

# Another 1.3 mn workers file for US jobless benefits

● The figure for the week ended July 4 was 99,000 lower than the prior week

AFP | Washington

Another 1.3 million US workers filed for unemployment benefits last week, as the slowdown in the pace of layoffs amid the coronavirus crisis continued, the government reported yesterday. The figure for the week ended July 4 was 99,000 lower than the prior week, showing a steady decline as the world's largest economy gradually re-opens and workers are recalled to their jobs.

But the level remains far higher than any pre-pandemic week. In the same week of 2019, only 211,000 people filed initial claims for jobless benefits.

The decline in the latest week slowed the four-week moving average to 1.44 million, the Labor Department reported, while 18 million remained on the jobless rolls through the week ended June 27.

President Donald Trump, who is counting on a strong economy to help in his tough reelection



Hundreds of unemployed Kentucky residents wait in line outside the Kentucky Career Center in mid-June 2020 for help with their unemployment claims in Frankfort

bid in November, has cheered the recent signs of recovery in the US labor market.

But economists and the Congressional Budget Office warn that it will take years for employment to return to pre-pandemic levels.

And the US could suffer a second wave of layoffs as more states see spiking case counts,

and once expanded jobless benefits expire.

"Filings remain high and are declining at a stubbornly slow pace," said Rubeela Farooqi of High Frequency Economics.

"We could see upward pressure in coming weeks in response to a surge in virus cases and related closures of businesses."

The unemployment rate in June dropped to 11.1 per cent as 4.8 million jobs were added, with huge gains in the leisure and hospitality sector, which suffered the biggest blows from COVID-19 restrictions on travel and restaurants.

But Trump says the "crisis is being handled" and the economy is "roaring back."

## AirAsia to emerge stronger from pandemic: Fernandes



AirAsia boss Tony Fernandes said the top budget carrier would emerge 'stronger' from the coronavirus pandemic despite a warning about its future

AFP | Kuala Lumpur

AirAsia boss Tony Fernandes insisted yesterday the top budget carrier would emerge "stronger" from the coronavirus pandemic despite a warning about its future, and said the airline was hopeful of raising a sizeable cash injection.

In an interview, the colourful chief executive said he never imagined the industry could face such a crisis, which has triggered massive layoffs worldwide and led to some carriers collapsing.

"I never believed the aviation industry could be hit this hard. But... we are still flying," he said from his office in downtown Kuala Lumpur.

"This will not go on forever. We will come out stronger."

AirAsia pioneered low-cost travel across Asia in the early 2000s, feeding insatiable demand for cheap flights from a rapidly-emerging middle class, and became one of the region's top budget carriers.

But the Malaysian carrier reported dismal first-quarter results this week after grounding almost its entire fleet due to the virus, prompting auditor Ernst & Young to warn of "significant doubts" about its future.

It also noted the airline's liabilities currently exceeded its assets by 1.84 billion ringgit (\$430 million).

Fernandes said the airline could not "run away" from the assessment but added: "We

had four months of no revenue, that does not mean liabilities will exceed assets for the rest of our lives."

AirAsia was taking steps to minimise costs, including cutting about 7.5 percent of 23,000 staff across its businesses, he said, but added he hoped there would not be any further job losses.

**'Flying won't disappear'**

Fernandes said the airline was in talks with international and local lenders to raise funds to weather the crisis, adding he was hoping to raise "more than one billion" ringgit (\$230 million) -- and possibly up to double that within six months.

Business has rebounded strongly since flights resumed in late April, and Fernandes said he was confident conditions would improve, particularly in AirAsia's key markets.

"We are flying domestically, we know that international flights are not far away," he said.

"AirAsia is in a good market because COVID has been pretty well controlled in (Southeast Asia) and North Asia."

He said the impact on budget carriers would not be as severe because people were more likely to fly short-haul.

Long-haul travel would "take a while" to recover, he added.

He also played down speculation AirAsia might merge with crisis-wracked Malaysia Airlines, the country's flag carrier, saying the airlines served different markets.

## Japan to limit financing of overseas coal power plants

Tokyo

Japan said yesterday it would tighten rules for investment in foreign coal-fired power stations on environmental grounds, but stopped short of ending government funding for projects.

The move comes with the world's third-largest economy under fire for financing projects to build coal plants at home and abroad -- notably in Southeast Asia.

Economy, Trade and Industry Minister Hiroshi Kajiyama told reporters the government "has decided to tighten" the rules for supporting investment.

Countries seeking investment would be required to change



Protesters wearing masks of world leaders including Japanese Prime Minister Shinzo Abe demonstrated against climate change and coal during the G20 summit in Osaka

their "behaviour" towards decarbonisation, Kajiyama said, but added that the new policy was not about cutting back

funding. "There are developing nations in the world that can only choose coal as an energy

source," he said.

Further details were not immediately available.

The government currently provides funding to Japanese companies if their projects meet certain criteria -- such as when a foreign country has no options but to choose coal due to economic reasons.

The Global Energy Monitor watchdog said last year that Japan accounted for over US\$4.8 billion in financing for coal power plants abroad -- particularly in Indonesia, Vietnam and Bangladesh.

Kimiko Hirata, international director of the environmental NGO Kiko Network, said the new investment decision was a "major decision."

## Musk says Tesla close to developing fully autonomous car

● Tesla already enables partial autonomy for its cars

● Analysts say the road to full autonomy faces considerable legal and regulatory hurdles

AFP | Shanghai

Tesla founder Elon Musk said yesterday that the world's recently crowned most valuable auto company could achieve a fully autonomous car by the end of 2020.

Musk, who has made premature predictions about the ad-



Elon Musk

vent of completely autonomous cars before, offered the updated timetable in a pre-recorded mes-

sage to a Shanghai tech fair. "I'm extremely confident that 'Level 5', or essentially complete

autonomy, will happen, and I think will happen very quickly," Musk said.

"I remain confident that we will have the basic functionality... complete this year." In years past, Musk had said Tesla may develop the technology for a completely autonomous vehicle by 2018, and then last year he said it may come by early 2020.

The California-based electric carmaker became the world's most valuable auto manufacturer earlier this month and its shares have soared this year thanks to strong output figures despite disruptions from the coronavirus epidemic.

The complexity and autonomy of self-driving car technology is classified up to "Level 5". Lower



**Tesla founder Elon Musk, who has made premature predictions about the advent of completely autonomous cars before, offered the updated timetable in a pre-recorded message to a Shanghai tech fair**

levels feature some combination of autonomous decision-making by the vehicle, along with as-needed human intervention.

But Level 5 denotes a car that requires no human intervention at any time, allowing the passenger to sleep or watch a movie while the car handles all navigation as well as adjustments to avoid collisions.

Tesla already enables partial autonomy for its cars, but analysts say the road to full autonomy faces considerable legal and regulatory hurdles, not to mention getting consumers to feel comfortable entrusting their cars with full control.

Tesla is racing with Waymo, Uber and traditional automakers to bring autonomous vehicles to market.