

# Jet Airways creditors agree to new owners after months of talks

REUTERS, MUMBAI  
India's Jet Airways would be acquired by an investor consortium under a multi-million dollar resolution plan approved by the carrier's creditors on Saturday.

The plan submitted by a consortium of London-based Kalrock Capital and UAE-based businessman Murari Lal Jalan comes after months of talks over the airline's future and was confirmed in a regulatory filing, which gave no details of the deal.

A source close to the situation said the new owners had agreed to pump in 10 billion rupees (\$136 million) as working capital for the revival of the airline. Another 10 billion rupees will be given to creditors over a period of five years.

Financial creditors of the airline will also get 10 per cent stake in the company, the source said, though the plan remains subject to approvals from the bankruptcy court and the country's airline regulator. Jet - which operated a fleet of more than 120 planes serving dozens of domestic destinations and international hubs such as Singapore, London and Dubai - was forced in April 2019 to ground all flights, crippled by mounting losses as it attempted to compete with low-cost rivals.

After Jet halted operations at least 280 slots were vacant in Mumbai and 160 in Delhi, which were then given to its rivals. The revival plan is also based on getting some of these slots back.

"The plan is to ramp up slowly and to increase capacity gradually as they will be starting afresh," the source said. Any resumption of flights will likely not happen for between three and six months at least.

Since its operations were halted the airline and its lenders had been looking for suitors. Jet's financial and operational creditors were owed nearly 300 billion rupees after the operations were halted.



REUTERS/FILE  
Jet Airways employees display placards during a protest at the Chhatrapati Shivaji Maharaj International Airport in Mumbai.

# China's second-hand luxury goods market booms

REUTERS, Beijing  
China's love for luxury is spilling over into the once shunned second-hand goods sector, with online stores surfing a wave of pent-up demand from shoppers, led by millennials, who have been forced into belt-tightening by the coronavirus pandemic.

The rapid proliferation over recent years of second-hand luxury sales online platforms have helped fuel an expansion of the market, similar to those of US online luxury reseller The RealReal Inc or Europe's Vestiaire Collective.

"Our income recorded a surge this year during the pandemic as offline stores are mostly closed," said Xu Wei, founder of Plum, a second-hand luxury products company in Beijing which is especially popular with millennial women from China's lower tier cities.

Chinese consumers have traditionally shunned second-hand goods, though that has undergone a shift over the past decade or so led by younger, more environmentally conscious consumers looking for affordable high-end goods.

"Compared to completely new products, second-hand products are more economical for them," Xu said. Sales growth at Plum have averaged over 25 per cent month-on-month in the first half.

The actual size of the Chinese second-hand luxury goods market is small, luring platforms such as Plum, Ponhu and Feiyu which are betting on strong growth over coming years.

A joint report by China's University of International Business and Economics and Isheyipai, a platform for second-hand luxury deals, estimated that sales of second-hand luxury products in China accounts for just 5 per cent of the overall luxury market, compared with 28 per cent in Japan and 31 per cent in the United States.

Consultancy Bain estimates that Chinese consumers will account for nearly 50 per cent

of the global luxury market - valued around \$374-386 billion - by 2025.

Millennials, those in their 20s and 30s, are a big market for the second-hand goods retailers. The joint university-Isheyipai report estimates that 52 per cent of the second-hand luxury goods consumers in China are below 30 years old, a segment bigger than the entire US population.

On Plum's platform, a Louis Vuitton Speedy 25 Monogram rated at 85 per cent new was offering at 4,548 yuan (\$676.44), compared with \$1,560 on the brand's homepage. A 90 per cent new black Gucci GG Marmont small shoulder bag was sold at 4,890 yuan (\$727.31)

versus the official price at \$2,250.

Sun Shaqi, a livestreamer who has 6.5 million followers on Douyin, the Chinese version of popular short video app TikTok, is one of many personalities promoting the idea of buying second-hand.

Livestreaming has recently become a widely-used marketing medium in China.

"With the money for one bag, here you can buy 3 to 4 (second-hand), isn't it a good deal?" she asked in a recent livestream while holding up a red patent leather Louis Vuitton bag.

"Who will know it is a second-hand bag when you carry it?"



REUTERS/FILE  
Handbags are seen on shelves during a livestreaming session for the second-hand luxury goods retail platform Plum, in Beijing, China.

# With economy and credit rolling along, Fed unlikely to alter bond-buying

REUTERS, Washington  
Houses are being built and sold across the United States. Autos are moving off lots. Corporations are raising money and overall financial conditions remain easy.

Expectations were high in September that the US Federal Reserve, as it rolled out a new monetary policy approach and continued battling a recession, would ramp up its bond purchases to further boost the economy. But the economy has stubbornly flashed a different signal: steady as it goes.

The labor market is clawing back jobs each month, albeit at a slowing pace, while other data continues to surprise in a positive way. US retail sales in September, for example, rose an unexpectedly strong 1.9 per cent from the prior month, and at nearly \$550 billion are 3.7 per cent above pre-pandemic levels, the sort of outcome that may make the US central bank hesitant to tinker with its current \$120 billion in monthly purchases of government bonds and mortgage-backed securities (MBS).

With financial markets steady and credit readily available, people and firms "do buy houses, buy cars and order equipment and software," Fed Vice Chair Richard Clarida said this week, ticking off some of the transactions easy monetary policy traditionally expects to encourage, and which the Fed would fret about if found wanting.

"Right now we have got a good policy in place," St. Louis Fed President James Bullard said during a panel on the sidelines of the International Monetary Fund and World Bank annual meetings on Friday. "We have our (quantitative easing) program in a place with a substantial amount of purchases. I think that is appropriate."

Interest rates on US Treasury bonds remain at record low levels, holding down related types of credit including 30-year home mortgages.

More broadly, even with the outcome of the coronavirus pandemic in doubt and millions of workers sidelined because of the crisis, Bullard and other Fed officials have upgraded their economic forecasts in recent weeks. Closely watched indicators on credit markets and inflation expectations are at least holding steady if not improving.

If the economy in the spring seemed teetering towards the worst set of outcomes - a more

That "something" could well occur.

Fed officials have been blunt about the risks from an ongoing pandemic, including a drop in household income from the lapse of unemployment insurance benefits or other developments that cause the recovery to sputter out.

Fed asset purchases aim to bolster the economy in different ways. By increasing demand for riskier bonds, for example, they hold down a variety of related

But the Fed has bought about \$3 trillion of Treasuries and MBS since the recession began, and locked in an open-ended promise to keep buying at least \$120 billion more each month, a faster pace than was used to fight the 2007-2009 financial crisis and recession. In its last policy statement, the Fed said that amount is already helping sustain the "accommodative" financial conditions it has promised to keep in place indefinitely.

The economy is by no means repaired from the shock it suffered in March and April, when lockdowns to control the spread of the virus were imposed. Initial claims for unemployment insurance jumped back to near 900,000 in the week ending Oct. 10, and even as he lauded a stronger-than-expected recovery this week, Clarida acknowledged a deep gash remains, particularly for unemployed or sidelined workers.

But of the two large levers used to manage the US economy - monetary conditions controlled by the Fed and government spending controlled by Congress - Fed officials feel theirs is doing what it can for now.

At this point, Fed officials have noted, the need is to get money directly into the pockets of unemployed workers needing to make mortgage payments, businesses waiting for customers to return, or local governments needing to pay workers.

Bond-buying won't do that.

"We expect the recovery to continue in coming months, albeit at a more modest pace, and we do not think that Fed officials will see a need to provide additional accommodation," Goldman Sachs economists wrote in an analysis this week.

Even if things go bad, in an environment of already low interest rates and weak household demand, changes in the Fed's asset purchases are "not a particularly effective" response.



REUTERS/FILE  
St. Louis Fed President James Bullard speaks about the US economy during an interview in New York.

long-lasting recession followed by rounds of loan defaults and a subsequent financial crisis - it landed on a road to recovery.

"With the economy evidently on the good path, the (Federal Open Market Committee) won't take any further meaningful policy action unless something bad happens," William Nelson, a former Fed official who is now chief economist at the Bank Policy Institute, wrote this month, referring to the Fed's policy-setting committee.

interest rates, and make borrowing cheaper. They often lift stock and other asset prices, generating a "wealth effect" that triggers spillover economic activity.

A top Fed economist recently estimated the Fed would need to buy another \$3.5 trillion of securities to offset the impact of the pandemic and the recession it triggered. Others have argued more is needed to prove the central bank is serious about meeting its 2 per cent inflation target.

# Malaysia Airlines restructuring talks prolonged, CEO tells staff

REUTERS, Singapore  
Malaysia Airlines' parent company is still holding negotiations with lessors and creditors over a restructuring plan to keep the carrier alive, but the talks are taking longer than planned, according to a staff memo seen by Reuters.

"The negotiations are still ongoing and taking longer than the planned timeline, but we are gaining encouraging traction from the lessors and creditors thus far," Izham Ismail, chief executive of Malaysia Airlines and group CEO of parent Malaysia Aviation Group (MAG), said in a memo to staff on Oct. 16.

In response to a Reuters query, MAG said in an email on Saturday it is "continuing discussions with creditors on its ongoing restructuring exercise".

MAG, owned by state fund Khazanah, said Izham's memo to staff was to address concerns among employees.

Malaysia's national airline is seeking to restructure after the coronavirus pandemic

forced it to slash operations.

The carrier had restructured after two deadly crashes in 2014 but unlike at that time the government is unwilling to bail it out this time.

Reuters reported last week that a group of lessors had rejected a restructuring plan that involved steep discounts, bringing the carrier closer to a showdown over its future.

In the memo to staff, Izham assured them that MAG's restructuring exercise "is still work in progress".

"Do you see me throwing in the towel yet? Together with the senior leadership team, we are here still fighting for the company's survival," Izham said.

On Thursday, MAG said subsidiary Firefly Airlines will start flying in early 2021 as part of a realigned group-wide business strategy.

Reuters reported last week that MAG had warned lessors that its sole shareholder would wind down the airline if restructuring talks are unsuccessful, and would focus on Firefly.

# American Airlines plans to return Boeing 737 Max to service at year-end

REUTERS  
American Airlines Group plans to return Boeing 737 Max jets to service for passenger flights by the end of this year depending on certification of the aircraft from the Federal Aviation Administration (FAA), it said on Sunday.

The airline said it will operate a daily 737 Max flight between Miami and New York from Dec. 29 to Jan. 4, with flights available for booking from Oct. 24.

"We remain in contact with the FAA and Boeing on the certification process and we'll continue to update our plans based on when the aircraft is certified," the company said in an statement.

The Boeing 737 MAX has been grounded since March 2019 after two fatal crashes killed 346 people, but the FAA is expected to lift its grounding order at some point in November.

American Airlines said it will make customers aware that they are flying on a 737 MAX.

# UK business groups urge Britain, EU to find compromise

REUTERS  
More than 70 British business groups representing over 7 million workers have made a last-ditch attempt to persuade politicians to get back on the dialogue table next week to strike a deal with the European Union, the Financial Times newspaper reported on Sunday.

The groups ranged from the CBI, TheCityUK and techUK to the National Farmers' Union, British Retail Consortium and the Society of Motor Manufacturers and Traders and asked for the sides to find a compromise over trade terms, the report added. "With compromise and tenacity, a deal can be done. Businesses call on leaders on both sides to find a route through", the newspaper quoted the groups as saying in a statement.

**Eastern Refinery Limited**  
(A Subsidiary of Bangladesh Petroleum Corporation)  
North Patenga, Chattogram-4204  
Bangladesh

**Invitation for International Tender**

ERL hereby invites offers from reputed suppliers/manufacturers for the supply of the following goods in accordance with the terms & conditions set out hereafter:

1. Ministry/Division	Ministry of Power, Energy and Mineral Resources/Energy and Mineral Resources Division.		
2. Agency	Bangladesh Petroleum Corporation.		
3. Purchaser name	Eastern Refinery Limited.		
4. Purchaser district	Chattogram.		
5. Invitation for	Goods.		
6. Reference number	a) ER/PUR/IT- 28/2020 (RT) b) ER/PUR/IT- 29/2020 c) ER/PUR/IT- 30/2020 d) ER/PUR/IT- 31/2020		
7. Date	18 October, 2020		
<b>KEY INFORMATION</b>			
8. Procurement method	International Open Tendering Method.		
<b>FUNDING INFORMATION</b>			
9. Budget and source of funds	Eastern Refinery Limited (own fund).		
<b>PARTICULAR INFORMATION</b>			
10. Tender document last selling date	(a) 15 November 2020, 16:00hrs (b), (c), (d) 29 November 2020, 16:00hrs		
11. Tender closing date and time	(a) 16 November 2020, 11:15hrs (b), (c), (d) 30 November 2020, 11:15hrs		
12. Tender opening date and time	(a) 16 November 2020, 11:30hrs (b), (c), (d) 30 November 2020, 11:30hrs		
13. Offer validity	120 days (from the date of tender opening).		
<b>NAME &amp; ADDRESS OF THE OFFICE(S)</b>			
14. Tender document selling address	i) Accounts Department, Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh. Phone: 880-31-2501261-7. ii) ERL Liaison Office, YMCA Bhaban, 2nd Floor, 1/1, Pioneer Road, Kakrail, Dhaka-1000, Bangladesh. Phone: 880-2-8391990, 8391991.		
15. Tender receiving address	Purchase Department, Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh.		
16. Tender opening address	Purchase Department, Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh.		
<b>INFORMATION FOR TENDERER</b>			
17. Eligibility of tenderer	As per Tender Data Sheet.		
18. Brief description of goods:			
a) Variable Area Flow Meter for ABP Unit	Tk 1000.00/- set Or, USD 12.00/- set	Tk 12,000.00 Or, USD 140.00	90 days
b) Various ERW Pipe	Tk 1000.00/- set Or, USD 12.00/- set	Tk 85,000.00 Or, USD 1000.00	90 days
c) Stainless Steel and Monel Plate	Tk 1000.00/- set Or, USD 12.00/- set	Tk 70,000.00 Or, USD 830.00	90 days
d) Metal Random Packing for Column 10C01	Tk 1000.00/- set Or, USD 12.00/- set	Tk 10,000.00 Or, USD 120.00	90 days
<b>PURCHASER DETAILS</b>			
19. Name of official inviting tender	Kazi Mahabubur Rahman.		
20. Designation of official inviting tender	Manager (Purchase).		
21. Address of official inviting tender	Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh.		
22. Contact details of official inviting tender	Telephone: 880-31-2501261-67, Ext. 382 Fax: 880-31-250269 Email: manager@erl.com.bd, office@erl.com.bd, md-office@erl.com.bd Website: www.erl.gov.bd		
23. a) The purchaser reserves the right to reject all tenders or annual the tender proceedings. b) If it is not possible to receive/open the tender on the scheduled date for any unavoidable circumstances, the same will be received/opened on the next working day at the same time and same venue.			

"দেশকে করব মোরা দুর্নীতিমুক্ত,  
এই চেতনায় হই আমরা প্রতিজ্ঞাবদ্ধ।"

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