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Thai trade fair begins in city July 8

A three-day Thai Trade Fair will begin at Hotel Sheraton here on July 8, reports UNB.

Thai Deputy Minister for Foreign Affairs Sukhumbhand Paribatra will inaugurate the fair to be organised by Thai Embassy in Dhaka.

Various Thai products like furniture, jewellery items, toys, cosmetics, rubber products, artificial flowers, consumer electrical goods, petro-chemical goods, paints, building materials, sports items, Thai silk, trendy ladies' wear and fashionable apparels will be put on display at the fair.

It will also have presentation by Thai Airlines and on Tourism in Thailand, said a press release here yesterday.

The fair will remain open to public from 9 am to 7 pm everyday.

Thai Embassy and Board of Investment will organise a half-day symposium on "Trade and investment opportunities in Bangladesh for Thai businessmen" on July 9.

It will discuss the opportunities and other incentives for trade and investments in Bangladesh in addition to the prospect of joint investment in Bangladesh.

On the occasion, a "Thai Food Week" will be held at Hotel Sonargaon from July 6, featuring authentic Thai cuisine and Thai dance performance, the release added.

IDS to launch hotel software in city today

Intellect Data Systems and Software (P) Ltd. (IDS) a leading hotel software company of Asia, will introduce its Fortune Suite products in a seminar Bangladesh today.

Stamford Computers Pte. Ltd. a Thakral Brothers company in Bangladesh and a leading IBM distributor, will organize the seminar collaboration with in IMB World Trade Corporation at Dhaka Sheraton Hotel at 5:00 pm.

IDS representative George White will introduce Fortune series to local hotel management personnel, said Stamford in a press statement.

Thakral Brothers is the regional partner of IDS.

Exhibition on DSE automation held

An exhibition on automation of Dhaka Stock Exchange was held at the conference room of the bourse yesterday.

Tandem International, which got contract for the DSE automation project, organised the show.

"The DSE automation would enable brokers to operate from in and outside the country," said a DSE press release.

DSE chief along with his counselors and members was present at the exhibition.

Japan doesn't detail reform policies

TOKYO, Jun 21: Japan's Finance Minister Hikaru Matsunaga vowed today to push ahead with economic reforms but offered no detailed policies even though the world's senior finance officials warned Tokyo to act swiftly, reports AFP.

"We need to revive the financial system... and speed up structural reforms, including tax reform," Matsunaga said in a television interview.

"Steady implementation of the reforms is extremely important," he said.

But Matsunaga shied away from specific policy announcements and fell short of a clear commitment to permanent tax cuts, a key measure the world, led by the United States, is seeking from Tokyo.

Bonn willing to increase trade, investment in Bangladesh

Germany is willing to increase its volume of trade and investment in Bangladesh, newly appointed German Ambassador Uwe Schramm said here yesterday, reports UNB.

"There is ample room for major increases in trade and investment here," he told newsmen at his Gulshan residence.

The two-way annual trade between the two countries is around US\$ 500 million. "The figure may look good on paper but it's not satisfactory... I think it should be much more," he said.

Replying to a question, the Ambassador said Bangladesh has got positive factors to attract foreign investment.

He mentioned that the country, a potential market of 120 million people, is pursuing a market economy and has got a nice location.

Besides, the major political parties are all interested in foreign investment in the country, Schramm said.

He, however, added that it is a pre-requisite for investment to ensure stable political and economic environment.

In the last 26 years, German aid to Bangladesh totalled about US\$ 4 billion. Annual bilateral aid is about US\$ 35 to 40 million while German investment in Bangladesh is only about US\$ 20 million.

The German Ambassador said official level meeting between Germany and Bangladesh will be held in Dhaka in November to decide German's next year's aid for Bangladesh against specific projects.

Before that, he informed, the Bangladesh chapter of German Business Committee will hold its meeting in Hamburg in October. "I will talk to them at the meeting about the possibility and potentiality of Bangladesh," he said.

Describing the political relation between Germany and Bangladesh as very good, Schramm said both are pretty close to each other.

He appreciated Bangladesh's "moderate and constructive role" in different international issues.

He praised the CHT peace accord and said his country is strongly interested in financing development projects in the hill tracts to improve the living condition and develop the region.

The Ambassador also lauded the Prime Minister's current initiative to diffuse post-nuclear test tension in South Asia.

'Bangladesh economy has recovered from stagnation'

Star Business Report

Despite low investments, imports and external reserves and a high level of inflation, the economy of Bangladesh has successfully recovered from a stagnation in which it had been trapped for the past two years, according to a leading economist.

"The economy has made a recovery from a two-year stagnation," Professor Wahiduddin Mahmud, finance and planning advisor to the 1996 caretaker government, told a luncheon meeting of the Foreign Investors Chamber of Commerce and Industry (FICCI).

Finance Minister Shah AMS Kibria was present as chief guest while Mustaq Ahmed, a tax expert, FICCI president AKM Shamsuddin also spoke.

Professor Mahmud said a sustained agricultural growth, higher exports and industrial growth helped the economy to come out of the stagnation that had kept the growth rates at

four per cent in the previous years.

The current five per cent GDP growth corresponds to growth rate in the early 1990's, though it is far below than "our economic potentials", he told the foreign investors.

Mahmud, also the president of the Bangladesh Economic Association, endorsed the move to broaden the VAT net and increase supplementary duty on various products.

"Bangladesh's tax-GDP ratio is one of the lowest among the developing countries," he said and added that the ratio should be increased to a standard level of 25 per cent.

"If we want to consolidate our economic strength, there is no way but to raise the tax-GDP ratio that has stagnated at 12-13 per cent since 1992-93," said Mahmud who teaches economics at Dhaka University.

He criticised some busi-

nessmen's tendency to evade taxes. Tax evasion has become a pervasive practice in the country, the Professor said, suggesting that tax evasion issue be dealt with politically.

On protection to local industries and 25 per cent cash incentive for exportable textiles, Mahmud said there should be a time limit for such protective measures and incentives so that foreign investors could make their investment decisions.

"How long will we continue to give protection (in an open economy)?"

Finance Minister agreed and said incentives and protections would be given for a limited period. Kibria said the ready-made garment would enjoy the 25 per cent cash incentive till 1998-99 fiscal.

He said the policy of the present government was to "rightsized" the administration. "The government would no longer recruit project officials on a permanent basis. In 90 per cent cases, when a project completes, the project people will have to go," he said and added that projects like hospital construction could be allowed to employ doctors and nurses under revenue budget.

He told a questioner that consultations between government and business was important because "there is no substitute for it (in a democracy)." Seeking to justify his ad-

vance income tax at source as "final settlement", Kibria said he wanted to stop harassment of businessmen by tax officials for which he wanted to introduce this as an experiment.

The minister said he was ready to sit with businessmen on issues which were "confusing" and urged them not to "confuse" people with general comments.

Earlier, the FICCI president said some of the foreign businessmen had had tax dispute cases pending since 1973.

He spoke against re-introduction of an old system, accepting tax returns by Chartered Accounting firms, which he believed gave birth to so many tax disputes in the past.

Due to some fresh government initiatives regarding tax restructuring, Shamsuddin said government revenue might rather fall and foreign direct investment might be affected.



Finance Minister SAMS Kibria speaking at the FICCI post-budget meeting. — FICCI photo

Bid to find ways to foster agribusiness

Star Business Report

Formation of a joint forum has been proposed at a symposium in the city yesterday to foster agribusiness, an area that now offers bright prospects for Bangladesh.

"We can arrange a joint forum drawing members from among the representatives of the ministry of agriculture, ministry of industries, the private sector as well as other stakeholders to discuss on a quarterly basis how agribusiness can flourish in this country at a faster rate," said agriculture secretary A M M Shawkat Ali.

The day-long symposium on agribusiness policy, held at a city hotel, was sponsored by the Agro-based Industries and Technology Development (ATDP), a Ministry of Agriculture project supported by USAID and managed by IFDC.

The participants, from a widely diversified fields of

agro-based industries, all agreed that there should be more support from government in promoting agribusiness. They also talked about problems in getting bank credit, various policy anomalies and tariff barriers that stopped agribusiness from advancing further.

Two other senior civil servants sitting beside the agriculture secretary gave a patient hearing to the representatives of agro-based industries and advised them to try to persuade the National Board of Revenue (NBR) more vigorously to secure a level-playing field for home-grown industries.

As one local manufacturer of agricultural machinery pointed out that sub-standard power tillers were flooding the country taking advantage of duty-free access while home-grown quality machinery suffered be-

cause of duties levied on components.

Abdul Hamid Chowdhury, the planning secretary who chaired the concluding session of the symposium, nodded in agreement and said, "Pursue your case with NBR. Protection of local industry is a must."

The agriculture secretary admitted that use of "unbalanced fertiliser" had become acute in Bangladesh. He urged the private sector to help government's bid to promote DAP or di-amonium phosphate and said at least two DAP producing factories would be set up in the country soon.

Shawkat Ali also laid emphasis on building up linkages between products and industries based on agriculture. He cited a recent example of how linkage was established between maize and poultry feed. He said the government for the first time

was procuring maize to give price support to growers.

Md Irshadul Haq, a former secretary to the government and now a senior advisor to ATDP, praised the budget proposals to support food processing industry and urged private entrepreneurs to exploit the opportunities.

Haq also suggested use of organic fertiliser to escape the obvious result of "diminishing rate of return".

Fisheries and livestock secretary Ayub Quadri, Chief of the Party of ATDP Dr Ronald P Black and his deputy at ATDP Israt Jahan also spoke at the concluding session.

All of them put a special emphasis on ensuring farmers' access to quality seeds. Ayub Quadri spoke of one of his ministry's pilot venture on community fishing in some specific water bodies.

BSC to add more ships to its feeder service

CHITTAGONG, June 21: Dogged by losses for a decade, state-owned Bangladesh Shipping Corporation (BSC) has taken initiatives to add more ships to its feeder service in a bid for survival, reports UNB.

The Corporation is going to double its fleet of feeder vessels soon, encouraged by partial success with four container vessels in its feeder service.

The BSC went into operation on a Presidential Order in 1972. It was called a gold mine in the 70s but turned into a losing concern in the late 80s in a drive to enhance its fleet by taking loan on high interest.

To survive from an apparently dying condition, the Corporation raised the number of feeder vessels from two to four. Another vessel is being included in the fleet by September this year, according to BSC sources. They said the BSC feeder

service was launched in early 1993 with two vessels — "Banglar Ravi" and "Banglar Moni".

Two others were added to the fleet later — "Banglar Doot" in March and "Banglar Shikha" on May 8, 1998.

With a carrying capacity of 1957 TEUs, these four vessels now operate on Singapore-Chittagong route profitably.

The fifth feeder vessel of BSC, "Banglar Mukh", is expected to carry containers on this route from September.

Capt Shaljalal, general manager of the BSC Feeder Service, told UNB that the Corporation has begun to make profit by extending its feeder service.

To further expand the BSC service, a project has been taken up to buy four feeder vessels from abroad within the next fiscal year (1998-99).

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Indian stocks fall sharply

BOMBAY, Jun 21: Share prices here face a "bloodbath" next week after US ratings agency Moody's Investors service downgraded India, brokers said on Saturday, reports AFP.

The 30-share Bombay Stock Exchange sensitive index was down 204.31 points or 6.1 per cent to 3,143.10 points on Friday compared with the previous week.

The national index, which tracks 100 scrips, was down 99.79 points, or 6.8 per cent, to 1,371.30 points on Friday over the previous weeks close.

Moody's late Friday downgraded India's foreign currency ratings from investment to speculative grade over concerns about the economy and US and Japanese sanctions after last month's nuclear tests.

Share prices were sharply down in off-market deals late Friday as news of the downgrade came in.

"There will be a bloodbath on the markets. Prices are expected to open significantly lower (next week) because of fears of the impact of the downgrade," stockbroker Guarav Sanghvi said.

The downgrade is bad news for India, when combined with US and Japanese sanctions.

"A lot of selling is expected to come in, especially from foreign portfolio investors who would not want to be trapped by falling rupee."

India's nuclear tests provoked extensive sanctions from the United States and Japan, together with the group of eight countries' decision to freeze loans.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients.

Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Sight	Buying TT & OD
USD	46.5050	46.1100	46.5450	45.9570	45.8850
GBP	78.1284	76.7732	78.1956	76.5184	76.3985
DEM	26.0824	25.6452	26.1049	25.5601	25.5200
JPY	0.3423	0.3357	0.3426	0.3346	0.3341
FRF	7.8311	7.6970	7.8387	7.5818	7.5699
SAR	12.4325	12.2604	12.4432	12.2197	12.2005
MYR	11.9243	11.8230	11.9346	11.7838	11.7653
AED	12.6966	12.5193	12.7075	12.4778	12.4583
KWD	157.2177	145.9639	157.3529	145.4796	145.2517
QAR	12.8120	12.6301	12.8230	12.5882	12.5885

Bill Buying Rates:

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
46.0112	45.7258	45.3415	44.9573	44.5730	43.8045

US dollar London Interbank Offered Rate (LIBOR) as of June 21, 1998

Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
Cash	45.8850	USD	5.6525	5.6875	5.75	5.8125	5.84375
TC	45.8850	GBP	7.5625	7.6125	7.675	7.7375	7.8

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.200/42.250	44.320/44.380	40.900/41.100	3.900/3.910	13900/14500	1392/1395

Amex notes on Sunday's market

The local interbank foreign exchange market was dull as most of the international centres were closed due to weekend on Sunday. US dollar demand was lower compared to the ending of last week. USD/BDT traded mostly within a range of 46.4600 to 46.4700.

The call money market flooded with additional liquidity. Call rates opened at 9.5% and then moved down to 8%.

Call rates ranged between 8% and 9% for the latter part of the day.

Government accepted 30 days T-bills worth Tk 4.14 billion with 9.08% as cut-off rate and one year T-bills worth Tk 1.60 billion with 10.34% as cut-off rate.

In the international market on Friday, US dollar captured part of its earlier gains against the yen after the US Treasury Secretary Robert Rubin commented that they were not planning any policy action to decide on their forthcoming meeting in Tokyo.

In New York the majors closed on Friday against the USD at 1.7900/10 DEM, 138.55/65 JPY, 5.9985/15 FRF, 1.4965/75 CHF, and GBP at 1.6720/30 USD.



PRAN, an agricultural marketing company, distributed prizes among its retailers on Saturday. Chief Executive Officer of the firm, Major General (Rtd) Amjad Khan Chowdhury, was present on the occasion. — PRAN photo

Commodity market: Gold precious, tea hot and sugar bitter

LONDON, Jun 21: The lifting of the yen after US-Japanese central bank intervention gave investors new hopes of Asian economic recovery and a much needed lease on life to the commodities market this week, reports AFP.

The market hopes Japan and Southeast Asia will now see greater domestic consumer demand and that this will translate into demand for base metals in the construction and automobile industries, as well as a boost for precious metals in the jewellery industry.

Aluminium gained on the London Metal Exchange (LME) and Brent oil temporarily jumped over the 13-dollar a barrel level on the International Petroleum Exchange (IPE).

The weakness of the dollar against the yen also gave strength to precious metals, with investors flocking to gold and taking it close to 300 dollars an ounce on the London bullion market.

The gain for Asian currencies also gave investors purchasing power to buy wheat and maize grains.

Elsewhere on the commodities market, cotton rose sharply on fears of crop damage due to dry weather in Texas.

GOLD: Precious. Gold rose sharply this week thanks to the dollar's decline against the yen following massive US and Japanese central bank intervention to support the Japanese currency.

Gold traded at 296.75 dollars an ounce, up 8.20 dollars, profiting from investors moving from the dollar and also from short covering.

The yen took the Australian dollar and South African rand upwards with it, prompting producers to cut back sales, further helping the price rise.

SILVER: Stable. Silver was stable this week as reserves on the New York comex market rose to 1.7 million ounces, after having fallen to a 12-year low of 85.937 million ounces.

PALLADIUM AND PLATINUM: Content. The sister precious metals tracked gold this week in the absence of market-moving news and with in-

vestors waiting for Russian deliveries to hit the market.

Palladium ended the week at 293 dollars an ounce, up 25 dollars, platinum traded at 357 dollars an ounce, up 4.5 dollars.

RUBBER: Punctured. The rubber market fell back sharply this week despite an improvement in the outlook for producing countries following the US-Japanese intervention in support of the yen.

Rubber for July or August delivery on the London rubber index traded at 450 pounds a tonne, down 45 pounds.

COPPER: Moody. Copper prices fell this week despite market optimism after US-Japanese central bank intervention to rescue the yen and Japanese economic stimulus measures.

Three-month aluminium on the London Metal Exchange traded at 1,338.50 dollars up 4.70 dollars, while LME stocks rose 4, 075 tonnes to 546,700 tonnes.

NICKEL: Dull. Three-month nickel failed to catch the enthusiasm generated by the rescue of the yen, trading at 4,452.50 dollars, down 77.50 dollars, after

hitting its lowest point since October 6, 1993.

LME warehouse stocks fell 282 tonnes to 59,364 tonnes.

TIN: Low tin went cheaply this week after a rise in warehouse stocks appeared to end a period of tight supply.

Three-month tin traded at 5,622.50 dollars a tonne, up 3.70 dollars, while LME reserves rose 250 tonnes to 4,835 tonnes.

OIL: Slump. Brent oil for July delivery, the reference North Sea crude, swung widely this week before stabilising at 12.95 dollars a barrel, down one cent, despite attempts by producers to buoy prices.

During the week, oil broke the 13-dollar a barrel mark in reaction to the US and Japanese central bank intervention to support the yen, which raised hopes of Japanese economic recovery.

COCOA: Cocoa. Bean prices fell slightly this week to 1,090 pounds a tonne for September delivery, down 12 pounds with trading hit by the renewed

strength of sterling.

Prices also eased when needed rains came to Ivory Coast plantations.

COFFEE: Cold. Robusta coffee for September delivery fell off this week to about 1,660 dollars a tonne, down 88 dollars on large-scale selling by investment funds.

A rise in reserves of raw coffee beans in the United States also pushed prices back the American Green Coffee Association said stocks rose by 135,000 sacks in May to 997 million sacks.

TEA: Hot. The penultimate British tea auction, before the house is shut down for good, saw good demand, especially for Burundi and Sri Lanka tea, while Central and Eastern African leaves were less popular.

The top price was for Mooloya Bop tea at 199 pence a kilo up 48 pence, average prices were between 115 and 150 pence a kilo compared to 125 and 145 pence. The last auction will be held June 29.

SUGAR: Bitter. White sugar lost ground this week under pressure from speculative selling by Brazilian producers and expectations of a record Brazilian sugarcane crop, traders said.

Demand, which rose slightly at the start of the week on 28,000 tonnes bought by the Philippines, remained weak after Iraq cancelled a 50,000-tonne order.

VEGETABLE OILS: Smooth. US vegetable oil prices rose this week on increasingly hot and dry weather in producing regions, which need wet conditions.

Oils also benefited from the market optimism generated by the US Japanese central bank intervention in support of the yen, traders said.

GRAINS: Toasty. The grains market gained rapidly this week, thanks to improved investor sentiment about the Asian economies following the recovery of the yen on US-

Japanese central bank intervention.

Wheat prices on the Chicago market were also boosted by Egypt's purchase of 165,000 tonnes of US wheat and expectations of lower planting levels.

COTTON: Fluffy. Persistent dry weather in Texas pushed cotton prices up all week and there was more upward movement after the US department of agriculture made a downward revision of its production estimates for 1998-99 from 16.7 million bales to 15.7 million.

IIT sets up Energy & Environment Centre

Star Business Report

Energy and Environment Centre has been established at the Islamic Institute of Technology (IIT), Dhaka to help develop the human resources in the member countries of the Organisation of the Islamic Conference (OIC).

Considering the growing needs of energy for development as well as the world-wide urge for the preservation of a viable environment for the future, the Institute at its Administrative Advisory Committee meeting chaired by the Director General, Prof Dr A M Patwari decided to carry out R&D activities and organise courses, seminars, workshops etc. through the centre.

Dr M Anwar Hossain, Professor of Mechanical and Chemical Engineering Department of the Institute has been appointed head of the centre, said the IIT in a press statement yesterday.

Finlay tea sales confce held in city

Star Business Report

The 4th annual sales conference of James Finlay PLC was held at a city hotel on Saturday.

It was organised for first time in Dhaka to promote sales of Finlay Poly Bag tea in the domestic market, said the firm in a press statement.

The conference was attended by 72 distributors from across the country and Finlay's Poly bag management teams including top executive from their tea estate in Srimangal.

In his inaugural address, S S I Ahmed, Manager of Tea Trading Department, welcome the delegates and distinguished guests. Ahmed expressed the hope that after gaining the experiences of marketing Finlay Poly bag tea over past 3 years our distributors are now ready to face any challenges in sale and growth of our products amidst competition in the market and are poised to become market leader in Poly Bag tea.

Morshed A Chowdhury, Branch Manager of Dhaka, gave a detailed analysis of Finlay Poly Pack sale and distribution network.

S A Chowdhury, Deputy Superintendent of Tea Gardens based in plantation area at Srimangal, discussed various aspects of Finlay tea production and packing.

Ten distributors from all over the country were selected for outstanding sales performance and each of them was awarded with a citation and other presents.

Another 12 distributors, were also awarded with special citation and gifts for their contribution in enhancing the market share/coverage of Finlay teas in their respective areas.

The conference ended with renewed pledge for achieving much better result in future.

BA Tourism for Tomorrow Awards

Tourism initiatives of all types are once again being invited to compete for a global environment prize — the prestigious British Airways Tourism for Tomorrow Awards, says a press release.

The aim of the Awards is to encourage the tourism industry worldwide to protect one of its greatest attractions, the natural environment.

The British Airways Tourism for Tomorrow Awards are run annually with 5 winners selected from across the world and one overall global winner.

Last year, EcoTaj, an initiative of the Taj Group of Hotels, received a British Airways Holidays Special Hotel Supplier Award.

The closing date for entries is August 1, 1998. Entry forms are available at all British Airways offices across India.

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Zia Fertilizer Co suspends production

Zia Fertilizer Company Ltd, a BCIC unit has suspended its production Saturday for 10 days due to pre-scheduled maintenance and repairing work of primary reformer tube and leaked pipeline, says BSS.

Necessary repairing works have already been undertaken by the company's own engineers and technicians.

The normal production is expected to resume on June 30, a BCIC press release said here yesterday.