



Azharul Islam, CEO of Ace Autos, exclusive distributor of Haval in Bangladesh, launches the company's new SUV—Haval H2 2020—at Haval's head office in Dhaka yesterday. The limited time special offer price of the Haval H2 City Luxury model will be Tk 27.50 lakh for early birds which will come with a 3 years/60,000 km warranty.

ACE AUTOS

Coronavirus situation more extraordinary than banking crisis: Merkel

REUTERS, Berlin

The coronavirus crisis is proving more of an extraordinary situation than the banking crisis, Chancellor Angela Merkel said on Thursday, adding that her government's focus now was not how its budget works out.

Speaking after meeting the leaders of Germany's 16 states, Merkel said her finance and economy ministers would present a "very comprehensive" package of additional measures to support German businesses on Friday.

Asked about Germany's self-imposed policy pledge of not taking on new debt, Merkel said the budget was not her government's main focus, underlining her message from a day earlier that the public finances were secondary.

"The debt brake ... provides for exceptions in extraordinary situations



Angela Merkel

- and that is, as I said yesterday, really not our topic as to how the budget balance will look in the end," Merkel told a news conference.

Under the German debt brake rule, the federal government can take on new debt of up to 0.35 per cent of economic output. France has been using the coronavirus crisis to push for more public spending by Germany and other countries with fiscal leeway. "We are in a situation that is

unusual in every respect and I would say more unusual than at the time of the banking crisis because we are dealing with a health problem, a health challenge for which scientists and medicine does not yet have an answer," Merkel said.

"So it is our task first of all to save people's lives, as best we can, and secondly to keep economic activity going," Merkel said that for regions suffering a dynamic outbreak of coronavirus "the temporary closure of nurseries and schools, for example by bringing forward the Easter holidays, is another option." Urging people to avoid social contact where possible, Merkel said the federal and state governments called for events with fewer than 1,000 participants not to go ahead. Previously, it had urged a halt to public gatherings with more than 1,000.

The economic remedies for the virus

REUTERS

..... Policymakers and government leaders have taken a range of approaches to deal with the economic fallout from the coronavirus. Here is a list of how some of the world's biggest economies and economic blocs have reacted.

UNITED STATES

The New York Federal Reserve said it will make \$1.5 trillion available for overnight lending markets and start purchasing a broader range of US Treasury securities as part of its monthly purchases, a shift that signals it could deploy crisis-era tools sooner than planned. The central bank offered \$500 billion in a three-month repo operation on Thursday and will offer an additional \$500 billion in one-month repo and \$500 billion in three-month repo loans on Friday.

It comes a day after President Trump said the US Treasury Department will defer tax payments without interest or penalties for certain individuals and businesses negatively impacted, aiming to provide more than \$200 billion of additional liquidity to the economy.

He also said the Small Business Administration will provide capital and liquidity to firms affected by the coronavirus by providing low-interest loans to small businesses in affected states and territories, effective immediately. And he suspended all travel from Europe, with a few exceptions, to the United States for 30 days starting on Friday.

Earlier, Trump signed a \$8.3 billion emergency spending bill to combat the spread of the virus and develop vaccines for the highly contagious disease.

The US Federal Reserve has cut interest rates by half a percentage point in its first emergency rate move since the height of the 2008 financial crisis. Investors expect more cuts in the weeks ahead.

EUROPEAN CENTRAL BANK

The ECB will provide banks with loans at a rate as low as minus 0.75 per cent, below the -0.5 per cent deposit rate, and increase bond purchases by 120 billion euros this year with a focus on corporate debt. The ECB's bank supervisory arm will let euro zone banks fall short of some key capital and cash requirements, to keep credit flowing to the economy.

But unlike its US and UK counterparts, the ECB held back on cutting rates and instead pointed the finger at euro zone governments, who have been slow in ramping up spending.

CHINA

China earmarked 110.5 billion yuan (\$15.9 billion) to fight the epidemic. Beijing has ramped up funding support for virus-hit regions and the country's central bank has cut several of its key rates, including the benchmark lending rate, and has urged banks to give cheap loans and payment relief to exposed companies.

China will modify the environmental supervision of



REUTERS

A quarantine worker in protective gear sprays disinfectants at a screening facility for checking coronavirus disease in Cheongdo county, South Korea.

companies to help the resumption of production disrupted by the coronavirus epidemic, giving firms more time to rectify environmental problems.

ITALY

Italy has doubled the amount it plans to spend on tackling its coronavirus outbreak to 7.5 billion euros (\$8.4 billion) and is raising this year's deficit goal to 2.5 per cent of national output from the current 2.2 per cent target.

Payments on mortgages will be suspended across the whole of Italy and Italy's banking lobby ABI said lenders would offer debt moratoriums

to small firms and households grappling with the economic fallout from the virus.

JAPAN

Japan unveiled a second package of measures worth about \$4 billion in spending to cope with the fallout of the coronavirus outbreak, focusing on support to small and mid-sized firms, as concerns mount about risks to the fragile economy.

Separately, Bank of Japan Governor Haruhiko Kuroda has pledged to pump more liquidity into markets and step up asset buying.

THE EUROPEAN UNION

European Union leaders have so

far failed to agree radical measures to tackle the crisis. European Commission chief Ursula von der Leyen said in a tweet on Thursday that Brussels was working on responses including a "package to prop up the EU economy".

BRITAIN

Britain launched a 30 billion-pound (\$39 billion) economic stimulus plan just hours after the Bank of England slashed interest rates, a double-barrelled package aimed at warding off the risk of a coronavirus recession.

FRANCE

The government is allowing companies to suspend payments of some social charges and taxes, and is activating state-subsidised short-time work schemes. It has ordered the Bpifrance state investment bank to guarantee loans needed to overcome short-term cashflow problems.

Paris has also allowed companies to declare force majeure due to the outbreak if they cannot honor a contract with the public sector, and is putting pressure on big companies to show similar leniency with subcontractors.

INDIA

The Reserve Bank of India (RBI) plans to infuse fresh cash liquidity into the system through a second round of long-term repo operations (LTRO), government officials told Reuters, amid fears that the coronavirus outbreak will derail any revival of economic growth.

The RBI has said it stands ready to act to maintain market confidence and preserve financial stability.

The government is, meanwhile, pushing state-run banks to approve new loans amounting to 500-600 billion rupees by the end of March, according to government sources.

CANADA

Finance Minister Bill Morneau said on March 9 that the government was "looking at taking some initiatives this week," as Canada reported its first coronavirus death, with a steep decline in oil prices expected to hit the world's fourth-largest crude producer hard.

The Bank of Canada lowered its benchmark overnight rate to 1.25 per cent from 1.75 per cent in response to the epidemic, prompting money markets to price in a better-than-even chance of another reduction next month. The last time it cut by 50 basis points was in 2009 during the financial crisis.

SOUTH KOREA

The government announced a stimulus package of 11.7 trillion won (\$9.8 billion) to cushion the impact of the largest outbreak of coronavirus outside China. An additional 10.3 trillion won in treasury bonds will be issued this year to fund the extra budget.

Seoul has also dramatically tightened rules on short-selling for three months. Starting March 11, stocks with a sudden and abnormal increase in short-selling transactions will be suspended from further short-selling for 10 days.



PRIME BANK

Prime Bank Chairman Azam J Chowdhury opens Mujib Corner to pay tribute to Bangabandhu Sheikh Mujibur Rahman to celebrate the Father of the Nation's birth centenary, at the bank's Gulshan branch in Dhaka on March 9. Managing Director and CEO Rahel Ahmed was also present. Two other Mujib Corners were also inaugurated on the day in the bank's head office at Adamjee Court in Motijheel and in its Gulshan office.



UCB

Land Minister Saifuzzaman Chowdhury opens a Mujib Corner of United Commercial Bank (UCB) to pay tribute to Bangabandhu Sheikh Mujibur Rahman to celebrate the Father of the Nation's birth centenary, at the bank's corporate office in Dhaka on March 10. Acting Managing Director of UCB Arif Quadri was also present.

Airline crisis worsens as US quarantines Europeans

REUTERS, Paris

..... Airlines bore the brunt of a dramatic expansion of the coronavirus crisis on Thursday, as US travel curbs on much of continental Europe deepened the sector's misery and piled more pressure on governments to offer emergency support.

The 30-day restrictions will badly disrupt transatlantic traffic key to the earnings of major European carriers and their US airline partners, analysts warned, as the move hit travel stocks already battered by the virus outbreak.

Those routes account for 20-30 per cent of large European operators' revenue and a majority of profit, Credit Suisse analyst Neil Glynn warned, "highlighting the damage to revenue lines for the coming weeks and potentially well into the summer." Glynn added: "A ban on travel to the US will likely mean heavier cuts" than the drastic capacity reductions already ordered as airlines scrapped flights - first to China and then to other destinations including Italy as the virus spread.

Shares in European and US airlines slumped in turn to new lows, with Delta and United Airlines down more than 13 per

cent and American Airlines 7.2 per cent lower.

Air France-KLM was down 9.1 per cent at 1506 GMT, with British Airways parent IAG down 10.7 per cent and Lufthansa 11.5 per cent lower. Troubled Norwegian Air and US-dependent Icelandair both plunged more than 20 per cent.

The US curbs on travel from the 26-country Schengen Area - which excludes Britain and Ireland - are similar to restrictions on China that took effect on Feb. 1 and do not apply to US residents or their immediate family.

"The ban effectively stops travel from the Schengen Area to the USA," said Bernstein analyst Daniel Roeska - predicting a "more substantial" earnings impact than European carriers had suffered from the earlier China flight suspensions.

US airlines had already cut flight schedules to Italy and will take another hit from lower demand for flights from major destinations such as France and Germany.

Among them, American Airlines could be relatively spared by its alliance with British Airways (BA) and higher share of UK traffic, while Air France-KLM partner Delta and Lufthansa ally

United Airlines are likely to suffer more, analysts say.

US Vice President Mike Pence defended the travel curbs on Thursday, after the European Union complained they had been imposed "unilaterally and without consultation".

The virus has taken root in the United States after spreading from China to Italy, South Korea, Iran and elsewhere.

Airlines have already been scrambling to respond to a global travel slump that looks increasingly likely to require government aid to avoid

widespread insolvencies. The EU will publish new state-aid guidelines on Friday.

Germany may extend loans and other support to airlines, a government official said on Thursday. The French government also stands ready to help Air France-KLM, Finance Minister Bruno Le Maire said.

"There is a need for measures from many governments," said Norwegian pilots' union president Yngve Carlsen. "This could lead to a total meltdown." Scandinavian carrier SAS is in talks with the Swedish and Danish governments



REUTERS

The US curbs on travel from the 26-country Schengen Area are similar to restrictions on China that took effect on February 1.

Italy tightens workplace rules in coronavirus crisis

REUTERS, Milan

..... Italy agreed a series of measures on Saturday to improve health controls in factories, offices and other workplaces that have been allowed to stay open during the country's coronavirus lockdown.

The measures agreed after all-night talks with companies and trade union leaders include tighter controls on workplace practices and cleaning protocols, as well as steps to encourage more home-working. Economy Ministry undersecretary Pier Paolo Baretta said.

In addition, help will be offered to workers who have lost income during the lockdown announced across the country last week to try to contain the crisis.

"For the good of the country, for the protection of workers. Italy will not come to a stop," Prime Minister Giuseppe Conte said on Twitter.

Italy is at the epicenter of a coronavirus outbreak that is spreading rapidly across Europe, threatening both public health and the economy.

As of Friday, authorities had recorded at least 17,660 cases and 1,266 deaths, the most for any country outside China, where the virus first emerged.

Deputy Health Minister Pierpaolo Sileri announced on Saturday that he had tested positive for the virus.

Underlining the international dimension of the crisis, a group of Chinese specialists arrived in Italy with medical equipment and advice.

Under the unprecedented lockdown, the government has forbidden all non-essential travel, telling people to stay at home. Airlines have slashed services to Italy and the Transport Ministry said on Saturday that night train services would be suspended.

Schools, restaurants and most shops have been closed but so far, factories, offices and other workplaces have been allowed to remain open.