

# IMF: India, Japan to drive Asia as China slows

AFP, Hong Kong

Faster growth under the reformist governments of India and Japan will help cushion the blow to the world economy from a marked slowdown in China, the International Monetary Fund predicted Tuesday.

As a whole, the world's most populous region will continue to build up its share of the global economy, the IMF said in its latest World Economic Outlook report.

"Asia's growth is forecast to hold steady in 2015, and the region is expected to continue outperforming the rest of the world over the medium term," it said.

The report comes as China grapples with growth slumping to levels not seen in almost a quarter of a century.

Much of that slowdown from the breakneck growth of years past has been deliberately engineered by Beijing, as the government repositions the economy to a more sustainable path.

But it leaves global expansion more reliant on the likes of India and Japan, with the United States and Europe still struggling to shake off their torpor.

The IMF said that under reforms by India's new business-friendly government of Prime Minister Narendra Modi, the country was expected to expand at a much faster pace than previously expected.

"Growth will benefit from recent policy reforms, a consequent pickup in investment, and lower oil prices," the report said.

"Lower oil prices will raise real disposable incomes, particularly among poorer households, and help drive down inflation."

Modi swept to power last year on a pledge to revive India's flagging fortunes, and the IMF said his new broom should sweep in growth of 7.5 percent this year and next -- making it the world's fastest growing major economy.

That was a sharp increase on past IMF predictions, which had put growth at 6.3 percent in 2015 and 6.5 percent next year.

It compared with the report's expectation for China's gross domestic product (GDP) to grow 6.8 percent this year and 6.3 percent in 2016.

The 2015 rate, which is in line with a projection by economists in an AFP survey, would be the slowest since 1990 when the Chinese economy was hammered by foreign sanctions after the Tiananmen Square crackdown.



IMF chief Christine Lagarde, second from left, shakes hands with Shakila Luqman, a member of the Pakistani National Assembly, at the 2015 Global Parliamentary Conference at the World Bank Headquarters in Washington, DC on Monday. Shirin Sharmin Chaudhury, right, speaker of Bangladesh parliament, is also seen.

However, the IMF said "ongoing implementation of structural reforms and lower commodity prices are expected to expand consumer-oriented activities, partially buffering the slowdown".

The IMF upgraded its view for Japan, but warned that the prospects for a decisive break from years of recession and deflation hinged on deeper structural reforms by Prime Minister Shinzo Abe.

Japan's growth is seen at 1.0 percent this year and 1.2 percent in 2016 -- both more than double from the last outlook's forecasts.

"This increase reflects support from the weaker yen, higher real wages, and higher equity prices due to the Bank of Japan's additional quantitative and qualitative easing, as well as lower commodity prices," the report said.

But should things turn worse than expected in both China and Japan, that would reverberate worldwide "given these economies' large size and deep trade and financial linkages with other nations".

The risks, it said, were failure to implement

crucial reforms in China and Japan not making structural changes.

In South Korea, "momentum has stalled somewhat", the Fund said, adding that this reflected "fragile household and investor sentiment".

Its forecast of 3.3 percent growth this year was based on "the assumption that supportive monetary and macroprudential policies and more favourable terms of trade spur a rebound in aggregate demand".

In Australia a downturn in global commodity prices is "exacerbating the long-anticipated decline in resource-related investment". However, the IMF added that record-low interest rates will help non-resource sectors.

The IMF forecast GDP growth for Australia of 2.8 percent this year and 3.2 percent next, largely in line with previous reports.

Among Southeast Asia's top five economies -- Indonesia, Malaysia, the Philippines, Singapore and Thailand -- GDP growth was seen at 5.2 percent in 2015 and 5.3 percent next year.

# Nestle in talks to sell frozen food unit

REUTERS, Zurich

Nestle is in exclusive talks to sell its frozen food unit Davigel to food service operator Brakes Group as part of a drive to trim its sprawling portfolio.

A disposal would come as the world's largest packaged foods maker grapples with slowing growth in economies such as China and Brazil, and as shoppers in Europe and North America remain cost-conscious due to the lingering effects of recession in many markets.

Nestle, whose statement on Wednesday confirmed what a person familiar with the situation had previously told Reuters, missed a long-term sales target last year and has signalled the objective could be difficult to reach this year.

It said two years ago it was seeking to divest underperforming business.

For Brakes, owned by buyout fund Bain Capital and whose brands include Freshfayre and M&J Seafood, the deal would increase its presence in France and would allow it to enter Belgium and Spain.

It would give it exclusive rights to distrib-

ute Nestle's branded ice cream to the "out-of-home" market, a category which includes restaurants, in France.

Nestle, which was advised by Credit Suisse on the deal, said it would not give any financial details of the disposal and noted it was subject to consultation with works councils and the approval of the competition authorities.

The source had told Reuters the sale was expected to raise between 200 million euros (\$213 million) and 300 million.

Davigel, which supplies frozen and chilled meals and ice cream to restaurants and hospitals, was part of the Buitoni frozen food business Nestle bought in 1989.

Nestle has in recent years sold the PowerBar and Musashi brands to US group Post Holdings, as well as its US frozen pasta business to Brynwood Partners and the bulk of its Jennie Craig business.

It also sold a 10 percent stake in fragrance and flavour maker Givaudan in December 2013.

Nestle shares were up 0.7 percent by 0824 GMT versus a 0.9 percent rise in the European sector.



A Nestle logo is pictured on a van outside the company headquarters in Switzerland.

# Nokia agrees 15.6b-euro deal to buy Alcatel-Lucent



Combes, left, CEO of Alcatel-Lucent, and Rajeev Suri, Nokia's president and chief executive, arrive to attend a news conference in Paris yesterday.

REUTERS

AFP, Paris

Nokia has struck a 15.6-billion-euro deal to buy its rival Alcatel-Lucent to create the world's biggest supplier of mobile phone network equipment, both firms said Wednesday. The merger of two companies that were once new technology stars but have since lost some of their luster will produce a European champion able to take on Nokia's Swedish rival Ericsson or fierce Chinese competition.

The announcement sent shares in Alcatel-Lucent plunging more than 10 percent on Paris's stock market, while Nokia's stocks rose 1.8 percent to 7.62 euros on the Helsinki market.

Finland's Nokia said it had agreed to give shareholders in its Franco-American rival 0.55 shares in the new merged company for every one of their own. "This transaction comes at the right time to strengthen the European technology industry," said Alcatel-Lucent boss Michel Combes.

"The global scale and footprint of the new company will reinforce its presence in the United States and China," he added.

The two firms have "highly complementary portfolios and geographies, with particular strength in the United States, China, Europe and Asia-Pacific," Nokia's statement said.

The new firm will go by the name Nokia, be based in Finland, and be run by Nokia's current management team, it said.

The group is targeting savings of 900 million euros (\$960 million) in costs by the end of 2019 without further job cuts on top of the restructuring already taking place in Alcatel-Lucent, both companies said.

This is likely to appease the French government, which had expressed concern about jobs disappearing in the country if the merger were to go through.

It has also in the past blocked takeovers of companies it considers national jewels.

The government caused a furore in 2013 when it blocked a bid by US giant Yahoo! to acquire Dailymotion, and then again this month when it thwarted attempts by a Hong Kong telecoms giant to acquire the video-sharing site.

Jean-Marie Le Guen, a member of the Socialist government, told French radio that France was not "losing Alcatel" and told employees that the government would make sure they kept their jobs.

But "they must also know that if this merger didn't happen, then maybe one day, Alcatel would not have been big enough to take on the international (market)," he said. "If you watch the trains go by, you stay on the platform."

Both companies said that the merger should save an additional 200 million euros in financial charges.

Combes told French TV channel BFM Business that the new group was committed to "increasing R&D activities in France by 25 percent" by hiring 500 additional researchers, bringing the total research and development workforce in the country to 2,500.

"The new group's innovation and research capabilities on a global scale will be spearheaded in France," he said.

Rumours have swirled since December of a possible deal between the two firms, with France's Les Echos daily reporting on Monday that executives had been in negotiations since January.

# India favours full rupee convertibility to become top economy

REUTERS, New Delhi

India needs to move towards full capital account convertibility to become a leading global economy, the country's junior finance minister Jayant Sinha said on Wednesday.

Sinha's comments came a day after the International Monetary Fund predicted Asia's third-largest economy would become the fastest growing major economy in the world, outpacing China.

The rupee has been convertible on the current account since 1994, meaning it can be changed freely into foreign currency for purposes like trade-related expenses. But it cannot be converted freely for activities such as acquiring overseas assets.

Fuller convertibility is expected to facilitate rapid growth through higher investment and improve efficiency in the financial sector through greater competition.

"If we have to be among the top three-four economies in the world, we have to make it possible for our capital markets to be broader and deeper, and for that to happen capital account convertibility also becomes important," Sinha said, without specifying any time frame.

Last week, Reserve Bank of India chief Raghuram Rajan expressed hope that the rupee would become fully convertible in a "short number of years".

Analysts say India's inflation, interest rates, and trade and financial system would have to be globally competitive before it allows free movement of capital in and out of the local currency.

# Indonesia posts higher-than-expected trade surplus

AFP, Jakarta

Indonesia posted a higher-than-expected trade surplus of \$1.13 billion in March, the fourth consecutive month that Southeast Asia's biggest economy has recorded a surplus, official data showed Wednesday.

Both imports and exports fell sharply last month, the data showed. But the slowdown in imports was faster, leading to the surplus, which was about double the amount expected by economists.

It compared to a surplus of \$738.3 million in February.

March exports slipped 9.75 percent compared to a year ago, while imports fell 13.39 percent.

Exports have been hit by a slowdown in demand for Indonesia's key commodities, while imports have fallen as a weakening rupiah makes shipping goods into the country more expensive.

The trade surplus should help take pressure off the current account deficit for the first quarter of the year, and also the rupiah, said Bank Permata economist Josua Pardede.

The rupiah has suffered steep falls against the dollar in recent months, as the US unit strengthens.

Government of the People's Republic of Bangladesh					
Prisons Directorate 30/3, Umesh Datta Road, Bakshi Bazar, Dhaka-1211					
Invitation for Tender					
1. Ministry	:	Ministry of Home Affairs.			
2. Agency	:	Prisons Directorate, Dhaka.			
3. Procuring entity name	:	Inspector General of Prisons, Prisons Directorate, Dhaka.			
4. Procuring entity code	:	-			
5. Procuring entity district	:	Dhaka.			
6. Invitation for procurement of equipment	:	Motor Vehicle SUV (Jeep).			
7. Invitation ref. No.	:	44.07.0000.030.03.001.15-515 Date: 15-04-2015.			
8. Date	:	15-04-2015.			
KEY INFORMATION					
9. Procurement method	:	Open Tender Method (OTM).			
FUNDING INFORMATION					
10. Budget & source of funds	:	GOB.			
11. Development partners	:	Not applicable.			
PARTICULAR INFORMATION					
12. Project/programme code	:	Not applicable.			
13. Project/programme name	:	Not applicable.			
14. Tender package No.	:	-			
15. Tender package name	:	Motor Vehicle SUV (Jeep).			
16. Tender publication date	:	16-04-2015.			
17. Tender last selling date	:	06-05-2015 up to 5.00pm.			
18. Tender dropping date & time	:	07-05-2015 Time: 9.00am to 12.00 noon.			
19. Tender opening date & time	:	07-05-2015 at 12.30pm.			
20. Name & address of the office	:	Prisons Directorate, 30/3, Umesh Datta Road, Bakshi Bazar, Dhaka.			
Selling tender document (principal)	:	Prisons Directorate, 30/3, Umesh Datta Road, Bakshi Bazar, Dhaka.			
Selling tender document (others)	:	Prisons Directorate, 30/3, Umesh Datta Road, Bakshi Bazar, Dhaka.			
Receiving tender document	:	1. Prisons Directorate, 30/3, Umesh Datta Road, Bakshi Bazar, Dhaka. 2. Divisional Commissioner's Office, Dhaka. 3. Chalk Bazar Model PS, Dhaka.			
Opening tender document	:	Prisons Directorate, 30/3, Umesh Datta Road, Bakshi Bazar, Dhaka.			
21. Tender evaluation date & time	:	-			
22. Pre-tender meeting (optional)	:	23-04-2015.			
INFORMATION FOR TENDERER					
23. Eligibility of tenderer	:	1. Purchase receipt of tender document (original) 2. Valid trade license for 2014-2015. 3. The certificate of incorporation (in case of limited company). 4. Income tax clearance certificate (FY: 2014-2015). 5. Bank solvency certificate issued after Dec- 2014. 6. Vat registration certificate (up-to-date). 7. Experience certificate & other conditions as mentioned in the tender document. 8. Contract deed with the Importers/Supplier (if a trader is a bidder). 9. Minimum 05 years experience of supplying motor vehicles in any govt. organization. 10. Certificate of indenting. 11. Experience certificate related importing. 12. Original Bank Draft/Pay-Order of security money. 13. All certificates must be attested by 1 <sup>st</sup> class govt. gazetted officer.			
24. Brief descriptions of goods	:	Motor Vehicle SUV (Jeep).			
25. Brief descriptions of related service.	:	As mentioned in the tender document.			
26. Price of tender document Tk.	:	As mentioned in SI No. 27.			
TENDER DESCRIPTIONS:					
Package No. (Individual)	Description of goods	Value of schedule (non-refundable)	Tender security (refundable)	Place of goods supply	
01	Motor Vehicle SUV (Jeep)	1500/-	6,00,000/-	Prisons Directorate	
PROCURING ENTITY DETAILS					
28. Name of official inviting tender	:	Mohammad Sajjad Hossain.			
29. Designation of official inviting tender	:	Asstt. Inspector General of Prisons (Dev).			
30. Address of official inviting tender	:	Prisons Directorate, 30/3, Umesh Datta Road, Bakshi Bazar, Dhaka.			
31. Contact details of official inviting tender	:	Telephone No-7300513.			
32. If the tenderer submits any false/incorrect or forged certificate, the tender security money may be forfeited.	:				
33. The procuring entity reserves the right to accept or reject all tenders without assigning any reason whatsoever.	:				
34. This tender notice will be published in the website of the CPTU, Ministry of Home Affairs and Prisons Directorate.	:				
<b>Mohammad Sajjad Hossain</b> Asstt. Inspector General of Prisons (Dev) For Inspector General of Prisons Telephone No. 7300513					
GD-1375					