



TO GET QATAR TRIBUNE'S PDF FOR FREE DAILY ON WHATSAPP

SUBSCRIBE NOW +974 77322356

OPEC+ raises output by slower pace than in previous months **PAGE 10**



▲ DOW	32,815.99	▲ QE	13,386.21	▲ SENSEX	58,350.53	GOLD	1,777.50
	+419.82 PTS		+83.88 PTS		+214.17 PTS		-0.68%
▲ BRENT	PRICE 97.53	PERCENTAGE	-2.99%	WTI	PRICE 91.41	PERCENTAGE	-3.19%
						SILVER	19.95
							-0.96%



Map Ta Phut LMPT2 LNG terminal is located on the east coast of the Gulf of Thailand, between Sattahip and Rayong, approximately 220 km from Bangkok.

Qatargas delivers commissioning LNG cargo to Thailand's new LNG terminal

TRIBUNE NEWS NETWORK
DOHA

QATARGAS Operating Company Limited (Qatargas) has delivered a commissioning liquefied natural gas (LNG) cargo to Thailand's newest LNG receiving terminal, LMPT2 Map Ta Phut LNG Terminal, located in Rayong Province of Thailand, West of Map ta Phut Port.

The commissioning cargo was loaded in Ras Laffan on June 4, 2022, on the Q-Flex LNG vessel, Al Oraiq, with an overall cargo carrying capacity of 210,000 cubic meters. It arrived at LMPT2 Map ta Phut LNG terminal on June 18, 2022. Map Ta Phut LMPT2 LNG terminal is located on the east coast of the Gulf of Thailand, between Sattahip and Rayong, approximately 220

km from Bangkok. The terminal's nominal capacity is 7.5 million tonnes of LNG per annum (Mtpa), and it can receive vessels with a capacity between 125,000 cubic meters and 264,000 cubic meters. The terminal comprises two storage tanks – each with an overall capacity of 250,000 cubic meters. Qatargas has established a strong partnership with Thai-

land since May 2011 when it commissioned PTT's Map Ta Phut LNG Terminal. The state-owned PTT is the largest piped-gas and LNG importer and aggregator in Thailand. Qatar-sourced LNG made up a significant share of the overall LNG import into Thailand. To date, Qatargas has contributed to commissioning 26 new LNG terminals worldwide since 2008.

Qatar's GDP expected to rise 4.5% in 2022: Report

SATYENDRA PATHAK
DOHA

QATAR'S GDP outlook for 2022 is upbeat as elevated energy prices will be a key growth driver for the country's economy, FocusEconomics has said in a report released on Wednesday.

Moreover, the report said, the non-energy sector will record strong growth, given the reduced impact of the pandemic and the upcoming FIFA World Cup. Increased trade with the Arab Quartet will also be a contributor, it said.

FocusEconomics panelists see a 4.5 percent rise in GDP during 2022, which is up 0.1 percentage points from last month's forecast, and 2.8 percent growth in 2023.

After a 2.5 percent expansion in year-on-year terms in the first quarter of 2022, the report said, Qatar's economy likely picked up steam in the second quarter.

"The private-sector PMI was at a record high in May-June thanks to strong expansions in output and new orders. What's more, tourism continued to boost local activity, with visitor arrivals rising 869 percent year on year in May," it said.

"In addition, higher oil and gas prices have buoyed government coffers and supported the external sector. The trade surplus in the second quarter of 2022 was the largest since 2014," the report said.

"The picture in the energy sector, however, was more mixed. After growing in annual terms in April, the volume of energy output contracted in May. LNG production has been held back this year by maintenance work at some facilities, despite European



After a 2.5 percent expansion in the first quarter of 2022, Qatar's economy likely picked up steam in the second quarter.

countries' interest in boosting gas imports from Qatar," it said.

The report also revealed that Qatar's inflation rose from 5.2 percent in May to 5.4 percent in June. Items related to recreation, utilities and food saw the largest increases. The Qatar Central Bank hiked rates by 50 basis points in July, diverging from the Federal Reserve's 75 basis points hike.

Qatar's inflation is expected to average almost double its 2021 level this year due to recovering demand and higher commodity prices, it said.

FocusEconomics panelists see inflation averaging 4.4 percent in 2022, which is up 0.3 percentage points from last month's forecast, and 2.8 percent in 2023.

According to the annual data released as part of the report, Qatar's GDP per capita is expected to rise from \$81,360 in 2022 to \$101,816 in 2026.

The country will witness a sustained increase in both imports and exports in

the coming years. While the merchandise exports from the country are expected to rise from \$112.7 billion in 2022 to \$121.9 billion in 2026, the report said, merchandise imports would increase from \$31.8 billion in 2022 to \$40.7 billion in 2026.

FocusEconomics, a leading provider of economic analysis, has also forecast that Qatar's trade balance would rise from \$80.9 billion in 2022 to \$81.2 billion in 2026.

The report has projected that Qatar's current account balance will account for 20.1 percent of the total GDP in 2022. The percentage of the current account balance will be 15.7 percent in 2025, the report said.

Qatar's current account balance, which turned positive in 2021, is expected to reach \$43.6 billion in 2022, the report said, adding that it will continue to remain in the positive territory for the next four years and reach \$40.6 billion in 2026.

Bull run continues as QSE gains 84 points

SATYENDRA PATHAK
DOHA

QATAR'S stock market outperformed most of the GCC markets by remaining positive on Wednesday amid US-China tensions over House Speaker Nancy Pelosi's visit to Taiwan and investors booking profits from a recent rally.

The general index of the Qatar Stock Exchange (QSE) recorded an increase of 83.88 points, or 0.63 percent, to reach 13,386.21 points on Wednesday.

During Wednesday's session, 318.164 million shares were traded, with a value of QR850.021 million as a result of implementing 22,073 deals in all sectors.

During the session, shares of 33 companies rose, while the prices of 10 companies decreased, and two companies maintained their previous closing price.

At the end of the trading session, the market capitalisation of QSE reached



Market capitalisation of QSE reached QR740.472 billion on Wednesday.

QR740.472 billion compared to the last trading session, which amounted to QR735.874 billion.

"The Qatari stock market recorded some volatility with traders securing their gains on one side while natural gas prices returned to the upside on the other. The main index could maintain a positive profile if natural gas prices stay high," MENA BDSwiss CEO Daniel Takiedine said.

The day saw the country's leading

telecom operator Ooredoo announce that Ooredoo International Finance Limited (OIFL), its wholly-owned subsidiary, will pay its Global Medium Term Note (GMTN) holders interest payment on August 22, 2022.

According to a statement issued by the company, Ooredoo International Finance Limited (OIFL), which is wholly owned by Ooredoo, will pay noteholders \$16.250 million on the interest payment date falling due on August 22, 2022.

The announcement indicated that the company will pay the accrued interest of 3.25 percent on the mentioned date to the bondholders amounting to \$1 billion guaranteed and due on February 21, 2023.

Meanwhile, GCC stock markets moved mostly in the negative territory while investors continued to secure their gains. Markets in the region could see some additional selling pressures in the coming days before stabilising.

QIB awards over 500 Misk account holders with cash prizes

In its 5th edition, QIB continues to reward its Misk Savings Account customers with cash prizes and will announce next month the third millionaire winner for this year * More than 500 winners have been announced bringing the total to QR7.9 mn in cash prizes to date

TRIBUNE NEWS NETWORK
DOHA

IN the fifth edition of its Misk Account draw, Qatar Islamic Bank (QIB) has awarded more than 500 winners to date with cash prizes and will announce the third millionaire this year in August 2022.

QIB's unique Misk savings account is an innovative savings account programme which promotes positive financial habits and encourages customers to save money regularly.

The programme has the largest prize pool in Qatar with a total of QR13 million to be awarded to 808 winners throughout 2022 including 4 millionaire winners.

Every three months, QIB awards one millionaire and offers QR10,000 to 15 winners every week, in addition to QR50,000 to two lucky winners every month.

Since the launch of the fifth edition of the Misk Savings Account draw, 525 weekly winners were awarded prizes worth QR5.2 million and 14 monthly winners with prizes worth QR700,000 as well as two winners receiving QR1 million bringing the total winners announced so far to more than 500 winners.

The third millionaire of this year's edition will be announced in August.

QIB General Manager – Personal Banking Group D

Anand said, "This year's edition of Misk Account is not just a savings program but a way to help and empower customers to achieve their financial goals and cultivate a culture that focuses on savings. We look forward to rewarding more customers in the coming months."

Existing and new QIB customers can open a Misk Account via the QIB Mobile App or at any of the Bank's branches. Customers will receive a free debit card, become eligible to request a free credit card for the first year against their Misk Account balance, receive profits on their savings and have the chance to frequently win cash prizes.

To be eligible for the draws,

customers must open the account three months prior to the draw and maintain a minimum monthly balance of QR10,000. For every additional QR10,000 saved, the customer has one additional chance to win.

With more than 140 features on its award-winning Mobile App, QIB facilitates the banking experience for its customers on the app for a better user experience. Recently, QIB introduced the Dark Mode feature offering customers enhanced performance and streamlined navigation. The modern design of the QIB Mobile App makes it easier to navigate the app features offering a seamless banking experience.

Lexus International calls for entries to Design Award 2023

TRIBUNE NEWS NETWORK
DOHA

Lexus International has recently announced a call for entries to the Lexus Design Award 2023, an international design competition dedicated to empowering and encouraging the next generation of creators. Inaugurated in 2013, the award has given up-and-coming talents and innovators a global platform for exposure, discovery, and launch of countless impressive careers.

As the award continues to evolve, Lexus is aiming to enrich its platform for next-generation design talents by more broadly focusing on the creative growth of the individual. To achieve this goal, it embraces a new, streamlined form where four winners are

now chosen to allow us to dive deeper into each winner's story, while also fostering rich dialogue amongst them and the industry luminaries who serve as members of the jury. Mentorship remains core to the award, with winners being mentored by leading lights of the design world.

Lexus is seeking innovative ideas that contribute to a thriving and prosperous future for all through the power of design and technology. Applicants will explain how their creative concept puts into practice the Lexus brand's three key principles: Anticipate, Innovate and Captivate. The design must anticipate global challenges to societies, envision inventive ways to reach a sustainable future, and seamlessly enhance the



happiness of all. Lexus seeks engaging, insightful, and original designs that honor both form and function while offering actionable solutions

to hasten the arrival of a brighter future for humanity in a variety of scenarios and situations. Kei Fujita, Chief Repre-

sentative, Middle East and Central Asia Representative Office, Toyota Motor Corporation, said: "We are extremely excited to launch the eleventh edition of the Lexus Design Award. We aim, through this international competition which is being held this year under the theme 'Design for a Better Tomorrow,' to support the next generation of designers and creators. The Lexus Design Award offers them a platform to explore their creativity, develop their unique design concepts through expert guidance and mentorship, and showcase their innovations to the world."

Fujita added: "We look forward to revealing this year's winners and seeing what they will present. I want to thank everyone involved in

the Lexus Design Award for contributing to this valuable platform, as well as our loyal customers, whose continuous support inspires us all to reach beyond the conventional and create amazing experiences."

A judging committee of elite, internationally recognized design experts will select four winners from among the entries based on the judging criteria. Winners will be mentored by leading creators in diverse design disciplines. Each winner will be allocated a research and development budget of up to JPY 3 million (over USD 22,500), as a design grant to cover not only prototype construction but also other relevant expenses involved in refining their concept and design and support-

ing the individual's creative development. This once-in-a-lifetime mentoring experience is at the heart of the Lexus Design Award's reputation for excellence. In the spring of 2023, the four winners will reveal their progress to judges and mentors by presenting their finished work for review.

After revealing their work, the award winners will have the priceless opportunity to consult one-on-one with the judging panel. In addition to receiving feedback on their work, the winners will get to share their visions and receive guidance on the career paths and aspirational goals that would best further their future creative success.

Mentors and judging committee members will be announced this fall.

Elon Musk's tech allies miffed about Twitter subpoenas

AGENCIES

ELON Musk's wealthy high tech allies don't seem too happy about receiving subpoenas from Twitter as part of the company's legal battle with the Tesla CEO.

San Francisco-based Twitter is suing Musk in Delaware in an attempt to get him to complete his \$44 billion acquisition of the social media company, a deal Musk is trying to get out of. According to a report from The Washington Post, Twitter's legal team on Monday asked for information about a host of tech investors and entrepreneurs connected to Musk in a wide-ranging subpoena. Twitter declined to comment.

According to the Post, the subpoena includes "extensive requests for communications, including 'checklists, timelines, presentations, decks, organizational calls, meetings, notes, recordings' related to the deal's financing."

Well-known venture capitalists included in the subpoena, according to the report, are Marc Andreessen, founder of VC firm Andreessen Horowitz; former

Facebook exec and CEO of Social Capital Chamath Palihapitiya; and David Sacks, the founding chief operating officer of PayPal and current general partner at Craft Ventures.

Sacks posted Monday on Twitter that "news that I am being subpoenaed by Twitter's lawyers reminded me of this issue of Mad Magazine, I don't know why." He included a photo of the magazine's cover showing a hand raising a middle finger.

Joe Lonsdale, general partner at 8VC, called Twitter's subpoenas sent to "friends in the ecosystem" surrounding Musk, Andreessen and Sacks a "giant harassing fishing expedition."

"I have nothing to do with this aside from a few snarky comments, but got a 'YOU ARE HEREBY COMMANDED' document notice," he tweeted on Monday.

Representatives for Sacks, Andreessen and Palihapitiya did not immediately respond to messages for comment on Tuesday. Lonsdale did not immediately respond to a message sent through LinkedIn.



Tesla CEO Elon Musk speaks before unveiling the Model Y at Tesla's design studio in Hawthorne, California, in 2019.

Starbucks reports record Q2 revenue on frothy US demand

Starbucks' revenue rose 9% to \$8.2 billion, a quarterly record

AGENCIES

STARBUCKS on Tuesday reported record revenue in the April-June period, as strong U.S. demand made up for COVID shutdowns in China.

The Seattle-based coffee giant exceeded sales expectations despite continuing store closures and reduced hours in China due to coronavirus measures. Starbucks said its same-store sales in China its second-largest market after the U.S. were down 44% in its fiscal third quarter. Starbucks said it ended the quarter with roughly 2,000 stores in 50 cities operating with COVID restrictions.

But strong U.S. demand made up for that. Same-store sales, or sales at stores open at least a year, rose 9% in the U.S., where customers are spending more on customizable cold beverages and food, like lime-frosted coconut bars. Morning traffic was also picking up as more people returned to offices.

Interim Starbucks CEO Howard Schultz said the company isn't yet seeing any impact from inflation, despite increasing prices about 5% over the same period last year.

"While we are sensitive to the impact inflation and economic uncertainty are having on consumers, it's critically important that you all understand we are not currently seeing any measurable reduction in customer spending or any evidence of customer's trading down," Schultz said Tuesday on a conference call with investors.

Schultz added that cold



A sign for a Starbucks Coffee shop is pictured in Harvard Square in Cambridge, Mass., Dec. 13, 2018. The Seattle-based coffee giant said its revenue rose 9% to \$8.2 billion during the April-June 2022 period, a quarterly record. That surpassed Wall Street's forecast of \$8.1 billion, according to analysts polled by FactSet.

drinks, which now make up 74% of U.S. beverage sales, have become a huge competitive advantage for Starbucks and are bringing in younger customers.

"The premium, customized cold coffee opportunity is simply enormous," Schultz said.

Starbucks' revenue rose 9% to \$8.2 billion, a quarterly record. That surpassed Wall Street's forecast of \$8.1 billion, according to analysts polled by FactSet.

New stores, including many that are more focused on drive-thru and curbside service, are helping sales. The

company said it has opened 298 net new stores in its North America region since June 2021 and 1,355 new stores in international markets.

Starbucks said its net income fell 21% to \$912.9 million as it spent more on labor, worker training and supply chain costs. Last fall, the company announced a \$1 billion investment in employee wages and benefits in an effort to lift U.S. workers' pay. U.S. workers currently make an average of \$17 per hour, Starbucks North America chief John Culver said. Training hours have also increased.

Schultz said Starbucks is in the midst of a modernization plan that he hopes will help it retain employees and better keep up with customer demand. The plan which will be fleshed out in more detail at the company's investor day in September comes amid growing employee dissatisfaction at some U.S. stores.

More than 200 of Starbucks' 9,000 company-owned U.S. stores have voted to unionize since last December, a move the company opposes. Schultz didn't mention the union campaign Tuesday.

Schultz, a longtime CEO of Starbucks who rejoined the

company in April, reiterated his plan to remain through the first few months of 2023 even after a new CEO is named.

Schultz said the company has narrowed down its list of potential CEOs who are "excited and positive and in agreement" about the modernization plan.

"I have committed myself to stay as long as necessary to ensure that the new CEO has a soft landing and then I transition to the board," he said.

Adjusted for one-time items, Starbucks earned 84 cents per share. That was higher than the 77-cent profit Wall Street forecast.

Qatar Insurance Group honours long-serving employees

TRIBUNE NEWS NETWORK
DOHA

QATAR Insurance Group, the leading insurer in Qatar and the MENA region, feted its long-serving employees at an awards ceremony held earlier this week.

Colleagues with five, 10, 15 and 20 years of service were presented with certificates and trophies of appreciation at the QIC Group's headquarters in West Bay.

The ceremony was attended by several of QIC Group's senior management and employees. Khalifa Abdullah Turki Al-Subaey, chairman and managing director of QIC Group, handed over the long service awards to 27



employees this year. The distinguished recipients of the awards this year included Sa-



lem Al Mannai, QIC Group CEO, who was honoured for his 20 years of service.

"QIC Group Long Service Awards are a symbol of QIC Group's appreciation towards



its employees for their continued loyalty and dedication. This clearly highlights our

culture and way of treating our human capital as the most treasured asset," said Al-Sub-

aeay, adding: "Today and every day, we thank employees for their service."





Despite the modest increase announced by OPEC+, the US administration was trying to highlight that prices are already falling and could fall further with more domestic production.

OPEC+ raises output by slower pace than in previous months

OPEC and allies say they will increase output to 100,000 barrels a day next month

AGENCIES

THE OPEC and its allies decided on Wednesday to boost production in September by a much slower pace than in previous months at a time of high gasoline prices and unstable energy supplies exacerbated by Russia's war in Ukraine.

OPEC, led by Saudi Arabia, and its allies, led by Russia, said they will increase output to 100,000 barrels a day next month after raising it by 648,000 barrels per day in July and August. The group considered what effects staggering inflation and rising COVID-19 rates may have on global demand for fuel in the fall.

It comes after U.S. President Joe Biden visited Saudi Arabia last month, aiming to improve relations and encourage more oil production from the cartel to draw down high prices at the pump. While gasoline prices have been falling, they are still high and posing a political problem for him as

inflation surges.

No oil production agreement was announced, but Biden said he expected OPEC to take steps to increase production in the coming weeks. Those hopes didn't materialize.

As a result, "the U.S. may go looking for other sources of oil, whether it's Venezuela or Iran," said Jacques Rousseau, managing director at Clearview Energy Partners.

Biden's administration also is encouraging the U.S. oil and gas industry to increase production.

"You've just seen the second-quarter results from some of these companies. They are record profits," Amos Hochstein, a senior adviser for energy security at the State Department, said Wednesday on CNBC. "They should be investing those dollars right back into production increases." Despite the modest increase announced by OPEC+, the administration was trying to highlight that prices are al-

ready falling and could fall further with more domestic production.

"We're pretty pleased with what we're seeing" on prices for oil and gas down from highs, but "we know that this is not enough," Hochstein said.

A senior Biden administration official, who insisted on anonymity to discuss private conversations, called the OPEC+ announcement a step forward. The official said the group has restored all the production cuts it made in 2020 during the depths of the pandemic, when oil prices and demand plummeted.

The group has been gradually adding more oil and gas to the market as economies recovered.

Some OPEC nations, such as Angola and Nigeria, have been producing less than the agreed-upon amount. Saudi Arabia and United Arab Emirates, on the other hand, have the capacity to increase production.

OPEC's decision appears to be an attempt to appease those countries that can't produce more, Rousseau said.

"Any time you increase the

target, there's countries that can't participate," he added. "If you only raise production by 100,000 barrels per day, that's just a small piece for everybody." As a result, the amount of oil on the market might not keep up with demand, so high oil prices may persist for some time.

While the U.S. was probably hoping for a larger production increase, "in terms of overall supply/demand management, OPEC's decision is logical," Noah Barrett, research analyst for energy and utilities at Janus Henderson Investors, said in a note. "There's still a great deal of uncertainty on oil demand in the back half of this year, driven by questions around Chinese demand, and the potential for U.S. or even a global recession."

The price of oil rose sharply after Russia invaded Ukraine in February. It fell somewhat since OPEC+ last met but rose modestly Wednesday. A barrel of U.S. benchmark crude was selling for just over \$94, compared with more than \$105 per barrel a month ago. Brent crude, the international standard, was selling for just over \$100 a barrel, also down about \$110

from a month ago.

Russia's oil and natural gas exports to the world have declined as many nations imposed sanctions or curtailed buying from the major supplier due to its invasion of Ukraine. Russia also has reduced or cut off natural gas to a dozen European countries, further driving up energy prices, squeezing people's spending power and threatening to cause a recession if nations can't stockpile enough natural gas to get through the winter.

It was the first official monthly meeting of the OPEC+ group since its leader, Mohammad Sanusi Barkindo, died at age 63 in his home country of Nigeria last month. Haitham al-Ghais, a veteran of the Kuwait Petroleum Corporation, took over as secretary general of OPEC this week.

In the U.S., a gallon of regular gasoline was selling for \$4.16 on average Wednesday. That's substantially lower than in June, when the nationwide average surpassed \$5 a gallon, but it's still painfully high for many front-line workers and families to afford and about 31% higher than what drivers were paying a year ago.

Indian government approves new net zero emissions targets

AGENCIES

NINE months after India announced its target of "net zero" emissions by 2070 at the United Nations climate conference in Glasgow, the country's federal cabinet finally approved a new climate plan on Wednesday.

The new goals will be submitted to the U.N.'s climate agency as part of an international agreement where nations publish how they intend to reduce their greenhouse gas emissions, known as nationally determined contributions. The U.S. hopes to achieve "net zero" by 2050, and China by 2060.

The approval comes as India is preparing to celebrate 75 years of independence on Aug. 15 and with just three months left before the next climate conference.

When India's plans were originally announced in November last year, Prime Minister Narendra Modi also said that India would increase its current capacity for non-fossil fuel electricity, with energy from clean sources able meet half of the country's needs. India's greener power generation has already passed 41%.

The emissions goals that India's federal cabinet ultimately approved are largely in line with Modi's announcement.

India now stands committed to reducing the emissions caused by activities for the nation's economic growth by 45% by the year 2030 from 2005 levels, according to the new targets. The nation will also aim to achieve about 50% of its energy requirements

from non-fossil fuel-based energy sources by the year 2030, and promote a federal government program that encourages people to make green lifestyle changes.

Vaibhav Chaturvedi, an economist at the New Delhi-based Council on Energy, Environment and Water, called the approval a "significant step" towards India's climate aims.

The U.N.'s climate agency had set a deadline of July 31, 2021, for various nations to update their targets that were initially announced after the climate conference in Paris in 2015. India was not the only laggard nation, as China and dozens of others had also failed to meet the target date.

Indian officials say that the delay was a reflection of the peculiar challenges facing the country: On the one hand what it does has an outsized impact on the world's climate goals as it's a nation with quickly-growing energy needs, on the other it feels that it's often unfairly asked to prioritize climate goals over its developmental needs.

"India's updated climate action plan comes in a context where Europe and most developed countries are going for more drilling of oil and gas," said Harjeet Singh, head of global political strategy at the Climate Action Network International.

"The delay in updating the targets could have been avoided though. If they had announced these targets a few months earlier, it might have inspired other countries to act faster and more decisively on climate change," he added.

Inflation in Turkey rises to nearly 80%

AGENCIES

ANNUAL inflation in Turkey soared to nearly 80% in July, official data showed Wednesday, with skyrocketing food, housing and energy prices hitting consumers hard.

The Turkish Statistical Institute said consumer prices rose by 79.6% from a year earlier, up about 1 percentage point from June data.

Independent experts say inflation is much higher than official statistics. Economists

also say the huge rise in inflation is caused by President Recep Tayyip Erdogan's unorthodox belief that high borrowing costs lead to inflation despite established economic theory.

Turkey's central bank slashed interest rates by 5 percentage points since September to 14%, sinking the national currency. While the bank has not made further cuts this year, central banks across the world are moving the opposite way, raising interest rates to combat global inflation.

China blocks some Taiwan imports but avoids chip disruptions

AGENCIES

CHINA blocked imports of citrus, fish and other foods from Taiwan in retaliation for a visit by a top American lawmaker, Nancy Pelosi, but has avoided disrupting one of the world's most important technology and manufacturing relationships.

The two sides, which split in 1949 after a civil war, have no official relations but multibillion-dollar business ties, especially in the flow of Taiwanese-made processor chips needed by Chinese factories that assemble the world's smartphones and other electronics.

They built that business while Beijing threatened for decades to enforce the ruling Communist Party's claim to the island by attacking.

Two-way trade soared 26% last year to \$328.3 billion. Taiwan, which produces half the world's processor chips and has technology the mainland can't match, said sales to Chinese factories rose 24.4% to \$104.3 billion.

"The global economy cannot function without chips that are made in either Taiwan or China," Carl B. Weinberg of High-Frequency Economics said in a report.

On Wednesday, Beijing blocked imports of citrus and

frozen hairtail and mackerel from Taiwan after Pelosi, speaker of the House of Representatives, arrived on the island. China has not disrupted the flow of chips and other industrial components, a step that would send shock waves through the shaky global economy.

Also this week, China blocked imports of hundreds of other food items from Taiwan including *****s and seafood, though the timing was unclear. The customs website showed their import status was switched to "suspended." Fruit, fish and other foods are a small part of Taiwan's exports to China, but the ban hurts areas that are seen as supporters of President Tsai Ing-wen.

Beijing has used import bans on bananas, wine, coal and other goods as leverage in disputes with Australia, the Philippines and other governments.

Beijing also announced four days of military exercises with artillery fire in waters around Taiwan. That might delay or disrupt shipping to and from the island, one of the biggest global traders.

The potential disruption adds to concerns over weakening global economic growth, but Asian stock markets rose Wednesday after there was



Customers buy fruit at a stall in Taipei, Taiwan, Sept. 20, 2021. China has blocked imports of citrus and fish from Taiwan in retaliation for a visit to the self-ruled island by a top American lawmaker but avoided sanctions on Taiwanese processor chips for Chinese assemblers of smartphones and other electronics, a step that would send shockwaves through the global economy.

no immediate sign of Chinese military action.

The Communist Party says Pelosi's visit might embolden Taiwan to make its decades-old de facto independence permanent. Beijing says that would lead to war.

The administration of U.S. President Joe Biden has tried to mollify Beijing, saying there

is no change in Washington's "one China policy." That says the United States takes no position on the status of the two sides but wants their dispute settled peacefully.

Washington has no formal relations with Taiwan but maintains unofficial ties and is obligated by federal law to see the island has the means to de-

fend itself.

Meeting leaders in Taiwan, Pelosi said she and members of Congress traveling with her were showing they will not abandon their commitment to the island democracy.

"America's determination to preserve democracy, here in Taiwan and around the world, remains ironclad," Pelosi said

in a short speech during a meeting with the president, Tsai. She departed later in the day for South Korea.

"Facing deliberately heightened military threats, Taiwan will not back down," Tsai said.

Taiwanese companies have invested nearly \$200 billion in the mainland over the past three decades, according to the island's government. Entrepreneurs, engineers and others have migrated to the mainland to work, some recruited by Chinese chipmakers and other companies that want to catch up with Taiwan.

A 2020 census found 158,000 Taiwanese living on the mainland, according to the police ministry.

Taiwan plays an outsized role in the chip industry for an island of 24.5 million people, accounting for more than half the global supply.

Its producers including Taiwan Semiconductor Manufacturing Corp. make the most advanced processors for smartphones, tablet computers, medical devices and other products.

Beijing has invested billions of dollars in developing its own industry, which supplies low-end chips for autos and appliances but cannot support the latest smartphones, tablet computers,

medical devices and other products.

Chips are China's biggest import at more than \$400 billion a year, ahead of crude oil.

That concentration has fueled concern in the United States and Europe about relying too heavily on supplies from East Asia. The U.S. government is trying to expand America's production capacity.

Overall, China is Taiwan's biggest trading partner, taking more than twice as much of its exports as the United States, the island's No. 2 foreign market.

Beijing has tried to use access to its markets to undermine Tsai and other Taiwanese leaders it accuses of pursuing independence.

The Communist Party also has used military action in the past to try to hurt Taiwanese leaders by disrupting the island's economy.

The mainland tried to drive voters away from then-President Lee Teng-hui ahead of the island's first direct presidential elections in 1996 by firing missiles into shipping lanes.

That forced shippers to cancel voyages and raised insurance costs but backfired by allowing Lee to brag about standing up to Beijing in front of cheering supporters.

QT Economy & Business

Cold showers, no lights: Europe saves as Russian gas wanes

Fanning out like urban guerrillas through Paris' darkened streets well after midnight, the anti-waste activists shinny up walls and drain pipes, reaching for switches to turn off the lights.

Click. Click. Click.
One by one, the outdoor lights that stores had left on are extinguished. It's one small but symbolic step in a giant leap of energy saving that Europe is trying to make as it rushes to wean itself off natural gas and oil from Russia so factories aren't forced to close and homes stay heated and powered.

Engineer Kevin Ha and his equally nimble friends had been acting against wasteful businesses in Paris long before Russia started cutting energy supplies to Europe in a battle of wills over Moscow's invasion of Ukraine. As such, the campaigners were precursors of the energy economy drive becoming all the rage in France, Germany and elsewhere. Their message — that everyone can contribute — is almost word-for-word what public officials from cabinet ministers to mayors are saying now, too.

"Everyone can have a positive impact at their own level, by adopting good practices, by doing the right things to reduce their overall energy footprint," the 30-year-old Ha said on a recent night of light-extinguishing on the Champs-Élysées boulevard.

The stakes are high. If Russia severs the supplies of gas it has already drastically reduced, authorities fear Europe risks becoming a colder, darker and less-productive place this winter. It's imperative to economize gas now so it can be squirreled away for burning later in homes, factories and power plants, officials say.

"Europe needs to be ready," said European Commission President Ursula von der Leyen. "To make it through the winter, assuming that there is a full disruption of Russian gas, we need to save gas to fill our gas storages faster. And to do so, we have to reduce our gas consumption. I know that this is a big ask for the whole of the European Union, but it is necessary to protect us." And although Europe is scrambling to get energy from elsewhere, any difficulties this winter could be a harbinger of worse to come if Russian gas supplies are completely severed and stay off through 2023, said France's minister overseeing energy, Agnès Pannier-Runacher.

"If gas deliveries are cut by the end of the year, that will mean we'll have a full year without Russian gas, so the following winter could be even harder," Pannier-Runacher told French senators.

Hence the mounting appeals — already familiar to exasperated parents of wasteful teenagers everywhere — for Europeans to take shorter showers, switch off power sockets and otherwise do what they can.

Germany had been getting about a third of its gas from Russia, making the EU's biggest economy and most populous nation conspicuously vulnerable. Energy saving is in full swing, with lights going off, public



Hadj Benhalima from the collective 'On the Spot' jumps to turn off lights during a night of action where they extinguished the lights on dozens of storefronts in Paris, Friday, July 29. The collective had been acting against wasteful businesses in Paris long before Russia started cutting energy supplies to Europe in a battle of wills over Moscow's invasion of Ukraine. As such, the campaigners were precursors of the energy economy drive becoming all the rage in France, Germany and elsewhere.

pools becoming chillier and thermostats being adjusted.

The glass dome of the Reichstag, the parliament building in Berlin, is going dark after it closes to visitors at midnight, and two facades will no longer be lit. Legislators' office temperatures will drop by 2 degrees to 20 Celsius (68 Fahrenheit) this winter. Berlin City Hall, the Jewish Museum, two opera houses and the landmark Victory Column with panoramic views are among about 200 sites in the German capital that will no longer be lit at night.

Saunas are closing in Munich's municipal swimming pools, which have chillier water now, too. There'll only be cold showers at public pools in Hannover, part of a plan by the northern city to cut its energy use by 15%.

"The sum of all the contributions will help us get through this winter and be prepared for the next one," said Robert Habeck, Germany's vice chancellor and economy minister. He also told news weekly Der Spiegel he has slashed the time he spends showering.

"It will be a demanding, stony road, but we can manage it," he said.

With a campaign dubbed "Flip the Switch," the Netherlands' government is urging showers of no more than five minutes, using sun shades and fans instead of air conditioning, and air-drying laundry.

Under a law passed Monday in often-sweating Spain, offices, stores and hospitality venues will no longer be allowed to set their thermostats below 27 degrees Celsius (81 degrees Fahrenheit) in summer, nor

raise them above 19 degrees Celsius in winter.

Prime Minister Pedro Sánchez asked office workers to ditch neckties, presumably to lessen the temptation to use air conditioning. He led by example, appearing at a news conference in an open-necked shirt.

The Italian government also is recommending limits on heating and cooling in public buildings.

In France, the government is targeting a 10% reduction in energy use by 2024, with an "energy sobriety" drive. Mayors are also waging their own war on waste, with fines introduced for air-conditioned or heated stores that leave front doors open; others are working to limit the pain of soaring energy prices.

The 8,000 residents of Aureilhan, in the

foothills of the Pyrenees in southwestern France, have been adjusting to nights without street lights since July 11. Extinguishing all 1,770 of them from 11 p.m. to 6 a.m. will save money that Mayor Yannick Boubée would rather spend on roads and other maintenance. Otherwise, he said, the town's 84,000-euro (\$86,000) lighting bill in 2021 was on course to nearly triple next year.

"When it comes down to it, there's no reason to keep the lights on at night," he said by phone. "It is shaking up our way of thinking." Next will be convincing townspeople to agree to less-heated classrooms when schools reopen.

"We're going to ask parents to put a pullover on their children, all measures that don't cost anything," he said. "We have no choice, unfortunately."

Inflation weighs on back-to-school buying for many families

AGENCIES

TO understand the impact of surging inflation on this year's back-to-school spending, look no further than children's rain boots with motifs like frogs and ladybugs made by Washington Shoe Co.

Spending held steady for these evergreen items even after the Kent, Washington-based business was forced to pass along 15% price increases in January to its retail clients because of soaring transportation costs. But by May, as gas and food prices also surged, shoppers abruptly shifted away from the \$35 higher-end rain boots to the no-frills versions that run \$5 to \$10 cheaper, its CEO Karl Moehring said.

"We are seeing consumers shift down," said Moehring, noting dramatic 20% sales swings in opposite directions for both types of products. "Wages are not keeping up with inflation." This back-to-school shopping season, parents — particularly in the low to middle income bracket — are focusing on the basics while also trading down to cheaper stores amid surging

inflation, which hit a new 40-year high in June.

Last week, Walmart noted higher prices on gas and food are forcing shoppers to make fewer purchases of discretionary items, particularly clothing. Best Buy, the nation's largest consumer electronics chain, cited that inflation has dampened consumer spending on gadgets. Both companies cut their profit forecasts as a result.

Such financial struggles amid the industry's second-most important shopping season behind the winter holidays mark a big difference from a year ago when many low-income shoppers, flush with government stimulus and buoyed by wage increases, spent freely.

Matt Priest, CEO of trade group Footwear Distributors & Retailers of America, noted that last year, the group's retail members saw a noticeable uptick in online sales mid-month when shoppers received their monthly child tax credit checks that amounted to a couple of hundred dollars. This season, without that bump, he expects shoppers will buy fewer



Shoppers look for school supplies deals at a Target store, Wednesday, July 27, 2022, in South Miami, Fla. This back-to-school shopping season, parents, particularly in the low to middle income bracket, are focusing on the basics like no frills rainboots, while also trading down to cheaper stores, including second-hand clothing, as surging inflation takes a toll on their household budgets.

shoes for their children and rely on private label brands.

Inflation has squeezed household finances for Jessica Reyes, 34, who took her daughters Jalysa, 7, and Jenessis, 5, to a "Back to School Bash" event last month in the Chicago's northside that offered free backpacks filled

with supplies for students.

"I feel like everything is going up these days," she said at the event. "We're a one-income household right now... so I think it's greatly affected us in all areas, in bills and in house necessities and school necessities." Out shopping, her girls were drawn to the

school supplies featuring TV characters and animals they love, but she'll focus on the plain versions.

"They want the cute ones, you know, the kitty ones. And those are always more expensive than the simple ones. And same thing with folders, or notebooks, or pencils," Reyes said.

Earlier, Manny Colon and his daughters Jubilee, 8, and Audrey, 5, stopped by the back-to-school event to pick out backpacks.

Colon, 38, works at his daughters' elementary school. He said his spouse has had to pick up extra work because of high prices for school supplies, groceries and gas.

"I think it's definitely impacted us," he said.

Multiple forecasts point to a solid back-to-school shopping season.

Mastercard SpendingPulse, which tracks spending across all payment forms including cash, forecasts back-to-school spending will be up 7.5% from July 14 through Sept. 5 compared with the year-ago period when sales rose 11%. For the 2020

back-to-school period, sales fell 0.8% as the pandemic wreaked havoc on schools' reopening plans and back-to-school shopping.

Still, higher prices are propping up much of the numbers.

A basket of roughly a dozen supply items showed a price increase of nearly 15% on average for this back-to-school season compared with a year ago, according to retail analytics firm DataWeave. The price of backpacks are up nearly 12% to an average of \$70, for example.

Back 2 School America, an Illinois-based nonprofit that distributes back-to-school kits to kids from low-income families, has seen "a significant increase in costs of supplies," including a 10% increase from their vendor with another possible markup on the way, said the organization's CEO Matthew Kurtzman. And shipping costs have also gone up.

Thanks to increased support this year, Back 2 School America will be able to cover the new costs and is on track to distribute more kits than ever before — 12,000 so far,

and more than 30,000 by the end of August, Kurtzman said. But the funding isn't guaranteed in the future as worries about a recession increase.

etailers face big challenges to get shoppers to spend, particularly on clothing.

Walmart said last week it was taking extra discounts on clothing to clear out inventory. Analysts believe those sales will exert more pressure on other rivals to discount more to stay competitive. However, Walmart said it's encouraged by the early signs for sales of school supplies.

Meanwhile, Gap's low-price Old Navy division is guaranteeing a price freeze on its denim from July 29 through the end of September.

As for Washington Shoe, Moehring said he's shifting production away from higher priced children's boots to more value-priced products in the months ahead. The company still sees annual sales ahead of last year, but he's being cautious.

"I believe it is a muddy outlook," he said.