

Japan tech giant SoftBank's profits rise on investments

Japanese technology giant SoftBank Group Corp.'s said Tuesday that its profit rose 12% in April-June from a year earlier as its investments added to its coffers, including sales of its shares in US carrier T-Mobile.

Tokyo-based SoftBank reported Tuesday a fiscal first quarter profit of 1.2 trillion yen (\$11.5 billion), up from 1.1 trillion yen in the previous fiscal year.

Quarterly sales inched down 2% to 1.45 trillion yen (\$13.7 billion).

SoftBank, whose group includes the

carrier that introduced the iPhone to Japan, said it has been shoring up its cash reserves.

Chief Executive Masayoshi Son said the company already has raised in several months nearly all the 4.5 trillion yen (\$41 billion) it had promised in March to attain within a year.

But he acknowledged worries about a second or third wave of the coronavirus pandemic.

The company compared the crisis to the hard times of the Great Depression

of the late 1920s and early 1930s.

SoftBank announced last month that it's setting up a new subsidiary company to carry out coronavirus tests and will start giving them first to its employees and members of the SoftBank Hawks professional baseball team.

SoftBank got a lift from US carrier Sprint's merger with T-Mobile, a deal in the works for a few years that was finally completed in April. That means Sprint is no longer part of SoftBank's group or earnings. (AP)



In this file photo, people walk by a SoftBank shop in Tokyo. (AP)

Market Movements

11-08-2020

	Change	Closing pts
AUSTRALIA - All Ordinaries	+25.04	6,272.11
HONG KONG - Hang Seng	+513.25	24,890.68
JAPAN - Nikkei	+420.30	22,750.24
INDIA - Sensex	+224.93	38,407.01
S. KOREA - KRX 100	+69.38	5,197.74
PHILIPPINES - PSEI	+23.02	5,953.94
PAKISTAN - KSE 100	+644.39	40,559.15

	Change	Closing pts
CHINA - Shanghai SE	-38.96	3,340.29

Business

Many states already facing budget crunches caused by the pandemic

States on hook for billions under Trump's unemployment plan

FALLS CHURCH, Virginia, Aug 11, (AP) — Whether President Donald Trump has the constitutional authority to extend federal unemployment benefits by executive order remains unclear. Equally up in the air is whether states, which are necessary partners in Trump's plan to bypass Congress, will sign on.

Trump announced an executive order Saturday that extends additional unemployment payments of \$400 a week to help cushion the economic fallout of the pandemic. Congress had approved payments of \$600 a week at the outset of the coronavirus outbreak, but those benefits expired Aug. 1 and Congress has been unable to agree on an extension. Many Republicans have expressed concern that a \$600 weekly benefit, on top of existing state benefits, gives people an incentive to stay unemployed.

But under Trump's plan, the \$400 a week requires a state to commit to providing \$100.

Many states are already facing budget crunches caused by the pandemic. Asked at a news conference how many governors had signed on to participate, Trump answered: "If they don't, they don't. That's up to them."

Trump expressed a different view on Sunday night, following a day of state officials questioning how they could afford even \$100 per person in additional weekly payments. He told reporters as he returned to Washington that states could make application to have the federal government provide all or part of the \$400 payments. Decisions would be made state by state, he said.

Several state officials questioned how Trump's initial proposal would work and often expressed doubt that they could afford to participate at the level Trump initially set without using federal funds.

Aubrey Layne, secretary of finance for Virginia Gov. Ralph Northam, a Democrat, said in a phone interview Sunday he believes it would be feasible for Virginia to participate in such a program if states are allowed to use money that's been allocated to them under the already passed CARES Act. He said his preliminary understanding is that states can do so, but he and others are waiting to see the rules published.

The better solution, Layne said, would be for Congress to pass legislation.

"It's ludicrous to me that Congress can't get together on this," he said. "I think it would have been better for the president to use his influence in those negotiations, rather than standing on the sideline and then riding in like a shining knight."

Details about the program were confused on Sunday - and that was even before Trump's declaration that states could ask the federal government to pay all or part of the \$400 week payments.

On CNN's "State of the Nation" White House economic adviser Larry Kudlow said conflicting things about whether the federal money was contingent on an additional contribution from the states. Initially Kudlow said that "for an extra \$100, we will lever it up. We will pay three-quarters, and the states will pay 25 percent." In the same interview, though, he later said that "at a minimum, we will put in 300 bucks ... but I think all they (the states) have to do is put up an extra dollar, and we will be able to throw in the extra \$100."

A clarifying statement from the White House said the "funds will be available for those who qualify by, among other things, receiving \$100/week of existing assistance and certify that they have lost their jobs due to COVID-19."

Several advocacy groups that follow the issue,

though, said it's clear the way the executive order is structured that the federal money will be contingent on states making a 25 percent contribution.

New York Gov. Andrew Cuomo, a Democrat, called the plan "an impossibility."

"I don't know if the president is genuine in thinking the executive order is a resolution or if this is just a tactic in the negotiation," Cuomo said. "But this is irreconcilable for the state. And I expect this is just a chapter in the book of Washington COVID mismanagement."

In Connecticut, Democratic Gov. Ned Lamont said on CBS' "Face the Nation" that the plan would cost his state \$500 million to provide that benefit for the rest of the year, and called Trump's plan "not a good idea."

"I could take that money from testing - I don't think that's a good idea," Lamont said.

On CNN, Republican Ohio Gov. Mike DeWine praised Trump for issuing the order.

"He's trying to do something. He's trying to move the ball forward," DeWine said.

Still, he was noncommittal about whether Ohio would participate.

"We're looking at it right now to see whether we can do this," he said.

In Maryland, Michael Ricci, spokesman for Republican Gov. Larry Hogan, said in an email that "we will wait on new guidance from US Department of Labor before looking at any (unemployment insurance) changes."

In Minnesota, Department of Employment and Economic Development Commissioner Steve Grove said his agency is "awaiting further guidance from the U.S. Department of Labor."

Kevin Hensil, a spokesman for Democratic Gov. Tom Wolf of Pennsylvania, said "reducing the benefit by a third will make it harder for families to get by and it places a larger financial burden on states." He said state officials are studying the impact of the cuts.

In Louisiana, Christina Stephens, a spokeswoman for Democratic Gov. John Bel Edwards said "Right now we are reviewing the President's order to determine exactly what the impact to the state would be."

And in Michigan, Democratic Gov. Gretchen Whitmer said in a press release that Trump "cut federal funding for unemployed workers and is requiring states that are facing severe holes in our budgets to provide 25% of the funding."

On ABC's "This Week," Senate Minority Leader Chuck Schumer, D-N.Y., called it "an unworkable plan."

"Most states will take months to implement it, because it's brand new. It's sort of put together with spit and paste. And many states, because they have to chip in \$100, and they don't have money, won't do it," Schumer said.

Many states struggled to adjust outdated computer systems to accommodate the \$600 payment, which along with the massive influx of new claims resulted in long delays in providing benefits. Reprogramming the computers again to accommodate the new amount could result in similar glitches.

On ABC, Kudlow said that many of those outdated systems have since been upgraded.

"I don't think there will be a huge delay. Labor Department has been working with the states. The states are the ones that process the federal benefits before. So, I don't see any reason why it would be all that difficult," he said.



In this file photo, a customer walks out of a US Post Office branch under a banner advertising a job opening, in Seattle. (AP)

Pull back on hiring

US employers post 'more' jobs in June

WASHINGTON, Aug 11, (AP) — U.S. employers advertised more jobs in June compared with the previous month, but overall hiring fell, painting a mixed picture of the job market.

The number of jobs posted on the last day in June jumped 9.6% to 5.9 million, the Labor Department said Monday, a solid gain but still below the pre-pandemic level of about 7 million.

And employers hired 6.7 million people in June, down from 7.2 million in May, a record high.

The figures suggest that restaurants, bars, retail shops, and entertainment venues — businesses that were subject to shutdown orders in April — continued to bring back workers at a healthy pace.

Job openings in those industries also rose.

But outside those categories, employers remain reluctant to bring on new workers, a trend that could weigh on the economy in the coming months.

Hiring slowed sharply in manufacturing, construction, and health care services in June.

The government has previously reported that the nation gained 4.8 million jobs in June.

That figure, however, is a net total, while Monday's report, known as the Job Openings and Labor Turnover Survey, or JOLTS, provides gross hiring figures, without subtracting layoffs or quits.

On Friday, the government said employers added a net 1.8 million jobs, a solid gain but far below June's increase and below the 2.7 million added in May.

Employers slashed 22 million positions in March and April, and so far 42% of those lost jobs have been regained.

The number of people quitting their jobs, meanwhile, rose by one-quarter to nearly 2.6 million, a huge gain that is unusual in the depths of the recession, when workers typically try to hold onto their jobs.

Many workers may be reluctant to remain in jobs that they believe put their health at risk. Economists also worry that many women and men are quitting jobs to look after children, a trend that could also hold back job growth.

UK's employment falls by biggest quarterly amount since '09 crisis

Jobs market hurtling toward cliff-edge moment in Oct

LONDON, Aug 11, (AP) — The UK has kept a lid on the unemployment rate so far during the coronavirus pandemic but, scratch beneath the surface, and there are worrying trends that will likely see the jobless total soaring by the end of the year.

Official figures released Tuesday showed that the number of people working fell in the April-June quarter by the most since the global financial crisis more than a decade ago, even as the unemployment rate held steady at a historically low 3.9% in June.

The stable jobless rate is largely due to a government salary support scheme that will end in October, a cliff-edge moment that many economists think will lead to an almost immediate doubling in unemployment. The number of jobseekers could rise to over 3 million, a level not seen since the 1980s.

The UK has been partly spared the sharp rises in unemployment seen in the United States, for example, because of the Coronavirus Job Retention Scheme, under which the government has been paying a large chunk of the salaries of workers who have not been fired. Some 1.2 million employers have taken advantage of the program during the lockdown to furlough 9.6 million people at a cost to the government of 33.8 billion pounds (\$44 billion).

Though these employees have not been working over the past few months, they are not counted as unemployed. The government has started phasing out the furlough program, with firms now having to cover some of the costs of the plan. The government has said it will end the program in October on the grounds it gives "false hope" to furloughed workers while at the same time limiting their prospects of getting new jobs as their skills fade.

While admitting that not every job can be saved, Treasury chief Rishi Sunak said Tuesday's figures said the support measures, have helped to "safeguard millions of jobs and livelihoods that could otherwise have been lost."

The big question is how many of those furloughed workers will be kept on payroll after October as many parts of the economy are still operating way below potential.

"A wide range of indicators suggest that job losses will crystallize from August, when employers must start to cover some of the costs of furloughed staff," said Samuel Toms, chief UK economist at Pantheon Macroeconomics.

He noted that surveys of employment intentions are "at least as weak" as they were at the worst point of the global financial crisis in 2008-9.

In a sign of the weakness of the UK's labor market, employment fell in the April to June



People, some wearing masks queue outside a John Lewis store, in London on July 16, 2020. Unemployment across the UK has held steady during the coronavirus lockdown as a result of a government salary support scheme, but there are clear signals emerging that job losses will skyrocket over coming months. The Office for National Statistics said Thursday there were 649,000 fewer people, or 2.2%, on payroll in June when compared with March when the lockdown restrictions were imposed. (AP)

quarter by 220,000, its biggest three-month decline since the 2009 recession. Official figures due for release on Wednesday are set to show the economy contracted by nearly 25% in the second quarter of the year from the previous three-month period.

The Office for National Statistics on Tuesday also reported that the number of people on payroll in the UK fell by a further 81,000 in July to 28.27 million. The number of people coming off the payroll since March is now 730,000, with the falls in employment greatest among younger and older workers, along with those in lower-skilled jobs.

Unions are urging the government to at least extend the furlough scheme to those sectors that are still suffering because of lockdown restrictions.

"The alarm bells couldn't be ringing any louder," said Frances O'Grady, general secretary of the Trades Union Congress.

German factory orders surge

BERLIN, Aug 11, (AP) — German factory orders surged in June, according to figures released, giving hope that Europe's largest economy is on track for a recovery from declines suffered from the coronavirus pandemic lockdown earlier in the year.

Industrial orders rose by 27.9% in June over the previous month, according to figures from the Economy Ministry adjusted for seasonal and calendar factors.

That was more than double the increase economists had expected, and followed an already strong 10.4% increase in May.

ING bank chief economist Carsten Brzeski noted that after the lifting

of lockdown measures in April, it was mainly private consumption in Germany that rose strongly, while industrial activity had been lagging behind.

"Today's numbers suggest that the industry could catch up with the momentum in the rest of the economy," he said in a research note.

Germany's economy took a massive hit during the pandemic shutdowns, shrinking by 10.1% during the April-June period from the previous quarter as exports and business investment collapsed.

Even with the surge in June, industrial orders are still down by more than 11% on the year.