

# Fed signals interest rate hike firmly on the table for June

REUTERS, Washington

Federal Reserve officials felt the US economy could be ready for another interest rate increase in June, according to the minutes from the central bank's April policy meeting released on Wednesday.

Most participants in the policy-setting committee's April 26-27 meeting said they wanted to see signs that economic growth was picking up in the second quarter and that employment and inflation were firming, the minutes showed.

"Then it likely would be appropriate for the committee to increase the target range for the federal funds rate in June," according to the minutes.

The suggestion that a rate increase in June is firmly on the table suggests the Fed is closer to tightening monetary policy again than Wall Street had expected. The Fed lifted rates in December for the first time in nearly a decade.

Prices for futures contracts on the Fed's benchmark overnight lending rate implied that investors saw a 34 percent chance of a rate increase next month, up from 19 percent shortly before the release of the minutes, according to CME Group.

US stocks fell and the dollar extended gains against a basket of currencies after the minutes were released. Treasury yields rose, with the yield on 30-year US government debt rising to a two-week high.

"They are ready to pull the trigger on a rate increase in June," said Jack Ablin, chief investment officer at BMO Private Bank in Chicago. Recent data has made policymakers more confident that inflation is rising toward the Fed's 2 percent

target and they also expressed fewer concerns about a global economic slowdown, according to the minutes.

Some policymakers at the meeting were worried about a slowdown in US economic growth during the first quarter, when gross domestic product expanded at an annual rate of 0.5 percent, a two-year low.

But others argued that ongoing robust job growth suggested the economy had not gone off the track and that the growth data could be flawed.

"Most pointed to the steady improvement in the labor market as an indicator that the underlying pace of economic activity had likely not deteriorated," according to the minutes.

Data since the end of April has pointed to a pickup in consumer spending and manufacturing output, bolstering the view that economic growth was accelerating after stalling in the first quarter. Several Fed officials in recent weeks have stressed that a rate increase might be warranted in June.

Some policymakers at the April meeting said they were concerned financial markets could be roiled by a possible British exit from the European Union in a vote next month or by China's exchange rate policies. The Fed last month kept its target overnight interest rate in a range of 0.25 percent to 0.50 percent.

A global equities sell-off and the tightening of financial markets earlier this year largely due to concerns of a slowdown in China prompted the Fed in March to dial back rate increase expectations for the year.

Even so, the Fed signaled at that time that it would likely lift rates twice this year. Investors have been betting on just one hike.

# Oil market extends pullback as dollar rises

AFP, London

Oil prices extended their retreat Thursday after hawkish US Federal Reserve meeting minutes strengthened the dollar and a weekly report showed rising US crude stockpiles.

Prices hit 2016 highs Wednesday due in part to production outages resulting from wildfires around the Canadian oil sands hub of Fort McMurray but pulled back to settle lower after the dollar climbed.

A stronger greenback makes dollar-priced oil more expensive, denting demand and hurting prices. Minutes from the US Federal Reserve's policy meeting in April that were released Wednesday showed that policymakers kept open the door to raising interest rates in June.

Higher interest rates typically encourage investors to move to the dollar for higher yields, lifting the currency.

At about 1200 GMT, US benchmark West Texas Intermediate (WTI) for June delivery was down 84 cents at \$47.35 per barrel. Brent for July dipped \$1.08 to \$47.85 a barrel.



Syed Manzur Elahi, chairman of Apex Footwear, presides over the company's 26th annual general meeting at Spectra Convention Centre in Dhaka on May 10. Syed Nasim Manzur, managing director, was also present. Apex declared 50 percent cash dividends for 2015.

# Saudi reforms on right track but more needed: IMF

AFP, Riyadh

The International Monetary Fund on Thursday welcomed accelerated economic reforms by Saudi Arabia to reduce its reliance on oil but said more measures are needed to cover a fiscal deficit. Over the past 12 months "there has been a significant acceleration in reforms in Saudi Arabia," an IMF team said in a statement following a visit to the kingdom.

It said the Vision 2030 plan, announced by Riyadh last month, sets a bold and far-reaching transformation of the economy to diversify growth, reduce dependence on oil and increase the role of the private sector.

The foundation of the plan, launched by Deputy Crown Prince Mohammed bin Salman, is the sale of

less than five percent of state oil giant Saudi Aramco in what officials say will be the world's largest ever initial public offering.

Proceeds from the share offer will contribute to creating the biggest government investment fund in the world, with a value of \$2 trillion, whose profits can provide an alternative to lower oil revenues.

"Saudi fiscal policy is appropriately adjusting to the drop in oil prices," said the IMF, welcoming the control of public spending and energy price reforms. It said more actions were needed to balance a budget deficit estimated at 14 percent of gross domestic product this year.

"Such fiscal consolidation should include further adjustments in domestic energy prices, firm control of expen-

ditures, and further increases in non-oil revenues," the IMF said.

It welcomed the planned introduction of a value-added tax in 2018 and other tax measures.

Saudi Arabia, the world's biggest oil exporter, in 2015 posted a record budget deficit of \$98 billion and projected a shortfall of \$87 billion this year.

The IMF also said the exchange rate peg of the riyal to the US dollar continues to serve Saudi Arabia well.

Due to the severe impact of the plunge in oil revenues on the Saudi economy, international ratings agencies have lowered the kingdom's credit worthiness.

Crude prices, which still account for the majority of Saudi revenue, have slumped by around half since they started to decline in mid-2014.



Md Rezaul Haque, chairman of Social Islami Bank, presides over the 21st annual general meeting of the bank at Savar Golf Club yesterday. Md Shafiqur Rahman, managing director, was also present. SIBL announced 15 percent cash and 5 percent stock dividends for 2015.

# Philippines economy grows 6.9pc, beats forecasts

AFP, Manila

The Philippines' economy grew a better-than-expected 6.9 percent in the first quarter, the government said Thursday, putting it on track to meet full year targets and making it one of Asia's best performers for the three month period.

The GDP figure beat economist forecasts of about 6.6 percent, and marks the highest quarterly growth in the Philippines since the end of 2014.

It was achieved despite a drought-ravaged farm sector and relatively weak exports, and also coincided with months of campaign spending for May 9 presidential elections, Economic Planning Secretary Emmanuel Esguerra said.

The economy expanded by 5.2 percent in the same period last year.

"We are pleased to be turning over a strong and stable economy to the next administration," Esguerra told a news conference, referring to presi-

dent-elect Rodrigo Duterte who takes office on June 30.

"Barring a significant drop in business confidence in the second half, the economy seems to be on track in meeting the full-year target of 6.8 to 7.8 percent."

It puts the economic expansion during outgoing President Benigno Aquino's six-year term at just over six percent, the highest on record for the country, Esguerra said.

President-elect Duterte has vowed to broadly pursue Aquino's main economic policies, but his vague plans have left analysts uncertain about his agenda.

The firebrand politician, who is due to be sworn into office on June 30, stormed to victory in national elections this month after an incendiary campaign dominated by his profanity-laced vows to kill criminals.

The government said economic growth at the start of the year was investment-driven, particularly in the

construction and manufacturing sectors, as exports rose only modestly due to weak demand.

The investments led to an 8.7 percent growth in the industrial sector, the highest in the last five quarters.

Esguerra said strong domestic demand would push growth in the near term, offsetting the weak global environment.

However, the ministry said the Philippine farm sector shrank by 4.4 percent after near stagnation over the past year, as the worst El Nino dry spell in 28 years ravaged rural areas.

The sector employs 27 percent of the Filipino labour force.

Farmers also comprise a large chunk of the 26 percent of Filipinos who live on \$1.30 a day or less.

Esguerra called for added state spending to diversify crops, boost community defences against disasters that also include typhoons and floods, and social protection including crop insurance.



Syed Mahbubur Rahman, managing director of Dhaka Bank, and Mohammed Atiquzzaman, managing director of BetaOne Investments, pose at the signing of a brokerage service agreement on Sunday.

## Government of the People's Republic of Bangladesh

Directorate General of Food  
Inspection, Development & Technical Services  
16, Abdul Ghani Road, Dhaka  
Web: www.dgfood.gov.bd

### Invitation for Re-Tender (Goods)

Re-Tender No: 11/2015-2016

1. Ministry/division : Ministry of Food.
2. Agency : Directorate General of Food.
3. Procuring entity name : Directorate General of Food.
4. Procuring entity district : Dhaka
5. Invitation for : Procurement of Pirimiphos Methyl-50 EC (Liquid) Insecticide.
6. Invitation Ref. No. & date : Tender No: 13.01.0000.112.66.122.15 (Part-1) -745  
Date: 17/05/2016
7. Procuring method : Open tendering method (OTM).
8. Budget and source of funds : Government of Bangladesh.
9. Tender No. : 11/2015-2016(Goods).
10. Tender name : Procurement of Pirimiphos Methyl-50 EC (Liquid) Insecticide.
11. Tender publication last date : 20/05/2016.
12. Tender last selling date & time : 30/05/2016 5:00pm
13. Tender closing date & time : 31/05/2016 1:00pm
14. Tender opening date and time : 31/05/2016 3:00pm
15. Name and address of the office(s) :  
(a) Selling of tender documents : (i) Cashier, Accounts & Finance Division of Director General of Food ( Room No. 419, 4<sup>th</sup> Floor), 16, Abdul Ghani Road, Dhaka-1000  
(ii) Office of the Regional Controller of Food, 299, West Jurain (Natun Rasta), Dhaka-1204.  
(iii) Office of Deputy Secretary (Supply-2), Room No. 109 (A), Ministry of Food, Bangladesh Secretariat, Dhaka.  
(b) Receiving of tender documents : Everyday during office hour from publication date to 31/05/2016 and at closing date & time mentioned in Sl. No. 13 to be received:  
(i) In the box kept in front of Room No. 531 (5<sup>th</sup> Floor) of Food Building, 16, Abdul Ghani Road, Dhaka-1000.  
(ii) Office of the Regional Controller of Food, 299, West Jurain (Natun Rasta), Dhaka-1204.  
(iii) Office of Deputy Secretary (Supply-2), Room NO. 109 (A), Ministry of Food, Bangladesh Secretariat, Dhaka.  
(c) Opening of tender documents : The tender will be opened in the office of the Director IDTS, Room No. 531 of Food Building, 16, Abdul Ghani Road, Dhaka-1000.
16. Eligibility of tenderer : As per TDS & qualification criteria given in the tender documents.
17. Brief description of goods : Supply of 12,000 (twelve thousand) Litre Pirimiphos Methyl-50 EC (Liquid) Insecticide.
18. Price of tender document (Tk) : Tk. 2,000/- (two thousand) only (non-refundable)
19. Validity of tender : 120 (one hundred twenty) days from the date of opening.
20. Identification of lot :

Lot No.	Description of goods	Tender security amount (Tk) in the form of Bank Draft & Pay-Order
1	Pirimiphos Methyl (50 EC) Liquid	5,00,000/- (five lac) Taka
21. Name of official inviting tender : Shaikh Zakir Hossain.
22. Designation of official inviting tender : Additional Director (IDTS).
23. Address of official inviting tender : Directorate General of Food, 16, Abdul Ghani Road, Dhaka-1000.
24. Contact details of official inviting tender : Director, IDTS, Telephone: 9556323.
25. The procuring entity : The procuring entity reserves the right to accept or reject any or all tenders.

Shaikh Zakir Hossain  
Additional Director  
Phone: 9556323