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★★★ a SECTION

GAMING CHIPS

Gucci says flat LV sales hurt results

Another leading sign of the nation's travel and economic woes: Third-quarter U.S. sales at trendy handbag and shoe maker Gucci Group fell 23.7 percent compared with a year ago, largely because of declining sales at the company's Las Vegas, New York and Hawaii shops.

"The events of September 11 further impacted on consumer sentiment, reducing travel and tourism, and brought additional uncertainty to the business environment," Gucci Chief Executive Officer Domenico De Sole reportedly said.

Gucci has high-end outlets at Bellagio and The Forum Shops at Caesars.

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TRIVIA TIME: How many casinos are in the South Lake Tahoe market?

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SINGULAR PROBLEM: Hilton Hotels Chief Executive Officer Steve Bollenbach says the recession, not the Sept. 11 terror attacks, is now the No. 1 business challenge for the California-based hotel operator.

"We are where we would be in terms of our business ... in any recession," Bollenbach recently told Reuters.

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WARTIME FUN: Ferenc Szony, president of the Reno's Sands Regency, recently struck a boosterish tone when he told travel industry executives that the war on terrorism provides a positive opportunity for the state's casino industry.

"Nevada can be the USO of the nation, the USO of the world," Szony, a former longtime Hilton Hotels executive, said at the Governor's Conference on Travel & Tourism.

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LITTLE 10: The six Big 10 conference football teams scheduled to play in bowl games haven't inspired Las Vegas oddsmakers. All of the Midwest schools are underdogs.

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THE VISIT: Las Vegas visitors stayed an average of 3.7 nights last year while Laughlin tourists stayed 2.4 nights

CURRENCIES

STEVE ANDRASCIK/REVIEW-JOURNAL

Rio cashier Raquel Perez counts German marks and French francs at the cage. Come Jan. 1, marks, francs and 10 other European nation currencies will convert to euros. Conversion to the euro has depressed gold prices for years, because it has caused European central banks to sell some of their vast gold holdings, University of Nevada, Reno Professor John Dobra said.

Say hello, euro

In Nevada, new money's debut is good news, bad news situation

By JOHN G. EDWARDS
REVIEW-JOURNAL

When 12 European countries start distributing the euro currency Jan. 1, it will be more bad news for Nevada's gold miners, somewhat good news for exporters and importers and a nonevent for others.

"It's a huge, huge thing going on over there," said Larry Kirschner, senior vice president of Wells Fargo Bank in St. Louis. Twelve European Union countries — Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, The Netherlands, Austria, Portugal and Finland — agreed to make an irrevocable switch to the euro, he said. Though it's part of the European Union, Great Britain has so far decided not to switch.

The conversion to the euro has already caused some problems for Nevada.

The conversion process has been depressing gold prices for several years, because it has caused European central banks to sell some of their vast gold holdings, said John Dobra, director of the Natural Resources Industries Institute at the University of Nevada, Reno.

"I don't think it would have any impact positively or negatively on the gaming business. It's basically a nonevent for us."

GARY THOMPSON
SPOKESMAN,
HARRAH'S ENTERTAINMENT

"It is a concern to the mining industry, but, at this point, the downside risk has already materialized," Dobra said.

On the other hand, the change will make it easier for businesses to trade with the 12 participating countries, because they will have to deal with only one currency, rather than 12, Kirschner said.

Travelers also will no longer need to convert currency every time they cross a national border on the European continent.

However, businesses will need to consider the different "pricing image" products will have, Kirschner said. A product that sells for 49 German deutsche marks and 99 pfennigs in January will have a less handy price in euros.

Businesses need to be aware that pricing differences among the participating countries will be apparent to customers using one currency, Kirschner said. That may result in increased competition, because different conversion ratios will no longer mask the true price of goods.

Jeff Bargerhuff, senior vice president of Nevada State Bank, said the change to the euro will have little impact on most Nevada businesses, in part, because Europe is "just not that much of an import-export market" for them.

"I don't think it would have any impact positively or negatively on the gaming business," said Gary Thompson, a spokesman for Harrah's Entertainment. "It's basically a nonevent for us."

While the euro won't make its debut in the wallets of Europeans until next month, Dobra dates the gold price slump back to the Maastricht agreement reached in the Netherlands city of the same name in 1992. That

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Europear worry about bogus ca

By DAVID McHUGH
THE ASSOCIATE

FRANKFURT, Germany – banks and stores get read the launch of euro notes coins on Jan. 1, counterfe are also likely hard at wor

European officials said are worried that criminal try to take advantage of miliarity with the new m to pass off fakes.

For up to two months Jan. 1, cashiers will hav juggle both national cu cies and the new euros, w they and consumers will be getting used to. That ates an opportunity for professional and do-it-you counterfeiters.

"For amateur copies, most dangerous period is ing the dual circulation od," said Willy Brugger deputy director of police a cy Europol and the head c euro project. "We expect we will see some amateur to test the system."

Amateur counterfeits, cally produced by a comp with a scanner and an in printer, are usually so c that a second look easily tinguishes them from the thing, Bruggeman said. T already have turned up small quantities, in attemp con people into exchan money ahead of time.

The longer-term th comes from the professior who use big offset prin presses that produce be fakes, Bruggeman said. T can't equal the print qualit the real money either, their quantities are higher they can come surprisi close to duplicating secu features such as watermar

To slow down the pros, bank decided not to rel the bills ahead of Jan. 1.

There are, however, m euro bills already out counterfeiters could use guides. The banknotes h been distributed widely banks and some stores in vance of the launch, and eral million euros were sto in robberies of an armored in Germany and a postal pository in Italy.

To fight euro counter ing, European Central B President Wim Duisenb signed an agreement

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▶ EURO: Currency's debut bad for Nevada mines

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called for converting the European Union countries' currencies to the euro. The agreement also calls for replacing members' 12 central banks with one.

Gold generally is used to bolster currency foreign exchange rates, and most of the foreign exchange in Europe is among European countries. So the decision to create the euro eliminated the amount of gold reserves needed, Dobra said.

Dobra noted that European banks were net buyers of gold when it was strong during the 1980s and have been net sellers since 1992.

The economist doesn't expect any change in gold sales until 2004 when another agreement on bank gold sales expires.

The European agreement on central banks restricts the total amount of gold sales until that date.

Dobra said the euro currency program could fail if one country finds itself in an ongoing recession and is unable to persuade other countries to devalue the euro to boost its economy. That could be good news for Nevada's gold miners, however, if it caused European banks to start buying more gold.

The euro has been used for electronic and wire transactions for about three years, but January will be the first time the euro is available in the form of paper currency, Kirschner said.

entiment

example, 10.23 euros are in the German one, which costs 20 marks ($9.10).