

THE WALL STREET JOURNAL

MONDAY, SEPTEMBER 19, 2022 • VOL. CCLXXX NO. 67
Last week: DJIA 30822.42 ▼ 13929 4.3% NASDAQ 11480.40 ▼ 5.5% S&P 500 4002.24 ▼ 2.5% 10-YR TREASURY 1.1/32, yield 3.64% OIL \$95.11 ▼ \$1.68 EURO \$1.0916 YEN 142.93

What's News

Business & Finance

The U.S. dollar is in the midst of a once-in-a-generation rally this year, a surge that threatens to exacerbate the global growth slowdown and get further pressure on central banks around the world. **A1**

U.S. utility customers, faced with some of their largest bills in years, are set to pay even more this winter as natural-gas prices continue to climb. **A1**

China installed almost as many robots in its factories last year as the rest of the world, accelerating a rush to automate and consolidate its manufacturing dominance. **A1**

A group of Biden-appointed bank regulators is considering new rules to require large regional banks to add to financial cushions that could be called on in times of crisis. **A1**

Starbucks chief Schultz said he wants to ensure the strategic revamp plan he and other executives developed is on track before he exits and said he "secretly" wants to get back to China. **B1**

The battle for the stablecoin market is heating up as interest rates rise and the largest players jostle for market share. **B1**

Elevated commodity prices have helped mining companies including Southern Copper and Rio Tinto raise hundreds of millions of dollars from sales of royalties. **B1**

World-Wide

The Biden administration is revamping its effort to close the Guantanamo Bay prison, for the first time appointing a senior diplomat to oversee detainee transfers and signaling it won't interfere with plea negotiations that could resolve the long-stalled prosecution of alleged 9/11 mastermind Khalid Sheikh Mohammed and four co-defendants. **A7**

Russia is intensifying a campaign of long-range missile strikes targeting Ukraine's key infrastructure after facing major setbacks on the battlefield that have raised concerns about further escalation from Moscow. **A8**

The top U.S. military commander visited a military base in Poland and reviewed security measures for U.S. forces supporting Ukraine. **A8**

The EU ramped up financial pressure on Hungary's nationalist prime minister just as it needs his support to extend sanctions on Russia over its invasion of Ukraine. **A8**

The Pentagon is intensifying efforts to decouple U.S. defense companies' sprawling global supply chains from China, executives and department officials said. **A3**

Trump confidant Thomas Barrack goes on trial beginning this week on charges he illegally pushed U.S. officials to support policies favoring the U.A.E. **A4**

JOURNAL REPORT
C-Suite Strategies: The performance review is back. **R1-12**

CONTENTS
Opinion A12-17
Aftershock A12
Business News A13
Cover Story A14
Bridges A15
Readers' Forum A16
Market Watch A17

"Good old Wordsworth," Mr. Pulitzer said. "But that is the place for flowery, inaccessible language—in poetry and literature, and not in government legislation." **A17**

Hurricane Fiona Hits Puerto Rico With Flooding, Blackout



DELUGE: Hurricane Fiona made landfall in Puerto Rico on Sunday, knocking out the power grid and causing flooding in Cayey, above, and throughout the island. President Biden approved an emergency declaration to provide relief. **A2**

Electric Bills Rise Nationwide As Natural-Gas Prices Climb

By KATHERINE BLUNT
AND JESSICA MILLER

U.S. utility customers, faced with some of their largest bills in years, are set to pay even more this winter as natural-gas prices continue to climb. Natural-gas prices have more than doubled this year because of a global supply shortage made worse by the war in Ukraine, and they are expected to remain elevated for months as fuel is needed to light and heat homes during the winter. The supply crunch has made it

substantially more expensive for utilities to purchase or produce power, and those costs are being passed on to customers. From New Hampshire to Louisiana, customers' electricity rates are increasing. The Energy Information Administration anticipates the residential price of electricity will average 34.8 cents per kilowatt-hour in 2022, up 2.5% from 2021. The agency forecasts record gas consumption this year amid surging prices, in part because power producers are limited in their ability to burn coal instead due

to supply constraints and plant retirements. Electricity prices have surged in many parts of the country alongside natural-gas prices as exporters ship record amounts of the fuel abroad because of supply shortages in Europe, which is working to slash its reliance on Russian supplies. Natural-gas producers, hampered by pipeline constraints and investors pushing for austerity, haven't increased production enough to alleviate the pressure. The U.S. consumer-price in-

dex for electricity in August climbed 15.8% over the same month a year ago, the biggest such 12-month increase since 1981, according to a report from the U.S. Bureau of Labor Statistics. The strain is particularly acute in New England. The region is investing heavily in renewable-energy sources, but many of those projects aren't yet operational, and it still relies on fossil fuels. **Please turn to page A2**

Putin's energy war with Europe falters **A8**

Dollar's Strength Spells Trouble Globally

Surge threatens to worsen slowdown, raise inflation woes for central banks

The dollar is in the midst of a once-in-a-generation rally this year, a surge that threatens to exacerbate the global growth slowdown and put further pressure on central banks around the world.

By Chelsey Dalaney,
Megumi Fujikawa and
Rebecca Fong

The dollar's role as the primary currency used in global trade and finance means its fluctuations have widespread impacts. The currency's strength is being felt in the fuel and food shortages in Sri Lanka, in Europe's record inflation and in Japan's exploding trade deficit.

This week, investors are closely watching the outcome of the Federal Reserve's policy meeting for clues about the dollar's trajectory. The U.S. central bank is expected Wednesday to raise interest rates by at least 0.75 percentage points as it fights inflation, likely fueling further gains in the greenback.

In a worrying sign, attempts from policy makers in China, Japan and Europe to defend their currencies are largely failing amid the dollar's unrelenting rise.

Last week, the dollar steamed ahead on a key level against the Chinese yuan, with one dollar buying more than 7 yuan for the first time. **Please turn to page A6**

When EVs Sped Up, Makers Fell Behind

Rising interest in electric vehicles sends manufacturers scrambling for supplies

By MIKE COLEMAN

Auto makers racing to turn out electric vehicles have generated long wait lists. Now they must try not to disappoint customers like Louis Figueroa.

Mr. Figueroa put down a \$300 refundable deposit on an F-150 Lightning soon after Ford Motor Co. unveiled the electric pickup in May 2021, eager to use it for his construction job. But there is a long backlog, and it isn't clear when he'll be able to actually order one.

"I'm thinking, 'Can I afford to keep waiting for this?'" said Mr. Figueroa, who lives near San Bernar-

dino, Calif. A few years ago, auto executives weren't sure there would be enough buyers for plug-in electric models. Now, they worry they can't build them fast enough, while they intensify a multibillion-dollar rush to accelerate timelines and bring factories online. EVs account for only about 6% of overall U.S. vehicle sales. But that percentage has tripled in the last two years, while sales of other types of vehicles have declined, according to research firm Motor Intelligence. General Motors Co., Ford, Rivian Automotive Inc. and other auto makers say they have

Please turn to page A10

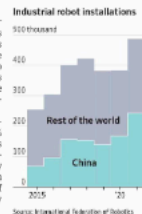
China Turns to Robotics As Plant Workforce Shrinks

By JASON DOUGLAS

China installed almost as many robots in its factories last year as the rest of the world, accelerating a rush to automate and consolidate its manufacturing dominance even as its working-age population shrinks.

Shipments of industrial robots to China in 2021 rose 45% compared with the previous year to more than 265,000, according to new data viewed by The Wall Street Journal from the International Federation of Robotics, a robotics industry trade group.

China accounted for just under half of all installations of heavy-duty industrial robots last year, reinforcing the nation's status as the No. 1 market for robot manufacturers worldwide. The IFR data show China installed nearly twice as



many new robots as did factories throughout the Americas and Europe. Part of the explanation for China's rapid automation is that it is simply catching up with richer peers. The world's

second-largest economy lags behind the U.S. and manufacturing powerhouses such as Japan, Germany and South Korea in the prevalence of robots on production lines.

The rapid automation also reflects a growing recognition in China that its factories need to adapt as the country's supply of cheap labor dwindles and wages rise.

The United Nations expects India to surpass China as the world's most populous country as soon as next year. The population of those in China age 20 to 64—the bulk of the workforce—might have already peaked, U.N. projections show, and is expected to fall steeply after 2030, as the population ages and birthrates stay low. **Please turn to page A7**

Chinese firms try new angles to control costs **B3**

New Zealand Tries to Ban Jargon. Generated Outcome Is Suboptimal.

Lawmakers want to simplify documents; critics warn of 'plain-language police'

By MIKE CAHANEY

During a recent session of New Zealand's parliament, government lawmaker Sarah Pallett rose to recite "Wandered Lately as a Cloud" by William Wordsworth, a poem that used literary language to describe going for a walk and seeing daffodils.

"Good old Wordsworth," Mr. Pallett said. "But that is the place for flowery, inaccessible language—in poetry and literature, and not in government legislation." **A17**

A law promoting the use of simple language in New Zealand's government documents is proving complicated. For one thing, no one can quite agree on what plain English actually means. Nearly 70 citizens and groups have made written comments. Officials put together a survey for a walk and seeing daffodils. **A17**

INSIDE



SPORTS
The Los Angeles Aces defeat the Connecticut Sun for WNBA championship. **A14**

BUSINESS & FINANCE
Private-equity firms are courting family businesses for buyouts. **B1**

Regional Banks Face Tighter Regulations

By ANDREW ACKERMAN

WASHINGTON—A group of Biden-appointed bank regulators is considering new rules to require large regional banks to add to financial cushions that could be called on in times of crisis.

The steps under consideration include requirements that the regional firms raise long-term debt that can help absorb losses in case of their own insolvency, according to people familiar with the matter, extending a streamlined version of requirements that at present apply only to the largest U.S. banks.

The most likely path for achieving these new requirements is through a formal rule-

making process led by the Federal Reserve, the prospects for which banks and their trade groups are already beginning to fight on the grounds that the measure is unneeded and that their costs outweigh any benefits.

At issue are concerns among Biden administration and its top regulators that the steady growth of the nation's largest regional banks, a group that includes firms such as U.S. Bancorp, Truist Financial Corp. and PNC Financial Services Group Inc., has introduced new risks to the financial system. While these firms might lack the vast trading floors and international operations of megabanks like JPMorgan Chase & Co. and

Please turn to page A7