

COMMERCIAL NEWS

Coronavirus vaccine | RCEP signing | Amazon antitrust charge | Airbnb IPO on hold | EU-UK tensions

Coronavirus Vaccine

- Breakthrough in creation of a Covid vaccine by Pfizer & BioNTech
- Trials showed 90% effectiveness
- UK has bought 400 million doses
- Vaccine news boosted global stock markets
- Very encouraging for UK economy
- US company Moderna has also revealed early data that their own vaccine shows nearly 95% effectiveness - awaits for approval

EU-UK tensions

- What will happen if access rights to financial services markets are not granted between UK & EU, before the end of 2020?
- Fear of overlapping regulations
- EU regulators are seeking solution to avoid London branches of EU banks having to route derivatives trades through New York, due to existing EU rule of 'derivatives

RCEP signing

- Regional Comprehensive Economic Partnership was on 15 November, creating the world's largest trading bloc
- Signed by 15 countries (nearly 1/3 of global economy) - 10 Southeast Asian countries, Japan South Korea, China, Australia & New Zealand)
- Establishes a free trade zone
- Elimination of import tariffs within 20 years
- Includes provisions on IP, telecommunications, financial & professional services & e-commerce
- Contrary to other FTAs, under RCEP parts from any member nation would be treated equally
- U.S is excluded - Will that pose a threat?

Amazon Antitrust Charge

- Amazon has been charged by the EU with abuse of dominant market position
- Allegations that Amazon uses data obtained from sellers' details on its platform to its own advantage in its sales
- By adopting practices that force sellers to use Amazon, competition is undermined within the market
- Amazon has rejected the charges & will challenge the EU's move
- If the tech giant is found to have breached competition law, it could potentially face a fine up to roughly \$19 billion

Airbnb IPO on hold

- With global travel being shut down due to the pandemic, Airbnb's revenue plummeted, although it bounced back over the summer
- According to rumours, Airbnb's plans for an IPO have been delayed because they do not want to be overshadowed by the U.S election's fallout
- This information has not been made public yet
- Plan is to raise \$3 billion in a Nasdaq debut, which would make it one of the largest IPOs in the NY exchange this year