

China, US lift wind turbine sales: study



Wind turbines operate at a wind farm, a key power source for the Coachella Valley (file photo)

AFP | Paris

Orders for wind turbines were up in the first half of the year compared to 2022, after a rebound in purchases in North America and strong volumes in China, said a study published yesterday.

Between January and June turbine orders for capacity reached 69.5 gigawatts, a 12 percent rise over in the first six months of 2022, according to research firm Wood Mackenzie.

That figure sets a first half record although it is down on

second half 2022 results.

Total first half volume by value came in at \$40.5 billion with a 47 percent rise in Chinese demand one of the key factors behind the push, the report said, consolidating the nation's top rank status.

US demand also was a factor, with volume of electrical power (7.7 GW) quadrupling compared to the first half of 2022.

The study credited President Joe Biden's Inflation Reduction Act in the United States, which is designed to underpin a vast energy transition and social reform programme.

US manufacturing slump continues into 10th month

AFP | Washington

The slump in US manufacturing activity continued for a 10th consecutive month in August amid ongoing softness in new orders, survey data showed yesterday, with some signs pointing to an improving situation.

The Institute for Supply Management's (ISM) manufacturing index came in higher than expected at 47.6 percent in August, up from 46.4 percent a month earlier.

The continued slowness in new manufacturing orders aligns with recent inflation figures, which showed a contraction in the prices of goods, while those of services continued to rise.

The Federal Reserve has been on an aggressive campaign since March last year to bring down high inflation through interest rate hikes, which hits consumer



Workers put engines on the frame at a Ford Truck Plant in Michigan (file photo)

demand.

"The August composite index reading reflects companies managing outputs appropriately as order softness continues, but the month-over-month increase is a sign of improvement," ISM survey chief Timothy Fiore said in a statement.

The figure was 1.0 percentage points higher than the median expectation of economists surveyed by MarketWatch.

While it marked a sharp improvement, the August figure was still firmly below the 50-percent threshold indicating growth in the sector.



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ISM SURVEY CHIEF TIMOTHY FIORE

"The manufacturing ISM index improved more than expected in August, to the highest level since February," Rubeela Farooqi, High Frequency Economics's chief US economist wrote in a note to clients.

But she added that "higher borrowing costs and a further tightening in credit conditions could be headwinds going forward."

UK mulls fossil-friendly energy treaty pull-out

AFP | London

The UK will review its membership of a 1990s-era energy treaty that shored up use of fossil fuels and could pull out if "vital modernisation" is not agreed, a minister said yesterday.

The British government's warning comes after the European Commission in July announced its plan for a "coordinated withdrawal" from the Energy Charter Treaty.

A deal aimed at maintaining the accord's current benefits while supporting the transition to cleaner energy was reached last year.

The modernised treaty -- with a stronger focus on promoting clean, affordable energy -- had been due to be adopted in November 2022.

But there has been stalemate among members over whether to move forward with the new terms.

"Rather than being stuck indefinitely with an outdated treaty, the UK wants to see an agreement on a modernised



Climate activists from the Extinction Rebellion (XR) group hold a banner hung on Tower Bridge, in London (file photo)

treaty as quickly as possible," Energy Security and Net Zero Minister Graham Stuart said in a statement.

"Countries around the world will be looking to boost their home-grown energy sources, including with new clean technologies -- the Energy Charter Treaty therefore must be modernised.

"That's why we will be re-

viewing our membership, and considering withdrawal if that vital modernisation is not agreed," he added.

The European Commission said in July it was proposing the whole EU pull out of the treaty.

The Energy Charter Treaty "is no longer compatible" with the European Union's goals on striving for a greener, carbon-neutral

future, the commission said in a statement.

The treaty, which the EU and Euratom, the European atomic energy community, signed on to in 1994 came into effect in 1998 and currently has some 50 signatories.

Initially it sought to bring post-Soviet eastern European energy sectors into a cooperative framework with western European ones.

To do that, it allowed energy companies -- many of them using coal and other fossil fuels -- to sue governments over policies putting their investments at risk.



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ENERGY SECURITY AND NET ZERO MINISTER GRAHAM STUART

NZ dairy giant Fonterra eyes massive cost cuts



A general view of Fonterra's Hautapu dairy factory located near the rural town of Cambridge

AFP | Wellington

New Zealand farming giant Fonterra said yesterday that it plans to slash around US\$598 million in costs over the next seven years following a fall in global dairy prices.

Chief executive Miles Hurrell foreshadowed future job cuts, saying the "focus on efficiencies will have implications for staff numbers".

But he gave no further details about how many of Fonterra's 20,000-strong workforce may be cut.

With around 9,000 farmer-shareholders, Fonterra is one of the world's largest dairy exporters, producing 16 billion litres of milk per year, exporting to more than 140 countries.

Dairy was New Zealand's biggest export commodity last year with milk powder, butter and cheese accounting for 28 percent of total exports, worth US\$12.3 billion, according to Stats NZ.

However, dairy prices fell sharply last month, led by a 10.9 per cent drop in the cost of whole milk powder.

Fonterra has twice cut its forecast for milk pricing in recent weeks, increasing pressure on its farmers, which Hurrell said "made the outlook for the year even more challenging".

The Fonterra boss said a re-



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duction in demand for imported whole milk powder from China, one of the dairy producer's three regional markets, has been a key driver of falling prices.

"Strong domestic milk supply growth in China has been propelled by high raw milk prices over the past few years," Hurrell said.

"More recently, China's extended Covid-19 lockdown has reduced consumer demand for fresh milk products and this demand has not yet recovered to the previously forecast levels."

There are signs that China's domestic milk production is balancing out, he said.

Shell to offload UK, German household energy units

AFP | London

Energy group Shell yesterday said it had agreed to sell its UK and German units providing gas, electricity and broadband for an undisclosed amount to British company Octopus Energy.

"To drive performance, discipline and simplification, we are prioritising countries, projects, and routes to market where we can deliver the most value," Steve Hill, executive vice-president, Shell Energy, said in a statement.

It comes as British group Shell winds down its home energy retail business in the Netherlands but keeps similar operations in Australia and the United States.

Shell's sale will make Octopus Britain's second-largest domes-



Shell logo is pictured on a sign outside a petrol station

tic energy supplier behind British Gas.

The deal is still subject to regulatory approval and is expected to be finalised in the last three

months of 2023.

Octopus said it would provide energy for an additional 1.4 million homes and broadband to 500,000 customers, mainly in



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the UK.

"Octopus has proven that it delivers game-changing service whilst innovating and investing relentlessly towards a cheaper cleaner energy system," its chief executive Greg Jackson said in a separate statement.