



**Salman F Rahman, the prime minister's private industry and investment adviser, speaks at a discussion on bilateral trade between the UK and Bangladesh, organised by the British Business Group recently. Robert Chatterton Dickson, British high commissioner, and Francois de Maricourt, chairman of the BBG and CEO of HSBC Bangladesh, were present.**

## Boeing seeks \$60b in US support for aerospace industry

AFP

Boeing is seeking at least \$60 billion in federal support for the aerospace industry to help it navigate a battered aviation environment due to the new coronavirus, company officials said Wednesday.

The funds would include federal loan guarantees to provide liquidity for Boeing and companies in its supply chain at a time when the virus pandemic has obliterated near-term airline demand and destroyed the industry's profitability.

"Funds would support the health of the broader aviation industry, because much of any liquidity support to Boeing will be used for payments to suppliers to maintain the health of the supply chain," Boeing officials said in a statement.

"The long-term outlook for the industry is still strong, but until global passenger traffic resumes to normal levels, these measures are needed to



manage the pressure on the aviation sector and the economy as a whole." Boeing's near-term outlook had already been dimmed by the 737 MAX crisis, which was grounded a year ago following two deadly crashes.

The jet has still not been cleared to resume service and continues to face some important regulatory hoops before it will fly again.

The dual crises would threaten the survival of other companies, but Boeing still retains considerable support in Washington because of its importance to the US economy, with about 130,000 employees, a figure

that doesn't include workers at about 17,000 suppliers.

President Donald Trump on Tuesday endorsed aggressive measures to assist Boeing, telling reporters at a briefing, "we have to protect Boeing and help Boeing." Airlines are also suffering, and media reports say the government is looking at \$50 billion in assistance that the industry has requested.

Still, federal packages for big companies could come with conditions.

Democratic presidential candidate Senator Bernie Sanders of Vermont said any bailouts to the airline industry must be conditioned on ending stock buybacks.

And Senator Elizabeth Warren, a Massachusetts Democrat who recently ended her presidential campaign, said on Twitter that companies should also be prohibited from paying dividends or executive bonuses during the period of relief and three years after.

## RBI to buy government bonds in open markets to boost liquidity

REUTERS, Mumbai

The Reserve Bank of India will buy bonds on the open market for a total of 100 billion Indian rupees (\$1.35 billion) on Friday to try to keep all market segments liquid and stable, the central bank said on Wednesday.

"With the heightening of COVID-19 pandemic risks, certain financial market segments have been experiencing a tightening of financial conditions as reflected in the hardening of yields and widening of spreads," the RBI said in a statement.

Spreads between government bonds and corporate bonds have risen in recent days because of the extreme risk aversion that has led investors to dump all assets including Indian bonds.

Foreign investors have sold a net \$3.48 billion worth of debt so far in March, taking total outflows to \$5.04 billion in 2020, according to latest exchange data.

The high spreads have led to low trading volumes in the corporate bonds and commercial paper markets, prompting the central bank to intervene.

"Trading was almost halted due to risk aversion and this was causing a lot of illiquidity, which if allowed to continue could even lead to rollover stopping and defaults," a source said, asking not to be named.

In its release, the RBI said it will buy four bonds due to mature between 2022 and 2025 for a total of 100 billion rupees via a multiple-price based auction on Friday.

"We are targeting this segment because corporate bonds and commercial are usually priced off it. Spreads have gone up by almost 70-80 basis points and around 30-35 bps of this is due to the underlying government bond yields hardening," the source said.

The open market operation (OMO) is intended to help cool government bond yields and lead to better spreads for corporates.

With the targeting of corporate bond spreads, the RBI is effectively stepping into domains outside its usual forex and money markets and looking to assuage market sentiment across asset classes.

"We want to give markets the confidence that we are stepping into all segments now. We want people to have confidence in the



**RBI Governor Shaktikanta Das**

RBI and assure them that we will be there everyday monitoring and taking measures as necessary," the source added.

Earlier in the week, the central bank announced a second round of long-term repo operations for a total of 1 trillion rupees and said

it would conduct another round of dollar/rupee sell/buy swaps for \$2 billion.

India has about 147 confirmed coronavirus cases with several hundred people in isolation as a precaution to help limit the spread of the disease.

## Malaysia travel ban compounds Singapore virus woes

AFP, Singapore

A ban on Malaysians leaving the country, imposed to halt the spread of the coronavirus, will deal a heavy blow to neighbouring Singapore, which relies on huge numbers of workers who commute from next door.

Around 300,000 people usually cross the border every day to wealthier Singapore -- about eight percent of the tiny city-state's labour force -- to work in areas ranging from public transport to electronics manufacturing.

But that flow ground to a halt Wednesday as Malaysia began enforcing a two-week ban on its citizens travelling abroad -- and on foreigners entering the country.

Malaysia has so far reported 790 virus cases and two deaths, the highest number of any Southeast Asian country. Singapore has reported 266 cases.

The city-state had already been heading for a recession this year due to the virus outbreak, and the travel ban has only added to the negative outlook, said Rajiv Biswas, Asia Pacific chief economist at IHS Markit.

"If Malaysia's COVID-19 cases escalate further, there is a risk that Malaysia may need to extend its lockdown period," he told AFP. This could create "a further negative impact on the near-term economic outlook" for Singapore, he said.

Singapore, heavily reliant on trade and tourism, is always badly hit by any major shock to the global economy.

There were chaotic scenes on the one-

kilometre (half-mile) causeway that forms the main crossing between the neighbours on Tuesday, as Malaysians queued for hours to get over the border before the restrictions kicked in at midnight.

A long line of cars snaked over the causeway late into the night, with the noise of horns filling the air, while huge numbers of pedestrians crossed by foot, some carrying large suitcases.

Singapore has scrambled to limit the damage, with Prime Minister Lee Hsien Loong saying the government is "working out arrangements" with companies to help Malaysian workers stay in the city-state while the ban is in place.

Authorities are helping to find accommodation for Malaysian employees during the travel ban, and have pledged to provide S\$50 (\$35) a night to firms for each affected worker.

Bus company SBS Transit said it had secured accommodation at several hotels for Malaysian drivers, ensuring its services would not be affected -- denying reports staff would be forced to sleep on reclining chairs in depots.

Bus companies have, however, cut some services between the countries.

SingPost, the city's postal service which also provides e-commerce and logistics services, said it has arranged for more than 400 of its Malaysian staff to stay in three hotels. Malaysian bus driver Ramesh Nair said while he had taken up the offer of accommodation not everyone affected could do the same.

## Tencent comes out as unlikely beneficiary of coronavirus fallout

AFP, Hong Kong

Chinese internet giant Tencent recorded a jump in profit last year and said it could be a rare beneficiary of the global coronavirus pandemic as people stay home and businesses ramp up remote working.

The Shenzhen-based behemoth, one of the largest stocks on the Hong Kong bourse, said Wednesday net profit last year rose 19 percent to 93.3 billion yuan (\$13.3 billion).

Total revenues in 2019 were up 21 percent at 377.3 billion yuan (\$53.7 billion), primarily driven by its international gaming and lucrative cloud services, the latter bringing in 17 billion yuan in revenues and consistently outgrowing the market.

The company said the global economic chaos caused by the spread of the deadly coronavirus, which began in China late last year, would be a short term challenge. Initially its fast growing cloud computing services might take a hit, it said.

But the company remained more bullish in the long term, cushioned by the expectation that many more people will turn to remote working and online health care services that often require significant cloud computing power.

"We believe enterprises will be increasingly keen to adopt cloud-based solutions over the longer term, in order to facilitate remote working and remote interactions with their customers," chairman Ma Huateng said in the annual results statement.

Figures in the annual report revealed how vital remote working apps have become during the pandemic.

With vast chunks of China locked down in January and February, users of Tencent's "meeting" program surpassed 10 million within two months. Many more users of its WeChat platform turned to "Tencent health" for real-time pandemic data, online consultation and self-diagnosis services. Ma added that the virus outbreak had boosted the need for

home learning programs.

More than 120 million users had used the company QQ School-plus-Home groups with features including live broadcast, online tutoring programs as well as tools for schools to facilitate online and offline education.

The company also picked up millions of new gamers during the coronavirus pandemic in China.

"Looking forward, we will seek to both meet the immediate needs for our products brought about by the pandemic, and develop our capabilities to anticipate and serve enterprises' long term demands as the economy digitises," Ma said.

Shares in the Hong Kong-listed company fell 4.5 percent Wednesday shortly before the results were announced, tracking the continued losses the city's bourse has faced amid a global sell off. But mainland-based traders have remained bullish on Tencent, boosting their holdings by 24 percent since the start of the year, according to Bloomberg News.



PRAN-RFL

**RN Paul, managing director of RFL Group, opens a new retail outlet of Best Buy at Mission Para in Narayanganj recently.**



ERA-INFOTECH

**Mashiul Huq Chowdhury, CEO of Community Bank, and Nafees Khundker, a director of ERA-InfoTech, attend a recent deal signing ceremony for the purchase of the latter's human resource and payroll management software.**

## Europe auto sales down 7.4pc in Feb

AFP, Paris

European car sales fell a sharp 7.4 percent to just under one million in February, industry data showed Wednesday.

The figures for March, when the full impact of the coronavirus outbreak should be seen, are widely expected to be much worse.

European car sales totalled 957,000 in February, according to the European Automobile Manufacturers' association (ACEA).

In the biggest markets, sales in Germany were down 10.8 percent, Italy 8.8 percent, Spain 6.0 percent and France shed 2.7 percent.

The downturn reflects strong sales at the end of last year when many people replaced their older, more polluting vehicles before the introduction of new, tighter EU emissions standards this year, ACEA said.

Higher auto taxes coming into effect in 2020 may also have had a similar impact on sales.

ACEA also noted a broader weakness in the global economy as having a dampening effect, even before the draconian measures being taken to tackle the coronavirus outbreak.

The pandemic has seen many top makers -- among them VW, the biggest -- suspending production for weeks to come.