

ESMERK Topics: Insurance and Financing Sector

Brazil: BB forecasts 23% increase in rural insurance

Gazeta Mercantil, 20 Aug 2002

Following the receipt of R\$ 6.1mn (US\$ 2.03mn) in revenue from the sale of 6,500 agricultural insurance policies during 2001, the Banco do Brasil (BB) has forecast a 23% increase in the agricultural insurance market during 2002. The increase is expected as a result of the anticipated increase in credit schemes for the 2002/2003 harvest.

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Poland: Bank redundancies in 2002

Warsaw Business Journal, 19 Aug 2002

According to the National Bank of Poland, some 2,000 banking staff was made redundant in the first three months of 2002 due to mergers, expenses decrease and new IT systems installation. The only bank where redundancies have been caused by worsened economic results was BRE. Banks plan further reduction of 6,000 - 7,000 employees. BZ WBK already announced its intention lay off 2,150 and BPG PBK 2,500 staff. Kredyt Bank will dismiss 500 and BIG-Bank Gdanski 900 people.

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Russia: Foreign investment in securities to grow

Profil, 10 Jun 2002, p.75:-

As estimated by experts of the European Bank for Reconstruction and Development (EBRD), private foreign investment in Russian securities will double in 2002, to amount to US\$ 4bn.

The favourable investment climate is explained by the improved closer relations between the European Union, Russia and the USA.

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In this issue:

Johan Ahlberg

Skandia Liv on the lookout for expansion

Read more about how Skandia representatives see global insurance markets changing in the future.



TF

[page 2](#)

Dmitry Loginov

German bank trusts Russian market potential

"With the crisis in Argentina and Brazil, Russia now represents a *quiet harbor* for investors, as it has suffered very little from the financial storms of other world regions."



AB

[page 3](#)

Esmerk Update

SanomaWSOY's Information Services unit moved to Esmerk

[Linking to source home page](#)

[page 4](#)

Skandia Liv on the lookout for expansion

In the future, individuals will have to assume an increasing responsibility for looking after the elderly. This is the conclusion made by Niklas Birgetz, head of development for care and security of Skandia Liv.



Photo by: Thomas Finger

Sweden has, however, come a long way with regard to pension provision, we are well placed to cope with the growing proportion of the elderly in society. The problem is worse in Southern Europe.

As part of his job Niklas Birgetz is careful to keep up with what is happening in the pension and life assurance sector. Esmerk's daily news report service is an incredible help, he says.

New business opportunities

Skandia Liv currently manages 25% of the total capital held within the Skandia group. The life assurance market is expanding steadily. Skandia Liv is on the verge of substantial expansion. It has previously been only private companies that have taken out pension insurance for their employees. A new market has opened for Skandia Liv with the interest shown by public sector.

- We have started a new "Municipality" business area as a result, says Johan Ahlberg, business manager for private markets within Skandia Liv.

International expansion

Skandia Liv is also investing internationally. The company has already established operations in Finland and Denmark, and is in the planning stages of an expansion into Germany. Demand for Skandia Liv's products is the greatest in Europe and the USA, but China is also in line.

- Germany is an important market as the country's pension system is based on individuals paying a large part of pensions. We can also see a trend whereby employees are beginning to exchange part of their salaries for pension entitlements, Ahlberg says.

A changing market

The advantage with saving in Skandia Liv in comparison to regular investment funds is that the company offers a guaranteed

According to Johan Ahlberg and Niklas Birgetz the life assurance market is expanding steadily.

return of 3% spread over the entire savings period. This may not sound much, but over the past 15 years the average rate of return has been significantly higher, 12%.

Ahlberg confirms that demand for pension with guaranteed return has increased somewhat since bursting of the IT bubble.

- The market as a whole is declining today, but our share is increasing, he says contentedly.

Many consumers are also cautious when it comes to savings, they hold their money in regular bank savings while they wait for the stock market to revive.

- The volume of corporate investments is, however, as high as before, while the private sector and one time payments, for example endowment assurance, are declining, Ahlberg says.

KARIN LAGERSTRÖM
TRANSLATED BY PETER SIMPSON

German bank trusts Russian market potential

Banking and finance is a solid companion of the market reforms taking place in Russia. One of the leading German banks has participated in restructuring Russia's economy. Mr. Dmitry Loginov, Chief Representative of Westdeutsche Landesbank Girozentrale (WestLB) in St. Petersburg gave an insight into the future of North-Western Russia and shared information on WestLB's activities.

Russia has by now recovered from the crisis of 1998, showing the results of 1997, which is so far considered the best year for the post-Soviet economy. This dramatic growth makes the local market one of the most promising for foreign investors of the so-called emerging economies.

- With the crisis in Argentina and Brazil, Russia now represents a 'quiet harbor' for investors, as it has suffered little from the financial storms of other world regions, as Loginov said.

However, according to Loginov, the market still hopes the central government to provide a more predictable economic situation to improve the grounds for investment conditions. While dealing with this market since the 1970's, WestLB has recently provided a number of syndicated loans to such giants of the Russian market as Gazprom, Aeroflot, Magnitogorsk Metal Works and Sibneft. Now the bank is looking into such sectors as non-commodity exports.

Potential of Russia's North-West

- Being uniquely located, the North-Western region has a high potential for

development of logistics, machine-building and high-precision device-making industries, Loginov said. St. Petersburg, the heart of the North-West, is considered the second most important city in Russia, in terms of foreign investment as well. It has the largest international bank presence after Moscow.

Meanwhile, WestLB is reviewing opportunities to start providing long-term project finance solutions (7-10 years of projected payback period) for commercial projects aimed at development of regional transportation facilities, in which Western partners would have the sole or major partnership.

- The structure of services for our western clients is also changing slowly. In the first years we concentrated mainly on financing western companies setting up shops in Russia. These days, as those clients who invested earlier are generating huge profits, there is more and more demand for hedging and investment through a reliable Western bank.

Dmitry Loginov represents the operations of WestLB in the North-West of Russia.



Information for banking purposes

In a situation of rapidly changing environment and need for trustworthy data, Loginov outlined the most critical elements business information should possess.

- It is important that the information is not biased, and the facts are not distorted. Watching multiple episodes of economic life makes it possible to put together a whole picture. People don't always have time to read every newspaper sheet carefully. What I get from Esmerk are daily reports that give me a hint of what is happening in the part of the market important to me. If anything sounds interesting, I read it more attentively. What matters is that I spend less time and get access to an extensive selection of information from numerous periodicals. I read the information in English, on the day of its publication.

WestLB has been a client of Esmerk Information since 1995.

YEKATERINA LEVOCHSKAYA

Esmerk Update



Photo by: Timo M. Hämäläinen

Every day Esmerk analysts monitor news from over 1,000 sources around the world.

Esmerk to provide SanomaWSOY's Information Services

Esmerk is widening its know-how in the information services sector. In future, we will be responsible not only for the news follow-up at SanomaWSOY but additionally the information services of the whole Group.

The operations of the Information Services unit of Sanoma Magazines that previously provided information services for SanomaWSOY were transferred to Esmerk in the beginning of July 2002. At the same time, the information specialists who worked in the unit were transferred to Esmerk.

At the moment, the information services are available internally within the SanomaWSOY Group. In the future, services will also be offered to our new customers. The transfer of the information services reflects the growth strategy of the whole of the Esmerk Group and at the same time strengthens our know-how and competitive position on the growing information markets.

Esmerk abstracts provide link to source home page

Esmerk has added to the service the possibility to access the home page of the source of the articles by clicking the link at the end of the abstract. The link will direct the reader to the front page of the source home page, if there is one. The new function is already in use in our browser-based services.

At the moment, confusion in the interpretation of the copyright legislation prevents the use of an actual deep linking system directly to the original news item in the online newspaper. It is not yet clear what the future will bring, but when international understanding is reached in the matter, the function will be added to the Esmerk service.

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