

16 more spinning mills to be set up

State Minister for Textiles A K M Jahangir Hossain yesterday said 16 additional spinning mills each with 25,000 spindles and auto-coning facilities are to be set up to meet the present demand of knit yarn in the ready-made garment sector, reports UNB.

Apparently there exists a demand-supply gap of 47 million KG of yarn, he said while addressing a seminar titled "Knit-Tech '98" at Hotel Sonargaon in the afternoon.

The seminar was jointly organised by FAB-CON Machinery Development Corporation, USA and Sakaimex Ltd.

It was also addressed by US Ambassador to Bangladesh John C Holzman, BGMEA President Mostafa Golam Quadus and BKMEA President Qudus Haque.

Jahangir said the total yarn requirement in the knit garment units in 1996-97 was about 83 million KG against the actual domestic production of 36 million KG.

"This gap will increase over the coming years unless new spinning mills are set up in the country," said the minister. The knit yarn requirement was estimated to increase by about four times by the year 2005, he added.

VAT introduction

Petrol stations shut in Nepal

KATHMANDU, Feb 14: Nepal Oil Corp dealers shut petrol stations Friday indefinitely to protest the introduction of Value Added Tax (VAT). Shailendra Pandey, spokesman for a distributors association said, reports AFP.

All NOC stations displayed signs, saying, "no petrol and no diesel," with some of them fixing wooden planks on the pumps indication that the strike may continue for sometime.

The Nepalese government imposed the VAT on November 15 last year.

Among more than 150 refilling stations in the Nepalese capital, only one run by the Royal Nepalese Army was open to sell limited quantities of petroleum products, consumers said.

Taxis, private cars and pick-ups were lining up for four kilometres to get a turn at the pumps, witnesses said.

Malaysia, Yemen sign trade, investment guarantee pact

KUALA LUMPUR, Feb 14: Malaysia and Yemen signed agreements on trade and investment guarantees aimed at expanding bilateral trade, economic and industrial cooperation, officials said, reports AFP.

Malaysian Prime Minister Mahathir Mohammad and visiting Yemeni President Ali Abdullah Saleh, who met earlier this month, witnessed the signing agreement.

Bernama news agency cited a statement by the Malaysian international trade and industry ministry as saying that both countries also agreed to encourage private enterprises and organisations to explore trade and investment opportunities.

Under the agreements, Malaysia and Yemen will grant each the most-favoured-nation treatment in matters relating to custom duties and foreign trade formalities.

A joint trade committee will also be established to discuss measures to enhance bilateral trade, the statement said.

Saleh arrived here earlier Wednesday for a four-day visit, the first by a Sanaa head of state.

Labour unrest unsettles ROK financial market

SEOUL, Feb 14: South Korea's financial markets were unsettled Thursday as militant labour unions threatened to go ahead with plans for a nationwide strike this weekend, reports AP.

Thousands of riot police were deployed in Seoul in a show of force against possible violent demonstrations by union members ahead of the strike, scheduled to begin Friday afternoon.

The government outlawed the strike and promised to arrest and punish its leaders.

Police, armed with helmets, shields and meter-long batons, surrounded a Catholic cathedral and a Buddhist temple in which union leaders have sought sanctuary in past strikes.

The strike threat kept markets depressed. Stock prices fell 13 points, or 2.5 per cent, from Wednesday to end the morning session at 507.14. The Korean currency, the won, also dropped to 1,622 won per the dollar, down from 1,602.90 on Wednesday.

Market sentiment has been bearish since the union called for the strike Monday.

Kibria elected IFAD Chairman

Bangladesh to get addl food aid for repatriated CHT people

Bangladesh will get additional food aid from international organisations to support the rehabilitation of the repatriated tribal people in the Chittagong Hill Tracts, Finance Minister Shah AMS Kibria said here yesterday, reports UNB.

He said the chief of Canadian CIDA, during a meeting in Rome, has committed to provide Bangladesh with additional 25,000 tons of foodgrain for the rehabilitation work in the CHT.

Kibria was talking to newsmen at the Zia International Airport on his return from a four-day visit to the Italian capital, where he attended the 21st session of the Governing Council of the International Fund for Agricultural Development (IFAD).

Kibria was elected chairman of the IFAD governing council for two years at the session which coincided with the 20th founding anniversary of the Fund.

The finance minister said Executive Director of World Food Programme Catherine Bertini assured that the WFP would consider to provide extra 25,000 tons of foodgrain for the CHT.

Those attending the conference spoke highly about the peace accord on CHT, he said adding that the accord has brightened Bangladesh's image

abroad.

He said Bangladesh's performance in the agricultural sector was also highly acclaimed in the IFAD conference attended by 161 member states and a number of NGOs.

IFAD, which provides food aid to Bangladesh for Food for Works Programme and development of rural infrastructure, would extend its activities in newer areas, Kibria said.

He said the Fund will provide 160,000 tons of foodgrain for ongoing projects this year.

Since IFAD's inception 20 years ago following a global food crisis, it has long been playing an active role in supporting projects, particularly

for poverty alleviation and agricultural development.

So far, IFAD has financed 17 projects in Bangladesh for a total cost of SDR 177.23 million, covering 18,000 villages and beneficiaries estimated at about 28 million people.

About his election as they chairman of the IFAD governing council, Kibria said it's a great honour for Bangladesh.

The Chinese representative proposed his name and the proposal got unanimous support, he added.

The newly elected IFAD chairman said the 4th replenishment of the Fund has been successful with 80 per cent of what it asked for.

The Bengal Indigo Group in line with its strategic objectives of expanding product lines and creating backward integration, is going to commence manufacturing of denim fabrics, says a press release.

A facility agreement between Bengal Indigo, ANZ Grindlays Bank and Arab Bangladesh Bank was signed Wednesday formalising the financial arrangements entered into the consortium scheme which is being strongly advocated by the Bangladesh Bank.

The Corporate Finance Unit of ANZ Grindlays Bank played a financial advisory role and assisted in arranging medium term and working capital loans aggregating approximately Tk 130 million for the project.

ANZ Grindlays Bank is also acting as the lead bank in the consortium and Arab Bangladesh Bank Ltd is the other participant bank in the syndication.

Bengal Indigo Ltd in the project worth about Tk 270 million will manufacture over four million yards of denim fabrics per year at a plant to be set up at Uttara, Dhaka. This will be the second denim plant in the country and is expected to go into production in October this year.

Daley told reporters that given America's objections to the whole agreement as now written, "We will not be moving forward to change any of our laws to comply with what is now on the table."

Opponents rallied on the steps of the Capitol this week in an effort to gain attention for the Paris negotiations, which have been going on largely unnoticed by the public since May 1995.

Protesters delivered handcuffs to congressional offices Friday to dramatize their belief that passage of the agreement would seriously hamper the ability of Congress to protect consumer health, the environment and worker rights.

"We are not going to let the MAI handcuff our democracy. That is why we oppose it," said Lori Wallach, director of Public Citizen's Global Trade Watch.

Barshefsky refused to state US objections. However, the

draft proposed would outlaw use of the Helms-Burton law, passed by Congress in 1996 to tighten the US embargo on Cuba. It penalizes foreign companies that invest in or use properties in Cuba that were confiscated without compensation since the Cuban revolution in 1959.

Daley told reporters that given America's objections to the whole agreement as now written, "We will not be moving forward to change any of our laws to comply with what is now on the table."

Negotiators from the 29 nations are scheduled to hold discussions in Paris Monday and Tuesday to determine what to do next.

The proposed investment agreement, being negotiated by the United States and 28 other member countries of the Organization for Economic Cooperation and Development, is designed to provide new protections for the trillions of dollars in investments that flow across borders annually by making sure governments treat foreign and domestic investors equally.

The deal is strongly sup-

ported by multinational corporations but is equally opposed by environmentalists, consumer groups and labour unions.

They charge the measure would open up foreign challenges more stringent US laws protecting the environment and worker rights. In addition, various states have raised questions about whether state laws would be put at risk.

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\$250m Chinese loan to Myanmar power project

BANGKOK, Feb 14: Myanmar and China have signed a 250 million dollar loan deal under which Beijing will provide funds for a badly needed hydroelectric plant for the military-run state, the media said yesterday, reports AP.

The two sides' Thursday signed a memorandum of understanding (MOU) to help launch the Paunglaung hydropower project near the city of Mandalay.

The deal was signed between the scheme's operator, Myanmar Electric Power Enterprise and the Yunnan Machinery and Equipment Import and Export Corp.



Signing ceremony of a facility agreement between Bengal Indigo Group, ANZ Grindlays Bank and Arab Bangladesh Bank for setting a denim plant.

Proposed global investment accord

US sees too many flaws

WASHINGTON, Feb 14: The United States is not ready to conclude lengthy negotiations on a global investment agreement by a scheduled April 15, reports AP.

US Trade Representative Charlene Barshefsky and Commerce Secretary William Daley said Friday that there are too many flaws in the proposed Multilateral Agreement on Investment to allow the United States to sign onto the deal in its present form.

This agreement at this stage is simply not good enough, Barshefsky said. "It is going to require very substantial work to make this agreement one the United States would be comfortable in signing."

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US-Iraq row

Oil prices increase

NEW YORK, Feb 14: Crude oil prices reversed a four-session slide Friday as President Bill Clinton said he wouldn't let Russia's objection stop a US attack on Iraq, says AP.

Crude oil for March delivery closed up six cents a barrel at 16.02 dollars on the New York Mercantile Exchange, following four straight days of declines that brought the price near its three-year low of 15.70 dollars last January.

With little sign of a breakthrough on the diplomatic front, Clinton said "I hope and I pray" that Iraqi President Saddam Hussein gives up his resistance to unlimited UN weapons inspections. Otherwise, he said, "It's going to be a significant diminish" Iraq's ability to regenerate the arsenal of doomsday weapons it was developing at the time of the Gulf War.

A day after Russia's defences minister publicly rebuked the United States for threatening Iraq, Clinton said he respects Moscow's view but added, "It's not 'no' for the United States under these circumstances."

The dollar also was boosted by comments by a German central banker who said he was content with exchange rates and by traders' desire to have dollars as a safe haven in the event hostilities break out off Iraq.

Heating oil gained 0.15 cents to 44.72 dollars a gallon, while unleaded gasoline rose 0.08 cent to 49.56 cents a gallon.

Natural gas prices were lower, with contracts for delivery in March settling at 2.08 dollars per 1,000 cubic feet, down 2 cents.

In London, North Sea Brent Blend crude oil settled at 14.85 dollar per barrel at the International Petroleum Exchange, up 9 cents.

Dollar gains against major currencies

NEW YORK, Feb 14: The dollar gained against the Japanese yen and other major currencies Friday as investors found new reasons to take a dim view of Japan's ability to cure its economic ills, reports AP.

The dollar regained momentum Thursday against the yen after investors had spent weeks gleefully expecting Japanese officials to mount a credible fight to revive their sagging economy. Market rumors and comments by US Treasury officials Thursday dampened expectations that investors would like the fiscal stimulus package Japan unveils Feb 20.

The big turnaround was in the yen Thursday, said Earl Johnson, a foreign-exchange economist at the Bank of Montreal in Chicago. "The run-up for the yen is over ... if the market is disappointed with the United States to try to wrap up a deal."

"Meanwhile, the underlying factors haven't changed and the precise details have yet to be learned," said Dennis Pettit, a foreign exchange manager at the New York branch of the Long-Term Credit Bank of Japan Ltd.

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Other late dollar rates in New York, compared with late Thursday: 1,461.3 Swiss francs, up from 1,453.1; 6,094.0 French francs, up from 6,061.9; 1,794 Italian lire, up from 1,786 and 1,443.4 Canadian dollars, up from 1,438.2.

World markets

Performance of key international stock markets

Amsterdam AEX	973.05	-0.2%	974.62
Brussels BEL20	2635.38	0.7%	2625.84
Frankfurt DAX	4536.83	-0.8%	4502.48
Hong Kong Hang Seng	10620.03	-3.3%	10274.60
London FTSE 100	5552.5	0.5%	5582.3
Milan MIB30	19609	-0.2%	19577
Paris CAC 40	3178.70	0.3%	3187.73
Sydney ASX All Ordinaries	2674.3	-0.8%	2653.0
Tokyo Nikkei	17174.93	-2	