



NEWS



Power squeeze curbs Chinese growth, leaves Europe in a gas bind

China's power shortages hit growth in the world's second-biggest economy, threatening more pain for global supply chains, while Europe's gas squeeze looked set to continue as Russia's Gazprom showed no sign of hiking exports to the region in October.

Coal, oil and gas prices have all rocketed higher in recent weeks hammering utilities and consumers from Beijing to Brussels, raising inflationary pressures and putting at risk a global recovery from the COVID-19 pandemic.

Europe, which relies on Russia for 35% of its gas supplies, has seen its benchmark gas price rise more than 350% this year. As a result, a slew of European firms that supply gas or power to households and companies have folded.

The Czech Republic's energy regulator took the exceptional step of asking suppliers to provide reassurances that they could supply energy to homes and companies, after another of the country's electricity and gas groups halted supply.

A dozen or so suppliers have already gone bust in Britain.

In Asia, power provider Ohm Energy said it had exited the retail electricity market in Singapore, the third company to do so in recent weeks.

China, which needs coal to fire up about 60% of its power plants, has been grappling with a shortfall in supplies and surging prices for the most polluting of fossil fuels, leading to disruption in electricity supplies for factories and homes.

A global rebound from the depths of the pandemic-induced slump has left all fossil fuel suppliers struggling to keep pace.

European companies are among those feeling the pinch from the energy price surge, adding to other challenges that include a shortage of memory chips and a lack of shipping containers.

Supply chain volatility has intensified globally said and this headwind is expected to continue in the fourth quarter.

Reference:

<https://economictimes.indiatimes.com/news/international/business/power-squeeze-curbs-chinese-growth-leaves-europe-in-a-gas-bind/articleshow/87112298.cms>