

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 Florical 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 Mazakat Harun, Engr Amiunur Rahman Khan, Anjan Kumar Saha, Abdullah Al-Zahir, Alamgir Kabir, Advisor, and Mohammed Lakiotullah, 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 number four 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, Bonfinanz, 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.

Worldwide GDP to drop by 2.2pc next year

AFP, London

The terrorist blitz on the United States on September 11 will result in a fall of 2.2 per cent in gross domestic product (GDP) worldwide next year and of 1.2 per cent in Britain, an economic research unit has predicted.

Projections of worldwide GDP for 2002 have been sliced by 466.71 billion dollars (746.73 billion euros), the Centre for Economics and Business Research said in a report.

The projections compound fears of a looming global economic recession in the wake of the attacks, which flattened the twin towers of the World Trade Center in New York and killed more than 6,000 people.

"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

The International Civil Aviation Organisation general assembly which begins Tuesday is likely to be dominated by discussion of measures to prevent a repetition of the deadly September 11 attacks on US cities.

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.

"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.

Terror threat weighs on world tourism summit

AFP, Seoul

A world tourism summit in Seoul started counting the mounting cost Monday of the terrorist strikes in the United States.

The World Tourism Organisation (WTO) general assembly in Seoul and Osaka, Japan, this week will be dominated by the hundreds of thousands of flight and hotel cancellations since hijacked planes smashed into the World Trade Center towers and Pentagon on September 11.

The WTO has already warned tourism trips will fall by between 1.5-2.0 per cent this year instead of rising by 2.5-3.0 per cent as expected before the attacks.

"World tourism is likely to contract substantially but not for any great length of time," the WTO said in a report released at the start of the assembly.

US airlines alone have shed 70,000 jobs and other international carriers are casting off thousands more.

The US government has approved a 15 billion rescue package for airlines and other governments may have to follow.

Industry experts said the cost to tourism would escalate but it was unclear by how much. This depended on the extent of imminent US reprisal attacks against Afghanistan, which is believed to be hosting the US' prime suspect for the terrorist attacks Osama bin Laden.

Industry experts have warned the WTO's 139 member states would have to brace for tens of billions of dollars of lost revenue.

After a bonanza in 2000 when the number of people visiting foreign countries rose by 7.4 per cent and the WTO said tourism receipts reached 476 billion dollars, the trade body said the attacks were a "terrible blow."

In a report to be presented to

tourism ministers and other top assembly officials on Tuesday, WTO secretary general Francesco Frangialli was to highlight how governments must establish a "safe and peaceful environment" for tourism to flourish again.

However the cancellations have been widespread, according to a recent AFP survey of tour chiefs.

"American tourists stopped arriving right from the day after (the Sept 11 attacks)," said Franco Paloscia, spokesman for Enit, the Italian State Tourism Board.

Even in Hong Kong, which is considered a safe city, Lui Che-woo, chairman of the Federation of Hong Kong Hotel Owners, predicted hotel bookings would fall 10 per cent in October.

Thailand's state tourism authority warned last week visitor arrivals for the rest of the year could be slashed by 30 per cent if the US launched military strikes.

Tourism Authority of Thailand governor Pradech Phayakvichien cut this year's growth rate from eight per cent to 1.8 per cent.

In the US -- the world's biggest tourism market -- hotels, restaurants, shops and museums have started laying off workers as cancellations hit New York, Las Vegas, San Francisco and Hawaii.

The long-term trend was difficult to predict, WTO officials said.

During the Gulf War, the number of international air passengers fell from 280 million in 1990 to 266 million in 1991. However the WTO said tourism arrivals rose 1.2 per cent and revenues went up 2.1 per cent.

The US will not be represented at the WTO assembly, held every two years. It withdrew insisting the industry should be run by the private sector not governments.

The assembly will, however, see Azerbaijan, Cape Verde, Honduras and the Yugoslav Republic become members.

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

States, said that it had been forced to take more radical steps than those included in other restructuring measures in recent months.

"As a consequence, the Swissair Group will fundamentally restructure its airline and related activities, this will necessitate a recapitalisation in the near term," the statement said.

Swissair Group said it would cut 25 per cent of its long haul fleet immediately, reduce its entire fleet by 2004 and revamp route planning to prevent overlap by bringing Swissair and the separately-operated European regional airline, Crossair, under a new umbrella company known as Swiss Air Lines.

Most of the changes are meant to be put into effect immediately.

Lufthansa cuts flights

AFP, Berlin

The head of the German airline Lufthansa, Juergen Weber, said Sunday that the number of flights would have to be further reduced following the September 11 attacks on New York and Washington.

"It could well be that we will cancel 28 of our 236 flights between now and the end of the week," he said in an interview in Monday's edition of Die Welt.

Twenty aircraft were already withdrawn from service Wednesday because of the prevailing difficult circumstances, not only affecting flights to the US.

The fall in passenger capacity has been negotiated by Lufthansa with its US partner United, he told Die Welt.

"As soon as we realise that a

flight is not worth the trouble for the next six months, we will have to immediately cancel it. It is only by doing that 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

confidence in the global air transport system," Baseler said.

"We are confident in the long term about the resilience of the industry and will do everything in our power to contribute to its full recovery," he said, adding, however, such a recovery would take time.

Carriers around the world have announced tens of thousands of job cuts following a slump in passenger demand following the terrorist attacks. Boeing itself announced plans to sack up to 30,000 workers - or close to 30 per cent of its workforce -- in anticipation of a drastic fall in aircraft orders.

But Baseler said "efficient and healthy" air transportation remained critical for world trade and economic prosperity, and that the return to the skies of business travellers and other passengers was "an important cure" for the sector's current ill-health.

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.

Attacks, falling stocks lift interest in gold in India

AFP, Bombay

Gold has emerged as a safe investment for Indians due to falling stock prices, low interest rates and the terrorist attacks in the US, analysts said Monday.

India is one of the largest consumers of gold in the world with over 900 tonnes being bought annually.

Analysts said gold prices had surged by eight to 10 per cent since the September 11 attacks on New York and Washington. Gold prices in Bombay rose to 4,775 rupees per 10 grams Monday from a level of 4,350 rupees on September 11.

"Although there is no rush from householders to buy the yellow metal, it definitely has emerged as a safe investment option, especially with senior citizens," Bombay Bullion Association vice president Mukul Sonawala said.

He said existing low interest rates in the country and sharp losses on the stock market had made investors consider new safe options.

Share prices in India have fallen more than 15 per cent in the aftermath of the attacks.

"Investors have lost heavily in the stock market, with their wealth depleting day by day. Banks are no longer offering the kind of returns on fixed deposits as they used to few years back. In such a situation, gold comes in handy to park your surplus funds," Sonawala added.

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 dealer 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 said.