Domestic products increased this year

KABUL: Investment by private sector to increase domestic products is glad tidings to the people.

Today, tens of small and big factories are established throughout the country, not only producing foodstuffs but other essentials available at the domestic markets.

The Ministry of Agriculture, Irrigation and Livestock (MAIL) has recently reported an increase in the production of food items and added that at present, most food items and sauce are produced inside Afghanistan through various projects among them Horticulture Value Development Sector Project (HVDSP) project that produces tomato paste and jam.

Bahar-e-Sabz-e- Paghman tomato paste factory will be established with a cost of $4m out of which $1 million will be paid through the MoAIL by the ADB and Jam production factory of Hazrat Mohammad Kochay in Nangarhar province costing $3.21 million and 50 percent support of ADB.

According to information of HVDSP officials, Bahar-e-Sabz-Paghman tomato paste factory will be producing high quality four metric ton paste every hour and tomatoes will be supplied from Logar and Nangarhar provinces and the second one Hazrate Moahmmad Kochay Jam factory produces 50 metric tons of jam from carrot, figs, mulberry and oranges every hour.

Deputy MAIL Hashmatullah Ghafoori said that this should be evaluated that how much tomato paste was imported into Afghanistan so that its domestic production be properly managed, paste products be increased and high taxes be levied on paste imports.

Ghafoori added, MAIL experts should offer essential technical advices to officials of these factories on production of quality products to enable them to compete with similar foreign products in domestic markets.

He emphasized on the need for packing and high taste of the products, particularly the sauces.

This should be noted that at present that Afghanistan imports large part of its paste and jam from Iran and Turkey.

But as the factory got operational, the domestically consumed paste will be produced and supplied inside the country.

Large investments have taken place in the country's western Herat province and at present different kinds of tomato paste are produced and offered to the domestic markets in the province.

According to the Ministry of Industry and Commerce in the last two months 10 new factories have been set up and started operation in Kandahar, Herat and Nangarhar provinces and private investors have received 9.3 billion Afghani and $50 million increase for investment in recent months and 40 more factories are said to be set up and start operations in the near future by domestic investors in Herat.

A none-alcoholic beverage company has also been expected to be opened soon in Herat province with an investment of Afs 1.5 billion equivalent to $ 20 million in which over 1,000 workers will be employed.

Shukria Kohistani

France's economy could see a steep recovery, experts say, but problems remain

France might still be in the throes of the coronavirus pandemic as the delta variant spreads rapidly, but officials and business leaders are looking ahead to a period of recovery and reflecting on the wider outlook for France's political and economic future.

"The rebound is very steep, it's even steeper than last year. So we are quite happy with that," Agnès Bénassy-Quéré, chief economist at the French Treasury, told CNBC Sunday, pointing to the national statistics office raising its growth forecast for France in 2021 to 6%.

"The official forecast is still at 5% for 2021 because we are still cautious about the fall. As you were saying, there is a delta variant, and we have kept some restrictions up to the end of the year. So already in the spring, when this forecast was made, it included some restrictions, light restrictions of the second half of the year. So far, we have not changed this forecast, then we will see what happens when we have to build the 2022 budget," he said, speaking to CNBC's Charlotte Reed while attending an economic forum in Aix-en-Provence.

Of course the Covid-19 pandemic has left a lot of destruction in its wake and no less in France, where over 5.8 million infections have been recorded and over 111,000 deaths to date, according to data from Johns Hopkins University.

Like other countries, France introduced emergency measures to support the economy, businesses and employment during the pandemic and there are now some concerns that the tapering of that support could cause job losses and some firms to shut down.

Benassy-Quéré said the government had been "very cautious about that," but that the labor market was currently resilient.

"There is a tapering, phasing out of the support, the emergency support, which is gradual over the summer. And there will still be some support, for instance [the] long-term unemployment scheme, which will still be in place in the fall for such activities as [the] aircraft industry, where we really want to keep the skills in the industry, and so there will be some reskilling programs."

However, he noted that while activity in some industries was already above a pre-crisis level, some are lagging behind, such as tourism. As well as an unequal recovery, another problem for the government is that huge amounts of borrowing has pushed up France's debt pile to a record high. Earlier this year, France's national statistics office Insee reported that government debt stood at 115.7% of GDP at the end of 2020, up from 97.6% in 2019.

How France will pay down that debt pile is uncertain for now as there's little prospect of the government, under President Emmanuel Macron, raising taxes just 10 months ahead of a presidential election. Whether Macron will go ahead with ambitious (and unpopular) reforms to modernize and simplify France's lumbering pension system is also uncertain given the pandemic situation.

So far, two rounds of regional elections in recent weeks have dispelled expectations that the far-right National Rally party — formerly known as National Front — could perform well in the national vote next year after a poor showing in the regions. Voter turnout was low in both rounds, leading some analysts to voice concern over the extent of voter disaffection in France.

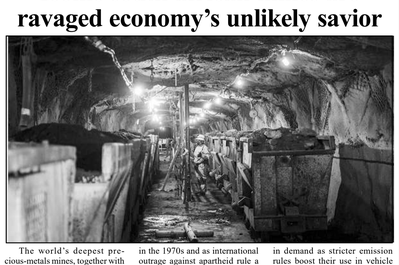
Also attending the economic gathering at Aix-en-Provence, Valérie Rabault, president of the Socialist Group at the National Assembly told CNBC Sunday that "French society is broken" as evidenced by the low turnout in the regional votes.

"We had local elections and less than 35% of people went to vote, so this is very low. This was the first time in France that we have so few people going to vote for local elections. For me, it does reflect ... a kind of indifference from the people to build up a common project for France, for the society, and this is the big challenge for us as politicians to be able to tackle this issue and to have [a] more positive message after the crisis," she said, adding "we need to define something, a common project that would be able to unify people."

Business leaders attending the economic forum in Aix-en-Provence told CNBC that there are structural problems that remain in France that are not so easily fixed. "The divides that have existed in French society are still there whether it is the territorial divide, the generational divide and the very low percentage of people voting like we saw in the last election," Pierre-André de Chalendar, chairman of French construction materials group Saint-Gobain, told CNBC Saturday.

Cnbc

Iconic south african mines are ravaged economy's unlikely savior



The world's deepest precious-metals mines, together with giant iron-ore and coal pits are providing an unexpected boon to a South African economy slowly recovering from its biggest contraction in a century.

Surging demand and prices for commodities including platinum-group metals, iron ore, manganese and coal are generating record mining-company profits and bolstering government revenue. That's even as decades of dwindling output and investor reluctance to build new mines blights prospects for the industry.

"Last year, we were concerned about the lack of space to support the economy amid the severe hit from the pandemic," Elna Moolman, a South Africa economist at Standard Bank Group Ltd., said in an interview. "The recovery in commodities demand and their prices is providing very strong support to the economy."

President Cyril Ramaphosa on Monday flagged the "significant role" the sector will play in accelerating South Africa's recovery from last year's coronavirus-induced slump.

The mining industry often takes center stage when South Africa's economic fortunes dip.

Its gold industry -- once the world's largest -- underpinned the nation's transformation into the continent's most industrialized economy. Bullion sales cushioned the economy against the impact of the oil-price and dollar collapse in the 1970s and as international outrage against apartheid rule a decade later resulted in massive capital outflows. The commodities boom in the 2000s provided the Treasury with a war chest to withstand the devastating effects of the global financial crisis.

The mining industry's output surged 18.1% in the first quarter compared to the previous three months, helping buoy growth more than forecast. The sector accounted for 9% of gross domestic product during the period.

Last year, the mining industry, which employs more than 451,000 people, accounted for 8.2% of GDP, according to the Minerals Council South Africa, an industry lobby group.

Revenue for the fiscal year through March exceeded budget estimates for the first time in five years as the industry drove an increase in corporate income tax collections, and led to the shortfall on the main budget coming in below forecast.

That's allowed the Treasury to reduce the amount of debt on sale at its weekly auctions for a second time since March and bodes well for its plans to achieve a primary surplus in fiscal 2024-25 and stabilize debt at 88.9% of GDP the following year.

The world's top platinum suppliers' exports of platinum-group metals surged 40% in 2020, even as Covid-19 disrupted operations and curbed output, the national statistics agency said in April. Sales of PGMs, which are in demand as stricter emission rules boost their use in vehicle autocatalysts, raked in 190 billion rand ($13.3 billion) amid a rally in palladium and rhodium prices.

South Africa's terms of trade -- a measure of export prices relative to import costs -- increased 12% over the past year and more than 20% since the end of 2018, as the global economic recovery from the pandemic pushed up demand for commodities, according to HSBC Bank Plc economist David Faulkner.

The trade windfall is "one of the strongest gains on record, with past experience highlighting how South Africa's macro fortunes can tilt on favorable commodity prices and a benign external backdrop," Faulkner said in a note. "The result has been a period of respite, relief and rally."

Still, a failure by Ramaphosa's government to take advantage of the commodity rally to expedite a raft of reforms and attract investment to boost growth and create new jobs could counter the recent fiscal gains. The South African Reserve Bank forecasts that the commodities price rally may be temporary.

"These are economic challenges that will require sustained policy action to reverse," Faulkner said. "They also leave South Africa with balance sheet vulnerabilities at risk of being exposed should the recent rise in metal prices prove transitory or risk appetite sour."

bloomberg

Greek economy won't close again because of COVID-19, PM says

Greece's economy would not close again because of the coronavirus pandemic if it was just to protect an unvaccinated minority, Prime Minister Kyriakos Mitsotakis said in a newspaper interview released on Sunday.

Greece has fared well in the first wave of the COVID-19 last year. But a resurgence in COVID-19 infections has forced the country to impose lockdown restrictions since November which have cost many billions of euros to an economy slowly emerging from a decade-long crisis.

Greece has been easing restrictions as infections fall, but concerns are rising about the spread of the more contagious Delta variant. With about 35% of its 11 million population fully inoculated, the government last week offered young people cash and phone data to boost vaccination rates.

"When we imposed across-the-board measures, there were no vaccines," Mitsotakis told Kathimerini newspaper. "We do have vaccines now."

Mitsotakis said he can't make vaccinations mandatory. "But everyone assumes his responsibility. The country will not close again for the protection of a few unvaccinated."

Mitsotakis said that he hoped that relations between Greece and Turkey will be better this summer than last summer when the two historic rivals came close to armed conflict.

The two NATO allies, at odds over competing territorial claims in the eastern Mediterranean to migrant boats and the status of Cyprus, have been trying to lower tensions since.

"I am more certain that the summer of 2021 will be calmer than the summer of 2020," Mitsotakis said.

However, we have not solved our differences all of a sudden and there will be consequences for Turkey if it opted to fuel tensions, he added. reuters

Beware of the 'economic transformation' John Kerry is promising

John Kerry finally got one right last week when he said shifting to a green economy would trigger a huge "economic transformation." Only problem: The "transformation" will make the world worse, not better.

"A bigger economic transformation" is "right there at our disposal — bigger than the Industrial Revolution," puffed the architect of the failed nuke Iran deal, now President Joe Biden's climate envoy. "Millions of jobs" are just waiting to be created, he claimed, with "a massive amount of money" to be made "because there are 4.5 to 5 billion energy users in the world today."

Yep, switching the world's economy to renewable energy (solar, wind, etc.) will require an astronomical number of workers. And, sure, many companies that get in the game might reap profits.

What Kerry doesn't say is that a vast number of jobs would also be destroyed. Assets, too: factories, power plants, gas-powered cars . . . Perfectly fine buildings and other infrastructure would have to be trashed.

Greenies also demand draconian lifestyle changes: Biking or walking instead of driving. Plant-based foods instead of meat. No matter that such changes won't work for everyone — and would impose big costs of their own.

Most important, because renewable power is (for now, at least) far more expensive to produce (and entails huge energy-storage costs, since wind and sunlight aren't always available), the economy as a whole would take an enormous hit, as economist Bjorn Lomborg often points out.

"If climate policies really were making us richer, everyone would scramble to shed fossil fuels and pile on the renewables," notes Lomborg. Instead, climate warriors like Kerry depend on "arm-twisting" — and deceptive salesmanship — to get countries to make even small promises to move in their direction.

In fact, the shift would cost trillions every year, Lomborg warns. On the other hand, "if we do nothing, the total impact of climate in the 2070s will be equivalent to reducing incomes by 0.2-2 percent. Given that by then, each person is expected to be 363 percent as rich as today, climate change means we will 'only' be 356 percent as rich."

Privileged private-jet flying green dilettante Kerry has nothing to fear from this new world order he envisions. The rest of us should be terrified.

nypost