

'Comprehensive salary' to reduce dependency on oil revenues vital

Gulf economies to be exposed to risk of increasing turmoil: experts



Ambassador George with Minister of Finance Khalifa Hamada.

Indian ambassador calls on Minister Hamada

His Excellency Ambassador of India to Kuwait Sibi George called on Khalifa Musaad Hamada, Minister of Finance & Minister of State for Economic Affairs and Investment, State of Kuwait.

During the meeting, both sides

discussed bilateral relations between India and Kuwait and deliberated on ways and means of further enhancing and diversifying the already close bilateral ties across various fields and sectors, including economy, finance and invest-

ments. Both sides also discussed the latest regional and international developments, including on the evolving situation related to the ongoing Covid-19 pandemic and matters of mutual interest.

Electricity supplied to 3 new hospitals

By Muhammad Ghanem

Al-Seyassah Staff and Agencies

KUWAIT CITY, April 6: According to informed sources, the cost of the new projects to deliver electricity to three new hospitals - Sabah, maternity and cancer hospitals - is an estimated value of KD 3 million, reports Al-Anba daily.

They stressed that there is no delay in the delivery of electricity to any of the medical centers in the country.

The sources revealed that electricity was connected to the new Jahra Hospital with the required capacity.

They explained that the Ministry of Electricity and Water is committed to providing electricity hospitals and medical centers, except when it comes to radical maintenance for which coordination is made and nec-

Indian Embassy offers shuttle service

KUWAIT CITY, April 6: The Embassy of India in Kuwait as of April 6, 2021, has pressed into service a 'free-of-charge shuttle vehicle service' from the entrance of the Diplomatic Enclave to the Embassy premises, says a press release issued by the embassy.

This endeavor is part of the embassy's commitment to address and resolve all genuine concerns and problems faced by the Indian community in Kuwait.

All visitors to the embassy, especially the elderly, families with young children, and people with mobility issues who will be given priority, are encouraged to use the shuttle service.

The operating timings of the shuttle service is from 0700 to 1600 hours on week days. All those using this service are requested to adhere to all health and safety guidelines related to Covid-19.

essary approvals are taken from the Ministry of Health in the event of periodic maintenance of secondary transfer stations that require complete disconnection of electricity.

The Ministry of Electricity carried out radical maintenance of about 75 secondary transmission stations and hospitals during the period from 2017 until January 2021.

KUWAIT CITY, April 6: Oil revenues constitute the lion's share of Gulf government's revenues, which allows them to maintain a low level of taxes. However, the large dependency of the citizens of Gulf countries on government jobs of low productivity has a detrimental effect on the private sector due to the decrease in specialized individual talent, reports Al-Qabas daily.

Chief emerging market economist at Bloomberg Economics in Dubai Ziad Daoud said, "The economies of the Gulf countries will be exposed to the risk of increasing turmoil as the importance of crude oil diminishes in the global economy and its prices fall. Instead of governments paying huge sums of money on government jobs of low productivity, these countries should give their citizens a fixed monthly salary. This may help facilitate the transition of these countries to the post-oil phase.

Even before the COVID-19 outbreak, the International Monetary Fund expected the exhaustion of Gulf wealth amounting to about two trillion dollars by 2034. It indicated that the countries of the region will find it increasingly difficult to finance their budgets and maintain their pegs to the dollar, and the slowdown in job creation in the public sector may lead to unrest.

Diversify

Attempts to diversify the Gulf economies have achieved only limited success so far. Several Gulf governments have announced long-term economic visions and plans to reduce dependence on oil, but their results have not yet emerged.

The most viable solution now is for the Gulf states to grant their adult citizens a monthly salary, or a "comprehensive salary." Instead of hiring adult citizens in unproductive government jobs, governments could pay unconditional monthly salaries regardless of a person's status, wealth, or gender.

The concept of comprehensive salary is the most appropriate solution now for the Gulf countries for several reasons. By excluding the option of government employment, governments will effectively push citizens to take up more productive jobs in the private sector, and the private sector companies will be able to reduce the salaries of their employees while containing the impact on new lifestyles".

Daoud stressed that the Gulf countries could finance the comprehensive salary plan for their citizens by reducing the public sector wage bill, and they could use their huge savings instead of using them for other benefits such as energy subsidies.

He cited the example of Saudi Arabia where there are more than half of government jobs held by citizens and the government spends \$131 billion annually on their salaries, saying, "Cutting state salaries in half would generate sufficient savings to pay 14 million adults a monthly salary of about \$400 a month. People who have been cut off from government salaries can be helped in finding jobs in the private sector, or establishing new businesses, or living temporarily on a monthly stipend until they find work".

Comprehensive

Daoud indicated that the value of the comprehensive salary will differ from one Gulf state to another depending on its financial and oil wealth and the size of its population, adding that the governments will have to decide whether they will pay government salaries that are sufficient only to cover their basic needs or allow less welfare.

He said, "Since the comprehensive salary will be linked to oil revenues, it will not lead to indefinite financial coverage from lower crude prices.

In the event of a collapse in prices, the Gulf governments will not be able to obtain these salaries the same as those of the public sector.

The comprehensive salary in the Gulf countries, if adopted, would make the distribution of wealth less distorted than before, so the countries of the region must provide a safe way out of the idea of dependence on oil completely".

In conclusion, Daoud stated that, "Reducing total wages in the private sector will lead to reducing the costs of goods and services produced in the Gulf region. Their prices will thus become lower, making them more competitive. This would increase their attractiveness at the local and external levels and help Gulf economies to diversify. Finally, the comprehensive salary would provide a more equitable income distribution and transparency of oil earnings and imports".



HH Sheikh Nasser Al-Mohammad



KUNA photos

Minister Al-Mutairi, Head of the Voluntary Work Center Sheikhha Amthal, Al-Fawzan and Al-Atwan.

Audiences of HH the Amir

His Highness the Amir Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah received at Bayan Palace Tuesday, His Highness Sheikh Nasser Al-Mohammad Al-Ahmad Al-Sabah.

His Highness the Amir also received Minister of Information, Culture and the Minister of State for Youth Affairs Abdulrahman Al-Mutairi, Head of the Voluntary Work Center Sheikhha Amthal Al-Ahmad Al-Jaber Al-Sabah, Rawan Yarub Al-Fawzan and Mohammad Nasser Al-Atwan, where they briefed His Highness on the national strat-

egy for volunteer work prepared by youth cadres, aims to organize and support voluntary work in the country.

His Highness the Amir praised efforts and contributions in the field of volunteer work, stressing his support to strengthen the joint work between the volunteer teams and the various authorities of the state.

His Highness also received Governor of the Central Bank of Kuwait (CBK), Dr. Mohammad Yousef Al-Hashel. (KUNA)

Other Voices

Statement of Hajj Adel

By Ahmad alsarraf

THE former MP, Hajj Adel Al-Damkhi, said, he is wondering if those who abuse the opposition are satisfied with the current situation we are in and this era of corruption, money laundering, human trafficking and trading in visas, plundering the country, the military fund, the Malaysian and the General Reserve Fund, the file of freedoms, imprisonment of youth, the situation of opposition



Ahmad alsarraf

abroad, tampering with the national identity, and so on.

I only represent myself and since I am not from the opposition and I am against the opposition in many ways then I assume that I am one of those whom Hajj Adel asked his questions.

First, no one is satisfied with the current situation if he has an iota of love for this country in his heart.

Secondly, it is clear what is said above concerns the current era which does not exceed a few months, and the problems of the state that have accumulated over the decades are placed on the shoulders of the new era, and this is not fair Adel.

You were once a deputy in the heart of these events, what did you do to reform the conditions that you describe as ruinous, but the truth is that you did exactly the opposite, when you slandered the best and cleanest Minister of Public Works known to Kuwait, and pushed her out of office after you conspired against her with the support of your hardline comrades in racism. It is indeed regretful.

On what situation you are crying out for - you who admitted one day to exploiting your religious party so that your company gets the right to manage many of the flowers and coffee branches of the Patients Helping Fund in private and government hospitals, without undergoing the bidding process.

Why not be fair and give this era its right of appreciation after refer-

ral of a security minister with great influence to prison, and before that held his brother accountable.

The era also referred one of the most powerful and influential heads of the ministry to the prosecution and banned him from traveling.

Don't all these matters deserve the praise and credit for the era?

All the devastation and corruption that you mentioned above is true, and there are more because of your obstinacy and the opposition that you represent, and your unjustified and irrational insistence to overthrow the Prime Minister and the Speaker of Parliament, and presenting empty, absurd, inappropriate and unnecessary interrogations with the same logic and the tools which we do not agree with, but we understand.

Preserving the security and stability of the homeland and its continued prosperity is above any consideration, and is higher than any material price paid because of the recklessness of some. This era not only deserves our respect, but also to be given the opportunity. All signs indicate tomorrow will be better.

I have been taken by Hajj Adel's statement related to his dissatisfaction with the level of freedoms. This is indeed a matter for astonishment and a feeling of shamefulness.

How can those who represent the most extreme religious currents talk about the absence of freedoms? What are freedoms in your view, and can you explain them?

We are not talking here about the obvious and trivial matters, and they are really like that, such as the freedom to drink or wear beachwear, or hold parties in hotels. Rather, we are talking about real freedoms, such as freedoms of belief, so do you believe in them?

What about the freedom to publish and say, do you really want it? What about the freedom to practice religions and establish places of worship?

Consequently, we say it will be an honor for us if 'Hajj Adel' remains silent, and stops talking about freedoms in particular, and not to weep over their loss and let others do the talking.

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Kuwait participates in League confab

12th grade students examinations among several decision issued during MoE meets

KUWAIT CITY, April 6: The recent Ministry of Education meetings resulted in the issuance of several decisions related to the examinations of 12th grade students -- the most important of which is reducing the curricula by 25 to 30 percent, reports Annahar daily quoting reliable sources.

Sources disclosed the Public Education Sector held meetings with the directors of public schools to finalize the lessons that will be deleted from the curricula, while retaining the 70 percent of the exams; affirming the level of any exam will be average and the questions will be direct.

Sources explained the decision to conduct paper exams is in the interest of the student despite the current challenges, especially since the situation indicates the students' degrees are not approved internationally if there is no real measurement of graduate levels.

Meanwhile, Kuwait participated in the meetings of the Fifth High-level Arab Conference on the Rights of the Child organized by the General Secretariat of the League of Arab States under the title 'Best Practices for Protecting Children from the Covid-19 Pandemic', reports Al-Seyassah daily.

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