

Wage Commission's recommendations will fuel wage hike: MCCI

The National Wages and Productivity Commission recently finalised its recommendations regarding new pay scales and other benefits for the public sector workers as well as a National Minimum Wage for the private sector industries. The proposed starting wage for the public sector workers is Tk 1610 and the recommended National Minimum Wage is Tk 900 per month. It is reported that the Commission's office firm up these recommendations without any substantive discussions at the Commission level. Quite naturally, the recommendations have created controversies, says Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka in its monthly review Chamber News of December, 92.

The representatives of Bangladesh Employer's Association (BEA) reportedly opposed the recommendations stating that fixation of higher wages for the public sector by as much as 51 per cent at the starting level would make the public sector enterprises more unviable financially, according to MCCI. It observed that wages ought to be fixed by public sector corporations themselves on sectoral basis as their capacity to pay varied from sector to sector.

On national minimum wages, (BEA) mentioned that there was a trade-off between

minimum wages and employment opportunities, says MCCI. Higher minimum wages cut across opportunities for new employment and cause impediment to new industries. The employers' representatives regretted that issues relating to productivity such as productivity norms, productivity-linkage wages etc. were not covered in the Report although it was included in the terms of reference of the Commission. Indeed, any interventions by Government in wages fixation ignoring the labour productivity, capacity to pay and changes in the consumer price indices are detrimental to the country's economic growth and contrary to the basic principles of free enterprise.

Ad-hoc wage hike by the government in the last decade in public sector led to rapid increase in real wages without ensuring corresponding increase in productivity, adds MCCI. It caused financial plight of the public sector and strained the national exchequer. The wages of Public Sector workers were increased by more than 40 per cent in real terms in the period between 1984-85 and 1990-91, ignoring their productivity and the enterprises' capacities to pay.

Financial plight of the public sector corporations kept on

aggravating. During 1990-91, the public sector industries incurred a loss of Tk 446 crores as against the total assets of Tk 9370 crores indicating a negative return of (-) 4.76 per cent on the total assets, points out MCCI.

During the last decade, the real wages of the manufacturing sector have been increased by 4.4 per cent per annum, observes MCCI. During the period, the per capita income in real terms increased by less than two per cent per annum. It means that the manufacturing workers were not only compensated against the rate of inflation, but also gained substantial improvement in real income vis-a-vis the rest of the population. The wages of manufacturing workers of Bangladesh even increased at a faster rate vis-a-vis the manufacturing workers of the developed countries in the last decade. During 1980-90, manufacturing wages in the United States, UK, Japan, Canada and Singapore increased by 50, 118, 45, 91 and 114 per cent respectively. However, in the same period, the manufacturing wages in Bangladesh rose by 232 per cent.

The MCCI in its Chamber News draws attention to the fact that development expertise of the last decade indicates that the countries, which failed to link wages to produc-

tivity and capacity to pay, did not succeed in labour intensive growth and employment generation. In such a situation, further increase in wages will only aggravate financial losses of the public sector and indirectly, will affect private sector adversely if the wage structures are not linked to productivity and are not based on the capacity to pay.

The recent trends in wages and employment generation indicate that these two factors are negatively correlated, according to MCCI. In other words, formal sector employment has declined whenever wages were increased abruptly. Formal sector employment in Bangladesh has declined by four per cent to 4.8 million in 1989-90 compared to five million in 1983-84. Only 9.5 per cent of the labour force is now employed in the formal sector, of which about 30 per cent is in the public sector.

Wage Commission failed to make a realistic assessment of conditions in the labour market. The government, which need to balance between welfare of those who are already employed and creation of opportunities for new employment, should review the recommendations in the light of the public sector enterprises' capacity to pay and reject the recommendation on national minimum wages, concludes MCCI.

Tk 1.3cr smuggled goods seized last year in Sylhet

From Our Correspondent SYLHET, Jan 13: Smuggled goods worth about Taka one crore 31 lakh 16 thousand were seized by the BDR during the last year from the border areas of greater Sylhet region. An official source informed that of the total, Taka one crore five lakh 9,903 goods were being smuggled into the country and the remaining amount. Goods were seized while those were being smuggled out the country. The vehicles which were seized during the different operations will be worth about Taka 21 lakh, 65 thousand, a source said.

The seized items include sugar, sarees, lungi, orange, betel leaf, betel nut, blouz, bidis, cosmetics and electronics. These had already been deposited with the Customs Department.

The 12, 33 and 36 Battalions of BDR took part in all these operations during the year 1992.

Most Tea prices remain steady

By Staff Correspondent

Mixed results were evinced at this week's tea auction sale held in Chittagong on Tuesday as the prices for brokens remained steady while that of the fannings eased.

According to a Unity brokers market report, strong export demand continued to maintain the price level for the brokens. The rates were held steady by buyers from Poland, Russia and India.

However, after a couple of days of rising prices, demand for fannings eased and prices declined by Taka two to Taka three per kilogram below last levels. Withdrawals in this section were high. Local traders lent good support in the dust category.

Total withdrawals stood at 22 per cent of the offerings at the sale as against last week's 12 per cent.

In the leaf category, a total of 20,340 packages alongwith 210 packages of old season teas were offered at the sale. Of which, the export buyers

accounted for 66 per cent of the sale while the internal traders purchased 11 per cent and remaining 23 per cent was withdrawn.

In the dust category, 4,026 packages were offered, of which, local traders brought 45 per cent of the sale while the export buyers purchased 39 per cent and the rest 16 per cent was withdrawn.

Following is the category-wise market performance report as prepared by Unity Brokers:

CTC: Brokens were generally a firm market, occasionally gaining by upto a taka above last sale rates. Plainers sorts inclined more. Smaller brokens were in good demand at dearer rates. Few selective brokens sold between Tk 54.20 to Tk 54.80 and old season brokens sold between Tk 50.10 to Tk 50.50 per kg.

Demand for the fannings eased and prices declined by Tk 2/3 per kg with a large quantity remaining unsold, a

small quantity sold between Tk 53.00 to Tk 54.20 and secondaries realised between Tk 37.00 to Tk 42.00 per kg.

Orthodox: Whole leaf grades sold at Tk 63.00 per kg whilst the better brokens realised between Tk 47.20 to Tk 47.35. Fannings were absorbed at between Tk 46.00 to Tk 47.35 and plainers fannings sold between Tk 34.80 to Tk 41.00 per kg.

Green Tea: 540 packages were on offer, FYH's sold between Tk 51.00 to Tk 58.00 YH's between Tk 49.00 to Tk 56.20 whilst the hysons realised between Tk 42.50 to Tk 46.80 per kg.

Dust: 4,026 packages were on offer. Good liquoring internal popular lines were about steady. Fibrous sorts were easier.

The next tea auction sale (No. 39) will be held on January 19 and total offerings will consist of about 18,000 packages of leaf and 4,000 packages of dust.

Inflation rate in France 36 years lowest

PARIS, Jan 13: French consumer price inflation slowed in 1992 to 2.0 per cent, the lowest rate in 36 years, the National Statistics Institute (INSEE) said on Tuesday, reports Reuter.

The INSEE said prices in December were unchanged for the second month in a row, beating economists' forecast of a 0.1 per cent increase.

The 2.0 per cent rate was the lowest since 1956, when prices rose 1.2 per cent. The next-best performance in recent years was in 1986, when inflation was 2.1 per cent.

In 1991, prices rose 3.1 per cent.

At the beginning of 1992 the government had forecast annual inflation of 2.8 per cent, but the sluggishness of the economy and the pressure on companies to hold down costs meant inflation actually came in much lower.

Economists believe the headline rate could fall even further in coming months, but they said the good performance was a double-edged sword for it leaves France with among the highest inflation-adjusted interest rates in the industrial world.



LK Siddiqi, Chairman, Board of Director of Agrani Bank distributing certificate to one of the participants of the workshop on 'performance planning process' held at the bank. Mustafa Aninur Rashid, MD of the bank is also seen in the picture.

China to face higher inflation this year, predict experts

BEIJING, Jan 13: Most Chinese economists doubt the ability of Premier Li Peng's government to restrain money supply growth and are predicting higher inflation in 1993, according to an official survey released Tuesday, reports AFP.

There are 41.2 per cent of experts who think a tight money policy should be properly adopted, but nearly all experts predict that this will be hard this year because of various pressures, the official Economic Daily reported.

Most of the economists said inflation in 1993 will surpass last year's 6.2 per cent. Nearly half the respondents, or 49.4 per cent, predicted inflation of six to eight per cent, while 38.8 per cent saw a eight-to-10 per cent rise.

The questionnaire survey was carried out by four official organs, including the State Council research office and the State Commission for restructuring the economy, the newspaper said, adding that most of the 114 respondent worked in central and provincial govern-

ment. The economists' pessimism in their government's ability to restrain monetary growth comes as the Prime Minister campaigns for stronger state control to prevent economic overheating.

During a tour of capital-hungry southern China last week, Li said he hoped for better use of infrastructure investment and stressed 'macro-economic control over the total volume of loans and credit funds.'

On Monday, he told a national conference on economic reform: 'The state will strengthen macro control of the central bank. China's four specialised banks should continue their role of macro control and regulation. They should not hasten their transformation into purely commercial banks.'

A majority of 55.3 per cent of the experts surveyed said economic overheating had already begun and inflation was possible, compared with 27.1 per cent who said the growth

rate was normal and economic prospects were good. China's Gross National Product (GNP) grew 12 per cent last year, which 58.8 per cent of respondents said was 'on the fast side.'

Many of the experts were pessimistic that the government will realise its objective of slowing GNP growth to the single digit with 42.4 per cent predicting economic growth of 10 to 12 per cent this year.

Another 47.1 per cent of those surveyed said GNP growth would range from eight to 10 per cent.

The money supply grew 30 per cent last year, fueled by what the central government has called a 'blind craze' on the part of local officials to buy real estate and build development zones.

The economists predict continued heavy capital investment and two-thirds of them said they saw 'no change' in government budget deficits of more than 35 billion dollar a year, another important inflationary factor.

Technical knowledge for uplift stressed

Education Minister Bariar Jamiuddin Sirar Monday underscored the need for acquiring technical knowledge and know-how to compete with other nations in the world in scientific and technological development, reports BSS.

He also emphasised the need for learning English as an international language along with Bengali so that the Bangladeshis could communicate and compete with other nations.

He was speaking as the chief guest at a certificate giving ceremony to the participants of a training course in computers and information management held in Dhaka.

The Education Minister said lack of teachers, maintenance facilities, and incentives

along with financial constraint were the main barriers in introducing computer science at school level. He, however, said computer science would be introduced at college level.

Speaking on the occasions the special guest former Science and Technology Secretary Dr Abdullah Al-Muti Sharafuddin said, "we must build our own technocrats and experts to operate and maintain the computers and ensure their best utilisation. He suggested to introduce computer at school level to make the students acquainted with it.

Organised by Computers and Communications the function was also addressed, among others, by Bangladesh Shipa Bank Chairman ATM Alamgir MP and Director of the company Subrata Sarkar.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 13.01.93

Berth No	Name of Vessels	Cargo	L. Port	Local Agent	Date of Leaving
J/1	Gul Jiang	Cement	S Brig	ATSL	09/01
J/3	Amer Jyoti	Cement	Jaka	Paragon	03/01
J/4	Trans America	Sugar/GI	BKK	BOAL	08/01
J/5	Golden Union	GL	Mong	OWSL	08/01
J/6	Anting	R Seed	Sting	BDShip	24/12
J/7	Banglar Sempad	GI	Kara	BSC	08/01
J/8	Ivyverett	GI	Sting	EHP	08/01
J/9	Becco Europe	Urea	Sula	UMAL	R/A
J/10	Endurance Sea	Repair	Aqaba	EOSL	25/01
J/11	Janbaz-II	Urea	Cal	RRSA	20/12
J/12	Norman Prince	Wheat (G)	Mong	BEL	06/01
J/13	Al Tajwar	Cement	Jaka	PSAL	02/01
MPB/1	Optima	Cont	Mong	RSL	10/01
MPB/2	HMS London	—	Sing	JF	12/01
CSJ	S E Halder	Cement	Kara	ASLL	R/A
GJ	Banglar Kiron	Wheat (G)	—	BSC	R/A
TSP	Vinta	R Phos	Jedah	SSST	04/01
RM/5	Solbulk	Wheat (P)	P Land	Seacom	30/12
DOJ	Banglar Jyoti	C Oil	—	BSC	R/A
CUJ	Farast	Urea	—	USTC	R/A

VESSELS DUE AT OUTER ANCHORAGE

Name of Vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading Port
NGS Ranger	29/12	13/01	Sing	BDSHIP	Cont
Delight Glory	13/01	13/01	Sing	Bright	Cement
Robert-e-Lee	13/01	13/01	—	Kama	GI
Ingenuity 31/12	13/01	13/01	Sing	RSL	Cont
Petr Starostin	2/12	13/01	Sing	CT	Sing
Trans Asia	14/01	14/01	Mong	BOAL	Bunkering
NGS Express	3/1	14/01	Mong	BDSHIP	Cont
Tina	14/01	14/01	Sing	Prog	Proj Equip
Marine Gloria	14/01	14/01	Pasca	Lama	Bulk Dap
Weser Star	12/1	15/01	Cal	BDSHIP	Cont
Kota Bwana	4/1	15/01	Sing	CTS	Cont
Stamartin	15/01	15/01	—	SSST	Wheat (G)
Mezhgorie	15/01	15/01	—	Prog	GI
Arti	15/01	15/01	H&SL	GTSP	—
Banglar Maya	15/01	15/01	—	BSC	Repair
Stern	17/01	17/01	Sing	UMAL	TSP (P)
Karabieverett	17/01	17/01	—	EBPL	GI
1 Yamburenko	9/1	17/01	Sing	CT	Cont
Mowlavi	18/01	18/01	Mong	SSL	GI/CL
Shenon	9/1	18/01	Sing	Ommi	Cont
Tiger Force	9/1	20/01	Col	RSL	Cont
State of Orissa	20/01	20/01	—	SSL	Ant Dundee
Banglar Shobha	20/01	20/01	—	BSC	GI
State of Tripura	22/01	22/01	—	SSL	GI
Hang Lay	24/01	24/01	—	H&H	Cement
Massy Phoenix	26/01	26/01	Jaka	OWSL	Wheat (P)

TANKER DUE

Shota	13/01	Reug	Seacom	Veg Oil	—
Rotary Triad	17/01	PAlma	JF	Tallow	—

VESSELS AT KUTUBDIA

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Hang Wan	GI	Sting	Prog	11/01
Pong Yun	Cont	Sting	BDSHIP	13/01
Easo Bangkok	HSO	Sting	MSP	11/01
Banglar Shourabh	C Oil	—	BSC	R/A
IRO	Wheat (G)	Ghent	Ancient	10/01
Global Venus	P Oil	Sting	Seacom	10/01

VESSELS NOT READY

Arhon	TSP (G)	Sting	H&SL	24/12
Banglar Robi	Wheat (G)	—	BSC	R/A (9/1)
Vidnoz	Molasses	Col	GT	11/01

VESSELS AWAITING INSTRUCTION

Banglar Asha	—	—	BSC	R/A (20/12)
Artemis-1	Cement	—	Bright	R/A (02/11)

VESSELS NOT ENTERING

Al Fesani	—	—	RRSA	R/A (31/1)
Meringa	Scrapping Viza	—	MTA	01/01
American Trader	Wheat (G)	Sing	BEL	06/01
Al Mohammad	Wheat (G)	Mong	BEL	07/01
Parankvi M-Y	Wheat	Sting	BEL	R/A (10/01)
Ocean Voyager	Cement	Pada	AMI	12/01
A.S Olan	—	—	BSC	R/A (11/01)

MOVEMENT OF VESSELS FOR 14/01/93

Outgoing	Incoming	Shifting
J/4 Trans America	J/8 NGS Ranger	J/2 IRO to GSJ
J/5 Golden Union	MPB/2 Inequality	J/12 N Prince to O/A
MPB/1 Fong Yun	J/12 Praskavy	GSJ Banglar Kiron to DDJ/2
MPB/2 HMS London	J/15 Tina	J/8 Petr Starostin to MPB/1
RM/3 Global Venus	RM/3 Shota	—

The above were the Wednesday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by IIRC Group, Dhaka.

Exchange Rates

The following are the Commercial Bank's BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on January 14.

Currency	Selling B.C.		Buying OD Transfers	
	B.C.	T.T. (C)	B.C.	T.T. (C)
US Dollar	39.1326	38.9087	38.6339	38.6339
Poundsterling	60.3758	60.0585	59.6569	59.6569
DM	23.9856	23.8338	23.6655	23.6655
FE	7.0732	7.0289	6.9793	6.9793
S Riyal	10.4641	10.4042	10.3307	10.3307
D Quidiers	21.3408	21.2071	21.0573	21.0573
S Kroner	5.2485	5.2114	5.1746	5.1746
Singapore Dollar	23.6208	23.4857	23.3198	23.3198
UAE Dirham	10.6911	10.6299	10.5548	10.5548
Kuwait Dinar	129.2785	128.5388	127.6310	127.6310
Indian Rupee (AMU)	1.4925	1.4852	1.4783	1.4783
Pak Rupee (AMU)	1.5060	1.4992	1.4917	1.4917

Authorised dealers will apply T T clean buying rate for purchase of remittances from Bangladesh working abroad.

Note: AMU—Asian Monetary Union.

Dhaka Stock Prices

At the close of trading on January 13, 1993

Further decline

The share market of Dhaka Stock Exchange (DSE) showed further negative signs on Wednesday. Figures appeared quite poor against Tuesday's finish.

Trading on the floor was also quite dull. Only 30 listed companies traded on the day. Prices of 12 companies advanced while other ten lost values. The highest number of shares were transacted by Beximco (2500).

Volume or shares suffered a loss of 60.63 per cent. It closed at 7,071 issues from Tuesday's 17,961. Similarly value suffered a loss of 49.59 per cent against the previous day's finish.

The composite index however, slightly moved ahead adding 0.824 point and closed at 368.9883.

DAY'S TRADING AT A GLANCE

Company	Previous price Tk	Closing price Tk	Change (absolute) Tk	Change (%) over price	Number of shares/debitures
DSE Share Price Index	—	—	—	—	368.9883
Market Capitalisation (Tk)	—	—	—	—	10,518,938,026.00
Turnover in Volume	—	—	—	—	7071
Turnover in Value (Tk)	—	—	—	—	482922.50

Gains (12)

Bd Autocars	48.67	50.00	1.33	2.733	05
Jute Spinners	75.00	80.00	5.00	6.667	05
Eagle Box	13.00	13.80	0.80	6.154	450
National Bank	99.72	101.00	1.28	1.284	160
Quasem Drycells	9.50	9.60	0.10	1.053	500
Bengal Food	130.99	131.00	0.01	0.008	700
Zeal Bangla	8.87	8.90	0.03	0.338	50
Tamijuddin	152.00	154.00	2.00	1.316	50
Beximco Infusion	202.50				