

Mahathir Mohamad alleges

# European states seeking to lift minimum wage levels in South

KUALA LUMPUR, May 20: Malaysian Premier Mahathir Mohamad charged yesterday that European countries were seeking to lift minimum wage levels in developing nations as a ploy to overcome their own economic problems, reports AFP.

"They actually want the workers of the developing countries to make a sacrifice to ensure that they maintain their high living standards," Mahathir said.

He said Europe had become unable to lure investment and create jobs because of the huge gap between salaries in Europe and developing countries.

"In fact, the European countries can bring down their minimum wage levels, but this would mean sacrificing their living standards," Mahathir said. "So, they are now proposing to compel us to raise our minimum wage levels to overcome their unemployment problems."

Mahathir said that the Group of Seven (G-7) rich countries had held many meetings to address European wages. Especially unemploy-

ment levels which in some countries had reached 12 per cent, "but to no avail."

Britain, France, Germany and Italy are the European countries in the G-7, which also includes the United States, Japan and Canada.

Mahathir said developing countries had to be wary about raising wages for workers because they might lose their competitive edge and be overwhelmed by inflation.

At a GATT ministerial conference in Marrakesh, Morocco last month, Malaysia and other developing countries voiced fears that a bid to include labour rights in the new World Trade Organisation (WTO) could be used by industrial nations as a pretext for new forms of protectionism.

This was in response to pressure, mainly from the United States and France, for the WTO agenda to link trade and workers rights.

The WTO will replace the Geneva-based General Agreement on Tariffs and Trade (GATT), which has operated on an interim basis since

1947, and will have greater enforcement power in international trading relations.

## Nationwide alarm raised over rising inflation

Another report adds: Economically-booming Malaysia raised nationwide alarm yesterday over rising inflation, but analysts said soaring wages, advising people to cut spending, raise savings and use credit cards widely.

If the inflation and currency situation goes out of hand, the economy will be destroyed and all — the people, traders, banks, the government and country — will suffer, premier Mahathir Mohamad warned as he launched a national anti-inflation campaign.

Under the campaign organised by the domestic trade and industry ministry, the mass media, government agencies and non-governmental organisations were to explain to the people the urgent need to curb inflation, officials said.

Mahathir said the annual inflation rate for the first three months of 1994 had jumped to 4.5 per cent from 3.6 per cent as of December.

Economists have predicted inflation to rise to 4.2 per cent this year and 4.5 per cent in 1995.

Malaysia's inflation rate last year was considered relatively low given the country's 8.5 per cent economic growth rate, but analysts said soaring wages, ample liquidity and arbitrary price increases were exerting pressure on prices.

Annual growth has been an average of more than eight per cent since 1987.

The rising inflationary trend was reflected by the overall 7.4 per cent hike in prices of non-controlled food stuff, they said.

The government has taken various measures to ensure that the nation's rapid growth prevails in a situation where the prices of goods and services are low and stable," Mahathir said.

He said a relentless campaign was being waged to fight inflationary pressures because they could erode the value of the Malaysian ringgit as well as wages.

# US economy most flexible in the world : Altman

WASHINGTON, May 20: The United States, which has the most flexible labour market of any nation, has greatly improved its competitiveness vis-a-vis Germany and Japan, according to Deputy Secretary of the Treasury Roger Altman, says a USIS press release.

The United States is now in the midst of a cyclical recovery," Altman told a conference of institutional investors May 16. "We have steady growth of about 3 per cent, low inflation and relatively low interest rates... The US economy is by far the most flexible in the world. This country is always willing to make changes."

Perhaps the single most important development in recent years, he said, has been the corporate restructuring that has taken place in the United States — as firm after firm has written off non-performing debt and strengthened company balance sheets.

"This has significantly moved down the number of business failures in this country," he explained.

Altman said the changing composition of the US economy is also evident from a number of other developments now in progress. The nation's private sector continues to move toward a service economy. Since 1990, 3.3 million

new service jobs have been created, more than offsetting the loss of 1.6 million manufacturing jobs. Over the past 10 years, the United States has averaged 3 per cent annual growth in manufacturing productivity. This is 14 per cent more than the average rate of increase in Germany and 22 per cent more than in Japan.

The United States is asserting its electronic supremacy. Today, there are about 265 computers in use for every 1,000 persons employed. That is 150 per cent more than Germany and 315 per cent more than Japan.

Germany is just now beginning to enter the type of corporate restructuring and downsizing that US industries are completing, Altman said, while Japan has yet to do so.

He pointed out that the United States has created 13 times as many new jobs as all European nations combined.

The average European worker changes jobs four or five times over his or her entire career, while the average American worker changes jobs eight times.

Much of Europe's inability to create new jobs stems from its traditional "interventionist role" for government, which affects large sectors of its economies, Altman said.

## Scheduled Banks Affairs

Statement of position of scheduled banks as at the close of business on May 5, 1994

		Taka in unit
1. Demand liabilities in Bangladesh	5809,95,56,000	
i) Deposits (General)	210,09,78,000	
ii) Deposits from banks	73,00,00,000	
iii) Borrowings from banks	.000	
iv) Borrowings from non-banking financial institutions		
v) Other demand liabilities	1432,14,37,000	
2. Time liabilities in Bangladesh	22922,94,85,000	
i) Deposits (General)	364,63,17,000	'000
ii) Deposits from banks	1469,10,04,000	
iii) Borrowings from Banks		
iv) Other time liabilities		
3. Borrowings from Bangladesh Bank	2524,18,95,000	
i) Against Usance bills	'000	
ii) Against promissory notes	195,00,00,000	
iii) Against approved securities	'000	
iv) Other borrowings		
4. Cash in Bangladesh	398,50,90,000	
i) Bangladesh notes	8,02,73,000	
ii) Bangladesh taka coins	23,000	
iii) Bangladesh subsidiary coins		
5. Balances with the Bangladesh Bank	4084,95,41,000	
i) Principal office	89,92,02,000	
ii) Other offices & branches		
6. Balances with other banks in current account in Bangladesh	177,95,67,000	
7. Money at call & short notice in Bangladesh	695,29,42,000	
8. Investments (at book value)	5474,77,56,000	
9. Credit provided in Bangladesh	26805,45,77,000	
i) Advances except those to other banks	'000	
ii) Advances to other banks	117,36,74,000	
iii) Inland bills purchased and discounted in Bangladesh	684,21,07,000	
iv) Foreign bills purchased and discounted in Bangladesh		
v) Inland bills sold to or rediscounted with the Bangladesh Bank not yet matured and not included in (iii) above	'000	
vi) Foreign bills sold to or rediscounted with the Bangladesh Bank not yet matured & not included in (iv) above	'000	
• Figure shown in column No. 9 (i) above includes foreign currency loans of Tk. 184,17,31,000.		

Source: Bangladesh Bank press release.

## Shipping Intelligence

### CHITTAGONG PORT

Berth position and performance of vessels as on 19.5.1994

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	* Olivia	Cement	Sing	USTC	12/5	20/5
J/2	* Salar	GI	ASLL	R/A	19/5	
J/3	Zenith-I	Cement	Chin	PSAL	11/5	21/5
J/4	* Arts Sky	GI	Sing	BSL	14/5	21/5
J/5	Banglar Kiron	Rice/Bitt	Kara	BSC	16/5	25/5
J/7	Banglar Gourab	GI	P Kala	BSC	11/5	
J/8	Banglar Marmata	Rice	P Kasi	BSC	14/5	20/5
J/9	Banglar Kakol	Wheat(G)	-	BSC	R/A	20/5
J/10	Dolores	Idle	-	Seacom	R/A	30/5
J/11	Alma	Wheat(P)	Bew	Seacoast	29/4	24/5
J/12	* Banglar Robi	Cont	Sing	BSL	16/5	20/5
J/13	* Shengkai	Urea	V Patt	Seacom	6/5	19/5
MPB/1	I Yamurenko	Cont	Sing	CT	18/5	21/5
MPB/2	* Socol-I	Cont	Sing	Baridhi	16/5	21/5
GSJ	Lanka Mahapola	Cont	Col	Baridhi	18/5	21/5
TSP	Forun Wind	Wheat(G)	Sing	SSST	R/A	23/5
RM/3	Alikyons	R Sulp	Long	Seacom	6/5	24/5
RM/4	Suci	CPL	P Kala	Seacom	19/5	20/5
DDJ/1	* Arseniev	CPL	P Kala	Seacom	19/5	19/5
CUR/1	* Loyal Bird	Repair	Mong	USTC	15/11	19/5

Name of vessels	Date of arrival	Last port call	Local agent	Cargo	Loading port
* Petr Starostin (Cont)	19/5	Sing	CT	Cont	Sing
* Ranger	19/5	Bew	Lutful	W Pulp	-
David-L	20/5	Mong	H&H	-	
Tae Chon	25/5	Mong	Litmond	-	
Robert-e-Lee	20/5	Para	Karna	GI(Lash)	Jakarta
Armas	21/5	Sing	PSAL	TSP(P)	-
Marine Three	20/5	Yang	BML	Rice/GI	-
Mezhdurechensk	21/5	Sing	USTC	Cement	-
Pearl One	25/5	Yang	ENCL	GI	-
Yannis-II	25/5	Yang	PSAL	P Iron(P)	-
B Moni(Cont)	24/5	Mong	BSL	Cont	Sing
Kota Bintang (Cont)	21/5	Sing	CTS	Cont	Sing
Jiang Cheng	21/5	Shai	BDShip	GI	C Ports
Fong Shin (Cont)	23/5	Sing	BDShip	Cont	Sing
Hornstrand	24/5	Kara	EBPL	Defence	France
Astron	24/5	Agaba	SSST	R Phos	-
Tiger Hope	24/5	Kaus	Prog	GI	-
Salem Twelve	24/5	-	MSA	GI/SASH	-
Berge Trader	23/5	Fuja	JF	-	
Scan Falcon	24/5	-	AML	GI	-
B Sampad	28/5	Mong	BSL	GL	Karachi
Ivyeveret	25/5	-	EBPL	GI	Japa Fe
Sam Mateo	25/5	Yang	JF	Vehicle	-
Meng Lee (Cont)	25/5	Col	AML	Cont	Cal
Ultima (Cont)	25/5	Col	BTSA	Cont	Mong
Imke Wehr (Cont)	25/5	-	APL(B)	Cont	Sing
Callians	27/5	-	SBS	Wheat(G)	Canada
Venkat-IV	28/5	-	Novo	-	-
Mulpha Sibu	30/5	-	PSAL	Cement	-
Ouria	31/5	Liany	USTC	Cement	-

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Assimina	19/5	BSL	C Oil	B Jyoti
Global Jupiter	20/5	TSL	CPL	(RM 3/4