

Business

New Zealand and Australia to open COVID travel bubble

Two-way corridor allows quarantine-free travel between COVID-free neighbors

WELLINGTON, New Zealand: New Zealand has approved quarantine-free travel with Australia, Prime Minister Jacinda Ardern said yesterday, completing a two-way corridor for travel between the largely COVID-free neighbors. "I can confirm that quarantine-free travel will begin in just under two weeks, at 11:59pm on April 18," Ardern announced after the date was confirmed by her cabinet. The travel bubble comes more than a year after New Zealand closed its doors in the face of the coronavirus pandemic and six months after Australia allowed Kiwis to fly into selected states without the need to quarantine. Ardern described it as a world leading move between New Zealand, with just 26 COVID-19 deaths in a population of five million, and Australia with fewer than 1,000 deaths in a population of 25 million. "I cannot see or point to any countries in the world that are maintaining a strategy of keeping their countries COVID-free whilst opening up international travel between each other," she said. "That means in a way we are world leading." "I very much appreciate the arrangement the New Zealand government has come to today," Australia Prime Minister Scott Morrison told a press conference. "We welcome them back as indeed Kiwis will be welcoming Aussies."

Last week, the tiny Pacific island nation of Palau, one of the few countries never to have had a Covid-19 case, opened a travel bubble with virus-free Taiwan, which President Surangel Whipps described as a "ray of light" showing the world was slowly emerging from the pandemic. However, just hours before Ardern's announcement, British Prime Minister Boris Johnson said it would be at least another month before he could allow holidays abroad. New Zealand's beleaguered tourism industry said the long-awaited bubble could inject up to a billion NZ dollars (\$705 million) into the economy this year. The South Pacific nation is a popular holiday destination and its COVID-crippled tourism industry has been pressing for months to have quarantine-free travel for Australians, who make up about 40 percent of international visitors.

"It could be up to NZ\$1.0 billion and maybe even more that flows into our economy for the rest of this calendar year," the head of Tourism New Zealand, Rene de Monchy, told Radio New Zealand.

'Bring your family'

Ardern urged Australians to take advantage of the bubble, with New Zealand's ski season on the horizon.

"We are a safe place to bring your family to come and visit," she said during a press conference. Air New Zealand immediately announced it was ramping up flights to Australia from the current four a week to more than 20 when the bubble takes effect. However, Virgin Australia said while the travel bubble was a step in the right direction it would only be offering a limited schedule for flights to the ski resort town of Queenstown over the next five months. One of the hurdles in setting up the two-way corridor has been sporadic outbreaks of community transmission in both countries, with Australia repeatedly suspending quarantine-free travel from New Zealand due to virus outbreaks in Auckland.

The flare-ups have been successfully contained with snap lockdowns and Ardern said travellers needed to be aware that further outbreaks in either country could impact on travel plans. "People will need to plan for the possibility of having travel disrupted," she said. "Just as we had alert-level settings for managing cases in New Zealand, we will have a framework for managing an outbreak in Australia," she said. "In many ways we will treat Australia as a region of our own when we're making decisions on restrictions." — AFP



WELLINGTON: New Zealand's Prime Minister Jacinda Ardern speaks during a press conference about COVID-19 coronavirus restrictions, in Wellington. New Zealand approved quarantine-free travel to Australia yesterday with Prime Minister Morrison saying a two-way corridor for trans-Tasman travel will begin on the night of April 18. — AFP



TOKYO: Pedestrians walk past a SoftBank mobile shop in the Ginza shopping district in Tokyo yesterday. — AFP

Softbank to buy \$2.8bn stake in Norway robotics firm

TOKYO: Japanese investment giant SoftBank Group will buy a 40 percent stake in Norwegian robotics company AutoStore in a deal worth \$2.8 billion, the two firms said. The deal is the latest bet by SoftBank, which has spent heavily on some of the tech world's hottest start-ups and biggest names, ranging from artificial intelligence to biotech companies.

The deal values AutoStore, which develops warehouse automation technology, at \$7.7 billion, according to a statement released by the pair on Monday. Known for its cuboid systems that reduce the space needed to store goods, AutoStore says it has deployed 20,000 robots across 35 countries and that its clients

include Puma and Siemens. "We view AutoStore as a foundational technology that enables rapid and cost-effective logistics for companies around the globe," said SoftBank founder Masayoshi Son. The companies will work together to "aggressively expand across end markets and geographies", he added.

Son has in the past battled critics of his commitment to sometimes troubled start-ups, and brushed aside doubts over a massive asset-sale program. The telecoms-firm-turned-investment behemoth has stakes in some of Silicon Valley's hottest start-ups through its \$100 billion Vision Fund. The firm said in February that net profit rocketed to \$11.1 billion in its fiscal third quarter, with Son dubbing the Fund a "goose that produces golden eggs". Karl Johan Lier, Autostore's president and CEO, said his company hoped to grow in the Asia-Pacific market with Softbank's support.

US investment firm Thomas H. Lee Partners will remain the majority shareholder in Autostore even after the Softbank deal, which is expected to be finalized in April. — AFP

Unemployment remains stable In eurozone

BRUSSELS: The level of unemployment in the eurozone did not change in February, official data showed yesterday, as national schemes to keep companies afloat held off the worst effects of the pandemic. Eurostat, the EU's statistics agency, said unemployment was at 8.3 percent in the 19 countries that use the euro single currency, the same as a revised figure for January.

Youth unemployment in the eurozone, which has risen more sharply during the COVID crisis, edged lower to 17.3 percent, Eurostat said. That still remained higher than a year before, just before a wave of lockdowns crushed the economy, when unemployment in the eurozone had stood at 7.4 percent, with youth unemployment at 15.4 percent.

Joblessness in Europe exploded in the spring of 2020, the result of a landmark recession as restrictions on movement kept people at home in many countries across the globe. However, many national governments implemented EU-backed job guarantee schemes and other programs that have so far averted a long-term shock on employment that many had feared. The unemployment rate in the 27 countries of the European Union followed the same trend, standing at 7.5 percent in February, stable compared to January, but one percentage point higher than a year ago.

The Czech Republic and Poland had the lowest unemployment rates in the bloc, at just above three percent. Germany, the EU's biggest economy and an industrial powerhouse, had an unemployment rate of 4.5 percent. The highest rates were recorded in economies highly dependent on tourism such as Spain, at 16.1 percent, and Greece, where the latest data showed an unemployment rate of 15.8 percent in December. — AFP

Greenland votes in election focused on mining debate

NUUK, Denmark: The autonomous Danish territory of Greenland voted yesterday in legislative elections, after a campaign focused on a disputed mining project, as the Arctic island confronts first-hand the effects of global warming. Greenland's two main parties are divided on whether to authorize a giant rare earth and uranium mining project.

Supporters, including the ruling social democratic Siumut party, say the mine would yield an economic windfall. Opponents, such as the opposition left-green IA party, argue it could harm the vast island's unspoiled environment. Greenland's geostrategic location and massive mineral reserves have raised international interest, as evidenced by former US president Donald Trump's swiftly rebuffed offer to buy it in 2019.

The election campaign for parliament's 31 seats has also centered on fishing—the main driver of Greenland's economy. And at a time when young Greenlanders are reconnecting with their Inuit roots and questioning their Danish colonial heritage, social issues and cultural identity have also been part of the debate. Polling stations opened for the island's 35,000 voters at 1100 GMT and closed at 2200 GMT, with the final results expected early today.

IA seeks uranium moratorium

IA is leading in the latest opinion polls with around 36 percent of voter support, while Siumut, which has been in power almost uninterrupted since Greenland gained autonomy in 1979, is trailing with 23 percent. Experts however have warned that the outcome is nevertheless uncertain.

US pushing G20 for global minimum corporate tax: Yellen

WASHINGTON: The United States is pushing in the G20 to adopt a global minimum corporate tax to stem the erosion of government revenues, US Treasury Secretary Janet Yellen said Monday.

Just days after President Joe Biden announced plans to raise corporate taxes to finance a massive \$2 trillion infrastructure and jobs program, Yellen said a collective international effort would end the "race to the bottom" on taxation. Biden expressed outrage at multinationals-like Amazon that have moved to tax havens or used loopholes and pay little to no tax, far less than some individuals, and said he would put a stop to the practice.

His plan would raise the US corporate tax rate to 28 percent and the minimum for multinationals to 21 percent. He dismissed concerns the higher rate would drive companies overseas, telling reporters on Monday that "there's no evidence of that."

"We're talking about a 28 percent tax that everybody thought was fair enough for everybody," he said.

"I'm going to push as hard as I can (to) change the circumstances so we can compete with the rest of the world," Yellen said the practice of seeking tax havens erodes government revenues and undermines an economy's competitiveness. "Together we can use a global minimum tax to make sure the global economy thrives based on a more level playing field in the taxation of multinational corporations," she said in a speech to The Chicago Council on Global Affairs.

The interconnected global economy has led to "a 30-year race to the bottom on corporate tax rates."

But for companies and economies to remain competitive, governments must make sure they "have stable tax systems that raise sufficient revenue to invest in essential public goods and respond to crises, and that all citizens fairly share the burden of financing government." Biden's proposal recognizes "it is important to work with other countries to end the pressures of tax competition and corporate tax base erosion," Yellen said. G20 finance ministers are expected to discuss the proposal during a virtual meeting on Wednesday, hosted by Italy.

A Treasury official told reporters the G20 goal is to have a proposal on the global minimum tax by July, and the Biden administration could if needed change its legislation to bring the US minimum tax into line with the international plan.

Not going it alone

A G20 agreement would give a push to ongoing negotiations in the broader Organization for Economic Cooperation and Development (OECD) on a global minimum tax as a way to protect all members from erosion of tax revenues. "Taxes matter to development and it's important that the world get it right," World Bank President David Malpass said on CNBC.

He declined to comment on the US proposal, which will be a topic for the G20 officials on Wednesday.



Treasury secretary Janet Yellen speaks after US President-elect Joe Biden announced his economic team at The Queen Theater in Wilmington, Delaware. — AFP

Yellen's speech, ahead of the spring meetings of the International Monetary Fund and World Bank, as well as the G20 meeting, all virtual, also outlined the Biden administration push to resume the multilateral cooperation halted under former president Donald Trump. "Over the last four years, we have seen firsthand what happens when America steps back from the global stage. America first must never mean America alone," Yellen said.

In fact a strong US presence is necessary to ensure a level playing field in the global economy she said. "Over time, a lack of global leadership and engagement makes our institutions and economy vulnerable." The Biden administration already announced it is rejoining the Paris climate accord, and removed obstacles in the World Trade Organization that allowed the global body to name a new leader.

In the trade arena, she said Washington will work with partners to "enforce a rules-based order." With China—the world's other dominant economy—the relationship "will be competitive where it should be, collaborative where it can be, and adversarial where it must be." — AFP



NUUK, Greenland: Candidates greet each other before a debate at KNR (Greenlandic Broadcasting Corporation), Monday. — AFP

Opinion polls "often put IA way too high in the polls," University of Greenland political scientist Leander Nielsen said. "A third of voters don't make up their minds until the last minute."

Nor was it likely that either of the two biggest parties would get a majority of the 16 seats: the most likely scenario, he said, was "that IA forms a coalition with one or two smaller parties". IA has called for a moratorium on uranium mining, which would effectively put a halt to the mining project. The Kuannersuit deposit, in the south of the island, is considered one of the world's richest in uranium and rare earth minerals—a group of 17 metals used as components in high-tech devices such as smart phones, flat screen displays, electric cars and weapons. Local authorities have to give their stamp of approval before Australian group Greenland Mining can get an operating license.

Dreams of independence

Siumut party leader Erik Jensen has said the mine would be "hugely important for Greenland's economy", helping diversify revenues. That is crucial if the island

wants to gain full independence from Copenhagen someday. Denmark, which is not opposed to Nuuk's independence, gives the island annual subsidies of around 526 million euros (\$638 million), accounting for about a third of its budget. Greenland plans to grow its economy by developing its fishing, mining and tourism sectors, as well as agriculture in the southern part of the island which is ice-free year-round.

"To harvest sustainably the living natural resources, like fish stocks, is going to be the most long-term (solution) for Greenland," Minik Rosing, a geobiology professor at the University of Copenhagen, said. The island's mineral potential "has only been investigated to some extent, but not in depth", he added.

For Cambridge University Arctic specialist Marc Jacobsen, keeping the option of large-scale mining open is the reason why Greenland has not signed the Paris climate accord. The treaty lets states decide their own measures to meet the common goal of keeping global warming under two degrees Celsius. "Signing the Paris Agreement would not allow them to develop any big mining project," Jacobsen noted.—AFP