

# India's \$16b wage bonanza may force Jaitley to cut capex



Arun Jaitley

REUTERS, New Delhi

A \$16 billion pay rise for India's public servants and costly food and farm programmes could force the country's finance minister to cut capital spending in its annual budget, officials and economists say.

The spending pressure on Finance Minister Arun Jaitley threatens to worsen imbalances in India's \$2 trillion economy as consumption outpaces investment, undermining Prime Minister Narendra Modi's promise of better jobs for its 1.3 billion people.

A populist budget, ahead of assembly elections in four states this year, could stoke inflation even as structural measures such as Modi's proposed tax and labour reforms look less likely.

It could also eat into capital spending needed for railways, roads, ports and power projects, seen as vital to India's integration into the global economy.

"It is not going to be a revolutionary

or inspirational (budget) ... given the spending pressures," said Shilan Shah at Capital Economics. "It is most likely to lead to a sell-off in the bond market if the salary increase is implemented."

Jaitley presents his third budget on Feb. 29 and is expected to implement the recommendations of a government commission to raise pay for 10 million federal government workers and pensioners by 23.5 percent.

While that hike would boost demand, economists question whether a policy dating back to an era of double-digit inflation is justified today, when Reserve Bank of India Governor Raghuram Rajan has driven consumer price growth below 6 percent.

Officials with direct knowledge of budget discussions said Jaitley could raise taxes on services and petroleum products to help cover the extra outlays.

He would still have some room to ease tax rules on foreign investment and hit his deficit target of 3.5 percent

of gross domestic product in the 2016/17 fiscal year. People familiar with the process say Modi is much more involved in setting the deficit target than previous leaders.

The promised pay hike, an increase in food subsidies and a new crop insurance scheme for farmers would cost at least 1.2 trillion rupees (\$17.5 billion) - equivalent to 0.9 percent of forecast GDP in 2015/16.

Government workers get a hefty wage hike every 10 years, a populist wage policy that dates back to independence, in addition to half-yearly and annual increments linked to prices.

Unsurprisingly, government jobs are highly sought after in India where most private-sector employment is informal: last year 2.3 million people applied for 368 low-level state jobs in Uttar Pradesh that required only a primary school education.

India's cash-strapped state railways, which employ 1.3 million, are also seeking federal funds to cover higher pay - squeezing its investment budget and creating pressure to hike fares. Most of India's 29 federal states will raise wages soon.

Rajan, who cut policy rates by 125 basis points in 2015, has said the pay commission award, if implemented, could lead to higher inflation for one to two years.

Much depends on the timing of the government pay rises, which sources say could take retroactive effect on Jan. 1, 2016. Economists and ratings agencies say the fiscal deficit target may have to be raised to 3.8 percent of GDP to cover the hike.

Analysts say the country's finances and economic performance, a rare bright spot for emerging markets over the past two years, are now under close investor scrutiny.



Shahidul Haq Sikder, managing director of Sikder Group, and Khairul Bashar Abu Taher Mohammed, chief executive of MTB Capital, a subsidiary of Mutual Trust Bank, pose at the signing of an agreement. MTB Capital will be the issue manager and corporate adviser for the capital issue of Tk 60 crore, including an IPO of Tk 30 crore, for Sikder Apparel Hosiery Ltd.

# Samsung Galaxy S7, LG G5 unveiled as companies try to revive smartphone sales

REUTERS, Barcelona

Samsung Electronics Co Ltd and LG Electronics Inc unveiled their latest smartphones at the Mobile World Congress industry show in Barcelona on Sunday, seeking to buck the slowdown in industry growth.

Phone makers face another tough year in 2016 as subdued global growth and persisting currency weakness in key emerging markets sap consumers' spending power. A push by Chinese manufacturers to expand overseas amid slowing growth in their domestic market may also undercut margins further.

In a bid to recapture market share, Samsung launched two new versions of its Galaxy S smartphone and brought in Facebook Inc Chief Executive Mark Zuckerberg for a surprise appearance to tout the potential of virtual reality, prompting hundreds of people to rush to the stage to record the moment.

LG, which lost money from its mobile business last year as its flagship products struggled, introduced a mod-

ular design to its new G5 smartphones that allows users to replace or upgrade functions such as camera and audio independently.

It also launched a virtual reality headset and accessories including a drone controller to pair with the G5.

Analysts and investors cheered LG's features, which they said were different enough to possibly revive sales, but were lukewarm about Samsung's offerings, saying they only featured incremental upgrades.

"I think it's possible for LG's mobile business to recover on its new product launch, since they delivered significant changes with the G5," said Seoul-based HDC Asset Management fund manager Park Jung-hoon. "The Galaxy S7, however, doesn't seem to be creating as much buzz," Park said.

Samsung shares were down 1.3 percent as of 0212 GMT, underperforming a 0.2 percent fall for the broader market, while LG shares were up 3 percent.

Revamps could prove key to smartphone makers as 2016 shapes up

to be another tough year: researcher TrendForce expects the smartphone market growth to slow to 8.1 percent from 10.3 percent a year earlier.

Margin pressures are also expected to intensify for the industry as Chinese manufacturers seek to expand overseas to counter slowing domestic demand.

Samsung on Saturday said its mobile payments service, Samsung Pay, will launch in China in March, a month after Apple launched its Apple Pay service in the world's biggest smartphone market.

The company fell out of the top five in the world's top smartphone market last year but hopes that its easy-to-use payments service will help it regain sales momentum.

"The challenge you have got in the smartphone market is breaking through all that sameness. From a design and functionality perspective, everything looks and feels the same," said Bob O'Donnell, president of Technalysis Research. "So the challenge is finding things that stick out."



Venue: Spectra Convention Centre Ltd. Date: 20 February, 2016

Metal Agro Limited

Aminul Islam, chairman of Metal Agro, and Sadid Jamil, managing director of Metal Agro, attend the annual conference of the company at Spectra Convention Centre in Gulshan, Dhaka on Saturday.

METAL AGRO

## নোয়াখালী পৌরসভা কার্যালয়

নোয়াখালী

### ৩য় বার পুনঃ দোকান বরাদ্দ বিজ্ঞপ্তি

নোয়াখালী পৌরসভা মালিকানাধীন মাইজদী পৌর সুপার মার্কেটে নিম্নবর্ণিত দোকান বরাদ্দ প্রদান করা হবেঃ

ক্রমিক নং	তলা	ধরণ	সাইজ
	৮ তলা ফাউন্ডেশন বিশিষ্ট ভবনের গ্রাউন্ড ফ্লোর	দোকান ২১টি কম বেশি	বিভিন্ন সাইজের (দোকানের প্রকৃত আয়তন ব্রোশিওর থেকে জানা যাবে)।
১।	দোকানসমূহের বিস্তারিত বিবরণ ও দর দাখিলের নিয়মাবলী সম্বলিত সিডিউল ১০০০/- (এক হাজার) টাকা অফেরতযোগ্য কোন সিডিউল ব্যাংক হতে বিডি/পে-অর্ডার আকারে মেয়র, নোয়াখালী পৌরসভা জমা সাপেক্ষে ক্রয় করা যাবে। উক্ত দোকান ইজারার নিমিত্তে নিম্নবর্ণিত শর্তাধীনে আত্মস্বী ব্যক্তি/প্রতিষ্ঠানের নিকট হতে দরপত্র আহবান করা যাচ্ছে।		
২।	বরাদ্দ মেয়াদ	৯৯ (নিরানব্বই বছর)।	
৩।	দোকান নং	ও প্রতিটি দোকানের ন্যূনতম সালামীর টাকা	
	A-টাইপ	২৬,০০,০০০/- (ছাব্বিশ লক্ষ) টাকা।	
	B-টাইপ	২২,০০,০০০/- (বাইশ লক্ষ) টাকা।	
	C-টাইপ	১৮,০০,০০০/- (আঠারো লক্ষ) টাকা।	
৪।	দাখিলকৃত সালামীর টাকা	উদ্ধৃত দরের ২৫%।	
৫।	দোকানের ভাড়া	প্রতি বর্গফুট ১০ (দশ) টাকা ও ০৩ বছর পর পর ভাড়া বৃদ্ধি করা হইবে।	
৬।	দরপত্র বিক্রয় ও দাখিলের স্থান	ক) জেলা প্রশাসক, নোয়াখালী। খ) নির্বাহী প্রকৌশলী, এলজিইডি, নোয়াখালী। গ) প্রকৌশল বিভাগ, নোয়াখালী পৌরসভা।	
৭।	দরপত্র বিক্রয়ের শেষ তারিখ ও সময়	দরপত্র বাস্বে দরপত্র গ্রহণের শেষ তারিখ ও সময়	দরপত্র খোলার তারিখ ও সময়
৮।	১ম বার	১৩/০৩/১৬ইং অফিস চলাকালীন সময় পর্যন্ত	১৪/০৩/১৬ইং দুপুর ১:০০ ঘটিকা ৩:০০ ঘটিকা
৯।	২য় বার	২০/০৩/১৬ইং অফিস চলাকালীন সময় পর্যন্ত	২১/০৩/১৬ইং দুপুর ১:০০ ঘটিকা ৩:০০ ঘটিকা
১০।	৩য় বার	২৭/০৩/১৬ইং অফিস চলাকালীন সময় পর্যন্ত	২৮/০৩/১৬ইং দুপুর ১:০০ ঘটিকা ৩:০০ ঘটিকা
১১।	দরপত্রের সাথে দাখিলকৃত সালামীর টাকা যে কোন সিডিউল ব্যাংক হতে বিডি/পে-অর্ডার আকারে মেয়র, নোয়াখালী পৌরসভা এর অনুক্ষে জমা করতে হবে। পে-অর্ডার/ব্যাংক ড্রাফট ব্যতীত কোন দরপত্র গ্রহণ করা হবে না। উদ্ধৃত দরের উপর সরকারি বিধি মোতাবেক আয়কর ও ভ্যাট প্রদেয় হবে। সর্বোচ্চ দর প্রদানকারী ব্যতীত সকলের জামানত ফেরত প্রদান করা হবে। বরাদ্দ তথ্য ও শর্তাবলী অফিস চলাকালীন সময়ে অত্র দপ্তরের প্রকৌশল শাখা হতে জানা যাবে।		

কোন কারণ দর্শানো ব্যতিরেকে যে কোন অথবা সকল দরপত্র গ্রহণ কিংবা বাতিল করার ক্ষমতা কর্তৃপক্ষ সংরক্ষণ করে।

মোঃ হারুনুর রশিদ আজাদ  
মেয়র  
নোয়াখালী পৌরসভা  
নোয়াখালী

জিডি-৪৯৬

## US, EU open free-trade talks in Brussels

AFP, Brussels

Top negotiators on a huge transatlantic trade treaty between the EU and US opened new talks on Monday with the aim to tackle one of the deal's most controversial aspects.

The Transatlantic Trade and Investment Partnership (TTIP), under negotiation since July 2013, would create the world's biggest free trade zone, removing tariffs and harmonising regulation between the Europe Union and the United States.

EU sources said the negotiators would for the first time discuss in detail a divisive proposal to create an investment protection system that would allow companies to sue governments when they believe their interests have been harmed.

This idea has drawn fierce criticism in Europe, especially in Germany, where hundreds of thousands of people rallied in October to oppose the massive free-trade accord.

The European Commission, which handles trade talks for the EU's 28 member states, will offer the US an alternative proposal that would involve setting up a special court.

## ঢাকা পাওয়ার ডিস্ট্রিবিউশন কোম্পানি লিমিটেড

### DHAKA POWER DISTRIBUTION COMPANY LTD.

(An Enterprise of the Government of the People's Republic of Bangladesh)

### Invitation for International Tender

1.	Ministry/Division	Ministry of Power, Energy & Mineral Resource / Power Division.		
2.	Agency	Dhaka Power Distribution Company Limited (DPDC).		
3.	Procuring Entity Name	Superintending Engineer, Grid O&M Circle (North), DPDC.		
4.	Procuring Entity District	Dhaka.		
5.	Invitation for	Survey, Design, Manufacturing, Supply, Erection, Testing and Commissioning of 132 kV U/G XPLE (Cu) Cable Line from Lalbagh 132/33 kV Grid to Dhanmondi 132/33 kV Grid Sub-station via Proposed Jigatola 132/33 kV Grid Sub-station on Turnkey Basis.		
6.	Invitation Ref. No & Date	DPDC/SE/Grid O&M Circle (North)/1.203/2015/271, Date: 11/02/2016.		
<b>KEY INFORMATION:</b>				
7.	Procurement Method	ICT Single Stage: Two Envelope Method.		
<b>FUNDING INFORMATION</b>				
8.	Budget and Source of Funds	DPDC'S Own Fund		
<b>PARTICULAR INFORMATION</b>				
9.	Pre-Bid Meeting	A Pre-Bid Meeting will be held on 22/03/2016, 11:00 AM in Superintending Engineer, Grid O&M Circle (North), DPDC, 3, Sonargaon Road, Katabon, Dhaka-1000.		
10.	Tender last Selling Date, Closing & Opening Date and Time.	<b>Last Selling Date &amp; Time</b> 11/04/2016 (During Office Hour)	<b>Closing &amp; Opening Date on 12/04/2016</b>	
			<b>Receiving Place</b>	<b>Opening Place</b>
11.	Name & Address of the office for selling Tender Document, receiving & opening tender	<b>Selling</b> (a) Office of the Chief Engineer, Grid O&M, DPDC. SCADA Building, 3, Sonargaon Road, Katabon, Dhaka. (b) Superintending Engineer, Grid O&M Circle (North), DPDC. 3, Sonargaon road, katabon, Dhaka. (c) Superintending Engineer, Grid O&M Circle (South), DPDC. 12/B/1, Motijheel C/A, Dhaka-1000 (d) Executive Engineer Grid North-2, DPDC. 80 Mohakhali, Dhaka-1212.	(a) Chief Engineer, Grid O&M, DPDC. SCADA Building, 3, Sonargaon Road, Katabon, Dhaka. (b) Superintending Engineer, Grid O&M Circle (North), DPDC. 3, Sonargaon road, katabon, Dhaka.	12:00 Noon <b>Office of the Superintending Engineer Grid O&amp;M Circle (North), DPDC. 3, Sonargaon Road, Katabon, Dhaka.</b>
				3:00 PM
<b>INFORMATION FOR TENDERER:</b>				
12.	Eligibility of Tenderer	a) <b>Average Annual Turnover:</b> Minimum average annual turnover of US\$ 10.00 (Ten) million calculated as total certified payments received for contracts in progress or completed, within the last 3 (three) years. b) <b>General Experience:</b> Bidders must have project management experience (experience of partner in charge in case of joint venture) to demonstrate their management capability in at least 1 (One) turnkey project of 132 kV or higher voltage grade XLPE U/G cable works in SAARC or south east asian countries within the last 10 (Ten) years (contract amount should not be less than US\$ 5.0 million) outside their own country or in the case of Bangladeshi bidder, in Bangladesh or elsewhere, within the last 10 (Ten) years as on the date of opening of technical proposal. c) <b>Specific Experience:</b> The bidder must have experience of the Turnkey Installation of at least 10 ckt km of 132 KV, 800 mm <sup>2</sup> or higher voltage grade and conductor size XLPE U/G cable works which have been in operation for at least 3 (Three) years within the last 10 (Ten) years with a value of at least US\$ 4.0 ( Four) million. User's certificate shall be submitted by the Bidder as evidence of the above experience. The certificate shall be issued by user in user's respective letter head stationery indicating address, telephone and fax numbers of the user, shall also be signed and sealed by the issuing authority and shall include the following details of each project that has been executed: - Name, address and nationality of customer. - Name of Project d) Other qualification is required as stated in Tender Documents.		
13.	Price of the tender Document & Amount of Tender Security	As stated in Serial No.14. The amount of money for tender document price shall be payable in the form of Pay Order/Bank Draft and the amount of money for tender security shall be payable in the form of Pay Order/Bank Draft/Bank Guarantee of validity 180 days from the date of submission which is issued from any schedule Bank in Bangladesh in favour of Superintending Engineer, Grid O&M Circle, DPDC.		
14.	<b>PARTICULARS OF TENDER:</b>			
	<b>Description of Work</b>	<b>Price of Tender Document</b>	<b>Tender Security Money</b>	<b>Time for completion of Works</b>
01.	Survey, Design, Manufacturing, Supply, Erection, Testing and Commissioning of 132 kV U/G XPLE (Cu) Cable Line from Lalbagh 132/33 kV Grid to Dhanmondi 132/33 kV Grid Sub-station via Proposed Jigatola 132/33 kV Grid Sub-station on Turnkey Basis.	Tk. 5,000.00	US\$ 1,55,000 (One lac fifty five thousand) or equivalent amount.	365 (Three Hundred Sixty Five) Days
<b>PROCURING ENTITY DETAILS:</b>				
14.	Name of Official Inviting Tender	Engr. Md. Aminul Islam.		
15.	Designation of Official Inviting Tender	Superintending Engineer, Grid O&M Circle (North), DPDC.		
16.	Address of Official Inviting Tender	3, Sonargaon Road, Katabon, Dhaka.		
17.	Special Instruction	a) All other instruction is described in the tender document. b) The procuring entity reserves the right to accept or reject any or all Tenders in any stage without assigning any reason whatsoever.		

(Engr. Md. Aminul Islam)  
Superintending Engineer  
Grid O & M Circle (North), DPDC.