

**BCCI creditors
approve
settlement plan.**

LUXEMBOURG, Sept 30: Creditors of the failed Bank of Credit and Commerce International have approved a settlement plan that would provide 1.8 billion dollars from Abu Dhabi toward billions in claims, a lawyer said Thursday, reports AP.

But it remains unclear when some 250,000 creditors and depositors might start getting any kind of repayment for their losses, which in some people's cases were life's savings.

Lawyers and representatives of two groups of creditors met Wednesday night in a Luxembourg court, where the creditors voted in favour of the plan.

One of the attorneys, George Ravarani, said their votes will not be binding when the plan is considered formally before judges, and other creditors could object.

It was unclear when a court hearing could be scheduled, although Ravarani said lawyers hope to get the matter heard by late this year or sometime next year. A previous settlement approved in the District Court of Luxembourg was later thrown out by an appeals court that found the deal too favourable to Abu Dhabi, the major shareholder in BCCI.

Abu Dhabi was to have paid 1.7 billion dollars into a fund for creditors in the earlier deal. The new deal increases the amount of money and changes the wording to accommodate what Ravarani called technical objections raised by the appeals judges.

**Clinton signs
inter-state
banking bill**

WASHINGTON, Sept 30: President Bill Clinton signed into law Thursday legislation allowing banks to operate across state lines without setting up new corporations, reports AP.

Clinton and backers of the bill said the measures would lift a major bureaucratic burden on US banks and pump new life into the industry, but critics argue its expected result of increased consolidation will hurt consumers.

Supporters of the bill say it will strengthen the industry and improve service for those who live in communities straddling state borders.

The bill is a winner — a winner for the economy — and everybody knows it," said Treasury Secretary Lloyd Bentsen.

Most states have permitted out-of-state holding companies to own banks, but required that separate bank boards be established in each state, and added cost for banks.

**Congress okays
US defence bill**

WASHINGTON, Sept 30: Congress on Thursday approved a 243.6 billion dollar defence spending bill for the fiscal year starting October 1 and sent it to President Clinton for signature into law, reports Reuters.

The House of Representatives passed the bill by a 327-86 vote and the Senate took final action by voice vote.

The bill includes nearly 300 million dollar for relief operations in Rwanda and at the US base in Guantanamo, Cuba, temporary home to thousands of fleeing Haitians and Cubans.

The bill also includes 250 million dollar to enhance the readiness of US forces in South Korea and 400 million dollar for denuclearisation and demilitarisation in the former Soviet Union.

Total cost of the bill is 822 million dollar under the administration's request.

**Japanese firms to
cut domestic
work force**

TOKYO, Sept 30: Forty-six percent of Japanese manufacturers shifting or planning to shift production overseas expect to reduce their domestic work forces, according to a government survey released today, reports AP.

The Labour Ministry surveyed in August 207 manufacturers who have been shifting production overseas since January 1994 or plan such a move.

Many Japanese manufacturers are shifting production overseas to cope with the yen's advance against the dollar, which is slipping below 100 yen, it said.

**Foreign job scope for Bangladeshis
likely to decrease this year**

By Rafiq Hasan

The scope for overseas employment for Bangladeshis is likely to decrease by about one-third this year compared to the last year.

Sources in the Labour and Manpower Ministry said 1,13,145 persons went abroad taking various types of jobs in the first eight months up to August this year, which is about 34.05 per cent less than the corresponding period of last year. During the period in 1993, the figure of overseas employment was 1,71,564.

Officials connected with the

manpower export are expecting that at the end of this year the figure may reach one and a half lakhs. In 1993, the figure was 244,508.

A total of 15,20,608 persons went abroad taking various types of jobs in the last 18 years.

According to sources in the manpower ministry, since 1976 Bangladeshi workers have started going abroad for jobs. In that year 6087 persons went to Qatar, United Arab Emirates and Saudi Arabia mainly as labour. But in the

80s, people went abroad in large number.

On an average more than one lakh went abroad per year.

An upward trend was witnessed in the country's earnings through remittance in 1994.

According to the Bangladesh Bank sources, the country earned Taka 3073.23 crore up to August this year as remittance. While the figure in corresponding period of last year was 262.44 crore. The increase was about 19.93 per

cent in this sector.

Sources said, Saudi Arabia recruited the highest number of Bangladeshi workers this year. A total of 62,740 persons went to the kingdom taking no objection certificate (NOC) of the government.

Among the other countries which recruited Bangladeshi workers this year are: Kuwait 9950 persons, United Arab Emirates 10303, Qatar 610, Libya 973, Bahrain 2946, Oman 3189, Malaysia 19,635, Singapore 278 and others 2521 persons.

**Steps against manufacture of
substandard drugs suggested**

Discussions at a seminar in the city yesterday called for taking stringent measures against manufacture of substandard drugs to help healthy growth of the pharmaceutical industries in the country, reports BSS.

They also stressed the need for product patent of drugs as well as a central drug research centre and own data-base to help more innovation and research for quality and new drugs production in the country.

The seminar on "Prospects and progress of the pharmaceutical industry in the light of open market economy in Bangladesh" was organised by the Society for Pharmaceutical Chemists (SPC) in connection with its eighth annual confer-

ence at Sonargaon Hotel.

Deputy Leader of Parliament Prof A Q M Badruddoza Chowdhury was the chief guest while Minister for Health and Family Welfare Chowdhury Kamal Ibne Yousuf and State Minister for Science and Technology Prof M A Mannan were special guests at the inaugural function.

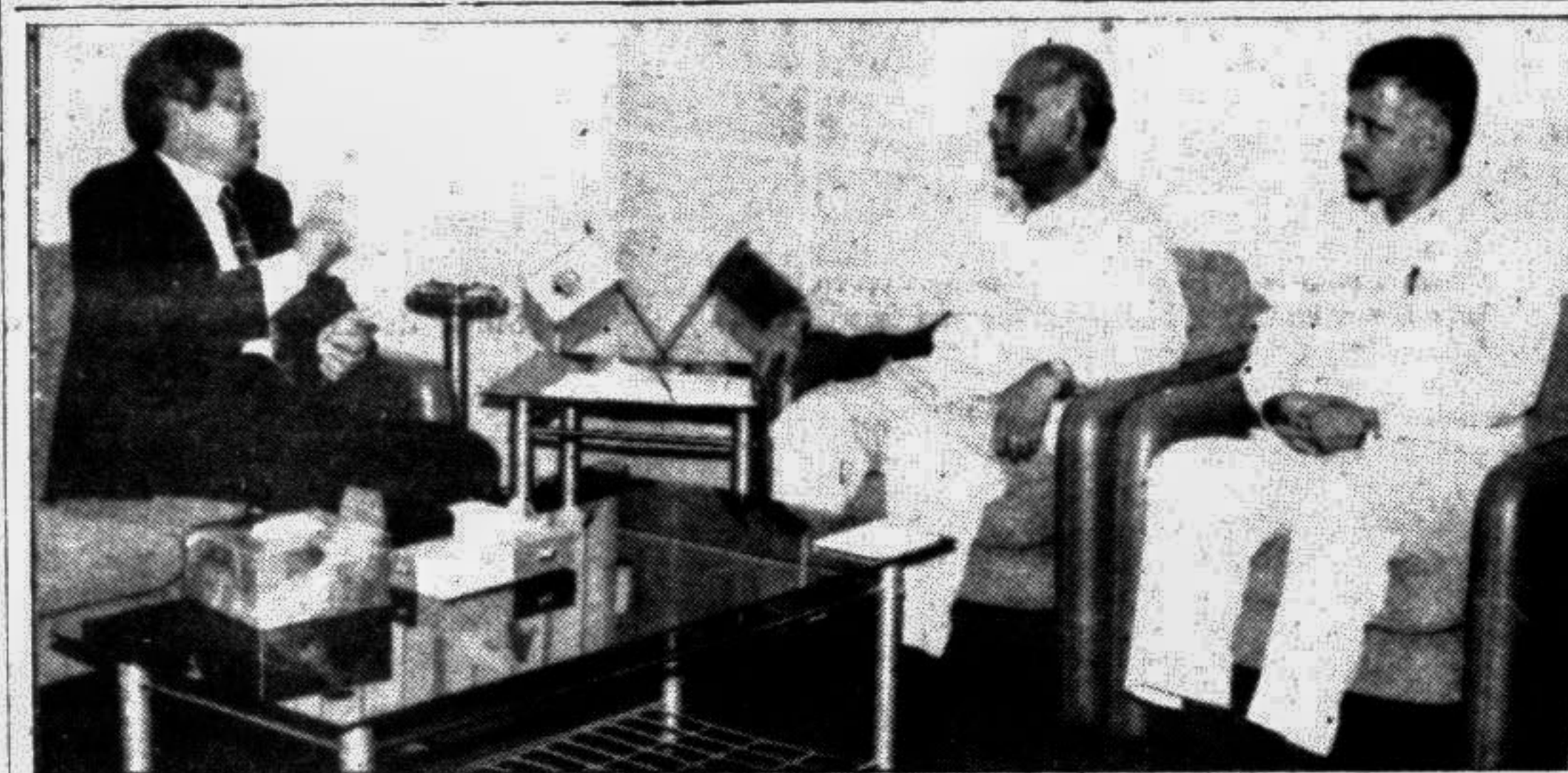
The SPC president Dr A I Mostafa, presided over the function while SPC members representing various pharmaceutical industries took part in the discussion on the key-note paper presented by the Executive Director of Beximco Pharmaceuticals Ltd, D H Khan.

Prof Badruddoza Chowdhury called upon the entrepreneurs to invest in this sector with a

humanitarian and scientific outlook and said it would help regain the lost glory of drugs and medicines being produced in this part of the region in the past.

"The efficiency in production and standard of drugs available here before the independence is no more today," he said calling upon all involved in drugs manufacturing to devote their sincere efforts towards quality production.

Prof Chowdhury referred to the "paracetamol tragedy" and said, "we have received news of 60 or 70 deaths of children by contaminated paracetamol but in fact hundreds of innocent children died which has not come to our notice."



The Malaysian High Commissioner in Bangladesh Ahmed Fuzi Bin Haji Abdul Razak (L) made a farewell call on Mahbubur Rahman (M), President, Federation of Bangladesh Chambers of Commerce and Industry, at the FBCCI office in the city on Thursday. K M Shafiqul Islam, Vice President, FBCCI, is also seen in the picture.

Asian stock markets close lower

HONG KONG, Sept 30: Asian stock markets closed generally lower Friday, with share prices plunging in Hong Kong on renewed fears of possible interest rate increases in the United States, reports AP.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, fell 178.97 points, or 1.8 per cent, closing at 9,521.24. On Thursday, the index gained six points.

In Tokyo, both share prices and the US dollar closed lower.

On the stock market, the 225-issue Nikkei Stock Average fell 51.31 points, or 0.26 per cent, closing at

19,563.81. On Thursday, the Nikkei rose 107.52 points, or 0.55 per cent.

The Tokyo Stock Price Index of all issues listed on the first section edged up 0.62 point, negligible in percentage terms, to 1,576.89. The TOPIX had risen 6.68 points, or 0.43 per cent, the day before.

WELLINGTON: New Zealand share prices closed lower in quiet trading, with brokers expecting the market to remain flat over the next week or two. The NZSE-40 Capital Index fell 6.25 points to 2,066.30.

MANILA: Share prices closed lower in a continuation of

Thursday's technical rebound. The Philippine unified index rose 16.28 points to 2,908.24.

SEOUL: Share prices closed higher on renewed expectations that the authorities will raise the limit on foreign stock ownership.

SINGAPORE: Share prices closed mixed. The 30-share Straits Times Industrials Index fell 16.27 points to 2,332.63.

KUALA LUMPUR: Malaysian share prices closed lower, dragged down by the overnight fall on Wall Street. The Kuala Lumpur Stock Exchange's Composite Index fell 3.92 points to 1,129.76.

**US-Japan trade talks may
go up to deadline**

WASHINGTON, Sept 30: The United States and Japan are taking their 15-month squabble over trade barriers down to the wire, but both sides insist a deal heading off a trade war is still possible, reports AP.

Negotiators faced a midnight (0400 GMT Saturday) deadline for resolving a dispute over ways to open Japan's markets and narrow a huge 60 billion dollar trade gap between the world's two largest economies.

In an effort to strike a deal, Japan was sending two top officials, Foreign Minister Yohei Kono and Trade Minister Ryutaro Hashimoto, back to Washington late Friday for last-ditch talks.

Those discussions were expected to go right up to the deadline and perhaps beyond. But to put an outer limit on the talks, Kantor has already scheduled a news conference for noon (1600 GMT) Saturday to announce what actions the United States plans to take.

President Clinton, who last week warned Kono that the

United States was prepared to impose sanctions, met with Kantor and other top economic advisers late Thursday to review the administration's negotiating position.

The dispute involves an arduous round of talks under a framework agreement both countries signed in July 1993. Under that deal, the two sides agreed to establish priority areas for discussions aimed at lowering Japanese trade barriers and boosting the sale of American products.

The first three priority areas established were autos and auto parts, insurance and government purchases of telecommunications equipment and medical products.

However, the two countries missed a February deadline for getting deals after a summit meeting between Clinton and then-Prime Minister Morihiro Hosokawa ended in stalemate over the key issue of how to employ "objective criteria" to measure success.

While the framework talks were restarted in late May, both sides are still arguing

over the measurement question. Japan has insisted that it will never accept any agreement that hints at numerical targets.

Japan is actually facing two deadlines at midnight. One specifically covers the government purchasing negotiations. If no deal is reached, the way would be cleared for the administration to publish a list of proposed trade sanctions against Japanese companies that could go into effect in 30 days.

The other deadline is for the administration to publish a target list of the most blatant trade barriers that American companies face under a provision of US trade law known as Super 301.

Publishing the list would not trigger any sanctions but would start another round of negotiations over the specific barriers that could ultimately bring trade sanctions, but not for another 18 months.

The Japanese are hoping that deals in the first two areas will avert sanctions for autos and auto parts.

**\$225m US credit
to Pakistan**

LAHORE (PAKISTAN), Sept 30: The US Department of Agriculture (USDA) has authorized 225 million US dollars in credit guarantees in connection with sales of US agricultural commodities to Pakistan under the Commodity Credit Corporation's export credit guarantee programme (GSM-102) for fiscal year 1995, reports AP.

According to Christopher E. Goldthwait, General Sales Manager for USDA's Foreign Agriculture Service, exporters may apply for credit guarantees to cover sales beginning October one, says a USIS press release.

This year's GSM-102 programme for Pakistan is one of the first to be announced, reflecting the interest of the US wheat industry and the USDA to assure the smooth continuation of wheat trade between the US and Pakistan. The Pakistan Ministry of Agriculture has used the GSM-102 programme over the past four years to finance US wheat purchase. The GSM-102 allocation for fiscal 1995 includes 204 million US dollars in credit guarantees for wheat.

**S Korean students
stage anti-GATT
march**

SEOUL, Sept 30: Some 2,000 South Korean students marched yesterday, scattering leaflets against ratification of a new international trade pact under the General Agreement on Tariffs and Trade (GATT), a press report said, according to AFP.

The Yonhap news agency said the students staged the anti-GATT march in the eastern city of Wonju before leaving for Seoul to join a 'festival' involving two major campuses — Yonsei University and Korean University.

"Rice is our soul and life" the students said in leaflets while opposing a government plan to allow the first non-emergency entry of foreign rice into South Korea in 14 years, Yonhap said.

On Monday, the government said, 51,000 tonnes of rice would be imported next year to meet "commitments under its commitments to the GATT's Uruguay pact."

**WB needs more
flexibility in
setting lending
terms: Manmohan**

MADRID, Sept 30: The World Bank must be more alert to differences between countries when setting lending terms, Indian Finance Minister Manmohan Singh said, reports Reuters.

Singh told a conference on the future of the bank and the International Monetary Fund that the bank's switch over the past decade to policy-based lending — loans linked to a commitment to adopt certain economic measures — had brought both benefits and problems.

The bank needed to be more 'country-specific' in the drawing up of economic strategies for developing countries, Singh said.

It was also politically important that these policy adjustments be seen to be "home grown," he said.

But Singh noted that there was increasing pressure from rich donor countries to add new policy objectives, or conditions, for the bank's financing. At a time when the World Bank's resources were not growing, there was the risk that this piling on of new conditions would be seen by the borrowing countries as simply a device to ration scarce resources rather than as a bid to increase the effectiveness of the assistance, he said.



International Monetary Fund Managing Director Michel Camdessus (L), IMF Board of Governors Chairman and Bangladesh Finance Minister M Saifur Rahman (M), and Spanish Prime Minister Felipe Gonzalez attend the first preliminary session ahead of the IMF and World Bank Group annual meeting in Madrid on Thursday. — AFP photo

Govt officials, economists predict**Plague will have minimal
impact on Indian economy**

NEW DELHI, Sept 30: The plague outbreak that erupted last week in the western Indian city of Surat and has spread to other regions will have little impact on the country's economy, government officials and economists said on Thursday.

The disease is a setback to Surat, India's diamond and artificial-silk hub, but the city should rebound, they said.

"The plague outbreak will have minimal effect on the economy," a senior finance ministry official told Reuters. "It is limited to a short period. I have not seen anything to suggest more than that."

"Overall I do not think that it will be of such a magnitude to affect industrial growth," said Puenkatramiah of the Gokhale Institute of Economics and Politics in the western city of Poona.

"It has really been controlled. It is localised and its macro-effects are negligible," he said. "While there is a psychological fear, for economic growth I do not think its consequences are really significant."

Fourteen hundred suspected plague victims were under treatment in isolation wards in at least six of India's 25 states. The National Institute of Infectious Diseases said.

No deaths from the plague had been officially reported outside of the Surat area,

where 47 people died.

Most patients were responding to antibiotic treatment, officials said, insisting the outbreak was under control.

The finance ministry official, who asked not to be identified, said India was a large country and only a small section of the nation had been hit.

"It will not have long-term effects on the economy and no effects on exports," said S L Rao, Director-General of the Independent National Council of Applied Economic Research.

Rao said the plague outbreak would have less of an impact than a Hindu-Muslim dispute that erupted in the city of Ayodhya in late 1992 and continues to fester.

Hindu zealots tore down a 16th century Muslim mosque they claimed had been built on the site of an ancient Hindu temple. In riots that swept the country, more than 2,000 people were killed.

Rao said the riots severely hampered Indian exports in February and March, 1993, damping economic growth.

Indian exports dropped to significantly lower levels in those two months," Rao said. Exports picked up smartly in April, 1993, with 28 per cent growth because of residual orders, Rao said.

In the case of diamonds, a keystone in Surat's economy, there could be some losses for a month or so, Rao said. Then

business would rebound.

Commercial activity ground to a halt in the plague-stricken city, 270 km (160 miles) north of Bombay, after plague was discovered.

Many businesses shut down as more than 300,000 people fled Surat. But people have started returning and businesses have begun reopening.

Surat accounts for 60 per cent of India's total diamond trade, valued at 3.5 billion dollar per year, and has a monopoly over artificial-silk production, rolling out eight million metres (yards) every day.

"Even in Surat they hope to be back in business soon after the peak is passed," the Finance Ministry official said.

The southern Gujarat Chamber of Commerce estimated that the Surat economy was losing 13 million dollar per day because of the business slowdown. But it expressed hope the crisis would pass in three weeks.

Reduced economic activity in the region was depriving the federal government of 800,000 dollar per day in excise duties, the local Chamber of Commerce said.

"Overall there will be no longstanding effect on the economy," Rao said. "If there is some, it will be on travel that too will be short term."

Rao said businessmen could be expected to postpone their visits but not cancel them.

**IMF plans 10 pc gold selling
to help indebted nations**

MADRID, Sept 30: The International Monetary Fund is open to using its gold to help poorer nations but only as a last resort, Managing Director Michel Camdessus said yesterday, reports Reuters.

Britain has proposed selling up to 10 per cent of the IMF's 40 billion dollars of gold reserves to help indebted nations, an idea strongly supported this week by Commonwealth Finance Ministers.

Camdessus told a news conference that "before pledging the 'family jewels', we must

look at all our instruments."

Camdessus, who monetary sources said remains opposed to IMF gold sales, did not comment directly on the British proposal. But he noted that the IMF is already using its gold as collateral to help promote greater flows of financial resources from rich to poor nations.

British Chancellor of the Exchequer Kenneth Clarke has proposed that proceeds from the gold sales be re-invested in incoming-earning assets to relieve third world debt.

**GDP rises in
Finland**

HELSINKI, Sept 30: Gross domestic production (GDP) in Finland rose 4.8 per cent in July over the same month last year, the central statistical office said today, reports AP.

In June the GDP grew 3.8 per cent.

"The fall in the construction industry stopped for the first time since 1990 and grew about four per cent in September 1993.

In agricultural and forestry production was up 11 per cent, while industrial production rose 16.5 per cent.



Sarojini Reddy, wife of the West Bengal Governor, seen looking at the Jamdani sarrees at Bangladeshi Jamdani Saree Exhibition in Calcutta on Wednesday. Shubhra Mukherjee, wife of Central Commerce Minister of India, Pranab Mukherjee is seen beside Mrs Reddy. — PID photo