

The global air cargo industry is unlikely to grow this year because of the challenges in the China market due to the coronavirus, Randy Tinseth, a senior executive at Boeing Co., said on Wednesday, Reuters reported.

'Everyone guessing' about coronavirus economic impacts, say experts

The coronavirus that spread from a seafood market in Wuhan, China, to infect tens of thousands has shuttered businesses, grounded flights and killed over 1,000 people so far, mostly in China.

say opaque Chinese data and lack of precedent hinder clear estimates.

China's gross domestic product growth in the first quarter could fall to as low as four percent, Nicholas R. Lardy, senior fellow at the Peterson

percent this year, with a peak effect in the first quarter before a rebound begins in the third quarter.

"The numbers are very imperfect, and that's the basic reason behind the wide range of estimates," said Lardy.

closely managing China's economy to hit specific targets, and there were already doubts whether China's economy could reach six percent growth this year.

Further, much remains unknown about the coronavirus, including its exact incubation period and the effectiveness of China's quarantine measures, Catherine Troisi, a University of Texas public health specialist, said Tuesday during a National Association for Business Economics call on the virus's economic impact.

The authoritarian nature of China's government could also hinder the response by making officials afraid to report problems, she said, adding the latest update of around 43,000 infections is likely an undercount.

"It's a culture that shoots the messenger. Because of the bureaucracy, local officials are afraid to say anything," she said.

Headwinds from the virus could knock 40 to 50 basis points off expected U.S. economic growth of up to 2.4 percent per quarter for 2020, said Constance Hunter, KPMG Chief Economist and president of NABE, also speaking during the call.

Hunter, however, cautioned that could change if infection and death rates spike up. The virus could shave a percentage point off China's revised growth rate of five percent for the first half of the year, she said.

Jay Bryson, acting Chief Economist for Wells Fargo & Co., said on the call that while some U.S. industries including air travel and electronics could be affected by a Chinese economic slowdown stemming from the epidemic, trade with China still accounts for a small part of the overall economy.

"We wouldn't say this is going to bring the U.S. economy to its knees," he said. "Americans are pretty resilient when it comes to consumer spending," especially on services.

Supply chain disruptions "would have to occur for a while to have a meaningful impact," he said.

It is unclear whether the coronavirus will prove more or less deadly than other similar outbreaks, Troisi added. "I'm not a fortune teller," she said.



Workers wearing face masks rope a container ship at a port in Qingdao, Shandong Province, China, February 11, 2020. CHINA DAILY VIA REUTERS

As the world's second-largest economy struggles to get back to work after an extended Lunar New Year holiday, analysts and bankers have been revisiting their estimates of the economic impact of the virus, Reuters reported.

Most believe China faces a short but sharper economic shock than originally thought, one that will be felt around the world. Expectations of how harsh the impact will be vary widely, however. Health professionals and economists

Institute for International Economics, estimated on Tuesday. That compares to Chinese government estimates of six percent annual growth before the virus emerged.

However, if the number of confirmed new coronavirus cases continues to decline, then adverse effect on annual growth will be much smaller, he added.

Analysts from S&P meanwhile, estimated Tuesday that the virus could lower China's GDP growth to 5.0

"Everyone is guessing."

Many economists and analysts are looking closely at the historical precedent from the SARS outbreak in 2003. But when SARS struck, China's contribution to global GDP was just four percent, compared with 15 percent in 2017, and Chinese companies were much less integrated into global supply chains.

Any forecasts are also complicated by the fact that Beijing has a history of

Indian economy reviving, insists finance minister

Indian Finance Minister Nirmala Sitharaman sought to dispel concerns regarding the state of the economy, saying the country is moving towards achieving the government's target of becoming a \$5 trillion economy by 2024.

The minister said this in response to an earlier statement by a senior opposition Congress party leader P. Chidambaram that the country's economy was ailing and the government has not taken enough steps to revive it, Asia Times wrote.

While replying in a debate on the union budget in the Parliament, Sitharaman pointed out that increasing foreign direct investment, rise in factory output and the monthly goods and services tax collection crossing one trillion rupees mark for three months in a row are indications of green shoots in the economy.

The minister said the forex reserve is at an all-time high and the stock market is upbeat. She said the government's focus is on four engines of growth, which include private investment, exports, private and public consumption.

With regard to public investment, she said the government had in December announced a National Infrastructure Pipeline



Indian Finance Minister Nirmala Sitharaman

that envisages an investment of 1.03 trillion rupees for infrastructure development across the country in the next four years (till 2024-25).

The minister claimed the industrial activity as indicated by the Index of Industrial Production is on a rebound. "The index in November 2019 has registered a positive growth of 1.8 percent as compared to a contraction of 3.4 percent in October 2019 and 4.3 percent in September 2019," she said.

She remarked that the fiscal deficit was higher during the previous government "when the economy was managed by competent doctors." She was responding sarcastically to Chidambaram's jibe that the economy was being attended by "incompetent doctors."

While taking part in a debate in Parliament, the former minister said, "The economy is not in ICU, but it is waiting to be pushed into the ICU. It is being kept outside and looked after

by incompetent doctors." He cited the departure of former Reserve Bank of India governor Raghuram Rajan and former chief economic advisor Arvind Subramanian and remarked that "every competent doctor has left the country."

Chidambaram has been critical of the government's action in reviving the economy amid rising employment and falling consumption. He said in the Parliament that the government was "living in denial" and no

measures were being taken to revive demand. "The only way to revive demand is to put money in the hands of people and not in the hands of corporates," he said.

Regarding the current government's recent budget, Chidambaram remarked in a TV interview that he would rank it not more than one out of a maximum 10.

India's gross domestic product growth is seen dipping to an 11-year low of five percent in the current fiscal year, mainly due to poor showings by the manufacturing and construction sectors, according to government data. Various economists have expressed doubts over the government's \$5 trillion economy target. They point out that the economy will have to grow at an annual rate of nine percent to achieve it.

In December the International Monetary Fund expressed concern about India's economic downturn and called for "urgent steps" to return the country to growth. In its annual review, the IMF observed that declining consumption and investment, as well as falling tax revenue, had combined with other factors to put the brakes on one of the fastest-growing economies in the world.

Thailand says first-quarter GDP growth may be less than 1%

A key government official in Thailand has painted a bleak picture for the immediate outlook for the nation's economy.

Growth could be less than one percent in January through March from a year ago, mainly because of the chilling impact of the novel coronavirus outbreak on tourism, according to Deputy Premier Somkid Jatusritrak, Bloomberg reported.



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Expansion in the fourth quarter of last year may be less than two percent, Somkid told reporters in Bangkok Wednesday.

"The economy slowed in the fourth quarter and the impact from the coronavirus, especially a sharp fall in Chinese tourists, will hurt it hard in the first quarter," he said.

The government is considering steps to spur domestic tourism and consumption, he said. Disbursements from the delayed budget may start in April, and the economy is likely to pick up in the second half, Somkid added.

Vietnam's 4G users to grow by 10m in 2020

Viettel Group is planning to accelerate 4G universalization in Vietnam by cooperating with vendor to supply smartphones under \$65 and feature phones under \$25.

Additionally, Viettel will add around 2,400 base stations to fill 3,700 coverage holes across the country. With these two solutions, Viettel forecasts the number of 4G users in Vietnam to increase by 10 million, PRNewswire reported.

In 2019, despite a saturated market, Viettel Group telecom revenue grew by 6.4 percent, twice the average rate of the sector; telecom revenue from overseas markets increased by 24.4 percent.

Its main growth driver in 2019 was revenue from data service, for which the research & consulting firm Frost & Sullivan named Viettel Telecom, the telco arm of Viettel Group, "Vietnam's Mobile Data Service Provider of the Year".

Viettel targets 4.3 percent growth in telco in 2020 and it will be a challenging objective due to the saturation of Vietnam's telecommunication market and the sector low profit forecast. Furthermore, the group has ambition to become the leader in term of revenue from broadband service with 2019's fixed line revenue observed a 23.2 percent increase.

Viettel Group is an international enterprise headquartered in Hanoi, Vietnam. The group has investments in 11 countries in Africa, Asia and Latin-America. Viettel has five business lines including telecommunications and information technology (IT); research and manufacture of electronic and telecommunications equipment; defense industry; cyber security and digital services. Viettel Telecom, a member of Viettel Group, is the largest telecommunications service provider in Vietnam.

In 2019, Viettel is the first company to trial 5G broadcast in Vietnam, putting the country into the list of first 10 countries to successfully broadcast 5G; deployed various IoT and base technologies for a digital society. Mid-January 2020, Viettel successfully carried out the first 5G video call trial using equipment developed in-house.

AngloGold seals South Africa exit with \$300m asset sale

AngloGold Ashanti Ltd. sold its remaining South African assets to Harmony Gold Mining Co. for about \$300 million.

Harmony will acquire the Mponeng mine and surface assets with a combination of cash and deferred payments, Johannesburg-based AngloGold said in a statement Wednesday, Bloomberg reported.



GRAEME WILLIAMS/GALLO IMAGES

A miner climbs down a ladder at the Mponeng mine.

The deal marks the exit from South Africa of AngloGold, a company that emerged from a mining empire created by Ernest Oppenheimer a century ago. Since taking the helm in September 2018, Chief Executive Officer Kelvin Dushinsky has moved to sell mines in Mali and Argentina as the producer focuses on more profitable mines in Ghana, Australia and the Americas.

"This sale helps deliver on our commitment to sharpen our management focus and capital allocation on the highest return investment options available to us," Dushinsky said in a statement.

Harmony, backed by billionaire Patrick Motsepe's African Rainbow Minerals Ltd., has been hunting for deals to boost declining reserves and grades at its South African mines.