



Southeast Bank Managing Director M Kamal Hossain cuts a ribbon to open a branch of the bank which has been relocated to Eskaton Fantasia at New Eskaton in Dhaka yesterday.

China bans new business ventures by North Koreans

AFP, Beijing

China's commerce ministry has banned North Korean nationals from setting up new businesses in the country, enforcing recent UN sanctions as Washington urges Beijing to do more to curb its ally's nuclear ambitions.

The ban, effective immediately, came as Pyongyang launched three short-range missiles on Saturday according to the US military, reviving tensions days after President Donald Trump said the isolated regime was starting to show Washington some "respect".

Beijing has been under pressure from Washington to rein in its neighbour, which relies heavily on the Asian giant for its economic survival, and the ban is the latest

attempt by China to dispel US concerns over its close ties with Pyongyang.

China, which is the recipient of some 90 percent of North Korea's exports, earlier this month said it would suspend its imports of iron, lead and seafood from the country after halting its coal purchases in mid-February.

Under the new measures, North Korean nationals will not be allowed to establish any new company in China, whether it is a joint venture with a Chinese partner or a firm with foreign capital.

The ban also prohibits the expansion of any existing joint ventures involving North Koreans in China, while new Chinese applications to invest in North Korea or to increase existing investments in the country will be rejected, the ministry said.

Brexit could bring 100,000 jobs to Frankfurt: study

AFP, Frankfurt Am Main

The expected mass exodus of UK-based bankers because of Brexit could bring up to 100,000 new jobs to Germany's Frankfurt region over the next four years, according to a study.

The report, commissioned by the Frankfurt Main Finance lobby group, comes as Germany's financial hub has taken an early lead in the battle for the spoils of Brexit.

The study by the WHU-Otto Beisheim School of Management said 10,000 new banking jobs are expected to flood into Frankfurt as a result of Britain's decision to leave the European Union, and this would have a multiplying effect on other sectors.

"New bank employees will increase demand for housing, infrastructure and transportation, education, healthcare, consumer goods, food, and so on," the researchers said.

Working from the expectation that the

initial "Brexit shock" will bring 10,000 banking jobs, and assuming economic growth rates remain stable, the study calculated that at least another 21,300 non-banking jobs would be created in the city of Frankfurt alone.

Under its most "optimistic scenario", Frankfurt and the surrounding Rhein-Main region, which includes towns as far as 80 kilometres (50 miles) further south, could see a boom of nearly 88,000 additional jobs, the study found.

"As the Brexit effect is permanent, the non-financial employment effect will also be long-term," the authors added.

Many UK-based financial firms are looking to move certain operations to eurozone cities as they risk losing their "passporting rights" to do business with clients in the EU once Britain definitively quits the bloc in March 2019. Frankfurt, already home to the European Central Bank, has emerged as the frontrunner in the race to attract bankers fleeing London.

Yellen to Trump: do not expect a flip-flop on financial reforms

REUTERS, Jackson Hole

Janet Yellen delivered a message to US President Donald Trump on Friday, making it clear that if he re-nominates her as Federal Reserve chair she will not turn her back on the raft of US financial reforms that Republicans want to roll back.

Her speech to the world's top central bankers in Jackson Hole, Wyoming, comes at a time when the chaos at the White House may make it more likely that she would be appointed to serve another four years to head the US central bank.

Yellen, whose term ends in February, warned that "for some" memories of the 2007-2009 financial crisis may be fading, and she said that only "modest" adjustments could be made to regulations meant to protect the economy from runs on banks and other financial panics.

President Trump and congressional Republicans say many of the Obama-era rules go too far in choking off credit and burdening firms with unnecessary compliance.

"Yellen's passionate defense of the post-crisis tightening of financial regulation isn't going to go down particularly well at the White House," said Paul Ashworth, chief US economist at Capital Economics, in Toronto.

Yet with Trump's regulatory, tax and infrastructure policy plans so far delayed, and the White House struggling to fill several key posts, Yellen, a Democrat, may represent the President's best shot at ensuring stability at an institution critical to running the economy smoothly.

While Trump may disagree with

Yellen's big-government stance on regulatory policy, he is more aligned with her track record of keeping rates low to get Americans back to work.

In addition, she said she was open to some of the key changes that the administration, and its nominee as Fed vice chair for regulation, Randal Quarles, want to pursue.

Others have been mentioned as possible choices for Trump, several of whom attended the Fed conference at a lodge in Grand Teton National Park.

Along with her standing among economists and market participants, Yellen has a public lobby as well. Demonstrators here held a rally outside the conference donning wigs fashioned after Yellen's hairstyle. The organizers, the Fed Up Coalition that has criticized the central bank's recent interest-rate hikes, want Trump to stick with Yellen.

The Fed chair has not said explicitly whether she would be open to another term, a question that has taken on added interest following intense criticism of Trump's response to a white supremacist rally in Charlottesville, Virginia. Yellen, 71, is Jewish, and her image was included in a Trump campaign ad shortly before the election criticized as anti-Semitic.

But Yellen may come under increased pressure from liberals to accept if nominated, as the Fed is an independent agency and is not viewed as being part of the presidential administration.

"Janet Yellen is a patriot," said Gene Sperling, who was director of the National Economic Council

under former President Barack Obama, who appointed her.

"She would feel a patriotic duty to stay on if asked, even if from a personal level she was ready for a break ... she would feel an obligation to serve."

Along with academic economists, Gary Cohn, the former Goldman Sachs president who is now Trump's chief economic advisor, is considered a top contender for the job.

Yellen's familiarity among investors may be welcome to a White House facing an acrimonious political battle to avoid a debt ceiling deadline next month, and still reeling from criticism over its response to Charlottesville.

Reports emerged Friday that Cohn had drafted a letter of resignation over the latter incident, but decided to stay on the job.

Trump, who praised Yellen after his election for keeping interest rates low, has said he probably won't make the decision about the Fed chair until late in the year.

That time frame has struck many Fed officials as worryingly late given the need for Senate confirmation and the possibility of a negative market reaction.

Democratic President Obama re-nominated Ben Bernanke, first selected as Fed chair by Republican President George W. Bush, at exactly this time in the process in 2009. At the 2013 Jackson Hole conference, the White House had already winnowed the choice down to Yellen or Larry Summers, a former Treasury secretary.

"It would be a smart move for him economically" for Trump to promptly choose Yellen, added Sperling.



Dhaka Regency Hotel Chairman Musleh Ahmed speaks at a programme titled "Dhaka Regency's corporate night 2017" at the hotel's celebration hall in the capital on Thursday. High officials of local companies, airlines, and embassies were present at the programme.



US Federal Reserve Chair Janet Yellen testifies before a Senate Banking Committee hearing on Capitol Hill in Washington.

European airlines flying towards consolidation

AFP, Paris

A dogfight over the assets of troubled Alitalia and Air Berlin heralds a new shake-up in the European airline industry -- but unless other carriers cut costs they may meet a similar fate themselves, analysts warn.

Facing insolvency after key investor Etihad threw in the towel after years of trying to keep them flying despite losses, both airlines may now be snapped up whole or carved up by rivals interested in getting ahold of their planes and airport landing slots.

But the overhaul is unlikely to end there. "The sector will continue to consolidate because the business models are in the process of changing," said Stephane Alberne, managing partner at Archery Consulting.

"It is an underlying trend in Europe and the United States, where four 'consolidators' are in the lead: American, Delta, United, and low-cost Southwest." For Europe, consultant Jerome Bouchard at Oliver Wyman believes that eventu-

ally "there will be an oligopoly centred around Lufthansa, IAG and Air France-KLM".

International Airlines Group is the parent company of British Airways, Aer Lingus, Iberia and Vueling.

Before major consolidation can take place, however, Bouchard believes the airlines need to find a business model where they are no longer operating on the brink of bankruptcy.

Alitalia and Air Berlin had both been operating at losses for years. Low-cost airlines had eaten away at Alitalia's market share in particular, with Ireland's Ryanair having eclipsed it as the largest operator in Italy.

They were spared by Etihad, which took equity stakes in both as the flush Gulf airline tried to buy its way into Europe, but it lost its gamble that it could turn them around.

"Etihad's exit from Alitalia's capital will contribute to the acceleration of consolidation," Alberne said. "Alitalia will very likely join, either in whole or in part, Air France-KLM, Lufthansa, IAG, or even easyJet or Ryanair."

Low-cost Ryanair has soared to become Europe's top airline by number of passengers. Fellow budget operators easyJet and Norwegian are also major players.

While former flag carriers still offer a full range of services on both medium- and long-range flights, low-cost airlines offer fewer services and until recently have focused mostly on shorter journeys.

"It is the never-ending battle between a super generalist and super specialist," said Bouchard.

The situation is similar in Asia, where carriers such as Cathay Pacific and Japan Airlines have seen profits plunge amid intense competition from lower-cost rivals.

Australia's Qantas was able to staunch the red only by undertaking in 2014 a major restructuring that saw it axe thousands of jobs, sell off dozens of aircraft and defer orders for new ones.

The pressure on former national carriers will only continue as low-cost airlines push into the long-haul segment, which has until now been an area where they enjoyed comfortable profits.

Food delivery creates tech headache for some US restaurants

REUTERS, San Francisco

Four tablets from various delivery companies crowd the front counter of Proposition Chicken in San Francisco, each calling out with its own ring when an order arrives.

When there is a ping, a cashier finds the right tablet and then retypes the order into the restaurant's own system, which tells the kitchen to start cooking.

"It's a dance up there," said co-owner Maxwell Cohen. "It takes a lot of training and some getting used to, juggling the orders coming in from the various iPads, the customers in line and the phone ringing."

Cohen's "juggling" reflects a challenge for the burgeoning food delivery industry, a group of independent companies including Grubhub, UberEATS and DoorDash. While hungry consumers can find and order a meal in a single click, delivery technology can complicate work inside restaurants, and some restaurant owners are slimming down their counters in response.

On-demand food delivery has exploded in the last few years, with more than three dozen startups getting initial funding since 2011, according to data firm CB Insights. US restaurants saw \$16.5 billion of delivery sales in the year ending June 2017, and non-pizza delivery traffic was up 33 percent in 2015 versus 2012, according to the NPD Group/CREST.

Cohen likes the extra sales, which account for about 10 percent to 15 percent of business. But he will forego outside delivery at a new location opening in nearby Oakland. In-house orders are more profitable and less of a

headache, given commissions restaurateurs say reach 10 percent to 30 percent of an order, plus the need for extra staff.

"The challenge with delivery isn't just delivery itself," said Brendan Witcher, an analyst with Forrester. "(It's) about being able to have the restaurant say 'I don't know how we ever did business before this service.'"

Brian Reccow, a partner at Presidio Pizza Company in San Francisco, said he plans to "cull the herd" of delivery tablets on the restaurant's counter. Since costs have risen along with sales, he does not see a profit boost from the deliveries, just better publicity.

Venture investors poured \$2.5 billion into on-demand delivery companies last year, according to a Reuters analysis. But investor enthusiasm has waned and the market has continued to consolidate as smaller players are acquired or shut down, according to CB Insights.

Brook Porter, a partner with venture capital group G2VP, a spinoff of Silicon Valley investment firm Kleiner Perkins Caufield & Byers, said that delivery companies should focus on a type of food or part of the market to distinguish themselves.

"Or," Porter said, "you need to have some substantial technology advantage that gives you a lower cost to operate and to deliver."

Grubhub and its Seamless unit accounted for more than half of the top companies' delivery sales in the fourth quarter of 2016, according to market analytics firm 1010data. Eat24, which Grubhub is buying, Uber Technologies Inc's UberEATS and DoorDash follow, with UberEATS growing the fastest of the group.

Mercantile Bank Chairman AKM Shaheed Reza speaks at a seminar on "Importance of SME financing in banking sector: Bangladesh Bank policies and guidelines with recent changes" organised by Mercantile Bank at Fars Hotel and Resorts in Dhaka. Shaikh Md Salim, general manager for SME and Special Programmes Department at Bangladesh Bank, was also present.

