

BUSINESS EYE

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Trumpian soap opera continues

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This week's gibberish comes to you from my Evil Lair high up in the Chiltern Hills where I have been observing planet madness.

It's not so much the Eagles' Nest as it is the Hippo's Hideaway.

Tensions between the US and China are set to intensify further after the US Treasury named China a "currency manipulator" following a sharp fall in the value of the Chinese yuan against the dollar.

It has caused massive drops in world markets which impacts all of our pensions.

Don't imagine you are immune to the Trumpian soap opera.

"China has a long history of facilitating an undervalued currency through protracted, large-scale intervention in the foreign exchange market," said the US Treasury, adding that in recent days the country "has taken concrete steps to devalue its currency".

This comes after Donald Trump's pledge last week to introduce another 10 per cent tariff on \$300bn of Chinese imports.

We are all now subject to this trade war which risks sending world trade into reverse.

Meanwhile, the EU has accused the UK Government of deliberately seeking the Brexit talks to fail to achieve a no-deal outcome, saying that changes to the withdrawal agreement that are being proposed – such as scrapping the Irish border backstop – are simply unacceptable at this late stage.

"It was clear the UK does not have another plan.

"No intention to negotiate, which would require a plan," an EU diplomat reportedly said.

Downing Street has rejected these claims and said the Government hoped the EU would rethink its refusal to agree to changes.

The current deal will, of course, not pass through Parliament in its current form, having already failed three times, so it looks increasingly like no deal.

Have you stock-piled tins of beans and bottles of booze?

Boris Johnson has pledged to "do or die" and leave the EU by October 31 regardless of whether a deal is agreed or not.

Looks like certain death to me.

At the same time, Tesco has announced plans to cut up to 4,500 jobs mainly in its Metro stores in town centres.

This comes as the UK's largest supermarket seeks

to make the format of these stores more efficient.

"The Metro format was originally designed for larger, weekly shops, but today nearly 70 per cent of customers use them as convenience stores, buying food for that day," said Tesco.

The company added that there were no immediate plans for store closure at this point.

Earlier this year Tesco announced that it would remove fresh food counters from some larger stores, resulting in the loss of another 4,000 jobs.

Finally, consumer spending fell to a record low in the year to July, rising by only 0.5 per cent, according to the British Retail Consortium (BRC) and KPMG.

Total sales in July rose by 0.3 per cent after two months of falls. However, "while retailers will welcome the return to growth it has nonetheless been a punishing few months for the industry," said

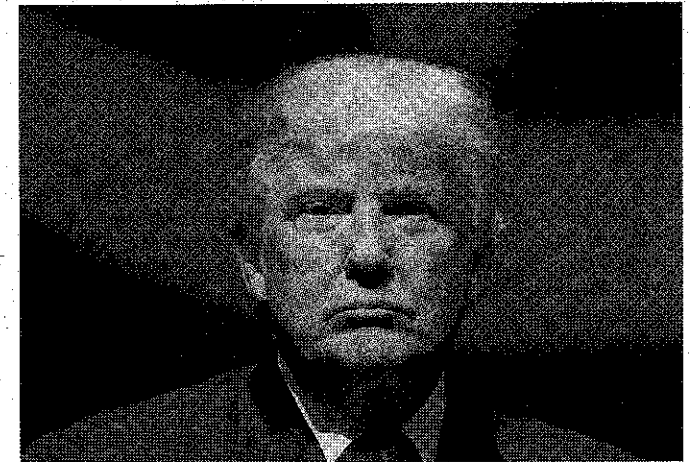


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Helen Dickinson, the BRC's chief executive.

This is despite last month's hot weather, which normally tends to boost retail sales.

Brexit uncertainty and slow real wage growth have contributed to the "challenging retail environment".

So there you have it.... a global trade war, job losses at Tesco, retail sales in the toilet and

Boris leading us to economic suicide.

A perfect storm, but look on the bright side, at least we are not waiting for a dam to burst and flood our homes, nor are we subject to semi-automatic weapons in the hands of the mentally ill in our schools.

Life can always be better, or worse, so best enjoy what we have!