

DHAKA TUESDAY SEPTEMBER 25, 2001

City Bank to introduce 50 ATMs in city

The City Bank Limited will introduce 50 ATMs at various points of Dhaka City.

This was stated by the Managing Director of the bank, Abbas Uddin Ahmed at a gathering of customers marking its client service fortnight at hotel Agrabad in Chittagong on Thursday, says a press release.

He said the bank has already launched 'city card' and has taken steps to computerise all of its branches.

The Chairman of the bank, Anwar Hossain, in his speech, expressed his satisfaction that the City Bank has achieved this present position by virtue of bank's clientele service.

Mohammad Shoeb, Vice-Chairman, Deen Mohammad, and Manwar Hossain, Directors addressed the gathering.

Md Mizanur Rahman, Chairman of PHP Group, Sayed Sirajul Haque, MD of Florigal Shipping Ltd, and Farid Ahmed Chowdhury, President of Chittagong Chamber of Commerce and Industry, also spoke on the occasion.

The bank which started its client service fortnight from September 16 will end on September 30.

Bangladesh heads S Asia commission of world tourism body

UNB, Dhaka

Bangladesh has been elected chairman of the Commission for South Asia Region of World Tourism Organisation.

The election was held at a meeting of the World Tourism Organisation in the South Korean capital of Seoul Sunday, said an official release here Sunday.

50th EC meet of EXIM Bank held

The 50th meeting of the Executive Committee of the Board of Directors of Export Import Bank of Bangladesh Limited was held recently at the head office of the bank, says a press release.

The meeting was presided over by A K M Nurul Fazal Bulbul, acting Chairman of the Committee.

In the meeting, directors Md Nazrul Islam Swapan, Md Altaf Hossain, Md Mazakar Harun, Engr Amiunur Rahman Khan, Anjan Kumar Saha, Abdullah Al-Zahir, Alamgir Kabir, Advisor, and Mohammed Lakotullah, managing director, were present.

Deutsche Bank to buy Scudder

AFP, Frankfurt

Deutsche Bank said on Monday it has agreed to buy Scudder, the US fund unit of Zurich Financial Services, in a 2.5-billion-dollar (2.7-billion-euro) deal which will catapult it to the world's fourth asset manager.

Deutsche Bank said in a statement it would swap 75.9 per cent of its insurance arm, VHDB and other assets for Zurich Scudder Investments.

Deutsche Bank said that VHDB and its insurance activities in Italy, Spain and Portugal were valued at 1.5 billion euros in all.

Not included in the deal was Scudder's British arm, Threadneedle Investments. And separate negotiations were still underway regarding another key VHDB asset, Bonnifinanz, Deutsche Bank said.

A definitive agreement would depend on these key elements being resolved, but Deutsche Bank said it expected the deal to be completed early next year.

The tie-up also covered "broad strategic cooperation" between Deutsche Bank and Zurich Financial in the fields of insurance distribution, asset management and banking, the statement continued.

The deal is significant because Deutsche Bank is rejecting the bancassurance model fully integrating banking and insurance activities that has been adopted by rivals, opting instead to focus purely on banking and asset management.

For Zurich Financial, the third-biggest insurer in Europe after Allianz and AXA, the deal allows the Swiss group to withdraw from the business of managing clients' assets and creating funds itself and re-focus on insurance.

WB-BB asset securitisation programme begins today

M SHAMSUR RAHMAN

With a view to familiarising the concept of asset securitisation and developing skills of the non-banking financial institutions (NBFIs), a three-day workshop begins in the city today jointly organised by the World Bank and the Bangladesh Bank.

The joint initiative is a part of multimillion-dollar Financial Institution Development Project (FIDP) aimed at facilitating debt instruments in the form of bonds against the future income receivables by the NBFIs.

The NBFIs such as the leasing companies currently depend on the commercial banks for getting funds at high interest rates.

But if the NBFIs acquire the capacity to mobi-

lise medium to long-term resources on a sustainable basis, these institutions would be pooling assets, which they would repackage in the form of marketable securities for selling to the prospective investors.

"These securities would be secured and backed by assets or by the income likely to be derived from them. The net income from the assets would represent the primary source of payment of interest to the investors in securities," said Yawer Sayeed Managing Director AIMS of Bangladesh.

"It's a new financial technique which is becoming one of the dominant and rapidly expanding means of finance the world over," said Fred Havell, Chief Executive Officer (CEO) of Credit Bridge and Standby Facility (CBSF) of the WB.

He said the WB is hiring an Indian expert as the main resource person of the workshop. AIMS of Bangladesh, the country's lone asset management company, will conduct the opening session and explain the fundamentals of securitisation in the local context.

Fred Havell said a large number of institutions and government officials will attend the workshop to avail themselves of the insight in the new kind of financial dealings.

"Through the programme, we are introducing the concept of securitisation for the NBFIs," Fred Havell said, adding that a number of WB programmes would follow including setting up of a bond market in Bangladesh.



Anwar Hossain, Chairman, and Abbas Uddin Ahmed, Managing Director of The City Bank Limited, address a function organised to mark the bank's client service fortnight at Hotel Agrabad in Chittagong on Thursday.

Attacks not to seriously harm global economy: BOE

AFP, London

The terrorist attacks on the United States should not cause a "really serious decline" in the global economy in the long term, the governor of the Bank of England said Sunday.

Sir Eddy George indicated in a BBC interview that another cut in the interest rate would be seriously considered to shore up the British economy, following a 0.25 per cent reduction days after the September 11 atrocities.

The Bank of England's monetary policy committee is due to meet on October 3 to decide whether to cut interest rates again to stimulate consumer demand.



Picture shows Dr Saw Chit Aung, Assistant General Manager, PHC, Singapore; Zahid Hassan Khan, Director, PHIC Bangladesh; Dr Saw Huat Seong, leading cardiothoracic surgeon from Singapore; Dr Philip Koh, senior cardiologist from Singapore, and Dr Bushra Binte Alam from Bangladesh at the launching ceremony of Parkway Healthcare Information Centre held at Sonargaon Hotel.

PHOTO: PARKWAY

Worldwide GDP to drop by 2.2pc next year

AFP, London

"The predictions we made three months ago were already more pessimistic than those of most economic analysts, and had the terrible events not happened we would have left the numbers more or less unchanged," report author Douglas McWilliams said.

"Although the outlook is highly uncertain, we are clear that in the short term the world economy has been dealt a blow which will depress world growth for at least the next nine months and possibly for longer."

McWilliams said the projections are based on three factors -- that there are no further terrorist attacks, that expected reprisals by the US do "not destabilise the world economy further", and public spending in the US is increased.

US companies' catalogue show held at DCCI

BSS, Dhaka

An exhibition of catalogues of new products of USA was held here Monday with a strong note of hope that US-Bangladesh trade relations will continue to grow.

Inaugurating the exhibition power, energy and mineral resources communication adviser A K M Amanul Islam said such catalogue exhibition would open up a new vista for the expansion of Bangladesh's business with USA.

He congratulated Dhaka Chamber of Commerce and Industry (DCCI) for organising the catalogue exhibition.

Speaking as special guest, the US Ambassador in Bangladesh Mary Ann Peters said "I can assure you that US interest in doing business in Bangladesh is strong and growing."

Aviation woes

US attacks to dominate int'l civil aviation meet today

AFP, Montreal

"For the first time, planes were used as weapons of destruction," said Assad Khotait, president of the ICAO council.

He said the assembly would seek means to battle this new threat and restore confidence in the aviation industry.

The assembly is expected to adopt a resolution on flight safety, and call an international conference to discuss the issue.

Discussions are likely to focus on means of making the cockpit more secure, proposals to have security personal on board flights and luggage controls.

The assembly meets in Montreal until October 5.

The agenda of the 187-member UN body was changed at the last minute after hijacked planes slammed into the World Trade Center and the Pentagon, killing more than 6,800 people.

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Swissair cuts 3,000 jobs, 25pc of long-haul fleet

AFP, Zurich

Swissair Group announced on Monday that it is intensifying restructuring plans by cutting 3,000 jobs and 25 per cent of its long-haul fleet because of the slump in the aviation market.

In a statement, Swissair Group said further job cuts were likely to be announced after discussions with Swiss unions, which were expected to begin on Monday.

The price of shares in the company jumped by 19.26 per cent after the announcement to 56.05 Swiss francs on the Zurich stock exchange, and later dropped back to 52 Swiss francs.

The company, which was already in deep financial trouble before the attacks on the United

Lufthansa cuts flights

AFP, Berlin

flight is not worth the trouble for the next six months, we will have to immediately cancel it. It is only by doing that we can escape with manageable losses," said Weber.

"For the first time we have cancelled eight per cent of our flights to North America and we will decide next week on a further 13 per cent cut."

Last Monday Lufthansa suspended three US flights until the end of March 2002.

Its reservations for the month of October are down 34 per cent, for November 10 per cent, and for December, 30 per cent.

"The no-show rate -- those customers who reserve tickets but don't board the plane -- is up 50 per cent. At the moment on certain flights half of the passengers are not turning up," said Weber.

Boeing still confident

AFP, Hong Kong

Aircraft manufacturer Boeing put a brave face on the global aviation crisis Monday, predicting this month's terror attacks on the United States would have little long-term impact on air transport.

Speaking at a presentation which had been organised before terrorists slammed Boeing airliners into New York's World Trade Centre and the Pentagon in Washington on September 11, the company's marketing vice-president Randolph S. Baseler said Boeing would stick with earlier growth forecasts for the sector.

These tragic events have profoundly changed the travel industry and our personal sense of security... (but) the Boeing company is working closely with our government, regulators, airports, worldwide airlines and suppliers to restore

Sydney Airport sale deferred following US attacks

AFP, Sydney

The sale of Sydney Airport has been deferred amid turmoil in global financial markets and the aviation industry following the US terrorist attacks, the government announced Monday.

The sale, tipped by analysts to generate up to 4.5 billion dollars (2.25 billion US) in ideal circumstances, was also endangered by the collapse this month of Australia's second largest airline Ansett.

Finance Minister John Fahey said the sale had been postponed until early 2002, but the government would remain in contact with the consortium that were preparing to lodge binding bids for the airport.

"The government had sale objectives, one of which was to optimise the return to taxpayers," he told reporters. "You will fully understand that it has been a pretty difficult world in the past couple of weeks."

Denmark, Norway, Sweden ready to help SAS airline

AFP, Copenhagen

Denmark is ready, together with Norway and Sweden, to help Scandinavian Airlines System (SAS) airline in which the three countries have an interest, the Danish news agency Ritzau reported on Monday.

The Danish parliament's finance committee met on Monday to study a plan to help the companies cope with big increases in insurance premiums for war risk.

Insurance companies have given European airlines until Monday night to sign new insurance contracts.

Economy Minister Marianne Jelved was quoted by the agency as saying on Saturday that EU countries were behind a British proposal to underwrite risk for European airlines carried by insurers for up to 30 days, but that this required negotiations between national governments and the airlines.

She said that EU governments wanted to ensure that the airlines were insured but also wanted to respect the EU principle that governments do not give direct aid to airlines.

Sweden owns three sevenths of SAS, and Denmark and Norway two sevenths each. Sweden and Denmark are members of the European Union but Norway is outside the 15-nation group.

Attacks, falling stocks lift interest in gold in India

AFP, Bombay

Another investment option -- the property market -- was also on a downward trend.

"Only the needy are making some stray purchases of property as no one wants to part with their funds. With investors losing in all other options, even the property market is in a lull," Bombay property M.S. Frank said.

Analysts said the fact gold can be encashed at any time anywhere in the world was a big advantage for investors.

"That is the beauty of this metal. You buy it anywhere and sell it anywhere. It's a 24-hour market. Your principle amount remains intact. Whenever there is crisis, gold comes to the aid of the investor," regional director of the World Gold Council, G.S. Pillai said.

"Be it stocks, treasury bills or bonds -- when all these assets see erosion, gold comes as the saviour," Pillai added.

Gold dealers expect the rise in demand for the metal and the surge in prices to stabilise in the near term.

"I see prices stabilising at around 4,600 levels per 10 grams in the near term. The terrorist attacks have not generated any kind of a gold rush but have brought the importance of the metal as a safe investment option to the forefront once again," Sonawala added.