

'Revenue diversification can help lower impact of oil price volatility'

IMF center, AFESD jointly organize symposium



Left to right: Khalaf Ahmad Al Habtoor; HE Frank J.M. Mollen, the Ambassador of the Kingdom of the Netherlands in Abu Dhabi; HE Robert J.H. de Leeuw, the Consulate General of the Kingdom of the Netherlands to Dubai.

Talks focus on economy, political climate in UAE

Al Habtoor receives the Netherlands' Ambassador to Abu Dhabi and the Dutch Consul General to Dubai

DUBAI, UAE, Jan 26: Khalaf Ahmad Al Habtoor, Chairman of the Al Habtoor Group welcomed His Excellency Frank J. M. Mollen, the Ambassador of the Kingdom of the Netherlands in Abu Dhabi at his office on Al Wasl Road on Tuesday, Jan 26, 2016. Ambassador Mollen was accompanied during the visit to the Chairman by His Excellency Robert J.H. de Leeuw, the Consulate General of the Kingdom of the Netherlands in Dubai.

They talked about the economic and political climate in the United Arab Emirates and Al Habtoor said he

would like to encourage more Dutch nationals to the country. "The UAE is a land of opportunity. The returns here are excellent. It is one of the safe havens of the world."

Economy

HE Mollen, who took up his post in Abu Dhabi in September after being based in Berlin, said, "The interests of the Netherlands and the UAE are the same. We are both trading countries that thrive on having a stable political and economic environment."

In addition, they discussed regional issues including the impact of lower

oil prices in the region and the lifting of economic sanctions in Iran. Al Habtoor said, "A lot of countries are seeking benefits in Iran now that sanctions have been lifted, but my position remains unchanged."

Meanwhile, Consul General Robert J.H. de Leeuw informed Al Habtoor about potential investment opportunities in the hospitality sector in The Netherlands and parts of Austria. Al Habtoor said the Al Habtoor Group has allocated funds for further international expansion. "I am always on the lookout for new markets to enter if the opportunity is right."

KUWAIT CITY, Jan 26: The IMF Middle East Center for Economics and Finance (CEF), jointly with the Arab Fund for Economic and Social Development (AFESD), held a symposium on tax policy reform challenges in the Arab world on Monday Jan 25, 2016. The event was hosted at the Arab Fund's headquarters.

The discussion was moderated by the CEF's Director Oussama Kanaan, and included Mario Mansour, Deputy Chief, Tax Policy Division of the IMF Fiscal Affairs Department, as the keynote speaker, as well as Professor Hanas Cader of the American University of Kuwait as a discussant.

CEF Director Oussama Kanaan indicated that the symposium is the third of a series of events organized by the CEF jointly with the AFESD, aimed at stimulating discussion on emerging regional and global issues that are of special interest to the public and policymakers in Kuwait and the wider Arab community. He added that the topic of tax reform has become an increasingly important policy issue for a number of Arab countries, especially given rising fiscal pressures due to heightened conflict, a migration and refugee crisis, and, especially for GCC countries, low oil prices. Drawing on international country experiences, the discussion at the symposium has aimed at identifying tax reform challenges and strategies that are equitable and conducive to efficient revenue generation, while enhancing economic efficiency and competitiveness.

Impact

Mansour started by putting into perspective the importance of well-designed broad-based taxes, especially for GCC countries in view of fiscal pressures stemming from low oil prices. He explained that revenue diversification can help dampen the impact of oil price volatility on fiscal management, and improve fiscal sustainability. Although these are key reasons for rethinking the role of oil and non-oil revenue in fiscal management in the GCC, there are other reasons for which GCC countries need to consider expanding the use of broad-based taxes.

First, building tax capacity now is a good investment in the future when taxation will become the main revenue source for government financing. Second, revenue diversification can help improve inter-generational equity by leaving more resources from oil for future generations, and making current generations contribute a fair share of tax payments for public services that they benefit from. Third, certain forms of taxation, such as property taxes, have little adverse impact on economic activity, and can be effective financing sources for municipal governments. And fourth, expanding taxation of profits to GCC enterprises reduces discrimination against non-GCC enterprises, and ensures that GCC enterprises contribute a fair share of their profits in taxes in return for the benefits they derive from government policy. Kuwait, for example, is actively considering such option.

Reform

Mansour then discussed reform options for non-oil countries in the region. He noted that tax systems can be simplified and made more neutral. Policy options to achieve this include reducing the number of VAT rates to no more than two, rationalizing the use of excise taxes, rethinking the role of tax incentives in economic development, and reducing differences in the taxation of investment income. Non-oil countries also have ample room to improve tax systems equity by increasing the basic exempt amount, reducing the income threshold at which top income tax rates apply, and reconsidering the use of VAT low rates and exemptions to achieve social policy objectives.

Professor Cader then discussed the social implications of tax reform in Arab countries, and steps that governments could take to garner support from domestic stakeholders for new tax measures.

The floor was then open for discussion with the audience, whose interventions reflected a broad range of interests, including participants from the public sector, the banking and business community, academia, as well as representatives from international and donor organizations.



KUNA photo Arab Parliament President Ahmad Al-Jarwan and his accompanying delegation arrived here on Tuesday for a two-day official visit to the country. They were received at the airport by Deputy Speaker of the National Assembly Mubarak Al-Khurainij and several other members of Parliament. (KUNA)



Alrazi Al-Budaiwi, AVP-Media & Communications, and Ms Deena Al-Refai, AVP-Private Banking, Markaz receiving a souvenir from Ms Banafsheh Azizi, Deputy Director, KACCH.

Markaz sponsors KACCH Child Life Program

As part of its Corporate Social and Economic Responsibility (CSER), Kuwait Financial Centre "Markaz" sponsored the Child Life Program of Kuwait Association for the Care of Children in Hospital (KACCH). By supporting the Child Life Program, it enables the association's staff and volunteers to provide the highest standards of care to the children by reducing the stressful impact of hospitalization on sick children and their families.

Alrazi Al-Budaiwi, Assistant Vice President - Media and Communications at Markaz, stated: "Markaz has renewed its sponsorship to the Child Life Program this year to participate in the sustainability of this effective initiative that supported over 48,000 interventions given by the team that is dedicated to offer the best they can for these hospitalized children."

Al-Budaiwi added: "We are committed at Markaz to continue cooperating with Kuwaiti non-profit and humanitarian organizations such as Kuwait Association for

the Care of Children in Hospital (KACCH) as part of our corporate social responsibility strategy, which is built on three pillars: a) Human capacity building, b) Adapting our broader business environment to the best practices of investment and corporate governance, c) and introducing principles of good governance in the business environment."

Ms Banafsheh Azizi, Deputy Director at KACCH, thanked Markaz for supporting their activities and programs over many years and for contributing in positively impacting the lives of the children and their families at the hospital.

She added: "KACCH is committed to minimizing the stressful impact of hospitalization and illness on the child and family. Contributions from the generous people of Kuwait and banks and businesses enable the continuation of this service for children in hospital, and it reflects their commitment and their sense of responsibility towards the society at large."

'CITRA's actual launch on Feb 2'

GET-2016 seeks to give ICT vital role in disasters: official

KUWAIT CITY, Jan 26, (KUNA): A major information and communications technology (ICT) event that kicked off on Tuesday discusses drawing up tangible policies and practical arrangements to give the sector a pivotal role in all phases of a disaster; early warning, preparedness and relief, response and finally rehabilitation, a senior official has said.

Undersecretary of the Kuwaiti Ministry of Communications Hameed Habib Al-Qattan made the statement at the opening of the "2nd Global Forum on Emergency Telecommunications (GET-2016): SAVING LIVES," Jan 26-28.

Participants will also address a "sustainable smart development model" and the relevant role of partnerships and financing, in addition to latest developments in the ICT field, he added.

Al-Qattan stressed the necessity of reactivating contacts and joint action among local, regional and international, as well as non-government organizations, on disasters and emergencies, especially intensifying efforts to enhance awareness on the role of ICT for bolstering social security, and pre-emptive plans to face disasters.

Signed

In 1998, Kuwait signed the Tampere Convention out of a belief on the necessity of promoting ICT, Al-Qattan said, referring to a host of projects being carried out here such as the Optical fiber being carried out.

The three-day GET-2016 organized by the Telecommunication Development Bureau (BDT) of the International Telecommunication Union (ITU) and hosted by the government of Kuwait, kindly sponsored by His Highness the Prime Minister Sheikh Jaber Al-Mubarak Al-Hamad Al-Sabah.

It serves as an international platform to discuss international Emergency Telecommunication policy and disaster risk reduction topics. It will feature discussions on pertinent topics such as disaster preparedness, the Smart Sustainable Development Model initiative, the role of partnerships and financing, alongside country case studies and new developments in technology and innovation.

Meanwhile, the actual take-off of the Communication and Information Technology Regulatory Authority (CITRA) will be on February 2, marking a new stage in this field in Kuwait,

Chairman and CEO Salim Aozainah has said.

In his address at the "2nd Global Forum on Emergency Telecommunications (GET-2016): Saving Lives" on Tuesday, Aozainah added that Kuwait has recently issued a decision establishing CITRA's keenness on promoting the information and communications technology (ICT) sector.

Aozainah noted that the event acquires special significance as it is the first to be held after the New Sustainable Development Agenda adopted by 193 UN Members last September.

Goals

According to the CITRA chief, GET goals cannot be achieved without joint efforts of the world countries and specialized organizations, especially humanitarian and relief ones.

He referred in this respect to Kuwait's eagerness for embracing humanitarian activities, and providing assistance to the needy around the globe.

Aozainah pointed to the UN honoring of His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah as a "Humanitarian Leader" and Kuwait as a "Humanitarian Center." In addition, Kuwait has been offered an appreciation award from the International Telecommunication Union (ITU) after taking part in the recent 13th World Telecommunication/ICT Indicators Symposium (WTIS) that took place in Hiroshima, Japan.

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According to Aozainah, more than 190 countries are taking part in the major ICT event.

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