No gap in trade: ACCI reacts to Taliban's seizure of ports

For the past one month, seven trade ports have been under the Taliban control group. The ports of Islam Qala and Torghandi in Herat, Aqina, Sher Khan port, Abu Nasr Farahi, Spin Boldak and Dand Patan in Paktia are under the Taliban control. The fall of these ports, however, has not affected on increasing prices of commodities in the country.

According to Afghanistan Chamber of Commerce and Industries (ACCI), only the price of cooking oil, fuel and gas has increased recently, which has nothing to do with the fall of the ports as there is no gap in trade in the country. The price of goods at these ports is so high as the Taliban seize the same goods from ports at commercial prices before the cargo is carried on the highways. Deputy of the country's Chamber of Commerce and Industries Khanjan Alokozay has told media that the price of fuel has increased recently because fuel tankers are stopped by the Taliban along highways, saying that the price of cooking oil increased because of the high price of oil in world markets. Khanjan Alokozay has also confirmed that the Taliban are taking the same products from the traders as they used to take on the highways. According to Alokozay, the Taliban collects up to 120,000 AFG from each container of trade goods and once they take the tax at the port, they do not take along the highways. The main reason for the increase in the value of the commodities is not the recent fall of trade ports but the fall in the value of the Afghani currency against the dollar. All businesses of the Afghan traders are with the dollar and when the price goes up, the price goes up automatically. Alokozay said the deteriorating security-political situation has helped increase the value of dollar against Afghani. The country's Ministry of Finance, meanwhile, says that the government's customs operations in the border towns are ongoing.

Khanjan Alokozay says that the goods of the traders in the centers of the border cities are taxed by the government. The Ministry of Finance also acknowledges that this has been done. Meanwhile, traders have expressed concern over increasing war in the cities and are warning that if the situation does not improve, trade in Afghanistan will cut down significantly. Despite increasing and fierce fighting between Afghan forces and the Taliban in the country, trade activities has not stopped and exports and imports continue as in past. It is worth mentioning that in all Kabul markets, there are enough foodstuff and there is no lack of commodities in the country. **Shukria Kohistani**

Brookfield infrastructure's earnings bounce back as the economy shifts into high gear

This year, the global economy has come roaring back, fueled by low interest rates, government stimulus programs, and rebounding demand. That helped drive strong second-quarter results for Brookfield Infrastructure (NYSE:BIP)(NYSE:BIPC). It also sets the stage for the global infrastructure company to deliver robust results in the second half of the year.

Brookfield Infrastructure's earnings soared 18% during the second quarter, powered by strong results across all four business segments:

A chart showing Brookfield Infrastructure's second quarter results in 2020 and 2021.

Data source: Brookfield Infrastructure. Chart by the author.

Brookfield's utility businesses grew their combined FFO by 21% during the second quarter. Several factors powered that earnings surge, including acquiring the remaining 10% interest in its Brazilian regulated gas transmission system. The company also delivered 10% organic growth due to inflation escalators on its existing contracts and nearly $400 million of capital projects it completed over the past year. These factors more than offset the impact of asset sales.

The company's transportation segment grew its earnings 36% year over year. The main driver was the improvement in the economy, which drove higher volumes across its business. This segment also benefited from acquiring a stake in a liquified natural gas operation.

Earnings from Brookfield's midstream operations were roughly even with the prior-year period. However, that's due entirely to selling a 12.5% stake in its U.S. gas pipeline. After adjusting for that sale, earnings rose 14% due to higher gas volumes and the completion of the second phase of an expansion project.

Finally, earnings at the company's data infrastructure operations jumped 40%. Powering that growth was the acquisition of an Indian telecom business last year and the expansion of its French telecom operations.

Brookfield is working on several strategic initiatives to bolster its financial flexibility and drive future growth. First, it closed the sale of its district energy operations, generating $1 billion in cash. That's one of several capital recycling transactions the company has completed over the past several months to enhance its ability to make new investments. Overall, it has generated $1.8 billion of cash this year, nearly half its planned goal through 2023.

Meanwhile, Brookfield has made significant progress in its pursuit of Inter Pipeline (TSX:IPL). That company's board recently recommended that its shareholders accept Brookfield's offer after a rival bidder terminated its proposed merger. If successful, Brookfield will invest $2 billion into this midstream operation. The company noted in its letter to investors that this deal "will mark the start of the next expansionary period for our business, which should drive strong FFO per unit accretion."

Finally, Brookfield announced another joint venture with infrastructure REIT Digital Realty Trust (NYSE:DLR). They plan to develop and operate data centers in India. The companies aim to replicate their success in Latin America, where they've developed nine data centers since 2019.

In addition, the company sees strong organic growth in the near term, powered by the recovery of the global economy. That leads it to believe it can deliver organic growth at or above the high end of its 6% to 9% annual target range. Add it all up, and Brookfield appears poised to generate robust earnings growth over the next 18 months as it benefits from Inter Pipeline and its other growth initiatives.

Brookfield delivered exceptional second-quarter results as it benefited from the economic recovery and the organic growth of its existing businesses. That strong growth should continue over the next several quarters as the economic expansion gains momentum and the company completes its acquisition of Inter Pipeline. Those catalysts put Brookfield in an excellent position to generate attractive total returns for its investors in the future, making it a great infrastructure stock to buy now.

Should you invest $1,000 in Brookfield Infrastructure Partners L.P. right now?

Before you consider Brookfield Infrastructure Partners L.P., you'll want to hear this.

Our award-winning analyst team just revealed what they believe are the 10 best stocks for investors to buy right now... and Brookfield Infrastructure Partners L.P. wasn't one of them.

The online investing service they've run for nearly two decades, Motley Fool Stock Advisor, has beaten the stock market by over 4X.* And right now, they think there are 10 stocks that are better buys.

The US economy has more open jobs than people looking for work

Rumors of a labor shortage first emerged as anecdotes. A dismal April jobs report intensified such concerns, and several months of record-high job openings further supported the thesis.

Economic data now puts it plainly. For the first time since February 2020, the US has more job openings than available workers to take them.

US job openings soared to a record 10.1 million in June, according to Job Openings and Labor Turnover Survey, or JOLTS, data published Monday. And while the economy added nearly 1 million payrolls through the month, the increase in openings helped job listings outpace available workers. The ratio of workers to openings fell to 0.9 from 1, marking a new pandemic low and underscoring the stark imbalance between worker supply and employer demand.

Such a reading isn't totally unusual. The ratio sat as low as 0.8 before the pandemic, when the US was enjoying its longest economic expansion in history. Readings below 1 indicate tightness in the labor market, or that businesses are struggling to find workers, but what's unusual here is the record number of openings. That implies the US jobs market is acting like it's near the end-stage of a long economic expansion, but it's only a year removed from one of the worst recessions in history.

Anecdotes of new incentives such as signing bonuses and higher wages first hinted at a nationwide worker shortage, but this latest JOLTS data confirms that American workers are reluctant to take most of the jobs on offer. Whether that's related to low wages, COVID concerns, or something else is unclear.

It's possible the ratio reverses some of its decline, but massive demand for workers suggests it'll stay put for some time, Nick Bunker, director of research at the Indeed Hiring Lab, said.

"Employers' demand for workers is incredibly strong. But at the same time, labor supply is, at least for now, not that abundant," he said. "Whether this level of tightness will continue depends on whether demand can stay this high and how quickly workers will return to the labor force."

A handful of sectors were even tighter than the broad ratio implied. The wholesale trade sector — businesses that sell goods and merchandise to retailers — had a three-month average ratio of just 0.4 workers-per-opening, according to the Economic Policy Institute. That made it the tightest industry in the US.

The finance, insurance, and government sectors boasted ratios of 0.6, and restaurants and accommodation businesses had ratios of 0.8.

Some industries still had a surplus of available workers throughout June. The mining and construction sectors had three and two unemployed workers per opening in June, respectively. Available workers also exceeded openings in the retail, education, information, and real estate sectors.

The labor market, while recovering unevenly, is overall rebounding at extraordinary speed. It took 106 months for the worker-to-openings ratio to fall from its July 2009 peak to 0.9 in April 2018.

That same decline took just 14 months during the COVID downturn, highlighting just how quickly the labor market tightened. Whether these strains linger will be crucial to shaping the post-pandemic economy.

"The reopening of the broader economy has resulted in unprecedented levels of demand for workers," Bunker said. "The question now is by how much and how quickly will this situation fade."

Are Bangladesh and India economic rivals? Yes and no

Numerous indicators confirm Bangladesh progressing ahead of Pakistan – especially on the social and economic fronts. As Bangladesh looks to the future, its inspirational targeted level of development achievement would most likely be nations like Thailand, Malaysia and Indonesia, and there is still a lot more to do in order to reach the level of development achieved by those nations.

Where Bangladesh stands now, it is most often compared to India by many prominent economic analysts, publications and forums. India is not only Bangladesh's closest neighbour and its largest trading partner but now has possibly become the most comparable nation to Bangladesh.

Or perhaps, the more accurate way to express it would be to say that Bangladesh has progressed so rapidly and achieved so much that it has now reached a position such that it can justifiably be compared to India from an economic and social perspective.

Therefore, is India Bangladesh's new rival? From certain angles and economic perspectives, the answer would be, yes, but in terms of many other comparatives, the answer is, no.

Furthermore, this comparison is not so straightforward and has certain complexities and nuances.

Over the last year or so there have been several articles published by highly reputable Indian origin publications providing an economic and social comparison between India and Bangladesh and all these articles have one thing in common: they ultimately state that in the present-day, Bangladesh has been beating India on many key economic indicators and social objectives.

This was not the case even five years ago but over the last couple of years, it appears to be becoming a more prevalent scenario. However, practically and honestly speaking, India is still far more dominant and powerful than Bangladesh from an overall relative basis but that's primarily due to its huge physical size, population and natural resources.

Biden administration targets 52 mpg fuel economy regulations by 2026

This past Friday, the Biden administration delivered on its goal of updated fuel economy regulations with a set of proposals to replace the Trump Administration's SAFE rules. The Environmental Protection Agency targets an average fleet standard of 52 mpg come 2026. This proposal includes a 10% boost for the 2023 model year in fuel efficiency standards and 5% increases through 2026. It's a much larger jump than the Trump era's 1.5% increases, which would lead to an average fleet standard of 43.3 mpg by 2026. The latest regulations also go a touch further than the Obama administration's rules, originally in place through 2025.

This proposal also lays the groundwork for stricter regulations to come in 2027, according to the EPA, "to speed the transition of the light-duty vehicle fleet toward a zero emissions future." The Biden administration and major automakers last Thursday announced a voluntary pact aiming to make 50% of all vehicles sold in the US by 2030 electric.

The agency added that the proposed rules focus on cutting emissions and saving drivers money at the pump; more efficient vehicles cost less to fill up. The flip side, and an argument for Trump's looser regulations, is automakers may pass costs associated with fuel-saving technology onto consumers when they buy a new vehicle. The EPA said Monday these regulations would save 290,000 million barrels of oil, while the Trump administration's plan would increase oil consumption by 500,000 barrels per day.

Light-duty vehicles are only part of the EPA's scope. The agency went further saying it will begin work on a series of rules for the heavy-duty truck sector, starting in 2022. These regulations will come in 2027 and "set new standards for criteria pollutants for the entire sector as well as targeted upgrades to the current 'Phase 2' greenhouse gas emissions standards for that model year." A second set of standards for the segment is due in 2030.

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