhaban, Rajshahi. 2. Office of Executive Engineer, BMDA, Rajshahi/Chapainawabganj/Naogaon-1, 2 Region.					
	-Opening tender document	Office of the Executive Director, BMDA, Barendra Bhaban, Rajshahi date: 21.11.2007 at 3.30pm.					
15	Place/date/time of pra tender meeting	Conference Room, Barind Multipurpose Development Authority, Rajshahi, date: 14.11.2007 at 12.00.					
16	Eligibility of tenderer	a) Enlisted contractors of BMDA and other enlisted firms of gov/semi-gov/autonomous organisation or related (person/firm) who have experience in similar/civil construction works and fulfill the qualifications criteria stipulated in the Tender Data Sheet (TDS) and other conditions of the tender(s) document(s). b) The required number of similar contracts completed shall be 1 (one) over the last 5 (five) years. c) Tenderers may participate more than one lot to any package or all the packages, subject to fulfill the requirements of condition mention in the tender schedule but work will be allotted to 2 (two) lots at the maximum.					
17	Brief description of works	Construction of Submerged Weir.					
Details of Lots							
Sl. No.	Package No.	Lot No.	Identification of lot	Location (Upazila)	Price of the tender document	Tender security amount (Tk)	Completion time in weeks/months from the date of work order
1	RWC/W-13/SW/PT/35 (07-08)	PT-1	Construction of Submerged Weir	Potnola	For each lot 1200.00	For each lot 50,000.00	For each lot 120 (one hundred & twenty) days
		PT-2		Potnola			
		PT-3		Potnola			
		PT-4		Potnola			
2	RWC/W-14/SW/SP/35 (07-08)	SP-1	Do	Shapahar	For each lot 1200.00	For each lot 50,000.00	For each lot 120 (one hundred & twenty) days
		SP-2		Shapahar			
		SP-3		Shapahar			
		SP-4		Shapahar			
3	RWC/W-15/SW/PS/35 (07-08)	PS-1	Do	Porsha	For each lot 1200.00	For each lot 50,000.00	For each lot 120 (one hundred & twenty) days
		PS-2		Porsha			
		PS-3		Porsha			
		PS-4		Porsha			
4	RWC/W-16/SW/GGMP/35 (07-08)	PS-5	Do	Porsha	For each lot 1200.00	For each lot 50,000.00	For each lot 120 (one hundred & twenty) days
		GD-1		Godagari			
		GOM-2		Gomostapur			
18	Name of official inviting tender	Shibir Ahmed.					
19	Designation of official inviting tender	Executive Engineer.					
20	Address of official inviting tender	BMDA, Barendra Bhaban, Rajshahi.					
21	Contact details of official inviting tender	0721-761950, 0721-761264					
22	a) The procuring entity reserves the right to accept or reject all tenders. b) If the tenderer submits any false/incorrect or forged certificate, the tender security may be forfeited.						
Note: In under any unavoidable circumstances tender documents selling receiving and opening are not possible the next working day will be applicable for the same respectively.							
Shibir Ahmed Executive Engineer Rain Water Conservation & Irrigation Project BMDA, Rajshahi							