

Singapore Airshow in a COVID-19 outbreak – smaller but not

SINGAPORE: Fears of COVID-19 has visibly dampened spirits and visitor numbers at the biennial Singapore Airshow, with crowds at today's opening trade day thinner than previous iterations of the usually bustling and popular airshow.

The reduced crowds were also noticeable during the day's flying display in the afternoon. Usually a big drawcard, the audience catching today's flying programme was smaller than usual.

Despite the rain forcing visitors to vantage points under shelter to watch the display, there was still room to move among the audience.

Also seen were a number of empty exhibitor booths at the Changi Exhibition Centre (CEC), as some companies made the last-minute decision to pull out of the show, leaving their booths bare save for some furniture and a handful of staff whose task was to explain the situation to those

who stopped by. Precautionary measures in view of the coronavirus outbreak were also rolled out, a first for the airshow, the most prominent being the additional temperature screening tent just before registration and security that all visitors must pass through before entering.

Also present were the ubiquitous face masks and hand sanitisers, although the number of the former was fewer than what I had anticipated, suggesting that the authorities' exhortations for people not to wear masks unless they were unwell might have guided planning considerations.

A number of participants at the show I spoke to similarly felt that a lot of the "panic" was an over-reaction, with one foreign visitor remarking that if there was indeed a global pandemic, Singapore would actually be the safest place, where the healthcare system is one of the most advanced in the world and public safety measures are rolled

out like clockwork.

The infectious disease scare really started to affect the airshow early in February, with the decision on Feb 4 to cancel the Singapore Airshow Aviation Leadership Summit, which traditionally takes place on the eve of the show and attracts civil aviation and commercial leaders.

This was followed by Singapore's raising its Disease Outbreak Response System Condition (DORSCON) Alert Level from Yellow to Orange three days later. The statement triggered the first companies to announce a withdrawal from the airshow, with US Fortune 500 industrial conglomerate Textron and Canadian aerospace and train manufacturer Bombardier among the first to make that decision. Others, like aerospace giant Lockheed-Martin, initially announced a reduction in the number of staff attending the show, before eventually deciding to pull out altogether. —AFP



Nissan slashes profit outlook after sales slump, says more restructuring needed

TOKYO: Nissan Motor cut its annual operating profit forecast by 43 per cent, hit by a slump in vehicle sales and heaping more pressure on new management to fix a company still reeling from the scandal surrounding former leader Carlos Ghosn.

Nissan's sharply waning earnings power has already prompted plans to slash jobs, close manufacturing sites and drop product offerings as the automaker steps back from an aggressive pursuit of market share championed by Ghosn.

The dismal outlook comes after the automaker posted a net loss of 26.1 billion yen (US\$238 million) for the October-December third quarter, and contrasts with upbeat forecasts from rivals Toyota Motor and Honda Motor.

"We are making progress, but sales volumes have been weak so we need to do more restructuring than initially planned," Makoto Uchida, Nissan's new CEO and its third since September, told reporters. Japan's No. 2 automaker now expects operating income of 85 billion yen (US\$775 million) for the year to March, and far less than an average forecast for 134.5 billion yen from 20 analysts polled by Refinitiv.

Its brand image hurt badly by years of heavy discounting in the United States and other countries, Nissan's global vehicle sales tumbled 11 per cent during the October-December period.

Sales dropped 18 per cent in the United States, with once-popular models like its Rogue SUV crossover and its



Sentra sedan falling out of favour. In China, sales slipped 0.6 per cent.

It now expects to sell 5.05 million vehicles for the entire year, which would be its weakest sales performance since 2013. Sources have said Nissan is set to eliminate at least 4,300 white-collar jobs and shut two manufacturing sites as part of broader plans to add at least 480 billion yen to its bottom line by 2023. The moves, an expansion of a plan unveiled in July, will also include fewer car models, options and trims on offer while marketing budgets as well as jobs at head offices in the United States and Europe will be slashed, the sources said.

Nissan said it would not pay a dividend for the second half of the year, and that its full-year dividend would be 10 yen per share, a steep drop from the 57 yen paid a year earlier.

Ghosn, who was also head of alliance partner Renault, was arrested in Japan in November 2018, accused of understating his salary and using company funds for personal purposes. He has denied any wrongdoing, and staged a dramatic escape to Lebanon in December while awaiting trial. Nissan on Wednesday said it had filed a civil lawsuit in Japan against Ghosn, seeking 10 billion yen in damages over his alleged misconduct. —Reuters

Business booms for Parasite locations

SEOUL: Locations featured in South Korea's Oscar-winning Parasite movie have enjoyed a business boom since its Oscar triumph, with a pizza store seeing sales double.

The genre-defying thriller critiquing the gap between rich and poor won four Oscars, including best picture, the first non-English language film to win the top prize since the Academy Awards debuted in 1929.

South Koreans have been overjoyed by its success, with many paying visits to spots where scenes were filmed.

"Sales have doubled," said Eom Hang-ki, 65, owner of Sky Pizza in southern Seoul, a nondescript 10-seat restaurant and takeaway where the poor Kim family scheme to infiltrate another member into the wealthy Park household. "Yesterday, the pizza machine broke down due to an overload of orders."

"It was special, touching, and heart warming when they won the awards," she added. "Yesterday, the pizza machine broke down due to an overload of orders."



It was special, touching, and heart warming when they won the awards, pizza restaurant owner Eom Hang-ki, said of the Oscar success for 'Parasite' AFP/Ed JONES

Customer Go Jin-kyu, 37, said visiting the pizza shop made him "proud as a fellow South Korean".

"I've only visited restaurants from big pizza franchises before, so coming here to the film location is really special."

Seoul's city government

has been looking to tap into the Parasite phenomenon, with a page on its tourism website detailing four shooting locations.

At the Pig Rice Supermarket in western Seoul, a mom and pop grocery store where the Kims' son is drinking when he receives an offer to tutor the Parks' daughter, owner Kim Kyung-soon said: "I am really happy and thankful to them for shooting a great film here and making me famous too."

The Pig Rice supermarket in Seoul is one of the locations featured in the South Korea's The Pig Rice supermarket in Seoul is one of the locations featured in the South Korea's.

But not all the reactions had been positive, added Kim, who has run the shop for 35 years: with talk of the site being preserved as a tourist attraction, some residents were "worried that the neighbourhood won't be redeveloped".

China pushes for cheaper health insurance products to battle virus

HONG KONG/BEIJING: China is nudging insurers to work on cheaper medical cover linked to the coronavirus and is assuring them of fast-track approval for these new products, people with knowledge of the matter said.

The move will mark a shift in the Chinese insurance market where the bulk of existing products are essentially investment schemes and pure healthcare coverage accounts for only about a fifth of the total life insurance premium.

In the last one week, China Life, China Pacific Insurance, Ping An Insurance Group and Zhong An Online P&C Insurance, among others, have included coverage for the virus in their existing medical insurance products, according to their websites.

At least half a dozen more are in the process of requesting approval for products with coronavirus coverage in the coming weeks, said the people, declining to be named as they were not authorized to speak to the media.

The scramble comes as the Chinese province of Hubei, at the epicenter of the outbreak, reported a record surge in the death toll on Thursday and as global health experts warned the epidemic could get far worse before it is brought under control.

China's Banking and Insurance Regulator



(CBIRC) last week adjusted actuary rules for healthcare, accident and life insurance as well as annuity insurance, which will help lower premiums for such insurance by 3 per cent to 5 per cent. The sources said the lower premiums and push for cheaper, basic medical cover, were largely prompted by the need to deal with treatment for those who may get infected

by the coronavirus.

CBIRC did not respond to Reuters request for comment. Despite a weak government healthcare system, private health insurance has been slow to take off in China as insurers mainly catered to demand for high-margin investment-like insurance products.

The high cost of coverage for critical illness

products, which typically exclude insurance for epidemics, has put them out of reach of many, industry officials said.

Beijing, however, has been pushing private insurance firms to expand their product coverage to ease pressure on the healthcare system, and as part of a broader crackdown on the sale of shadow banking-linked investment products by insurers.

As a result, health insurance in 2019 accounted for 23 per cent of life premiums in China, up from just 8 per cent in 2003, according to Fitch Ratings. In the United States, this figure is about 30 per cent of the life premiums. That share in China is expected to go up significantly in the near future as individuals rush to buy coverage for treatment of the new virus with a large number seeking admissions to private hospitals, the people said.

The regulator has assured insurers of approvals to launch those products within a few days, they said, compared to the usual timeline of two weeks or more for investment-linked insurance products. The premium charges for low-severity medical insurance, which will typically include virus treatment coverage, could be 15 per cent-30 per cent cheaper than the critical illness products, industry officials said. —AFP

Vietnam Airlines losing US\$10.8m in revenue a week due to virus



HANOI: Vietnam Airlines said it was losing up to 250 billion dong (US\$10.8 million) per week in revenue due to travel curbs resulting from the coronavirus.

The country's flag carrier is reducing operations and trying to cut costs to ride out the impact of the epidemic and "achieve a positive financial result" for this year, it said in an emailed statement. It has suspended all flights to and from mainland China since the end of January, directly affecting 70,000 visitors per month between the two countries, it said.

"The epidemic has significantly reduced the travel demand of domestic and international tourists in the Vietnam network," the company said, adding that its passengers on domestic routes have also fallen by 20 per cent to 30 per cent over the past two weeks. —AFP

COVID-19 outbreak, restaurants hope for rent rebates



SINGAPORE: Restaurant operators in Singapore are bracing for a significant hit on their revenue - with some expecting as much as an 80 per cent drop - over the next three months as tourists stay away and locals avoid public places amid the outbreak of a deadly novel coronavirus.

To avoid "a big collapse" in the food and beverage (F&B) industry, the Restaurant Association of Singapore (RAS) said that it has written to 24 major shopping mall landlords requesting for a temporary cut in rent.

"Looking at the situation right now, we are hoping at least 50 per cent rental rebate for the first 3 months," said RAS

president Vincent Tan

Rent and wages typically make up for more than half of a restaurant's operating cost here. Meanwhile, profitability of restaurants has been low at about 1.7 per cent even before the virus outbreak, said Mr Tan, who is also the managing director of food service provider Select Group.

"If your sales drop by 50 per cent and your margin is about 1.7 per cent, you just imagine how difficult we are at this moment," he told reporters.

The industry group's appeal to the landlords, including CapitaLand and Frasers Property, was sent out on Monday.

Some landlords have responded, although none has committed to a rental rebate.

"So far, their response is towards wanting to understand this a little bit more and they want to speak to the individual tenants in more detail," said RAS executive director Edwin Fong.

On the other hand, Jewel Changi Airport has reached out to its tenants with a 50 per cent rent rebate for February and March, Mr Tan told reporters, describing this as an "impactful decision" that will help restaurant operators to preserve jobs.

Katrina Group's CEO Alan Goh told CNA that its So Pho store at Jewel Changi Airport has seen an 80 per cent drop in business after authorities raised its Disease Outbreak Response System Condition (DORSCON) level to Orange last Friday.

Describing the rent rebate as a helpful move, he said: "We hope we can appeal to the rest of the landlords to take up Jewel's initiative."

Other restaurant operators at the press conference echoed that and appealed for landlords to partner them through this difficult period. RAS vice president Andrew Kwan pointed to how major shopping mall landlords in Hong Kong are offering cuts in February rent by as much as 60 per cent to help tenants ride out the effects of the coronavirus outbreak.

If there is no reduction in rent for local restaurant operators, it is likely that some players may have to close down "because it is not tenable to pay rent and wages while revenues are wiped out", he added.

Noting that landlords have a "social responsibility to help (tenants) protect jobs", RAS president advisor Andrew Tjioe said: "You can see how most of our landlords are performing financially - there is an imbalance of the distribution of income. Many of us are operating in the REIT malls and rents over there are increasing year by year. It's a very heavy bur-



den for F&B operators."

"If we don't survive, they too can't survive," added Mr Tjioe, founder of the Tung Lok chain of restaurants. "It's better for us to work closely together."

Apart from appealing to the landlords, the association said it has also been in constant dialogue with government agencies over the past two weeks.

In a letter addressed to Trade and Industry Minister Chan Chun Sing on Monday, it said it is hoping for help in the form of a suspension in foreign worker levy, wage support in terms of covering half the employers' CPF contribution, higher access to working capital loans, as well as rental subsidies in government-owned and managed properties.

RAS, which describes itself as the largest F&B association in Singapore, has more than 450 members that operate close to 4,000 outlets.

It had conducted a snap poll among its members since the start of the week. Among the 302 respondents as of Thursday noon, about 60 per cent indicated that they expect a loss in revenue of more than 50 per cent over the next three months.

For those that operate in locations that rely on tourist arrivals, the estimated loss in revenue could go up to 80 per