Growing concerns on fire in commercial centers, fuel tanks

KABUL: In the wake of the Presidential Office's increasing concern on the recent fires in commercial centers and fuel tanks, the Technical Committee for Fire Prevention has given a 20-day deadline to the owners to take safety measures to prevent fires or their centers and tanks will be closed.

"After the deadline, the committee warned to close the centers failing to take in mind the measures," the Presidential Office warned.

Seyyed Nezam Pacha, Director General of the Interior Ministry's Fire Department told media that the recent fires had raised concerns at the presidential palace and according to him, the president has instructed that all shopping centers and fuel tanks, countrywide should strictly follow the recommended measures relating to fire-fighting and the insurance company in order to preserve their assets and prevent blow to the country's economy. Pacha added that fuel tanks and commercial centers have been given 20 days to take safety measures in accordance with the recommendations of firefighting, or the president will order the closure of commercial centers and fuel tanks.

According to him, shopping malls owners and petroleum tanks have been warned before, but since the issue is serious and safety precautions must be taken, they have been forced to move from "warning" into "action".

Mohammad Qasem Haidari, Deputy State Minister to Emergency Situations, also said that in the past three years, the Technical Committee has overseen the presentation of fire prevention plans for 3,998 commercial centers and 248 fuel tanks, adding most of them have failed to observe minimal fire prevention measures.

Haidari cited Mandavi (the most crowd Kabul market) as an example, saying that it was one of the busiest and most vulnerable to fire in the capital and according to him, businesses are insparably linked and use law-quality power cables, which are highly flammable. He said oil reserves in the flats of shopping malls are another problem that has increased the likelihood of fires.

The deputy minister noted that most of the fuel tanks in Kabul are substandard and with a little negligence there is a possibility of huge fire.

"A monitoring team has been formed by the committee, while examining the situation in the city, objectively communicates the necessary recommendations to the owners of commercial centers and oil tanks through a checklist," he said.

Haidari went on as saying that the team had made a written commitment to the owners of the unions to take precautionary measures and if the measures were not followed, the committee would impose more fines on violators based on legislative documents, and the trade centers and oil tanks would be closed under the president's direction.

Mohammad Fazel Sharifi, Deputy for Kabul Municipality for Cultural and Social Affairs, also said that a regulation on investigating construction violations had been enacted to prevent fires and that any building that is given a construction permit is required to comply with safety requirements. Meanwhile, Zubair Azimi, head of the regulatory body for oil and gas reservoirs, told a news conference that non-standard fuel tanks would no longer be licensed to operate and in addition, they could not obtain a permit unless the owners of the fuel tanks owned the consent of the relevant departments, such as the Kabul Municipality, the Environment and the Fire Department.

It is to be noted that during this year, several high-fuel tanks and commercial centers in Kabul have caught fire, leaving millions of Afghanis losses to the owners.

Shukria Kohistani

As COVID funeral pyres burn, gloom gathers over India's rural economy

Having watched his father's funeral pyre burn by a river bank close to their farm last month, Indian sugarcane grower Dattatray Bagal and his brothers had to set aside grief to count the financial cost of the coronavirus's impact on their family.

They had hoped to buy a tractor for the small farm in western Maharashtra state, but the brothers spent all their savings on hospital treatment for their father and three other family members who survived.

"We can't think about any big ticket purchases this year," Bagal said as he irrigated the fields in the farm below the mountains of the Western Ghats.

"The hospital bill was 820,000 rupees ($11,191). It not only exhausted our savings but also forced us to borrow from relatives," said the farmer, who also caught the virus when it ripped through his family.

"We lost our father and incurred debt as well. We will repay the debt in two to three years, but the personal loss can never be compensated."

Such accounts have become commonplace among rural communities in the vast Indian hinterland in the wake of a devastating second wave of infections that peaked in the past two months.

Lockdowns imposed by authorities trying to contain the surge added to the pain, but at least the monsoon season, which began this month, is forecast to deliver normal rainfall.

Some farmers like Yogesh Patil from Sangli district of Maharashtra were hit so badly that they don't have money to buy seeds and fertilizers to plant summer-sown crops such as corn and soybean.

"I was expecting to earn more than 100,000 rupees from a one-acre plot of tomatoes. But prices crashed because of the lockdown and I couldn't recover the production cost," Patil told Reuters.

Almost two-thirds of India's 1.35 billion population live in the small towns and villages in the countryside, and the rural economy accounts for about a third of the country's gross domestic product.

So whatever bounce back India's economy makes from the pandemic, the farm sector is unlikely to be a big help, with rural households saddled in debt, unable to make purchases needed to drive their farm output, or keep money circulating in their communities.

Rural India was largely spared during the first wave of infections, which peaked in September, as the farm sector grew 3.6% in the fiscal year that ended in March, even though latest official estimates showed the broader economy contracted 7.3%. But the second wave appears to have washed away that resilience.

"This time sentiments in the hinterland are very weak and even those with money are choosing to save rather than spending it or paying off loans," said Ramesh Iyer, managing director, Mahindra Finance, one of the biggest shadow lenders in the rural sector.

Iyer said even with farm incomes rising, fewer people are taking on housing, car and personal loans, and nearly one in three borrowers are delaying repayments. This is either because lockdowns have restricted activity or people's earnings have stopped or they prefer to save for emergencies.

Mahindra & Mahindra (MAHM.NS), India's biggest tractor maker, sold 22,843 tractors in May, down 12.6% from April for its worst month this year.

The spread of coronavirus to the countryside exposed the paucity of the medical infrastructure, and the impact of the epidemic is still being assessed, with little trust in official figures on infections and deaths as testing for the disease has been woefully inadequate.

India's vaccination drive is also far behind the curve, and the fears of a potential third wave are damaging people's confidence in the economic outlook.

"There are serious concerns over rural demand and businesses," said Rupa Rege Nitsure, chief economist with L&T Financial Management, adding that a lot depended on how fast India vaccinates its rural towns and villages.

Rating agency ICRA continues to expect a prolonged negative impact of the second wave on consumer sentiment and demand, with healthcare and fuel expenses eating into disposable income, and less pent-up demand in 2021/22 relative to last year.

Rising input costs, notably for fuel, have eroded the benefits reaped by farmers from improved prices for their produce in the last six months. "We hire tractor for ploughing, sowing and to bring fertilizers," said Gajanan Patil, a farmer from Maharashtra. "As diesel prices have hit a record high, ploughing charges have also gone up by 30%. Even to harvest crop and to carry it to markets we will have to pay more."Reuters

Turkey steps up COVID-19 vaccinations, offering hope for economy

ISTANBUL Turkey has sharply accelerated COVID-19 vaccinations this week, delivering more than 1 million a day since Monday, raising hopes of a strong economic performance in the second half of the year.

The vaccination programme has been constrained since its launch in January by sporadic vaccine procurement, but fresh supplies arrived this month. On Friday inoculations passed the 40 million mark and 40% of adults had had at least one dose, according to a Reuters tally.

Since Monday more than 6 million had been vaccinated, Health Ministry data showed, 5 million of them receiving a first dose.

The stepped-up pace has helped raise forecasts for Turkey's economic recovery following a full lockdown in May. JP Morgan revised its full-year economic growth forecast upward to 6.8% this week, citing the COVID-19 inoculations.

"Turkey managed to accelerate the vaccination pace sharply," it said in a note to clients. "Despite the slowdown in loan growth and higher interest rates, such a recovery encouraged us to revise our full year GDP growth forecast to 6.8% from 6.1%".

Turkey's tourism sector is facing a second summer in the doldrums because of international travel restrictions, but could get a late boost if the vaccination pace continues and COVID-19 cases, now around 7,000 a day, are contained.

Health Minister Fahrettin Koca said 1.5 million people were vaccinated on Thursday - 12 times the 120,000 daily average until early June.

Turkey administers the vaccines developed by China's Sinovac (SVA.O) and by Pfizer (PFE.N) and Biontech (22UAy.DE). Turkish health ministry had also granted an emergency use authorization for Russia's Sputnik V.

Mexico's president sees faster return to pre-pandemic economy

Mexico's President Andres Manuel Lopez Obrador said on Friday he expects that by the third quarter the Mexican economy will reach pre-pandemic levels, after gross domestic product contracted by some 8.5% last year driven by pandemic-related fallout.

The president's faith in a faster rebound is more optimistic than the central bank's latest forecasts.

"Without a doubt, by the third quarter of this year we will already be (at the levels) we were at before the pandemic," Lopez Obrador told a news conference.

Mexico's economy grew 24.8% in May compared with the same month last year, as a recovery from a slump made worse by the coronavirus pandemic gathered pace, a preliminary estimate published by national statistics agency INEGI showed on Thursday. read more

If the preliminary estimate is confirmed, May's activity was only about 0.4% behind the level reached in February 2020, the last full month before pandemic restrictions began to hit the economy, according to an index compiled by INEGI.

A continued, yet gradual, easing of coronavirus-related restrictions that began in late January has helped Mexico's economy, said Marcos Casarin, chief LatAm economist for Oxford Economics.

"The reopening of the tourism sector, which could add a substantial 15% of GDP in Mexico, has also happened sooner than we expected, which has helped to revive the struggling services sector," Casarin added.

But according to Mexico's central bank, only if economic growth this year can approach 7% will the economy recover to its pre-pandemic level from the end of 2019, and not until the fourth quarter of this year.

The bank added that if 2021 growth comes in closer to 6%, recovery to the pre-pandemic level would likely be delayed until the second quarter of 2022 or even later.

Goldman Sachs economist Alberto Ramos forecast Mexico's GDP growth would firm to 6.0% in 2021, "with risk skewed towards a higher print."

Ramos based his forecast on the strong performance of the economy in fourth quarter, additional expansion in the first quarter and expectations for a "gradual but steady progress on the COVID vaccination front and strong external demand for the remainder of 2021."

Reuters

State's economy resurging from COVID challenges and positioned for sustainability, says Governor

At the midway point of 2021, Kentucky's year-to-date new location and expansion announcements show an economy resurging from the challenges of the past 15 months and positioning the Commonwealth for significant, sustained growth in the years ahead, Gov. Andy Beshear announced this week.

Since January, private-sector companies announced 50 new location and expansion projects totaling more than $2 billion in new investments and 4,000-plus full-time jobs for Kentuckians.

"Each of these companies is betting on Kentucky because they're seeing what we're seeing: an economy that's lifting off and a dedicated workforce that's ready to seize new, high-quality opportunities," said Gov. Beshear. "2021 is off to an incredible start and we're still gaining momentum."

Through May, the average incentivized hourly wage for projects announced in Kentucky in 2021 was $23.15 before benefits. That represents a 4.7% increase over last year's average wage of $22.11, which was the second highest mark of the past six years.

Click image to see publication.

Key sectors in Kentucky's economic recovery include metals production and fabrication; distribution and logistics; and the food, beverage and agritech industry. In each of these target industries, adoption of advanced and innovative technologies is helping meet customer demand while creating Kentucky jobs.

Beshear announced last week that companies in Kentucky's metals industry in 2021 have announced $870 million in new investments and over 1,500 jobs for Kentucky residents.

Currently, the Commonwealth is home to over 230 metals-related facilities, which employ approximately 25,000 people.

While metals has been Kentucky's top growth industry in 2021 by both investment and job creation, a number of other sectors have continued to expand as well.

Automotive companies in the Commonwealth in 2021 have announced plans to add more than 1,100 jobs in the coming years with $177 million in investments. That reinforces a pillar industry that employs over 100,000 Kentucky residents and includes more than 525 automotive suppliers and four assembly plants.

So far this year, food, beverage and agritech-related businesses have announced plans to create nearly 400 Kentucky jobs through $473 million in new investments. The sector already includes more than 350 facilities employing over 52,000 people statewide.

Distribution and logistics continues to be a strong contributor to Kentucky's growing economy in 2021, as companies within the industry moved forward with $26 million-plus in new investments and 340 job commitments. Currently, more than 580 logistics and distribution facilities operate in the commonwealth, employing nearly 78,000 people.

Kentucky's plastics and rubber sector rounds out the state's top-five industries thus far in 2021, with 134 new jobs announced based on over $175 million in new investments. That adds to 230-plus facilities in the state, which employ nearly 30,000 people.

The job and investment projects add to other recognized achievements throughout 2021 that highlight Kentucky's surging economy. Last month, Moody's Analytics published a positive economic outlook for Kentucky, noting mass vaccination as the driving force behind a sustained recovery in consumer services. The state's recovery, Moody's said, benefited from earlier reopening efforts and increased demand for manufactured goods over services. The report also found Kentucky's manufacturing industry outperformed the nation's since the national downturn last year.

Fitch Ratings last month improved the state's financial outlook to stable, reflecting the commonwealth's solid economic recovery. The state's April sales tax receipts set an all-time monthly record at $486.5 million, as did vehicle usage tax receipts at over $64 million.

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