

## India reassures banks of capital infusion: sources



Reuters | New Delhi/Mumbai

India has assured state banks it is ready to provide capital support as the coronavirus pandemic may lead to a surge in bad loans when economic growth is slowing, three government and banking sources told Reuters.

New Delhi may need to make a provision of at least 200-250 billion rupees (\$5.90 billion) for capital infusion in state-run banks. However, this number can increase significantly as the situation evolves, the officials said.

"The NPAs (non-performing assets) could remain an issue and the government may need to make a provision for some capital infusion in the public sector banks," said a senior government official with direct knowledge of the issue.

None of the sources wanted to be named as the plan is not yet public. The government has already pumped in 3.5 trillion rupees (\$45.91 billion) in the last five years to rescue the beleaguered banks. In this financial year's budget

**In August last year, India had announced a series of mergers involving 10 state-owned banks to ensure stronger balance sheets to boost lending and revive economic growth.**

announcement in February, it had not allocated any funds for capital infusion. Instead, the banks had been encouraged to tap capital markets for funds.

"Given the pressure on their credit profiles, we expect public sector banks' access to equity capital market will remain challenging, at least over the next few quarters," Alka Anbarasu, vice president and senior credit officer, financial institutions at Moody's Investors Service said.

Indian banks are burdened with a bad loan pile of nearly \$140 billion and the lion's share of it rests with the state-owned banks.

"We expect public sector banks will require further capital support from the government as rising asset risk will lead to a deterioration in their profitability and internal capital generation," Anbarasu added.

Most lenders are likely to require capital in the second or the third quarter of this financial year and that is when they will formally approach the government if required as they already have the reassurance, bankers said.

"On top of the list right now are the mergers and to ensure how one can tackle the COVID-19 related problems. Currently, most banks are in a position to meet their capital requirement for the first half of this financial year," said the CEO of a public sector bank who declined to be named as the matter is not public yet.

# China says it has sold nearly four billion masks abroad

● China has exported 3.86 billion masks, 37.5 million pieces of protective clothing, 16,000 ventilators and 2.84 million COVID-19 testing kits since March 1

AFP | Beijing

China has sold nearly four billion masks to foreign countries since March, officials said yesterday, as they tried to stem widespread fears over the quality of medical exports.

Despite Chinese cases dwindling, Beijing has encouraged factories to increase production of medical supplies as the pandemic kills over 60,000 globally and parts of the world face a protective equipment shortage.

China has exported 3.86 billion masks, 37.5 million pieces of protective clothing, 16,000 ventilators and 2.84 million COVID-19 testing kits since March 1, customs official Jin Hai said,



China exported 3.86 billion masks and almost 40 million pieces of protective clothing since March 1

with orders to more than 50 countries.

She added the country's medical supply exports were valued at 10.2 billion yuan (\$1.4 billion).

However numerous nations -- including the Netherlands, the Philippines, Croatia, Turkey and Spain -- have complained about substandard or faulty medical products shipped from China.

Last week, the Dutch govern-

ment recalled 600,000 masks out of a Chinese shipment of 1.3 million that did not meet quality standards.

China said the manufacturer "stated clearly that (the masks) are non-surgical."

Spain also rejected thousands of rapid test kits sent by an unauthorised Chinese company after it found that they were unreliable last week.

Chinese officials hit back on Sunday at media reports over defective medical supplies, saying that they "did not reflect the full facts".

"In reality there are various factors, such as China having different standards and different usage habits to other countries. Even improper use can lead to doubts over quality," said Jiang Fan, an official with the Ministry of Commerce.

The comments echoed remarks from Foreign Ministry spokeswoman Hua Chunying, who over the past week has repeatedly urged Western media not to "politicise" or "hype up" the issue.

Earlier this week, Beijing tightened regulations for exported coronavirus medical equipment, requiring products to fulfil both domestic licensing standards and that of their destination countries.

China has also increased its production capacity of COVID-19 testing kits to over 4 million a day, said Zhang Qi, an official with the National Medical Products Administration.

## Planned \$1 billion US aid cut would hit Afghan security force funds

● Most of the fund pays for salaries, food, fuel, equipment and infrastructure to support Afghan troops and national police

Reuters | Washington

A planned \$1 billion cut in US aid to Afghanistan would come from funds for Afghan security forces, according to three US sources, a step experts said.

Secretary of State Mike Pompeo announced the reduction on March 23 and threatened to slash the same amount next year to try to force Afghan President Ashraf Ghani and his political rival Abdullah Abdullah to end

a feud that has helped stall U.S.-led peace-making efforts in Afghanistan.

After nearly 20 years of fighting the Taliban, the United States is looking for a way to extricate itself and to achieve peace between the US-backed government and the militant group, which controls more than 40 per cent of Afghan territory. Pompeo and other US officials have declined to pub-

licly detail how the cut would be made. The State Department declined to comment on its plans.

Two US congressional aides, speaking on condition of anonymity, said State Department officials told Congress the \$1 billion would come from a \$4.2 billion Pentagon fund that underwrites about three quarters of the Afghan security forces' annual budget.

## Quibi launching Hollywood 'on the go' streaming amid lockdown

● Subscriptions will cost \$5 monthly with ads, or \$8 without

AFP | Los Angeles

Quibi, the multi-billion-dollar streaming platform launching Monday, is betting it can transform entertainment with short, Hollywood-quality clips to watch "on the go" -- even as much of the world is trapped at home.

Industry legends and stars from Steven Spielberg and Guillermo del Toro to Jennifer Lopez and Reese Witherspoon have lined up to make movies and shows for the youth-focused, smartphone-only service.

Tapping into the boom in mobile video viewing, all content will be delivered in clips of no more than 10 minutes -- or "quick bites." Every show must be made in both horizontal and vertical formats, automatically flipping between the two as viewers rotate their phones.

But Quibi's plans were set long before the coronavirus pandemic prompted stay-at-home orders for billions of people around the globe -- meaning nobody is quite sure how to measure success in



CEO Meg Whitman says short-form video streaming service for mobile Quibi is launching in "unprecedented" times

**Industry legends and stars from Steven Spielberg and Guillermo del Toro to Jennifer Lopez and Reese Witherspoon have lined up to make movies and shows for the youth-focused, smartphone-only service**

the months ahead, its CEO said.

"Honestly, we don't know, because we are launching in unprecedented times," said Meg Whitman, who previously led eBay. "I don't think any of us have ever seen anything quite

like this." While presumably fewer people will now watch during commutes or coffee breaks, self-isolation could prompt its own need for quick distractions, Quibi executives say.

"People still have in-between moments -- it's just different," said Whitman. One such a moment, she suggested, could come when an exhausted parent takes a pause from homeschooling children.

"I live on Zoom calls all day," she said, referring to the popular remote conferencing software. "But occasionally I'll have 10 or 15 minutes between Zoom calls (and) I'll watch a Quibi."

'A little crazy'

A formidable lineup -- 50 shows at launch, with 175 originals in its first year -- helped make Quibi's decision to stick with its long-established April 6 launch a lot easier, said Whitman.

Big Hollywood names have committed to work with Quibi thanks to its founder, Jeffrey Katzenberg, a towering figure in Tinseltown who ran Disney Studios for a decade and co-founded DreamWorks.

"We had enough content in the bank," Whitman said.

Launch movies such as psychological thriller "Survive" -- starring "Game of Thrones" alumna Sophie Turner -- and Liam Hemsworth's dystopian "Most Dangerous Game" are expected to draw early subscribers. After an initial batch at launch, one "chapter" will be released per day, with the aim to rekindle the "water-cooler moments" of traditional television.

New scripted content is already scheduled through late fall. But amid the deep uncertainty facing Hollywood, what comes next is anyone's guess.

"We certainly hope the production will be back online soon," said Whitman. "We just don't know... You have to tolerate

ambiguity well."

Quibi also aims to keep users coming back with daily news, sports and entertainment shows -- a genre far harder to produce at a time when studios are closed across the US.

"It's been a little crazy," admitted Whitman, who said many shows will broadcast from hosts' homes rather than specially constructed studios.

"Two weeks ago, we thought maybe four or five of these 'Daily Essentials' would actually not be able to get into production for us," she said. "But they've all come on."



**Quibi's eye-watering budgets are more comparable to longer-form streaming platforms such as Netflix, Amazon Prime, Disney+ and Apple TV+, with HBO Max and Peacock set to join the fray shortly.**

'\$100,000 a minute'

Subscriptions will cost \$5 monthly with ads, or \$8 without. But with cash short for many as unemployment surges, Quibi last month extended its two-week trial period to a 90-day offer.

Quibi must also compete for younger viewers' time with millions of free -- often user-generated -- videos hosted by YouTube, TikTok, Facebook and Instagram.

The assumption is that, just as HBO transformed television with its premium subscription content, Quibi can get people to spend if the quality is high enough. "We pay up to \$100,000 a minute for our premium long-form movies and chapters," said Whitman.

"What we will produce for the money that we are spending is very different to the incredible creativity of people who are producing shows for \$500 a minute," she added.

But Whitman insists Quibi -- aiming to create "the next big wave of story-telling" -- does not view those as direct rivals.

"There were movies, there was television, there was streaming," said Whitman. "And now maybe there is this new way to tell stories for mobile, in Hollywood-quality ways."