

Europe's banks reluctantly brace for merger war

REUTERS, Milan

Europe's biggest banks are preparing for a merger war that most see as inevitable but which few are urgent to fight.

The battle will be fought, in the words of one chairman, "for all the wrong reasons" -- namely to cull a tier of unprofitable competitors incapable of restructuring, and to seize as much territory as possible, regardless of the strategic compromises.

"The fittest and the biggest will survive and the smallest and the weakest will be bought," said the board member of one top-ten European bank.

In interviews this month, executives in Europe's banking capitals say they expect the shooting phase of the merger war to start in mid-2003 at the earliest and perhaps not before 2005.

Some even say 2007 -- in any case, much later than was predicted earlier this year when the introduction of euro coins and notes fuelled speculation that Europe's banks were striving toward borderless operations.

Senior executives privately

acknowledge that "everybody is talking to everybody," as elite teams of strategists seek allies, identify rivals and prepare battle plans.

In banking capitals across Europe, they deliver a similar message. Nobody admits feeling pressured to find a partner, but, as one said: "We want to be at the table if something happens."

"In the medium term, there will be a multi-country player in western Europe," said Alessandro Profumo, chief executive of UniCredito CRDI.MI and one of Europe's most admired merger artists for combining 11 Italian and Eastern European banks. "If somebody does something, it will be like an enzyme in the system, a catalyst in the market," said Profumo, a rare optimist about the logic of cross-border operations who predicts a wave of new alliances in Europe within five years.

Executives disagree on whether the new constellations will emerge from "mergers of equals" palatable to provincial regulators and executives but perhaps lacking in business logic, or whether strong banks will simply absorb the weak.

"We will not see mergers of equals but winners and losers," said

the chairman of one of Europe's biggest banks, speaking on condition of anonymity.

Expectations for huge, cross-border banking mergers were disappointed after the introduction of the euro as an accounting unit in 1999, and as hard currency in 2002, led to predictions that Europe's fragmented banking market would consolidate.

Standing in the way are protectionists seeking to create national champions, an economic downturn, and the belated recognition by some that the economics of pan-European banking are questionable.

"Europe is not Europe for financial institutions. The euro is a common currency only in the nominal sense," said the top-ten board member.

Italy and France, for example, have been highly protective of their national banking champions.

Their central banks have been wary of efforts by outsiders to purchase controlling stakes in France in Credit Lyonnais CRLP.PA or Societe Generale SOGN.PA and in Italy, BNL BANI.MI and Banca di Roma BRMI.MI.

Bangladesh to get Tk 16.47cr grant from Japan

Bangladesh and Japan have signed notes on Japan's 363 million yen (approximately Tk 16.47 crore) grant aid.

The aid will be utilised for improvement of steel bridges for roads in rural areas, says a press release.

Jiro Kobayashi, ambassador of Japan to Bangladesh, and Anisul Huq Chowdhury, secretary of Economic Relations Division, signed the notes on behalf of their respective governments in the city on Wednesday.

This project is the second of the two phases being financed by Japan. It will be executed by the Roads and Highways Department under the Ministry of Communications.

This project aims to improve 76 dilapidated bridges and thereby to contribute greatly to the transportation networks in the rural areas of 18 districts in Bangladesh which were effected in the 1998 flood.



PHOTO: JAPAN EMBASSY

Jiro Kobayashi, ambassador of Japan to Bangladesh, and Anisul Huq Chowdhury, secretary of Economic Relations Division, exchange notes after signing 363 million yen (approximately Taka 16.47 crore) Japan's grant aid for improvement of steel bridges for roads in rural areas in the city on Wednesday.

US confirms anti-trust probe in chip industry

AFP, Washington

Prosecutors said Wednesday they were pursuing an anti-trust investigation into the global computer memory chip industry, sending top stocks tumbling worldwide.

"I can confirm that the anti trust division is conducting an investigation into the industry," US Justice Department spokeswoman Gina Talamona told AFP.

Technology shares in Asia, Europe and the United States took a hit from the news that US investigators had contacted major manufacturers Micron Technology, Samsung and Infineon.

Micron Technology, a leading US maker of dynamic random access memory (DRAM) chips, said it had received a grand jury subpoena as part of an industry-wide probe.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank.

Selling	Currency		Buying		
	TT/OD	BC	TT/Clean	OD/Sight/Doc	OD/Transfer
58.5500	58.5800	USD	57.4000	57.2314	57.1629
56.5183	56.5473	EUR	54.4611	54.3012	54.2362
87.7547	87.7997	GBP	85.0840	84.8341	84.7326
33.6194	33.6366	AUD	32.0120	31.9180	31.8797
0.4750	0.4752	JPY	0.4598	0.4584	0.4579
38.2830	38.3026	CHF	37.1593	37.0502	37.0058
6.2233	6.2265	SEK	6.0055	5.9879	5.9807
38.2305	38.2501	CAD	37.0681	36.9593	36.9150
7.5139	7.5178	HKD	7.3523	7.3307	7.3219
32.9488	32.9657	SGD	32.0313	31.9372	31.8989
16.0724	16.0806	AED	15.5026	15.4571	15.4386
15.7354	15.7435	SAR	15.1852	15.1406	15.1225

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	AUD
48.89	60.15	96.185	42.095	7.6974	0.4880	0.56595

The local interbank foreign exchange market was active on Thursday. Demand for dollar was steady. The call rate ranged between 6.0 and 7.0 per cent for the day.

Dollar continued to lose its ground against most of the currencies especially euro and Swiss franc. Continuous weakness of the US stocks, expected widening of current account deficit of US economy and security fears continued to weaken the dollar. Even the intervention fear by BOJ could not prevent dollar from trading at below 124 level against the yen.

At 15:15, hours on Thursday, euro traded at 0.9582/86 against dollar, pound sterling at 1.4906/12 and yen traded at 123.72/74 against US dollar.

(This memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable. While all reasonable care has been taken in its preparation no responsibility or liability is accepted for errors of fact or any opinion expressed herein.)

Economic slump hits S'pore civil servants

AFP, Singapore

Singapore's 60,000 civil servants have been hit hard in the wallet by the economic slump with their mid-year bonus slashed by a third because of "significant uncertainties" in the economic climate.

Trade figures released this month indicated Singapore's gradual rebound from recession had come to a standstill.

The less than glowing export report card has led the Public Service Division (PSD) to recommend a half-month bonus in July, down from three-quarters of a month last year, and no adjustment to monthly salaries.

Economists saw the move Thursday as consistent with expectations for the economy following the nil bonus for civil servants in December apart from the usual extra month's pay.

The PSD, a division of the Prime Minister's office, noted in a statement that the National Wages Council had recommended restraint in a report last November, in view of the worsening economic conditions.

Love for mobile telephony in Asia seen growing stronger

AFP, Singapore

As the week-long CommunicAsia 2002 technology trade fair draws to a close, views espoused by industry experts pointed in the same direction: Asia's love for the latest in mobile phone technology can only grow stronger.

Apart from the huge population base, experts speaking at the region's top technology event ending Friday said Asians' way of life blended well with the features that came with mobile telephony.

Unlike elsewhere, mobile subscribers in the region viewed the cellular handsets as a must-have item, industry leaders said.

"The Europeans tend to use their mobile phones to increase efficiency, to save time while Asians tend to use their phone killing time,"

Claes Odman, president of Ericsson's Singapore operations, said Thursday.

"So their whole lifestyle supports mobility," he said.

Industry figures put Asia's mobile users at 310 million, about a third of the 930 million users globally and Odman said there was still ample room for growth because the overall penetration rate was just eight per cent.

In India for instance, the mobile subscriber growth is around 80 per cent with a big middle class base of 300 million while in China, users numbered 160 million and the number was still surging.

"People in this region are tech savvy and keen on the latest things so there are very strong fundamentals for growth in Asia," Odman said.

"Personally, I think Asia is where mobile (telephony) will take off," he said.

Asia is viewed an important testing ground for the full commercial launch of multimedia messaging service (MMS), seen as the successor to the phenomenally successful text-based short messaging service.

Leading telecoms players are displaying their latest wares featuring MMS technology with several new handset models equipped with sharp and bright colour screens, as well as complicated ringing tones to accompany the visual effects.

MMS allows colour pictures, animation, recorded sound and even video to be transmitted on existing wireless systems.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 20-6-2002.

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Imprt disc
J/1	Khaleda	Sugar	Sant	AMBL	18/6	26/6	-
J/2	New Auspicious	WT/D/RS	Sing	Litmond	28/5	21/6	2421
J/4	Banglar Kallol	GI(Log)	Yang	BSC	13/6	27/6	1137
J/5	Jubilee	GI(Log)	Yang	RKShip	19/6	25/6	310
J/6	APJ Sushma	C Clink	Krabi	OLM	20/6	-	X
J/7	Ava	Rice(P)/GI	Yang	BNShip	4/6	24/6	817
J/8	Feng Kang Shan	Gl	Busa	BDSHP	11/6	22/6	1219
J/9	Kariakos-M	C Clink	Birin	SSA	5/6	23/6	2479
J/10	Mardios	Cont	P Kel	RSL	16/6	23/6	63370
J/12	Kuo Hsiung	Cont	P Kel	QCSSL	14/6	23/6	232/X
J/13	QC Lark	Cont	P Kel	QCSSL	16/6	22/6	137/10
CCT/1	Banglar Mori	Cont	Sing	BSC	17/6	21/6	208/69
CCT/2	Banga Biraj	Cont	P Kel	BDSHP	16/6	20/6	-
CCT/3	Xpress Manaslu	Cont	P Kel	RSL	15/6	20/6	-
GSJ	Issac Light	C Clink	Hond	Psal	1/6	27/6	-
RM/3	Global Satrun	CPO	Mala	Rainbow	19/6	21/6	-
RM/4	Tirta Niaga-II	CPO	Tanj	USL	19/6	23/6	-
DD	Banglar Mamata	Repair	-	BSC	R/A	30/6	-
RM/9	Banglar Gourab	C Clink	Krabi	OWSL	22/5	23/6	-
RM/10	Banglar Jyoti	Repair	-	BSC	R/A	30/6	-
K (U)	Shun Winner	Urea	Bela	MBL	20/5	22/6	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port	Local agent	Cargo	Loading port
Hala	20/6	Dili	Sunshine	GI(Def Cargo)	-
Togo Charm	20/6	-	OLM	C Clink	-
Rubin Eagle (Liner)	20/6	Yang	H&SL	GI(Hr Coil)	-
Asimont(Cont)10/6	20/6	P Kel	Seabome	Cont	Sing
QC Pintail (Cont)4/6	21/6	P Kel	QCSSL	Cont	Sing
QC Teal (Cont)10/06	20/6	P Kel	QCSSL	Cont	-
Phumy (Cont)6/6	22/6	P Kel	PSSL	Cont	Sing
Oriental Glory	22/6	-	Oil	GI(HR Coil)	-
Oriental Queen	23/6	Sing	Unique	C Clink	-
Kenglung (Liner)	23/6	-	Everest	G (St. c)	-
Xpress Resolve (Cont)12/6	27/6	-	Everbest	Cont	Col
KS Prince	21/6	Lugait	ASLL	C Clink	-
Mercs Kandy	22/6	Tuti	RSA	Plantation white	-
Hang Cheung	22/6	Sing	Usi	GI (Y Maize)	-
Taraman Bibi	21/6	Mumb	Mutual	Rice(P)	-
Jurong Bauhinia (Cont)15/6	22/6	-	Nol	Cont	Sing
Deip Sea-03	22/6	-	SRL	Fishing Trawler	-
Harford-10	22/6	-	SRL	Fishing Trawler	-
Paragon Pescadores(liner)	23/6	Yang	Everest	GI(SI C)	-
Banga Barta (Cont)12/6	23/6	Hald	Baridhi	Cont	Col
Kota Naga (Cont)15/6	24/6	Sing	Pil(BD)	Cont	Sing
Kota Singa (Cont)15/6	24/6	Sing	Pil(BD)	Cont	Sing
QC Honour (Cont)12/06	23/6	P Kel	QCSSL	Cont	Sing
Banglar Robi (Cont)17/6	24/6	Sing	Pil(BD)	Cont	Sing
Kiant Satu (Liner)	24/6	-	Prog	GI(SI & Paper)	-
Leopard(24)19/06	24/6	-	Everest	SPL Pargo	-
Banga Bonik (Cont)17/6	27/6	-	BDSHP	Cont	Sing
Banga Bhoj (Cont)17/6	28/6	-	Baridhi	Cont	Sing
Banga Biroi (Cont)17/6	28/6	-	BDSHP	Cont	Sing
Win Song	27/6	B Abb	RKSHIP	Bitumeen	-
QC Dignity (Cont)17/6	27/6	P Kel	QCSSL	Cont	Sing
Orient Freedom (Cont)17/6	27/6	-	PSSL	Cont	Sing

Tanker due

HHM	23/6	Sing	Sealift	-	-
Name of vessel	Cargo	Last port call	Local agent	Date of arrival	

Vessels at Kutubdia

Dea Captain	-	-	Arafeen	R/A (28/1)
-------------	---	---	---------	------------

Vessels at outer anchorage

Ready on				
Kota Berjaya (Cont)	Cont	Sing	Pil (BD)	19/6
Banglar Shikha (Cont)	Cont	Sing	BSC	20/6

The above are Shipping position and performance of vessels at Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

STOCK