Most Britons keeping tabs on spending

REUTERS, *London*

Sales volumes at UK supermarkets fell 4.1 per cent year-on-year in the four weeks to July 16, with nine out of ten Britons saying they are increasingly watching what they are spending as they battle a cost of living crunch, industry data showed on Tuesday.

Market researcher NielsenIQ highlighted a 9.4 per cent dip in sales volumes of meat, fish and poultry, an 8.1 per cent fall in household items and a 6.4 per cent decline in packaged groceries, as households sought to manage their shopping budget amid soaring inflation.

Confidence levels among Britain's consumers are at record lows as wages are failing to keep pace with inflation that hit a 40-year high of 9.4 per cent in June and is heading for double digits.

Market researcher NielsenIQ highlighted a 9.4 per cent dip in sales volumes of meat, fish and poultry, and an 8.1 per cent fall in household items

NielsenIQ said spend per visit, across all channels, was down 5 per cent as shoppers continued to make trade-offs, such as opting to buy smaller packs, delaying purchases or changing the products they buy.

It said 49 per cent of UK consumers are feeling less secure about meeting day to day expenses within the next six months. "Moreover, a staggering 90 per cent are increasingly watching what they are spending, with 62 per cent saying that food and grocery costs are one of the highest causes of financial concern, second only to the cost of utility bills."

One fifth of British households had "negative disposable income" last month, with a shortfall between what they earned and what they needed to spend on essentials, supermarket group Asda said on Monday.

NielsenIQ said total sales on a value basis rose 4.4 per cent year-on-year over the four week period, reflecting inflation and the start of a heatwave, which boosted demand for water, ice cream and suncare products. Total sales were up 5.6 per cent in the final week of the period.

Store visits were up 10 per cent year-on-year. The slowdown in online grocery continued with sales falling 10.5 per cent year-on-year, but online's share of the total UK grocery market was stable at 11.5 per cent.

Echoing data last week from rival researcher Kantar, market leader Tesco was the best performer among Britain's big four grocers.

A worker is seen bringing out bricks baked in kilns and stacking them at an adjoining premises to get paid Tk 120 for every 1,000 bricks stacked. A worker can stack around 4,000 bricks per day. The photo was taken at Khornia of Khulna's Dumuria upazila on Sunday.
PHOTO: HABIBUR RAHMAN

German nuclear exit wobbles as energy crisis looms

AFP, *Frankfurt*

A looming energy crisis has rekindled debate in Germany about the wisdom of shutting down the country's last three nuclear power plants, with even members of the ruling coalition saying an extension is no longer taboo.

The German government on Monday said it would await the outcome of a new "stress test" of the national electric grid before determining whether to stick with the long-promised nuclear phaseout by year's end.

The results are due in the coming weeks and could mark a pivotal moment for Europe's biggest economy, where households and businesses are bracing for a difficult winter.

The war in Ukraine has sent energy costs soaring and Russia has been squeezing gas deliveries to Europe, thwarting German efforts to fill stores before the cold weather arrives and raising the prospect of emergency energy-saving measures.

It is a dramatically different picture from earlier this year, when an initial stress test in March found that Germany's remaining nuclear power plants were not needed to ensure energy security.

After the first report, the government maintained the plants would go offline by December 31.

Germany, under then-chancellor Angela Merkel, decided to definitively quit nuclear power in the wake of the 2011 Fukushima disaster in Japan, a move that had widespread public support.

Within Chancellor Olaf Scholz's three-party coalition government, his Social Democrats and their Green party partners have long argued against changing course -- citing the costs, technical issues and safety concerns in keeping the nuclear plants going.

Supporters of the nuclear farewell have also pointed out that atomic power accounts for only around six percent of Germany's electricity supply and can contribute little to resolving the main problem, which is a lack of gas for heating.

But with the energy outlook rapidly worsening -- Russia's Gazprom has said it will reduce gas flows through the vital Nord Stream 1 pipeline to 20 per cent of capacity from Wednesday -- Merkel's own conservatives are among the loudest voices calling for a rethink.

Countries like France that are persisting with nuclear energy may have the right idea, opposition leader Friedrich Merz from the centre-right CDU has said.

He suggested that nuclear power can replace some of the gas used for electricity production.

"I'm predicting that the lifetime of the nuclear power plants will be prolonged at the end of the year," Merz recently told public broadcaster ZDF.

Scholz's junior coalition partner, the liberal FDP, is also turning up the pressure.

"The run-time should be extended until spring 2024," senior FDP member Michael Kruse told the daily Bild.

"We must use everything that can contribute to electricity production. Nuclear power plants are part of that." Katrin Goering-Eckardt, deputy president of the German parliament, signalled that the mood was shifting even among her Green party, which has opposed atomic power for more than 40 years.

Nothing should be ruled out "if it comes to the point that we have a real emergency situation, that hospitals can't operate... then we have talk about it", she told public broadcaster ARD.

Social Democratic party co-leader, Saskia Esken, on Monday also said there should be no red lines when it comes to tackling the energy crisis.

In the Bavarian city of Munich, local officials from the SPD and Greens have urged the federal government to keep the region's Isar 2 plant, one of the three remaining nuclear plants, online for longer.

Doing well despite global challenges

Salman says about economy

STAR BUSINESS REPORT

Bangladesh has many positive stories that are worth highlighting as the country has been doing well in regards to economic and social development for the past several years, said Salman F Rahman, the prime minister's private industry and investment adviser, at a seminar.

The Bangladesh Securities and Exchange Commission (BSEC) in association with Bloomberg LP organised the seminar, styled "Nation Branding: Attracting New Talent & Investment Worldwide", at the Bangabandhu International Conference Centre in Dhaka on Monday.

"In the last two to three months, the spiralling inflation and exchange rates have become major challenges all over the world, not just in Bangladesh," said Rahman.

"Before the Russia-Ukraine war began, Bangladesh had controlled inflation very well," he added.

Besides, the government was able to inaugurate Padma Bridge even though many people claimed it would not be possible.

In addition, the country is achieving high economic growth despite the lack of a deep-sea port.

"However, the Matarbari deep-sea port will be a game changer once complete," Rahman said while speaking as chief guest.

BSEC chairman Prof Shibli Rubayat Ul Islam said the supply chain disruption in food and energy has created a serious problem across the world but Bangladesh is still in a strong position.

"The country achieved its Millennium Development Goals tremendously but we will need cooperation from our foreign friends to achieve the Sustainable Development Goals," he added.

Masud Bin Momen, senior secretary of the Ministry of Foreign Affairs, also spoke at the event while Andrew Boggs, regional strategy lead of Bloomberg, presented the keynote paper.

Solar car Sion to enter production next year

AFP, *Munich*

The Sion, a five-person family car covered completely in solar panels, should enter into serial production in the second half of 2023, the German start-up developing the vehicle said Monday.

Following years of development, Sono Motors is now building a fleet of test vehicles before confiding mass production to Valmet Automotive, a Finnish company which produces vehicles under contract. The large black Sion hatchbacks are covered with 456 solar cells which allow it to generate on average enough electricity over a week to power the car 112 kilometres (70 miles).

The car, which boasts a battery range of 305 kilometres, is aimed at families as well as car sharing services.

Sono Motors already has 19,000 reservations for the Sion, with the average advance of 2,225 euros ($2,225) helping finance development.

IMF cuts global growth outlook

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Key among the concerns is the fallout from the war in Ukraine including the potential for Russia to cut off natural gas supplies to Europe, as well as a further spike in prices and a food shortage due to the chokehold the war has on grain supplies that could trigger famine.

In an ominous warning, the WEO said "such shocks could, if sufficiently severe, cause a combination of recession accompanied by high and rising inflation ('stagflation')."

That would slam the brakes on growth, slowing it to 2.0 per cent in 2023. The global growth rate has only been slower five times since 1970, the IMF said.

The top priority for policymakers is to rein in soaring prices, even at the cost of inflicting pain on their citizens, the fund said, since the damage caused by allowing inflation to rage out of control would be much worse.

Gourinchas, in a blog post about the report, noted that the "synchronized" moves by major central banks to deal with the inflation threat "is historically unprecedented, and its effects are expected to bite."

"Tighter monetary policy will inevitably have real economic costs, but delaying it will only exacerbate the hardship," he said.

The IMF now sees consumer prices jumping 8.3 per cent this year, nearly a full point higher than previously forecast, while emerging market economies face a 9.5 per cent increase in consumer prices.

But, "further supply-related shocks to food and energy prices from the war in Ukraine could sharply increase headline inflation." That would increase the pain for poor nations least able to withstand the shock, where food makes up a larger share of family budgets.

While the global economy did a bit better than expected in the first three months of the year, it appears to have "shrunk in the second quarter -- the first contraction since 2020," the IMF said.

The IMF downgraded growth forecasts for most countries, including big revisions for the United States and China, which cut more than a point off the prior forecasts.

The fund now sees US growth this year of just 2.3 per cent, amid slowing consumer spending and rising interest rates, and the report said a recession -- defined by two quarters of negative growth -- may already have begun.

China's economy is expected to slow dramatically in 2022, expanding just 3.3 per cent -- the lowest in more than four decades other than the 2020 pandemic crisis -- due to Covid concerns and the "worsening crisis" in the property sector, the report said.

"The slowdown in China has global consequences: lockdowns added to global supply chain disruptions and the decline in domestic spending are reducing demand for goods and services from China's trade partners," the report said.

There were some exceptions to the gloomy outlook, including upgrades for Italy, Brazil and Mexico, as well as for Russia which is still expected to contract but is benefitting from rising oil prices due to Western sanctions, the WEO said.

Russian gas squeeze

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sixth month, is having an impact far beyond Ukraine.

European Union countries are set to approve on Tuesday a weakened emergency proposal to curb their gas demand as they try to wean themselves off Russian energy and prepare for a possible total cut-off.

The Ukrainian military on Tuesday reported Russian cruise missile strikes in the south and that Ukrainian forces had hit enemy targets. Serhiy Bratchuk, a spokesman from the military administration in Odesa, told a Ukrainian television channel that a missile fired from the direction of the Black Sea had struck the region, but gave no information on casualties.

East of Odesa along the Black Sea coast, port infrastructure at Mykolaiv was damaged by an attack, according to the mayor Oleksandr Senkevich.

Russia's defense ministry did not immediately reply to an out-of-hours request for comment.

A major fire broke out at an oil depot in the Budyonnovsky district of Russian-backed Donetsk People's Republic in eastern Ukraine after Ukrainian troops shelled the province, Russia's TASS reported, quoting a reporter at the scene. No casualties or injuries have been reported.

Russian energy giant Gazprom, citing instructions from an industry watchdog, on Monday said gas flows to Germany through the Nord Stream 1 pipeline would fall to 33 million cubic metres per day from Wednesday.

That is half of the current flows, which are already only 40 per cent of normal capacity. Prior to the war, Europe imported about 40 per cent of its gas and 30 per cent of its oil from Russia.

The Kremlin says the gas disruption is the result of maintenance issues and Western sanctions, while the European Union has accused Russia of energy blackmail.

Politicians in Europe have repeatedly said Russia could cut off gas this winter, a step that would thrust Germany into recession and hurt consumers already hit by soaring inflation.

Moscow says it is not interested in a complete stoppage of gas supplies to Europe.

Adding to concerns on the energy front, the Ukrainian state pipeline operator company said Russian gas giant Gazprom without prior notice has increased pressure sharply in a pipeline that runs through Ukraine to deliver Russian gas to Europe.

Stocks up

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the flow of funds to the capital market, said International Leasing Securities in its daily market review.

The bargain-hunters put fresh bets on sector-wise issues as they find some stocks at lucrative prices, it added.

Among the sectors, general insurance surged 3.8 per cent, tannery rose 2.5 per cent and mutual funds were up 1.6 per cent.

The ceramic sector dropped 1.6 per cent, jute fell 0.7 per cent, and telecom was down 0.7 per cent.

The investors' activities were mainly focused on the textile sector, capturing 23.3 per cent of the day's total turnover, followed by pharmaceuticals, which accounted for 9.2 per cent.

Of the securities traded on the day on the premier bourse of the country, 177 advanced, 172 fell, and 33 were unchanged.

Both the DS30, the blue-chip index, and the DSES, the Shariah-based index, advanced 12 points and 1 point, respectively.

Sonar Bangla Insurance topped the gainers' list rising 10 per cent. Kattali Textile, Phoenix Finance 1st Mutual Fund, SEML Lecture Equity Management, and Global Insurance also rose significantly.

Shyampur Sugar Mills was the worst-performing stock on the day, giving up 2 per cent. Renwick Jajneswar, Legacy Footwear, Savar Refractories, and Northern Jute Manufacturing were among the top losers.

Beximco Ltd was the most traded stock, with its shares worth Tk 80 crore changing hands. IPDC Finance, Fortune Shoes, Kattali Textile, and Beximco Pharmaceuticals also saw heavy trading.

The Chittagong Stock Exchange also rose. The CASPI, the all-share price index of the bourse in the port city, advanced 49 points, or 0.27 per cent, to 17,972.

On the CSE, 122 stocks advanced, 139 fell, and 37 did not see any price movement.

Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, virtually addresses the bank's Dhaka (East) and Cumilla zonal half-yearly Business Development Conference recently. Md Omar Faruk Khan, additional managing director of the bank, Md Mostafizur Rahman Siddiquee and Md Nayer Azam, deputy managing directors, Md Siddiqur Rahman, AFM Kamaluddin, Mohammed Shabbir, Md Mahboob Alam, Mizanur Rahman and Md Maksudur Rahman, senior executive vice-presidents, joined the event.
PHOTO: ISLAMI BANK BANGLADESH

Sheikh Rakibul Karim, chief executive officer of Guardian Life Insurance, and Tarek Reaz Khan, managing director of Padma Bank, exchange signed documents of an agreement over life coverage and medical benefits for the bank's employees at the latter's head office in Gulshan recently. Mahmud Afsar, head of Group business at the insurer, Mahmudur Rahman Khan, head of retail business, Faisal Alim, head of group sales, and Zaber Amin, deputy managing director of the bank, were present.
PHOTO: PADMA BANK

First Ukraine grain shipments

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Centre at Turkey's National Defense University in Istanbul on Tuesday. The centre will monitor all ship movements and inspections.

Russia and Ukraine are major global wheat suppliers, and Moscow's invasion sent food prices soaring, stoking a global food crisis the World Food Programme says has pushed some 47 million people into "acute hunger".

Senior Ukranian government officials told a news conference in Kyiv that they hoped the first grain shipment would be from the port of Chornomorsk this week, and that shipments could be made from all ports included under the deal within two weeks.