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'Just can't sell': Ukraine harvests sunflowers as war blocks ports

Farmers enjoy good harvest, but exports face hurdles

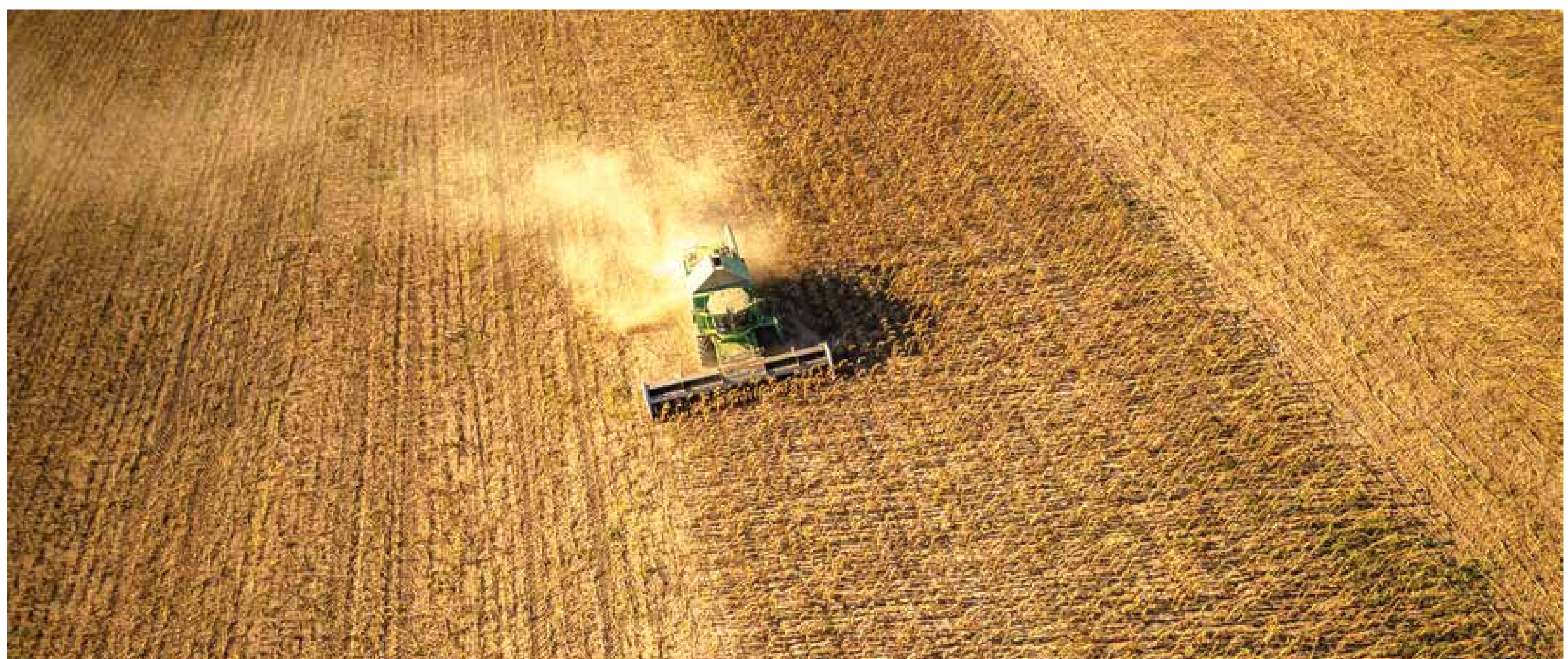
SHESTIRNYA, Ukraine: A truck dumps another load of black sunflower seeds into the barn of Ukrainian farmer Oleksandr Ryabinin, where they scatter over the floor, releasing a nutty aroma when crunched underfoot. It is sunflower harvest time in Ukraine and Ryabinin has gathered in more than half his crop.

But with repeated Russian attacks on ports, and Black Sea shipping routes closed, exporting has become more difficult. "At the moment we haven't sold a single kilogram (pound) of sunflower seeds," the 52-year-old farm director tells AFP. Sunflower seeds and their oil are core exports for Ukraine, which in 2020/2021 produced 31 percent of all global sunflower oil, according to the United States Department of Agriculture.

These exports were massively disrupted by the war, as farmers were forced to abandon their land and seek alternative routes to deliver their goods. "People are afraid to transport oil," says Ryabinin, who manages fields in the southeastern Dnipropetrovsk and Kherson regions. "No-one wants to risk it," he says, explaining that ships are afraid to travel to Ukrainian ports due to Russian shelling. The lack of demand means traders are offering prices for seeds that are too low, he complains.

"There's no point in selling now. We'll wait for the price to go up, for some grain corridor to open." Sunflowers grow over much of Ukraine. In summer the mass of golden flowers against a blue sky is reminiscent of the country's flag. But the crop is harvested when the beautiful petals have fallen off and a blackened, shriveled seed head remains.

Under the hot sun, combine harvesters methodically quarter a field on Ryabinin's farm, cutting off seed heads and shaking out the seeds, before funneling them into trucks. Ryabinin expects the harvest will be over within 10 days. The seeds still in their black protective husks can be stored for up to a year, he said, after which they start acidifying. At the moment his farm's barns are also filled with wheat grain. They are only selling their rapeseed, he says. The metal sides of the sunflower seed barn are pierced with tiny holes from shrapnel and a concrete wall outside is pockmarked with impacts from a cluster bomb. A farm worker was killed on this spot as he tried to run for cover, struck in his heart by a piece of shrapnel.



KRYVYI RIG, Ukraine: This aerial view taken on Sept 16, 2023 shows a combine harvester collecting sunflower seeds in a field outside Kryvyi Rig, amid the Russian invasion of Ukraine. — AFP

He was 26 and had just become a father, Ryabinin says. The farmer of 30 years says he had been making a good living before the war. He and other farmers were investing in new equipment, such as imported combine harvesters. But then came the Russian occupation of Kherson region, which left his farm unable to cultivate 40 percent of its 10,000 hectares (25,000 acres) of land last year.

After the Russians were driven out of Kherson, the farm workers spent the winter clearing weeds and getting sappers to clear unexploded ordnance. With Russian troops now on the other side of the Dnipro river, the situation is calmer and this summer 100 percent of the farm's land has been planted. Now "we have some production but we just can't sell it", he says with frustration. — AFP

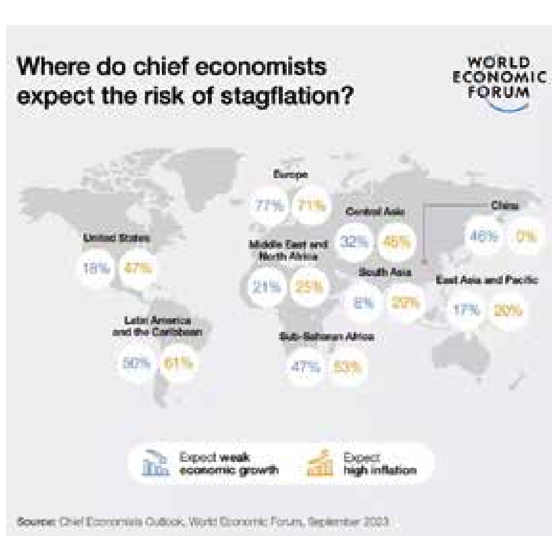
Global economic outlook remains anemic: WEF survey

DAVOS: The global economic outlook remains anemic, with six out of ten respondents in the latest survey of chief economists expecting overall conditions to weaken over the year ahead. Uncertainty around the trajectory of the world economy remains high despite the fact that fears of a global recession appear to have eased or that many regions are expected to record a modest pick-up in growth rates in 2024. Global headwinds persist, and the prospects of a stronger recovery next year have dimmed, not least because of mounting concerns about the vitality of China's economy following its post-COVID-19 reopening at the end of 2022, the World Economic Forum (WEF) survey says. The September 2023 Chief Economists Outlook was published amid slowing global momentum and continuing economic uncertainty. Recession concerns appear to have eased, but the outlook remains anemic as the world grapples with political and financial headwinds.

There are some signs of optimism about the easing of inflationary pressures following looser labor market conditions and fading supply-chain pressures. According to a significant majority of chief economists, the weak economic outlook and geopolitical tensions are likely to have a lasting impact on progress towards global development goals in the coming years.

One notable source of uncertainty is the impact of political factors on the world economy. In successive surveys, chief economists have drawn attention to the destabilizing effect of rising geopolitical and geoeconomic tensions. This remains the case in the latest survey, with 90 percent of respondents expecting geopolitical factors to be a source of global economic volatility in the year ahead. Notably, only a slightly smaller proportion (79 percent) say the same about domestic political factors. This figure may be influenced by the imminent start of a US electoral cycle that is widely expected to be unusually consequential. Nevertheless, it also points to a broader trend in recent years of the global economy becoming the focus of sharper domestic political action in many countries.

The chief economists' expectation of weaker global conditions is echoed in the latest projections from the International Monetary Fund (IMF), which warn of decelerating momentum and looming downside risks despite a modest upgrade to 3 percent on their forecast for global growth in 2023. This overall forecast for the global economy masks a growing divergence in growth prospects around the world, however. The IMF notes that global growth is currently heavily reliant on expansions being recorded in the majority of emerging and developing economies, whereas there is a continuing slowdown across 93 percent of advanced economies. A similar pattern of regional variation is evident in the latest chief economist survey results. Respondents continue to see the strongest growth prospects in Asia over the remainder of 2023 and into 2024, with the notable exception of China. In particular, 92 percent expect moderate or strong growth this year in South Asia, with a clear increase since the last survey in the share of respondents expecting strong growth in the region, from 36 percent to 52 percent. The outlook for East Asia and Pacific is also very positive, with 84 percent expecting moderate or strong growth this year. However, this reflects a slight weakening since May, in line with the slowdown in China.



In the May edition of the Chief Economists Outlook, 97% of respondents expected China to record moderate or strong growth in 2023. In the latest survey, that figure has almost halved to 54 percent. A similar proportion (57 percent) expect moderate or strong growth in 2024, suggesting there is little expectation of a rapid improvement in conditions. Besides the slower-than-expected rebound of domestic consumption earlier this year, China's economic prospects have been clouded by deflationary pressures and signs of fragility in the crucial real estate market.

Trade volumes have also slumped, with imports down by 12.4 percent and exports by 14.5 percent in the year to July 2023.5 While the immediate effects of this weakness are already being felt by China's regional neighbors, a sharp and sustained slowdown in China would risk wider spillover effects, fuelling even greater uncertainty over the medium-term prospects for the global economy, the survey added.

Erdogan lobbies Musk for new Tesla factory

ISTANBUL: Turkish President Recep Tayyip Erdogan urged tech tycoon Elon Musk to open his next Tesla factory in Turkey, becoming the latest leader to lobby one of the world's richest men. Erdogan and Musk have held a string of meetings both in Turkey and on the sidelines of international forums, developing a seeming friendship that they extended on Sunday in New York.

Turkish television on Monday showed Musk entering New York's Turkish House, a new skyscraper across from the United Nations building, with his three-year-old son, whom he held on his lap during the talks. "President Erdogan called on Tesla to establish its seventh factory in Turkey," the Turkish leader's office said.

Turkey's Anadolu state news agency said Musk told Erdogan that his country was "among the most important candidates" for the new factory. Erdogan's lobbying efforts follow those undertaken by French President Emmanuel Macron, who met Musk in June, and Spanish Prime Minister Pedro Sanchez. Erdogan was in New York to attend the annual UN General Assembly meeting, which he is scheduled to address on Tuesday.

Tesla currently has six factories, including two outside the United States—one in Shanghai focused on the Asian market and a second focused on European sales near Berlin. It is also building one in Mexico, and has tentative plans for a plant in India.

'Where is your wife?'

Erdogan likes to promote Turkey's high-tech sector, which is arguably most famous for its Bayraktar combat drones. The drones, which helped Ukraine repel Russia's march on Kyiv in the first weeks of its invasion last year, featured prominently during Erdogan's May re-election campaign. Turkey this year also unveiled its first domestically-made electric vehicle, called Togg, which requires a constant stream of electric batteries and parts. Musk's SpaceX has also been working with Turkey's space industry, launching some of its communication satellites.

Erdogan's office said he invited Musk to attend Teknofest, a technology fair scheduled for later this month in Turkey's western city of Izmir. But while cordial and full of laughs—Erdogan presented a football to Musk's son, whom he and Canadian pop star Grimes named "X AE A-12"—the meeting got off to a slightly awkward start. "Where is your wife?" Erdogan demanded in English, a language that he rarely speaks in public. "Oh she's in San Francisco," Musk said with a slightly nervous laugh. "We're separated and I take care of him mostly," he added, nodding at his son. Musk and Grimes separated two years ago. The 52-year-old tycoon was also married twice to the British actress Talulah Riley, and once to the Canadian author Justine Wilson. —AFP

NEW YORK: This handout picture taken by Turkish Presidency press office, on Sept 17, 2023, shows Turkish President Recep Tayyip Erdogan (center) posing with Elon Musk (fifth left) ahead of the 78th session of the United Nations (UN) General Assembly at the Turkish House in New York, United States.—AFP

SocGen shares sink as bank's new CEO unveils strategy

LONDON: Shares in Societe Generale plunged more than 10 percent on Monday after the French bank's new CEO unveiled his strategy and financial targets. Slawomir Krupa met with investors, analysts and journalists for several hours, laying out what he called a "realistic" roadmap that "Societe Generale needs, a roadmap where the promises are less important than the capacities to attain them."

Societe Generale will now target a modest revenue increase of between zero and two percent on average between 2022 and 2026. It plans to distribute between 40 percent and 50 percent of earnings to investors, down from 90 percent last year.

In terms of profitability, it will now target a return on tangible equity (ROTE) of between nine and 10 percent through 2026. This indicator, which measures profitability in terms of share capital, has tended to vary widely in recent years. It went from 11.7 percent in 2021 to 2.9 percent last year, then rebounding to 5.6 percent in the first half of this year.

The bank also plans to hold more capital ready to absorb potential losses. Analysts panned the update to the bank's strategy. "We are negatively surprised by lack of revenue growth, increased capital target, payout and ROTE cut, and by the lack of details," said analysts at Jefferies investment bank.

Shares in Societe Generale fell more than 11 percent in afternoon trading, the biggest daily drop since the collapse of a US lender earlier this year caused a selloff of bank stocks. —AFP