

would-be travelers in Taiwan live out dreams of flying again

Like almost every region, Taiwan has been hit hard by restrictions on international travel imposed because of the coronavirus. Some residents have found comfort in boarding a flight that didn't take off, just to revisit some memories and plan for the day when they can fly again.

The fantasy flight was organized by Taiwan's Civil Aviation Administration to raise

awareness of coronavirus prevention and control procedures to follow when passing through customs and boarding a plane at Taipei International Airport.

Participants won a lucky draw held online, with each allowed to bring a guest, putting the total number who boarded at 66. As with normal flights, they had to check in, obtain boarding passes and go

through immigration and security procedures before being allowed on the plane.

"People who want to fly abroad have long been suffering," said Wang Chih-ching, deputy director of the airport.

The event and the publicity generated will help future travelers better prepare for when international flights resume in earnest, Wang said.

The online draw drew 10,000

entries. After taking their seats, the passengers – all wearing masks – were served food and drinks, participated in a pop quiz and were treated to a good luck salute from fire engines that sprayed water. After they exited without the plane having left the ground, passengers were given a demonstration about security by customs officials accompanied by a sniffer dog. (AP)



Participants take a photo with airline souvenirs during a mock trip abroad at Taipei Songshan Airport in Taipei, Taiwan. (AP)

Business Plus



'This was a cash gift. Who wouldn't apply for it?'

Small business program scrutinized for loans to big firms



In this file photo, designer Vera Wang acknowledges audience applause after her collection was modeled during Fashion Week in New York. The high-end designer was among big corporate names on the government's list of 650,000 recipients of coronavirus relief loans despite the controversy that prompted other high-profile businesses to return billions of dollars in loans. Wang received a loan in the \$2 million to \$5 million range. (AP)

By Joyce M. Rosenberg

Congress set aside \$659 billion to throw a lifeline to small businesses and organizations side-swiped by the coronavirus pandemic and to help paychecks keep flowing to workers who might otherwise head to the unemployment line.

Yet that's not exactly how it worked out. Among the 650,000 companies on the partial list of recipients released Monday by the Treasury Department were fashion designers such as Oscar de la Renta, the clothing retailer Candie's and companies that own hundreds of fast-food restaurants including P.F. Chang's and TGI Friday's.

While many companies belong to industries hard-hit by state and local government shutdown orders, they also have deep pockets or the backing of private equity firms. All got loans in the millions of dollars.

Loans also went to private equity firms, venture capital firms, law firms and other companies that might have felt an initial pinch from the economic downturn but seem in

better position to weather the storm than smaller businesses, including some that didn't get loans due to issues with the program's design.

"While the intent of the program should be applauded, the implementation of the program was fraught with inconsistencies and one could have predicted this outcome," said Katie Vlietstra, a vice-president at the National Association for the Self-Employed.

The PPP offered loans up to \$10 million to companies with fewer than 500 employees. The most appealing aspect of the program: possible loan forgiveness if most of the money was spent on workers. Otherwise the loan had to be repaid, with an interest rate of 1%.

The bigger companies didn't break the law when they applied for loans. The statute that created the program didn't place a ceiling on the amount of revenue a prospective borrower could have, and a business could get a loan even if it had access to credit elsewhere.

That's why, some experts say,

bigger companies with dedicated accountants and attorneys would have been foolish not to take advantage of the program. Even if they ended up paying back the loans with 1% interest.

"This was a cash gift. Who wouldn't apply for it?" said Bob Phibbs, a retail industry analyst.

Boddie-Noell Enterprises, owner of 346 Hardee's restaurants, received between \$5 million and \$10 million, the government said. The Rocky Mount, North Carolina-based company has more than 10,000 employees.

"We applied for the PPP since it was created specifically for payroll and potentially offered much more favorable terms than would have a traditional bank loan," said Boddie-Noell spokesman Rick Rountree.

But when the loans were first proposed, lawmakers described them as a rescue for small businesses and their employees. Outrage followed when big players got money in the program's first round of funding while many smaller businesses were left waiting as the initial \$349 bil-

lion ran out.

In April, soon after loan money began flowing, it was learned that well-financed big companies including two publicly traded restaurant chains, Ruth's Chris Steak House and Shake Shack, and the NBA's Los Angeles Lakers had gotten loans. Many of the companies gave the money back under pressure from the public and Treasury Department; the government said \$30 billion in return funds included the money those companies sent back.

Treasury Secretary Steven Mnuchin soon said the government would audit loans above \$2 million, though some experts have their doubts.

"The SBA will have its work cut out for it in terms of scrutinizing loans to ensure these recipients fully complied," said Karen Kerrigan, president of the advocacy group Small Business & Entrepreneurship Council.

The government didn't release exact loan amounts on Monday, but listed companies within a range. P.F. Chang's China Bistro said its

loan of between \$5 million and \$10 million helped keep 12,000 workers employed as it transitioned its over 210 restaurants to take-out. The Scottsdale, Arizona-based company said it is using the money for employee salaries and benefits.

P.F. Chang's is owned by the private equity firm TriArtisan Capital Advisors. The same firm owns TGI Friday's, which owns or franchises more than 500 restaurants around the country and which got a loan between \$5 million and \$10 million. TGI Friday's said the forced shutdowns left it with no more than 20% of its revenue, and that the loans allowed it to rehire furloughed staffers.

Muy Brands, a San Antonio, Texas-based owner of more than 750 Wendy's, Taco Bell and Pizza Hut franchises, received between \$15 million and \$30 million between three entities. CEO James Bodenstedt is also a major donor to President Donald Trump, according to federal campaign finance records. Neither company responded to requests for comment.

The Small Business Administration issued a caveat alongside the data which noted that businesses on the list may ultimately not be deemed eligible for loan forgiveness. Moreover, the agency said, some companies on the list might have been approved for loans but did not actually receive the money.

Congress boosted the program to \$659 billion in late April. There is still about \$130 billion left over. Congress has extended the program until Aug. 8.

"It would have been a much bigger problem if they had run out of money, because suddenly the little tailor who applied for \$2,000 and couldn't get it because it was taken by public traded companies," Phibbs said.

The list also included well-known fashion and retail names whose revenue plunged amid store closings across the country. Among them: Iconix Brand Group, a publicly traded company that owns the Candie's, Joe Boxer and Ed Hardy brands, which received between \$1 million and \$2 million. It did not respond to a reporter's request for comment.

Untuckit, which has 85 shirt stores, received a loan between \$5 million and \$10 million; the company said it used the money to keep paying its workers. High-end designers Oscar de la Renta, Carolina Herrera and Vera Wang, which collectively employ 300 workers, each got loans in the \$2 million to \$5 million range. None of the companies responded to a request for comment.

Private equity firms that buy and sell companies with price tags in the millions of dollars also appeared on the Treasury's list. Alieria Companies, a private equity firm specializing in healthcare, got a \$5 million to \$10 million loan. Alieria said the loan would help "pay our more than 250 employees during these difficult and uncertain times." (AP)

Unemployment could more than double to over 3mn this year: economists

UK announces job bonus and eating out schemes

LONDON, July 9, (AP) — The British government unveiled a raft of measures it hopes will limit an anticipated spike in unemployment as a result of the coronavirus pandemic.

Most noteworthy were a new bonus plan aimed at getting firms to retain workers that have been idle for months, as well as tax cuts for hard-pressed firms in the tourism and hospitality sectors and a new "Eat Out to Help Out" discount scheme.

Treasury chief Rishi Sunak said his latest major intervention is aimed at weaning the U.K. economy off emergency measures announced when the country was put into lockdown in March, while at the same time protecting and generating as many jobs as possible during the recession.

"People need to know that although hardship lies ahead, no-one will be left without hope," he told socially distanced lawmakers.

So far, Britain has been spared the sharp rises in unemployment seen in the U.S., for example, because of the Job Retention Scheme, whereby the government has been paying the majority of the salaries of workers who were not fired. Some 1.1 million employees have taken advantage of the program to furlough 9.4 million people at a cost to



Britain's Chancellor of the Exchequer Rishi Sunak talks with the CEO of Worcester Bosch, Carl Arntzen, left, during a visit to Worcester Bosch factory to promote the initiative, Plan for Jobs, in Worcester, England, Thursday July 9, 2020. (AP)

the government of 27.4 billion pounds (\$35 billion).

While confirming that it will end in October, Sunak said the government is introducing a new program that could cost a further 9.4 billion pounds if everyone who has been furloughed is given his or her job back. Under this plan, the government will pay companies a 1,000-pound bonus for each

employee they take back.

"Leaving the furlough scheme open forever gives people false hope that it will always be possible to return to the jobs they had before," he said. "The longer people are on furlough, the more likely it is their skills could fade, and they will find it harder to get new opportunities."

The government hopes employers

will make use of the new program as they try to get back on track during what is a historically savage recession - in March and April alone, the U.K. economy shrank 25%. Many economists think unemployment could more than double to over 3 million this year, to levels last seen in the 1980s.

Anneliese Dodds, the economics spokesperson for the main opposition Labour Party, said Sunak should have made the Job Retention Scheme more flexible rather than scrapping it outright.

"It should have been the day when the millions of British people worried about their jobs and future prospects had a load taken off their shoulders," she said.

Sunak reserved extra support for tourism and hospitality, which were shut down during the lockdown. Pubs and restaurants, for example, only reopened Saturday for the first time in over three months.

Sunak said firms within those sectors will see taxes on sales of food and non-alcoholic drinks as well as on accommodation and admission to attractions slashed to 5% from 20%. This measure, Sunak said, is worth 4 billion pounds and should help companies support 2.4 million jobs.

He also announced a new dining discount plan for August that will give people a 50% discount at participating restaurants, cafes and pubs between Monday and Wednesday up to a maximum 10 pounds per person.

U.K. Hospitality, which represents the sector, said the measures provide many firms "much-needed help to get going again in earnest."

However, Frances O'Grady, general secretary of the umbrella Trades Union Congress, said Sunak should have given low-paid workers a pay increase rather than offering "a dining out discount for the well-off."

Other measures announced included 2 billion pounds to fund work placement schemes for 16-to-24-year-olds, a 3 billion-pound environmental package and the temporary elimination of a tax on house purchases below 500,000 pounds.

Make U.K., which represents companies in the manufacturing sector, praised Sunak's "bold intent" and singled out the training measures for the young.

"This is not the beginning of the end of this crisis, however, but perhaps the end of the beginning as far as the economy is concerned," Chief Executive Stephen Phipson said.

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