

# Business & Finance

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■ A DROP of 0.4 per cent in factory output for June has surprised analysts. Productivity was expected to rise again after a 1.8 per cent increase in May. But the fall casts fresh doubt on the strength of the economic recovery.

'While the government perseveres with its tough fiscal programme, everything must be done to support the manufacturing recovery and ensure there are no setbacks,' said David Kern, of the British Chambers of Commerce.



**Fallout:** The operator of the Fukushima nuclear power plant reported quarterly losses of £4.5 billion yesterday. Tokyo Electric Power is expected to take years compensating tens of thousands of people affected by the destruction of the plant in March following an earthquake and tsunami. Picture: AP

## Greggs rolls out more stores despite slump

GREGGS bakery chain has revealed a slowdown in sales growth after the squeeze in consumer spending dulled the nation's appetite for its pies and rolls. The chain, which boasts more than 1,500 outlets and has expanded its range by selling breakfast baps and coffee, said like-for-like sales rose just 0.4 per cent in the 26 weeks to July 2. And it warned that it did not expect the

second half of 2011 to bring any relief. Despite the drop in sales, the group's expansion plans are on track. Greggs opened a record 39 stores during the period, leaving it on target to open 80 in the year, as it takes up cheap rents on Britain's high streets. Chief executive Ken McMeikan said commodity prices had risen faster than expected, after flour, meat and energy costs increased by up to 30 per cent.

## InterContinental on a roll

HOTEL operator InterContinental is to push ahead with a large opening programme in Britain after revealing its first-half profits soared. The owner of the Holiday Inn, Crowne Plaza and Staybridge brands intends to add 28 hotels to its 269, creating up to 3,000 jobs. The roll-out includes a Staybridge near the 2012 Olympics site in east London. Underlying profits in the six months to June were up 23 per cent to £164million.

# Insurers landed with riot bill of at least £100m

RIOTING across Britain will cost 'well over £100million', insurers warned yesterday.

Looting and street violence will crank up home, business and car claims, the Association of British Insurers said.

'It is too early to have an accurate picture of total costs – especially business interruption costs – but insurers are expecting significant losses of well over £100million,' said Nick Starling, of the ABI.

'Insurers are working as quickly as they can. However, access to dangerous buildings, which are also crime scenes, is a serious issue.'

The riots, which broke out on Saturday night following a peace-

By **Cheryl Latham**

ful protest in Tottenham, north London, and spread to other cities, could cause insurers to raise premiums to recover payouts.

Mr Starling added: 'We have every sympathy for residents and business owners. This is a time of enormous stress for them and their insurers will be on hand.'

Most home insurance should cover fire, looting or damage, while many policies will cover residents for alternative accommodation if they cannot stay in their homes.

Commercial policies normally cover businesses for damage to their premises – including losses

incurred through subsequent interruptions to their operations.

Some policies will also cover shops which were not damaged but lost trade as a result of disturbances.

The British Insurance Brokers' Association urged those affected by the riots to contact their broker immediately.

Steve Foulsham of BIBA added: 'The majority of insurance providers operate a 24-hour claims line and can help people arrange for emergency repairs and the damage to be inspected as quickly as possible.'

Tony Gibbs of Macbeth Chartered Insurance Brokers predicted the riots could raise premiums in the affected areas by up to 15 per cent.

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\*Monthly average from Oct 2010 – Mar 2011

I've always been a successful investor but I lose money on short-term trades. What am I doing wrong?

To make the switch from investing to trading, you need to make sure you're confident of their differences. The principal distinction is time. Investors hold their stock over months or years, whereas traders jump in and out of trades quickly – within, days, hours and even minutes. Investors tend not to worry about short-term fluctuations or downturns, on the whole basing their investment decisions on



how valuable they feel a company or market will be in the future. In contrast, traders don't need to worry about the long-term investment potential of the stock they hold, as they won't have it long enough for future worth to affect them. Investors and traders look at different indicators to help them identify

in which markets to place their money. Investors rely mostly on fundamental analysis – a method of creating financial forecasts using historical and current data. Traders typically use charts to identify short-term patterns. For both, the general aim is always to 'buy low and sell high' but for investors it is even more important they buy stock very low, minimising their initial outlay and maximising profit over time. For traders, as long as the stock points rise, it doesn't really matter how low the initial purchase price was.