Droughts affect agriculture sector in Afghanistan

KABUL: Continued droughts in Afghanistan have left negative impacts on agricultural sector and made it vulnerable.

Unfortunately, insufficient rain and snow due to climate changes, particularly during the last winter has brought about strong concerns among farmers and peasants, as these two sectors are directly vulnerable due to drought. Negative impact of drought has already appeared in spring season in some provinces. There is no solution in short time for drought as it inflected strong blows on economy and natural resources and shortage of snow and rain causes reduction of underground waters. This situation decreases harvest of agricultural products particularly rain fed harvests in Afghanistan.

In 1397 Solar Year, Afghanistan had witnessed drought which affected food and water for human being as well as cattle breeding and dairy products, which the Ministry of Agriculture, Irrigation and Livestock beside other measures, initiated amendment of a number of projects to help cattle breeders and rescue this industry.

This year too, the Ministry in close cooperation with partner bodies trying to remove unpleasant impacts of drought. The Ministry in its message on June 17, 2021 said that: "We have already undertaken numerous programs to fight negative impact of droughts including distribution of animal food to cattle breeders with the cooperation of FAO in some provinces, particularly strongly vulnerable regions."

Taking steps to fight drought is a top priority, the ministry said, adding that exploiting the experience of 1397 solar year, would spare no efforts to tackle the negative affects on the agriculture sector in the country.

Our citizens have also responsibility to construct water reservoirs during winter and rain and snowfall inside their houses and economize water consumption, the ministry said.

Water is the most important element of life and it is our responsibility not to waste one drop of water. This issue is more drastic in big cities.

Shukria Kohistani

FM Szijjártó: Cooperation with Turkey economic and security priority

Turkey plays a crucial role in guaranteeing the security of Europe as a whole, Foreign Minister Péter Szijjártó said after meeting Turkish Minister of Trade Mehmet Mus in Budapest on Friday, referring to the 2016 EU-Turkey migration agreement.

As NATO's withdrawal from Afghanistan could result in growing terrorism and migration, that role might take on new significance, he said. Cooperation with Turkey should be strengthened on that front too, and the EU should fulfil its commitments, Szijjártó warned.

Hungary has a vested interest in economic cooperation between the EU and Turkey, he said. He called for an upgrade of the EU-Turkey customs union and for concluding the talks on visa liberalisation, as well as for "steel tariffs that hamper cooperation in the industry as little as possible."

Hungary's government sees strengthening cooperation with Turkey as an economic and security priority, the minister of foreign affairs and trade said.

If Hungary wants to become a winner in the new era of global economic development, it has to boost its relations with the most rapidly developing countries of the world, he said.

Trade between Turkey and Hungary surpassed one billion euros in the first quarter of 2021 alone, a nearly 30 percent growth in annual comparison, Szijjártó said.

Mus said Hungary and Turkey had a long tradition of friendship. He thanked Hungary for "standing by Turkey" and said they counted on Hungary's support during the talks on the customs union. Turkey aims to reach a 6-billion-dollar trade volume with Hungary, Mus said. The Turkish central bank has allocated substantial sums to finance joint projects, he said. Talks on business cooperation are expected to continue in the autumn, with joint investments and projects in African countries on the agenda, he said.

Three charts show economic challenges for Iran's new president

President-elect Ebrahim Raisi -- a hardliner broadly hostile to the West -- has vowed to improve Iran's economy and raise living standards for families by focusing on the country's domestic resources, trade ties with regional allies, and strengthening industrial output.

He's said he'll preserve the nuclear deal that world powers are rushing to rescue during moderate President Hassan Rouhani's remaining weeks in office, but has also said he doesn't believe it should be a central concern for the country. With or without better ties with the world, Raisi faces huge challenges as tough U.S. sanctions remain in place and Iran's banks are isolated from much of the global economy.

Below are three charts that show the scale of Iran's hardships and the key economic problems confronting Raisi:

Iran's economy contracted sharply after former U.S. President Donald Trump reimposed sanctions on the country and pulled Washington out of the nuclear deal in May 2018, triggering a major slump in the rial.

The government of President Hassan Rouhani tried to control money markets using a fixed exchange rate, but the policy backfired and worsened the rout, leaving millions of ordinary families struggling to make ends meet. Spending power has dramatically declined as spiraling inflation and a much weaker currency have battered incomes.

The U.S. effectively embargoed sales of Iranian crude oil by threatening other countries with sanctions if they purchased energy from the Islamic Republic.

The drop in oil revenue and productivity in the sector and the scarcity of foreign currency damaged economic growth. Prior to Trump's sanctions, the International Monetary Fund had expected Iran's GDP to grow by about 4% in 2019, but instead it shrank by more than 6%.

The European Union, which is leading negotiations in Vienna to revive the nuclear deal, was one of Iran's biggest trade partners before U.S. sanctions were reimposed. Rouhani's government was keen for the bloc to resume its position as the country's top foreign trade partner after the nuclear deal came into effect in 2016.

In good sign for global economy, South Korea exports post early double-digit gains

South Korea's exports are set to climb by double digits again in June as the global economy shakes off the effects of the pandemic, though a slower pace from recent months suggests the days of outsize gains may have passed.

Exports rose 29.5% in the first 20 days of the month from a year earlier, the customs office reported Monday. Adjusted for calendar effects, average daily shipments increased 33.7% in the period, which had half a business day less compared with last year.

As vaccinations speed up and lockdowns ease across the world, South Korea has seen overseas demand grow beyond memory chips to cars, smartphones and other consumer goods. The gains were less than the 45.6% jump for the full month of May, largely due to a less favorable base effect while exports can speed up during the remaining days of a month.

South Korea's trade figures offer a timely assessment on the health of global commerce as its manufacturers are positioned widely across supply chains. Sales to the U.S., Europe and Japan posted hefty gains, but a slower pace of rise in China suggests export gains to other economies may also moderate as recoveries there enter a more mature post-pandemic phase.

Consumers in major economies may also pivot spending to services from goods as virus restrictions ease. Still, most economists agree that the export outlook for Korea remains positive.

"It's about time the exports momentum started to weaken on base effects," said Yoon Yeo-sam, an analyst at Meritz Securities in Seoul. "But they'll largely remain favorable enough so as not to disrupt the trajectory of economic growth while allowing the Bank of Korea to keep shifting its focus to financial stability."

June's early trade data show exports remain the driver of South Korea's recovery, and is likely to bolster views that the BOK is gearing up for an earlier rate hike than most developed peers. In a report last week, the BOK said U.S. fiscal stimulus, rising global ship sales, and pent-up demand from overseas consumers are likely to buoy exports for the rest of the year. Exports to China, South Korea's largest overseas market, rose 7.9% between June 1-20, compared with a year earlier.

Japan's central bank to launch climate change scheme

The Japanese central bank (BOJ) plans to launch a new scheme this year to provide funds for Japanese financial institutions that try to combat climate change through investments and loans.

The BOJ unveiled the new climate initiative at the bank's monetary policy meeting that ended on 18 June. The central bank sees its support for the private sector's climate efforts helping to stabilise Japan's economy in the long run.

"Climate change issues could exert an extremely large impact on developments in economic activity and prices as well as financial conditions from a medium- to long-term perspective," BOJ said.

The new measure will be similar to an existing fund programme for financial institutions that boosts loans in areas contributing to economic growth. A preliminary outline of the new scheme is expected to be released at the BOJ's next policy meeting in July.

The BOJ is among central banks looking to address financial risks from climate change. BOJ governor Haruhiko Kuroda said in March that the central bank is discussing with financial institutions on how to manage climate-related financial risks and has launched an integrated committee structure within the bank to address issues related to climate change.

US president Joe Biden has ordered his administration to assess climate-related risks to the country's economy. US financial regulators, such as the Federal Reserve, the Securities and Exchange Commission and the Commodity Futures Trading Commission, are also stepping up efforts to get companies to treat climate change as a systemic threat to capital markets.

The BOJ's new approach to climate action is expected to complement initiatives taken under premier Yoshihide Suga's green growth strategy aimed to promote investment and innovation in energy transition and decarbonisation technologies.

Tokyo is working out policy approaches to gain greater access to global sustainable investment assets worth $30 trillion to finance its transition to carbon neutrality by 2050. It has also launched a ¥2 trillion ($18bn) government fund to back innovation for the development of decarbonisation technologies such as in hydrogen and ammonia, over the next 10 years.

Saudi Arabia convicts citizen, expat in $1.6 mln money laundering scheme

Two people were jailed for three years in Saudi Arabia after the authorities exposed their $1.6 million (6 million ryal) money laundering operation, the official Saudi Press Agency (SPA) reported on Sunday.

One of the pair, a Saudi national, set up a fraudulent company in order to open bank accounts which were then passed on to a foreign national who used the accounts to deposit money obtained through illegal means.

The Saudi national was paid a monthly fee, and the foreign citizen transferred the money abroad.

Neither of the individuals have been publicly identified.

Authorities investigated the company and deduced that it had no actual business operations, and the two men were apprehended.

The Saudi national will be banned from traveling abroad after serving the three years in prison, while the foreign citizen will be deported.