

Business

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Egos clash in Bezos, Musk space race

Companies compete for contracts with US military, space agencies

PARIS: Even the Milky Way seems too small to keep the egos of tech billionaires Jeff Bezos and Elon Musk from colliding as they vie to conquer space. Musk aimed low with a recent tweet saying "can't get it up (to orbit)" in response to a post about Bezos-founded space company Blue Origin protesting NASA's choice of Musk's SpaceX team to build a module that will land the next US astronauts on the moon.

"This is more than just a battle for space," said Wedbush analyst Daniel Ives. "There is some ego at play as well; this has become even more personal." The tech entrepreneurs have each channeled some of their vast fortunes into private space exploration companies since early this century.

Bezos, 57, is founder of Blue Origin as well as of e-commerce colossus Amazon. Forbes ranks him the richest person on this planet, worth some \$202 billion. Musk, the colorful 49-year-old founder of Tesla and SpaceX as well as other companies, including one working to mesh human brains with computers, is in third place with a worth of \$173 billion, according to the ranking.

Satellite networks

Dreams of private companies taking to the stars - instead of leaving such wonders to governments - have developed into projects to deploy networks of satellites providing wireless Internet service and for space tourism. While SpaceX and Blue Origin have the benefit of founders with ample financial resources, they also compete for contracts with US military or space agencies.

Musk has a clear lead over Bezos. SpaceX has deployed hundreds of satellites into orbit, while a Kuiper satellite network remains Earth-bound despite Bezos pledging \$10 billion in backing. Musk even formed an alliance with Microsoft, which is Amazon's biggest rival in the cloud computing market, to use its Azure platform to provide satellite-powered Internet service, the companies announced late last year. Microsoft said it will also work with SpaceX on a government contract to build satellites as part of a defense system capable of detecting and tracking ballistic, cruise and hypersonic missiles. Separately, the US Department of Defense last year awarded a \$10 billion "JEDI" cloud computing contract to Microsoft instead of

Amazon. Amazon has alleged it was shut out of the deal because of a vendetta against the company and Bezos by former US president Donald Trump.

Rocket to riches?

NASA has developed confidence in SpaceX, which has been trusted to shuttle supplies and astronauts to the International Space Station, according to Foundation for Strategic Research space specialist Xavier Pasco. Blue Origin, in contrast, hasn't made that "important step", Pasco noted. Bezos has been left to challenge SpaceX in court here on planet Earth.

He announced early this year that he is stepping down as chief executive of Amazon and planned to spend more time on other projects including Blue Origin. Bezos has cited the futuristic vision of late physicist and space advocate Gerard O'Neill, but has mocked Musk's talk of colonizing Mars. Bezos has made it clear he thinks the red planet is not a spot for a home.

"Who want to move to Mars?" Bezos said at a conference in 2019. "Do me a favor, go live on the top of Mount Everest for a year first, and see if you



Elon Musk

Jeff Bezos

like it - because it's a garden paradise compared to Mars." The rivalry between Bezos and Musk comes with out-of-this-world financial stakes. Analyst Ives predicted that the "monetization" of space would launch in earnest soon, with trillions of dollars to be made. "Bezos and Musk know that the winner of the space battle will be crowned within the next one or two years," Ives said. —AFP

Spaniard first 'but not last' woman CEO of German blue-chip

FRANKFURT: Belen Garijo has taken over as CEO at German pharmaceuticals giant Merck - the first woman to singlehandedly run a DAX 30-listed company - as Europe's top economy debates quotas for greater boardroom equality. Spanish-born Garijo, 60, who started in the new role on May 1, says she's not content to be a one-off. "It's more important to me not to be the last woman at the top of a company than to be the only one," the trained doctor recently told the newspaper Frankfurter Allgemeine Zeitung.

Garijo previously served as the group's deputy chief executive officer and head of its healthcare unit. Her immediate focus will be on Merck's frontline role in the fight against COVID-19, with Garijo announcing that the firm will scale up deliveries in the months ahead of the lipids used in vaccine production for clients such as Pfizer-BioNTech. "We are turning the house upside down to do that," Garijo told German news agency DPA.

She is replacing Stefan Oschmann, 63, whose term ended after five years at the helm of the Darmstadt-based, family-owned group, which had never had a female chief executive in its 350-year history. Garijo, a mother of two and a passionate Real Madrid supporter, is making history as the first solo female leader of a firm listed on Frankfurt's blue-chip DAX 30 index.

German software group SAP made the first cracks in the glass ceiling in 2019 when it appointed Jennifer Morgan as co-CEO alongside a male executive. However she bowed out last year after just six months, as SAP decided to switch back to a sole chief executive - Christian Klein - to steer it through the pandemic upheaval.

'Hard work'

Although Germany has been run by a woman chancellor for nearly 16 years and Christine Lagarde heads the Frankfurt-based European Central Bank, female top executives remain a rare sight in Europe's leading economy. Germany's gender pay gap is also one of the largest in Europe, with women earning about 21 percent less than men on average. But things are changing.

The German government introduced legislation in 2015 requiring women to make up 30 percent of supervisory board seats in large companies, and Chancellor Angela Merkel's cabinet approved plans in January to introduce similar rules for executive boards. Garijo, who previously ran Sanofi's European operations, joined Merck's healthcare unit in 2011.

She has been credited with overhauling the department's research and development and refocusing attention on fewer drugs with better prospects, boosting sales and profits, according to the Handelsblatt financial newspaper. Garijo for her part puts her success down to "hard work" and to having seized her chances "when they arose". She is not, however, a fan of legal quotas to promote women, even in the face of middling results from voluntary measures by industry. "I am against all forms of discrimination, including positive discrimination," she said.

Under the draft law approved by Merkel's government earlier this year, listed companies with four executives or more must appoint at least one woman to their executive boards. Included in the new legislation, companies in which the government holds a majority stake - such as the rail group Deutsche Bahn - will have stricter rules, with at least one woman on management boards with more than two members, and a 30-percent quota to come in the future.

The legislation, the object of a political tug-of-war ahead of a general election to pick Merkel's successor in September, must still pass parliament. Seventy-three groups would be impacted by the new rules, among which 32 currently have no female representation in the executive suite, according to government data. Merkel, in power since 2005, has spoken out at foot-dragging by business leaders, against the resistance of some in her own conservative bloc. —AFP

Costa Cruises sets sail again after four-month break

SAVONA, Italy: Italian cruise line Costa Cruises set sail on Saturday for the first time in more than four months, buoying an industry capsized by the COVID-19 pandemic. The flagship Costa Smeralda left the northwestern port of Savona at 6.15 pm after being landbound since December 20, when the Italian government banned cruises during the holiday season due to the coronavirus crisis.

An enthused Roberta Cappelletti, a 60-year-old singer, came all the way from northeastern Predappio to take the cruise. "It is a great emotion, I am moved to tears being able to cruise again - it's like a renaissance for me," she said before taking her coronavirus test so she could hop on board. Enrico Bergamini, a 35-year-old bank employee from Genoa, was also excited. "This cruise has a symbolic value for the recovery of Italy's tourism sector, I absolutely had to be here," he said with a smile.

The ship left port with around 1,500 passengers on board - a quarter of its full capacity. All passengers and crew were first tested for coronavirus and mask-wearing will mandatory throughout the trip. The 1,300 crew had first observed a 14-day quarantine before reporting for duty. The Mediterranean voyage will last from three to seven days, depending on where it stops on the Italian coast - La Spezia, Civitavecchia, Naples, Messina or Cagliari.

Raffaele d'Ambrosio, the head of the French arm of Costa Cruises, said the "desire to set off again is very strong among our customers". "We receive several hundred bookings every day covering each month until the end of 2022," he told AFP. "Cruising, like tourism in general, is one of the sectors most affected by the crisis: 2021 will be a year of recovery and by early 2022 we will be waiting for a return to normality."

The cruise industry has been smashed by the pandemic, suffering a shortfall of \$77 billion and



SAVONA, Italy: Pedestrians waves the Costa Smeralda cruise ship as it leaves on Saturday. —AFP

shedding 518,000 jobs between just mid-March and September last year, according to the Cruise Lines International Association (CLIA).

Floating city

The Costa Smeralda - as long as three football pitches - is a floating city in miniature with its 11 restaurants, 19 bars, a spa, a theatre and several swimming pools. The vessel also boasts a vast staircase covering three decks atop which is a glass platform offering a birdseye view of the vessel and the ocean below.

Passengers boarded a little hesitantly at first after completing their battery of health tests before settling down in the knowledge that they could finally begin their holiday. "A year and a half without going anywhere is a long time. It was about time we set off again for the sea, the atmosphere, the views. We've been missing all that," said Jean-Pierre Faux, a 74-year-old pensioner from Belgium holidaying with his wife Martine.

"The crew has so been looking forward to

this moment. Everyone was so enthusiastic at the thought of setting off once again. The ship is like a family to us," said skipper Pietro Sinisi from his position on the bridge. "I've missed the passengers. A ship without them is a little sad," he observed as he set about hosting his first cruise since March last year, when the world watched on aghast as cruisers tried in vain to dock at ports terrified to receive them in case they brought the virus ashore.

"Cruises were enjoying major growth before the COVID pandemic and I am convinced they will flourish again after this sad break," insisted Costa Croisieres president Mario Zanetti. His firm, part of the US Carnival group, returned to the ocean again last September, limiting calls to Italian ports, only to suspend operations again in December. Rival MSC has carried some 60,000 passengers since it resumed some routes last August, breaking off over the Christmas period owing to Italian restrictions. —AFP

Colombia president axes tax plan after angry protests

BOGOTA: Colombian President Ivan Duque caved in Friday to widespread anger and said he would overhaul a proposed tax reform that many said would leave them poorer during the pandemic. Duque announced he was shelving clauses that would lower the income tax threshold to broaden the tax base and raise value-added taxes on goods and services.

He acted two days after tens of thousands of Colombians took to the streets across the country to denounce the proposed tax changes. They were rejected across the board - by opposition parties, unions, students and civil society groups that com-

plained that the reforms came at the worst possible time and were particularly harmful to the middle class.

Even some in Duque's party opposed his plan. "I have given very clear instructions to the finance ministry for it to ... compose a new draft with congress," Duque said. The measures had meant to raise some \$6.3 billion over 10 years for Colombia, which saw GDP drop 6.8 percent in 2020 - its worst performance in half a century.

Colombia, where almost one in five people are unemployed and the minimum wage is the equivalent of \$248 per month, is battling a deadly new wave of COVID-19. At 2.8 million, the country of 50 million inhabitants has the third-highest number of known coronavirus infections in Latin America, behind Brazil and Argentina. It has registered more than 73,200 deaths. While Duque has sought to portray the tax reform as a tool to mitigate the economic crisis unleashed by the pandemic, the initiative faced many obstacles in a legislature where the ruling party has no outright majority. —AFP



BOGOTA: Demonstrators clash with riot police during a protest against a tax reform bill outside Colombian President Ivan Duque's house on Saturday. —AFP

Venezuela triples wages but still not enough to buy food

CARACAS: Venezuela nearly tripled its minimum wage Saturday but inflation is so outrageous that that amount of money will not even buy a

kilo of meat. Labor Minister Eduardo Pinate announced the raise to government supporters at a May Day rally in Caracas. The new monthly minimum wage is seven million bolivares, which is equivalent to \$2.50. A kilo of meat in Venezuela costs about \$3.75.

The once-wealthy oil producer is enduring its fourth year of hyperinflation and its eighth year of recession. Venezuela is now in the worst economic crisis of its modern history. Inflation is so bad that the everyday economy now works main-

ly in dollars. The leftist government of President Nicolas Maduro is under international sanctions championed by the United States, which is pushing for his ouster and does not recognize him as the country's legitimate president.

Maduro has stopped announcing wage increases with much fanfare as was done in the days of his mentor and predecessor, the late socialist firebrand Hugo Chavez. In fact, this latest raise was not even published in the official government gazette. —AFP