

EU opens door to giving aid for semiconductor production

The European Commission said Thursday that it could approve aid to fund production of semiconductors in the 27-nation bloc amid a global chip shortage and intense worldwide competition to fill the need.

The EU's executive arm expects that the scarcity of semiconductors - a key component in everything from smartphones to cars - will last, affecting the region's economy. Automakers have been among the hardest hit by the shortage, which has slowed or halted production.

Most of chipmakers are based in Asia,

and the bloc wants to reduce its dependence by boosting production on its soil.

"The commission will consider approving support to fill possible funding gaps in the semiconductor ecosystem, in particular for European first-of-a-kind facilities," said Margrethe Vestager, the European commissioner for competition.

She said safeguards will be put in place to make sure the aid is "necessary, appropriate, proportionate and of course to make sure that undue competition distortion is limited."

Vestager's announcement followed the presentation in September of the European Chips Act, which aims to make the bloc competitive in the race for the most advanced chips by expanding research and production in the EU. Earlier this year, the bloc also launched an industrial alliance with the goal of increasing the EU's share of the global production of semiconductors to 20% by 2030.

In the global race, the U.S. has been stepping up efforts to bolster the industry. U.S. lawmakers approved a bill earlier this year

with the goal of boosting domestic semiconductor production, part of a wider rivalry with China over trade and technology.

As she laid out a review of the European Union's competition policy, Vestager said "self-sufficiency is an illusion" but insisted that the EU can't rely on one country or company alone for chips.

"The aim should be a diversification among like-minded partners to build a resilient supply chain and to avoid single points of failure," she said.

Meanwhile, the commission extended

the State Aid Temporary Framework to support companies hit by the coronavirus pandemic until the end of June, Vestager said. Under that program, more than 3.1 trillion euros (\$3.5 trillion) of aid across the bloc has been approved.

"On the one hand, the limited prolongation gives the opportunity for a progressive and coordinated phase-out of crisis measures, without creating cliff-edge effects," she said. "This reflects the projected strong recovery of the European economy overall." (AP)

# Japan Cabinet OKs 56 tn yen record stimulus

Package to help the pandemic-hit economy out of doldrums

**TOKYO, Nov 21, (AP):** Japan's Cabinet approved on Friday a record 56 trillion yen (\$490 billion) stimulus package, including cash handouts and aid to ailing businesses, to help the economy out of the doldrums worsened by the coronavirus pandemic.

"The package has more than enough content and scale to deliver a sense of security and hope to the people," Prime Minister Fumio Kishida told reporters in announcing the plan earlier in the day.

The proposal won Cabinet approval in the evening, according to the prime minister's office. It still needs parliamentary approval. Kishida has promised speedy action, and parliament will convene next month, he said.

The plan includes doling out 100,000 yen (\$880) each in monetary assistance to those 18 years or younger, and aid for businesses whose sales plummeted because of coronavirus measures.

Japan has never had a full lockdown during the pandemic and infections remained relatively low, with deaths related to COVID-19 at about 18,000 people.

**Emergency**

Under the government's "state of emergency," some restaurants closed or limited their hours, and events and theaters restricted crowd sizes for social distancing. Apart from that, shortage of computer chips and other auto parts produced in other Asian nations that had severe outbreaks and strict lockdowns has hurt production at Japan's automakers, including Toyota Motor Corp., an economic mainstay.

The world's third largest economy was already stagnating before the pandemic hit. So while the U.S. and many other countries are looking for ways to cut back on emergency sup-



People walk along the streets full of shops, bars and restaurants Friday night, Oct. 1, 2021, in Shibuya, an entertainment district of Tokyo, as Japan fully came out of a coronavirus state of emergency for the first time in more than six months. Japan is poised to approve a record 56 trillion yen, or \$490 billion stimulus package, including cash handouts and aid to ailing businesses, to help the economy out of the doldrums worsened by the coronavirus pandemic. (AP)

port for their economies and tamp down inflation, Japan is looking for ways to rev its idling engines.

The government has been studying restarting its "GoTo Travel" campaign of discounts at restaurants and stores, which is designed to encourage domestic travel. The campaign, which began last year, was discontinued when COVID cases started to surge.

Some critics have said the government approach amounts to "baramaki," or "spreading out handouts," and will prove ineffective in generating growth in the long run. Others say the proposed cash aid leaves out families without children and other poor.

The scale of the latest package also will push Japan's debt higher since it will be financed by issuing bonds.

Yoshimasa Maruyama, chief market economist at SMBC Nikko Securities, said the government needs to focus on getting spending going again, and the GoTo campaign could prove effective.

Japan's economy contracted at an annual rate of 3% in the July-September period, largely because of weak consumer spending. Analysts say the economy is unlikely to rebound until

next year.

Japan has also promised to earmark spending for vaccine research after facing criticism over being dependent on imports for coronavirus vaccines. It has so far approved vaccines from Pfizer, Moderna and AstraZeneca.

Kishida, who has promised "a new capitalism" for Japan, took office in October. In September, he became

Google inks deal with German cos

**BERLIN, Nov 21, (AP):** Google said Friday it has signed agreements with several large German publishers to avoid copyright disputes over the use of their material.

The Internet giant said it reached deals with publishers including news weeklies Der Spiegel and Die Zeit, technology portals Golem and NetzWelt, as well as the business publications WirtschaftsWoche and Manager Magazin.

"Numerous conversations with various publishers are at an advanced stage," Google added in a statement.

The move comes after Germany introduced a new ancillary copyright law in June that grants publishers additional rights over their content. The new law makes a distinction between the use of very short extracts - so-called snippets - and extended previews, but doesn't specify where the line between the two lies.

The agreement between Google and the publishers is meant to avoid costly and lengthy lawsuits over that distinction.

Google said payments to publishers would be "based on established copyright principles and follow consistent criteria," without elaborating.

The company signed a similar deal with French publishers earlier this year.

This week, Google and Agence France-Presse announced a five-year deal under which the online giant will pay the French national news agency for content in Europe. AFP's chief executive, Fabrice Fries, said the agreement "is a recognition of the value of information."

the head of the ruling party, replacing his predecessor Yoshihide Suga, who stepped down after just a year in office, largely because of widespread public discontent about his inept response to the pandemic.

"We want to support those people who are suffering because of the coronavirus, while steering our nation's sorely damaged economy back to health," Kishida said.

Companies raise outlooks

## Macy's, Kohl's post strong results 'ahead' of holidays

**NEW YORK, Nov 21, (AP):** Department store chains Macy's and Kohl's delivered strong results for the fiscal third quarter as shoppers go back to buying dresses and other goods that fell to the bottom of the shopping list when the pandemic struck.

Macy's and Kohl's swung to a profit during the quarter as sales surged. Both companies raised their annual financial outlooks.

Macy's and Kohl's join a slew of other retailers posting strong sales as they grapple with surging costs and snarled supply chains heading into the holiday shopping season. They're rerouting shipping to less congested ports to get goods onto shelves. Still, Kohl's said the delays have disproportionately affected its women's business, and the department store is working to address the issue. Kohl's said some of the late merchandise may have to be packed up and used for another season. Both retailers said they don't think supply chain issues will be resolved until later next year.

Retailers like Macy's are also paying higher wages and expanding benefits for its workers amid a tight labor market. Earlier this month, the department store said that it would pay a minimum of \$15 per hour for new and current workers by May.

**Investors**

Macy's CEO Jeff Gennette also told investors on its earnings call that it has hired consulting firm AlixPartners to evaluate whether the retailer should spin off its e-commerce division from its stores, similar to what Saks Fifth Avenue did earlier this year. The move comes as it is under pressure from activist shareholder Jana Partners to split off the division to create better valuation.

Macy's earned \$239 million, or 76 cents per share, for the three-month period ended Oct. 30. Adjusted earnings were \$1.23 per share, easily topping Wall Street per-share projections of 31 cents, according to a survey by FactSet.

The company lost \$91 million last year during the same period. Sales reached \$5.44 billion for the quarter, also topping analyst expectations.

Sales at stores opened at least a year rose 35.6%, including licensed businesses like cosmetics.

Online sales increased 19% compared from the year-ago period, and rose 49% compared with the same quarter in 2019.

The company booked strong sales of home goods, fragrances, jewelry, watches and sleepwear. Categories like dresses, men's tailored clothing and luggage continue to recover.

The New York-based company added 4.4 million new customers into the Macy's brand, a 28% increase over 2019.

Macy's was able to increase inventory 19.4% compared with last year's third quarter, navigating shortages and slowed supplies as the U.S. economy emerges from a downturn caused by the pandemic.

**Launch**

Macy's said that it will launch a third-party marketplace that will expand its assortment of product categories and brands.

Macy's is narrowing and raising its full-year 2021 guidance. It now expects sales of \$24.12 billion to \$24.28 billion, up from a range of \$23.55 billion to \$23.9 billion. Adjusted earnings per share are now forecast in the range of \$4.57 to \$4.76, up from \$3.41 to \$3.75.

Analysts expected \$3.92 per share on sales of \$23.78 billion, according to FactSet.

Kohl's, based in Menomonee Falls, Wisconsin, said it earned \$243 million, or 1.65 per share, for the three-month period ended Oct. 30. That compares with a loss of \$12 million, or 8 cents per share, last year.

Sales rose 15.5% to \$4.36 billion, and sales at stores opened at least a year rose 14.7%.

The company raised its full-year earnings-per-share guidance to between \$7.10 and \$7.30, up from its previous forecast of \$5.80 per share to \$6.10 per share. Analysts were expecting \$6.14 per share, according to FactSet.

The launch of Sephora shops at Kohl's is getting a good response so far, with 25% of those customers new to the retailer. They are also younger and more diverse.

Project DASH has made more than million deliveries

## DoorDash's tech know-how offers help to food banks

**NEW YORK, Nov 21, (AP):** Susan Goodell needed help. In the early days of the COVID-19 pandemic, Goodell, CEO of the El Pasoans Fighting Hunger Food Bank, would look out the window at the long line of clients picking up the food available that day, while she and others answered calls from others who couldn't travel to a distribution point.

"We were getting just horrible phone calls from our seniors, from people with disabilities, people who were COVID-positive and couldn't leave their homes to get food," Goodell said. "We were distributing food here at the site and other sites from about 6 am till about 7 at night. Then, at the end of the day, the staff would pack up food and deliver it to people's homes."

So, earlier this year, when the food delivery service DoorDash approached the food bank, offering help, Goodell was elated by the support, and demand quickly ramped up. The program, in El Paso, Texas, now delivers 2,100 orders of food bank supplies each week, and there's a waiting list to join.

It's just the result that DoorDash had intended. By offering its delivery platform technology to food banks for free, DoorDash, like a growing number of companies, is providing something that many nonprofits say is even more valuable than cash - know-how.

**Donations**

Corporate donations of "non-cash" - which includes a company's own products, services and technology - grew to 22% of all community investments in 2020, according to the Chief Executives for Corporate Purpose, a coalition of business leaders. Over the past five years, the coalition says, non-cash is the fastest-growing segment of corporate giving.

Corporations "know that they have unique ways to leverage some of their value," said Kari Niedfeldt-Thomas, a managing director of the group.

During 2020, food banks distributed 6 billion meals in America. In 2021, they are serving about 55% more people than they did in 2020 before the pandemic, according to Feeding America. The increased demand is straining many food banks, a problem that is worsening as supply chain disruptions, diminished inventories and labor shortages magnify food costs.

"Food banks have really had to rise to the occasion with innovating and definitely changing the way that

they're engaging with their clients and the way that they're distributing food," said Brittany Graunke, DoorDash's general manager of government and nonprofit. The company modified one of its existing programs, Project DASH, to help them out.

Project DASH had emerged in 2017 from an idea that originated with employees, who proposed it as a way to pick up excess food from restaurants and distribute it to community organizations.

When COVID-19 hit, Graunke said, DoorDash saw how much demand food banks across the country were facing and realized that Project DASH could be modified to help. DoorDash began reaching out to food banks across the country through Feeding America and was surprised by the intensity and ingenuity of the responses.

Julie Yurko, Northern Illinois Food Bank's CEO, said she recognized how DoorDash's technology could enhance its programs. DoorDash brought its technological expertise and platform for last-mile delivery. Her food bank brought its online communication skills and the networks to connect people with the food they need.

"Just like that," Yurko said, "the world changes for us."

Previously, Northern Illinois Food Bank's My Pantry Express program was unavailable to its homebound clients because someone had to go to a collection point to pick up the food. But with DoorDash's technology, homebound clients can go to the My Pantry Express website and choose from the available food - including macaroni and cheese, cereals, potatoes and apples, on a recent day - just as shoppers do on Amazon Fresh or a local supermarket site and then schedule a time for delivery.

**Dignity**

"There's so much dignity in not just being able to say yes to what I want, but also to say no to what I don't want," Yurko said. "I can't tell you how many neighbors say, 'I don't want anything I can't use. There's somebody else who needs it.'"

At this point, DoorDash provides the technology as well as the delivery people.

"The only cost that we incur the cost of running the program, which is what we do anyway," Yurko said

That support is also making an impact nationally. DoorDash says Project

DASH has made more than a million deliveries, the equivalent of about 21 million meals, in more than 900 cities across the United States and Canada.

Iskeisha Stuckey, executive coordinator for the Food Bank of Delaware, said she reached out to DoorDash after reading about its program and was pleasantly surprised when the company responded with help. Her food bank had managed to deliver to homebound clients only once a week. Project DASH enabled her to get food out to emergency cases.

"I was getting a lot of phone calls from people saying, 'I need food today. I'm hungry today,'" Stuckey said. "Nobody should have to wait a week just to get food delivery."

Stuckey was heartened by her ability to use the system to help an older woman who had called the food bank after returning home from spinal surgery. She was unable to go to the store and didn't know how to use the Internet to order groceries to her home. Stuckey checked the woman's address and found she was eligible for the food bank's program.

"I was like, 'We can get you delivery in about an hour,'" Stuckey said. "She was really excited. And she got her delivery."



Volunteers Joe O'Connor (left), Eric Leuck (center) and Linda Nordin load food items into a box at the Northern Illinois Food Bank to be delivered by DoorDash drivers for area residents who are homebound Wednesday, Nov 10, 2021, in Park City, Ill. (AP)