

# Business

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## \$1.9tn COVID plan clears US House

### American incomes surge in January due to pandemic aid

WASHINGTON: The US House passed an enormous, \$1.9 trillion coronavirus relief package early yesterday, hailed by Democrats as a critical step in funneling new funding toward vaccinations, overburdened local governments, and millions of families devastated by the pandemic. Four days after the Covid-19 death toll surpassed 500,000 in the United States, the sprawling measure backed by President Joe Biden and seen as a moral imperative by many now heads to the Senate for consideration next week.

"After 12 months of death and despair, the American recovery begins tonight," congressman Brendan Boyle told the House chamber shortly before lawmakers approved the package on an rare post-midnight vote of 219 to 212. No Republicans voted for the bill. The sharply partisan result comes weeks after Biden's Jan 20 inauguration, when he called for unity in the face of a once-in-a-century health crisis.

The package cleared the House despite a major setback for Democrats, when a key Senate official ruled Thursday that the final version of the bill cannot include a minimum wage hike. Biden had campaigned extensively on raising the national minimum wage to \$15 an hour, from a rate of \$7.25 that has stood since 2009.

He aimed to include it in the rescue plan, which directly provides \$1,400 checks to most Americans and allots billions of dollars to boost vaccine delivery, help schools re-open and fund state and local governments. It extends unemployment benefits, set to expire mid-March, by about six months, as well as a moratorium on evictions for millions of people struggling to pay rent.

The bill is on track to be the second largest US stimulus ever, after the \$2 trillion package Donald Trump signed last March to fight the pandemic's devastating spread. Even as the Senate parliamentarian ruled against including the minimum wage language in the bill as written under budget reconciliation rules,

Democrats kept the provision, highlighting their "fight for 15" as a top party priority.

"We will not rest until we pass the \$15 minimum wage," Speaker of the House Nancy Pelosi said. Even without the wage hike, she said the bill was critical and it would be "catastrophic" if it does not become law. "The American people need to know that their government is there for them," she told the chamber. "As President Biden has said, help is on the way."

#### 'Dead of night'

Republicans fumed over the bill's historically high cost - and the optics of holding such a consequential vote in predawn hours. "Democrats are so embarrassed by all the non-COVID waste in this bill that they are jamming it through in the dead of night," House Minority Leader Kevin McCarthy said. The measure is "bloated," partisan and "unfocused", with the majority of funding going to projects not directly related to fighting the pandemic, McCarthy said.

He and fellow Republicans accused Democrats of using a pandemic to push forward a liberal wish list. The package "just throws out money without accountability", McCarthy added. Over in the 100-member Senate, the rules of so-called reconciliation relate to budgetary bills that are allowed to bypass Republican filibuster efforts and pass with just a simple majority, rather than the typical 60 votes.

The parliamentarian concluded that the wage hike does not meet the standard, and since there is no Republican support for the bill in the evenly split Senate, the measure will be taken out in order for COVID relief to pass. Progressives like Senator Bernie Sanders cried foul, insisting that the "archaic and undemocratic" rules prevent Congress from passing much-needed legislation sought by a majority of Americans. Biden however made clear through a spokesperson that he respects the decision but "urges Congress to move quickly to pass the



WASHINGTON: Speaker of the House Nancy Pelosi speaks during a press conference with other House Democratic leaders about COVID-19 financial relief and minimum wage on Capitol Hill on Friday. — AFP

American Rescue Plan," and would work with lawmakers to get it over the finish line.

Meanwhile, an injection of pandemic aid filled Americans' wallets last month, though spending rose modestly, according to government data released Friday, giving a boost to the economy as it claws its way back from recession. A key inflation measure in the data showed prices also are starting to bounce back from the depths of the crisis, which could add to investor's fears about rising borrowing costs amid the recovery.

The \$900 billion COVID-19 stimulus package approved in late December sent \$600 checks to

nearly all US workers and extended extra unemployment payments for those who lost their jobs. As the checks started to roll in, personal incomes surged by 10 percent - the second biggest increase on record since the start of this data report began in 1959 - the Commerce Department said. "The increase in personal income in January was more than accounted for by an increase in government social benefits to persons as payments were made to individuals from federal COVID-19 pandemic response programs," the report said. "Unemployment insurance also increased, reflecting an increase in pandemic unemployment compensation." — AFP

## India exits recession with 0.4% Q4 growth

NEW DELHI: India's economy grew 0.4 percent year-on-year in the final quarter of 2020, official data showed Friday, ending its first recession since independence as easing coronavirus restrictions sparked a modest recovery. The country has struggled to claw back lost ground after a stringent, months-long lockdown caused the labor market to collapse and the economy to contract by nearly a quarter between April and June.

India entered a "technical recession" last year for the first time since gaining independence in 1947 after registering two successive quarters of contraction. The government now estimates annual GDP will fall eight percent in 2020-21. The latest figures, which fell shy of the expectations of a Bloomberg survey of economists pegging growth at 0.5 percent, will nonetheless bring some cheer to Prime Minister Narendra Modi's beleaguered government.

Key sectors such as construction and manufacturing showed an improvement compared to the same quarter last year,



AMRITSAR: A craftsman makes chairs along the roadside yesterday. — AFP

Friday's data revealed. And in January, car sales in the bellwether automobile sector increased by more than 11 percent compared to a year earlier, according to industry figures. Restrictions have been relaxed as coronavirus infections have slowed in the country of 1.3 billion in recent weeks, allowing economic activity to resume.

But the government still faces the tough task of creating enough jobs for India's overwhelmingly young population, as millions of migrant workers make their way

back to cities, reversing a massive exodus sparked by the lockdown.

"We can't say we are completely out of the woods," Mumbai-based economist Ashutosh Datar told AFP. "The real test would be what happens next financial year. Today's number is not a major surprise." The government has forecast economic growth of 11 percent in the 2021-22 financial year, in line with the International Monetary Fund's prediction of 11.5 percent. — AFP

## Birkenstock steps into big league with new luxury owners

BERLIN: Germany's unabashedly frumpy but comfortable flat sandal maker Birkenstock stepped into the luxury league on Friday, with an LVMH-backed company and the French group's billionaire owner snapping up the iconic brand. No details were given about the sum paid by LVMH-linked equity firm L Catterton and Bernard Arnault's family holding fund Financiere Agache, but analysts have put the price tag at around \$4.9 billion (\$4.9 billion).

"For the next 250 years we need partners sharing the same strategic and long-term vision as the Birkenstock family," brothers Christian and Alex Birkenstock said in a statement. The new co-owners "bring both a deep understanding of the details of a manufacturing business that is all about quality and a respect for brands with a long heritage like ours," said the two brothers, who will retain a stake in the company.

The ownership switch marks a water-



BERLIN: The logo of the German sandals and shoes maker Birkenstock is pictured on a window at the company's store on Friday. — AFP

shed for the company which was founded in 1774 to make orthopedic shoes. By 1897, Konrad Birkenstock had made the first flexible sole fitting the contours of the feet. The company remained in family hands and the flat sandals were given an international boost when they were brought to the United States in the 1960s. They were quickly adopted by hippies who took to their no-frills comfort but also saw their utilitarian look as an anti-fashion badge.

But it was when supermodel Kate Moss donned them for a fashion shoot in

1990s that ended the 'unfashionable' association of the brand with sock-and-sandal wearing Germans. Soon, the wide-strapped sandals with cork and latex soles became standard footwear for Hollywood stars. And brands from Paco Rabanne and Valentino to Celine have customized their versions of Birkenstocks, even putting them on runways. Actress Frances McDormand padded on stage at the Oscars in Feb 2019 in a yellow pair - vindicating the idea that footwear does not need to be painful to be glamorous. — AFP

## I choose you! Pokemon turns 25

TOKYO: Twenty-five years after Pokemon first began delighting children and adults alike, the phenomenon is still capturing hearts, with smartphone craze Pokemon Go enjoying record success in virus-hit 2020. The augmented-reality game raked in \$1 billion in just the first 10 months of last year - its most lucrative yet - according to market tracker Sensor Tower, and experts see no sign that interest is flagging as the world's highest-grossing media franchise evolves.

"The characters themselves are so appealing, and the mechanics of the actual video and card games are so well executed that it has this very timeless quality," said Brian Ashcraft, an author who writes about Japanese pop culture. Dan Ryan, a 29-year-old who works in London's finance sector, has been a fan nearly his whole life and is not shy about his hobby, even with colleagues.

"They know I disappear every Thursday to go and play Pokemon cards, they see me come in with my Pikachu jacket, and they see my Pokemon mugs," he told AFP. He admits he spends "too much money" on rare Pokemon cards, whose prices have boomed as virus lockdowns push people towards indoor pursuits, with some in mint condition going for over \$500,000 in recent weeks.

Pokemon is inspired by the childhood tradition of collecting bugs - popular during Japan's hot and humid summer holidays - and part of its enduring appeal is its simple goal: To

catch them all. Hundreds of round-eyed "pocket monsters" inspired by everything from mice to dragons can be caught and trained to full strength in battles. The winning concept has sold countless toys, film tickets and more than 30 billion Pokemon cards since the first black-and-white Game Boy titles were released in Japan in 1996.

#### 'Pika-pika'

Atsuko Nishida, who designed the electric mouse Pikachu, once said she modelled it on a round Japanese sweet called a daifuku. Her fellow designers, who had asked Nishida to draw a cute monster, liked the creature and urged her to make it even more adorable. "I thought it would be nice to have it store electricity in its cheek pouches. At the time I was really into squirrels, (which) store food in their cheeks," she told a Japanese newspaper.

The character's signature pronunciation "pika-pika" - meaning shiny and sparkly in Japanese - only added to the bright yellow creature's powers of attraction. For ZoeTwoDots, a Pokemon Go vlogger and livestreamer with nearly 200,000 YouTube subscribers, a childhood obsession has become her full-time job. The 27-year-old Australian finds other fans mostly supportive, "which I think is incredibly rare, especially because gaming has that toxic stereotype".

Her favorite Pokemon? "Togepi. It's just a happy little egg. It's quite literally, nothing can bother this." The game's nature imagery, varied characters and focus on building a collection are central to its success, said Jason Bainbridge, executive dean of the University of Canberra's arts and design faculty, who has written extensively about Pokemon. But there have also been controversies along the way. — AFP



YOKOHAMA: In this file photo taken on Aug 7, 2016, performers dressed as Pikachu, the popular animation Pokemon series character, perform in the Pikachu parade. — AFP