

Business

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BEIJING: Two women wearing face masks walk past a mall in Beijing. China's travel ban is wreaking havoc among foreign companies and international schools, with many fearing for their future as executives, teachers and students are left stranded in their home countries.—AFP

China ban leaves global businesses in limbo

Execs, teachers and students stranded in home countries due to travel ban

BEIJING: China's coronavirus travel ban is wreaking havoc among foreign companies and international schools, with many fearing for their future as executives, teachers and students are left stranded in their home countries.

A ban on most foreigners entering the country was implemented in March as the outbreak gathered pace overseas—leaving families separated and firms struggling without key employees. Even those with valid residence or work permits, or who run businesses, have been shut out, and there was further doubt about when the restrictions would be lifted after a new cluster of infections was detected in Beijing over the weekend.

Jessie Lim, the founder of Frequency Advertising & Event, has been stranded in Singapore since travelling there in January. "(The ban) really shocked me," she told AFP, adding that her Chengdu-based firm earned nothing in the first three months of the year as the virus put a stop to gatherings and events.

Lim had been due to return in February when a 14-day quarantine on arrivals was imposed—so she delayed in the hope that measure would be lifted. Instead, she was stunned when the ban was announced and she was unable to return at all.

Business is expected to pick up in the coming months but Lim is unable to meet clients, and worries she will suf-

fer further losses if she stays away much longer. Although China set up "fast-track" channels with some countries for key business personnel to return, the process is still complicated and requires an invitation letter and approval by the foreign ministry.



Staying away means further losses for firms

One Beijing-based Middle Eastern restaurant told AFP the founders are looking for new owners for their downtown eatery after being stranded in Israel, and were considering making the move home permanent.

St. John Moore, chairman of the British Chamber of Commerce in China, called this week for a system allowing British nationals who live in China to return with their families. "An increasing number of British businesses make China their regional hub and base executives in

China with roles across the region. In this current environment, it is not possible to continue that," he said.

An American Chamber of Commerce survey in May found that 90 percent of 109 member companies had business operations hit by global travel disruptions, which was a top concern. More than half said being unable to return expatriate staff to China was another worry.

Joerg Wuttke, president of the EU Chamber in China added it is "recruitment season" now, when companies move as many as 100 staff members to new roles or appointments. "But it could be very difficult now (to keep workers in China) because many family members are separated... many people may just cut their stint short, go home and stay home," he told AFP.

"How can we make China a good place to live when flights are not operating, quarantine conditions are unfavorable and it's hard to get visas?"

Classroom challenges

International schools have also seen students and teachers stranded overseas. The British Chamber's Moore said a "significant number of British teachers remain outside China", presenting challenges for schools to resume in-person classes.

"If this is not resolved, in making China a place where international families with children can continue

to work... we will see a reduction in the attractiveness of China as a place for long-term engagement," he said. Some parents have called for refunds on hefty tuition fees with classes unable to resume, adding to the schools' financial woes.

"The crisis happened just at the moment when we were supposed to pay the second term," said Karim Vincent Berrada, whose child attends the French International School in Beijing, adding some parents were angry at being made to pay despite there being only online classes. International schools have made huge investments in China in recent years—hoping to tap demand from expats and wealthier Chinese families seeking an international-standard education for their children.

The number of foreign independent brand campuses has rocketed from seven in 2012 to 74 this year, according to ISC Research. International schools had already been facing challenges because of falling numbers of expats living in China in recent years.

Sam Fraser, head of field research at ISC Research, warned some schools "might not be in a position to offer refunds or discounts or bear any financial loss". Funds for other projects may have to be put on hold if cash is redirected to keep the school running, he said, and "we think it is inevitable that some schools will be forced to close". — AFP

French trader who bet the house on oil shock and won

LONDON: French trader and specialist oil hedge fund manager Pierre Andurand saw it coming from early February. His call—and a lucrative one at that—was that there would be a massive slump in oil prices, to the point of unprecedented negative prices for 'black gold'.

"There is no limit to the drop in prices ... negative prices are possible," the founder of Andurand Capital posted to Twitter on April 20.

Hours later the price of a WTI barrel slid into negative territory for the first time, having stood at \$60 in New York a few short weeks earlier, dragging Brent crude down in its wake. Simultaneously, the Andurand Capital fund was reaping returns of more than 150 percent for having correctly second-guessed the market as early as February—before the coronavirus-induced global panic saw air traffic grind to a virtual halt along with much economic activity.

It was a spectacular coup for the former Goldman Sachs trader Andurand, after he made a market bet

diametrically opposed to the one most traders had at the start of the year, when conventional wisdom said the oil price would take off.

Detailed analysis

Bloomberg recently named his firm as one of the top dozen to emerge strongest from the coronavirus crisis, in a study that found three quarters of 1,500 funds assessed had lost money on markets hit by the pandemic. "When I feel there is a big change in terms of supply and demand I analyze it in detail and I try to quantify its impact on prices," Andurand, a 20-year finance veteran, told AFP.

"Very soon" he became convinced COVID-19 would prove "hard to stop" and that there was "a strong probability of confinement measures the world over". The 43-year-old anticipated the chain reaction that broke over the oil market as demand collapsed, leading to giant stock surpluses—catastrophic for producers reduced to paying buyers to take supplies off their hands.

Andurand then bet on prices going back up slightly after output cutbacks. Andurand Capital manages around \$800 million across varying risk levels.

And this year was not the first time the Frenchman had beaten the house on oil. He did the same back in the 2008 financial crisis as his newly launched fund pulled off a 209.5-percent gain, followed by another 55 percent the following year.

He also made strong gains in 2014 when oil prices halved.

'Competitive sport'

It wasn't all plain sailing. In 2012, months before he would close his first fund, things went sour—as they would again in 2018 and 2019. In those years, Andurand booked losses of between 15 and 20 percent. The son of civil servants, Andurand, from the



French oil trader Pierre Andurand—AFP

southern town of Aix, spent part of his childhood on Reunion Island before returning to mainland France where he swam for his country's junior squad.

He would later take on two former Olympic swimmers—compatriot Clement Lefert and South Africa's Cameron van der Burgh—as traders. Armed with qualifications in

applied mathematics and then finance from the HEC international business school in Paris, Andurand says he likes to dabble "a little in everything—finance, macroeconomics, psychology, mathematics, geopolitics".

Trading is for him akin to "competitive sport—the return replacing the stopwatch".

By 2000, he would be working for Goldman Sachs in Singapore, moving on first to Bank of America, then Dutch oil trader Vitol in London.

"That worked pretty well when I was young," he recalls. Pretty well translates to a rumoured \$20 million bonus at the age of 27.

By 2007, he felt "sufficiently confident" to branch out on my own" and found his own firm, BlueGold, before launching Andurand Capital in 2010 right opposite Harrods department store in London's up-market Knightsbridge district.

He ran the operation from Malta, where he set up home in 2017. He has also set up a US-based risk capital fund financing start-ups. And he runs his own kickboxing franchise, Glory Sports International staging tournaments and special one-off fights around the world. It is sport that he himself practices. — AFP

