

## Apple to cut iPhone 14 production lag between China, India

REUTERS

Apple Inc plans to start making the iPhone 14 in India about two months after its release out of China, in a move that will narrow the gap from the typical six to nine months for previous launches, Bloomberg News reported on Tuesday.

The company has been working with suppliers to ramp up manufacturing in India and the first iPhone 14s from the country are likely to be finished in late October or November, following the initial September release, Bloomberg reported, citing people familiar with the matter.

Apple's Taiwan-based supplier Foxconn has studied the process of shipping items from China and assembling the iPhone 14 at its plant outside southern Indian city of Chennai, it reported.

The US tech giant is looking at options after Beijing's clashes with Washington and lockdowns across the country disrupted production, according to the report.

Apple did not immediately respond to Reuters' request for comment.

## Turkey inflation to fall sharply by Dec says minister

REUTERS, Istanbul

Turkey's annual inflation rate will enter a sharp downward trend as of December due to favourable so-called base effects and the fall will continue throughout 2023, Finance Minister Nureddin Nebati said on Tuesday.

Nebati was speaking in a televised interview with broadcaster NTV. Inflation hit nearly 80 per cent in July.



Fishermen lay a net on a canal in the Sundarbans during low tide to catch fish swimming in with the subsequent rise in water levels. Earning a livelihood from the mangrove forest requires availing a seven-day permit from the forest department. The photo was taken at the western portion of the forest recently.

PHOTO: HABIBUR RAHMAN

## As war drags on, European economy succumbs to crisis

REUTERS, Frankfurt

It was meant to be Europe's stellar year. A post-pandemic spending euphoria, supported by copious government spending was set to drive the economy and help fatigued households regain a sense of normality after two dreadful years.

But all that changed on February 24 with Russia's invasion of Ukraine. Normality is gone and crisis has become permanent.

A recession is now almost certain, inflation is nearing double digits and a winter with looming energy shortages is fast approaching.

Though bleak, this outlook is still likely to get worse before any significant improvement will into 2023.

"Crisis is the new normal," says the Alexandre Bompard, the Chief Executive of retailer Carrefour. "What we have been used to in the last decades - low inflation, international trade - it's over," he told investors.

The change is dramatic. A year ago most forecasters predicted 2022 economic growth near 5 per cent. Now a winter recession is becoming the base case.

Households and businesses are both

suffering as the fallout of the war - high food and energy prices - is now exacerbated by a devastating drought and low river levels that constrain transport.

At 9 per cent, inflation in the euro area is at levels not seen in a half a century and it is sapping purchasing power with spare cash used up on petrol, natural gas and staple food.

Retail sales are already plunging, months before the heating season starts and shoppers are scaling down their buys. In June, retail sales volumes were down nearly 4 per cent from a year earlier, led by a 9 per cent drop recorded in Germany.

Consumers turn to discount chains and give up high end products, switching to discount brands. They have also started to skip certain purchases.

"Life is becoming more expensive and consumers are reluctant to consume," Robert Gentz, the co-CEO of German retailer Zalando, told reporters.

Businesses have so far coped well thanks to superb pricing power due to persistent supply constraints. But energy intensive sectors are already suffering.

Close to half of Europe's aluminium and zinc smelting capacity is already offline while

much of fertilizer production, which relies on natural gas, has been shut.

Tourism has been the rare bright spot with people looking to spend some of accumulated savings and enjoy their first care free summer since 2019.

But even the travel sector is hamstrung by capacity and labour shortages as workers laid off during the pandemic were reluctant to return.

Key airports, such as Frankfurt and London Heathrow were forced to cap flights simply because they lacked the staff to process passengers. At Amsterdam's Schiphol, waiting times could stretch to four or five hours this summer.

Airlines also could not cope. Germany's Lufthansa had to publish an apology to customers for the chaos, admitting that it was unlikely to ease anytime soon.

That pain is likely to intensify, especially if Russia cuts gas exports further.

"The gas shock today is much greater; it is almost double the shock that we had back in the 70s with oil," Caroline Bain at Capital Economics said. "We've seen a 10 to 11 fold increase in the spot price of natural gas in Europe over the last two years."

## Marine fishing industry

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now, some 50 to 60 per cent of industrial fishing trawler owners are unable to send out their vessels due to financial constraints," he added.

The association recently sent a letter to Salman F Rahman, private industry and investment adviser to the Prime Minister, urging the government to provide diesel at the price it was before November last year in order to ensure the industry's survival.

Jane Alam, chairman of the Marine White Fish Trawler Owners Association that owns around 70 wooden-body ice trawlers, said the operating cost for a single voyage of 13 days has already gone up by Tk 6.7 lakh due to the increased price of diesel.

"The owners are also facing another pressure as their staff are demanding a rise in wages considering the higher living cost," he added.

Babul Sarkar, general secretary of the Marine Fish Catch Boat Owners Association, which represents the owners of artisanal boats, said most of their boats are not going to sea due to the additional fuel cost and also poor catches.

Each vessel with a carrying capacity of 10 to 12 tonnes is returning with catches weighing a mere 500 kilogrammes to 2 tonnes due to the strong waves at sea.

With this backdrop, Sarkar demanded government subsidy in fuel prices to help them survive the situation.

## Euro zone business

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A downturn in Germany, Europe's largest economy, deepened in August, a separate PMI survey showed, as companies saw demand dampened by a combination of high inflation, rising interest rates and economic uncertainty.

France's economy contracted for the first time in a year and a half, its PMI showed, as weaker demand and inflationary pressures also hit businesses there.

"Problems are mounting for the French and German economies. Demand has fallen due to the toxic combination of rampant inflation, rising interest rates and energy security worries," said Susannah Streeter at Hargreaves Lansdown.

In Britain, outside the European Union, private sector growth slowed to a crawl as factory output fell and the larger services sector eked out only a modest expansion, indicating a recession was coming.

Suggesting there was little hope of an imminent turnaround in the euro zone, overall demand in the bloc fell for a second month. The

new business index came in at 47.7, just ahead of July's 47.6.

A PMI covering the bloc's dominant services industry fell to 50.2 from 51.2, barely above breakeven and below the 50.5 predicted in the Reuters poll.

Although services firms increased their charges at a slower rate this month the output prices index remained well above the long-term average. The input prices index also dipped.

"But they are still very high, and with European gas prices surging and measures of domestic price pressures strong, we expect inflation to remain very high," said Jack Allen-Reynolds at Capital Economics.

"All things considered, the PMI surveys are consistent with our view the European Central Bank will have to press ahead with monetary tightening even as the economy falls into recession."

The ECB raised interest rates by more than expected last month and a Reuters poll forecasts it would continue on its tightening path.



Ashim Kumar Roy, general manager of Pubali Bank, and Keshav Gupta, senior vice-president of Yashoda Hospitals in India's Hyderabad, exchange signed documents of a memorandum of understanding on discounts of room rents and in-patient investigation in Dhaka yesterday. Mohammad Ali, additional managing director of the bank, and Md Shahinur Rahman, country manager of Yashoda Hospitals in Bangladesh, were present.

PHOTO: PUBLI BANK



Syed Waseque Md Ali, managing director of First Security Islami Bank, poses for a photograph with the officials of the bank and the participants of the 61st Foundation Course at the FSIBL Training Institute in Dhaka yesterday. AKM Amjad Hussain, principal of the training institute, was present.

PHOTO: FIRST SECURITY ISLAMI BANK

## Opec+ can cut output

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He also was quoted as saying prices were falling based on "unsubstantiated" information about demand destruction and confusion around sanctions, embargoes and price caps, which have been proposed by the United States on Russian oil.

Meanwhile, risks of supply disruptions remained high and a global spare capacity cushion was very thin, said Prince Abdulaziz, adding that a new deal between Opec+ partners beyond 2022 would help.

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## Optimum Solution gets licence to run payment system

STAR BUSINESS REPORT

Optimum Solution & Services Ltd has received a licence from the Bangladesh Bank to operate as a payment system operator.

The company will run the operation under the brand name of Easy Payment System (EPS), according to a notice of the central bank yesterday.

Optimum Solution is an information solution developer that provides services and solutions and supports industries such as IT, agriculture, telecommunications, manufacturing, and health, said its website.

PSOs operate a settlement system for payment activities between or among participants of which the principal participant must be a scheduled bank or financial institution. They are also known as payment gateways and payment aggregators.

Authorised PSOs in Bangladesh include IT Consultants Ltd, Software Shop Ltd, ShurjoMukhi Ltd, Portronics Ltd, Walletmix Ltd, and Soft Tech Innovation Ltd.

## Bangladesh General Insurance re-appoints MD

STAR BUSINESS DESK

Bangladesh General Insurance Company has re-appointed its managing director (MD) for another three-year term for the fourth consecutive time.

Ahmed Saifuddin Chowdhury joined the insurer in 1986 and was later shifted to its Chattogram office as overall in-charge, a press release said.

He was later made the additional managing director for operation. He played the role of the company secretary concurrently.

Chowdhury was promoted to the post of managing director in 2013.

## UAE's non-oil trade up 17pc in first half

REUTERS, Cairo

The United Arab Emirates' non-oil trade hit 105.8 trillion dirhams (\$288.06 billion) in the first half of 2022, up 17 per cent from a year earlier, the vice president said on Monday in a tweet.

The Gulf country's non-oil trade half-year topped 1 trillion dirhams for the first time, said Sheikh Mohammed bin Rashid al-Maktoum, who is also the UAE's prime minister and ruler of Dubai.

Non-oil exports in the first half reached roughly 180 billion dirhams, up 8 per cent, and accounted for about 17 per cent of non-oil trade.



RN Paul, managing director of RFL Group, inaugurates a campaign on FIFA World Cup-2022 at a hotel in Gulshan, Dhaka yesterday. By purchasing certain products of Vision Electronics, a subsidiary of RFL Group, some 200 customers will get the opportunity to travel to Qatar, where the football extravaganza will take place in November.

PHOTO: VISION ELECTRONICS

## Oil climbs amid tight supply

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Oil

has soared in 2022, coming close in March to an all-time high of \$147 after Russia's invasion of Ukraine exacerbated supply concerns. Concern about a global recession, rising inflation and weaker demand has since weighed on prices.

While the price of Brent futures has fallen sharply from this year's high, the market structure and price differentials in the physical oil market still point to supply tightness.