

# Indonesia's easing of Covid-19 curbs seen driven by economics

**REUTERS**

Indonesia's decision to relax some Covid-19 curbs this week, despite reporting record-high deaths in recent days, is being driven by social and economic concerns rather than epidemiological advice, public health experts said on Monday.

As the country grapples with the worst coronavirus outbreak in Asia, President Joko Widodo announced on Sunday that while overall curbs in place since July would be extended for a week, some measures would be eased.

Businesses, including salons, garages, traditional markets and restaurants with outdoor areas will now be allowed to conditionally reopen, while malls will be permitted to operate at 25 per cent capacity outside of designated higher-risk "red zones".

"The decision doesn't seem to be related to the pandemic, but to economics," said Pandu Riono, an epidemiologist at the University of Indonesia, urging people to maintain health protocols.

Hospitals have been filled with patients in the past month, particularly on the densely populated island of Java and in Bali, but the president on Sunday said infections and hospital occupancy had declined, without specifying by how much.

The move to ease some curbs comes as the government has faced pressure from business groups to act to avoid mass layoffs, and with several relatively small-scale street demonstrations last week.

"The problem is that compared to last year the impact of the pandemic, not just on the health sector, but on socio-economic and political aspects is getting bigger by the day because of the Delta variant," said Dicky Budiman, an epidemiologist at Queensland's Griffith University.

As the Delta variant, first identified in India, has spread across Indonesia cases have surged to the highest levels since the start of the pandemic.

Southeast Asia's biggest economy posted a record of more than 56,000 daily cases in mid-July, and while reported case numbers have dipped slightly Indonesia registered record-high Covid-19 deaths on four days last week.

But with more than 50 per cent of Indonesians employed in the informal sector and with limited financial support and mounting pandemic fatigue, the government has few choices, says Dr Dicky.

"Is it the correct decision? Based on the epidemiological situation, no. But then the government doesn't have any option because of the complexity of the situation."

# UK looks to remove China's CGN from nuclear power projects

**REUTERS, London**

Britain is exploring ways to remove China's state-owned nuclear energy company China General Nuclear Power Group (CGN) from all future power projects in the UK, the Financial Times reported, citing people

familiar with the plans.

The change in Britain's stance could affect the Sizewell C nuclear energy project in Suffolk, eastern England, that France's EDF is scheduled to build with backing from CGN, and proposals for a new plant on the east coast at Bradwell-on-Sea in Essex, the newspaper said.

A spokesperson for China's foreign ministry, Zhao Lijian, said on Monday that "The British should earnestly provide an open, fair and non-discriminatory business environment for Chinese companies." China and Britain are important trade and investment partners for each other, he added.

"It is in the interests of both sides to conduct practical cooperation in the spirit of mutual benefit and a win-win result," Zhao said.

Britain has already announced plans to remove kit made by China's Huawei from its 5G telecoms network by the end of 2027.



**Construction takes place at the Hinkley Point C nuclear power station site, near Bridgwater, UK.** REUTERS/FILE

Britain's Department for Business, Energy and Industrial Strategy (BEIS) declined direct comment on the FT report.

"Nuclear power has an important role to play in the UK's low-carbon energy future, as we work towards our world-leading target to eliminate our contribution to climate change by 2050," a BEIS spokesperson said.

"All nuclear projects in the UK are conducted under robust and independent regulation to meet the UK's rigorous legal, regulatory and national security requirements, ensuring our interests are protected," the spokesperson added.

EDF declined to comment, while CGN had not responded to a request for comment.

The French company last month called on the British government to deliver the legislation that would underpin the financing of Sizewell C, saying it was now essential.

## Improve competitiveness for smooth LDC graduation

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"As the duty-free benefits we enjoy under the World Trade Organization (WTO) regime will no longer be effective, our exports will face new challenges," he said.

In addition, tariffs on Bangladesh's products in major international markets and its debt servicing liabilities will increase due to the cessation of concessional finance, he said.

"So, we need to create a proper enabling business environment in the country," Mannan said, adding that the government has taken many initiatives, including the signing of free trade or preferential trade agreements, to increase Bangladesh's overall competitiveness in trade and commerce.

ICAB President Mahmudul Hasan Khusru said both the private and public sectors should prepare to face the post-graduation challenges.

The government is developing 100 special economic zones and more than two dozen hi-tech parks in order to meet the demand of investors, he said.

Bangladesh Investment Development Authority has also come forward to provide one-stop services to investors, he said. "And to maintain the current export momentum, Bangladesh should opt for bilateral free trade deals," he added.

Keynote speaker Shubhashish Bose, CEO of the ICAB, made a number of recommendations to help face the post-graduation challenges while minimising its negative impacts on trade.

This includes securing the European Union's GSP plus facility, enhancing market access for local products and services through trade agreements, and diversifying products and markets.

He also suggested exploring any areas of untapped potential due to structural constraints, either at the production level or management if required.

Sharifa Khan, secretary to the industry and energy division of the Planning Commission, Md Humayun Kabir, a former ICAB president, Mostafa Abid Khan, member of Bangladesh Tariff Commission, Ali Hussain Akber Ali, chairman of Bangladesh Steel Re-Rolling Mills, Syed Nasim Manzur, managing director of Apex, and Monzur Ahmed, adviser of the Federation of Bangladesh Chambers of Commerce and Industries, also spoke.

## Insurance brokers Aon, Willis Towers Watson scrap \$30b merger

**REUTERS**

Insurance brokers Aon Plc and Willis Towers Watson Plc said on Monday they had agreed to terminate their \$30 billion merger agreement and end their litigation with the US Department of Justice.

The deal would have put London-headquartered Aon ahead of the world's largest insurance broker Marsh & McLennan Cos Inc.

"Despite regulatory momentum around the world, including the recent approval of our combination by the European Commission, we reached an impasse with the US Department of Justice," Aon Chief Executive Officer Greg Case said in a statement.

Aon will pay \$1 billion as termination fee to Willis, it said.

In June, the Department of Justice

(DOJ) had sued to block the deal, saying it would reduce competition and could lead to higher prices.

The DOJ had alleged that combining the two large insurance brokers would harm competition in reinsurance broking, retirement and pension planning and private retiree multicarrier healthcare exchanges.

A federal judge had narrowed the scope of the lawsuit last week, which came after Aon and Willis agreed to divestitures to win approval in the United States and Europe after discussions with regulators.

The divestitures included Aon's US retirement unit, US retiree healthcare exchange and retirement business in Germany. Also included was Willis Towers Watson's global reinsurance business. EU antitrust regulators approved the merger earlier this

month conditioned on some of the sales.

Aon ranks second and Willis fifth among US commercial insurance brokers in the US market, according to a survey by Business Insurance magazine.

The other largest brokers in the United States are Marsh & McLennan, Arthur J Gallagher & Co and Alliant Insurance Services Inc.

In April, insurance company Chubb Ltd said it was no longer looking at buying smaller rival, the Hartford Financial Services Group Inc, after the latter rebuffed Chubb's takeover bids post declining to engage in talks on the \$23.24 billion buyout proposal.

Aon's shares were up 4 per cent at \$242, while Willis Tower's stock was down 3.5 per cent at \$218 in pre-market trading.

## South Africa's Mango Airlines to enter business rescue, says SAA interim CEO

**REUTERS, Johannesburg**

South African Airways (SAA) subsidiary Mango Airlines will enter into a local form of bankruptcy protection known as business rescue, SAA's interim chief executive Thomas Kgokolo told eNCA television on Monday.

SAA, which itself exited business rescue in April, is one of a handful of South African state companies that depended on government bailouts, placing the national budget under huge strain.

"What we can say is that the board and shareholders have agreed that Mango will go into business rescue," Kgokolo said in an interview with eNCA.

"We are currently in consultation with our key stakeholders in terms how we can manage that particular process."

The government announced in June that it was selling a 51 per cent stake in SAA to the Takatso consortium to give the airline a new lease of life.

SAA had been under a form of bankruptcy protection since December 2019, but its fortunes worsened during the Covid-19 pandemic and all its operations were mothballed in September 2020 when funds ran low.

## Shoe-makers' profits hammered by Covid

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Pahela Baishakh marks the beginning of the most important sales season for fashion retailers in the apparel and footwear sectors in Bangladesh.

"This year, right after that, we also had Ramadan from the end of April to the end of May, which would have accounted for almost 40-50 per cent of our total annual sales," said Apex Footwear in the annual report for 2019-20.

"Instead, due to the general holiday and restrictions on shop opening and physical gatherings, we failed to achieve even 10 per cent of our planned sales."

Riaz Uddin Bhuiya, company secretary of Fortune Shoes, said his company didn't use leather in its shoe products usually.

"So, the lower price of the rawhide has no impact on our profitability."

Shares of Apex Footwear closed 3.32 per cent lower at Tk 227 on the Dhaka Stock Exchange yesterday. Apex Tannery shed 1.64 per cent, Bata Shoe 1.30 per cent, Legacy Footwear 3.14 per cent, and Samata Leather 3.98 per cent. Shares of Fortune Shoes were up 1.55 per cent.

## Cash-hungry emerging markets arrive late to the SPAC party

**REUTERS, London**

Emerging markets have so far been on the fringes of a fundraising boom using so-called SPACs or special-purpose acquisition companies, which could potentially unlock a vital new source of cash for entrepreneurs in developing regions.

But the take-off of SPAC fundraisings in these markets hinges in part on the success of a few recently-delayed landmark deals, reflecting wider global investor caution about this funding tool.

SPACs allow investors to list a shell company on public markets before they have identified a business to buy, which provides a speedier route to an initial public offering.

In excess of \$115.6 billion has

been raised via more than 400 SPACs or blank-check companies this year, mainly on Wall Street where SPACs make up two thirds of all Initial Public Offerings (IPOs), although activity has slowed as regulatory and valuation concerns have increased.

In contrast, a total of \$1.18 billion has been raised this year via six SPACs by emerging market issuers, including two apiece from Israel and China. This is just a fraction of the \$96.3 billion raised via traditional IPOs from emerging markets, based on Refinitiv data.

But SPACs are expected to feature more prominently in future fundraisings for emerging market entrepreneurs, opening up more capital and operational expertise.

Just this month, SPACs formed by Abu Dhabi's Mubadala Capital and

Singapore's Fat Projects Spac filed with the U.S. Securities and Exchange Commission to raise up to \$300 million in IPOs.

The former is targeting media and entertainment, highlighting growth opportunities in emerging markets such as India and China, while the latter's focus includes businesses cashing in on Southeast Asia's booming consumer market.

For investors, emerging market SPACs can offer high returns, but also greater potential risks related to transparency and disclosure. All eyes are on the fate of the emerging market deals already underway. Singapore's Grab, going public through a SPAC merger worth \$40 billion, said last month it expected to complete the deal during the fourth quarter.

## Marico's sales rise despite second wave

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With Bangladesh battling a severe second wave of the pandemic, Marico is prioritising the health, safety and security of its members and operations, said Randolph.

While supply chain disruptions are expected due to the lockdown, the company, with the aid and permission of the authorities, will continue production and supply of its Mediker SafeLife hygiene range of products, comprising hand-wash, hand sanitizer, germ-protection soap, veggie wash, Saffola Active edible oil and Saffola honey to ensure consumers have access to essential hygiene products and immunity aids, she added.

Shares of Marico closed 0.92 per cent higher at Tk 2,391 on the Dhaka Stock Exchange yesterday.

The company's dividend payout has been rising over the years.

Last year, it gave away 950 per cent in cash dividends. It was 650 per cent, 600 per cent, 500 per cent, 450 per cent and 425 per cent in the preceding five years, data from the DSE showed.

# Pandemic proves a boon for IT freelancers

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Nahid Hasan, a freelancer, said the boom in e-commerce and the demand for online tools had created more business opportunities for freelancers. Besides, global businesses were trying to minimise costs.

He started his journey as a freelancer in 2010. Within a week, he hired one and established Bizcope.

In 2012, Hasan set up his first physical office and moved to a bigger one four years later. His team now consists of a workforce of 27 people.

Bizcope provides services such as search engine optimisation, digital marketing, web design and development, content writing, and digital content production.

"We serve both global and local markets," he said.

Suman Saha, who lives in Dhaka, began freelancing with Upwork while working at a private company in 2012.

At that time, he used to do website development and design and earned \$5 per hour. Soon, he moved to projects that develop mobile and software quality assurance.

Now, his hourly income has shot to \$25. His income went up by 25 to 30 per cent during the pandemic.

"If I am flooded with extra work, I transfer some of them to juniors working

with me in a virtual team."

Freelancers who have not redesigned their services in line with the demand have suffered during the pandemic. For example, the travel and tourism-related IT service providers were hit significantly because of the slump in the sector, according to industry people.

Individual freelancers, however, continue to face difficulties in bringing home payments made by their international employers. Before 2012, outsourcing income was transferred primarily through illegal channels. Although some of the money came through bank-to-bank wire transfer, it was costly.

That year, the Bangladesh Bank issued a notice, enabling freelancers to receive payments to their bank accounts via online payment gateway service providers (OPGSP).

A few months later, Bank Asia became the first lender in Bangladesh to take initiatives to channel freelancer's income in partnership with Paiza Pay, an OPGSP.

Since Paiza has not established good connections with freelancing platforms, independent online workers could not repatriate much.

Later, the bank partnered with Payoneer, the second-largest OPGSP in the world, and launched its service in March 2015.

Bank Asia channels half of the funds that come through formal channels, according to freelancers and a BB official.

Freelancers have fetched \$519 million through Bank Asia since 2014, according to Md Zia Arfin, the bank's head of the international division.

The inflow of payments through the private commercial bank increased more than 40 per cent year-on-year to \$140 million in 2020.

In 2018, in partnership with the Bangladesh Association of Software and Information Services (BASIS) and Mastercard, Bank Asia announced the launch of the 'Shadhin' card, the first-ever freelancer card in Bangladesh.

The card allows freelancers to receive payments directly from international employers.

Brac Bank, Dutch-Bangla Bank Ltd and Sonali Bank also channel payments for freelancers.

The BB issued a notice in February, making it possible for IT freelancers to bring home small-value earnings through mobile financial services.

"Although there have been many options to bring money, the absence of the largest OPGSP, PayPal, has been a setback for freelancers as many clients prefer the platform," said Mahfuzur Rahman, general

secretary of the Bangladesh Freelancers Development Society (BFDS).

**INCENTIVE ISSUE**

The government has been providing a 10 per cent cash assistance against the export of ICT products or services since 2018. But, only institutional IT and freelancing companies having membership with the BASIS are eligible.

In order to extend the facility to individual freelancers, a meeting was held in February in participation with the BASIS, the BFDS, Bank Asia, the finance ministry, the commerce ministry and the ICT ministry.

However, there has not been any concrete measure so far.

"The annual remittance of freelancers now stands at more than \$500 million, and it will soon cross the \$1-billion mark. Our foreign exchange earnings will increase if the incentive is given," said State Minister for ICT Zunaid Ahmed Palak.

In June, he wrote a letter to Commerce Minister Tipu Munshi, requesting him to consider the incentive for individual freelancers.

"The incentive will also boost employment for the youth," Palak added.

Last year, he urged the central bank to extend the incentive to individual freelancers.