COVID-19 restrictions and its consequences on Afghan businesswomen

KABUL: A research shows that in recent one year, tens of Afghan businesswomen, investors and industrialists have lost their businesses in Afghanistan due to insecurity, lack of access to market, financial challenges and corona outbreak restrictions.

The officials of Afghan Women's Chambers of Commerce and Industries say that in recent year challenges against Afghan businesswomen have doubled and large parts of women's investments have stopped and stagnated.

Addressing the media, director of Trade Resources center of AWCCI Sayeda Faqirzada said: "In recent year, out of 2741 Afghan businesswomen, investment or businesses of most of them have been stagnated. Acceding to the result of a research, 6 percent of these businesswomen that included 160 women have completely lost their work while another number have been resisting to continue their businesses despite of potential obstacles."

She said: "In the wake of collapse of Taliban regime in 2001 and establishment of new administration in Afghanistan, efforts were made to include women in investment, economic activities and labor market but during this period due to insecurity, violence and socio-cultural challenges, the businesswomen have been facing numerous problems and beside that ambiguity of peace talks with Taliban has been one of basic and major challenges before the women's businesses that have strongly concerned them and a kind of anxiety has been created among women activities."

The Afghan women activities have always emphasized that women situation would not reversed to 20 years ago and their achievement would be preserved. While during the Taliban rule (1995-2001), women were not allowed to get out of home or be involve in economic activities.

Increasing insecurities, violences and purposeful murders have increased recently and have inflicted big damages to business and investment, specially to women activities and doubled their problems.

Due to challenges a number of those women have left the country and established their investment abroad.

Faqirzadah added: "It is a strong blow on our economy and the research result show that women in most provinces have no direct access to market and their products are purchased by men in low prices and then supplied to bazaar in higher prices."

"As businesswomen lack essential Knowledge on marketing due to education restrictions, most women don't know that their products have good market out of their villages, other provinces and even out of the country. So they should not supply their product in slight prices."

Beside other challenges, there are no sufficient industrial estates... for women and the government also doesn't support private sector specially women and lacks encouraging programs, she said.

These officials say that businesswomen are suffering of an unequalled competitions with men.

The AWCCI has recently presented a new plan to the government on establishment of particular markets for women to facilities women access to industrial estate and marketing.

Shukria Kohistani

Hiring picked up last month, but the economy still needs more workers

Recruiters looking to fill positions at O'Hare International Airport meet with candidates during a job fair at the Chicago airport on May 19. Hiring was expected to have picked up last month, providing a shot of relief to an economy in need of workers as businesses start to reopen again.

Hiring picked up steam last month, providing a mild shot of relief to an economy that needs workers as millions of Americans start to venture out again.

U.S. employers added 559,000 jobs in May. That's about twice the number of jobs that were added during a disappointing April but is still a slowdown compared with the 770,000 jobs created in March.

Unemployment fell to 5.8%, from 6.1% in April. The drop occurred partly because people found jobs but also because 53,000 people dropped out of the workforce.

"It's hard to hate this report, but it's also hard to love it," said economist Nick Bunker of the Indeed Hiring Lab. "It's great to see a pickup to job growth, but it would have been better to see a larger acceleration."

The U.S. has so far replaced only about two-thirds of the jobs lost last year. Many businesses are keen to hire more but are struggling to find workers. That's sparking political tensions as Republicans say the extra unemployment benefits passed as part of the COVID-19 relief are dissuading Americans from returning to the workforce.

An index of service-sector activity hit an all-time high in May as newly vaccinated Americans flocked to restaurants, movie theaters and other venues that had been off limits during the depths of the pandemic.

"It's almost like a jail break," said Anthony Nieves, who compiles the index for the Institute for Supply Management. "People are looking to get out and do things. Definitely the demand is exceeding the supply."

Bars and restaurants added 186,000 jobs in May, while amusement parks and recreation centers added 58,000.

But industry surveys released earlier this week suggest job gains might have been stronger had the supply of workers not been constrained.

Some businesses are even offering $50 bonuses to any job applicant who shows up for an interview.

President Biden defended the job gains as progress.

"As we continue this recovery, we're going to hit some bumps along the way," Biden told reporters. "You can't reboot the world's largest economy like flipping on a light switch."

The Federal Reserve highlighted the staffing challenges in its latest "Beige Book," which compiles anecdotal reports from business contacts across the country.

"Many firms indicated they were operating with fewer staff members than they would like because of a dearth of job applicants," the Fed noted, adding this was especially true at the lower end of the wage spectrum.

Businesses pointed to a variety of factors behind the shortage of job applicants, including "workers' health concerns, childcare constraints, and generous unemployment benefits."

"The good news is all three of those factors should get a lot better in a few months, when schools fully reopen — hopefully around Labor Day — if the virus continues to decline, and those unemployment benefits are going to expire," Neel Kashkari, president of the Federal Reserve Bank of Minneapolis, told Morning Edition. "I'm optimistic we'll see a lot more labor supply, people come off the sidelines, beginning this fall."

During the pandemic, Congress authorized supplemental unemployment benefits of $300 per week, which are scheduled to expire in early September. More than two dozen states have announced plans to cut those benefits off earlier — in some cases as early as next week — in an effort to push people back to work.

Economists are divided on the degree to which enhanced benefits have discouraged people from seeking jobs.

Women accounted for more than half the job gains last month, but there are still 1.8 million fewer women in the workforce now than there were before the pandemic.

Economists say a mix of factors are keeping many women on the sidelines. In addition to health concerns and caregiving responsibilities, many women are changing careers.

"Now, more than 70% of the people coming off unemployment benefits are going to new employers, and that just takes longer," said Julia Pollak, a labor economist at ZipRecruiter. "So this is not going to be a quick overnight fix to the economy."

Some women could also be waiting for better working conditions, more flexibility and higher wages, Pollak said.

Russia warns its economy is showing signs of overheating

Russian President Vladimir Putin Listens to Construction, Housing and Utilities Minister Vladimir Yakushev during a meeting in Moscow, Russia February 10, 2020.

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There are signs that Russia's economy is overheating with annual inflation currently at 5.9%, Anton Siluanov, the country's finance minister, said Thursday.

"If we continue with increased spending, what will we get? Overheating. Elements of overheating are already visible — high inflation," Siluanov said at the St. Petersburg International Economic Forum, according to a Reuters translation.

Consumer price inflation accelerated again in May, rising from 5.5% in April. Earlier this week Russia's Central Bank Governor Elvira Nabiullina told CNBC that "inflation is accelerating" and that, unlike elsewhere, inflation was not seen as a temporary issue as economies reopened and consumer demand increased.

"In our case, it's different," Nabiullina told CNBC's Hadley Gamble earlier this week ahead of SPIEF. "We think that the inflation pressure in Russia is not transitory, not temporary. We see more persistent factors, monetary factors, that's why we started to get a rate hike back to the neutral stance."

Investors will be looking to the next central bank meeting on June 11 to see what it does next, with speculation mounting that the bank could hike interest rates by as much as 50 basis points from a current level of 5%. The central bank's inflation target is 4%.

Nabiullina said the central bank would analyze all the factors, including the inflation forecast and the situation in the economy, but said that "we see the risk that our inflation expectations are elevated, and they remain elevated for several months."

On Wednesday, Russia's central bank issued a bulletin in which it noted that the economy was continuing to grow in the second quarter and that gross domestic product could reach its pre-pandemic level in mid-2021.

However, analysts at the bank noted that "economic growth is still uneven. Industries focused on export and intermediate products as well as the services sector have been recovering at outrunning paces during the recent months."

It added that uncertainty with respect to medium- and long-term consequences of the coronavirus pandemic remains high.

Speaking at SPIEF on Thursday, Russian First Deputy Prime Minister Andrei Belousov said: "To be brief, the greatest challenge the world economy is going to face, I believe, is dramatic structural changes. So far, we cannot anticipate exactly what they are going to look like."

One such problem, Belousov said, was an "inflationary wave" that had unexpectedly hit the world economy, citing an "unprecedented" rise in consumer prices across the U.S. and Europe.

"I believe this is not just an indication of weakening monetary policy everyone is talking about but it also testifies to structural changes," he continued. "These are the challenges we will have to have a long, serious look at and take decisions about because, behind that, as has been mentioned, we see such problems as growing inequality among people."

Russia's economy has been operating under international sanctions since 2014 after its annexation of Crimea.

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NKorean leader calls for meeting to review battered economy

SEOUL: North Korean leader Kim Jong Un has presided over a meeting of his ruling party in his first public appearance in about a month, and called for a larger political conference to discuss efforts to salvage a decaying economy.

The North's official Korean Central News Agency said Saturday that Kim expressed appreciation that a lot of works were being sped up thanks to the "ideological enthusiasm and fighting spirit of self-reliance" demonstrated by the party and his people.

But he also said there was a need to correct "deflective matters" and called for a plenary meeting of the Workers' Party's Central Committee to review overall state affairs for the first half of 2021. The party announced that the plenary meeting was set for early June.

Kim's appearance at Friday's Politburo meeting was the first time he showed himself in public since May 6, when he held a photo session with families of North Korean soldiers.

North Korea's battered economy has deteriorated further amid pandemic border closures, which significantly reduced trade with China, its major ally and economic lifeline.

The Workers' Party last held a plenary meeting of Central Committee members in February, when Kim ripped into state economic agencies for their "passive and self-protecting tendencies" in setting their annual goals.

While Kim said Friday that North Korea was continuing to face challenges brought by "unfavorable subjective and objective conditions and environment," the KCNA report did not mention any comments he made toward the United States or South Korea.

North Korea has so far ignored the allies' calls to resume nuclear negotiations that have stalled since the collapse of the second summit between Kim and former President Donald Trump in February 2019. The Americans then rejected North Koreans' demands for lifting sanctions in exchange for a piecemeal deal toward partially surrendering their nuclear capabilities. Following a meeting last month in Washington, President Joe Biden and South Korean President Moon Jae-in said in a joint statement that Washington would take a "calibrated and practical approach that is open to and will explore diplomacy" with Pyongyang. But North Korea has questioned the sincerity of the proposals and claimed that Biden's agreement to end Washington's decades-long range restrictions that capped South Korea's missile development, which was announced after his meeting with Moon, demonstrated continuing U.S. hostility toward the North.

U.S. officials have suggested Biden would adopt a middle ground policy between his predecessors — Trump's direct dealings with Kim and Barack Obama's "strategic patience." But some experts say Washington won't likely provide the North with meaningful sanctions relief unless it takes concrete denuclearization steps first. **ap**

why Turkey's lira is collapsing again: Erdogan is back to his tricks

For economists, Turkish President Recep Tayyip Erdogan has become something of a running joke. Stubbornly defying conventional economic wisdom and the experience of the Turkish economy, he has long insisted that high interest rates cause inflation and as a rule, has put his words into action.

There was a brief moment in November when many hoped that the Turkish leader was finally bowing to reality.

He fired his son-in-law/finance minister and the central bank government and vowed "uncompromising structural reforms." But this week Erdogan was back in interest rate la-la land, declaring that a rate cut was "imperative" sometime this summer.

"If we remove the burden of interest rates from investments and costs, then we will enter a calmer environment because it's the interest rates that cause cost inflation in the first place," he explained.

Naturally the already bruised and battered lira was knocked about some more, falling to a new low of 8.88 to the dollar during trading on Wednesday.

It continued to decline on Thursday, despite some reassuring remarks by the central bank governor that worries about a premature-rate rate cut were "unjustified."