

National minimum wage threat to new employment: MCCI

Increase of Public Sector wages at uniform rate and fixation of national minimum wages can be serious threats to the country's efforts to create new employment opportunities, according to the Metropolitan Chamber of Commerce and Industry (MCCI) monthly review Chamber News.

Expression the above fear, MCCI in a recent write-up pointed out that development experience of the last decade clearly proves that the countries determining wages through commission, executive flats etc. ignoring productivity and capacity to pay ended up in economic predicament.

Even in Bangladesh, the last decade showed that arbitrary wages fixation ignoring capacity to pay, aggravated financial plight of the Public Sector and employment in the formal sector declined by three per cent per annum. The Public Sector, which accounts for about one-third employment in the formal sector, had to cut back employment due to resource constraints. The Chamber urged the National Wages and Productivity Commission not to ignore these issues while finalising its recommendations.

The Chamber's review pointed out that ad-hoc wage increase in the public sector

during the last decade was a major factor for the financial plight of the public sector mills and factories and also of the national exchequer.

During the period between 1984-85 and 1990-91, the workers' wages had been increased by 205 per cent in nominal terms and 25 per cent in real terms though during this period, the public sector incurred a total loss of Taka 2500 crores and the national exchequer had to extend subsidies to the extent of nearly Taka 3000 crores to the public sector.

The Chamber acknowledged the feeling of the public sector industrial workers that they stand discriminated vis-a-vis the employees of the nationalised mills and factories who have already been given pay increase by as much as 25 per cent to 68 per cent under the recommendations of the Pay Commission. Terminating such a feeling as not undue, the review, however, pointed out that manufacturing workers are better paid vis-a-vis the rest of the population.

The real wages in the manufacturing sector have been increased by 4.4 per cent per annum during the last decade while the per capita income in real terms,

increased by less than two per cent per annum. It shows that the manufacturing workers not only adequately compensated notwithstanding their declined productivity, but are in a much better position vis-a-vis the rest of the population.

On the other hand, the Chamber argues that fixation of uniform minimum wages will cut across opportunities for new employment and will upset industrial growth. Surely in a country, where about 15 million are already unemployed, the objectives of employment generation cannot be sacrificed for the betterment of one million people who are already fortunate in having been employed.

The Chamber stressed that genuine interests and welfare of the public sector workers ought to be ensured, but the means for ensuring the same was throughout the world is collective bargaining—negotiations between the workers and employers—which is also enshrined in our law. No industry can sustain wages cost if wages are not linked to productivity and not based on capacity to pay. This principle is being increasingly accepted even in the former command economies.

Any enhancement of wages

without any consideration to low productivity or the ability to pay will be very costly. It will further cripple the public sector enterprises and worsen the burden on national exchequer. Instead, each public sector corporation should be authorised to determine wages for its enterprises through collective bargaining with the CBAs. This reasonable as the ability to absorb higher wages differs from one sector to another. For example, Oil and Gas sector may be able to absorb a higher wages as compared to jute and textile sectors, which suffer from low productivity and run the risk of unviability.

Similarly, instead of fixing national minimum wages, fixation of minimum wages sector-wise, which is provided in the law, is more prudent as the capacity to absorb higher wages differs from sector to sector, the MCCI pointed out. It stated that the exercise, which is done for this purpose at the level of the minimum wages board, has proved to be comprehensive and mutually acceptable. If necessary, more minimum wages boards may be constituted so that it becomes possible to review minimum wages of more than one industry at a time.

Two BSCIC estates to be established

From Our Correspondent

CHANDPUR, Dec 14: Bangladesh Small and Cottage Industries Corporation (BSCIC), has under taken a comprehensive scheme to establish a new industrial zone at Asitaki at Chandpur district.

Accordingly Taka two crore and seventy-five lakh have been sanctioned for the purpose. About ten thousand acres of land have been acquired for the purpose. The earth filling has been completed in five acres of land.

Administrative building, electric connection, roads, bridges, culverts, overhead tanks have already been completed. About fifty per cent work of the industrial estate have been completed.

MA Malek, Assistant General Manager, BSCIC in a press conference told that sixty three industrial plots are ready for distribution among the persons interested to establish industries in the area.

As a result, about five thousand people will get job facilities in the area. Besides, sixty three more industrial plots will be distributed for the

establishment of small industries in the area. The work of the project is expected to be completed by 1995.

UNB from Jhalokathi says: An industrial estate on 15 acres of land is being established in district during the current fiscal year.

Official sources said a total of Taka 2.50 crore would be spent for construction of the industrial estate. According to them, Taka 27.00 lakh would be spent this year for land development.

Work on the industrial estate will be completed in the year 1995, it is learnt.

According to another report from Patuakhali, Water Development Board is implementing five projects in the district at a cost of Tk 59 lakh with ADB assistance.

The projects include repair of embankments and regulators in the coastal areas of the district.

At least 10,000 hectares of land will be protected from flash flood and salinity.

Dhaka Stock Prices

At the close of trading on December 14, 1992

Record surge in value

An outstanding performance by value was noticed on the Dhaka Stock Exchange floor on Monday. A large number (51) of listed companies also traded on the day. It jumped by 972.09 per cent from Sunday's Taka 792215.00 to Taka 8493. Volume almost doubled from Sunday's 12630 shares to 24433 shares rising by 93.45 per cent.

Losers dominated the floor outnumbering the gainers by 18 to 13. 20 listed stocks traded at unchanged rates against 23 on Sunday.

Despite surge in value the Composite Index slightly gained from Sunday's 371.7034 to 371.8612, an addition of 0.158 point.

DAY'S TRADING AT A GLANCE

DSE Share Price Index 371.8612
Market Capitalisation Tk 10,630,553,683.00
Turnover in Volume 24433
Turnover in Value Tk 8493277.20

Company	Previous Price Tk	Closing Price Tk	Change (Absolute) Tk	Change (% Over Price)	Number Of Shares/Debitures
Gains (13)					
Shares:					
4th ICB M Fund	147.00	147.25	0.25	0.170	30
Green Delta	149.17	150.00	0.83	0.557	540
United Ins	167.75	168.00	0.25	0.149	20
Aziz Pipe	218.00	220.00	2.00	0.918	25
Satham Textile	79.50	80.00	0.50	0.629	400
Ambee Pharma	12.30	12.45	0.15	1.220	1500
Beximco Infusion	180.00	190.01	10.01	5.562	800
Beximco Pharma	425.00	434.97	9.97	2.346	6020
Wata Chemical	102.50	103.00	0.50	0.488	20
Paper Processing	35.00	36.00	1.00	2.858	50
Beximco	17.88	17.70	-0.02	-0.114	37.00
Shine Pukur	98.00	100.00	2.00	2.041	128
Debitures					
Beximco Infusion	1475.00	1475.13	0.13	0.009	3424
Losses (18)					
Shares:					
3rd ICB M Fund	148.00	147.00	-1.00	-0.676	05
Bd Autocars	60.00	59.00	-1.00	-1.667	10
B Thai Aluminium	83.00	81.33	-1.67	-2.012	230
Eastern Cables	76.00	75.47	-0.53	-0.698	75
Howlader Pvc	90.00	88.00	-2.00	-2.223	60
Karim Pipe	102.00	100.00	-2.00	-1.961	57
Bengal Food	135.91	135.00	-0.91	-0.670	221
Ctg Vegetables	79.00	78.56	-0.44	-0.557	800
Dhaka Vegetables	88.00	87.48	-0.52	-0.591	145
Rupan Oil	6.00	5.40	-0.60	-10.000	100
Zeal Bangla	9.50	9.40	-0.10	-1.053	250
National Oxygen	97.00	96.00	-1.00	-1.031	10
Modern Dying	38.00	36.00	-2.00	-5.264	20
Talhu Spinning	109.50	109.20	-0.30	-0.274	250
Bangla Process	62.00	61.00	-1.00	-1.613	25
Bata Shoe	39.36	39.21	-0.15	-0.381	260
Ctg Cement	295.00	291.53	-3.47	-1.177	75
Usmania Glass	283.23	282.88	-0.35	-0.124	45

Trading at unchanged rates (20)					
Shares:					
5th ICB M Fund (490)					
6th ICB M Fund (150)					
Quasem Dry Cells (3350)					
Bangladesh Oxygen (337)					
Ashraf Textile (250)					
Swan Textile (10)					
Rahim Textile (10)					
Eagle Star (70)					
Padma Textile (200)					
Pharmaco (15)					
Progressive Plastic (09)					
Bangladesh Chemical Industries (20)					
Monospool Paper (40)					
Monno Ceramic (30)					
Texpick Industries (10)					
BGIC (50)					
Peoples Insurance (80)					
Debitures					
Beximco Pharma (02)					
Beximco (12)					

DSE SHARES AND DEBITURES					
Company	FV/ML Tk	Northern Jute	10/50	NT	
BANKS (10)					
Al Baraka Bank	1000/1	890.00			
A.B. Bank	100/5	185.00			
City Bank	100/5	300.00			
IFIC	100/5	179.00			
Islami Bank	1000/1	1700.00			
National Bank	100/5	104.00			
Punjab Bank	100/5	102.00			
Rupali Bank	100/5	83.00			
U.C.B.I.	100/5	123.00			
Uttara Bank	100/5	100.00			
INVESTMENT (06)					
ICB	100/5	100.00			
1st ICB M.Fund	100/5	370.00			
2nd ICB Fund	100/5	165.00			
3rd ICB M. Fund	100/5	147.00			
4th ICB M. Fund	100/10	147.25			
5th ICB M. Fund	100/10	93.00			
6th ICB M. Fund	100/10	62.00			
ICB Unit Cert.					
Sales Price		114.00			
Re-purchase		109.00			
INSURANCE (04)					
BGIC	100/10	148.50			
Green Delta	100/10	150.00			
Peoples	100/10	168.50			
United	100/10	168.00			
PHARMACEUTICALS & CHEMICALS (18)					
Ambee Pharma	10/50	12.45			
Bangla Process	100/5	61.00			
BCIL	100/10	200.00			
Beximco Infusion	190.01				
Beximco Pharma	100/5	434.97			
Glaxo	10/50	125.00			
IC I	10/50	10.00			
N Polymer	100/10				
Kohinoor Chemical	100/5	77.50			
Petro Synthetic	10/50	11.10			
Pfizer	100/5	450.00			
Pharma Aids	100/5	175.00			
Pharmaco	100/5	45.00			
Progressive Plastic	100/5	60.00			
Reckitt & Colman	10/50	110.00			
Rahman Chemicals	100/10	35.00			
Therapeutics	100/5	81.00			
The Ibsina	100/10	101.00			
Wata Chemical	100/20	103.00			

FOOD & ALLIED (23)					
A.B. Biscuit	100/5	200.00			
Alpha Tobacco	10/50	46.00			
Aman Sea Food	100/5	20.00			
Apex Food	100/5	710.00			
Aroma Tea	100/5	55.00			
Bangas	100/5	160.00			
B.D. Plantation	100/5	500.00			
Bengal Food	100/5	135.00			
B.L.T.C.	100/5	500.00			
B.T.C.	10/50	59.00			
Ctg. Vegetable	100/10	78.56			
Dhaka Vegetables	100/5	87.48			
E.L. Camella	100/5	1040.00			
Frogleg Export	10/50	2.25			
Gemini Sea Food	100/5	100.00			
Hill Plantation	100/5	550.00			
Modern Industries	100/5	185.00			
N.T.C.	100/5	220.00			
Rabeya Flour	10/100	NT			
Rupan Oil	10/100	5.40			
Tulip Dairy	100/10	88.00			
Yousuf Flour	10/50	NT			
Zeal Bangla Sugar	10/50	9.40			
FUEL & POWER (04)					
BD Oxygen	10/50	65.10			
Eastern Lubricant	10/50	14.00			
National Oxygen	100/10	96.00			
Padma Oil Co.	10/50	48.00			
JUTE (12)					
Ahad Jute	100/10	NT			
Anowara Jute	10/50	NT			
Delta Jute	10/50	8.50			
Gawila Jute	10/50	NT			
Islam Jute	100/5	60.00			
Jute Spinner	100/5	80.00			
Mutual Jute	100/5	105.00			
PAPER & PRINTING (06)					
Eagle Box	10/50	15.50			
Monospool Paper	100/5	55.00			
Paper Converting	100/5	110.00			
Paper Processing	100/10	36.00			
Padma Printers	10/50	50.00			
Sonali Paper	10/50	45.00			
SERVICE (08)					
Bangladesh Hotel	10/50	12.00			
Bd. Service	10/50	NT			
MISCELLANEOUS (16)					
Apex Tannery	100/5	408.00			
Aramit	10/50	36.25			
Bata Shoe	10/100	39.21			
Beximco	10/100	17.70			
B.S.C.	100/5	50.00			
Chittagong Cement	100/5	291.53			
G. Q. Ball Pen	10/50	85.00			
High Speed	100/5	80.00			
Himadri Ltd.	10/100	6.00			
Milon Tannery	100/5	16.00			
Monno Ceramic	100/5	323.00			
Phoenix Leather	100/5	90.00			
Savar Refractories	100/5	98.00			
The Engineers	100/5	100.00			
Texpick Ind	100/10	110.00			
Usmania Glass	100/5	282.88			
DEBITURES (04)					
Bengal Food	600/1	317.00			
(18.5% 1992)					
Beximco Infusion	1500/1	1475.13			
(17% 1998)					
Beximco Pharma	1428/1	1405.00			
(17% 1998)					
Quasem Silk	1500/1	1415.00			
(17% 1994)					

Grameen Bank to get Tk 24cr Norwegian grant