CITY BANK

Sohail RK Hussain, CEO of City Bank; Andrea Hagmann, executive director of Oesterreichische Entwicklungsbank AG (OeEB), and Sabine Gaber, managing director for investment finance division at OeEB, attend a financial deal closure ceremony in Vienna recently. City Bank arranged $15 million in funds from the Austrian development bank to support the growing need of City's SME, RMG and offshore banking portfolios. (Story on B1)

China to 'standardise' market access for foreign lenders: regulator

REUTERS, *Beijing*

China's banking regulator has issued draft measures for amending its licensing and oversight of some foreign-funded bank activities, a move it says is aimed at promoting investment in the country's fast-growing financial sector.

In a statement on Thursday, the China Banking Regulatory Commission (CBRC) said it is preparing to implement amended administrative measures to "standardize market access" for foreign lenders, and cut red tape to create a level playing field for such activities as branch openings, debt fundraising and examination of senior executives.

The CBRC said the amended measures will also put in place procedures "to provide a clear legal basis" for foreign-funded banks to make equity investments in Chinese financial institutions.

A notification system also will be installed for four types of activities, including securities fund custody business and the provision of wealth management services for foreign customers, the regulator said.

China has vowed to further open up its financial sector to outside investors and level the playing field.

In November, Vice Finance Minister Zhu Guangyao said China will raise foreign ownership limits in some joint-venture firms in the futures, securities and fund markets to 51 percent from the current 49 percent.

A month earlier, CBRC chairman Guo Shuqing said the country was preparing to further open up its banking system to foreign investors.

The market share of foreign banks in China has decreased to 1.2 percent from 2.4 percent 10 years ago, Guo said, which "is not beneficial for promoting competition".

Apple and Amazon in talks to set up in Saudi Arabia

REUTERS, *Riyadh*

Apple and Amazon are in licensing discussions with Riyadh on investing in Saudi Arabia, two sources told Reuters, part of Crown Prince Mohammed bin Salman's push to give the conservative kingdom a high-tech look.

A third source confirmed that Apple was in talks with SAGIA, Saudi Arabia's foreign investment authority.

Both companies already sell products in Saudi Arabia via third parties but they and other global tech giants have yet to establish a direct presence.

Amazon's discussions are being led by cloud computing division Amazon Web Services (AWS), which would introduce stiff competition in a market currently dominated by smaller local providers like STC and Mobily.

Riyadh has been easing regulatory impediments for the past two years, including limits on foreign ownership which had long kept investors away, since falling crude prices highlighted the need to diversify its oil-dependent economy.

Luring Apple and Amazon would further Prince Mohammed's reform plans and raise the companies' profile in a young and relatively affluent market, which already boasts some of the highest internet and smartphone use in the world.

About 70 percent of the Saudi population is under 30 and frequently glued to social media.

A licensing agreement for Apple stores with SAGIA is expected by February, with an initial retail store targeted for 2019, said two sources familiar with the discussions.

Amazon's talks are in earlier stages and no specific date has been set for investment plans, they said. Apple already holds second place in the Saudi mobile phone market behind Samsung, according to market researcher Euromonitor.

Amazon acquired Dubai-based online retailer Souq.com earlier in 2017, opening access for Amazon retail goods to be sold in the kingdom. Both companies declined to comment, while SAGIA was not immediately available to answer questions about the discussions.

While Saudi reform plans call for luring foreign investment broadly across sectors, officials have courted Silicon Valley players especially strongly over the past two years to complement their high-tech ambitions.

Prince Mohammed is an avowed technophile and has styled himself a disrupter in the model of Steve Jobs, Mark Zuckerberg and Bill Gates.

During an official visit to the United States last year he met executives at Facebook, Microsoft and Uber, in which the sovereign wealth fund he chairs later took a $3.5 billion stake. Since then, he has also set up a $45 billion technology investment fund with Japan's SoftBank and announced plans to create a futuristic $500 billion mega-city with more robots than humans.

Apple and Amazon have both been on a Saudi priority list of foreign firms which officials hope to attract to further their reforms, one of the sources said.

"Many tech multinationals now in Saudi Arabia are either vendors to the Saudi government or, in the case of Uber, have benefited from a sizable Saudi investment," said Sam Blatteis, who heads Dubai-based tech advisory MENA Catalysts Inc.

"Amazon entering the Saudi market would be a step-change."

For Amazon, the move underscores how AWS is looking to take an early lead in selling data storage and computing services to customers in the Middle East.

AWS, the world's biggest cloud business by revenue, has embarked on a slower global expansion than No.2 Microsoft, which now offers cloud services in twice as many regions.

REUTERS/FILE

A man speaks on the phone as he walks past the Kingdom Centre Tower in Riyadh, Saudi Arabia.

US consumer confidence dampens in December

AFP, *Washington*

US consumer confidence dampened in December, retreating from a 17-year high in November as optimism about the short-term outlook fell sharply, according to a closely-watched monthly survey released Wednesday.

While sentiment about current conditions were more positive than last month, consumers were more pessimistic about the situation for business and jobs six months out, the Conference Board reported.

The consumer confidence index fell to 122.1 from 128.6 in November, which was revised down from the originally reported 129.5, but still was the highest since 2000. The high confidence last month matched reports of solid sales in the holiday shopping season.

"The decline in confidence was fuelled by a somewhat less optimistic outlook for business and job prospects in the coming months," said Lynn Franco, head of indicators at the Conference Board, which produces the survey, in a statement.

However, Franco said, "Despite the decline in confidence, consumers' expectations remain at historically strong levels, suggesting economic growth will continue well into 2018."

Consumers' feelings about present-day conditions were slightly more positive in December, as the percentage saying business conditions are "good" increased marginally to 35.2 percent, while those saying business conditions are "bad" decreased very slightly to 12.1 percent.

However, optimism about the short-term outlook declined sharply, as those anticipating business conditions will improve over the next six months declined to 20.2 percent from 23.1 percent, while those expecting business conditions to worsen increased to 9.2 percent from 6.7 percent.

The outlook for the job market also was less upbeat than in November. The proportion expecting more jobs in the months ahead decreased to 18.4 percent from 21.3 percent, while those anticipating fewer jobs rose to 16.3 percent from 12.1 percent.

Analysts agreed with Franco that the decline in December should not detract from high levels of optimism, even though the consensus forecast expected a modest decline in the headline index to 128.0.

STANDARD BANK

Kazi Akram Uddin Ahmed, chairman of Standard Bank, cuts a ribbon to open the bank's 122nd branch on Malitola Road in Dhaka yesterday. Mamun-Ur-Rashid, CEO, was present.

Airlines can't blame computer models for higher fares: German cartel chief

REUTERS, *Frankfurt*

Airlines shouldn't be allowed to hide behind computer-based models when justifying higher fares, the head of the German cartel office said in an interview published on Thursday, as authorities review allegations of a recent spike in prices.

In November, the cartel office asked national airline Lufthansa for information on prices after receiving complaints about rising fares following the collapse of Air Berlin, Germany's second largest carrier.

Lufthansa said at the time it was cooperating fully with the cartel office and had not changed its pricing structures, which comprise up to 26 different fares per flight and were automatically determined by software.

"Such algorithms aren't written by god in the heavens," Andreas Mundt told the Sueddeutsche Zeitung newspaper. "Companies can't hide behind algorithms." A Lufthansa spokesman said on Thursday the airline hadn't increased fares on domestic flights or flights within in Europe in more than a year.

He added the insolvency of Air Berlin had eliminated 100 planes and 60,000 seats a day.

"As a result, available flights are booked more quickly," he said. "It can be the case that with booking at short notice on some routes that only relatively more expensive booking classes are available." Lufthansa's chief executive, Carsten Spohr, addressed the cartel office investigation in a recent interview with the Frankfurter Allgemeine Sonntagszeitung, saying the airline would be absolved of any wrongdoing.

"It is good because in the process of the investigation it will be determined that we aren't taking advantage of any short-term dominant market position," Spohr was quoted as saying.

Huawei's China smartphone sales chief detained for suspected bribe-taking

REUTERS, *Hong Kong*

Huawei Technologies, the world's third-largest smartphone maker, said on Wednesday that Chinese police are conducting an investigation, after the China sales head of its smartphone unit was detained on suspicion of accepting bribes.

Huawei, which in recent years has overtaken Apple Inc and others to take the top share of China's smartphone market but is now under pressure from fast-growing domestic rivals, declined to disclose details of the case.

"The authorities are investigating the matter, and we defer to their discretion as to what can be disclosed," the company said in e-mailed comments to Reuters when asked about the case.

"We take our business ethics extremely seriously, and have zero tolerance for corrupt behaviour." It gave no further comment.

In an internal memo to staff, however, Huawei said Teng Hongfei, the Greater China sales head for its consumer business division, had been detained for "the suspected crime of accepting bribes as a non-state functionary".

Reuters was unable to immediately reach Teng or a representative for comment.

According to his LinkedIn profile, he worked at Samsung Electronics and Nokia before joining Huawei in June 2014.

Since then, Huawei has moved past Samsung, Apple, Xiaomi and Lenovo Group to become China's largest smartphone seller.

But its top spot in the world's biggest smartphone market has come under threat over the past year from competitors such as OPPO and Vivo, and its profits have suffered as a result.

Huawei has a 22.3 percent share of China's smartphone market, followed by OPPO at 21.6 percent, according to third-quarter data from industry tracker IDC.

Founded by Ren Zhengfei, a former People's Liberation Army officer, Huawei has more than 180,000 employees and has taken a number of high-profile actions in recent years to counter corruption.

In January, Ren held a vow-taking ceremony with senior managers who swore not to engage in corruption, and in 2014 an internal inspection found 116 employees in violation of its anti-corruption policies.

JANATA BANK

Md Murshedul Kabir, general manager for the Khulna divisional office of Janata Bank, and Shafiq Uddin, managing director of West Zone Power Distribution Company, attend a deal signing ceremony at the former's office in Khulna on Wednesday. The company will collect prepaid electricity bills across Khulna region through the bank.