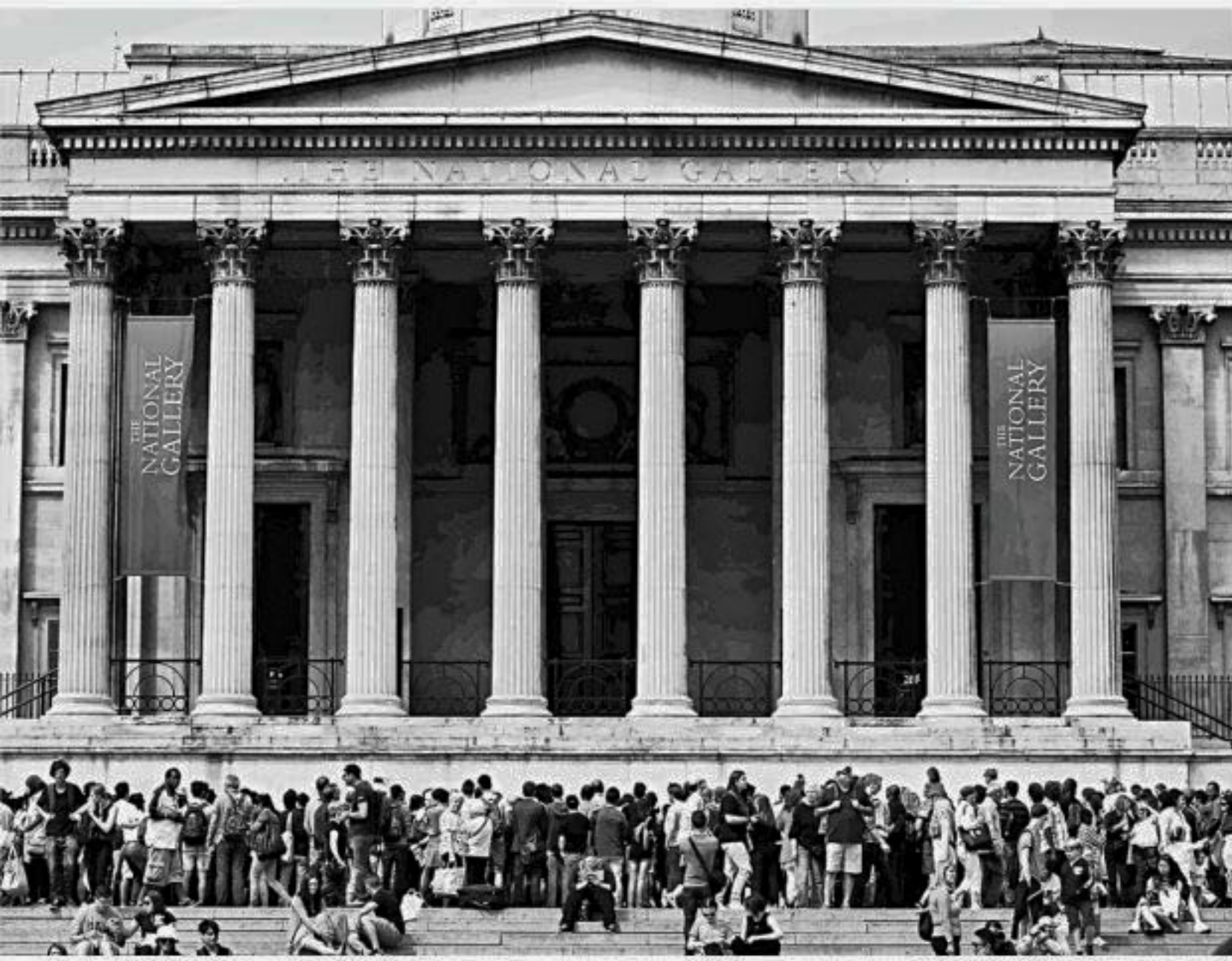


Americans, Chinese look to UK for travel bargains after Brexit vote



Tourists gather outside the National Gallery in London.

REUTERS, New York/Shanghai

US and Chinese online travel sites have reported a jump in queries about UK holidays since Britain voted to leave the European Union last week, a sign that "Brexit" and the resulting dramatic drop in the pound could boost tourism.

Travel agents, hotel chains and airlines say it is too early to tell if the vote will impact bookings in the longer term, but inquiries jumped as travelers hunt for cheaper breaks.

Britain's decision to pull out of the European Union leaves the world's fifth-largest economy facing deep uncertainty. The pound has dropped to its lowest level in over three

decades.

But for travelers like Wen Zhihong, from China's western Chengdu, that means lower prices. She had been planning to spend her vacation travelling with her daughter in France and Italy, but said she changed her mind after the vote.

"Now it seems a better idea to travel to England," Wen, a university official, said. "With the depreciation of the pound, hotels, plane tickets and shopping are all much cheaper."

Ctrip.com, China's biggest online travel agency, has already sought to capitalise on the surge in interest, arguing this week that a summer vacation in Britain could now be a third cheaper, helping UK searches on its

app triple.

The company put out flyers with a dancing, winking figure in a Union Jack t-shirt, under the slogan, in Chinese, "Brexit: travel on the drop", in reference to the weaker pound. In the background, a weeping figure in a European Union flag waves "bye".

In the United States, online portals also reported a surge.

On June 24, as the result of the Brexit vote came through, Priceline Group Inc's Kayak said it saw a 54 percent increase in US searches exploring fares to the United Kingdom, compared with other Fridays in the month of June.

Flight searches from the UK for US travel also rose 46 percent, according to Kayak.

"Americans may want to secure a great fare, while British may be worried that higher fares will soon hit the market," said Billy Saney, vice president of marketing and communications at FareCompare.com, which analyzes airfares.

Search site Travelzoo saw a 35.3 percent increase in travel searches from the US to the UK from June 24 to June 27, and StudentUniverse, a travel booking site popular among young people, saw searches for flights from the US to the UK double from a year ago.

"(People) are changing their mind and choosing to visit Britain, because with the depreciation of the pound it's cheaper for them to go there to buy things," said a senior executive at Beijing Utour International Travel Service.

He said the company was applying for more airline seats to accommodate tour bookings.



Md Arif Hossain, marketing manager of Transcom Beverages Ltd; SK Firdous Karim, marketing manager of Transcom Consumer Products Ltd, and Syeda Kamrun Ahmed, CEO of Bagdoom.com, attend a deal signing ceremony in Dhaka. Bagdoom.com via Pepsi e-store will support various promotional campaigns of Transcom Consumer Products and Transcom Beverages.

Volkswagen's US diesel emissions settlement to cost \$15b

REUTERS, Washington

Volkswagen AG's settlement with nearly 500,000 US customers and government regulators over polluting diesel vehicles is valued at more than \$15 billion cash, two sources briefed on the matter said on Monday.

The settlement, to be announced on Tuesday in Washington, includes \$10.033 billion to offer buybacks to owners of about 475,000 polluting vehicles and nearly \$5 billion in funds to offset excess diesel emissions and boost investment in zero emission vehicles, the sources said.

A separate settlement with nearly all US state attorneys general over excess diesel emissions will be announced on Tuesday and is expected to be more than \$500 million and will push the total to over \$15 billion, a separate source briefed on the matter said.

Spokeswomen for US Environmental

Protection Agency (EPA) and Volkswagen (VW) declined to comment.

The settlement stems from the German automaker's admission in September that it intentionally misled regulators by installing secret software that allowed US vehicles to emit up to 40 times legally allowable pollution.

The deal, based on the largest ever automotive buyback offer in US history and most expensive auto industry scandal, will move VW close to the 16.2 billion euros (\$18 billion) it has set aside to cover the costs of the scandal.

Though about \$5 billion higher than previously reported, the settlement gives firm details of costs in the United States where VW faces the bulk of expenses for its wrongdoing, more than nine months after the scandal broke.

"The deal looks reasonable and it will end uncertainty," said London-based Evercore ISI analyst Arndt

Ellinghorst who has a "buy" rating on VW stock. "We expect the market to be OK with the higher number."

VW shares jumped as much as 4.7 percent on the news and were trading up 2.9 percent at 109.2 euros by 1002 GMT.

But criminal and civil legal action is still pending in other countries, while European governments are demanding VW offer similar compensation to the owners of 8.5 million rigged cars in the region, adding to risks that the costs could climb.

Speaking on condition of anonymity, due to court-imposed gag rules, the first sources said owners of 2.0 liter diesel VW 2009-2015 cars would receive at least \$5,100 compensation along with the estimated value of the vehicles as of September 2015, before the scandal erupted. Some owners will get as much as \$10,000 in compensation, the first sources said, depending on the value of the car.



Rubel Aziz, president of Dhaka Boat Club Ltd, congratulates Benazir Ahmed, newly elected president of the club, at a programme on Sunday.

Adidas to collaborate with China's Wanda

AFP, Frankfurt

Adidas, the German maker of sportswear and equipment, said Tuesday it plans to start collaborating with the Chinese conglomerate Wanda, including a sponsorship deal for the two Ironman triathlon events in China.

Adidas said in a statement that its chief executive Herbert Hainer met Wanda Group Chairman Wang Jianlin in Beijing "to discuss the prospect of a future strategic collaboration." As part of the agreement, Adidas would sponsor two of Wanda's Ironman events in China, "as well as work with the Chinese conglomerate to help develop football and basketball at all levels," the statement said.

"Adidas and Wanda also agreed to deepen their commercial relationship," it added.

Adidas would open sportswear stores "throughout Wanda's extensive portfolio of shopping malls and other commercial properties."



Ilias Kanchan, brand ambassador of Walton, opens a new showroom of the company in Bogra on Saturday.

Empty houses and jobless maids: Indonesia's expat exodus gathers pace

REUTERS, Jakarta

Foreign workers are leaving Indonesia at an increasing rate due to the slump in commodity prices that has forced resource companies to slash jobs at a time when the government has also introduced tighter regulations on expatriates in Southeast Asia's biggest economy.

The number of temporary residential permits issued to foreigners, including renewals, has fallen for the past few years to 171,944 in 2015 from 194,162 in 2013. In the first five months of this year, there were 72,399 issued but many of those who provide services to expats say they expect a further drop over the whole of 2016 as they are seeing very few new arrivals.

As a result, rents on upmarket homes in Jakarta have plummeted and enrolment at international schools has fallen.

"The expat drought has been really noticeable in 2016," said Deborah Minicola, a Jakarta-based technical advisor at international relocation company Allied Pickfords. "This time the expat community has been hit from so many angles."

The outflow is likely to dent higher-end consumption and drive up unemployment, economists say, as big-spending expats tend to hire multiple workers ranging from housemaids and drivers to gardeners and bodyguards.

Some workers who recently lost their jobs are finding it difficult to get new employment.

Christiana Ambar Putriani is one example. She has been looking for a job as a part-time housekeeper in Jakarta after her for-

mer bosses left for South America a few weeks ago. She hopes to work for an expat family again as foreigners tend to pay higher wages but it is getting tougher to find such jobs, she says.

The Australian Independent School in Balikpapan, a city in Indonesia's resource-dependent province of East Kalimantan, expects a 36 percent reduction in its student body this year, said human resources officer Ni Ketut Novia. Three international schools in the city have shut over the past 2-3 years due to the mass layoffs at mining contractors and a drastic cut in expat allowances, she said.

The expat exodus will also create skill shortages that could hold the country back when the commodity downturn is reversed.

Low resource prices and a slowdown in demand from China, one of Indonesia's top export markets, have reduced the incentive for exploration or production in the oil and gas and mining sectors, forcing companies to hack back on staff costs.

The mining, oil and gas and geothermal sectors accounted for 7.62 percent of Indonesia's gross domestic product in 2015, down from 11.81 percent in 2011. Drilling contractors and exploration site surveyors are among the worst-hit, industry experts say.

Oil and gas companies operating in the country include Chevron Corp, Total SA and Exxon Mobil Corp. Total's Indonesia spokesman said the company has "manpower planning which is in line with our evolution of activities." Chevron, which is selling assets in Asia including some in



A house guard stands in front of an empty rental house at Kemang district in Jakarta.

Indonesia, declined to comment. Exxon also did not comment.

A PwC survey of 53 firms in the oil and gas sector, released in May, found that almost three-quarters of respondents expected a smaller expat workforce in future, partly because of tighter controls on hiring foreigners.

Indonesia opened up dozens of business sectors recently to foreign investors in a move described by President Joko Widodo as a "Big Bang" liberalization of the economy.

Yet business groups say there are mixed signals from the government, which

imposes restrictions apparently under pressure from protectionist voices around the president.

The manpower ministry is encouraging companies to hire more Indonesian workers and is tightening its scrutiny of the work permit applications from foreigners, said Ratna Agustina, a director at a firm that provides services to expats.

The government also sets an age ceiling of 55 years for foreigners employed by oil and gas contractors, downstream businesses and supporting service providers - with certain exemptions for top executives or those with skills deemed crucial.

China threatens WTO case over US steel duties

REUTERS

China could file suit at the World Trade Organization in order to protect its steel industry, the Commerce Ministry said on Tuesday, after the United States said some steel imports from China were hitting US producers.

The US International Trade Commission said on Friday that imports of corrosion-resistant steel from China and four other countries were harming US producers, the final step in the imposition of US anti-dumping and anti-subsidy duties.

The US Commerce Department had already slapped duties of up to 450 percent on the steel products from China and duties ranging from 3 percent to 92 percent on corrosion-resistant steel from Italy, India, South Korea and Taiwan.

The ministry said Washington's large anti-dumping and anti-subsidy duties would force Chinese companies to pull this type of steel product out of the US market.

"China's steel industry export interests will suffer a serious impact and the Chinese steel industry is strongly opposed to this," the ministry said in a statement posted to its website.

"With regard to the United States' mistaken methods that violate WTO rules, China is and will continue to take all measures, including filing suit at the WTO, to strive for fair treatment for [Chinese] enterprises and safeguard their export interests," it said.

Steel mills in China, the world's biggest producer and consumer of the metal, have raised production and beefed up exports despite the government's efforts to cut overcapacity. This has escalated trade spats between China and other steel producing nations, such as Japan, India and the United States.

The Commerce Ministry has said that it is deeply concerned about protectionism in the US steel sector. It argues that the difficulties facing the global steel sector have resulted from falling demand, and that trade protectionism from the US will intensify conflicts and disputes.