Germany moves to ramp up wind power

AFP, *Berlin*

The German government approved a draft law on Wednesday aimed at covering two per cent of the country's land area with wind turbines by 2032, by setting fixed regional targets and easing some administrative burdens.

The push to accelerate the expansion of wind power comes as Germany is scrambling to wean itself off Russian fossil fuels following the war in Ukraine.

"Independence from fossil energies and from Russian fossil energies must be advanced at full speed," Energy Minister Robert Habeck told reporters.

The move comes as Germany is trying to bring down its dependence on Russian fossil fuels following Ukraine war

The draft law adopted by Chancellor Olaf Scholz's cabinet still needs to approved by parliament.

The goal is for Germany's 16 states to collectively dedicate two percent of the nation's surface area to wind power generation by the end 2032 -- up from 0.5 per cent currently.

The installation of wind turbines regularly runs into "not in my backyard" resistance in Germany and objections from residents have often blocked such projects in the past, as have concerns about endangering local wildlife.

Habeck said the proposed legislation would take away some of the leeway that regional governments currently have, and force them to abide by fixed targets that vary according to a state's size and specific criteria such as wind conditions and areas reserved as nature protection zones.

Aluminium pots and pitchers being stored at a warehouse for wholesale in Zero Point area of Khulna city. Supplied around the country, the products were selling for Tk 340 per kilogramme around four months ago, but now the price has increased to Tk 440 per kg. The photo was taken on Tuesday.

PHOTO: HABIBUR RAHMAN

Inflation latest tough dish for US hospitality industry

AFP, *New York*

New York restaurateur James Mallios has long prided himself on culinary authenticity, spending more for sunflower oil because it is used in Greece to fry foods.

But prices of the product more than tripled after Russia's invasion of Ukraine, which sidelined a major sunflower oil exporter, requiring a pivot to canola oil if Mallios's small restaurant and catering business was going to survive.

Canola oil isn't the same at all, but "there are bigger problems in the world," Mallios says with a shrug.

More than two years into Covid-19, hospitality companies are no longer shocked by the pandemic's upheaval and the shape-shifting nature of the chaos.

They have been through the lockdown phase and its relaxation; the optimism of the post-vaccine period and the subsequent Omicron surge that reduced consumers and dashed hopes the pandemic was over; and the ongoing debates over whether Covid has become "endemic" and what that could mean for business.

Now they are dealing with inflation, a vexing monster in a consumer-facing industry at a time when shoppers are frustrated by higher gasoline prices.

At Amali, Mallios's Manhattan restaurant, canola oil is no bargain either, in part because of increased demand from other restaurateurs who are also substituting for sunflower oil. Prices of canola oil have roughly tripled to $65 a jug, a major drag for an essential ingredient that isn't even the main course.

"When you talk about things like butter, salt, fat that goes into pretty much every dish and those prices are increasing two and three and four times," Mallios says. "That's really where we see the pain the most." Companies in the hospitality industry are trying to be creative as they ride out the inflation wave, hoping for relief but not really expecting it anytime soon.

"There's absolutely no way to conquer this with price," Mallios says. "The market will not bear raising the price of a hamburger by $30." After decades of anemic inflation in a dynamic that baffled economists, consumer price pressures have returned with a vengeance over the last year, the result of factors that include supply chain backlogs, the Ukraine war, Covid-19 manufacturing halts and strong consumer demand.

The Federal Reserve is under pressure to aggressively respond later this week after last Friday's ugly consumer price index report that showed an 8.6 percent rise compared with a year earlier.

May's grim price action included the largest 12-month increase in the food-at-home index since 1979 and the biggest monthly increase in dairy products since 2007. Cereals, meats and fruits all had significant increases.

While inflation is a drag on all companies, hospitality has many small businesses with fewer means to offset losses on one product with profits from another good.

Olivier Dessyn, who owns three bakeries in New York, has raised prices -- but not by much, only five or 10 cents on a pain au chocolat.

BoE unveils fifth rate hike in a row

AFP, *London*

The Bank of England on Thursday hiked its main interest rate for a fifth straight time, as it forecast British inflation to soar further this year to above 11 per cent.

BoE policymakers agreed at a regular meeting to increase the cost of borrowing by a quarter-point to 1.25 per cent, the highest level since the global financial crisis in 2009.

The pound slumped one percent against the dollar following the announcement, one day after the Federal Reserve hiked US interest rates far more aggressively to fight runaway consumer prices in the world's biggest economy.

The BoE's latest rise was in response to "continuing signs of robust cost and price pressures... and the risk that those pressures become more persistent", said minutes of the UK meeting. A minority of BoE policymakers had voted for an increase to 1.5 per cent.

The Bank of England is avoiding "shock and awe tactics being employed across the Atlantic", said Laith Khalaf, head of investment analysis at AJ Bell.

"Despite the UK starting to tighten monetary policy first, interest rates are now higher in the US." The US Federal Reserve on Wednesday announced the most aggressive interest rate increase in nearly 30 years -- and said it is prepared to do so again next month in an all-out battle to drive down surging consumer prices.

The Fed's rate hike of 0.75 percentage points comes after US inflation rocketed to 8.6 per cent in May, the highest level in more than four decades.

In the UK, inflation stands at nine percent, the highest level in 40 years.

Biden chastises oil industry over fuel costs

AFP, *Washington*

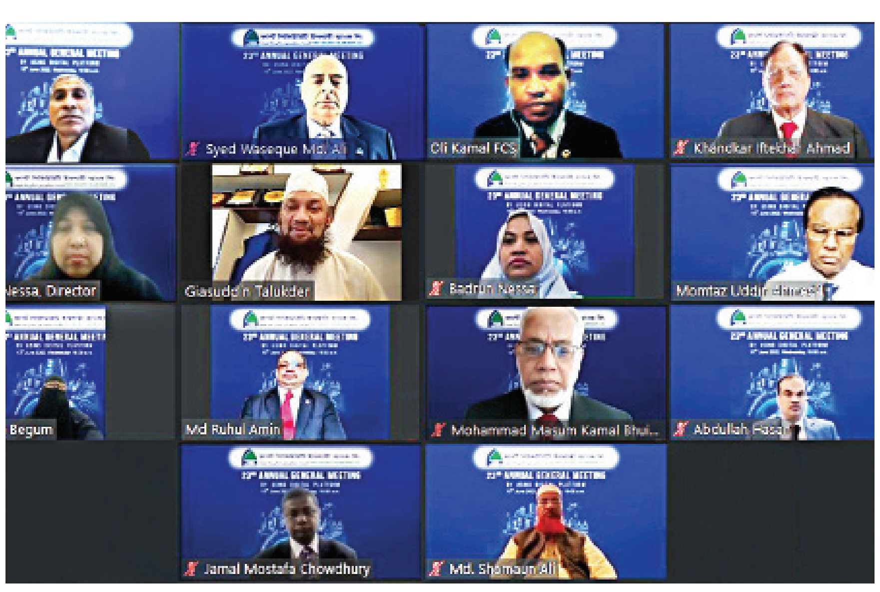
US President Joe Biden on Wednesday chastised the oil industry over soaring fuel prices at the heart of 40-year-high inflation, warning of unspecified emergency measures.

In a letter to seven major oil corporations, Biden delivered his most direct salvo yet in a campaign to blame the industry for stoking price increases.

Average fuel prices are now $5 a gallon for drivers in the United States, up from $3 a year ago, and the spike is reverberating through the entire economy, helping to sink Biden's approval ratings to below 40 per cent.

"Refinery profit margins well above normal being passed directly onto American families are not acceptable," Biden wrote in the letter to executives from Shell, Marathon Petroleum Corp, Valero Energy Corp, ExxonMobil, Phillips 66, Chevron and BP.

Biden said the economy is in "a time of war," referring to the global fallout from President Vladimir Putin's invasion of Ukraine and subsequent sanctions against energy exporter Russia.



Mohammed Abdul Maleque, vice-chairman of the board of directors at First Security Islami Bank Ltd, virtually presides over its 23rd annual general meeting on Wednesday. The meeting approved 5 per cent cash dividend and 5 per cent stock dividend for 2021. Prof Mohammad Gias Uddin Talukder, chairman of the bank's Shariah Council, Syed Waseque Md Ali, managing director, and Oli Kamal, company secretary, joined the meeting.

PHOTO: FIRST SECURITY ISLAMI BANK

Is the devil outside

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to the pandemic or intense competition in the market or change in consumer behaviour or poor economic condition of the country and so on. Such leaders never try to look at the problem inside him/her or their own organisation, or knowingly deny the truth. This is how such leaders dig their own graves!

I believe we have all experienced it closely to some extent, both inside and outside of the job. During the pandemic, we took a changed strategy for the company which was primarily to focus on cost as against revenue.

While the coronavirus was out of our control, the cost is something that we could control while revenue was highly dependent on lockdowns, economic activities and their subsequent implications on revenue became something that we could at least control.

In order to deal with the devil within the organisation, first, we need to throw out the devil from inside us. As a matter of process, always start with blaming yourself or your organisation for the failure, which will help you identify the areas for improvement.

If you blame others or external factors and if they act on your blame, then they will improve. But if you blame yourself, then it is you who improves. If such a process is followed repeatedly, the devil will be outside the organisation permanently!

The author is a telecom and management expert.

Mohammad Ziaul Hasan Molla, deputy managing director of Bank Asia, and Md Arifuzzaman, additional director of Bangladesh Bank, pose for photographs with participants of the "Entrepreneurship Development Programme" in Cox's Bazar on Wednesday.

PHOTO: BANK ASIA

BB-Bank Asia training for small entrepreneurs

STAR BUSINESS DESK

Bank Asia Ltd, in association with Bangladesh Bank, recently organised a month-long "Entrepreneurship Development Programme" for small-and-medium entrepreneurs in Cox's Bazar.

On the concluding day of the training programme, certificates were handed over to 25 participants, who were selected from 200 applicants, a press release said.

Mohammad Ziaul Hasan Molla, deputy managing director of Bank Asia, was the chief guest and Md Arifuzzaman, additional director of Bangladesh Bank, was the special guest of the closing ceremony on Wednesday.

Md Jahid Iqbal, joint director of Bangladesh Bank, Md Shaminoor Rahman, head of MSME at Bank Asia, BM Shahidul Haque, head of the Bank Asia Institute of Training and Development and Md Nasimul Haque, head of Cox's Bazar branch, were also present.

The training programme intended to equip new entrepreneurs with the required business skills, contribute to the country's economic growth and foster employment generation.

The programme was funded by the Asian Development Bank (ADB) and managed by the Skills for Employment Investment Programme (SEIP) of the SME and Special Programmes Department at Bangladesh Bank.

Fed rolls out biggest rate hike

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policymakers face in lowering inflation from its current 40-year high, to a level closer to its 2 per cent target, without a sharp slowdown in economic growth or a steep rise in unemployment.

"Our objective really is to bring inflation down to 2 per cent while the labor market remains strong ... What's becoming more clear is that many factors that we don't control are going to play a very significant role in deciding whether that's possible or not" Powell said, citing the war in Ukraine and global supply concerns.

"There is a path for us to get there ... It is not getting easier. It is getting more challenging," he told reporters, noting that the rate hikes announced last month and in March so far had not only failed to slow inflation, but allowed it to continue accelerating to a level that recent data indicates have begun to influence public attitudes in a way that could make the Fed's job even harder.

A survey released on Friday showed consumer inflation expectations jumped sharply in June, a result Powell called "quite eye-catching," and enough to tilt policymakers towards a larger 75-basis-point hike in hopes of making faster progress on the inflation front and retaining public trust that price increases will slow.

"This is something we need to take seriously," Powell said of the change in consumer inflation expectations. "We're absolutely determined to keep them anchored." The faster pace of rate hikes outlined by officials on Wednesday more closely aligns monetary policy with the rapid shift that took place this week in financial market views of what it will take to bring price pressures under control.

Bond yields fell after the release of Fed projections on Wednesday that showed economic growth slowing to a below-trend rate of 1.7 per cent, and policymakers expecting to cut interest rates in 2024. Stocks on Wall Street ended the day higher.

Interest rate futures markets also reflected about an 85 per cent probability that the Fed will raise rates by 75 basis points at its next policy meeting in July. For September's meeting, however, the greater probability - at more than 50 per cent - was for a 50-basis-point increase.

Powell, departing from the firmer guidance he has previously given about future rate increases, made no promises on Wednesday.

Given an unexpected jump in a monthly inflation report on Friday and the jump as well in expectations, "75 basis points seemed like the right thing to do at this meeting, and that's what we did," he said.

But he said rate hikes of that size were not likely to "be common," and that when Fed policymakers gather in July an increase of either half a percentage point or three-quarters of a point would be "most likely."

The tightening of monetary policy was accompanied by a downgrade to the Fed's economic outlook, with the economy now seen slowing to a below-trend 1.7 per cent rate of growth this year, unemployment rising to 3.7 per cent by the end of this year, and continuing to rise to 4.1 per cent through 2024.

EU signs gas deal

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and Egypt is a trustworthy partner." She had vowed on Tuesday, during a visit to Israel, to confront Russia for its use of fossil fuels to "blackmail" European countries.

The memorandum of understanding on gas exports between Egypt, Israel and the EU was signed at the East Mediterranean Gas Forum, the Egyptian petroleum ministry said.

Under a landmark $15 billion deal in 2020, Israel already exports gas from an offshore field to Egypt, where it is liquefied and shipped to European countries.

But a significant increase in gas exports from Israel via Egypt would require major long-term infrastructure investments.

Von der Leyen also said Egypt had sun and wind power, "the energies of the future", in abundance, and that the EU and Egypt jointly exploring them was in "our common interest".